PM makes first trip

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will attach highest importance to the issues of trade imbalance heavily tilted towards India and the issue of common river water sharing.

"Issues of Teesta river water sharing, our concerns over Indian riverlinking plan and Tipaimukh dam will come up for discussion during the bilateral talks. We will expect concrete assurance from India that nothing will be done [in water-sharing sector] affecting Bangladesh adversely," Hemayetuddin said. Security issues will also come up during the talks, he added.

On India's getting transit facilities through Bangladesh, the foreign secretary evaded an immediate reply, saying, "I will tell you about that after the visit."

Foreign Minister Morshed Khan had earlier said Bangladesh, having an adverse trade deficit of $2 billion with India, will seek full market access for its goods in India.

Meanwhile, the Indian capital is being spruced up for the Bangladesh PM's visit, the first one in her current stint as the PM. Earlier, Khaleda visited India in1992.

A BG-097 flight carrying Khaleda Zia and her entourage members is scheduled to land at the Indira Gandhi International Airport.

Indian State Minister for External Affairs E Ahamed and other high officials will receive the PM and her entourage. Red carpet will be rolled as a warm welcome to the Bangladesh PM.

Unprecedented security measures are also in place in New Delhi, particularly in Chanakyapuri area. Additional police and paramilitary forces have been deployed in and around the places to be visited by Khaleda and her entourage during their three-day stay in the Indian capital.

Khaleda Zia will occupy the presidential Chandragupta suite at the super luxury Maurya Sheraton Hotel, famous for housing former US president Bill Clinton, present US President George W Bush and other world dignitaries during their visit to India.

The Chandragupta suit with its décor spreading over an area of 2,500 square feet is reminiscent of the Maurya period of the third century BC.

Prime Minister Khaleda Zia will reach New Delhi at three this afternoon. Indian Minister of State for External Affairs E Ahamed and Lok Sabha Speaker Somnath Chaterjee will call on the premier at her hotel suite. In the evening, she will inaugurate the Bangladesh High Commission complex at Chanakyapuri in Delhi.

Khaleda will be accorded a ceremonial reception at Rashtrapathi Bhavan in the Indian capital at 10 tomorrow morning.

She will be given a 21-gun salute and a guard of honour in the forecourt of the official residence of the Indian president. Horse mounted Indian Presidential Guards will be escorting her at that time.

She will lay a wreath at New Delhi's Rajghat mausoleum of India's freedom icon Mahatma Gandhi at 10:35am. Later she will pay a courtesy call on President APJ Kalam at Rashtrapathi Bhavan.

Indian Vice President Bhairon Singh Shekhawat and ruling United Progressive Alliance Chairperson and Congress President Sonia Gandhi will call on the Bangladesh prime minister separately. Indian Commerce Minister Kamal Nath is scheduled to meet her tomorrow afternoon.

Khaleda and her Indian counterpart Dr Manmohan Singh will lead their sides in the talks begginning at 6:15pm tomorrow at Hyderabad House. The official meet will be preceded by a Khaleda-Manmohan tête-à-tête.

"Some agreements will be signed after the talks," Foreign Secretary Hemayetuddin told reporters in Dhaka last night. Khaleda along with her 48-member official entourage will join a banquet hosted by Dr Manmohan tomorrow night.

Indian Information and Parliamentary Affairs Minister Priya Ranjan Dasmunsi and opposition leader LK Advani will pay her courtesy visits on Wednesday morning. In the afternoon, she will address an interactive business session organised jointly by the Indian government, AssoCham (federation of Indian business chambers) and Federation of Indian Commerce and Industries.

Prime Minister Khaleda Zia will leave Delhi for Dhaka at 9:00pm Wednesday.

Maurya Sheraton, where Khaleda and her entourage will stay, has been turned into a fortress with the Special Security Force (SSF) of Bangladesh and Indian elite National Security Guard (NSG) screening every visitor.

Hotel employees have been issued special passes.

Delhi police will man the outer ring of multi-layer security arrangement. India's Intelligence Bureau will be in charge of the second ring while the inner cordon will be left to the SSF and NSG. Delhi police will install barricades to check vehicles on the roads to be used by the prime minister's motorcade.

