

# FBCCI polls : Campaigning gains momentum

By Staff Correspondent

As the date for the election to the executive committee of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) is drawing near, election candidates have geared up their campaigns among the voters in different chamber bodies and associations.

The election to form a 32-member executive committee of FBCCI, the apex chamber body of the country, and its president and vice-president is scheduled for October 17. A total of 83 candidates are contesting in the election.

Latifur Rahman, former president of the Metropolitan Chamber of Commerce and Industry (MCCI), and Yusuf Abdullah Harun, a member of Comilla Chamber of Commerce and Industry, are contesting for the post of president.

According to convention, the president and vice-president are elected from chamber bodies and trade associations alternatively. This time the president will be elected from the chambers while the vice president from the associations.

A triangular fight will take place for the vice presidential post. The candidates are Kazi Shaiful Islam of Bangladesh Leather Goods Manufacturers Association, Amin Laskar of Bangladesh Milk and Dairy Association and M A Kamal of Bangladesh Paint Manufacturers Association.

According to the FBCCI election rule, the president and the 15 executive committee members will be elected by direct votes of 254 members of the total 56 chamber bodies of the country. On the other hand, the vice president and another 15 members will be elected by direct votes of the 659 voters of the 135 associations.

Twenty-nine candidates are contesting for the 15 executive committee memberships allotted for the chamber bodies.

On the other hand, 50 candidates will vie for the posts of other 15 members from the association group. Of them, 45 association leaders are contesting in separate panels under the leadership of three vice presidential candidates. The other five candidates are running as independent candidates.

The panel led by Kazi Shaiful Islam includes, Khoshed Ali Mollah, Syed Mohammad Shamsul Kawnain, Mohammad Ali, Afzal Hossain, Shamsul Huq, Abul Hossain, M S Wahi Bhuiyan, M A Quaium, Sultan Uddin Ahmed, Alhaj Akram Hossain, Giasuddin Chowdhury, Abu Moteleb, Abdul Awal, Fariduddin Ahmed and Khinur Islam.

The association leaders who are contesting under the leadership of Amin Laskar are, Mohammad Nur Ali, Mohammad Alub, Enayet Hossain Chowdhury, Sukumar Ranjan Ghose, Alhaj Fazlur Rahman, Abdul Mazid, M A Hannan, Haji Mohammad Nasir Ullah, A S M Kamal Uddin, Khondakar Ruhul Amin, Kazi Selim Uddin, Taher Sobhan, Maleka Khan, Rezaul Karim, and Q M Karamat Ali.

In the panel of M A Kamal there are, Abu Alam Chowdhury, Niaz Rahim, Obaidur Rahman, Mir Zahir Hossain, Safiullah Chowdhury, Marjuri Ahmed, Syed Shamsul Alam Hasu, Tareq Kamal, Alauddin Ahmed, Nurul Huq Chowdhury, Abdul Huq, Golam A Khan, A K M Azizur Rahman, K M Mahmudur Rahman and Jahangir Chowdhury.

The city based association groups made the election campaign active and lively as they are holding regular projection meetings of their panels in different expensive hotels of the town.

The two presidential candidates are busy in travelling throughout the country to convince their voters as most of them live outside the capital.

Chairmen and MDs of all NCBs had a meeting at the board room of Janata Bank head office in the city yesterday to discuss certain major issues for overall improvement in the operation of banks. H T Imam, Chairman, Agrani Bank, Imamuddin Ahmed Chowdhury, Chairman, Janata Bank, A Q Siddiquee, MD, Sonali Bank, Golam Mustafa, MD, Janata Bank, S A Chowdhury, DMD, Agrani Bank, Sharful Anam, DMD, Janata Bank and other high officials attended the meeting.



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## 'Govt to provide support for development of engine boats'

Shipping Minister ASM Abdur Rob has said the government will provide all-out support by taking pragmatic steps for development of engine boats, reports BSS.

