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# The Daily Star BUSINESS

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**HYUNDAI**  
CARS THAT MAKE SENSE

Meet on forming Indian Ocean rim econ bloc this week

## Talk on adopting WTO rules to bolster investment

NEW DELHI, Mar 3: Ministers and officials of 14 countries on the Indian Ocean rim meet in Mauritius this week to launch a regional trade forum, bringing together nations that were Cold War rivals, reports AP.

The Indian Ocean Rim Initiative has taken more than two years of intense diplomatic wrangling over defining everything from a rim nation and to the character of the organization.

Thursday and Friday, high ranking representatives from the African and Asian nations surrounding the Indian Ocean will gather in Port Louis, Mauritius, to discuss adopting World Trade Organization guidelines on liberalization, conforming business standards and regulations in order to make trade within the group easier,

offering each other better opportunities for investment and trade, and promoting tourism.

"What the group won't do has already been decided. Members will keep away from issues related to security and human rights. A report at a preparatory meeting of officials in 1995 called for staying away from issues likely to generate controversy and be an impediment to regional cooperation efforts."

There are a whole variety of contentious issues. If you bring in human rights, it will not move forward," says Jakkie Cilliers, an international relations expert at the private Institute for Security Studies in Johannesburg, South Africa.

Australia wanted to discuss security issues, which might have included working to police sea trade routes. But for India,

that meant allowing a country that it considers part of the Western alliance access to its military secrets.

"We cannot have Australian ships guarding an area where our submarines are exercising," said Rahul Roy-Choudhury of New Delhi's Institute for Defense Studies and Analyses, a government-funded think tank.

Nations also differed over membership. India did not want rival Pakistan to be a member and others did not want membership to stretch to Iran. Nations like Australia, however, have called for the forum to include all countries that have a land route to the Indian Ocean or a subsidiary water body.

The final roll call reads: Australia, India, Indonesia, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman,

Singapore, South Africa, Sri Lanka, Tanzania and Yemen.

The main catalyst in bringing the members together has been the end of Cold War, which has old political enemies all over the world considering new economic ties. But other developments like the dismantling of apartheid in South Africa, the end of India's inward looking socialist policies and Australia's focus across the Pacific also helped.

The idea of an Indian Ocean grouping first originated in a speech by Pik Botha, then foreign minister of South Africa, during a visit to New Delhi in 1993.

Academics and officials began meeting informally, and a charter for the Indian Ocean Rim Association for Regional Cooperation Emerged after a meeting in Mauritius in 1996.

## Sajeda opens seminar Country needs suitable way for poverty alleviation

Environment and Forest Minister Syeda Sajeda Chowdhury said the nation needs to find suitable and sustainable mechanisms for speedy poverty alleviation and rural development as well as participatory development for women, reports UNB.

The minister was inaugurating a day-long seminar on "Poverty Alleviation in Rural Development and Women's Participation: Rural Maintenance Programme (RMP) Model" at a hotel here yesterday.

She said in Bangladesh the role of women in development is viewed synoptically, as an integral part of the entire development process and not regarded or treated as a separate or isolated exercise. Its roots are viewed as lying deep into the basis of social existence, she added.

Women in development is not merely development for women, the Minister said adding that it is undeniable and inevitable participation of women in the development of the entire society of which they are the part and parcel.

## BSB conference Recovery of loan from defaulters urged

A day-long conference of the senior officers of head office and zonal and branch heads of Bangladesh Shilpa Bank (BSB) on "Loan Recovery" was held in the city on Sunday, says a BSB press release.

Dr Jamilur Reza Chowdhury, Chairman, BSB's Board, of Directors, and an adviser, former caretaker government formally inaugurated the conference while it was presided over by Shamsuzzaman Chowdhury, Managing Director of the Bank.

Dr J R Chowdhury in his speech underscored the role of the BSB in the socio-economic development of the country. In order to achieve its objectives, he stressed recovery of loans from the defaulters.

He dwelt at length various decisions taken by the Board of Directors of the bank for recovery of overdue.

In this connection he mentioned setting up of a "Recovery Task Force" under direct supervision of the Managing Director for recovery from defaulters including top ten.

In recent times, the most talked about subject in Bangladesh has been the stock market. Never in the history of Bangladesh so much was swindled from so many by so few in such a short period of time!

From mid-September to mid-November 1996, trading in Dhaka Stock Market (DSE) took an unprecedented and extremely abnormal leap forward — the price hike was beyond the wildest imagination and defied all canons, norms and relevant circumstances of share valuation.

Cash Flow, Price Earning Ratio, Net Asset Value (Historical or Revalued), special events like striking an oil field or gold mine, massive investments in future projects, merger or amalgamation, introduction of new products etc.

