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BGMEA hails devaluation of Taka

President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Mostafa Golam Quddus yesterday hailed the devaluation of Taka saying such devaluation would help boost the country's export earnings impressively, reports BSS.

In a statement, Quddus thanked the Prime Minister and the ministers for finance and commerce for taking the step and observed that such devaluation would help increase export trade. In this regard he also said that Taka had been devalued several times in the past but it had not created any negative impact on the economy as alleged by certain quarters.

Quddus said BGMEA, as the apex body representing the country's largest foreign exchange earning sector, has been watching the status of the country's exports.

Arguing in favour of devaluation, the BGMEA President demanded further devaluation of the currency quoting experiences in 1973-74 to 1995-96 when, he said, export earnings increased.

BCI urges govt to keep ports open on Saturdays

Star Business Report

Bangladesh Chamber of Industries (BCI) has urged the government to issue an order for functioning of the ports and customs department on Saturdays in order to ensure smooth running of business.

At a meeting of its board of directors yesterday, the chamber welcomed the govt decision for keeping banks open on Saturdays and called for ensuring all services as the banks carry on only money transactions on the said days.

They said production-oriented industrial units and exporters do not get any service from the banks on Saturdays, according to a press release.

The meeting was presided over by BCI president Sharif M Afzal Hossain.

Dhaka-Tokyo trade ties emphasised

Japan-Bangladesh Joint Committee for Commercial and Economic Cooperation (JBCCEC) has called for promoting economic and commercial ties between the two countries.

The call was made at the ninth meeting of the committee held in Tokyo recently, according to a message received here.

A joint statement was also adopted at the meeting.

The Bangladesh side at the meeting was led by the President of FBCCI, Yussuf Abdullah Harun and the Japanese team was headed by the Chairman of Tokyo Engineering Corporation, Uzuhiko Uwatoko.

Speaking on the occasion, Harun said JBCCEC would play a vital role in encouraging the Japanese entrepreneurs to invest in Bangladesh.

In his speech, Uwatoko lauded the achievements of Bangladesh government which has created an enabling environment for the Japanese investment.

ICC proposal for cutting cost of Euro patents supported

Representatives of different European industries supported International Chamber of Commerce (ICC) proposal to European Patent Office (EPO) for easing translation requirements for taking any patents out of Europe, an ICC release received here from Paris said, reports BSS.

An ICC conference on this topic which ended on Thursday in Paris observed that currently patents in Europe must be translated into ten languages to secure full protection in all countries.

EPO President Ingo Kober told the conference participants, who included intellectual property specialists, government patent officials and representatives of inter-governmental organisations, that a typical European patent cost German DM 22,000 with translating and validating costs amounting to 40 per cent of the total.

He said organisations like European Industry Association, UNICEF, apparently favoured an all-English approach, under which an applicant could file in any of the official EU languages, but would have to submit an English translation and stay in that language until the patentee envisaged enforcement.

While declining to comment on the observations of the conference, the EPO president said, "such a radical proposal demonstrates the strength of feeling which exists in industrial circles on the language issue and reflects growing impatience with the status quo," he said, adding that "it would be ostrich-like to ignore the reality."

Massive crash in Hong Kong shares: China put to test

Global markets still in crisis

NEW YORK, Oct 25: The Hong Kong Flu may not be a 24-hour illness. While Hong Kong markets rebounded Friday from Thursday's massive selloff, the recovery was unconvincing in many other major global markets where early gains faded during the day, reports AP.

With US stocks down from record heights but still up nearly 20 per cent for the year, Wall Street has hardly been brought to its knees. But the rapid spread of the stock shock demonstrates the delicate constitution of an expanding global economy and the seven-year US recovery.

"It brings in the question of just how fragile this elderly bull market really is," said Ken Goldstein, an economist at The Conference Board, a business-financed research group.

A rebound in Hong Kong stocks Friday failed to persuade investors in other markets that Asia's economic problems have ended. On Wall Street, the indecision was evident in the volatile swings of the Dow Jones Industrial Average, up 92 points at the onset, then down 152 before trimming its losses to 132.36 at 7,715.41 — the Dow's lowest finish since August 29.

