

Convertibility to stimulate

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now all the banks should be able to trade with their reserves, the minister said.

Zahuruddin felt that the potential for attracting foreign funds were excellent following the convertibility of the Taka.

Participants of the round-table engaged in a lively debate on the various aspects of convertibility. Many questions were raised and several were answered by officials of the Bangladesh Bank who were present.

Kamaluddin Ahmed, Deputy Governor of the Bangladesh Bank, expressed the hope that the free convertibility of the Taka will bolster the confidence of foreign investors and lead to an increased flow of overseas capital in business, trade, the stock market and industry.

While the Taka will be made convertible in the current account—which includes trade and service—conversion in the capital account is not being considered at the moment, the Deputy Governor informed.

Kamaluddin said the Bangladesh Bank will continue to have some regulatory function, though very limited in nature which, however, will not be of an interventionist type.

Defending the managed float following the convertibility, the Deputy Governor said, "The central bank can give shelter to the other banks. If the money market is floating too high or too low, banks could buy or sell their foreign currency to the Bangladesh Bank. In a way it will be a managed rate."

Explaining further, he said there will be no attempt to control the money market. The Central Bank will act only to prevent any shock.

Stating that the Bangladesh Bank will announce a buying selling rate every morning, which will indirectly act as a reference rate, the Deputy Governor expressed the view that the Taka will appreciate in value following the convertibility.

"The market has already adjusted to speculation," he observed.

S Venkatarayanan, former Governor of the Reserve Bank of India said that by announcing convertibility of the currency a lot of illegitimate transactions are eliminated. "It is better to legitimise all types of convertibility, including capital account convertibility. It is a mere recognition of the reality."

Venkatarayanan said deregulation of the exchange market takes time and in India, too, the

exact date of the Rupee convertibility was kept confidential to stop speculation.

Suggesting that there should be safeguard of forward covers, he said there is a need for some sort of reporting system.

He said conversion of the Rupee in India since the last two years had witnessed no undue speculation in the money market and stressed that there was no need for over-caution.

Venkatarayanan said that in India the Reserve Bank does not determine the rates. The Foreign Exchange Dealers' Association (FEDA) announces a rate at 10 am everyday but it is only a reference rate.

Azizur Rahman, Chairman, Board of Directors, Mediaworld, the sponsoring company of The Daily Star, set off the round-table by drawing attentions to the questions that were agitating the public mind.

He said the issue of Taka convertibility was a crucial area affecting the economy and the country. He hoped that the suggestions made at the Round Table and the ideas put forward will help the government in future policy formulation and also help to create a more informed readership. The recommendations, he hoped, would be taken note of by the Bangladesh Bank and the Ministry of Finance.

2 more cases against Ershad

Two more corruption cases were filed yesterday against deposed President Hossain Mohammad Ershad for illegally reinstating an official and misusing public funds by purchasing equipment for electronic news gathering, reports UNB.

Sixty-one-year old General Ershad is now serving 20 years in jail. He has been facing more than a dozen other corruption cases.

The Bureau of Anti-Corruption in one of the cases stated that Sultan Alam Mallick, dismissed from government service in 1978 and later became vice-president of Ershad's Jatiya Party's labour front, was illegally reinstated in the job by Ershad.

Bosnian Muslims reject peace plan

SARAJEVO, Sept 28: Faced with a decision between 'a just war or an unjust peace,' leading Bosnian Muslims waffled Tuesday and voted for a conditional peace, asking for concessions that Serbs have flatly rejected, reports AP.

Highlights of The Daily Star Round Table

Following is a digest of the highlights of the discussion by the participants in yesterday's The Daily Star Round Table:

Syed Amir-ul Mulk

The government's policy for Taka convertibility matches with the market-oriented growth of the country's economy, said Syed Amir-ul Mulk, Additional Secretary of the Finance Ministry. He said the liberalisation step is nothing very dramatic and the government is following a gradual process towards full convertibility.

Partial action in this regard has already been taken by making the Taka convertible in trade account, he said.

The measures were taken for growth in export and investment—foreign investment, reduction of trade account deficits and assuring real value of the Taka in relation to other currencies.