It has been alleged that the artificial price-hike was stage-managed by a handful of brokers who indulged in FAKE bulk trading of shares through the mechanism of DVP (Delivery Versus Payment) system. Out of the record turnover over Taka 700 crore in October 1996, only 5 brokers handled Taka 200 crore and that also mostly through non-executed DVPs. This artificial price increase gave wrong signals to the ordinary public and lured them into frenzy investments (in most cases selling their valuables) and the manipulators made fortunes by off



Yohikazu Kaneko, Ambassador of Japan to Bangladesh, exchanged grant contracts with the representatives of TMSS, Bogra, Bangladesh Protibandhi Kalyan Samity, Dhaka and Nari Moitree, Goran, Dhaka.

## Modern cattle feed plant in Tongi shortly

A modern Cattle Feed Plant, based on molasses, the main by-product of sugar mills, will be set up at Tongi shortly, reports UNB.

Agreement on establishment of the CFP was signed here yesterday between Bangladesh Sugar and Food Industries Corporation (BSFIC) and Bangladesh Small and Cottage Industries Corporation (BSCIC).

The project is a joint-venture between the two corporations involving a total investment of Taka 21 lakh, including the construction cost financed from BSFIC's own source, says an official release. BSFIC is also providing the

plant and machinery while BSCIC allotted the plot the BSCIC Industrial Estate at Tongi.

Urea Molasses Bloccs (UMB), an improved and nutritious variety of cattle feed, will be produced at the plant.

MS Islam, Director (Planning and Development), Obail Islam Chowdhury, Secretary, and Abdul Muktaadir, Chief (Planning and Development) of BSFIC and Rezaul Karim, Regional Director (Dhaka), and Habibur Rahman, Food Technologist of BSCIC were present at the agreement-signing ceremony.



Mahbubur Rahman, Chairman of Eastland Insurance Co Ltd, inaugurating company's annual Regional/Branch Managers' Conference '97 at a local hotel on Saturday.

## \$2.63 lakh Japanese aid to 3 NGOs

Japan has signed three contracts of Japanese Grant Assistance (AGRP) with three NGOs, says a press release.

Under the contracts, Japan will provide 2,63,356 US dollars to extend financial assistance.

The contracts were initiated by the Ambassador of Japan to Bangladesh, Yohikazu Kaneko, in the city yesterday.

The counterparts are Prof Hosne Ara Begum, Ashoka Fellow, Director, Thengamara Mohila Sabuj Sangha, Abdus Sattar Dulal, Executive Director, Bangladesh Protibandhi Kalyan Samity and Shaheen Akhter Dolly, Director of Nari Moitree.

In accordance with the grant contracts of AGRP, the Japanese Government will extend assistance to the following projects: Thengamara Mohila Sabuj Sangha (TMSS) will construct the building for Tengamara Women Medical Centre at Bogra, Bangladesh Protibandhi Kalyan Samity (BPKS) will execute the project of Technical Assistance and Support Programme for the person with disability at Dhaka and Nari Moitree will procure medical equipment and apparatus and materials for its Nari Moitree Mother and Child Clinic.

In Bangladesh, a total number of 37 NGOs have already received the financial assistance under this grant which collaborate the efforts to promote Bangladesh Social Development in grass-root level.



The Auditor General of Pakistan Syed Khalid Mahmud visited the Audit and Accounts Training Academy yesterday. The Director General of Audit and Accounts Training Academy Asif Ali briefed him about the academy. M Hafizuddin Khan, the Comptroller and Auditor General of Bangladesh, and other senior officers of the Audit department, were present.

## Palm oil consumption in Bangladesh rises

By Staff Correspondent

The consumption of Malaysian palm oil in Bangladesh has registered a sharp rise over the previous year.

Disclosing this at press conference in the city Sunday on the eve of a week-long campaign for palm oil, Tansri Dato Dr Mohd Yusof Hashim, Chief Executive of Malaysian Palm Oil Promotion Council, said although palm oil import in Bangladesh was much lower than that of India and Pakistan but it showed a remarkable increase last year.

He said according to available statistics more than 1.14 lakh tones of edible palm oil was imported by Bangladesh last year whereas only 20 thousand tones were imported previous year. The main cause of decline in consumption of palm oil in 1995 was attributed to the serious production shortfall in the home country.

Due to supply shortfall, the prices of palm oil went up and the total market was captured by soybean oil, Yusof Hashim told newsmen.

Dr N Chandra Shekharan, a consultant of the council, and AKM Fakhrul Alam, Bangladesh country representative, were also present.

Explaining various advantages in consumption of palm oil, he said this cholesterol-free vegetable oil contained rich Vitamin E.

During the week-long campaign, a number of seminar and symposium will be held where papers will be presented featuring advantages of the use of

palm oil in cooking and making different tasty food items.

The programme also includes video presentation and cooking competition among the housewives.

## ICC to hold congress in Shanghai in Apr

The International Chamber of Commerce is holding its world congress in Shanghai from April 8-10.

