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The Daily Star BUSINESS

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Economic Assoc confce begins August 10

The 3-day biennial conference of the Bangladesh Economic Association will be held in Dhaka on August 10-12, says a press release.

The conference will be inaugurated at 10 am at the Engineers' Institution. About 50 research papers will be presented at the conference, to be attended by a number of economists from abroad, including representatives of international organisations.

There will be working sessions on a range of topics including macroeconomic management and reforms, the economics of gas and energy, microcredit, women empowerment, poverty and employment, agricultural development, and development ideas for the 21st century.

ONE Bank holds its first AGM

The first Annual General Meeting of ONE Bank Limited was held at the board room of the bank's Head Office in the city Thursday, says a press release.

Chairman Hafeezur Rahman presented the Directors' Report, together with the report of the Auditor, highlighting the performance of the bank during the period ending 31st December, 1999.

The chairman said that during the five-and-a-half months of operation since its commencement of business on 14th July, 1999, the bank, with a single-branch network, has made satisfactory progress.

The bank has opened two branches and two more, including a rural branch, are expected to be added to the network shortly.

The chairman thanked the bank's patrons, well-wishers and valued customers for their continued support and expressed the confidence that ONE Bank would be able to carve its niche and meet the challenges ahead.

ANZ Credit Card Service Counter opens at Dhaka Cantonment

The Credit Card Service Counter of ANZ Grindlays Bank Card Services at Canteen Store Department (CSD), Dhaka Cantonment, was formally inaugurated yesterday by Chief of Army Staff Lt Gen Muhammad Mustafizur Rahman BB, ndc, psc, C, in the presence of other senior Army officers and the management of CSD, says a press release.

Muhammad A Ali, General Manager and Country Head of ANZ Grindlays Bank, was also present on the occasion along with Imran Ahmed, Head of Cards, and other officials of the bank.

Credit Card is the gateway to modern consumerism and electronic banking system. ANZ Grindlays Bank, being the pioneer in issuing Taka Credit Cards, aims to make Credit Card a domestic household name in Bangladesh.

The future of plastic money in Bangladesh holds phenomenal growth prospects, as this culture has gained immense popularity in a short span of time.

The exclusive service counter at CSD will not only allow its customers to apply for Credit Cards, trained Sales Agents of the bank will be available there to provide all kinds of information to customers regarding Credit Cards.

New chairman of AIMS



The Board of Directors of AIMS of Bangladesh Limited at its 9th meeting unanimously elected Monzurul Haque as the Chairman of the company for the next one year, says a press release.

Haque is the Managing Director of ORG-MARG Quest Limited, a large and reputed joint venture survey research company and a director of Business & Information Systems Limited.

He obtained his graduation and masters degrees from the Department of Economics and MBA from the Institute of Business Administration, University of Dhaka. Haque is a pioneer in the field of survey research, especially retail marketing survey in Bangladesh.

Trouble brews high for tea

38 gardens become sick, 6 more trail behind

By Reaz Ahmad

Some 38 tea gardens in the country have become sick and six others are out of production because of financial constraints and output falls, tea industry sources said.

Besides, nine such gardens may soon be classified as sick because of their overdue loans, productivity loss, low rate of land use, poor management and failure in implementation of the development programmes, sources said, quoting a report of the Bangladesh Tea Board (BTB).

There are 158 tea estates in the country with an average annual production of 50 million kg. Tea exports fetch about Tk 200 crore annually for Bangladesh.

The six closed down tea estates are Bimalanagar, Nirala, Lakshimpur, Dona, Islam and Patia. BTB is now trying to sell out Patia tea estate through open tender while it has come up with a proposal to hand over Islam tea estate to Chittagong Cantonment.

Tea production also suffered due to ownership conflicts in some tea estates like Khadim, Burjan, Jaflong and Star in Sylhet; Nandaran and Sree Govindapur in Moulvibazar; and Andamanik and Haldavely in Chittagong.