The week — which ended with the Dow tumbling four per cent in the final two days of trading — was the busiest ever on Wall Street, with some 7 billion shares changing hands. Friday saw the heaviest volume ever — or almost 1.8 billion shares combined on the New York Stock Exchange, Nasdaq Stock Market and American Stock Exchange.

As a new trading day began Friday, Hong Kong's main Hang Seng index bounced back from its 10 per cent plunge, the steepest retreat since the 1987 crash. It finished up 718.04 points, or almost 7 per cent, at 11,144.34, on bargain-hunting after the selloff.

Relief that the selling spree was interrupted spilled over into Japan's market, which gained 1.2 per cent. European markets also rallied at first, then faded to slight losses in London and Paris, while German markets finished higher.

As the Hong Kong bug lingers, plenty of other fears evolve. Skittish Wall Street investors, for example, also fear the day the US Federal Reserve sees enough inflation signs to raise interest rates, dampening the economy and corporate profits.

And throughout Asia, currency concerns persist, like those that prompted the Hong Kong market's retreat Thursday.

To defend its currency by making it more attractive, Hong Kong's central bank raised its discount rate — the central bank's guideline for what interbank rates should be — from 5.25 per cent to 5.5 per cent Saturday.

The Hong Kong Monetary Authority usually takes its cue on discount rates from the Fed, and this latest, unilateral action appeared to reflect concern that the Hong Kong dollar remains on volatile ground.

Unstable economies in what until recently was viewed as a booming market remain a threat to the United States, which sends more than a quarter of its exports to the Asia-Pacific region.

AFP report from London says: European stock markets failed on Friday to capitalise on Hong Kong's rally, as disappointment at Wall Street's short-lived rebound and continuing fears of financial turmoil in Asia wiped out the day's gains.

One day after a massive crash in Hong Kong shares, which caused a slump on international financial markets, European investors had at first been reassured by Hong Kong's rebound of 6.9 per cent on Friday.

But sentiment turned negative after Wall Street failed to hang on to opening gains and started to lose ground.

Economists in London cautioned that the Hong Kong dollar's peg with the US dollar could come under pressure again and the crisis in Southeast Asia was far from over, which posed a risk for European equities.

"It's too early to say whether this crisis has gone away. The issue of the peg is still out there," said David Bowers, European strategist at US investment bank Merrill Lynch.

"One has to be quite careful in giving the all-clear, the markets (in Europe) are still vulnerable," he added.

In London, share prices lost 0.43 per cent, after at one point registering a rise of 2.24 per cent. The Footsie index of 100 leading shares fell by 21.3 points to 4,970.2 points.

Frankfurt, where trading closed before the opening of Wall Street, was one of the few major European bourses to hang on to its gains. The Dax-30 index closed up 1.73 per cent.

Amsterdam, which closed before Wall Street moved into the red, gained 1.01 per cent while Milan ended the day with a tiny gain of 0.09 per cent.

But Paris closed down 0.27 per cent, Madrid lost 0.78 per cent and Brussels one per cent.

Despite the nervousness, economists said that Europe was less exposed to the Southeast Asian financial turmoil than the United States.

Bowers pointed out that only seven per cent of European exports were destined for Asian markets, compared with 29 per cent in the United States which meant that Europe would be less affected by any economic slowdown in Southeast Asia.

Another AP report adds: China's official line on Hong Kong — "one country, two systems" — is being sorely tested by the suddenly exposed economic problems of its reacquired territory.

Thursday's worldwide currency and stock market debacle began in Hong Kong, touched off by the government's defence of its currency, which led to a steep rise in interest rates.

There was shock that Hong Kong, a venerable capitalist showcase encouraged by its communist rulers, had been caught up in the turmoil that since summer had undermined the currencies and economies of such neighbours as Thailand, Malaysia, the Philippines and Indonesia.

