Geneva Business Dialogue opens today

Star Business Report The two-day Geneva Business Dialogue bringing together heads of world's several leading companies and top officials of the UN and other international organisations, begins in the Swiss city tomorrow, says a press statement issued in city yesterday.

Staged by the International Chamber of Commerce (ICC), the world business organisation, participants at the dia-logue will seek to sketch out an action plan for the next few years on many issues related to global economy. It will particularly deal with very important aspects arising out of the emerging global economy.

Observers attach significance to the Geneva meet in the backdrop of economic globali-

sation. The Geneva Business Dialogue coincides with the 75th anniversary of ICC International Court of Arbitration which will be participated by eminent lawyers from around the globe.

Meanwhile, a nine-member Bangladesh delegation led by the President of ICC Bangladesh Mahbubur Rahman left Dhaka on Monday to attend the dia-

Other members of the delegation are: President of the FICCI and Managing Director of Rhone-Poulenc Rorer A K M Shamsuddin, former President of DCCI and Chairman of Newage Group A S M Quasem, former President of MCCI and Chairman of Square Group Samson H Chowdhury, Managing Director of Arab Bangladesh Bank A Rahim Chowdhury, Secretary General of MCCI C K Hyder, senior advocates of the Supreme Court, Barrister Rafique-ul Huq, Barrister Dr M Zahir and Barrister Rokanuddin Mahmud, who is also Chairman of ICCB Standing Committee on International Law and Arbitration.

European stocks fall further

PARIS, Sept 22: Monday was another dark day for European stock markets, even though investors had thought Friday evening they had weathered the worst of the storm, reports AFP.

European markets, like others, had to cope with worried investors unloading stocks before the media carried a videotape, Monday afternoon (European time) of US President Bill Clinton's testimony to a grand jury in connection with a sexand-perjury scandal.

Share markets all over the world faced strong selling pressure, pushing stock prices down by thumping amounts.

The Amsterdam bourse gave up a hefty six per cent on the day, and trading was suspended for 15 minutes due to a flood of sale offers. The Madrid share market gave up 5.47 per cent on the day, Frankfurt 3.58, Brussels 2.57 per cent and Milan

London, Europe's biggest share market, slipped by 1.29 per cent on the day, and the Paris bourse managed to hold its losses to 3.54 per cent after having been down by more than six per cent during the session. The Paris bourse is now up by a mere 11.5 per cent for the year to date, as against a strong 47

per cent on July 20. Wall Street was down by two per cent in early trading, but reduced its losses shortly after the television broadcast of Clinton's testimony to the grand jury began.

The European downtrend was a continuation of sharp falls on Asian markets overnight, Tokyo giving up 2.8 per cent to reach its lowest level in 13 years because of concern about continuing political differences on how to cure the Japanese banking system.

Financial observers say the market correction is turning into a real crash, a crash general occurs over two or three sessions, but this time it took around two months, with a speed-up the last few days, one manager said.

The fall goes well beyond the correction that US Federal Reserve chef Alan Greenspan mentioned two months ago. when he said a "significant" correction would occur eventu-

ally on the stock market. At that time, the economic horizon was veiled by the Asian financial crisis, which worsened before financial shocks from Russia, but now the horizon is virtually opaque due to fears of an extension of the financial crisis to Latin American countries and fears Clinton

could be impeached. All this has created great uncertainty, something that mar-

kets never take to kindly: DHL celebrating 20th anniversary in Greece

DHL Hellas is celebrating its 20th anniversary this year in

Greece. DHL is the first courier company in Greece and the indisputable market leader, said the

firm in a press release. Patrick Lupo, executive chairman, was present at a reception to commemorate the event along with customers, business partners, journalists,

authorities and employees. A state-of-the-art engraving was made exclusively by the famous Greek engraver, Panagiotis Gravalos, in a limited edition of 300 pieces. It was presented as a token of appreciation to the customers and key authorities for their cooperation, the release added.

Int'l community urged to help control currency speculation

'Market-opening reforms in developing world at stake'

WASHINGTON, Sept 22: Thailand's Foreign Minister Surin Pitsuwan urged the international community yesterday to come up with ways to control currency speculation, warning that market-opening reforms in developing nations were at stake, reports Reuter.

· "The world, I think, has an urgent need to come together and look very very carefully.... into the negative impact of this very, very volatile speculative activity," Surin said.