In general terms, the gardens which fail to attain a national production average 1150 kg per hectare are considered as losing concerns while the ones with production capacity of as low as 400 kg or less are regarded as sick.

The Board sources attributed the sickening of the gardens to trickling foreign assistance, lesser access to credit facilities, aging of tea plants and deteriorating law and order situation.

BTB recommended that the lease period for the sick gardens should be curtailed to 10 years instead of 35 years.

Bangladeshiya Cha Sangshad (BCS), the apex body of tea garden owners, has recently sought Tk 20 crore soft loan from the government to revamp the industry. Sources said that the tea estates managed under proprietary system were suffering the most.

According to official statistics, individual owners run the highest numbers of tea estates - 61 in total - but their contribution to the country's aggregate tea production is only 11 per cent. On the other hand, the local private companies own 55 estates and contribute 25 per cent to the national tea output volume.

In sharp contrast, the tea companies incorporated in the United Kingdom (commonly known as Sterling Companies) own 26 tea estates, but account for 49 per cent to the total national production.

National Tea Company (NTC), a public limited company, operates 13 estates and contributes 10 to 12 per cent to the national volume of production. Meanwhile, the state-run Bangladesh Tea Board (BTB) runs three estates and contributes three per cent to gross production.

Some representatives of small tea gardens under proprietary system criticised the BTB move to take a Tk 9 crore new tea plantation project in Panchagar, ignoring the sick garden owners' long-standing plea for soft loans to revamp their limping concerns.

"In Sri Lanka, there's an authority to look into the affairs of small gardens. I think the government should take rehabilitation schemes for the sick gardens," said Zeba Rasheed Chowdhury, Vice Chairperson of BCS.

Chowdhury said that after the Liberation War, small gardens lost export markets and their loans piled up in the absence of any preferential treatment in getting bank loans.

Said another aggrieved tea estate owner, "Four task forces and committees were formed in the last 28 years, the last one being in 1998, but all their recommendations somehow got shelved by the concerned ministries."

Against this backdrop, BCS Chairman AQI Chowdhury recently submitted a memorandum to Finance Minister SAMS Kibria. Among many other things, the BCS pleaded for freezing of all overdue loans up to December 31, 1999 into an interest-free block account for a period of five years and subsequently rescheduled these for repayment in 10 equal installments.

The latest BTB committee report on sick gardens also identified the overdue bank loans as a main obstacle to their thriving.

Out of the 38 sick gardens, the BTB report said, 14 badly-affected gardens owed over Tk 20 crore to the banking system. Some gardens had already lost their borrowing capacity, it added.

Talking to The Daily Star, BTB Chairman Danial Islam expressed concerns at the fall in export earnings from tea. He said that the country's export earnings from the sector dipped to \$19.93 million in 1999 from \$36.18 million in 1998 and \$40 million in 1997.

Official sources said that the average tea yield in Bangladesh is only 1150 kg per hectare, compared to 1700 kg in India.

Fall in productivity is attributed to the aging of tea plants and non-introduction of new clones adequately. At least 20 per cent of the existing plants are as old as 60 years, said sources.

Only 35 per cent of tea plantation areas have so far come under high-yielding tea clones while the rest are still being planted under the traditional seed planting system.

The garden owners complained about erratic power supply and deterioration in law and order as the main problems faced by the industry. Mushroom growth of sawmills and brickfields in tea garden areas resulted in wholesale felling of the shade-trees, which protect the plants from sunlight.



The 18th board meeting of Standard Bank Limited was held at the board room of the bank Thursday. The meeting was presided over by Kazi Akramuddin Ahmed, Chairman of the bank. It was also attended by the directors and Mosharraf Hossain, Managing Director (Current Charge). The board took various decisions regarding new projects and the bank's future plans. The meeting also discussed the bank's role in improving the economic condition of the country. -Standard Bank

WTO Reference Cell at commerce ministry inoperative

The WTO (World Trade Organisation) Reference Cell in the Ministry of Commerce is now inoperative, impeding online access to the latest development of the world trade body, reports BSS.

