

BGM EA hails EU decision on GSP
Star Business Report

The President of Bangladesh Garment Manufacturers and Exporters Association (BGM-EA), Mostafa Golam Quddus, has welcomed the EU decision to allow two-stage generalised system of preferences (GSP) and 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 Taka 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 AFP.

"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 Tampoe, 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.

Tampoe 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 M 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 Thursday from 977.10 points Saturday. 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 the 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

MANILA, Oct 10: Banking officials decided Friday to change a new system of volatility limits for currency trading after the surging Philippine peso forced a trading shutdown for a second day, 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 mid-morning 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.

Bundesbank raises interest rates

FRANKFURT, Oct 10: Germany's central bank raised interest rates for the first time in over five years, calling it a precautionary move against inflation, reports AFP.

The Bundesbank announced it was increasing its securities repurchase rates through October 22, to 3.3 per cent from 3.0 per cent, to preempt higher inflation and help damp growth in the M3 money supply aggregate.

At the same time, the Bundesbank left its official discount and Lombard rates unchanged at a respective 2.5 per cent and 4.5 per cent.

Finance Minister Theo Waigel called the move "an appropriate preventative measure" in view of the dollar's appreciation against the mark since spring "and the subsequent rise in import prices."

Germany's discount rate has been a 2.5 per cent and the Lombard rate at 4.5 per cent since April 1996, while the securities repurchase rate has been fixed at 3.0 per cent since August 1996.

The Lombard rate is the rate at which banks can borrow emergency funds from the central banks and acts as an effective ceiling on overnight rates. The discount rate is the cheapest form of bank refinancing.

British inflation eases in Sept

LONDON, Oct 10: British inflation eased in September, official data showed Tuesday, but remained above the government target, prompting economists to warn that the Bank of England may have to raise rates, reports AFP.

Underlying inflation, which excludes the cost of home-loan repayments and is used by the government to set its inflation target, fell to 2.7 per cent on a 12-month comparison in September, from 2.8 per cent in August.

Chief Secretary to the treasury, Alistair Darling, welcomed the fall in inflation, which he said provided "further evidence that the economy is on course to get back on track."

But although the latest figures took the inflation rate closer to the government target of 2.5 per cent, analysts said that the Bank of England still had cause for concern about inflationary pressures in the economy.

"The bank will feel it has got to have higher rates to be comfortable with its inflation target," commented Deutsche Morgan Grenfell economist Claran Barr.

He said that price rises in areas such as household services were still exerting upward pressure on the overall rate of inflation.

Daley ends China visit without any deal

BEIJING, Oct 10: US Commerce Secretary William Daley hailed progress being made on number of Sino-US economic fronts, but stopped short of announcing highly-anticipated commercial deals, reports AFP.

"On this trip we were advocating on a dozen projects.... the sum was about three billion dollars," he told reporters at his hotel.

The sectors involved were energy, aviation, medical equipment, financial services and insurance, he added.

After a meeting of the US-China Joint Commission on Commerce and Trade (JCCT) Daley and Chinese Trade Minister Wu Yi only stressed general work to improve bilateral understanding on economic issues.

"We are announcing no contracts, no deals," he said, despite promising on Wednesday there would be "a number of announcements" the following day.

Daley — who was winding up a week-long visit to China and Hong Kong — said his stay had "laid a foundation" for the Washington summit at the end of this month between US President Bill Clinton and Chinese counterpart Jiang Zemin.

Wu said: "The purpose of this session was to have a broad exchange of views on the whole range of economic and trade issues."

Asked whether any concrete agreements, particularly on new sales of Boeing aircraft, had been reached, he said: "The Chinese government has decided to send an economic and trade mission to the United States.... those questions will be dealt with during that mission."



Dhaka Sheraton Hotel observes the 18th environment, health and safety week which ends today. San Amalan, General Manager, inaugurated the week by planting tree saplings in the hotel premises.

UK Queen opens trade exhibition in Karachi

KARACHI, Oct 10: Queen Elizabeth II yesterday opened here a trade exhibition of UK-based companies in Pakistan as a part of the Islamic nation's 50th independence anniversary celebrations, reports AFP.

The queen, currently on a state visit to Pakistan, went round a number of stalls at the exhibition and met with the family members of the exhibitors.

S Korea finds no more E coli bacteria in US beef

SEOUL, Oct 10: South Korean quarantine officials testing US beef for possible contamination said Thursday they have found no more E. coli bacteria in the imported meat, reports AFP.

South Korea, a major importer of US beef, expanded tests for Nebraska and other American beef after its quarantine experts detected E. coli bacteria in late September on the surface of frozen and sliced beef imported from Nebraska.

It ordered a local importer to destroy or return 18 tons of Nebraska beef kept in warehouses, and the safety of US meat has since emerged as a major consumer concern.

