

28 October 2009

HSBC BANGLADESH GLOBAL MARKETS AND BAFEDA ARRANGE DIBOR WORKSHOP FOR ALL BANKS



HSBC Bangladesh Global Markets in collaboration with Bangladesh Foreign Exchange Dealer's Association (BAFEDA) arranged a workshop on Dhaka Inter-Bank Offer Rate (DIBOR) for all the banking institutions at a local hotel recently.

DIBOR, which is planned to be rolled out formally by the 1st of January 2010, is expected to become the country's benchmark for short term interest rate and have global visibility. The objective of the workshop was not only to announce the DIBOR implementation process and timeline, but also to highlight its benefits to the market and the country.

Deputy Governor of Bangladesh Bank, Mr Ziaul Hasan Siddiqui graced the occasion as chief guest of this important market development initiative.

In his welcome speech, Mr Sanjay Prakash, CEO, HSBC Bangladesh said, as the world's local bank, HSBC is always ready to provide technical support necessary to help improve the financial sector of any country in which it operates. Mr. Prakash also stated that Bangladesh now deserves a more noticeable footprint in the global economy, and hoped that this initiative would open new avenues for further foreign investments in Bangladesh.

Mr Syed Abu Naser Bukhtear Ahmed, Chairman of the Executive Committee of BAFEDA and Managing Director and CEO of Agrani Bank also spoke on the occasion. He explained that the DIBOR rates would be maintained on the BAFEDA website and elaborated some of the benefits of DIBOR for the whole market and the country.

The chief guest, Mr Siddiqui thanked BAFEDA and HSBC for hosting such an initiative and explained the role of the central bank in supporting financial market developing initiatives. Mr Siddiqui also said that the implementation of DIBOR would help create a term money market which is required for a liquid and active FX Forwards market. Therefore, even though BAFEDA is primarily a Foreign Exchange dealers association, rolling out the money market initiative, such as DIBOR by BAFEDA is well justified.

Mr Tarique I Khan, Head of Global Markets of HSBC Bangladesh and Chairman of BAFEDA technical committee gave a presentation on DIBOR. He highlighted upon the scope and opportunities of the implementation of DIBOR and explained the calculation methodology. Mr. Khan also provided a demonstration of how the inputs would be made in the website. Afterwards, the Deputy Governor of Bangladesh Bank joined the other presenters in answering questions from the audience.

The workshop ended with a vote of thanks to all the participants and the chief guest.