The banks must have a good monitoring mechanism to ensure an efficient communication network among themselves and their partners abroad since the banks would be part of a global network, said Syed Amir-ul Mulk.

Jamaluddin Ahmed

Former Deputy Prime Minister Jamaluddin Ahmed said any over speculation in the currency market would have an adverse impact on the economy following the convertibility of the Taka. He, however, added that without some degree of speculation, there can not be much of a market.

Ahmed said the bankers, after operating in a controlled market for a long time, may find it difficult, in the beginning, to wake up to the challenges and complexities of a free market system.

He said the nationalised commercial banks control about 60 per cent of the forex market and they may dominate the market through their operation. In such an eventuality, it can hardly be called a free market operation.

Jamaluddin said the foreign exchange rates should be determined by the supply and demand factors. He said the idea of convertibility without the foreign exchange rates being determined by the market is a

myth.

He said Bangladesh had a convertible Taka from the very beginning of the country's birth but there had been a lot of restrictions which are now being relaxed. So it cannot be said that Taka is being made convertible, he concluded.

S B Chaudhuri

Former governor of Bangladesh Bank S B Chaudhuri said, the people should be informed clearly of the difference between the convertibility of the Taka and fixing of rates as they are two separate things. Taka deregulation will have an implication in the international market. He said, the question now is—whether the Taka will be acceptable in the international market.

The former governor said, no one is going to accept the Taka in the international market if it is not floated freely. Chaudhuri stressed the need for a new information system for individual exporters and businessmen.

He said, convertibility has created confusion among the laymen, which should be removed for the benefit of the economy.

Mahbubur Rahman

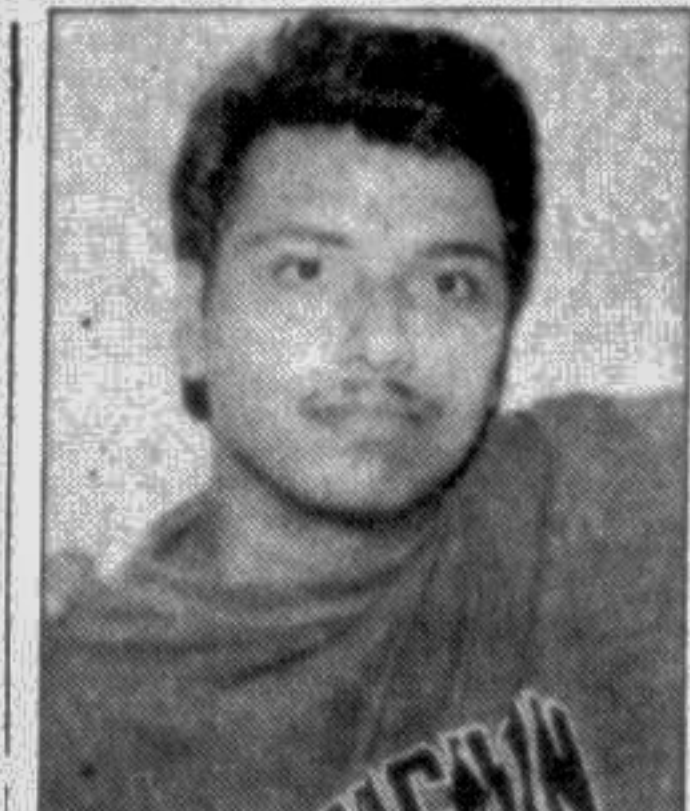
President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mahbubur Rahman said the Taka has to be made fully convertible (in both current and capital accounts) if the government really wants to benefit the country. He termed the government's move towards convertibility in trade account as a positive step and stressed the need for a calculative approach in establishing an effective exchange rate.

The FBCCI chief said the tariff rates have to be restructured and the export-oriented industries should be given some sort of subsidy since those might be affected in the initial stage of the convertibility.

Latifur Rahman

President of the Metropolitan Chamber of Commerce and Industry (MCCI) Latifur Rahman said the Bangladesh Bank should formulate a mechanism with the commercial banks to ensure the forward cover service for the exporters and importers.