"I'm not sure if Hong Kong is the last domino to fall," said Sung Won Sohn, chief economist at Norwest Corp. in Minneapolis.

"Clearly the next target could be China and then we are talking about a lot more math. It's a much bigger deal than Hong Kong or Thailand."

Part of that problem comes precisely because China thinks it has a hands off, "one country, two systems" policy that allows Hong Kong, reacquired from Britain on July 1, to remain the capitalist star in a country still tweaking its market reforms. China and Hong Kong are much closer than "one country, two systems."

"I think the problem really for China is they could end up spending huge amounts of money depleting their foreign reserves in trying to save the Hong Kong currency," said Marvin Zonis, professor of political economy at the University of Chicago's graduate school of business.

Indeed, Hong Kong's problem Thursday was triggered by the Hong Kong government trying to defend against speculative attacks against the Hong Kong dollar, which is pegged to the US dollar.

Other Asian countries allowed their currencies to float this summer, giving in to speculative pressures.

Such a move Thursday would have devalued the Hong Kong dollar and reduced the value of stock portfolios even further. But the government stood firm, buying US dollars to defend its currency — and the Hong Kong dollar ended the trading day stronger.

CSE shifts to its own building

Plan to build super multi-storied tower

CHITTAGONG, Oct 25: Chittagong Stock Exchange (CSE) has taken up a plan to build a super multi-storied tower to be named the CSE Tower, CSE President Amir Khasru Mahmud Chowdhury, MP, said here today, reports BSS.

Speaking at a news conference, immediately after the formal inauguration of the new CSE building, Chowdhury said the CSE started its trading on October 10, 1995 at a rented house and today we have shifted to our own building structure of 28,000 square-foot situated on a plot of 56 decimals.

He said, "We are in the process of buying an adjacent land of about 70 decimals to fulfil our ambition."

The CSE Tower would be a landmark in the geographical beauty of Chittagong and a symbol of state of the art architecture, CSE President added.

CSE Vice-President Habibullah Khan, Mirza Salman Ispahani, Abul Khair Chowdhury and other members were present.

The CSE President said to make the country's growing capital market more transparent, the CSE would automate its trading system by the end of this year.

CSE signed a memorandum of understanding (MOU) with two internationally reputed vendors on June 30, to install an automated trading system and a country-wide telecommunication network.

The CSE member would be enable to do on-line real time trading from anywhere of the country, he added.

The introduction of automation will create a revolution in the capital market, Chowdhury said, adding, "we have sent our executives to various countries like Japan, the Netherlands, South Korea, Malaysia, Singapore, India and Pakistan for specialised training on capital market.

He said CSE would continue its efforts in developing expertise and skilled human resources on the market.

To avoid forgery in share certificates and improve fairness in trading, Chowdhury said the central depository system (CDS) is the need of the country's capital market.

The core services of CDS are settlement and transfer of securities transactions through computerised book entry systems.

Under the system, the investors will be relieved of physical handling of certificates and paper works.

The CSE President criticised the role of the Securities and Exchange Commission (SEC) and the government in this regard and said, SEC has formed a committee to establish CDS, but unfortunately its progress is not satisfactory.

"To help expedite the issue I, myself, being a member of parliament, will be bringing a private bill on CDS in the next session beginning on November 2," said Chowdhury.

CSE which started trading on October 10, 1995 with 30 companies listed and market capitalisation of Taka 807 crore, has now 137 listed companies with market capitalisation of Taka 6,514 crore.

A meeting of the Board of Directors of Bank of Small Industries and Commerce Bangladesh Limited held recently has approved balance sheet, profit and loss account of the bank for the year 1996.

Now S'pore dollar to be determined by market forces

SINGAPORE, Oct 25: Singapore will allow the value of its currency to be determined by market forces and not push it one way or another, Finance Minister Richard Hu said, reports Reuter.

Although the monetary authority of Singapore steps into the market occasionally, it was only to avoid large fluctuations, which might make it difficult for businessmen to operate. The Straits Times newspaper today quoted Hu as saying.