"If we can't come up with some agreement on that, then you know what the negative impact is going to be. Every economy is going to be very hesitant, very reserved, very concerned about opening up. about liberalisation," he told a news conference in Washing-

At the beginning of this month, Malaysia's central bank slapped curbs on foreign exchange trade to shield the battered ringgit currency from global instability and cut off speculators, long blamed by Prime Minister Mahathir Mohamad for Asia's financial

Malaysian policies have heightened concerns that other developing nations, hit by financial crises in Asia and Russia, would follow with tight controls of their own to shelter their economies and currencies from the contagion.

International financier George Soros warned a US Congressional panel last week that Mahathir put Asia's recovery at risk and encouraged more flight of capital.

After Malaysia's announcement. Thailand made clear it saw no need to impose additional capital controls to help its economy, which is riding its worst economic crisis in decades.

Surin, during a trip to Washington, said confidence was returning to Thai financial markets, with the help of an IMF-arranged 17.2 billion dollars rescue package agreed last year. "Rather than withdrawing or

closing down, or trying to adopt measures that would be counterproductive, that would be retrogressive, we have been determined to stay on the course of free market, of opening up," he said. "We are determined to do whatever is expected of us to

But Surin said the IMF, the World Bank and major industrial nations, scheduled to meet in Washington in early October, needed to develop ways to "lessen the negative impact" of currency speculation.

"Some mechanism of monitoring, of supervision, of control, of major movement of capital from one place to an-other... on the basis of speculation, I think is in order," he

"We do need a very, very close international cooperation on this in order to bring a semblance of order."

Without singling out Malaysia, Surin warned governments against retreating from market-opening reforms.

"Somehow, somewhere in the middle, we have to strike a balance," he said. "In the end, I think we cannot fight the wave of globalisation. In the end, we cannot resist the impact of liberalisation, but then the experience of the last year and a half should be enough to convince us that we need to come up with some mechanism." .

Debt-crushed Pakistan hopes to win IMF-WB bailout package

ISLAMABAD, Sept 22: After more than a week of talks with international lending agencies debt-burdened Pakistan is "hopeful" of an economic bailout that would avoid a possible default on external credit repayments, a senior Pakistani official said Tuesday, reports

"We are hopeful we will negotiate a good deal with the IMF (International Monetary Fund)," Ahsan Iqbal, deputy chief of the Planning Commission told The Associated Press. "Our economic reforms were derailed by the sanctions. And we are trying to put across our case to the IMF.

A joint IMF and World Bank team has been in Pakistan for the past 11 days to try to put together a package of credits and loans to this troubled nation, burdened by a 32.1 billion dollars external debt and an acute shortage of foreign currency.

The foreign exchange reserves stands at roughly 700 million dollars, barely enough to cover imports for the next one month.

The country has been pushed bly on Monday. to the brink of economic collapse by international sanc-

tions that followed its tit-fortat nuclear tests in May.

The country is sitting on a 'debt bomb' that has killed the economy, said Iqbal. Earlier Pakistan said it would consider requesting a moratorium on payment of its debt if international donors do not release the promised loans.

The resumption of international money to Pakistan appears to hinge on the nation signing a treaty banning nuclear tests.

Prime Minister Nawaz Sharif told US President Bill Clinton, the architect of sanctions, that Pakistan was not opposed to signing the Comprehensive Test Ban Treaty.

However Pakistan wants all sanctions lifted before its signs the treaty.

Every year for the past five years Pakistan's domestic and foreign debt has risen by more than 240 billion rupees (5.2 billion dollars) mainly because of financing of fiscal and current accounts deficit, Parliamentary Secretary for Finance Kamil Umar told the National Assem-

Igbal said Pakistan's debt servicing almost doubled in the past three years increasing to roughly 275 billion rupees (5.9 billion dollar) this year, com-

billion dollars) three years ago. "Our defense expenses stands at 145 billion rupees (3.1 billion dollar) and we have a shortfall of 70 billion rupees (1.5 billion dollar) on these two accounts alone as our revenues stands at 350 billion rupees (7.6 billion dollar)," he said.

pared to 145 billion rupees (3.1

Pakistan's administrative expenses stands at 40 billion rupees (800 million dollar), and allocations for social and development sectors widens the budgetary gap further, he said. There also had been an ad-

verse impact of expensive short-term borrowing by the successive governments, said Iobal. He said a sharp rupee deval-

uation also contributed to the ballooning debt. There has been a devaluation of 10 to 12 per cent annually during the recent years.

economic analysts say. But Iqbal said Pakistan needs soft conditions from global donors to allow it to implement economic and structural reforms gradually.