The green lawns on either side of roads are being trimmed, road markers are getting a fresh coat of paint, faulty street lights are being attended to, and Bangladesh and Indian flags are lined up along the streets and the roundabouts in honour of the Bangladesh premier.

Business bodies

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ship and security remain with the state, they said.

"The efficient operation and management of the container terminals is of utmost importance for Bangladesh, considering its ever-increasing foreign trade and attracting investment," the statement said.

"The Chittagong Port is the 'gateway' to the outside world for Bangladesh. But unfortunately it could not harness its immense potentials due to inefficient administration, mismanagement as well as man-made operational hazards," it added.

Countries like India, China, Myanmar, Bhutan and Nepal are very close to Chittagong. "An efficient dynamic international seaport with modern container handling facilities will make a positive contribution to the country's trade as well as attracting Foreign Direct Investment (FDI) for our much needed economic upswing."

But lack of proper facilities and appropriate trained manpower is not only causing inordinate delays in releasing goods but also adding huge extra cost for doing business, the leaders said.

This is increasingly contributing to the Bangladesh business becoming uncompetitive in a globalised world market. Chittagong Port is, therefore, considered as the most expensive port in the region, they added.

"The port authorities of a number of countries in the region have launched programmes, which aim to attract private capital into both existing and new facilities. In many instances, this has engendered the perception that organisational restructuring (including privatisation) is not only desirable but it is the need of the hour," the statement said.

"A number of sea ports of the region, such as Port Qasim International Container Terminal of Pakistan, Chennai Container Terminal, Mundra Deep Water Container Port in Gujarat, Nhava Sheva International Container Terminal at Mumbai, India, Laem Chabana International Container Terminal of Thailand and Colombo Sea Port of Sri Lanka have already made substantial improvement of the existing facilities as well as planning huge investment for establishing additional facilities to meet the growing demand of their countries as well as of the regional traffic.

"The selection procedure should be open and transparent through international bidding. Criterion should be, among others, extensive use of IT infrastructure as well as most efficient and modern equipment as in operation at Singapore Port.

"Privatisation of New Mooring container terminal for efficient handling of cargo and quick clearance of customs will help optimum utilisation of its capacity; thereby achieve the full objective of this new facility," the statement added.

The leaders urged the government that this important decision must be taken on an urgent basis so that the newly developed facility is not left unutilised for indefinite period or underutilised at a great cost to the nation.

The signatories of the press statement are Mahbubur Rahman, president, International Chamber of Commerce Bangladesh; Mir Nasir Hossain, president, Federation of Bangladesh Chambers of Commerce and Industry; Latifur Rahman, president, Metropolitan Chamber of Commerce & Industry, Dhaka; MA Momen, president, The Dhaka Chamber of Commerce & Industry; Masih Ul Karim, president, Foreign Investors' Chamber of Commerce & Industry; Saifuzzaman Chowdhury, president, Chittagong Chamber of Commerce and Industry; Syed Manzur Elahi, president, Bangladesh Employers' Federation & Bangladesh Association of Banks; AK Azad, president,

Bangladesh Chamber of Industries; and Md Fazlul Hoque, president, Bangladesh Knitwear Manufacturers & Exporters Association.

New Mooring

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representatives from Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Dhaka Chamber of Commerce & Industry (DCCI), Chittagong Chamber of Commerce and Industry (CCCI), and Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The committee will also review whether the interest of the government would be hampered if the port operation goes to private hand. The committee was asked to make necessary recommendations for preparing the strategy so that the government can go for international tender, meeting sources said.

Akbar Hossain said the terminal will come into operation in September this year, while the business leaders demanded privatisation of the port operation for smooth functioning.

They said they need faster and better service at the port and privatisation is a must in this regard.

The minister told journalists the government wanted to give some services of the new terminal in private operation for better result. The entire terminal would not be privatised; instead, operation of some equipment will be given to the private sector.

Responding to a query regarding the opposition of the mayor, Akbar said he (Mohiuddin) did not understand the government's motive. The minister also claimed every thing would be done following the CPA rules.

Meanwhile, the Chittagong mayor holds a press conference in Dhaka today for describing his position regarding the new terminal.

