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Govt gets down to lending rate cut

Banks charging high rates to face 'excess profit tax'

STAFF CORRESPONDENT

In a major bid to cut lending rates, the finance ministry yesterday took a string of decisions including allowing private banks to take deposit of the government's development funds.

they would be subject to a 60 per cent 'excess profit tax' from next budget. They will also not be allowed to open new branches.

During a meeting with the chief executives of all banks yesterday, Finance Minister M Saifur Rahman said the private banks will be allowed to take up to 25 per cent of

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Private banks will be allowed to take as deposit up to 25% of government funds.

Private banks to get deposit of up to 25% of ADP funds.

BB to refinance banks at 6 per cent for giving loans to agro-based industries, agriculture.

SLR requirement to be reduced

Khosru blames political godfathers for slide in Ctg order

STAFF CORRESPONDENT

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday said godfathers of major political parties are to be blamed for the deterioration of law and order in Chittagong.

Speaking at a function of Chittagong Journalist Forum, Dhaka (CJFD) at the National Press Club, the commerce minister said the business community and general people are living an insecure life in Chittagong, where the consolidation of security as well as law and order is still a far cry.

The commerce minister also said the police have failed to rescue

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Prime Minister Khaleda Zia meets Chakma Raja Devasish Roy, Mong Raja Pai Hla Prue Chowdhury and Crown Prince Cha Hla Prue, son of Bhomong Raja Saw Hla Prue, at the Prime Minister's Office.

Worried CHT rajas seek multi-ethnic police force

STAFF CORRESPONDENT

Two ethnic community kings and a prince yesterday asked the government to form a multi-ethnic police force in the Chittagong Hill Tracts (CHT) to fight crime in the region.

Emerging from a meeting with Prime Minister Khaleda Zia at her office yesterday, Chakma Raja Devasish Roy told The Daily Star that he put special emphasis on the force in the wake of the recent ethnic

violence at Mahalchhari.

Khaleda assured Devasish, Mong Raja Pai Hla Prue Chowdhury and prince Cha Hla Prue, son of Bhomong Raja Saw Hla Prue, of taking necessary steps.

The ethnic community leaders also said insufficient facilities and amenities were hobbling their efforts to discharge whatever regal authority and responsibilities they enjoy.

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Iraqi oil pipeline again on fire

REUTERS, Tikrit

An oil pipeline was on fire in northern Iraq yesterday and it would take two days to extinguish the flames, a US military spokesman said.

The spokesman said it was not clear whether the pipeline was the export route that leads to Turkey.

The segment of the pipeline that has been hit by fire, near the town of Hawija, transports crude from Kirkuk to Bajja, home of Iraq's biggest refinery.

Iraqi oil pipelines, including the crucial one to Turkey, have been hit by a spate of explosions triggered by saboteurs that have dealt a blow to Iraq's efforts to revive significant crude exports needed to finance postwar reconstruction.



PHOTO: ANIBUR RAHMAN

Illegal shacks like this one, right, shelter drug peddlers in Farm Gate's public park, and the administration is taking notice. Large signs, left, have been put up instructing people not to walk on the grass, thus "helping in the park's development and beautification work".

BNP's silver jubilee celebrations begin today

STAFF CORRESPONDENT

The four-day silver jubilee celebrations marking the founding anniversary of the ruling BNP begin today.

The celebrations titled "25 years of BNP" kick off today with a photo and poster exhibition on party activities at the National Museum at 4:30pm.

BNP Secretary General Abdul Mannan Bhuiyan will inaugurate the exhibition.

Leaders and activists of the BNP and its front organisations will offer Fateha at the Mazar of late president Ziaur Rahman at 10:00am tomorrow.

Later in the day, Prime Minister Khaleda Zia will lead a colourful rally at Paltan Maidan at around 3:00pm.

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Gas crisis catches govt napping

SHARIER KHAN

The gas crisis continues to compound and threatens to hit power and fertiliser productions, but the government keeps sitting on a number of development projects that call for urgent attention, sources in Petrobangla said.

Last week, the gas demand shot up to 1295 million cubic feet per day (mmcf) against a maximum supply capacity of 1265mmcf. This demand surge affected the gas flow pressure, upsetting the power and fertiliser production.