First Al Baraka collection booth opens in city

Star Business Report Al Baraka Bank Bangladesh Limited has opened its first collection booth at IDB Bhavan at Agargaon in the city.

Inaugurating the booth on Monday, the Deputy, Governor of Bangladesh Bank, Khondker Ibrahim Khaled, spoke of the role of Islamic banking in the country

Quamrul Islam Siddique. Chief Engineer, LGED, was the special guest on the occasion In his address of welcome.

Anwar Ahmed, the Executive President of Al Baraka Bank Bangladesh Limited, focused on the performance of the bank in the perspective of international banking environment, says a press release. F M Rafiqul Islam, Chair-

man of the Executive Committee, dwelt on the achievements of the bank during the last six months of the year.

US changes anti-money laundering measures

WASHINGTON, Sept 22: The Treasury Department, announced changes in anti-money laundering rules Monday intended to sharply cut the frequency banks must report cash transactions, says AP.

Under the Bank Secrecy Act financial institutions must report cash transactions in excess of 10,000 dollar by their customers. The change makes it simpler for banks to exempt transactions by retail and other cash-intensive businesses.

The changes are aimed particularly at exempting smaller businesses whose stock isn't publicly traded, which represented a majority of the 12 million reports filed last year.

Financial institutions can exempt a customer by filling out a form stating the business has need of large amounts of cash and has been a customer for one year. Banks still must report suspicious activity by exempt customers and must review the exemption every two years

Also, certain categories of businesses, such as real estate brokers, auto dealers and money transmitters, may not be ex-

Banks may adopt the new procedures as soon as Oct. 21 and have until July 1, 2000 to phase in compliance. The American Bankers Association praised the changes.

New GM of Rupali Bank

Star Business Report



has joined Rupali Bank as its General Manager, says a press release issued in

Shah Mohd

Nizamuddin

Before joining Rupali Bank, he was the Deputy General Manager, International Division of Sonali Bank.

Besides, he worked in different capacities of Sonali Bank Local Office and its Foreign Exchange Department. Nizamuddin attended many seminars in New York, Hong Kong and

(SIDBI) is supporting exports to

Africa by offering credit to

small entrepreneurs doing

business with Africa. SIDBI is

also helping some African na-

tions set up similar export

credit facilities to boost African

dians and Africans speak of

hurdles to greater bilateral

trade. "Doing business with

African countries is not a prob-

lem. The people are honest and

simple. But things move a bit

slow and payments sometimes

get held up," an Indian en-

trepreneur doing business in

Ltd., one of India's largest in-

digenous medicine and health

foods manufacturers, spoke of

the need for protecting Indian

exporters against payment de-

plained about quality and some

of them alleged that Indian ex-

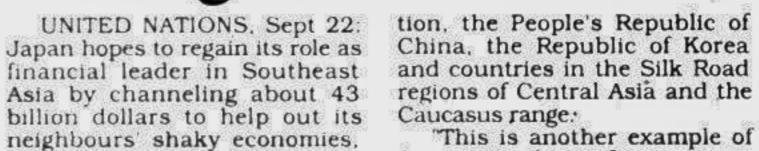
However, the Africans com-

A K Sehgal of Dabur India

Africa was quoted as saying.

The CII meeting saw both In-

exports to India.



President Clinton reacts during a panel discussion on "Strengthening Democracy in the

Global Economy" at New York University's School of Law in New York Monday. Earlier in

the day, the president's videotaped Grand Jury testimony was broadcast around the

LDP tries to salvage bank bill deal

Japan aims at regaining role of

regional financial leader

Japan's policy of promoting the Japanese prime minister both peace and development in tandem," he said. The sum — primarily in loans and some grants - is the It is more important to focus largest single contribution of on how to prevent conflicts rather than on how to solve any nation in the world, Keizo

them once they break out, he This is particular applicable to the nuclear test by neighbouring rivals India and Pakistan, said Obuchi, who urged

all countries who have not done so to sign the Comprehensive Nuclear Test Ban Treaty. In his speech, Obuchi also touched on North Korea's Aug 31 rocket launch that flew over Japan during a failed attempt to put satellite into orbit. US offi-

cials say it was just the latest example of North Korea's aggressive programme to develop a long-range ballistic missile. "Even if it was an attempt to launch a satellite into orbit, (it) poses a serious problem, which directly concerns both Japan's

omy is the best contribution we can make to the economies of national security and peace and stability in Northeast Asia," Japan also is playing its part in trying to resolve ethnic and Obuchi said. Another AP report from religious conflicts around the

Tokyo says, Japan's ruling party tried to keep a compromise of a crucial set of banking bills alive Tuesday, vowing to stand by an agreement not to bail out failed lenders with public funds.