He was addressing a function organised by Bangladesh Engine Boat Owners' Association at its office here Sunday, according to an official handout.

The function was also addressed by Director General of Department of Shipping Abdul Malek, Associate Professor of BUET Abdur Rahman, Associate Professor of Dhaka University Dr Mustafizur Rahman and President and Senior Vice President of the Association Mansur Hossain and Abdul Jali.

ASM Rob said, although the inland shipping sector is significantly contributing to our economy but the development of this sector was ignored. We can not properly utilise our vast inland boats, he observed.

He assured for taking steps for registration, providing bank loan and insurance facilities for the engine boats.

It was informed in the meeting that at present there are nine lakh boats including six lakh engine boats in the country about 20 lakh people are engaged in this sector.

## Seminar on manpower export held in Ctg

The government has taken up plans to transform the country's unemployed population into manpower resources with great potentialities, reports UNB.

This was stated by the State Minister for Labour and Manpower M A Mannan while addressing a seminar on 'Increasing manpower export' at a hotel in Chittagong on Sunday.

Banladesh Association of International Recruiting Agencies (BAIRA) Chittagong unit organised the seminar.

Mannan re-affirmed government determination in implementing the plan and said manpower is the profitable sector which can earn a huge amount of foreign exchange.

Mannan also recalled the contribution of BAIRA for patronising the manpower export of the country, said an official handout.

## IBA Alumni Assoc AGM held

The 9th annual general meeting of the IBA Alumni Association was held at Sonargaon Hotel in the city on Friday with Professor Abdur Rab, Director of IBA and Chairman, Advisory Council of the association in the chair, says a press release.

Md Habibur Rahman Khan, President of the association conducted the AGM. Md Saiful Haq MBA, General Secretary and Md Nurul Haq Majumdar MBA, Treasurer, presented the report of the General Secretary and audited statement of accounts respectively of the association for discussion in the house.

After discussion, the audited statement of accounts and report of the General Secretary were approved at the meeting.

The members present at the meeting elected a 14 member Executive Committee of the association for the year 1996-98 with Md Habibur Rahman Khan MBA as its president, Md Nurul Alam MBA and Md Nurul Haq Majumdar MBA, Vice Presidents, Neaz Ahmed MBA, General Secretary, Molla Mansur Ahmed MBA, Treasurer, Md Khalid Hassan MBA, Joint Secretary, SK Moshed Jahan MBA, Organising Secretary, Borhan Uddin MBA, Seminar Secretary, Ahmed Kabir MBA, Publication Secretary and Shams Rasheed MBA, Cultural Secretary. Other members of the Executive Committee are Nurul Ameen MBA, Md Abdus Salam MBA, Inamur Rahman MBA and Sayeeful Islam MBA.

## Opex Group awarded Export Trophy Gold

Opex Group has been awarded National Export Trophy Gold for the year 1992-93, says a press release.

The trophy was given by Prime Minister Sheikh Hasina on Sunday for the Group's commendable export performance.

A family of 16-member visit, the Group is providing employment to 12000 workers. It has exported 2.77 lakh dozens of ready made garments during 1992-93 and earned 176.96 lakh US dollars.

The Group is managed by a team led by its Chairman Anisur Rahman Sinha.

## Speakers at function on World Standards Day

# Improve quality of goods to compete in export markets

Speakers at a function yesterday stressed the need for improving the quality of goods and services to compete in the export markets, reports BSS.

The function was organised by the Bangladesh Standards and Testing Institution (BSTI) at a local hotel to observe the World Standards Day along with the globe.

The theme of this year's observance of the day is 'Raising Standards for Services'.

Speaking on the occasion as the chief guest, Industries Secretary Akhtar Ali said 'raising the standard of services' would help elevate the efforts of all those who render services and also ensure that the consumers receive the right service at the

quickest possible time.

Akhtar Ali, while emphasising the production of quality goods in the country, said exports could not be raised without meeting the requisite standards. He said BSTI has a big role to play both in formulating standards for products and also to take up effective steps to ensure the overall standard.