Officials told the news agency that the Reference Cell was established in August 1998 with the financial help from WTO along with 60 countries, facilitating access to digital information for updating WTO functions.

The equipment WTO installed

in the Reference Cell included a latest brand computer, a modem, a printer and online facilities for Internet browsing. It also provided initial operational costs, the officials said.

The officials said that WTO was supplying the ministry with CD ROMs and instruction manual for browsing to update the member countries about the ever-changing activities of the WTO.

Efforts are, however, on to make the Reference Cell operational, officials said.

Kuwaiti stock market crashes to 5-yr low

KUWAIT CITY, Aug 7: The Kuwait Stock Exchange (KSE) crashed to a five-year low yesterday on the back of the government's refusal to amend the multi-billion bad debt law and a drop in companies' second-quarter earnings, reports AFP.

The KSE index closed at 1,354.0 points, the lowest level since 1995, down 6.1 per cent since the end of 1999.

The drop is down to the government's refusal to amend the bad debt law, of which the last instalment is due on September 6," Fawaz al-Ahmed, head of local investments at Kuwait and Middle East Financial Investments, told the news agency.

Islami Insurance board meet held

The 9th meeting of the Board of Directors of Islami Insurance Bangladesh Limited was held at White Castle, Safura Tower, Kamal Ataturk Avenue, on Saturday, says a press release.

The meeting was presided over by the chairman of the company and attended by all the members of the Board including its Managing Director.

The meeting, after discussing business and reviewing performance, made some important decisions for the progress and improvement of the company's business.

Nepal using Tibet trade routes to transport food

KATHMANDU, Aug 7: China has allowed Nepal to transport much-needed food supplies to three remote areas in northwestern Nepal via the Chinese-administered region of Tibet, officials said yesterday, reports AFP.

The central government has to supply food grains to its Humla, Mugu and Dolpa districts, via roadways in Tibet to avert hunger deaths, but transporting them on board helicopters was very costly and impractical," Minister of Industry, Commerce and Supplies Ram Krishna Tamrakar said.

The Nepalese government had also requested an extra four routes through the Himalayas.

"Opening of the new Tibet-Nepal Trans-Himalayan Trade (route) will help resolve food scarcity problem in Nepal's remote districts."

Forex losses to hit Thai energy firms' gains

BANGKOK, Aug 7: Quarterly revenues of Thailand's energy firms will be sharply up on a year ago due to rising oil and gas prices, but the weakening baht will erase the operating gains of indebted firms in the sector, analysts say, reports Reuters.

They say several listed energy firms will post similar second-quarter results to Bangchak Petroleum Plc, which reported a net loss of 69.93 million baht against a net profit of 81.99 million baht in the second quarter last year.

Bangchak, a state-owned refinery and distributor which reported its second quarter earnings first among nine listed Thai energy firms SETEN said on July 27 it suffered a foreign exchange loss of 72 million baht.

Analysts said among the best performers in the sector during the April-June period would be PTT Exploration & Production Plc (PTTEP) and the Electricity Generating Plc (EGCOMP).

We expect PTTEP to report strong earnings in the second and third quarters with earnings growth of 48 per cent year-on-year," SG Securities analyst Visit Ongpiattanakul wrote in a recent report.

He estimated prices in the second and third quarters of 2000 would be up 43.5 per cent from a year ago, and said the firm's gas output had increased to 82,000 barrels of oil equivalent (BOE) per day now from 66,000 BOE in the second quarter of 1999.

Visit expected PTTEP to report

a 76.26 per cent jump in net profit to 3.86 billion baht in the full-year 2000.

EGCOMP's earnings are secured under 20-year power purchase agreements with its sole customer and 25.5 per cent stakeholder, the Electricity Generating Authority of Thailand.

Several analysts believed EGCOMP would post at least 10 per cent year-on-year growth in operating profit in the second quarter but the year-on-year net profit gains would be erased by a large foreign exchange loss.