Yoshiro Mori, secretarygeneral of the Liberal Demooratic Party, said the party would stick to its promise not to use a 13 trillion yen (97.5 billion dollars) pool of public funds to bail out the troubled Long-Term Credit Bank of

- AP/UNB photo

Instead, he said, the institution should be dealt with under a new law to place it temporarily under state control, as opposition leaders have de-

Mori's remarks follow a flurry of public disputes between the ruling party and opposition leaders that have threatened to derail the proposed bank bill package.

Prime Minister Keizo Obuchi reached a basic agreement with the opposition on the package last Friday, just before leaving for the United States and his first summit with President Clinton.

Obuchi is under intense pressure to stabilise Japan's teetering banking sector, which is awash in an estimated dlrs 1 trillion worth of bad debt and is seen as a major factor in this country's decade-long economic slump.

Progress on the economy is also of crucial political importance for Obuchi, whose popularity ratings are among the lowest ever.

But signs the pact was unraveling began to emerge almost as soon as it was announced.

India seeks increased presence in Africa

NEW DELHI, Sept 22: Seeking a greater presence in the growing African market, India is working on trade and business promotion deals with African nations and regional groupings in the continent. According to official sources. New Delhi is giving priority to accords proposed

Bhaban in city Monday.

We will have bilateral and regional institutional arrangements. But the regional focus is important," the sources said. India has already signed a trade promotion deal with the 14-member Southern African Development Community (SADC) in October last year.

with the main African sub-re-

gional groups.

Accords are also proposed with COMESA (Common Market for East, Central and South Africa), the ECOWAS (Economic. Council of West African States) and East African Cooperation (EC) which clubs Kenya, Tanzania and Uganda, the sources told India Abroad News Service.

India's trade with Africa has grown nearly four-fold to 3.2 billion dollars between 1990 and 1996 although Indian exports to African nations are estimated to have slumped by 0.5 per cent in recent years. India is still way behind countries like China and South Korea.

"By turning attention to Africa, India will be generating a synergy between two regions which have identical socioeconomic factors," noted business daily, The Economic Times. As in India, the farm

sector plays a big role in the African economy, accounting for nearly a fifth of the gross domestic product (GDP).

Al Baraka photo

Khondker Ibrahim Khalid, Deputy Governor of

Bangladesh Bank, inaugurated the first collection booth

of Al-Baraka Bank Bangladesh Ltd at Agargaon IDB

Indian business is now keen to step up dealings with Africa as was evident from the unusually large attendance at a seminar on business opportunities in Africa organised here by the country's leading business and industry chamber. The prospects for greater

Indo-Africa commerce are con-

sidered bright with most

African nations in the midst of free market reforms which are seen to have speeded up economic recovery in these coun-Addressing the gathering, Senegalese Ambassador Ahmed El Mansour Diop, also Chairman of the Heads of African

Missions and Dean of Diplomatic Corps in New Delhi, said that with peace, democracy and stability returning to sub-Saharan Africa, it was the right time for western and central African nations to forge strong business ties with India.

Diop traced the "age-old friendship" between Africa and India and urged African nations to "open up doors" to India which had been Africa's steadfast political ally. The seminar was organised

by the Confederation of Indian Industry (CII), which represents more than 3,000 Indian business houses. S T Devare, Secretary of

Economic Relations in the In-

by Mahesh Uniyal

dian External Affairs Ministry. told the meeting that the government was trying to help Indian entrepreneurs and would hold consultations with several African countries, especially those along the south and east African coast.

Devare said it was "heartening" to note that the currencies and economies of Africa were stable and registered high growth at a time when many nations were feeling the impact of the Southeast Asian "contagion."