Hu made the remarks on the sidelines of a grassroots event on Friday.

Senior Minister Lee Kwan Yew said in Boston the currency would be allowed to weaken in line with other Asian currencies to maintain Singapore's economic competitiveness, the Business Times newspaper said on Saturday.

Lee was in Boston to speak at the 1997 Fortune 500 Forum on Friday.

Lee said that Singapore wanted its dollar to be at a competitive level.

But he did not expand on how much the Singapore dollar was expected to fall.

Southeast Asia had been plagued by currency woes in the past few months and the Singapore dollar — once seen as a safe have in times of regional turmoil — has not escaped unscathed.

On Thursday, the Singapore dollar plunged to a 46-month low of 1.5950 against the US dollar.

He said that the Singapore dollar was dragged down not because of specific problems with its economy, but investor worries about the region as a whole.

Thailand, the Philippines and Indonesia have effectively devalued their currencies in recent months amid mounting concerns over the health of their economies.

Hong Kong, which has the last currency pegged to the US dollar in the region, became the latest target of speculators this week.

Banks pushed interest rates to astronomical levels to defend the local dollar, but the move sent Hong Kong stocks to their highest point loss ever.

Workshop on economic planning

A five-day long workshop on "Environmentally Sound and Sustainable Economic Planning" will begin today at BPATC, Savar, says a press release.

The workshop is jointly sponsored by BPATC and ESCAP.

Dr Ekram Hossain, Rector, BPATC will inaugurate the workshop.

The main objective of the workshop is to familiarize government officers, executives of training and academic institutions, non-government organisations and research scholars with up-to-date modeling and planning techniques in analyzing formulating and implementing policies on sustainability of environment and economic development.

Iraq in oil talks with 40 foreign companies

DUBAI, Oct 25: Iraq is negotiating oil production sharing agreements with some 40 foreign companies from 20 countries, an Iraqi oil official said here at an international gas conference, reports AFP.

"We are negotiating production sharing agreements with approximately 40 companies from 20 countries," Faleh al-Khayat, Director General of Planning at the Iraqi Oil Ministry said on the sidelines of the Middle East gas summit.

France, Italy and Spain are among those countries, but not companies from the United States or Britain, he added.

"The dealing with foreign companies is closely related to the policies of their respective governments on the issue of lifting the embargo," he said, referring to Washington's and London's hostile attitude to Baghdad.

Iraq is under an oil embargo since its August 1990 invasion of Kuwait.

An agreement could be signed "very soon" with Elf Aquitaine and Total of France on the development of the giant oil fields of Majnoon and Nahr Omar in southern Iraq, Khayat said.

Asian economic crisis likely to affect world growth: Analysts

PARIS, Oct 25: The Asian economic and financial crisis is likely to hamper economic growth in other parts of the world to some extent because of the interlinking of the global economy, analysts here say, reports AFP.

An Asia-wide crisis could wipe 0.1 to 0.2 points off French gross domestic product, experts at French bank Ccf and Abn Amro said.

French Finance Minister Dominique Strauss-Kahn said that the multilateral financial institutions should move now to forestall any wider destabilisation in the region, particularly the International Monetary Fund.

The IMF has already embarked on a recovery programme with Thailand and Indonesia after both countries ran into severe economic difficulties sparked by a currency crisis brought on by speculative attacks on their currencies.

It became clear on Thursday that the party is not yet over in the speculators' minds as the Hong Kong dollar, currently pegged at around 7.75 to the US unit, came under a wave of speculative attack, forcing the authorities to raise interest rates to calm the market.

Belt-tightening in Thailand, Malaysia and Indonesia will impact US and European companies both directly and indirectly, analysts said.

While only some 7 per cent of EU exports go directly to Asia, European companies have been pushing hard for a bigger share of the fast-growing Asian markets in recent years, and this growth will clearly be hampered by the slowdown in several Asian economies caused by the crisis.