He said this service is not readily available at this mo-



Md Abu Zafar — 1st in the combined merit list

Merit list of Humanities, I Studies and Music group

Following is the combined merit list of the Humanities, Islamic Studies and Music group:

1. Rumana Huq, roll Ma-2567*, Viquarunnisa Noon College, 921; 2. Shahidur Rahman, roll 12125*, Dhaka College, 907; 3. Mirza Md Mamun Sadat, roll 12136*, Dhaka College, 901; 4. Rosalinda Omar, roll Ma-2349*, Viquarunnisa Noon College, 863; 5. Salma Amina, roll Ma-3903*, Ideal School and College, 858; 6. Ifat Jahan, roll Ma-2596*, Viquarunnisa Noon College, 855; 7. Md Shahin Khan, roll 12384*, Dhaka College, 853; 8. Sheikh Md Abu Nayeem Siddiqui, roll 12123*, Dhaka College, 849; 9. Rina Parvin, roll Ma-2515*, Viquarunnisa Noon College, 845; 10. Md Zehad Uddin, roll 5880*, Dhaka Residential Model College, 843.

Zafar aspires to study computer

By Staff Correspondent

Muhammad Abu Zafar, who topped the combined merit list of the Dhaka Board HSC Examination wants to study computer science.

Zafar, a student of the Dhaka College, scored 960 marks with letters in Physics, Chemistry, Mathematics and Statistics.

Zafar dislikes student politics because he feels it destroys the academic atmosphere in the educational institutions. Zafar had no private tutor.

An avid cricket fan, Zafar is a supporter of the Abahani Krira Chakra and the West Indies.



Selia Shahnaz — 3rd in the combined merit list and first among girls

Combined merit list

By Staff Correspondent

Following is the combined merit list of the Science, Agricultural Science and Home Economics groups of the Higher Secondary Certificate (HSC) examinations under the Dhaka Board, published yesterday:

1. Muhammad Abu Zafar, roll 98042*, Dhaka College, 960 marks; 2. Apan Muhammad Kasem, roll 98249*, Dhaka College, 950; 3. Selia Shahnaz, roll Ma-97074*, Viquarunnisa Noon College, 948; 4. Mousumi Dutta, roll Ma-97037*, Holy Cross College, 945; 5. Ratan Kumar Debnath, roll 83771*, Ananda Mohon College Mysen-singh, 942; 6. Sonia Afroz, roll Ma-97338*, Viquarunnisa Noon College, 940; 7. Tareq Ibne Mizan, roll 98107*, Dhaka College, 937; 8. Muhammad Anisuzzaman Talukder, roll 101460*, Mirzapur Cadet College, 936; 9. Ayesha Akhter, roll Ma-97065*, Holy Cross College, 934; 10. Jalal Ahmed Mirza, roll 101459*, Mirzapur Cadet College, 933; 11. Muhammad Tanvir Islam, roll 101479*,



Rumana Huq — 1st, Humanities group

Commerce group merit list

Following is the merit list of the Commerce Group:

1. Shah Nawaz Ahmed Shishir, roll 127785*, Notre Dame College, 852; 2. Muhammad Imtiaz Karim, roll 121200*, Dhaka Commerce College, 848; 3. Muhammad Sohel Mustafa, roll 127781*, Notre Dame College, 839; 4. Manishita Ghosh, roll Ma-125687*, University Women's Federation College, 833; 5. Muhammad Ashraf Alim, roll 120016*, Dhaka City College, 810; 6. Md Rajib Hasan, roll 120018*, Dhaka City College, 804; 7. Muhammad Ilias Hossain, roll 135680*, Syed Abul Hussain College, Madaripur, 802; 8. Md Katebur Rahman, roll 121205*, Dhaka Commerce College, and Fah-mida Akhter, roll Ma-125034*, Lalmitia Women's College (801 each); 9. Dewan Ali Ashraf, roll 127630*, Dhaka College, 800; 10. Hasina Sheikh, roll Ma-124835*, Siddheswari Girls' College, 799.



Shah Nawaz Ahmed Shishir — 1st, Commerce group

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Iran keen to import Bangladeshi garments

Iranian government has expressed keen interest to import readymade garments from Bangladesh, reports BSS.