The ICC, the world's leading business organisation, convenes this high-profile event every three years. The Shanghai Congress will bring together over 300 top executives of major companies from all over the world and the Chinese leadership, and offers a unique opportunity to gain insights into political and economic prospects for the Asian region, especially now that the post-Deng era is beginning and only a few months before Hong Kong reverts to China, says a press release.

The Shanghai Congress, on the theme "Asia in the Global Economy" will explore the following key issues: What is the strategic thinking of Asian entrepreneurs, and how do they view business alliances with companies outside the region? What are the best opportunities for investment in Asia and what is the impact of Asian competition on the rest of the world?



Eng M Abu Taher, Chairman of Peoples Insurance Company Limited, presided over the annual conference of the company held at its head office in the city on Thursday.

Coming AGMs					
Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
Chittagong Cement	01/03/97-20/03/97	AGM	20/03/97	Hotel Agrabad Ctg 10 am	182.20
National tube	01/03/97-25/03/97	AGM	25/03/97	Factory Premises 11 am	182.15
Eastern Cables	01/03/97-25/03/97	AGM			185
BD Luggage (pub)	19/02/97-04/03/97	Half yearly interest			10
The Binswa	25/02/97-06/03/97	AGM	06/03/97	Factory Premises Salpur, Gazipur 10 AM	12
Remick Agriexport	Adopted AGM	AGM	05/03/97	BCC Auditorium, Dilkusha 11 AM	
Eastern Lubricant	13/03/97-19/03/97	AGM	19/03/97		35
City Vegetable	20/03/97-20/03/97	AGM			3R:1 (Pre: Tk 50)
Bangla Usual	15/03/97-20/03/97	AGM	20/03/97	Hotel Sonarganj,	185
Auto Automobiles	22/03/97-25/03/97	AGM			2R:1 (Pre: Tk 150)
Benania (Pub)	25/03/97-10/04/97	Interest for 12th installment			
Umanisa Glass	02/03/97-21/03/97	AGM	21/03/97	Reg. Office 10:30 AM	25

## PEREGRINE BANGLADESH INDEX

**Monday's market comment**  
The PBI declined 2.95% on low volume to close at 778.99. Market sentiment was negative as 23 issues declined over only 1 gainer. One issue remained unchanged. Apex Foods (-9.72%) and Shine Pukur (-8.52%) led the losers as they succumbed to retail selling pressure. Padma Textiles and Beximco Pharma also suffered as they fell by 3.89% and 2.87% respectively on retail selling. Chittagong Cement was the only winner of the day among the 'blue-chip' companies as it appreciated 3.23% on retail demand. IDLC was not traded.

## Exchange Rates

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) as published on 03/03/97

Name of Currency	Buying		Selling	
	O.D.	Clean	O.D.	Export Bills
US Dollar	42.9120	42.9650	42.6200	42.4350
GB Pound	70.0495	70.1309	69.0138	68.7302
D. Mark	25.4726	25.5021	25.0384	24.9355
F. Franc	7.5457	7.5545	7.4202	7.3897
JP Yen	0.3603	0.3607	0.3520	0.3505
C. Dollar	31.5412	31.5778	31.0105	30.8831
S. Franc	29.1746	29.2084	28.6748	28.5569

Janata Bank's selling and buying rates in cash currency for public:

	US DLR	GBP	S RIYAL	UAE DH	KU DINAR
SELLING	43.0000	68.7995	11.7000	11.6500	141.0000
BUYING	42.5000	66.7995	11.3500	11.1500	135.5000

## Shipping Intelligence

### Chittagong Port

Berth Position and Performance of Vessels as on 3-3-97

Berth No.	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Date of Leaving
J/3	Mare	Gl(Copra)	Sing	Ipl	19/2	7/3
J/4	Norbuk Namir	Gl	Coch	Oil	23/2	6/3
J/5	Chelyabinsk	Cement	Sing	Cnl	26/1	8/3
J/6	Peng Qing	Gl	S Hai	Bdship	23/2	4/3
J/7	Jin Jiang	Gl	Sing	Prog	23/2	10/3
J/8	Yi Yang	Gl	Xing	Prog	15/2	5/3
J/10	Bismilla-LA	Wheat(P)	Argen	Oswl	22/2	9/3
J/11	Hemlock	Wheat(P)	Dan	Oswl	19/2	9/3
J/12	Chang Ping	Urea(G)	Bonk	Seacom	20/2	6/3
J/13	Martupl	Wheat(P)	P Kel	AASS	19/2	9/3
CCT/2	Da FU	Cont	Sing	Ap(B)	2/3	6/3
RM/14	Banglar Shobha	Repair	Marc	BSC	11/1	11/3
CCJ	Peang Xiang Ling	C.Clink	Sing	Delmure	28/2	8/3
CSJ	Anangel Honour	Wheat(G)	South	RSA	25/2	4/3
DDJ	Banglar Robi	What(G)		BSC	R/A	
DDJ/1	Tamary Star	Idle	Para	Psal	7/6	
RM/8	Lady Juliet	Repair	Sing	Prog	20/2	5/3
RM/9	Banglar Shourab	Repair		BSC	R/A	9/3
CCU/LJ	Blue North	Cement	Qing	Psal	3/6	15/3
KARCOJ	Trade Dawn	Urea(G)	Swich	Litmond	16/2	10/3

