

## BGM EA hails EU decision on GSP

Star Business Report

The President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Mostafa Golam Quddus, has welcomed the EU decision to allow two-stage generalised system of preference (GSP) in knitwear import from Bangladesh, says a press release by the association.

He also congratulated the Commerce Minister Tofael Ahmed for making in all-out effort to convince the EU leaders to take a decision.

Expressing his gratitude to the Commerce Minister, Quddus said a long-standing problem has been solved for his relentless efforts.

## Kohinoor Leather gets Tk 10m spot order at HK fair

Kohinoor Leather Product Ltd, which participated in the recently-held Hong Kong Fair, has fetched a spot order of Tk 10 million.

The Company received the orders at the fair from buyers of France, USA, Bahrain, Belgium and Malaysia, says a press release.

Kohinoor is one of the leading export-oriented leather goods manufacturers of Bangladesh with latest technology.

A huge number of people visited the Kohinoor stall and expressed their keen interest to purchase the leather goods from Bangladesh.

The fair authority awarded a certificate to Hossain A Sikder, Managing Director of Kohinoor Leather Ltd for well decorated and disciplinary show of goods.

## Base metal consumption up in South

LONDON, Oct 10: The rapid industrialisation of the developing world has dramatically pushed up consumption of base metals in non-Western countries, British brokerage Rudolf Wolff said in a report yesterday, according to AFP.

The developing world has over the past couple of decades undergone a dramatic transformation, becoming increasingly industrialised," said Rudolf Wolff analyst Martin Squires in a 1998 Outlook for metals.

"Since 1986, metal consumption in these regions has grown by 32 per cent, compared to world growth (excluding the ex-Soviet Union) of 28 per cent," he added.

The report said that although the developing world accounted for less than 25 per cent of global consumption of base metals, such as copper, which is widely used in industry and construction, it would become an increasingly key market, especially since it is home to 75 per cent of the world's population.

China, whose economy is growing at nearly 10 per cent a year, had a 127-per cent increase in metal consumption from 1986 to 1996.

"As the developing world economies shift away from their traditional agricultural base and become increasingly industrial, domestic demand for metal-based goods are expected to surge," Squires said.

## Coke employees in Lanka return to work

COLOMBO, Oct 10: Workers at a Coca-Cola bottling plant agreed to temporarily halt a five-day strike Thursday while union officials sought to revoke a plan to lay off hundreds of workers, reports AP.

"We have agreed to resume operations (on Friday) for a temporary period of two weeks on the basis that the company will find a favourable way out on the retrenchment plan," said Bala Tamboo, president of the Ceylon Mercantile Union, which represents most of the striking workers.

Pure Beverages Co Ltd, the local agent for Coke, fired 220 workers September 29 after the labour department passed a plan to retrench about one-third of the 900 employees. The company says that the layoffs are part of a cost-cutting exercise.

Operations at the plant, near Colombo, have been hampered since the strike started on October 3.

Officials at Pure Beverages were not available for comment on the latest deal.

Tamboo also said that legal action will be initiated against the labour commissioner's ruling that permitted the retrenchment.

Earlier this year, Pure Beverages was wracked by a 12-week strike after the closure of a money losing factory. The strike, which caused a widespread shortage of the drink across Sri Lanka, was resolved after the labour department intervened.

Pure Beverages is owned by F and N Coca-Cola (Pvt) Ltd of Singapore.

The company produces 24 million beverage bottles every month and also bottles Fanta and Sprite for the local market.

## Share prices fluctuate

By Rafiq Hasan

The country's stock exchanges witnessed a modest price fluctuation last week amid policy changes in administering the Dhaka bourse and brokers' concern over National Board of Revenue's move to collect income tax from them.

The market indicators of both Dhaka and Chittagong stock exchanges experienced a slight decline.

The DSE All Share Price Index fell by 12.93 points over the week as it declined to 964.17 points on Saturday from 977.10 points on Thursday. Market capitalisation of the bourse decreased by Tk 110.43 crore to Tk 8233.13 crore from Tk 8343.56 crore.