Analysts declined to provide a quarterly breakdown of foreign exchange losses for the second quarter, but Merrill Lynch Phatra Securities projected EGCOMP would post a forex loss of 123 million baht at the end of 2000.



Lt Gen Muhammad Mustafizur Rahman BB, ndc, psc, C, Chief of Army Staff, and Muhammad A Ali, General Manager and Country Head of ANZ Grindlays Bank, visit the service counter of Card Services of the bank at Canteen Stores Dept (CSD), Dhaka Cantonment, after its official inauguration yesterday. Lt Gen Muhammad Mustafizur Rahman inaugurated the counter. Other senior officials of Bangladesh Army and ANZ Grindlays Bank were also present on the occasion. -ANZ Grindlays photo

India bans diamond import from conflict-hit African zones

NEW DELHI, Aug 7: Indian diamond importers will abide by a ban on buying stones originating in conflict-ridden African countries, Commerce Secretary Prabir Sengupta said yesterday, reports AFP.

"Indian traders importing uncut diamonds will have to declare the stones do not originate from the conflict areas of Sierra Leone, Angola and the Democratic Republic of Congo", Sengupta told reporters.

This strategy has been broadly

adopted by the US and other governments, including Britain, and is at the heart of the July 6 UN Security Council resolution which imposed an embargo on trade in diamonds mined from rebel-held areas of Sierra Leone.

"Indian gem exports will not be affected by the ban on conflict diamonds as per the United Nations agreement as the import of rough diamonds into India is sourced through traditional international centres," said Sengupta.

India is the world's largest importer of small-sized rough diamonds, which are cut, polished and exported around the world.

Sengupta said domestic banks would not finance any exporter found to be dealing with "conflict diamonds".

We have asked the central Reserve Bank of India to take an undertaking from domestic banks that they will not finance traders dealing in conflict diamonds," Sengupta said.

Medical experts gather to plot assault on smoking this week

CHICAGO, Aug 7: They say no publicity is bad publicity, but this is likely to be a very uncomfortable week for big tobacco.

Beleaguered tobacco executives, already reeling from their defeat in US courts, can expect an onslaught of bad news this week as the world's top medical experts gather here for a conference on smoking, reports AFP.

Larger, and more aggressive than in previous years, the 11th World Conference on Tobacco OR Health has a mission: to make it a public health crusade to wipe out smoking.

"We need to give it the same kind of attention as we did with polio in the 1950s and 60s. Polio is a forgotten disease now," said Dr. Thomas Houston, co-chairman of the conference.

He has little patience for the argument that smoking is a matter of free will.

"Smoking is a chronic relapsing disease. It's a physical dependency like cocaine that can be treated."

"Adults don't chose to smoke. Fourteen-year-olds do. Most

adult smokers want to quit."

Sponsored by heavyweight US medical organisations including the American Medical Association (AMA) and the American Cancer Society the gathering will bring together more than 4,000 medical experts and public health officials from 120 countries. The last world conference on tobacco was held in Beijing in 1997.

They will be spotlighting the human cost of the habit: four million deaths globally this year from tobacco-related illnesses like lung cancer & heart disease.

The death toll will soar to 10 million a year by 2030 if current trends continue, with the burden shifting from industrialised countries to the developing world, according to Houston.

By 2030, 70 per cent of smoking-related deaths will be in developing countries, where health care systems are least able to deal with problem.

"Their health care systems will be devastated economically," said Houston, who is also the AMA's Director of Science and Public

Health Advocacy.

"And the ability to deliver the anti-smoking message is much less sophisticated in Bangladesh and Kenya than in the United States, where some states have waged very effective education campaigns," he added.

The challenge for public health experts now is to meld together the different strands of the anti-smoking campaign.

Advertising, taxes, grass-roots organisation, anti-smoking legislation, and political will have to be part of a comprehensive offensive according to Houston.

He points to the success of Massachusetts and California in the United States in cutting their smoking rates.