No polls

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has been losing labour market abroad due to the alliance government's policies.

"Though the earnings by the expatriate Bangladeshis have kept the economic condition of the country stable the government has done nothing for them after forming the expatriate welfare ministry, she said.

Hasina said the alliance government want to retain power by rigging the next polls and this is why they are all against the proposed reforms.

Criticising the price hike of essentials, the former prime minister said the government is detached from the people and it is hatching conspiracy to come back to power through "election engineering."

The AL chief accused the alliance government of appointing political activists and loyalists in every sector including the administration.

Commemorating the country's glorious history of independence, liberation war and Bangabandhu's contributions and sacrifices, Hasina said the alliance government has distorted the history with ill motives. "Those who do not believe in the independence and have distorted the glorious history of Bangladesh are now ruling the country," she added.

"They want to erase Bangabandhu from the history. The defeated forces of 1971, out of vindictiveness, frequently make attacks on AL and its associated bodies," Hasina added.

She said price hike of essentials, frequent murders, rise of terrorism and harbouring of militants have put the country in a deplorable condition. The people now want to get rid of this anarchy.

Hasina said the BNP-Jamaat alliance government created the militancy for their own benefit and with the patronisation of the government the militants swooped on the independence, sovereignty and secular democratic force of the country. She said this has earned the label "a terrorists' country" for Bangladesh.

Since pressure mounted high on them from people inside the country and the world community, the government is now busy staging plays of uprooting militancy, she said. On Abdur Rahman and Bangla Bhai, she said they are being entertained behind the curtains.

Presided over by central AL President of Florida unit Aminul Haque, the meeting was also addressed by USA Bangabandhu Parishad President Sajib Wajed Joy, AL presidium member Kazi Zafrullah MP, AL USA unit President Khandaker Khalid Hasan, Vice-president and General Secretary of Bangabandhu Parishad Fazlur Rahman, General Secretary of USA AL Shamim Chowdhury and President of Canada chapter AL Sarwar Hossain.

Bibiyana fire

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sales, lacks the hands-on knowledge on drilling operations as he is a chemical engineer.

The country's one of the biggest gas fields Bibiyana was discovered by Unocal (now Chevron) and is now being developed by Chevron to bring it online from 2007 by investing 230 million US dollars.

Sources said that last Thursday a fire sparked at a place in the field where the drill operators dump oil-based mud, which is used during the drilling of a well to control geological pressure. As the mud is mixed with oil, it is flammable and it may have caught fire when someone negligently dropped a cigarette there.

"The mud dumping ground is as big as a pond," said a source. However the fire was successfully put out before it could become serious.

The probe committee was formed to find the exact causes so that tight pre-cautionary measures can be taken to ensure no such incident can take place in the future.

"However, it would have been most appropriate if the government would have assigned a drilling engineer and a geologist for the job. After two rounds of blowouts in Tengratila and the 1997 Magurchhara experience, we should assign the best possible men for investigating a gas field safety issue," commented the source.

Bibiyana has an estimated gas reserve of 2.6 trillion cubic feet (tcf) while Chevron believes it has a potential of having up to 5.5 tcf.

Two held

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Nasirul Islam alias Shawkat, 29, son of late Ahammed Hossain of Fatikchhari and Jamal Ahmed Tuhin alias Jamal, 32, son of late Mohammed Ibrahim of the same upazila.

On information, a team of Rab-7 raided the Raza Pukurpar of Katgarh under the city's Patenga Police Station at around 2:45pm and arrested Nasirul and Jamal with two passports.

Following their confessions, the elite force launched a search operation taking the arrestees with them at Rusainga Ghona under Bhuijpur union in Fatikchhari in the evening and dug up the two sophisticated assault guns with three magazines from the courtyard of a house there at around 7:00pm.

They recovered the bullets wrapped in a plastic bag from the ceiling of the mud house.

Under primary interrogation the arrestees confessed that they were planning to leave the country with the help of two of their accomplices -- Dulal and Mahbub of Fatikchhari, now living in Dubai.

On March 14, they made the passports from Dhaka using fake names and addresses identifying themselves as Humaun Azad Mintu (Nasirul) and Mohammed Tuhin (Jamal) of Langal Court of Comilla district, sources said, adding that Jamal was accused in six cases including murder and arms cases while Nasir in two cases.