On an average, 27.15 lakh shares and debentures valued at more than Tk 53.71 crore

changed hands on the DSE floor everyday. Out of 119 issues traded, share prices of 82 suffered, 59 gained and two remained unchanged.

As the authority decided to keep the floor open on Saturdays, a total of six business sessions were held during the week.

Though the market observers attributed the increase in trade volume over last few weeks to the netting system of trade settlement, they thought the system does not reflect the position of real investors.

Prof. Abu Ahmed of Dhaka University Economics Department felt that the new system would help the brokers, not the investors. As far as investors are concerned, there is no bene-

fit for them with the new settlement system, he said, adding that it would rather create some scopes for manipulation of the market.

Some DSE members also observed that the investors might be ignored by the system and the market would be dominated by the traders.

Abu Ahmed, also President of Bangladesh Share Investors Forum, welcomed the step by the DSE to separate its administration from the management. But he suggested increasing the number of the DSE members.

According to Abu Ahmed, the market is not taking off due to lack of institutional participation and presence of foreign portfolio investors.

As the share prices are still

lower than that of our neighbouring countries, foreign investors can come easily and buy scrips, he opined.

The only question which discourages foreign investors, according to him, is lack of transparency and accountability in bourses.

The All Securities Price Index of Chittagong Stock Exchange — country's second bourse, also declined slightly over the week.

The index closed at 415.19 points at the end of the week from previous week's 418.33 points, registering a 3.14-point decline. Its market capitalisation suffered by Tk 22 crore declining to Tk 6736 crore from Tk 6758 crore of the previous week.

## Currency trading Manila changes volatility limits further

HONG KONG, Oct 10: Southeast Asia's currency crisis will be prolonged and could even get worse, a senior official of the world Economic Forum warned yesterday, as the group prepared to stage an East Asian summit here next week, reports AFP.

Stocks jumped as investors, encouraged by the stronger peso, picked up bargain shares, trader said.

The peso closed sharply stronger, rising 4.8 per cent to an average 33.156 pesos per dollar from 34.852 pesos Thursday.

Under a system of trading limits adopted early this week, trading was halted at midmorning when the peso exceeded a four per cent volatility band.

But about an hour later, the Bankers Association of the Philippines, which groups foreign and local banks in the country, restarted trading, saying it had decided to change its rule on the imposition of volatility limits.

The system of volatility bands was introduced to curb recent sharp fluctuations in the peso-dollar rate. Under the original system, trading is suspended for cooling-off periods each time a band is breached, and halted for the entire day if the exchange rate moves more than four per cent.

One trader said the resumption of trading allowed corporate demand for dollars to be serviced.

"There's still a substantial demand for dollars despite the peso's sharp appreciation," he said.

Dealers said dollar sales by the central bank, the recent tightening of rules on dollar purchases, and improvements in the regional currency situation boosted the peso.

The central bank gave the market an important psychological boost by clearly marking its desired direction for the peso with its offer rates, which went as low as 32.95 pesos to the dollar, they said.

The central bank is estimated to have sold 20 million US dollars Friday.

whether the will is there."

Smadja said one session of the three-day East Asia Economic Summit beginning Monday would be devoted to the currency crisis, which has slashed 30 to 50 per cent from the values of the Thai, Indonesian, Malaysian and Philippine currencies against the greenback in three months. The crisis was sparked by the July 2 floating of the Thai baht.

"I think there are still a lot of questions about whether this is just a passing crisis or something much deeper... whether we are at the bottom of the crisis or there are still some more shocks to expect," he said.

Is Asia getting the right message from the crisis and is Asia getting the right answers to the crisis?"

## 'SEA currency crisis may get worse'

HONG KONG, Oct 10: Southeast Asia's currency crisis will be prolonged and could even get worse, a senior official of the world Economic Forum warned yesterday, as the group prepared to stage an East Asian summit here next week, reports AFP.

"We are not yet at the end of the process," said Claude Smadja, Managing Director of the Geneva-based foundation to encourage global economic dialogue.