"The situation improved on Friday because that's when

demands dropped down. But it will worsen again from Sunday because that's when the demands start to peak," said a source in the Gas Transmission Company Ltd., a subsidiary of the Petrobangla that oversees gas transmission network.

"This crisis will continue to persist for the coming months. Unless we shut down a bulk consumer like a fertiliser factory, we will not be able to handle this deteriorating situation for long," he feared.

The gas crisis began from January when demand started surpassing supply. It had been occasionally addressed by technical adjustments or even suspending

operations of some fertiliser factories.

"But the demand growth shows a significant upward trend. And we can do nothing to improve the situation unless we increase supply," he points out.

Forecasting a supply crisis, Petrobangla has been hammering in vain on the development of a number of gas fields and pipeline projects for several years.

A vital project to install a 30-inch pipeline from Ashuganj to Manohardi remains shelved at the Planning Commission for the last one year. Petrobangla sought Tk 140

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PM assesses gas state today

STAFF CORRESPONDENT

A meeting on the gas sector will be held today at the Prime Minister's Office with Prime Minister Khaleda Zia in the chair.

This meeting, scheduled on August 17, had so far been postponed.

Earlier, Mosharrar Hossain, state minister for energy, had said a decision on exporting gas to India might be taken in this meeting.

It will mainly focus on the status of gas sector development and gas resources.

Other cabinet members will also join the meeting and officials of Petrobangla and the hydrocarbon unit of the energy ministry will make separate presentations.

Construction on New Mooring terminal to start this year

BSS, Chittagong

Shipping Minister Akbar Hossain yesterday said construction on New Mooring container terminal will begin this year.

"It will be completed within the stipulated time, by December 31, 2005," he told a workers' rally, organised by the Chittagong Port Jatyatabadi Samik Dal (CBA) on the premises of the Bandar Bhaban.

The minister said modern machinery was being procured to modernise the Chittagong Port and bring dynamism to its operation. He urged the workers to exercise tolerance in politics and work together in the interest of the institution.

Akbar said the port's operation has improved due to sincere work of the workers and employees. "As a result, the average stay of ship in the port has been reduced to four days

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Khulna hartal ends quietly

AL, BNP play blame game

STAFF CORRESPONDENT, Khulna

The Awami League (AL) yesterday enforced a dawn-to-dusk hartal in Khulna in protest against the killing of party leader Monzurul Imam, while police were conducting a massive manhunt for the killers.

Meanwhile, the local units of the ruling alliance gave a 24-hour ultimatum to the police commissioner to arrest those who damaged public property, the Bangladesh Nationalist Party office and the residence of local lawmaker Ali Asgar Lobi.

They held the activists of the AL and its front organisations responsible for the vandalism on Monday in the wake of the killing, is an accusation squarely rejected by the AL.

The AL instead lay the blame on

the ruling alliance for carrying out the destruction.

"We are leaving no stone unturned to arrest the killers and find out the masterminds behind the killing," the Khulna police commissioner said yesterday. He said the massive manhunt was underway in Khulna and Bagerhat districts.

The hartal, called also to protest the killing of Puja Udjapan Parishad leader Advocate Bijon Bihari and rickshaw-driver Shahid in the same incident, paralysed life in Khulna and shut down shops, schools, colleges, mills and industries. Financial transactions at offices and banks also remained suspended during the hartal hours.

The AL and its front organisations brought out processions and

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Same old Tigers

HASAN MASOOD from Peshawar

Bangladesh capitulated to a nine-wicket defeat against hosts Pakistan in the second Test at the Arbab Niaz Stadium in Peshawar yesterday.

The Tigers' hopes of a tantalising finish were dashed in a three-hour self-destruction that not only paved the way for Pakistan to escape embarrassment but also fashioned their first series victory in five years.

The frustrating fall of the visitors

that started in the final session on the third day was completed on Saturday morning. It was hard to believe a team that scored a massive 361 in their first innings and took a lead of 66 could bundle out for a mere 96 in their second essay.

Resuming the day on 52 for four, Bangladesh lost their last six wickets with the addition of 44 runs from 15.1 overs, giving the home side a reasonably easy target of 163 runs.

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