Hearing on first

FROM PAGE 1

Wahiduzzaman alias Pintu, 20, Abdus Salam, 22, and Nurul Islam, 23.

Of them, Sentu in now in custody while the others are still at large.

Investigation Officer of the sedition case filed with Dhamrai Police Station Sub-Inspector Iqbal Hossain on December 27 last year submitted the charge sheet of the case against them to a first class magistrate's court in the city, showing 25 people as prosecution witnesses.

Dhamrai police arrested Sentu, Wahab, Yaqub, Anwar, Faruq and Salam with nine manuals on bomb making and other contraband materials on the Dhaka-Aricha Highway on February 20.

They showed the six men arrested under Section 54 of the Criminal Procedure Code and produced them before a first class magistrate's court in Dhaka on February 22 last year with a prayer for a seven-day remand to interrogate them. The court granted a two-day remand.

Thirteen days into their arrest, the six operatives of the banned Islamist militant outfit were released on bail. Sentu was re-arrested in November while the others have been absconding since then.

Investigating the case, Dhamrai police later found that the activities of the accused were seditious. With approval from the home ministry, SI Zehad Hossain of the police station filed the sedition case against the six arrestees and their accomplice Pintu on September 11.

Another Dhaka court yesterday directed the authorities concerned to produce JMB military commander Ataur Rahman Sunny and four others before it on March 28 in two cases.

After taking the cases into cognisance for trial, Judge Mohammad Momin Ullah of Metropolitan Sessions Judge's Court issued the order.

The two cases, one in Arms Act and the other in Explosive Substances Act, were filed with Sabujbagh Police Station against Sunny and six others on December 14 last year.

Rapid Action Battalion (Rab) on March 14 pressed charges against Sunny and four others.

The other accused are Sunny's friend Fariduzzaman Swapan, JMB regional commander of Gazipur Enayet Ullah alias Jewel, Kamrul alias Sumon alias Zahidul and Alamgir alias Bijoy.

Ataur Rahman Sunny, the younger brother of JMB chief Abdur Rahman, Swapan and Jewel are now in custody while the remaining two are still at large.

Rab dropped the names of Monir and Abul Khair, landlords of Sunny, from the charge sheet, as evidence of their involvement with JMB was inconclusive.

Sunny, a member of JMB's top tier Majlish-e-Shura, masterminded the August 17 blasts across the country. He was arrested at the Tejgaon Polytechnic Institute on December 13 last year.

Following his information, Rab seized 56 items of arms, ammunition, explosives, bomb-making materials, and books on jihad from the house of Abul Khair at South Manda in the city's Sabujbagh area.

Meantime, another Dhaka court yesterday could not frame charges against Sunny and eight others in connection with two cases filed with Sabujbagh Police Station on September 12 last year as the nine were not produced before it.

Judge Mohammad Shamsul Alam Khan of the First Additional Metropolitan Sessions Judge's Court fixed April 13 for hearing on charge framing against them.

BB lifts

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interests and the principal amounts of rescheduled loans, upsetting the credit discipline.

Yesterday, Khandkar Ibrahim Khaled, former deputy governor of the BB also managing director of Pubali Bank, said the BB has done the right thing by withdrawing the provision of waving the principal amount.

The central bank also should abolish the scope of being eligible for a fresh loan after one repays 15 percent of the defaulted loan, Khaled said.

Elections are around the corner and it is very likely that some influential people will pay off 15 percent of their defaulted loans and then take fresh loans to bear election expenses, Khaled feared.

Especially, the nationalised banks are more likely to fall victim to this provision. If the BB has to keep this provision, it can fix the repayment amount at 80 percent, he observed.

Khaled also suggested that the BB should adopt a policy under which if one reschedules his loan he will become ineligible to take any fresh loan from any bank within a year since the rescheduling.

The February 14 BB circular lifted a bar imposed on January 13, 2003 on loan defaulters from getting fresh loans within a year of loan rescheduling or until full repayment.

Instead, the amended policy has made scopes for them to get fresh loans by repaying 7.5 to 15 percent of the rescheduled amounts.

