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Business

Shared knowledge for vibrant bourses



Investors take a look at a projector screen to know about stock prices at a brokerage house in the capital. Shared knowledge can fuel the growth of a stronger and more vibrant Euro-Asian growth in the stock exchanges and financial sector. Photo: STAR

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It has been a little over two weeks since my visit to Istanbul as a Bangladeshi delegate to the Istanbul Finance Summit 2012. The visit was short but a memorable one filled with generosity and hospitality.

The organisers ever willing to take on a burden for us made us feel like guests even on the day we left. It was a comfortable setting but a rough wakeup call, for some of us working in the financial sector. We were exposed to a vast field of opportunities that have been continuously ignored.

Region wise, we are bound by commonalities in culture, environment and tradition and therefore share common problems and possible solutions. Through a friendly dissemination of knowledge and experience, we can revitalise and energise our economies.

Shared knowledge can fuel the growth of a stronger and more vibrant Euro-Asian growth in the stock exchanges and financial sector of our economy. The Istanbul Finance Summit can and must play a lead role in order to make the region more robust for business.

No description can succeed in telling all that can be told. Exploring avenues of cooperation among the regional brokerages is just that it is a description of an exploration. And it cannot succeed in telling all that can be told. That is because, what can be told or what is told has a great deal to do with what we choose to believe.

In other words, a journey begins with the belief that what we are about to set out to do will be beneficial to us all, and is worthy. We can be sceptical about the path we take, but we need to be optimistic about the destination we wish to reach.

Those who never reach their destination are not the failures; here, they might be ridiculed for being lost. The real failures are those cynics who never set out in the first place.

In 1999, the Chittagong Stock Exchange invited all the bourses of the region -- India, Sri Lanka, Pakistan, Nepal, Bhutan and Bangladesh -- together for a dialogue.

After two days of cordial discussions and in the spirit of mutual cooperation and economic development, the bourses signed a declaration, eventually giving birth to the South Asian Federation of Exchanges (SAFE) in January 2000.

Later on February 01, 2008, the SAFE in collaboration with Dhaka Stock Exchange organised the second South Asian Capital Markets Conference, setting up the unique opportunity of meeting and networking with the cream of security markets professionals of South Asia.

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Regional cooperation being the theme, the conference was focused on issues related to the functioning of the securities market, such as market management, regulatory harmonisation, and scope for regional integration/cooperation, emerging opportunities, trends and challenges for the brokerage/financial services industry.

The role of mutual funds and foreign institutional investors, standards of corporate governance, trading techniques and technologies and several others related aspects of growth and development of the regional capital markets were also discussed in the conference.

Coming to the avenues of cooperation among the regional brokerages, the first issue to be taken into consideration is to develop a level-playing field in the region. That is basically the standardisation of products, services, accounting, legal and technological standards of the markets in the region.

Integration of markets on inter-regional level requires cooperation among governments, market professionals, regulatory bodies, and most importantly the investors themselves. Thus development of human resources, starting from training professionals to educating investors is a key factor for a successful integration of the markets.

Integration of capital market is never complete without integration of the money market in the region. The uncertainty in the foreign exchange rates has high possibilities to hold back investors. Thus having a common currency in the region, would not only flourish the capital market but also all other forms of business and trades both in the interregional and international levels.

The ultimate goal of the SAFE should be forming a stock exchange, where all the brokerages/financial institutions in the region would unionise.

There would be an independent and separate regulatory body to monitor and control the activities. This would not only integrate the capital market of the region but also let investors trading in different stock exchanges around the globe have access to our capital market.

We can issue and raise funds from around the globe, through mutual funds, index traded funds, and even securities for different infrastructural and development projects in the region.

It is important to develop a healthy diversification of business in the region.

More emphasis needs to be given on developing service-oriented businesses like IT and tourism. Communication in the region needs to be developed. Tourism is a booming industry, so to attract in more tourists in the region a common visa could be issued.

There are abundant avenues to discover and develop, and the SAFE is one such platform. I believe it is high time to join hands and build a new South Asia, a poverty-free, self-sufficient and truly independent South Asia.

Some of the best minds of our sub-continent work for our respective capital markets. We can come up with facts, figures, strategies, and expert opinions one after another. These are all charged particles; nothing is neutral.

That is why, at the end of the day, the decision making process is the process of taking a leap of faith, and it is up to us to take the plunge.

In other words, by simply being present here today does not mean we believe in cooperation among regional markets. The SAFE has been around for many years now. The question is how far we are sincerely willing to take it, to further energise the capital market of our respective countries.

Therefore, there is no need to explore; avenues are not discovered. But roads have to be made. In other words, avenues for cooperation will be unlimited provided it is driven by some faith.

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