This was disclosed by the Ambassador of Iran to Bangladesh Mahmood Bayat while he called on Commerce Minister M Shamsul Islam at the latter's secretariat office here yesterday.

Bayat said to promote the trade relations with Bangladesh, his government was actively considering to import readymade garments from Bangladesh in addition to other items.



Apan Muhammad Kasem — 2nd in the combined merit list

Kasem to study computer science

By Staff Correspondent

Apan Muhammad Kasem wants to study Computer Science. Securing 950 marks Kasem, a student of the Dhaka College, obtained the second position in the combined merit list of the Science, Agricultural Science and Home Economics group.

He got letters of distinction in Physics, Chemistry, Mathematics and Statistics.

JCD, BCL unleash campus violence, says Jamaat

Jamaat-e-Islami yesterday alleged that the student wing of the ruling party and secular groups were destroying the sanctity of educational institutions through unleashing terrorism, reports UNB.

The allegation was made at a Jamaat Working Committee meeting held with its Amier Prof Golam Azam in the chair.

"The Jatiyatabadi Chhatra Dal, the Chhatra League and left-leaning student organisations were responsible for the recent killings and violence," it said recalling the charge brought against Jamaat-Shibir.

The meeting threw a challenge to all that none could prove any incident of cutting tendons by the Jamaat or the Shibir in Bangladesh. "The Jamaat and the Shibir have not made a single attack on anyone till today."

50 hurt as police lathicharge farmers rally in Feni

FENI, Sept 28: Some 50 farmers received injuries when police lathicharge a demonstration at Fulgazi today, reports UNB.

Witnesses said more than 2,000 farmers of Chittola led by eight UP members, were demonstrating in front of the Fulgazi branch of Sonali Bank demanding fair sanctioning of agri loans.

The demonstrators alleged that non-farmers were given loans depriving the real farmers due to nepotism and corruption by a section of bank officials and employees.

They said that government allocated short-term loans for the flood affected farmers from the Sonali Bank. As per government decision, the local administration distributed application forms among the flood affected farmers through UP members.

The Midnight File

US Senate panel votes to lift ban on PLO aid

WASHINGTON, Sept 28: A Senate panel voted Tuesday to lift restrictions on US to the PLO, opening the way for American participation in West Bank and Gaza Strip development projects. The voice vote by the Senate Foreign Relations Committee was part of a vote approving a House-Senate compromise on 12.9 billion dollar in foreign aid, 1.5 billion dollar less than President Clinton requested for fiscal 1994. It gave Clinton until January 1 to waive laws on the books that ban aid and relations with the Palestine Liberation Organisation, reports AP.

Blast in Venezuela: 53 feared killed

CARACAS, Sept 28: As many as 53 may have been killed and 35 wounded when a gas pipeline exploded along a highway west of the capital today setting off a blaze, Civil Defence Director Rafael Chacon said. But Civil Defence authorities said an exact figure will not be known until the escaped gas burns off, reports AFP.

SSMC Academic Council sets 48-hr deadline

By SSMCH Correspondent

The Academic Council of the Sir Salimullah Medical College gave a 48-hour deadline to the various student's bodies to come up with a solution to the current campus crisis.

The council also appointed Prof Golam Rabbani of the Psychiatry Department to negotiate with the All Party Students' Unity (APSU) and the Islamic Chhatra Shibir (ICS) activists.

The decision was taken yesterday following a two-day meeting of the council which went into session on Monday to review the prevailing situation.

Tension ran high on the medical college campus in the older section of the city when the APSU — comprising the Bangladesh Chhatra League (M-I), the Jatiyatabadi Chhatra Dal (JCD) and the Bangladesh Chhatra Union (BCU) — drove the ICS activists from their hostels on Sunday.

The APSU brought out several processions yesterday chanting slogans against the administration and its 'evil design' to restore the communal forces on the college campus.

Police remained posted at the college for the third successive day yesterday.

JP hartal

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to postpone the meetings.

The JP has been demanding restoration of the Upazilas since September 10 and its present campaign will continue until October 7.