Meanwhile, the Association of Banks, Bangladesh had a meeting yesterday where the chief executive officers of commercial banks discussed the latest amendment to the BB circular. They have come to a decision to ask the BB for a clarification on whether the banks will be allowed at all to waive the principal amount of a defaulted loan.

Participation of all

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She said it is encouraging that the main opposition has put on its reform proposals in parliament and the prime minister has offered a committee to discuss the issue. "All these are good signs in a democracy."

Replying to a query raised by a businessman on militancy, Chammas said the government has made a good step by arresting the militant leaders. However, the government should continue its investigation to find out the financers, organisers and those who patronise them, and bring them to justice, she added.

She said while the whole world is suffering from the problems of terrorism, a few terrorist or militant activities do not mean that Bangladesh is an extremist or fundamentalist country as a whole.

Replying to a query on Trade and Investment Framework Agreement (Tifa), Chammas said the matter is still being reviewed.

Appraising the country's economic growth in her written speech, she said projections for this year are even better with overall economic growth rate of 6.5 percent and in some sectors as high as 13 percent, which proves that the business men and women of Bangladesh become world-class competitors in the global economy.

She however said global market forces pose important challenges for the Bangladesh economy.

"Rising oil and commodity prices, especially scrap metal, are creating economic strains for Bangladesh. Coupled with strong demand for imported capital goods to support industrial growth, they are putting pressure on the country's foreign exchange reserves.

"Managing these developments will be especially challenging as the elections approach," she said.

"Continued economic growth will also depend on Bangladesh's ability to deal with core structural issues. Weak infrastructure imposes hidden costs on your businesses -- added transportation costs from inadequate roads, poor rail connections and an inefficient port, lost productivity due to power shortages, increased costs of financing from a thin capital market.

"Governance issues loom equally large, especially corruption, inefficient government, weak policy and judiciary systems and under investment primary and secondary education."

With those concerns in mind, the US chargé d'affaires urged the business leaders to actively take part in the upcoming elections as the strength of any democracy resides in the strength of its people.

"Be active. Raise the issues of concern to your businesses and industries, and to the greater economy. Insist the candidates take clear positions on these issues, and then hold them accountable after the election," she suggested.

Chammas also informed the meeting that the US investors are again looking to Bangladesh for opportunities.

Mentioning two US investors who are pursuing projects to add over 1,000MW electricity to the national grid, she said launching these and other power projects swiftly should be one of the key priorities of the government.

Speaking at the function, FBCCI President Mir Nasir Hossain urged the US government to keep the Bangladesh export interest out of the 3 percent sensitive list as it would not make much difference for the US to accommodate Bangladesh.

"Bangladesh's vital interest is to keep RMG out of 3 percent sensitive list. We need active support from the US Embassy to convey our views to the US authority," he said.

Chammas said the readymade garment sector of Bangladesh is doing very well in the quota free regime proving that the country is competitive.

FBCCI directors MA Rouf Chowdhury, Aftab-ul Islam, Akhteruzzaman Manju, Manzur Ahmed, Shafiuzzaman and Prof Masuda Rashid Chowdhury also spoke on the occasion.

Bid to lower

FROM PAGE 16

He alleged that the CNG auto-rickshaw drivers did not get justice even after filing cases with the law enforcement agencies against charging higher rent by the owners, he said, adding that as the number of drivers is higher than the vehicles, the owners get scope to exploit the drivers.

The minister decided to sit separately with the CNG run auto-rickshaw owners on the issue.

He told the journalists that the government will try to lower the fare as much as possible.

The minister in the first week of this month had declared that the fare of the CNG run vehicles would be reviewed and a separate fare structure would be declared very soon.

The number of extortion incidents in the transport sector increased recently even after various steps taken by the government, the meeting was told.

The transport owners also demanded realisation of Tk 10-12 crore that is pending with the Dhaka Metropolitan Police as compensation against requisition of vehicles by police.

Communications Secretary Shafiqul Islam, transport leader Saiful Alam, Principal Abdur Rashid, Abdul Baten and representatives from Bangladesh Road Transport Authority, and Bangladesh Road Transport Corporation were present at the meeting.