US companies will be affected because some 15 per cent of their exports go to Asia, but there will also be a knock-on effect, for instance for European companies making components for US products, which is hard to measure, said Philippe Brossard of Abn Amro in Paris.

At the same time, credit Lyonnais said, the sharp devaluation of several Asian currencies will make their goods cheaper abroad, and technology companies, for instance, could find their earning trimmed by having to cut prices to cope with cheaper Asian products.

Major European companies are stillconfident of a growing Asian market in the longer term but are concerned about the effect of the current crisis on their activities this year and possibly next.

Germany carmaker BMW, for instance, has seen sales in Thailand tumble 47 per cent in the first nine months of this year, with those in South Korea down 16 per cent, and is now facing a sharp increase in import duties in Malaysia and Thailand.

Because of this uncertainty, the company is 10th to put a figure on its planned investment in the region, but group chairman Bernd Pischetsreider said Thursday "we still think there is no reason to change our medium-term and long-term plans for the Asian market."

Moody's senior economist, John Lonski, said the Asia crisis should be kept in perspective, however, noting that the total economic activity of the four newly industrialised Asian economies and the four "crisis" economies together is only about 20 per cent of the European Union countries.

"If, as generally expected, the European Union economies maintain a 3 per cent growth rate during 1998-1999 ... the world economy should largely transcend the travails of East Asia," he said.

US exports to Asia grew 8.5 per cent in the first eight months of the year, compared with 22 per cent growth in exports to Latin America.

Emmanuel Ferry at Ccf said that while the Asian crisis will have a lasting and deep effect on the immediately affected economies, the world economy should continue to grow.

Coming AGMs

Company	Book Closure	AGM/EGM	Date	Vanue & Time	Dividend Proposed
Bexim Ltd (Deb)	29/09/97-10/10/97	Half Yearly Interest			
ICB	16/10/97-30/10/97	AGM	30/10/97	Hotel Purbani, 3pm	----
Bexi Pharma	10/11/97-30/11/97	AGM	30/11/97		30 18:2
Shine Pukur	-do-	-do-			10(F)
Raspit	....	AGM	.....	....	18:1
Uttara Bank	20/10/97-18/11/97	AGM	18/11/97	Officers Club, Dhaka, 11am	
Bexi Infu (Deb)	16/10/97-30/10/97	Half Yearly Interest			
Bemco Ltd	08/10/97-29/10/97	AGM	29/10/97	Factory Primises, Ctg, 3pm	

Central Insurance Company Ltd formally opened its Comilla branch at Chatipatti recently. A simple ceremony and a milad mahfil were arranged on the occasion.

CSE becomes member of FEAS, FISE

CHITTAGONG, Oct 25: Chittagong Stock Exchange (CSE) has got the membership of the Federation of Euro Asian Stock Exchange (FEAS) based in Istanbul, Turkey, CSE President Amir Khasru Mahmud Chowdhury said here today, reports BSS.

The CSE also has got membership of Federation of International Stock Exchange (FISE) based in France.

Team leaves for Pakistan today

Another report says: A two-member delegation of Chittagong Stock Exchange (CSE), led by its President Amir Khasru Mahmud Chowdhury, MP, leaves here Sunday for Pakistan to attend the annual general assembly of the FEAS.

The FEAS General Assembly will be held in Lahore on October 29.

The other member of the delegation is CSE Vice-President Mirza Salman Ispahani.

The CSE delegation will also attend group meetings in Karachi on October 27 and 28.

ANANDO — an NGO with new approach

ANANDO, a non-government and non-profit organisation, emerged recently, capitalising on the efforts by other similar NGOs to combine economic development and cultural promotion, says a press release.

The organisation is registered under Social Welfare Department and NGO Affairs Bureau of Bangladesh. ANANDO is part of Bangla-German private networking and is partially supported by German communities and institutions.

Development, according to ANANDO's philosophy, is based on the individual person being attached to his community and to his or her specific cultural tradition.