### Vessels due at outer anchorage

Name of vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
QC Teal 20/2	3/3	Sing	Qsl	Cont	Sing
Arcadia-1	4/3	Sing	Seacom	C.Clink(CCJ)	Ind
St of Andhra					
Pradesh(48)25/2	4/3	Mong	SSL	Gl/Gl	
Fong Shun 12/2	5/3	Sing	Bdship	Cont	Sing
Elbe Star 25/2	6/3	Sing	Bdship	Cont	Cal
Al Saima (48)22/2	5/3	Bomb	Asll	Gl	
Meng Yang 19/2	5/3	Sing	Ami	Cont	Sing
Banglar Kiron	5/3	Kara	BSC	Rice(G)/Gl	
Arktis					
Fighter (48)27/2	5/3	Sing	Sunshine	PMAT	
Banglar Asha	6/3	Mong	BSC	Ballast	
Banglar Urm	6/3	Mong	BSC	GL	Latt
Kota Bintang 24/2	6/3	Sing	Pil(BD)	Cont	Sing
Vanessa 26/2	7/3	Sing	RSL	Cont	Sing

### Vessels at Kutubdia

Name of vessels	Cargo	Last Port	Local agent	Date of arrival
Ismaya			B Bay	9/1
Mighty Tide			B Bay	20/2
Orizont		Sing	B Bay	25/2
Invincible Tide		Sing	B Bay	25/2
Brute Tide		Sing	B Bay	25/2

### Vessels not Entering:

Amer Prabha	Urea(G)	King	Litmond	20/2
Petro-S	Scraping	Durb	Umtl	12/2
Professor Buznik	Scraping		Gel	R/Al/3
Pilefs	Scraping	Hoan	Gel	3/3

### Movement of Vessels for 4-3-97

Outgoing	Incoming	Shifting
J/6 Feng Qing	CCT/3 QC Teal	DOJ B Robi
CCT/1 K Bera	J/9/5 St Andhra Pradesh	
GSJ A Honour	RM/4 Normar	
J/9 B Doot		
J/5 Chely Bank		

The above were the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group Dhaka.

## Autopsy of stock market fiasco: Role of DSE, SEC, govt

By Z U Ahmed

loading huge quantities of stocks held by them at face value or much cheaper price.

I have summarised the monthly turnover (value) of DSE in Table A and the Month-End quoted price of a few selected stock in Table B — attached.

The statistical figures shown in tables A & B are indicative of the highly volatile situation of the stock market. The turnover of Taka 121 crore in June 1996 zoomed to Taka 806 crore (6.7 times) in November, 1996; price index of all shares as on 5th November, 1996 increased to 3,648 (4 times) from 959 of 30th June 1996; and the market capitalisation at the end of November 1996 jumped to Taka 21,278 (3 times) compared to Taka 6,773 at the end of June, 1996.

The market price of shares of a number of companies increased abnormally — in many cases by 10 (ten) times or more. I have already commented that this unnatural and unprecedented boom in all the statistical indicators of DSE was not justified by the economic activities and other relevant circumstances of the companies concerned. Therefore, the apprehension of market manipula-

tion cannot be ruled out. The questions which instantly came to my mind.

Were the brokers solely responsible or it was done in connivance with the sponsor owner of the listed companies?

Were the traded shares a part of the legally issued capital of the company or just represented printed sheets of paper (may be registered later by backdated — Issue and Return of Allotment of Shares)? Did actual delivery of shares and payments happen within (4 days excluding the transaction date) or did not happen at all?

Who were the real buyers and sellers — ordinary investors, sponsor — owner (unloading their cheap priced shares after creating artificial price hike), broker-dealer (unloading... price hike)?

In the cases of executed DVPs are there any evidence of subsequent payments through which the stage managed profit/loss were neutralised between the buyer and seller?

Were the records of Brokers and Banks providing Custodian services to Foreign Portfolio Fund thoroughly investigated?

It has been gathered that DVP system of bulk trading was introduced in the interest of

stock market and benefit of the investors during the later part of 1993.

The allegation is that few brokers and few companies connived together, sky-rocketed the share prices through the game of bulk trading (mostly non-executed), misled the inexperienced ordinary people into a gambling spree and led to a boom in the unofficial or korb market.