"It is a phase of getting back to economic reality. I think the region has been carried away by exuberance, it is realistic to plan for a two to three year restructuring phase."

The question is not whether economic fundamentals are there. They are here. The question is at the political level..

## Shipping Intelligence

## Chittagong port

Berth position and performance of vessels as on 9-10-97

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	
J/1	Kimberley	C Clink	Dali	MBL	9/9	12/10	
J/2	Saigon-2	Urea	Rown	CTPL	22/9	9/10	
J/4	Hong Men	Sugar(G)	Haz	Seacom	23/9	9/10	
J/6	Bangler Asha/						
	Khakan	Wheat(G)	-	Lams	R/A	9/10	
J/7	Aurora	Wheat(G)	Mong	Prud	R/A	12/10	
J/8	Jung Cheng	Cl	M Kel	Bdship	1/10	10/10	
J/9	Prudent	Cl	Viza	Prog	30/9	10/10	
J/10	Challenger	Cl	Sing	Mas	1/10	13/10	
J/11	Gemvira	Cl	Sing	QCSL	5/10	10/10	
J/12	Dong Fah	Cont	Kong	ECNL	23/9	17/10	
J/13	Sing Elegance	Cont	Sing	Pil(BD)	1/10	9/10	
CCT/1	Xpress Resolve	Cont	Col	Baridhi	7/10	6/11	
CCT/2	Sing Hai	Cont	Sing	QCSL	6/10	11/10	
RM/14	Ivan Vazoz	Fert(MOP)	Dam	Seacom	21/9	9/10	
CCU	Nan Du Jiang	C Clink	Dam	BMA	1/9	15/10	
TSP	Pearl of Damman	R Phos	Viza	Delmure	6/10	15/10	
RM/3	Shao Shan	Cement	P Mat	PSAL	7/10	11/10	
RM/4	Menado	Cpo/Rbd	Sana	RSL	Move	1/10	9/10
RM/5	helios-II	Urea	Damm	BSC	R/A	15/10	
RM/6	Star Glory	Cement	Lans	BSC	R/A	8/10	
DDJ	Banglar Jyoti	Repair	Idle	BSC	R/A	16/10	
DDJ/1	Banglar Shourabh	Repair	P Mat	PSAL	5/10	30/10	
DDJ/2	Tantra Star	Idle	Sing	RML	19/8	10/10	
DDJ/3	Et Carrier-2	P Mat	Peng	RML	20/9	14/10	
DDJ/4	Sheng Yuan	Cement	Yoko	BSC	20/9	14/10	
DDJ/5	Bangla Kakoli	Repair	Mbo	BSC	20/9	10/10	
CUFLJ	Bangla Kiron	Wheat(G)	-	BSC	20/9	10/10	
		Repair					
Kafco(U)	Tug Ocean cho	P Mat	Sing	Mbo	30/9	20/10	

## Vessels due at outer anchorage

Name of vessels Date of arrival port call Local agent cargo Loading port

Name of vessels	Date of arrival	port call	Local agent	Cargo	Loading port
Etisuzan	9/10				
Maru No 5 (Amanat)	9/10	Bomb	JF	BBA	Cl
Jia Cheng	9/10	-	Everett	Scraping	-
Atsuta Maru	9/10	-	Simni	Scraping	-
Ventura	9/10	Fuja	USTC	Cement	-
Great Best-1	11/10	Riza	USTC	-	
Rob	11/10	Shek	Litmond	Fert(Mop)	Cont
Vanessa 1/10	11/10	Sing	RSL	Cont	Sing
Arktis Future	11/10	-	Sing	Sunshine	Cl
Golden Ocean	13/10	-	Pil(BD)	Cont	Sing
Hai Xiong 22/9	13/10	Sing	Baridhi	Uread(Fert)	Cont
Albatross-III	14/10	Ruwa	Cross	Uread(Bcl)	Sing
Tempest	12/10	Sing	HSL	Cement	-
Ge teal 2/10	12/10	Sing	QCSL	Cont	Sing
Bangla Shobha	13/10	Sing	Sing	Cont	Sing