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DHAKA, THURSDAY, DECEMBER 30, 1999

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\$190m RMG export earnings lost in 2 months due to hartal

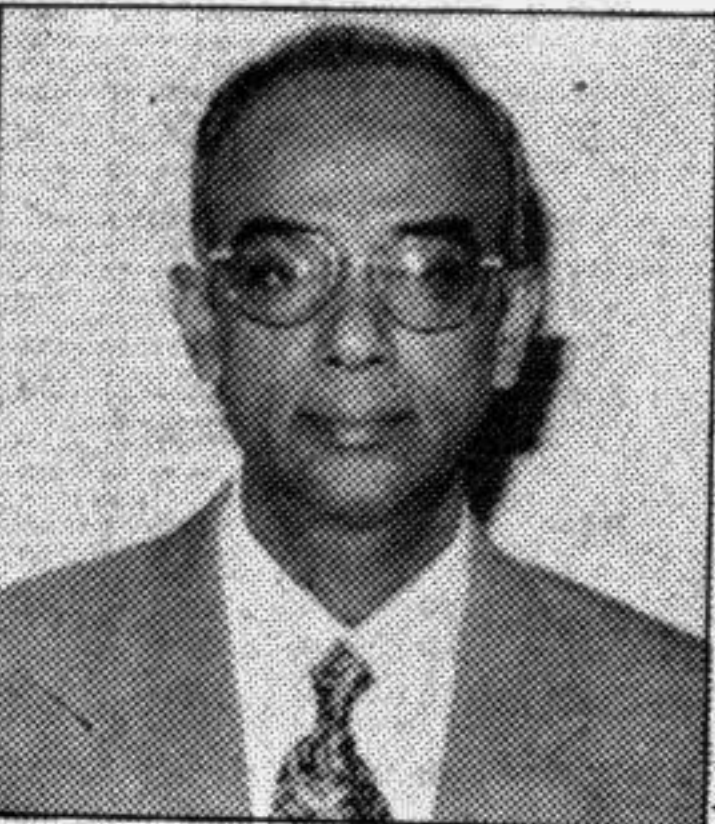
CHITTAGONG, Dec 29: Bangladesh lost 190 million US dollars worth of garment export earnings in last two months due to political unrest and hartal, reports UNB.

Vice-president of the Bangladesh Garment Manufacturers and Exporters Association Khalilur Rahman gave the account to UNB as the port city remained under shutdown yesterday.

"We are going to lose another big amount of Tk 200 crore if shipment of ready consignments of garment exports cannot be done by December 31," he apprehended.

In a bid to finish the shipments by the time, the Chittagong Port Authority is giving top-most priority to the task deciding to keep open customs and concerned offices round the clock.

Bankers' Club office-bearers



Kazi Abdul Mazid, Chairman

Managing Director of Prime Bank Limited Kazi Abdul Mazid was elected Chairman of the Board of Governors of Bankers' Club Limited at its 2nd annual general meeting held on Monday, says a press release.

The newly-elected vice-chairmen are MA Yusuf Khan, Managing Director, Premier Bank Limited, Md. (Rumee) A. Ali, General Manager, ANZ Grindlays Bank Limited and M Aminuzzaman, Managing Director, Uttara Bank Limited.

Abu Hanif Khan, Deputy Managing Director of Arab Bank Limited has been made Secretary, Moshir Rahman, Executive Vice President of IFIC Bank Limited, Joint Secretary and ATM Afzar, Executive Vice President of National Bank Limited, Treasurer.