The industries secretary said in the context of free market economy, both government and private organisations have no option but to produce internally standard goods for our very survival.

Commerce and Industries Minister Tofael Ahmed who was to inaugurate the function, could not join the function be-

cause of the cabinet meeting, the organisers said. However, the speech of Ahmed was read out.

In his message, Commerce Minister, Tofael Ahmed stressed production of quality and standard goods for our very survival. If the goods do not meet the requisite standard, those would neither be exported nor consumed at home, he opined.

### Khulna

Another report from Khulna says: The World Standards Day was observed in Khulna yesterday with a call for production of standard and quality goods and delivery of better services to customers.



Industries Secretary M Akhtar Ali speaking at a function organised in observance of World Standards Day in the city yesterday.

—Star photo

## Office of the Executive Engineer, RHD

Ferry Division, Barisal

### (RHD), Tender Notice

1. Tender Notice No : 11 of RHD, Ferry Division, Barisal: 1996-97.
2. Name of work : As described below
3. Eligibility of contractor : "A to E" General Category contractor of RHD, as per financial capacity and territorial jurisdiction.
4. Availability of contractor schedule : (1) Executive Engineer (Mech), RHD, Ferry Division, Barisal/Khulna.  
(2) Sub-Divisional Engineer (Mech), RHD, Ferry Sub-Division, Barisal. (Only office hours. No tender will be sold on the date of receiving tender schedule).
5. Tender receiving officer : (1) Superintending Engineer (Mech), RHD, Ferry Circle, Boyra, Khulna.  
(2) Executive Engineer (Mech), RHD, Ferry Division, Barisal/Khulna.
6. Last date of selling tender documents : 27-10-96/12-7-1403 (Only office hours).
7. Last date of receiving tender in sealed cover : 28-10-96/13-7-1403 at 12 Noon.
8. Date and time and opening tender : 30-10-96/15-7-1403 at 1 PM.
9. Date and time of Lottery (if applicable) : 31-10-96 at 11 AM.

Group No	Name of Work	Estimated cost (Tk)	Earnest money (Tk)
1.	Supplying of spare parts for Overhauling and repairing of 150 KW MAN engine No 106519/056 of utility type-1-055/79 Ferry at Shikerpur Ferry ghat under Ferry Sub-Division, Barisal, during the year 1996-97.	1,20,650/-	2,413/-
2.	Supplying of spare parts for 150 KW MAN and 120 HP Hydramaster (Newford) engine of different type ferries under Ferry Sub-Division, Barisal, during the year 1996-97.	1,33,700/-	2,674/-
3.	Supplying of spare parts for 150 KW MAN engine Fuel pump and electric spare parts of utility ferries of different Ferry ghat under Ferry Sub-Division, Barisal during the year 1996-97.	1,03,200/-	2,064/-
4.	Supplying of spare parts for overhauling and repairing of 150 KW MAN Engine No 106519/042 under Ferry Sub-Division Barisal, during the year 1996-97.	1,25,900/-	2,518/-
5.	Supplying of spare parts for regular use and servicing for 120 HP Hydramaster (Newford) Engine of different ferries of different ferry ghat under Ferry Sub-Division, Barisal, during the year 1996-97.	1,20,500/-	2,410/-
6.	Supplying of spare parts for 150 KW MAN engine of different utility ferries under Ferry Sub-Division, Barisal, during the year 1996-97.	1,01,400/-	2,028/-

Executive Engineer (Mech)  
RHD, Ferry Division, Barisal

## BB Bills auctioned

The 22nd auction of the 30-day Bangladesh Bank Bill and the 92nd auction of the 91-day Bangladesh Bank Bill were held yesterday, reports UNB.

In the auctions, 26 bids of Tk 355.50 crore and 22 bids of Tk 148.00 crore were offered respectively against the 30-day and the 91-day bills.

