

Bangladesh Bank annual report

MCCI skeptical about projections

Star Economic Report

The Metropolitan Chamber of Commerce and Industry has expressed reservations about the projections in the Bangladesh Bank's annual report for 1990-91.

The chamber (MCCI) views that if the present stalemate in the industrial sector remains unchanged, it would be difficult to achieve even half the required growth rates in investment and industry to support the GDP growth rate projected in the Bank's report.

Country's leading chamber body in its latest bulletin also contests some of the figures of the report and termed the required industrial growth of nine per cent for the GDP as too optimistic.

Commenting on the projected GDP growth rate of five per cent this year compared to last year's 3.6 per cent MCCI said that the country must achieve 3.6 per cent increase in agricultural growth, nine per cent in industry, and 11 per cent in gas and power sector.

It viewed that nine per cent growth in industry was over

optimistic and said achieving even half of the rate would be difficult in the present stalemate in the industrial sector.

MCCI estimated that to achieve GDP growth rate of five per cent, investment would have to be increased by 20 per cent. Of the total investment, public sector investment will have to be raised by 20.2 per cent and private sector investment by 19.8 per cent.

In the manufacturing sector, private sector investment will be required to increase by more than Taka 800 crore. MCCI predicts that it will also be difficult to achieve half that amount in view of poor investment achievement during 1990-91 when the private sector investment amounted to Taka 300 crore. MCCI feels that it is impossible to achieve a growth of 20 per cent in public sector investment when disbursement this year under ADP is reportedly substantially lower compared to last year's.

MCCI views that export-led open economy is needed for quick growth of economy, that such growth will take place

only when there is a political commitment for industrial development based on outward-oriented policies. It said cheap labour was also a factor in such growth but labour cost in Bangladesh is high if related to productivity. It feels that the government's investment in infrastructural development is also important for industrial growth.

The chamber felt that country's economic uplift now depended on the government's proper handling of the pressures groups and political leaders support to the market oriented policies.

It said the Bank's prediction of accelerated economic activities are based on political stability, increased flow of foreign assistance, good weather condition and market oriented policy. It said foreign aid inflow was not a problem for the country in the past, but the problem remained with its utilisation. MCCI viewed that there is no data to show that aid utilisation started improving.



City Jatiya Party men brought out a procession yesterday to campaign for the party rally on Saturday. — Star photo

Formal charges of another case framed Ershad allotted plots to 49 illegally, says PP

Former president H M Ershad abused his official position as Head of State in awarding favour to 49 persons by allotting them residential plots in posh locations of Dhaka city during 1988-90. The prosecution charged Wednesday, report BSS and UNB.

Ershad and former Chairman of RAJUK Rahmatullah were accused of making allotment of the plots violating statutory provisions and thus sustaining heavy loss to RAJUK.

Hearing will continue on March 3 before framing charge by Judge of the Special Court A T M Fazle Kabir.

Ershad, a general who ruled the country for nearly nine years with iron hand, has already been convicted for keeping illegal arms and amassing wealth beyond known sources of his income and sentenced to ten plus three years in jail. He faces more than a dozen other corruption cases.

Public Prosecutor Abdur Razzak Khan submitted that former president passed orders for allotment of RAJUK plots in favour of 49 people.

The allotments are contrary to statutory provisions of allotment rule 9 "under which a recipient of such plot has to make declaration through affidavit that he/she does not already possess any land from the government or any statutory body."

Besides three journalists, a number of ladies, politicians

Muslim League factions unite

The day-long National Convention of Bangladesh Muslim League, the first after the independence, was held at Hotel Sonargaon Tuesday marking the unification of the party's all factions, reports BSS.

Leader of the Pakistan Muslim League delegation and joint secretary-general of Punjab province Muslim League S M Bashir attended the convention as the chief guest while party chief Alhaj Kazi Abdul Kader presided over it.

The Pak delegation members Khawja Khairuddin, former acting chief minister of Sindh Alhaj Sharmuddin, president of Pakistan Muslim Millat Movement Azizul Haq Qureshi, and Reaz Khan Fateyana who is the president of Pakistan Muslim Students Federation addressed the function as special guests.

The special guests, who addressed the function, also included president of the West Bengal wing of All India Muslim League and a former provincial minister A K M Hasanuzzaman, BML's senior vice-president A N M Yusuf and secretary-general Alhaj M A Matin. BML's central leader Alhaj Jamir Ali, president of Bangladesh Muslim Millat Movement Alhaj Md Sirajuddin and president of Bangladesh Mahila Muslim League Begum Gulrukh Mohal Straj.