Officials so far have tested 56 meat samples, 25 of them taken from Nebraska beef, and found no bacteria contamination, the Seoul government's Food and Drug Administration said in a report released Thursday.

The administration said it was testing 200 other imported meat samples. Most of the samples were collected from meat imported from Nebraska, adjacent US states and Australia and New Zealand.

The case prompted the US Department of Agriculture to send its own experts to examine how South Korea detected the bacteria on the US meat. Nebraska meat packer IBP Inc., which shipped the contaminated meat, has questioned the results of the South Korean testing.

"The US team was fully satisfied with the South Korean

Russia's GDP grows

MOSCOW, Oct 10: Russia's gross domestic product was up 2.3 per cent in September compared to a year earlier, while industrial production was 2.4 per cent higher, according to preliminary government data released Thursday, reports AFP.

For the first nine months of the year, GDP was up 0.2 per cent and industrial output up 1.5 per cent, the State Statistics Committee said.

For the full year, the government is forecasting zero GDP growth.

Asian stock markets close mixed

HONG KONG, Oct 10: Asian stock markets were mixed on Thursday with some Southeast Asian markets rising on improved currency positions, but major markets in Japan and Hong Kong both fell, reports AFP.

TOKYO: Japanese share prices closed 1.4 per cent lower, with renewed futures-linked selling accelerating the pace of declines after buying support from pension funds ran out steam, brokers said.

The Nikkei stock average of 225 leading issues on the Tokyo Stock Exchange fell 242.26 points to finished at 17,376.92 while the topix index of all issues on the first section was down 17.72 points to 1,360.24.

HONG KONG: Hong Kong share prices closed 3.8 per cent following heavy losses on Wall Street, dealers said.

"There is a strong pressure of selling on the market," following the sharp falls on Wall Street overnight, said Howard Gorges, dealing director at South China brokerage.

The stock exchange of Hong Kong's Key Hang Seng Index lost 565.40 points to finish at 14,273.12.

SINGAPORE: Singapore's blue-chip index closed 1.1 per cent lower following the release

of disappointing manufacturing figures for August and Wall Street's sharp fall.

The Straits Times Industrials index of leading shares on the stock exchange of Singapore closed 2057 points lower at 1,861.46. The broader-based all-Singapore index was down 4.66 points at 454.55.

SYDNEY: Australian share prices fell 1.7 per cent led down by a weaker Wall Street and the release of strong unemployment data that dampened hopes of an interest rate cut.

The Australian stock exchange's main indicator, the all ordinaries index, lost 46.2 points to 2,722.2.

The all industrials index slumped 81 points to 4,475.5 while the all resources index fell 18.2 points to 1,342.8.

KUALA LUMPUR: Malaysia's key stock index closed 1.4 per cent lower Thursday on profit-taking despite a further recovery in the local currency.

"The ringgit's continued strength remained a plus factor but after a 4.1 per cent rise yesterday, a slight correction was only expected," said a senior dealer with a local brokerage.

The Kuala Lumpur stock exchange's 100-share weighted composite index fell 11.66

points up to end at 824.94, after having reached in intra-day low of 820.70 points and a high of 842.32 points.

TAIPEI: Share prices closed 2.5 per cent higher on the Taiwan Stock Exchange as investors were encouraged by the government's actions to stabilize the Taiwan dollar and ease capital flow in the bourse, dealers said.

The Taiwan stock exchange weighted price index rose 206.05 points to 8,461.87.

SEOUL: Share prices closed 0.2 per cent lower on the Orea Stock Exchange as investors went bargain-hunting for large-capitalisation shares in the late afternoon, dealers said.

"Today's slight drop is simply a technical rebound after consecutive days of losses. But it won't last. There is nothing to help the market except the government coming up with positive steps," said a Dongsun Securities analyst.

BANGKOK: Thai share prices rose 0.7 per cent Thursday after a rebound in major banks, despite concerns about how small and medium-sized institutions will fare under an upcoming rehabilitation plan, analysts said.

The composite Stock Exchange of Thailand (SET) index was up 3.64 points to 528.25 while the selected set 50 index gained 0.40 points to finish at 39.79.

JAKARTA: Jakarta share prices closed 0.4 per cent higher with the government's move to seek long term assistance from the International Monetary Fund (IMF) have a positive impact, dealer said.

The Jakarta stock exchange composite index closed up 2.172 points at 521.112.

MANILA: Philippine share prices rose 3.0 per cent on a technical rally and lower interest rates, analysts said.

"This is just a technical rally as the market has been over-sold in the past few days," said Paul De Vera of Asmetel Securities.

The Philippine Stock Exchange index rose 58.67 points to 2,005.50.

SHANGHAI: Shanghai's B shares. Nominally reserved for foreign investors fell 1.5 per cent Thursday affected by the heavy falls on the Hong Kong market, analysts said.