Any economic progress which naturally affects the life of the individual and of the community should be accompanied by strengthening and vitalising the culture of the people so as to maintain the balance between external changes and mental well-being. Material progress without ethical maturity leads to nihilism and violence.

Facilitators of a new type of development are the youths. They are the unbreakable chain between the past and the future, their inherited community and the modern world.

ANANDO encourages and provides training for youths on self-employment, on job finding and job making, on social and inter-religious peace making, on ecological activities such as use of solar energy and above all on cultural research and practices. ANANDO's Cultural Team is known both home and abroad for its enthusiasm and skill to promote and uphold traditional culture of Bangladesh through team performances. It represents those Bengali youths who are determined to resist Western cultural domination and commercialisation.

Srinagar investment confce hailed as 'new beginning'

Binoo Joshi writes from Srinagar

The outcome of an international investment conference held in Srinagar here over the weekend is being hailed as a "new beginning for Jammu and Kashmir" whose economy has been shattered by seven years of separatist violence.

Jammu and Kashmir Chief Minister Farooq Abdullah is pleased with the success of the first international investment conference organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) and the PHD Chamber of Commerce and Industry (PHDCCI) to explore possibilities of investment in the state.

"It was a new beginning," said an excited Abdullah and promised that the state would "catch up with other states by marching forward at a faster pace."

Observers judged the success of the conference by the number of participants. There were 114 participants, of whom 13 were from foreign countries - mostly diplomats and heads of the economic sections of the European countries' embassies in New Delhi.

"It was an extraordinarily successful endeavour," said Sudhanshu Pandey, Managing Director of the Jammu and Kashmir State Industrial Development Corporation (SIDCO), which offers finance and infrastructure to industrial houses.

Prime Minister I.K. Gujral, who flew here to address it, sought to infuse a new sense of confidence among investors both within and outside the country, in a bid to allay fears of those still sceptical of the situation in the state. Gujral declared that the government of India would "share the risk factor" with the investors investing in Jammu and Kashmir.

There were doubters like Vishan Swarup Aggarwal, Chairman of the Calcutta-based Indus Food Products and Equipment Limited. "Apparently everything appears calm and quiet but there is a feeling in me and my colleagues that we are sitting in a security zone. We are unaware of the realities outside the security zone," he said in an obvious reference to the situation in the Valley which is no longer under round the clock vigil by security personnel.

But Aggarwal said that despite these doubts investors will look at Kashmir with "more seriousness." He himself would wait for some more time, though. "I would like the situation to become more normal," he told India Abroad News Service.

FICCI president A.S. Kasliwal, asked why it took the chamber so long to realise that Jammu and Kashmir has vast potentials in tourism, food processing, electronics and floriculture, told IANS: "Jab Jage Tabi Savera" (the day starts when you wake up)." Kasliwal said he was convinced that the conference would bring investment in a big way to Jammu and Kashmir.

His words proved prophetic. Leading entrepreneur Lalit Suri announced a one billion rupees investment in the hotel sector saying he had struck a deal for the takeover of the Palace Hotel which was closed for the past eight years.

The hotel will become functional in April next year, said Suri who was given the rare honour to speak before the Prime Minister's address. He said the amount he had invested "should send a signal to one and all that money is safe in Kashmir. I have taken the initiative, you can follow."

The state's potential was also realised by the foreigners. Jaechol Hann, Minister in the Embassy of the Republic of Korea, said his country would consider a "long term investments" in Jammu and Kashmir.

Local businessmen said that though the conference has been successful and has sent a clear signal that things were changing in Kashmir, follow-up action was needed.

Jammu-based businessman Ram Sahai, who has industrial units and business interests in Kashmir, said: "Now what is needed is follow-up action. If everything is left mid-way, that would get the state nothing."

Sahai told IANS that the local business community would press the government and FICCI to constitute a committee which should meet regularly and take action to ensure that the business-friendly attitude is maintained and project proposals are followed up.

PHDCCI president Binay Kumar agreed that the beginning has been made. The next step, he said, would come soon.

(Source: India Abroad News Service)