Leaders of other political parties including Col (Retd) Sayed Faruque Rahman of Freedom Party, Barrister Korban Ali of Islamic Sasantrantrik Andolon, A T M Golem Mowla Choudhury and Alhaj Nurul Amin Sarker of Progressive Nationalist Party and Shaful Alam Proshan of JAQFA also addressed the convention.

BNP performance disappointing: Shah Moazzem

Jatiya Party Secretary-General Shah Moazzem Hossain Tuesday termed "disappointing" the performance of BNP government and claimed that the people were considering his party an alternative force for improving their lot, reports UNB.

"Failure of the government has caused landslide in every sector," he told newsmen at a briefing at the party's new central office at Kazi Nazrul Islam Avenue in the city yesterday afternoon.

Moazzem said that after the movement which brought an end to Jatiya Party rule, people expected something better from the BNP government. "Instead their socio-economic condition has deteriorated."

Resentment, agitation, price-hike and lawlessness mark the rule of BNP, he said, adding that "a silent famine persists in the country."

The JP leader said his party plans to stage a grand rally at Manik Mia Avenue in Dhaka on February 29 to press the government for the release of former President Ershad and for halting price spiral and lawlessness.

JP's plan of action will be announced from that rally, he added, but feared obstruction from the government side.

The Midnight File

Delhi rules out polls in Kashmir

NEW DELHI, Feb 25: India today ruled out elections in the troubled state of Kashmir, saying it was necessary to keep up the fight against Muslim Militants campaigning for secession, Minister of State for Home Affairs M M Jacob told parliament that the situation in Kashmir was "still grave" as the militants possessed considerable capability to strike against security forces, reports AFP.

Greenspan sees signs of recovery

WASHINGTON, Feb 25: US Federal Reserve Chairman Alan Greenspan said today there were signs that a sustained recovery was coming, but warned there was still a danger it could peter out, there were "distinct financial indications of improvement at this time," Greenspan told that Senate Banking Committee, reports AFP.

BNP highcommand

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Prof Indrudozza Chowdhury, the Deputy Leader of the House, was conspicuously absent from the meeting. Only thana-level leaders took part in the deliberations yesterday. No MP took part in the discussions and it is expected that they along with the district-level leaders of the party will take part in discussions today.

Earlier, while making opening statement Begum Khaleda Zia asked her party-men to direct their efforts in fulfilling the expectations of the people.

Terminating the meeting very important Begum Zia said that BNP forced the government on the ruins of nine-year autocratic rule.

Outlining the achievements of her party since it took over Begum Zia referred to the exemption of agricultural loans, waiving of taxes up to 25 hectares of cultivable land, raising the age-limit for entry into government service to 30 years, implementation of the Pay Commission report, solution of the problems of the non-government college teachers, long-awaited promotion of government officials and lowering the interest rate on bank loans.

On the political front, Begum Zia said, the party faced opposition since its birth, which were more malicious than political. The advancement of the nationalist force was also hindered by acts of betrayal, she said referring apparently to those who left BNP during the movement.

Begum Zia called upon her party workers to work for consolidating the hard-earned democracy and giving it an institutional shape.

She reminded her party-men that the country belonged to 110 million people and added that the goal of the ruling party should be to bring economic emancipation through patriotism and forging greater national unity.

The opening session of the meeting started with recitation from the holy Quran and special prayer for the martyrs. It was adjourned at 10.30 last night to resume at 9.30 this morning in the same venue.

Party sources say the meeting will end by afternoon today after endorsing resolutions on different issues and finalising the date of the National Council.

Plea to stop politics of killings

By DU Correspondent
The Bangladesh Chhatra League (S-A) at a rally at the Dhaka University Tuesday reiterated its demand for trial of killers of all student leaders.

The rally was held at the Auparaje Bangla in memory of BCL (S-A) leader Shahidul Islam Chhanna.

The BCL leaders also called for a stop to the politics of killing in the country.

Hill people

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Khaleda Zia has been invited to address the rally organised by the Chittagong Hill Tracts National Coordination and Peace Council, they said.