The JP Secretary General alleged that the ruling party is creating an anarchic situation in the country to divert people's attention away from their failure to rule.

"People want a change now and demand fresh elections under a care-taker government," Tito said.

He said the former chairmen, JP presidents and secretaries or the 460 upazilas will hold a rally in the capital on Oct 5.

The party will hold a grand rally in November to realise the seven-point demands.

In reply to a question whether the JP had earned assurances of support from other parties in favour of their hartal, Mizanur Rahman Chowdhury said "We decided on the programme independently" although it coincided with the hartal call of the Awami League.

The Awami League had earlier given a hartal call for October 10 during its grand rally at the Manik Miah Avenue on August 20.

Chowdhury said that the JP had refrained from the politics of hartals but the circumstances had forced them to change their strategy.

The acting JP chief said his party will continue simultaneous programmes with other parties which have been demanding elections under a care-taker government.

Yeltsin's deadline

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ened by defections and the miserable conditions inside parliament.

Speaking confidently on national TV, Yeltsin stuck to his plan for a parliamentary election in December, with presidential balloting six months later. He said compromise was 'doubly dangerous,' and could lead to conflict.

"No I am not making such compromises with any organs any more. I am categorically against it," Yeltsin said.

Some legislators, worried about their personal finances and political futures as the prospects of victory dimmed, bolted the hard-line cause and accepted job offers from the President.

Seventy-six lawmakers accepted transfers to positions in the Yeltsin administration, and 114 more were prepared to negotiate their political futures, said Vyacheslav Volkov, Yeltsin's deputy chief of staff.

The lawmakers, headed by parliament speaker Ruslan Khasbulatov and Vice President Alexander Rutskoy, have been held up in parliament since Yeltsin ordered the legislature dissolved Sept 21 to end an 18-month power struggle that had paralyzed government.

Dainik Bangla London bureau opens Oct 6

By Staff Correspondent

Government owned the Dainik Bangla newspaper will open its bureau in London on October 6, Information Minister Barrister Nazmul Huda, who will inaugurate the bureau, told this correspondent yesterday.

Akbar Amin Babar, a Bangladeshi Citizen who runs a Bengali-language newspaper in London will head the bureau, Barrister Huda said, adding that the bureau would publish London-version of the newspaper.

The minister will leave Dhaka on October 2 for London.

PM leaves

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dullah Khan, MP, Attorney General Aminul Huq, PSO to PM Major General Subed Ali Bhuiyan, DG of NSI Brig (Rtd) AJM Aminul Haq, BU and Press Secretary to the PM Mozammel Haque and two students who stood first among the boys and girls respectively in the last SSC Examinations from Dhaka Board are also in the Prime Minister's entourage.

During her stay in New York, Begum Zia is expected to meet some leaders of friendly countries and give interviews, to the US press.

On her way back, she is scheduled to address a conference of the Bangladesh envoys in Europe in London on October 4.

Begum Zia is expected to return home on October 7.

BNP may drop

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progress has so far been made to finalise the central committees of the party," a source holding an important cabinet position said.

Begum Zia left for New York via Paris last night on a week-long trip to address the UN General Assembly.

BNP policy-makers had earlier said fresh committees, including the central standing committee and the central executive committee, would be announced shortly after the party's national council which concluded in the capital on September 3.

The source quoted the Prime Minister as telling her party colleagues in a meeting at the Sugandha office last Friday that she would take time in finalising the committees so that no valued leader of the party is overlooked or victimized.

"I would like to be meticulous about finalising the committee," she was quoted as having said at the meeting.

Meanwhile, party insiders hinted that Barrister Salam Talukder is likely to continue in his post until he requests the chairperson to relieve him. Dr Mosharraf Hossain now tops the list of aspirants, along with Barrister Rafique Islam Miah, Barrister Nazmul Huda, Tariqul Islam and Abdul Mannan Bhuiyan for the post of Secretary General.

Moreover, 15 posts of vice-chairman, 15 advisers and seven joint-secretaries will also be reshuffled and a number of new inductions are expected.

The Prime Minister is likely to inject fresh blood in the party leadership and expand the central executive committee from 185 to 251 following an amendment to the party constitution.