"There was no one magic bullet," according to Gregory Conolly, director of the tobacco control programme at the Massachusetts Department of Health.

But a series of initiatives helped this northeastern state cut cigarette sales by one third since late 1993, and delivered one of the lowest adult smoking rates in the country, next to Utah.

Now, 15 per cent of adults in Massachusetts still puff on a daily basis.

Crucially, the state tripled the taxes on cigarettes-prices for an average pack of 20 soared from 1.85 dollars a pack in 1993 to 4.25 dollars in 2000 offered free counseling and nicotine replacement therapy to smokers wanting to quit, and ran very negative television advertisements slamming smoking.

"What it shows is, a well-funded, comprehensive, sustained programme can have impressive results," said Conolly.

"Before we launched this campaign in October 1993, we had the same number of smokers wanting to quit every year. They just weren't being successful."

Gro Harlem Brundtland, the managing director of the World Health Organisation (which is one of the conference's honorary sponsors) will be opening the 11th World Conference on Tobacco OR Health later Sunday.

The gathering runs through Friday.

Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the major currencies to Taka.

TT/OD	Selling		Currency	Buying		
	BC	TT Clean		OD Sight	OD Transfer	TT Doc
51.2500	51.2800	USD	50.6850	50.6954	50.6279	
0.4785	0.4779	JPY	0.4619	0.4608	0.4598	
30.2909	30.2989	CHF	29.6073	29.5466	29.5005	
30.2304	30.2481	SGD	29.1272	29.0645	29.0252	
34.7156	34.7361	CAD	33.6882	33.6123	33.7663	
5.5725	5.5758	SEK	5.4745	5.4638	5.4564	
31.0897	31.1069	AUD	28.7871	28.7156	28.1811	
13.6321	13.6401	MYR	13.2496	13.2136	13.1956	
6.6527	6.6336	HKD	6.4912	6.4735	6.4649	
13.7226	13.7095	SAR	13.4230	13.3863	13.3681	
14.0596	14.0779	AED	13.7045	13.7045	13.6860	
0.0461	0.0462	KRW	0.0452	0.0452	0.0452	
76.7791	76.8234	GBP	75.2028	74.9070	74.8828	
47.4808	47.5477	EUR	45.7919	45.6088	45.5323	

Usance export bills					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7601	50.4469	50.0289	49.5481	49.0255	47.8549

Exchange rates of some Asian currencies against US dollar					
Indian Rupee	Pak Rupee	Tha. Baht	Mal. Ringt	Indo Rupiah	Sing. Dollar
44.96/45.06	53.15/53.35	41.25/41.29	3.7999/3.8001	8915/8935	0.4547/0.4554

US Dollar		Libor					
BUYING	SELLING	1 Month	3 Months	6 Months	12 Months		
Cash notes	50.6850	51.2800	USD	662	6.71125	6.8825	7.0425
T.C	50.6150	51.2600	GBP	6.08156	6.2025	6.32094	6.51

Market Commentary
On Monday activity in the local foreign exchange market was steady. The demand for dollar was rangebound. The money market was active too. There was good demand for call money. The call rate spurred up and traded between 5.75 and 6.0 per cent.

14th AGM of BCI held in city

The 14th annual general meeting of the Bangladesh Chamber of Industries (BCI) was held at its board room in the city yesterday, says a press release.

President of BCI Khandker Mosharraf Hossain presided over the meeting.

It unanimously confirmed the minutes of the 13th AGM and adopted the annual report of BCI for the year 1999.

The meeting also discussed the problems of industrialisation and ways to find out solutions.

Addressing the meeting, the BCI President said the Chamber will play a dynamic and active role to face the challenges of the new millennium.

He said that he would try his best to take BCI to a right position in order to achieve the desired goals.

The chamber chief said the abrupt and unusual decision of the past government to pursue free-market economy without full preparation to guard the country's industries from stiff foreign competition at home market caused a great damage to many of the industries, which were in the formative stage, and made them sick.