Other members of the Board of Governor are M. Taher Uddin, Managing Director, Mercantile Bank Limited, Ashfaq U Chowdhury, Managing Director, One Bank Limited, Alauddin A Majid, Managing Director, BASIC Bank Limited, Anwar Ahmed, Managing Director, Al-Baraka Bank Limited, Mohd. Sajidul Haq, Managing Director, National Credit & Commerce Bank Limited, Nurul Azim Chowdhury, Managing Director, Dutch Bangla Bank Limited, ATM Iftekhar Rahman, Managing Director, Dhaka Bank Limited, Khairul Alam, Managing Director, Eastern Bank Limited, Mohd. Faiz, Managing Director, City Bank Limited, Hamidul Haq, Acting Managing Director, United Commercial Bank Limited, Hasan Iqbal, Senior Executive Vice President, South H Bank Limited, and Moshaff H Bhuiyan, General Manager, Sonali Bank.

Chief Adviser of Janata Insurance Company Ltd Zafar Ahmed Chowdhury (4th from left) addresses the company's annual general meeting held on Monday at Dhaka Sheraton Hotel. MA Hashem (3rd from left), Chairman of the company, directors, advisers and the Managing Director of the company were also present.

—Janata Insurance photo

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Politics plays major role in winning banking licences, says BRC report

152 pvt bank directors have taken loans 20 times their investment

Star Business Report

Some 152 private commercial bank (PCB) directors have drawn loans amounting to Tk 1,349 crore from their own banks, 20 times their investment, often taking resort to different means of irregularities and fraudulent activities.

The Bank Reforms Committee (BRC) revealed this in its recently-submitted final report to the finance minister.

The directors took the money through insider lending, fictitious loans, forgeries and 'sweetheart' arrangements.

They also took to 'evergreening' of projects to reschedule their loans putting at risk the interest of the depositors, the report said.

The BRC report, however, did not mention the time-frame of the loans taken by the directors, but it reviewed the latest statements of the banks as on June 30, 1999.

The process has also left the PCBs wallowing in a fragile financial condition saddled with 29 per cent classified loans, the BRC report observed.

The Committee also observed that political affiliations of the sponsors often play a major role in getting licences for launching PCBs and the banks lack transparency, accountability and honesty in their operations.

Although, as per the Bank Company Act, the Bangladesh Bank is entrusted with the right to grant the permission for running banking businesses, the government in fact through its executive power takes such decisions on its own.

"This process of giving licences to the banking institutions is not good for keeping the system free of political intervention," the BRC observed.

The PCBs are also suffering from a crisis of corporate governance despite having comparatively better staff and modern technology, the Committee in its report said.

Nine of them have provision shortfalls and four face capital dearth as on June 30, 1999.

As on December, 1999, a total of 28 PCBs are now operating in the country, handling about one fourth of the total deposits and lending.

After reviewing the overall situation prevailing in the PCBs, the Committee came to the conclusion that it was not a correct decision to allow private banks at the prescription of the donors without having a proper regulatory framework in place.

The BRC also made a strong observation that the bank directors had simply disregarded the interest of the depositors and used the financial institutions as the funding source for their own businesses.

After reviewing a number of fraudulent loan-receiving cases, the Committee said that extensive repetition of such practices was 'highly alarming'.

It said that many companies without any existence were given loans. These companies belonged to a handful of directors who enjoyed the money.

The BRC said that evidences of corruption and irregularities were confirmed at least against 36 directors.

Other than this, many directors also enjoyed illegal direct or indirect facilities from their banks. For example, the Bangladesh Bank has found that some banks were forced to rent the houses of their respective board chairmen at a huge expense. Some chairmen even enjoyed financial benefits in the name of performing special duties.

Despite such extensive irregularities in the PCBs, there were very few examples of punitive actions taken against them due to political intervention and weaknesses in the law, the BRC observed.

MANILA, Dec 29: By transferring from maize to rice genes with an improved mechanism of photosynthesis, scientists have produced initial results that suggest rice yields could be increased by 20 per cent, reports Xinhua.

In a recently released report, the Philippines-based International Rice Research Institute (IRRI) said this breakthrough in improving photosynthesis in rice results from more than three years of collaboration among the scientists involved.

Photosynthesis is the process by which chlorophyll (the green pigment in leaves) captures light energy from the sun which the plant uses to manufacture proteins, carbohydrates and fats needed for grain production.