Tortured Shanta

FROM PAGE 16

With yesterday's case with the tribunal Shanta has so far filed two cases seeking justice against the police. The first case was filed with the Chief Metropolitan Magistrate's court two days after she was brutally beaten at Road 27 of Dhanmondi area in the capital during a 14-party protest programme on March 12.

In her deposition yesterday three months pregnant Shanta, also a mother of a ten-year old boy, said on the day of the incident, she arrived at the scene to drop her son at school. When clashes between the police and pickets erupted, she took shelter at a nearby clinic. A group of policemen and policewomen dragged her out of the clinic and beat her mercilessly. The group of policemen and policewomen were also verbally abusive during the beating. She said for ten minutes the policemen and policewomen encircled her and beat her brutally. As she pleaded with the deputy commissioners of police, Mazharul Haque and Kohinoor Mia for mercy, they asked their men and women to drag her into a prison van and break her hands and legs so that she may never join a picket.

Just after the deposition, Public Prosecutor Mohammad Akhtaruzzaman, who is automatically appointed by the government to represent the complainant, surprisingly requested the court to take into account whether or not the case could be accepted. He said a case has already been filed with the CMM court, which is being investigated by the Inspector General of Police. "She was wearing a pair of trainers during the alleged torture," Akhtaruzzaman told the court.

Phoenix finance

FROM PAGE 16

harass him and so for the sake of justice, she prayed bail for her client.

Earlier, the Chief Metropolitan Magistrate's (CMM) Court rejected Faruq's bail prayers on several dates.

Following the building collapse, Tejgaon police filed a case against its owner Deen Mohammad and seven others the same day. Faruq was arrested on March 2.

Meantime, Deen Mohammad, owner of the Phoenix Building appeared before the High Court (HC) for an anticipatory bail, but the court denied his prayer and directed him to appear before the CMM court within two weeks.

The CMM will settle the amount of compensation for the victims and the way of realising it from the owner and grant bail to him, the HC mentioned.

Time limit

FROM PAGE 1

over the preparation of the draft voter list since the EC Secretariat has taken no steps so far to provide the district level registration officers with necessary forms and money for the task.

Besides, the EC is yet to fix the publication dates of the draft and final voter lists as it is waiting for the outcome of its appeal against a High Court directive that asked the secretariat to revise the existing voter roll instead of preparing a fresh one. The Appellate Division of the Supreme Court will hear the appeal on March 27.

The EC Secretariat said the task of collecting information about the prospective voters and scrutiny of those will continue till March 30, but the enumerators will not collect any information on their own initiatives.

The eligible voters whose names were not registered will have to contact the nearby offices of the district or upazila election officers for enrolment.

BGMEA spots

FROM PAGE 1

The BGMEA inspected 169 factories as part of its ongoing drive to ensure that industrial units are equipped with safety measures.

It is impossible for the BGMEA alone to identify how many of the 45,000 garment factories are running in time-expired buildings, a BGMEA leader told The Daily Star, adding that the government should also come forward in this regard.

7 dead

FROM PAGE 16

Dera Ismail Khan is close to the troubled Waziristan tribal region where security forces have been battling with al-Qaeda-linked militants and their local supporters over the past two years.

Nearly 200 pro-Taliban militants have been killed in clashes with the security forces in the North Waziristan tribal region this month.

Many al-Qaeda fighters and their Taliban supporters fled to the semi-autonomous tribal belt after US and Afghan opposition forces ousted the Taliban regime in Afghanistan in 2001.

Pakistani security forces have been trying to clear foreign militants from the area and subdue their Pakistani allies since 2004 and hundreds of people have been killed.

Khattak said security had been beefed up in Dera Ismail Khan and nearby Tank town over concerns of militant attacks.

"We consider these towns as hot targets of the militants," he said.

Pakistan's tribal belt and areas on the Afghan side of the long border are dominated by ethnic Pashtuns.

Many tribesmen sympathise with the Taliban, also Pashtuns, and al-Qaeda leader Osama bin Laden and his deputy Ayman al-Zawahri are believed to be hiding in the region.

Afghan officials have long complained that militants use Pakistani territory as a springboard for launching attacks inside Afghanistan.