Of these, six bids of Tk 188.00 crore and seven bids of Tk 46.00 crore were accepted respectively against the 30-day and 91-day Bills.

The average prices of the accepted bids of the 30-day and 91-day bills were Tk 99.51 and Tk 98.56 per 100 taka respectively. The corresponding yields are 5.95 per cent and 5.86 per cent per annum, said a press release.

## New DMD of Sonali Bank

AKM Nozmul Haque has recently been appointed Deputy Managing Director of Sonali Bank, says a press release.

Prior to this new assignment, he was working as the bank's General Manager in the United Kingdom.

He joined the erstwhile State Bank of Pakistan in 1967. In 1976, he obtained MA degree in Economics from New York University, USA.

He held many important positions in Bangladesh Bank, Bangladesh Krishi Bank and Sonali Bank.

Besides, he worked as ADB Consultant and also as co-ordinator of Financial Sector Reform Project (FSRP).

## 631 tubewells to be sunk in Bogra

BOGRA, Oct 14: Government has taken up a scheme to install 631 tubewells in different parts of the district under the pure drinking water programme in the rural areas, reports BSS.

The total will include 56 shallow tubewells and 575 tara pumps. Besides, 576 tubewells will be reinstalled under the programme.

The government has sanctioned Taka 37.5 lakh to execute the scheme.

With the completion of the scheme, the total number of tubewells will stand at 26,571 providing pure drinking water to over 26 lakh people.

## Most Asian currencies weaken over week

HONG KONG, Oct 14: The Japanese yen strengthened slightly against the dollar during the week, but most Asian currencies were weaker, reports AFP.

JAPANESE YEN: The yen firmed back slightly against the dollar in the week after slumping to a 32-month low on the strength of US financial markets.

The Japanese currency stood at 111.35/38 to the dollar late Friday against 111.55 a week earlier.

Technical trading dominated the market before a public holiday Thursday, and market participants were unwilling to take fresh positions Friday ahead of the release of important US economic data.

AUSTRALIAN DOLLAR: The Australian dollar hugged a narrow range most of the week and closed slightly down as traders awaited the outcome of the New Zealand election.

The local unit finished Friday at 78.96 US cents compared with 78.99 US cents a week ago. Job data on Thursday showed employment fell 34,100 in August, sparking a quick tumble by the Australian dollar to around 78.70 US cents from 78.90 US cents.

It recovered during overnight trade.

HONG KONG DOLLAR: The Hong Kong dollar, closely linked to the greenback, closed at 7.732-7.733 Friday, up from 7.7315-7.7325 the previous week.

MALAYSIAN RINGGIT: The Malaysian ringgit ended the week 52 points lower at 2.5052 to the US dollar in a week of

## From bulls to bears—Part II

By Tanya Gupta

What seems to have worried the SEC is that the prices of some of the stocks have gone to very high levels. Further these stock prices are perceived to have gone way beyond their 'true values.' This is not something that is necessarily out of the ordinary. Agreed part of the reason for this is lack of information dissemination to investors.

However even in foreign exchange markets where the average investor is far more informed that the typical DSE investor there are many occurrences of investor irrationality. On many occasions prices of stock have gone above their true values only to gradually drop over a period of times — these stocks do not perform very well or in some cases stocks that fell as a result of bad news fell below their true value only to come up over time — these tended to perform better than average.

A recent study showed that 35 of the worst performing stocks on the New York Stock Exchange did much out-performed the market by almost 20 per cent over three years. This was explained as the result of investors over-reacting to bad news and pushing the stock prices to a level lower than their actual worth (Thaler and De Bondt).

Further there are ways other than stock price controls that if implemented will aid in reducing excessive price volatility on the exchange. Internationally, 'specialists' have a very important role on the stock markets. Introduction of specialist on the local trading floor will help reduce volatility of stock prices and increase its efficiency.