Increasing the photosynthetic rate allows a plant to grow faster and potentially produce more grain, said Maunrice Ku, one of the leading scientists involved in the effort.

Ku explained that the gains in photosynthetic capacity in his rice plants were due mainly to a wider opening of the stomata (breathing pores in the skin of a leaf) that allowed more carbon dioxide to be available for fixation inside the chloroplast.

According to Ku, tropical species such as maize, sorghum and sugarcane, which are known as C4 plants, have evolved in a million years a more efficient photosynthetic mechanism than the so-called C3 plants such as rice, barley and wheat.

He said rice already contains all of the genes responsible for C4 photosynthesis.

who needn't travel much, PHS will be a more appropriate tool, he said.

Five Japanese companies have formed a consortium to provide financial and technical assistance to BBTT to install the PHS with an investment of US\$ 200 million.

Under a joint operation with Bangladesh Telegraph and Telephone Board (BTB), the PHS service will work only within its network in the city including Savar, Gazipur and Narayanganj. Later, it will extend its network across the country.

With Tk 200 line rent per month, there will be no in-coming charge for PHS and a subscriber will have to pay Tk two for a three-minute call. For every additional minute of talk-time, one will have to pay Tk 0.50.

launched in Bangkok last month and has received tremendous response from the users. "According to the information available, with a selling target of 200,000 phones, the Thai company sold 22,000 PHS units on the very first day."

Rahman, however, admitted that the PHS service has some limitations like inability to work while travelling at more than 60 kilometre per hour. "But I think people shouldn't drive that fast while talking on the phone anyway," he observed.

BBTT is confident of a good response because of its handset price, monthly fee and airtime rate, which will be cheaper than the existing mobile phone charges. The voice quality of the set will also be superior.

High income-earners prefer cellular to PHS handsets. But for low-income group, people

There is a huge demand for phones in the Dhaka city and PHS will be affordable for the limited-income group people, he said.

"We have come through some difficult stages in implementing the project," Rahman said. "But we are now going ahead smoothly."

He mentioned that PHS was

its executive power takes such decisions on its own.

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On Wednesday, demand for US dollar was low in the interbank market. In the call money market, the rate ranged between 5.5 and 6.5 per cent.

In the international markets, euro struggled to move away from the psychologically important one for one level against dollar on Wednesday, reluctant to put up a fight against the upbeat US currency ahead of year-end.

The euro traded in a narrow range within one cent of the parity level, failing to show any resilience after Tuesday's mild losses due in part to a rise in the Dow Jones Industrial Average to a record close, but finding no follow through selling either.

The market showed negligible reaction to comments by the European Central Bank (ECB) Vice President Christian Noyer in French newspaper Liberation that euro had strong potential to appreciate and he was not happy with its fall. Traders said the market was becoming immune to such remarks and was unlikely to believe the ECB would take any imminent actions to reverse euro's year-long weakness.

At 1600 hours local time, USD traded at 1.0097/99 against euro, 102.70/75 against JPY and GBP traded at 1.6164/74 against dollar.

IRRI redesigns rice genes to boost production

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Aftab new DCCI president

Aftab ul Islam has been elected President of the Dhaka Chamber of Commerce and Industry (DCCI) for the term 2000.

The election was held at the annual general meeting (AGM) of the Chamber yesterday.

Aftab ul Islam was born in 1950 in Comilla and graduated in Commerce and obtained Bachelor of Law Degree from Dhaka University. He is a Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Bangladesh.

He started his career with NCR Corporation, a multinational company of USA, as Country Manager.

Currently, he is the president of International Office Equipment (IOE) and Chairman of IIT Bangladesh Ltd. His main line of business is information technology.

Islam, is one of the founder members and former Executive Director of American Chamber of Commerce in Bangladesh (AmCham) and Immediate Past President of Bangladesh Computer Society (BCS).

He took part in various professional and management training courses in USA, UK, Brazil, South Korea and Indian Institute of Management, Bangalore. He is an active Rotarian and a past President of Rotary Club of Dhaka North.