Our staff correspondent in Chittagong said that two busload of "long marchers" arrived Tuesday evening in the port city to demonstrate in favour of the country's sovereignty and territorial integrity and to protest the indiscriminate killing by the outlawed Shantibahini in the Chittagong Hill Tracts.

Several hundred people, tribal and non-tribal, got off from the buses in front of the local press club at about 7.45 pm Tuesday and chanted slogans like "We demand peace in the Chittagong Hill Tracts," "Stop killing by the Shantibahini men in the hills" and "Stop repression by the tribal insurgents."

After today's rally in the capital the marchers will also submit memoranda to the Indian High Commission and to the Resident Representative of the UNDP.

Public welfare

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proper treatment, education and training to the hearing impaired people especially the children and juvenile.

Begum Zia said the present arrangements to help the handicapped were not sufficient as per the requirement. UNB adds: The Prime Minister said foreign dependency was contrary to our independence and its spirit and said "we cannot rely on foreign aid forever."

Begum Zia, however, said foreign assistance was required in the context of the present economic condition which was ruined by the past autocratic regime.

Later, BSS says, the Prime Minister unveiled the plaque of the centre and went round different sections.

The functions of the centre include early detection of hearing impairment in children, training of manpower, training of teachers for the deaf, guidance of parents of the deaf children making ear moulds and repairing and maintenance of hearing aid.

Moratorium on aid

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proach to face the problem.

Rounding up the discussions, Farooq Sobhan said that donors had become much more interventionist in giving aid.

He called for a systematic approach to study the effects of foreign aid and the national approach towards development.

"Bangladesh has a much harder task ahead," the Additional Foreign Secretary said, adding "we will have to work as hard as our competitors in India, Pakistan and the ASEAN nations."

He said Bangladesh could gain a lot of advantage by linking itself in regional groupings.

Earlier, in the morning session, key-note paper on the theme "Tomorrow's Bangladesh: Social Force at Work" was presented by Bernard Houss and Momiq Selim, two French researchers.

Foreign Secretary Reaz Rahman opened the seminar titled "Tomorrow's Bangladesh: A European Perspective."

20 Rohingyas shot dead, say refugees

By Staff Correspondent

CHITTAGONG, Feb 25: The newly-formed Arakan News Agency Tuesday said that Myanmar soldiers on Monday shot dead at least 20 Rohingyas refugees in Arakan province who were on their way to cross Bangladesh border.

Quoting refugees who arrived at Ukhaia in Cox's Bazar district Tuesday, the agency said that the soldiers opened fire on the fleeing Rohingyas on February 24 at Yong Song areas in Budidong township and killed at least 20 people.

Heroin girl held at ZIA

By Staff Correspondent

Airport security personnel Tuesday night seized 3,300 grams of heroin from a teenage American girl at Zia International Airport (ZIA).

The accused Elladah McCord, 18 is an American passport-holder. She was due to fly for Zurich, Switzerland, by a British Airways flight last night.

Air Freight Department of Zia International Airport (ZIA) customs Tuesday seized 260 tolas of gold worth about Taka 20,80,000 at Zia Biman Cargo Complex.

Twenty six gold bars were recovered from some boxes of motor parts imported by Yastr Enterprise of Mirpur, from Singapore late Monday night.

KAFCO threatens to ruin ties

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conveyed extreme concern at non-issuance of Letter of Guarantee (LG). The Ambassador referred to "papers" handed over to him by Japanese authorities which said that Japan regards KAFCO as a symbolic project which may open a new horizon of a cooperation between Japan and Bangladesh.

Government of Japan is directly involved in the project through OECF investments as a shareholder and EXIM Bank's financing, according to the papers the ambassador referred.

The papers further said that "non-settlement of KAFCO will have detrimental effects not only on Japanese private investments in Bangladesh but also on over all relationship between the two countries."

The construction of the project was suspended in September last year following Bangladesh government's refusal to issue 230 million dollar export credit guarantee.

A four-member Cabinet Committee formed last September with four state ministers found the KAFCO agreement highly tilted against the interest of the government.

The Industries Minister recently told the Jatiya Sangsad that the existing terms and conditions were against the interest of Bangladesh.

The fate of 475-million-dollar project was thrown into further uncertainty when the secretary-level committee's negotiations with the KAFCO's foreign shareholders failed to bear fruit.