Currently there are no specialist of the DSE floor. A specialist is a trader 'makes a market' in one or more shares. A broker in any market offers search services. Dealers offer search services but they also buy and sell assets from their own accounts. Specialists act as a broker for other brokers and may also buy and sell from their own stock (dealer). A specialist matches the highest offered price with the lowest selling price. The way that the specialist reduces volatility in the market is through her obligation to maintain a 'fair and orderly market' and also maintain price continuity in the

market. 'In return for the exclusive right to make the market in a specific stock the specialist is required to maintain an orderly market by buying and selling shares from their inventory' (NYSE specialist handbook).

Specialists are required to meet at least a limited number of market orders. If buy orders come in and there are no sell orders then the specialist sells from her own stock. This ensures a degree of price stability because if the specialist had not done so the price of the stock would have gone up. An example of the principle of price continuity, let us look at an example that has been discussed in an leading stock market publication. Suppose the highest buy order is Taka 30 and the lowest sell order is Taka 32. When a market buy order comes in it is matched to the best sell order of Taka 32. A market sell order would be matched to Tk. 30. As the market buys and sells come to the floor randomly the stock price would fluctuate excessively between Taka 30 and Taka 32. The authorities would consider this excessive volatility and the specialist would be expected to come in with bid/ask prices between these values to reduce the volatility and reduce the bid-ask spread to an acceptable level (1/4 or 1/2 point). In this way specialists offer a better way of reducing volatility in the market.

The circuit breaker decision is an example of a very worrisome trend in the behavior of decision makers. Decision makers are increasing reactive instead of being pro-active which can lead to dangerous decision. Even if, for a minute, we assume that their decision to re-introduce circuit breakers was a good move, this decision was made in 'an emergency meeting of the council.' This decision was made only after witnessing the recent bull market. Even if it was the right decision, it should have been made before this as a well-thought out plan not as a mere reaction to events. The circuit breakers were withdrawn only three months ago and now they are being re-introduced. This is another example of indecision and lack of coordination at high levels.

So what can we expect then?

One thing that we might see is a decisive capital flight from Bangladesh stock markets as foreigners will see this recent act of SEC as increasing regulation of the so called 'self-regulated stock market.' New entrants on the market may see the recent SEC action as a decisive message that playing on the stock market is dangerous and we may see flow of investor funds to other productive resources. If these things happen then we will see a fall in general level of prices. Even though the circuit breakers are placed we will witness a glut of low-priced securities that will not find a seller. Just by legislating that the price of a security will not drop will not mean that the higher priced security will get sold.

It merely means that the price of the security will continue to drop till it reaches its true value and that is when it will get sold. There will be the delay and enhanced opportunities for corruption. What implications will this have for the high-performing stocks? Well the prices will be allowed to go up only to a fraction of its real price and it will reach its true price over a period of time. The opportunities for a black market in these securities will increase and this may lead to a further fall in stock market participation.

To sum up, agreed there are problems created by the steep increases in prices of questionable stock but this situation calls for correcting an information asymmetry and related measures definitely not control of share prices. The SEC is bent on attacking the symptoms and not the problem. Unless the investor is informed, the investor behavior will not change. Unless the SEC reverses the price controls implemented recently, we should all be prepared to see the index fall rapidly over the next few weeks and investor hysteria.

(The writer is a Lecturer of the Department of Business Administration of North South University and Coordinator of the Department of Career Services.)

(Concluded)

lackluster trade. Trading was cautious due to uncertainties posed by the ruling United Malays national organisation's triennial polls, which were held on Thursday, dealers said. The ringgit should strengthen once the political scene was clear. PHILIPPINE PESO: The Philippine peso depreciated to 26.277 pesos to the dollar on Friday from 27.264 pesos to the dollar on October 4.



Anwar Yusuf, Director-in-Charge of Bangladesh Leaf Tobacco Co Ltd, seen receiving National Export Trophy — Gold from Prime Minister Sheikh Hasina at a ceremony jointly organised by Ministry of Commerce and EPB held at Osmani Memorial Auditorium in the city on Sunday.