A M Mubash-Shar has been elected Senior Vice-President of the DCCI at the AGM.

Mubash-Shar obtained his graduation degree from Dhaka University in 1955. He is the

Chairman and Managing Director of Emem Rubber Products Ltd and Proprietor of Shanto Trade. The companies are involved in manufacturing of rubber products and Export-Import business.

Muhammad Golam Mustafa has been elected Vice-President of the chamber.

He obtained his post-gradu-

ation in Statistics and Law from Dhaka University. He attended many International Seminars and trade fairs to boost up Bangladesh Exports.

Mustafa is the Adviser of Eastern Marble Industries and Managing Director of Union Trading Co.

As one third of the members of the Board of Directors re-

Hundreds of HK flights axed ahead of Y2K countdown

HONG KONG, Dec 29: Hundreds of flights in and out of Hong Kong have been cancelled as the millennium eve rollover hour at midnight on December 31 and 8 am on January 1, there were 31 flight movements in and out of the territory's state-of-the-art Chek Lap Kok International Airport.

The spokeswoman said 421 flights are now scheduled for New Year's Eve and 370 on New Year's Day. The normal daily average is around 460, she added.

Demand for flights in and out of Hong Kong is usually busiest around the Christmas and New Year period, with many expatriates flooding out of

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WB okays \$100m coal loan amid recovery signs

MOSCOW, Dec 29: Russia met its 1999 obligation to the International Monetary Fund on Tuesday with a payment of \$62.9 million amid signs the economy was struggling back after last year's crisis, reports AP.

The payment, announced by the Finance Ministry, came despite the IMF's delay in releasing a \$4.5 billion installment of a \$4.5 billion loan.

That loan was to help Russia pay off previous debts to the IMF, to which it owes some \$15 billion. Russia's economy was severely undermined by the August 1998 financial crisis in which the government defaulted on some foreign debt and let the ruble's value plummet.

The IMF has delayed its latest loan indefinitely, saying Russia has not implemented the necessary economic reforms. Finance Minister Mikhail Kasyanov had said that the country would meet its IMF obligations even without the long-delayed tranche.

Releasing the loan money would signal renewed international confidence in the Russian economy, which is also burdened by the war in break-away Chechnya.

Despite the economy's troubles, officials on Tuesday announced figures indicating better-than-expected performance.

First Vice Premier Viktor Khristenko said government

revenues for the year will be about 590 billion rubles (\$21.8 billion at the current rate), about 25 per cent higher than planned for in the budget.

That leaves the budget deficit for the year at about 67 billion rubles (\$2.4 billion), compared with the 101 billion rubles foreseen when the budget was enacted.

"Despite considerable cuts in crediting Russia by international financial institutions, Russia transferred \$4.4 billion in 1999 to pay and service debts to the IMF and the World Bank," Khristenko said, according to the news agency ITAR-Tass.

Inflation for the 1999, meanwhile, was calculated at

AM Mubash-Shar, Senior Vice-President

tired, elections to the vacant seats were held on December 20 for 2000-2002 term. The newly-elected 8 directors are Benajir Ahmed, Syed Moazzam Hosain, Salahuddin Abdullah, Manzur-ur-Rahman (Ruskin), Sayeedur Rahman, Md Kamaluddin Malik, Hossain Akhtar and Arshad Ali. The election of the Directors was confirmed in the AGM.

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Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka:
Central Bank USD/BDT rate: Buying-BDT 50.85/Selling-BDT 51.15

TT/OD	HC	Currency	TT Clean	OD Sight	OD
51.2300	51.2700	USD	50.8200	50.6516	50.5631
0.5206	0.5210	JPY	0.4863	0.4847	0.4839
32.6514	32.6769	CHF	31.7625	31.6572	31.5428
31.5068	31.5314	SGD	29.7715	29.6729	29.6210
35.7128	35.7407	CAD	33.5335	33.4224	33.2981