Pakistan, a key ally in the US-led war on terrorism, says it is doing all it can to stem cross-border movement of the militants and has urged Afghan authorities to do more on their side of the porous border.

Gas pricing key

FROM PAGE 1

"The benefit from the direct investment impact will be highly sensitive to the pricing of gas," Prof Mahmud wrote in the report.

"A subsidy of US$ 1 per unit (i.e. per mcf) of gas sold to Tata will imply a subsidy of US$ 68 million annually -- or US$ 83 million if captive power for the steel plant were to be generated from gas instead of coal. Against this, the direct benefit from Tata's operations will consist of an estimated US$ 20 to US$ 30 annually in terms of salaries and another US$ 38 million in tax revenue estimated as the annual equivalent of the tax payments to be made by Tata with a ten-year tax holiday," the report handed to BoI Executive Chairman Mahmudur Rahman says.

The indirect benefits from Tata's projects will come from the balance of payments support and from the positive spillover effects on other sectors created through outsourcing and the purchase of inputs.

"While these benefits are important, the report produced by the Economic Intelligence Unit (EIU) of the Economist makes highly exaggerated claims in these respects," he said. In estimating the indirect impact on other sectors, it ignores the fact that the expansion of production activities in an economy like Bangladesh is generally constrained by lack of inadequate production capacity rather than by demand deficiency.

He estimated that Tata's operations will provide balance of payments support of $628 annually through net exports and $323 through import substitution.

"The actual balance of payments support will be of course much lower because of the repatriation of profits -- a fact that has been curiously overlooked in the EIU report," Prof Mahmud said.

On the face of it, Prof Mahmud observed, the proposed steel-power complex appears promising, since it combines the advantage of the availability of iron ore and energy resources in India and Bangladesh respectively. "However, many strategic issues need to be resolved, particularly regarding infrastructure provision, land acquisition and the feasibility of coal mining," he added.

Tata's projected profits from the investments seem to be large enough, particularly for the steel-power complex, so as to provide ample scopes for bargaining in order to arrive at a fair win-win deal, the report said.

There does not seem to be any strong case for allowing tax-breaks or other incentives beyond what are allowed under the existing structure of incentives for such investments. Special incentives beyond the existing rules also create precedence for giving such incentives to other prospective investors, Prof Mahmud observed.

He noted that more detailed information on the each component of the Tata project is needed for further negotiations.

"From what one can see from Tata's documentation, there seems to be discrepancies in the estimated value-added, the annual tax payments and the implied profits to be retained by Tata," the report said.

"Bangladesh has a history of subsidised gas supply. Whatever may be the rationale for such subsidy, the use of gas should be guided by its true economic price," Prof Mahmud argued.

The report suggests economic pricing mechanisms for gas, based on the predictions regarding how long the gas reserves will last and what will be the cost of importing alternative fuel when the country will run out of gas. While the current gas price of $2.35 per unit (mcf) for industrial use may not be highly misaligned, it will need to be flexibly adjusted in future, Prof Mahmud wrote in the report.

The report suggests that the government commits to a flexible gas price policy reflecting at least in part the true economic pricing of gas. Tata may be then offered gas at the prevailing price for industrial use without any favour or discrimination. The report also suggests an arrangement for ensuring gas supply to Tata that involves a fair sharing of risk.

"The negotiations with Tata regarding gas supply arrangements demonstrate a fundamental weakness in our energy policy," Prof Mahmud said.

The lack of knowledge regarding gas reserves poses a severe constraint in formulating a gas utilisation policy and making commitment for any long-run use of gas.

Tata's investment proposal is a complex one with several components, Prof Mahmud observed.

"The proposed urea plant is an entirely separate project with no link with the rest of the investment proposal; as such, its merit is better judged separately," the report reads. "The other part of the investment project is an integrated one involving steel production, power generation and coal mining. Even for this integrated project, the possibility of generating power by gas and thus leaving out the coal mining component may be kept open as an alternative, given the many unresolved issues regarding coal mining."

The economic viability of the fertiliser project may depend largely on subsidised gas supply, particularly when the investment returns need to cover the country-risk factor as perceived by a foreign investor, he maintained.