Bangladesh has equity participation of about 30 per cent (equivalent to \$ 35 million) but was asked by the other shareholders to give guarantee for repayment of whole of the ex-

port credit (\$ 230 million). The Ambassador, however, said that he had explained Bangladesh's position to the Japanese officials highlighting the terms and conditions of the project that went against Bangladesh's interests. He pointed out the "artificially low gas price, gas price deferral, high project cost, abnormally high loan-equity ratio, escrow account etc" as the key concerns of Bangladesh.

The financing of the project needs to be restructured to ensure the desired benefit for Bangladesh. The Ambassador claimed to have told the Japanese officials and pleaded for a revision of the "unusual and inequitable conditions of agreement."

The foreign shareholders are learnt to have offered to raise gas price to one dollar. When the project was originally conceived during the previous BNP government, the gas price was proposed at 1.5 dollar but in 1987 the price was brought down to 0.75 dollar.

The Foreign Secretary has already sent a copy of the message to the Industries Secretary for "necessary action."

The Japanese government have remained inflexible and consistent in their support of the stand of the KAFCO sponsors and KAFCO has turned into a serious irritant in Bangladesh-Japan bilateral relations, particularly in the field of economic cooperation," the Foreign Secretary wrote to the Industries Secretary in reference to the Ambassador's letter.

Meanwhile, on February 8, Prime Minister Begum Khaleda Zia sat with some senior colleagues to discuss the issue and instructed that a legal

brief on the project be prepared. She also asked the Industries Secretary to prepare a brief on the economic aspects with emphasis whether the agreement contained terms and conditions contrary to the interests of the Bangladesh government.

Official sources said the Economic Relations Division had also been instructed to explain to Japanese firms the situation that could arise out of a possible suspension or cuts in Japanese aid to Bangladesh.

The Foreign Minister, the Industries Minister, the Energy Minister, the Principal Secretary to the PM, the Industries Secretary, the ERD Secretary and the Energy Secretary were present at the meeting.

In another development, three international experts, who were entrusted with the task of studying all documents of the project and submitting a report to Bangladesh government, left Dhaka after three days, Industries Ministry sources said.

The experts whose employment were funded by the UNDP on request from Bangladesh were supposed to stay for 12 days (from Feb 16 to Feb 27). The BCIC which represents Bangladesh government in the KAFCO Board deputed necessary staff to assist in their job. Meanwhile, the Industries Secretary has admitted receiving notices from general contractors threatening to take legal action against Bangladesh government demanding compensation for the suspension of the construction work of the factory.

The 10th annual general meeting of the Board of

'Diarrhoea rampant in refugee camps' Senseless human tragedy: IFRC

The International Federation of Red Cross and Red Crescent Societies (IFRC) has termed the Muslim Rohingya refugees into the south-eastern Bangladesh as a senseless human tragedy, reports BSS.

The tragedy has placed an intolerable burden on the resources of one of the least privileged of Asian countries, says a press release issued by Stephen Davey, Under Secretary General of the Federation in Geneva Thursday

Rohingyas

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The government's previous policy was that NGO relief will be accepted but their volunteers won't be permitted to work for the refugees.

He informed that arrangements have been made to receive relief goods both at Dhaka and Chittagong airport. The government has deputed Joint Secretary Khondokar Shahidul Islam to look after the relief and repatriation work.

In reply to a question the spokesman said the international aid has not dimmed the prospects of bilateral solution to the problem.

"Our main goal is to repatriate the refugees," he said adding "bilateral efforts to resolve such issue are continuing process."

Asked about Myanmar Foreign Minister Ohn Gyaw's planned visit to Bangladesh he said "you know the visit has been scheduled to arrive first week of this month."

Bangladesh, he said, has given Myanmar (Burma) lists of 10,600 refugees for repatriation. The process will continue.

Asked about reported outbreak of diarrhoea and measles among the refugees the spokesman said "the health situation is under control."

Five government medical teams are working for the refugees besides a team from Medicine Sans Frontier, a French voluntary group.

Relations between Bangladesh and Myanmar chilled since Dec. 21, when a Myanmar patrol killed one BDR jawan and one civilian in an attack on a BDR outpost.

Since then Myanmar increased its border troops to 90,000 saying its heavy deployment was to contain armed insurgency by militant Rohingyas.

The Rohingyas from Arakan say they are fleeing massacres, forced conscription and religious discrimination by Myanmar's military government.

Arakan was once an independent Muslim homeland that was annexed by Myanmar in the 18th century.

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