With most countries in the continent now free from political strife, the African sub-regional blocs are expected to play a crucial role in not only promoting intra-regional trade. but help in opening up Africa to the world market. "Since the entire Africa is more or less connected with each other...trade ties with one country will automatically open doors for the rest of the region," the Economic Times pointed

Alok Dutta, who heads the CII's Africa Committee, said the confederation would send a delegation to some African nations in November to identify and help open new avenues of business cooperation. He also urged the Indian government to allot lines of credit to select African countries. India's EXIM (Export-Im-

port) Bank and the Small In-

dustries Development Bank

porters dump shoddy produce in Africa while they send their superior quality products to Western nations. But India has also played a vital role in infrastructure and industrial development in Africa. India helped build railway lines in Africa with the

faults.

tise to several nations. A representative of Tata International Ltd., owned by India's top business house of

Tatas, spoke of how the Tatas contributed to economic growth in African nations where the company had a presence.

said Monday, reports AP.

Obuchi told the UN General As-

sembly on Monday. The amo-

unt includes money already

distributed, such as the 10 bill-

ion dollars bailout of In-

prolonged partly by recession

in Japan - has also under-

mined its position as an eco-

nomic financial leader in the

fort possible, through such

measures as stabilising our fi-

nancial system, to put our own

economy on a recovery track

within the next year or two,"

Obuchi said. "We believe that

early recovery of our own econ-

"Japan is actively promoting

what we call Eurasian diplo-

macy," he said. "This means re-

defining relations with coun-

tries of the Eurasian continent.

including the Russian Federa-

Asia and the world."

world, Obuchi said.

"Japan is making every ef-

The Asian economic crisis —

donesia.

A Tanzanian diplomat said that African nations are interested in long-term investments by Indian companies and not merely trade.

African nations are also keen to benefit from Indian expertise in farming, energy and information technology, "India has always been a staunch supporter during the process of decolonisation of many (African) countries. You saw us through our political hardships. Today, when we go through economic transformation, lend us the same cooperation," an African delegate at the CII seminar was

quoted as saying. Devare told the gathering that India had concluded cooperation agreements with African nations in the field of agriculture, animal husbandry and horticulture.

Indo African ties had got a further boost with Prime Minister Atal Behari Vajpayee's recent visit to South Africa to attend the Non-Aligned Movement (NAM) summit, he said. Vajpayee had also visited Namibia and Mauritius.

India is to help African nations with scientific knowhow government-run Rail India and several Indian govern-Technical and Economic Serment-run companies have been vices (RITES) offering its experinvited to start operations in Africa.

— India Abroad News Service

Norway keen to become development aid leader

UNITED NATIONS, Sept 22: Norway wants to become a leader of peace pledging two million dollars to establishing a fund to combat proliferation and illegal use of small arms. the foreign minister said Monday, reports AP.

"In recent years, it has become evident that small arms are a formidable barrier to ending violent conflicts and consolidating peace, political stability and reconstruction of war-torn societies." Knut Volleback told the UN General Assembly's opening session. He also emphasized Nor-

way's intention to become a leader in UN donations to aid development in other countries. Besides being home to the Nobel Peace prize, Norway has played a role in a number of other historic peace efforts. It hosted a meeting that eventually led to the recent ratification by 40 countries of the treaty to ban anti-personnel land mines.

Its capital, Oslo, also was the setting of a 1993 accord aimed at setting Palestinians on the road to eventual autonomy and helping Israel extricate itself from an endless cycle of hatred and violence in the Palestinian

territories it ruled. But the Middle East peace process is in serious difficulty. Bollebaek said.

With no possibility to renege on the settlement, "we therefore

cooperation and to refrain from all unilateral measures and actions designed to preempt the outcome of the final status negotiations," he said.

Like a majority of countries, "Norway is gravely concerned by the recent underground nuclear tests by India and Pakistan," said Volleback, who also called on all countries to sign treaties aimed at stopping the proliferation of nuclear weapons and the testing of nuclear weapons and devices.

Norway, a country of 4.4 million people, is the world's second-largest oil exporter. But despite its wealth, it too is feeling the effects of the Asian economic crisis as faith in the economy is being shaken by low oil prices and the danger of economic overheating.

"The current world economic crisis clearly illustrates that we are all part of a single global economy," Villeback said. "It also illustrates that we are far from fully understanding the powerful forces of globalisation, and even further from being able to adequately manage them."

But the financial crisis

should not prompt countries to decrease official development aid to the United Nations - an action also known as "donor fa-

"Norway is actively seeking to counter the growing donor fatigue and intends to further increase its assistance in the urge the parties to do their utmost to build confidence and years ahead," he said.