The Shanghai stock exchange's B shares dropped 1.15 points to close at 73.02 points while the share index of domestically-traded shares fell 12.8 points, or 1.1 per cent, to close at 1,173.12 points.

'SEA currency crisis may get worse'

HONG KONG, Oct 10: South-east 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...

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?"

Shipping Intelligence

Chittagong port

Breth position an 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	Kimberly	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)	Itaz	Seacom	29/9	9/10
J/6	Banglar Asha/ Khanak	Wheat(G)		Lams	R/A	9/10
J/7	Aurora	Wheat(G)	Mong	Lams	R/A	12/10
J/8	Jiang Cheng	CI	P Kel	Bdship	1/10	10/10
J/9	Prudent					
J/10	Challenger	CI	GI	Prog	30/9	10/10
J/11	Gemvira	CI	Vize	Mas	1/10	13/10
J/12	Diligence					
J/13	Container	Cont	Sing	QCSL	5/10	10/10
J/14	Dong Fah	CI	Xong	ECSS	29/9	17/10
J/15	Sea Elegance	Cont	Sing	PHU(BD)	1/10	9/10
CCT/1	Xpress Resolve	Cont	Col	Baridhi	7/10	-
CCT/2	Sing Hai	Cont	Sing	QCSL	6/10	11/10
RM/14	Ivan Vazov	Fert(MOP)	Litmond	R/A	9/10	-
CCJ	Nan Du Jiang	C Clink	Dam	Seacom	21/9	9/10
TSP	Pearl of Dammm	R Phos	Vize	BMA	1/9	15/10
RM/3	Shao Shan	Cement	Dam	Delmure	R/A	15/10
RM/4	Menado	Cpo/Rbd	Sana	RSI	7/10	11/10
RM/5	Helios-1	Urea	Damm	Mov	1/10	9/10
RM/6	Star Glory	Cement	Lams	Delmure	R/A	15/10
DDJ	Banglar Jyoti	Repair	BSC	R/A	8/10	-
DDJ/1	Banglar Shourabh	Repair	BSC	R/A	16/10	-
DDJ/2	Tanary Star	Idle	Para	PSAL	-	30/10
RM/8	Ed Carrier-2	P Mat	Sing	Total	5/10	-
RM/9	Sheng Yuan	Cement	Peng	RML	19/8	10/10
RM/9	Banglar Kakoli	Repair	Yoko	BSC	20/9	14/10
CULFJ	Banglar Kiron	Wheat(G)	BSC	R/A	10/10	-

Kafco(U) Tug Ocean cho

Vessels due at outer anchorage

Vessels due at outer anchorage					
Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
Etisuan	9/10	-	BBA	CI	-
Maru No 5 (Amanat)	9/10	Bomb	JF	CI	-
Jiao Cheng	9/10	-	Everett	Scraping	-
Atsuta Maru	9/10	Fuja	Sinni	Scraping	-
Ventura	11/10	Riza	USTC	Cement	-
Great Best-1	11/10	Shelk	Litmond	Fert(Mop)	-
Rab	11/10	Sing	RSL	Cont	Sing
Vanessa 1/10	11/10	-	Sunshine	CI (P Mat)	-
Arktis Future	12/10	Sing	BSC	Cont	Sing
Banglar Robi 1/10	13/10	-	CTPL	Urea(Fert)	-
Golden Ocean	13/10	Sing	Pil(BD)	Cont	Sing
Hai Xiong 22/9	14/10	Rawa	Cross	Urea(Balc)	-
Albatros-III	12/10	Lam	HSL	Cement	-
Tempest	12/10	Sing	QCSL	Cont	Sing
Arktis 2/10	13/10	Sikka	BSC	Clinker	-
Banglar Shobha	-	-	-	-	-
Dragon Sentosa	-	-	-	-	-
Conti 4/9	13/10	Col	Baridhi	Cont	Col
Ultima 1/10	13/10	Mong	Baridhi	Cont	Col
Demach	13/10	-	Sunshine	CI(Vehi)	-
Da Pu 5/10	13/10	Sing	Apil(B)	Cont	Sing
Regina 5/10	13/10	Sing	Pil(BD)	Cont	Sing
Al Shams	13/10	-	Prog	CI	-
Unlida	15/10	Sing	BNSC	Cement	-
Banglar Monti 1/10	15/10	Sing	BSC	Cont	Sing
CI Pintail 5/10	16/10	Sing	QCSL	Cont	Sing
Amphun Navee 7/10	16/10	-	RSL	Cont	Sing
Tuslan	18/10	-	Litmond	Moplin bulk	-
Sarah-1	20/10	-	Cross	Steel Cargo	-
Giota Pusaka 8/10	18/10	-	Pil(BD)	Cont	Sing
Astro Jyotin	-	-	-	-	-
Roro/24/30/9	24/10	-	JF	Vehi	-
Suble Lieutenant	-	-	-	-	-
Roro/24/7/10	30/10	-	BBA	Vehi	-