Detailing some benefits of the Tata investment, he said there will be of course some demand-driven expansion of activities in sectors where employment can be created with very little investment in fixed capital. Such employment will mainly be in service sectors -- such as the employment created in and around the township that will grow around the proposed steel mill.

Tata's project will produce about $ 1 billion worth of steel annually, 75 percent of which will be initially exported after meeting the country's entire domestic demand. The domestic price of steel will perhaps be lower than if steel were to be imported.

"There are a whole range of industries and construction activities that will get a boost directly or indirectly from the cheaper supply of steel, and the benefit will increase with the growth of steel-based industries in the country," Prof Mahmud said.

Although some existing facilities for steel production, mostly from scraps, may be adversely affected, this will be much more than compensated by the benefit.

Tata's operations will lead to increased demand on railway transportation for the import of iron ore and the export of steel and coal, he also noted. This will need substantial investment in railway infrastructure, along with improvement in management efficiency to ensure that the government does not incur losses from such investment. The viability of the investments will also depend on the tariffs charged, given the fact that the public transport system, including railways, are heavily subsidised in Bangladesh.

The implementation of Tata's proposed projects will need land acquisition and resettlement of residents and the construction of road links to the plants. Agreement will be needed about how Tata proposes to pay for the costs involves.

"While Tata has proposed to buy the land at market prices, an alternative would be for the government to incur the entire costs and to recover it through renting or leasing the infrastructure to Tata," Prof Mahmud suggested. "Land being the scarcest resource in Bangladesh and becomes even scarcer with the growth of economic activities, land prices tend to increase quite rapidly in real terms. Thus, buying land and even keeping it idle may prove a profitable investment. The sale of land to foreign investors could thus lead to windfall gains to them at the time of winding up the investment project."

He also made a case for more gas exploration using domestic capability rather than relying on international companies.

"There is a problem in depending on the international oil companies (IOCs) entirely for gas exploration," he wrote. "The high and low projections of domestic gas demand vary widely. The IOCs will tend to plan their exploration and gas-field development activities keeping in view the low demand projection, since they would like to be sure about getting quick returns from their investments through full-capacity production from the discovered fields. For this reason, it is important to strengthen the domestic capacity for gas exploration."

Anti-war rallies call

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"show other people in the world that not all Americans are for the war in Iraq and not all Americans agree with George Bush."

Police said about 1,000 people turned out, while organisers put the number at 2,000.

In Tokyo, anti-war rallies stretched into a second day Sunday, with about 800 protesters chanting "No War, Stop the War!" and banging drums as they marched peacefully toward the US Embassy. A day earlier, about 2,000 rallied in Tokyo.

"The Iraq war was President Bush's big mistake and the whole world is against him," said organiser Ayako Nishimura. "Iraq must decide its own affairs."

Elsewhere, anti-war protesters demonstrated outside the US Embassy in Malaysia, chanting, "Stop the War," "No Blood for Oil" and "America Get Out of Iraq."

Protests in other countries also fell short of organizers' hopes.

In London, police said 15,000 people joined a march Saturday from Parliament and Big Ben to a rally in Trafalgar Square. The anniversary last year attracted 45,000 protesters in the city.

"Every day you hear of new deaths," said Rose Gentle, whose soldier son Gordon, 19, was killed by a roadside bomb last year in Basra, southern Iraq. " Tony Blair has actually made Iraq a worse place for the Iraqi people."

Britain, the United States' strongest supporter in the Iraq war, has about 8,000 troops in Iraq but plans to pull out 800 of them by May.

Criminal killed

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Mukul received bullet when he fell in the line of fire during the 15-minute long shootout and died on the spot.

Police recovered two pipe guns and eleven cartridges from the spot.

Two constables were also injured during the gunfight.

According to police, Mukul had been working as a liaison cadre of Purbo Banglar Communist Party (PBCP-Janajuddho) since 2004 and was also involved in extorting money from the transport owners of Phultala. He was the elder brother of top PBCP leader Mahmud Hasan alias Shimul Bhuiyan who was sentenced to 42 years of rigorous imprisonment in 2002 in three murder cases.

Mukul was also accused in several cases filed with the Phultala Police Station for murders and bomb attacks.