

MARBLE MARBLE MARBLE
WE HAVE HUGE READY STOCK OF
ITALIAN CARRARA, PERLATO SICILIA,
BOTTICINO, INDIAN KESHWARI GREEN,
MALAYSIAN AND PAKISTANI MARBLE
OF DIFFERENT TYPES.
NIRMAN INTERNATIONAL LTD.
199, TEJGAON 1/A, DHAKA.
TEL: 605957, 607363 SHOW ROOM: 861985

The Daily Star

কর্মবাস্তু মানুষের জন্য স্বাস্থ্যকর পানীয়
Nestlé
NESTOMALT
MALTED FOOD DRINK

VOL. VII NO. 156 REGD. NO. DA 781

ASHAR 16 1404 BS.

DHAKA MONDAY, JUNE 30, 1997

SAFAR 23 1418 HIJRI

12 PAGES : PRICE TAKA 6.00

BNP calls 8-hr hartal on Thursday

Main opposition BNP has called for a countrywide eight-hour hartal on Thursday to protest, what it said, anti-people, anti-development and anti-investment budget, reports UNB.

BNP Secretary General Abdul Mannan Bhuiyan called the hartal at a press briefing in Sangsad Bhavan last night.

Earlier, BNP lawmakers staged a walkout led by Leader of the Opposition Begum Khaleda Zia at 11:10 pm protesting additional taxes including the 2.5 per cent surcharge in the new budget.

Briefing newsmen at his parliament office, Deputy Leader of the Opposition Prof Badruddoza Chowdhury said BNP has already rejected the budget as it is anti-people and non-transparent.

He said the Finance Minister See Page 12 Col 8

Shattered economy streamlined, says Hasina

By Staff Correspondent

Prime Minister Sheikh Hasina yesterday said that the proposed budget had been prepared to improve the standard of living of the poor in the country.

She was taking part in the general discussion on the proposed national budget for 1997-98 in Jatiya Sangsad last night.

Hasina, also President of the ruling Awami League, told the House that her government had inherited a "very shattered" economy with "an almost destroyed banking sector." "Our competent and efficient Finance Minister has meanwhile been able to bring about discipline in the banking sector and streamlined the national economy," she said.

See Page 12 Col 1

Cooperation, if duties cut, says Khaleda

By Staff Correspondent

Leader of the Opposition in Jatiya Sangsad Begum Khaleda Zia yesterday observed that the proposed budget for 1997-98 was absolutely development-shy, and if adopted, it would destroy the country's promising industrial sector.

Begum Zia, also chairperson of BNP, observed that the proposals for increased taxes in various sectors would eventually affect the poor. She however praised the government for "accepting the BNP plan to implement the programme of old-age pension," but demanded that the money be disbursed among the genuine poor irre-

See Page 12 Col 3

Gasfield fire Resumption of train service delayed

From Staff Correspondent

SYLHET, June 29: The resumption of train service between Srimangal and Sylhet may be delayed by a day or two, said an official of the Railway tonight.

However, trial run of goods train through the repaired portion of the rail track between Srimangal and Bhanugachh continued for the third day today, informed an official of the engineering department of Railway. He said "As we have got no clearance from Petrobangla or Occidental, we cannot resume the passenger train service."

The rail communication was See Page 12 Col 4

Inside Today

Article

Our National Identity: An Introspection
by Brig (Retd) M Abdul Hafiz
Page 4

Focus

Reinventing government for economic revitalisation
Page 5

Business

Tofael for formulating a long-term plan to utilise natural resources efficiently
DSE index posts 5-point gain
Pages 6, 7

Budget to be passed today Duties on a number of items withdrawn

Finance Minister Shah A M S Kibria has withdrawn duties on a number of items proposed in the new budget, but rejected the plea for withdrawing the much-talked import surcharge, reports UNB.

Winding up general debate on the budget for fiscal 1997-98 in Parliament last night, he also rejected the demand for keeping some items like slippers and nails out of the value added tax (VAT) net.

The budget will be passed today.

The minister withdrew the 2.5 per cent duty on raw cotton and reduced the proposed duty of 7.5 per cent on textile machinery and textile air conditioners to 2.5 per cent "considering the need of backward linkage for readymade garments and national priority."

But the duty advantage would be in effect up to December 31, 1999, he said. "I hope the textile industrial sector would

be able to bear the minimum tax-load within the time by increasing efficiency."

But Kibria spoke strongly in favour of the proposed Infrastructure Development Surcharge and said the alternative of such a low rate surcharge was to impose duties at a higher rate on many more items.

It can be a reason for more misery of the consumers and

Finance Bill passed amid BNP walkout

Amidst angry walkout by the Opposition, parliament last night passed the Finance Bill, making the fiscal measures of the government effective and amending some laws relating to those reports UNB.

Finance Minister Shah AMS Kibria piloted the Finance Bill See Page 12 Col 8

local industry, he said, adding that he preferred to impose a 'tolerable and wide-based' tax to imposing a series of higher duties and taxes.

He claimed that the possibility of negative impact of the surcharge on the price level and local industry is very less because of its low rate.

The Finance Minister withdrew the proposal to increase the duty on scrap ship from 7.5 per cent to 15 per cent. But opportunity of the 7.5 per cent duty would be in effect upto December 31, 1999, he said.

He also withdrew the proposal to raise the duty on some drugs and their raw materials from zero to 2.5 per cent, just only for the 1997-98 fiscal year, considering the interests of the sick and the distressed people.

Proposal to impose 2.5 per cent duty on 3.45 horse power diesel engine has also been withdrawn.

See Page 12 Col 4



Ballot boxes being carried from TNO office to different polling centres yesterday in Manikganj-3 constituency where by-polls will be held today. — Star photo

Donors critical of development surcharge 'Govt borrowing from banks threat to private sector'

Star Report

Donors have expressed their concern that if the government continues borrowing from banks, as is reflected in the proposed budget for fiscal 1997-98, it will pose as a threat to the private sector, according to highly placed officials.

They also took a critical view of the government's policy on reforms contained in the finance minister's budget speech and felt that the budget promotes protectionism.

A number of fiscal measures including the infrastructure development surcharge, came under the microscope of donors who felt that these are 'anathema' to trade liberalisation.

The donors met with Finance Minister SAMS Kibria on the proposed budget last Monday in the city.

The donors also reiterated that the government should, by any way, increase the total wage bill under the new pay structure. This balance should be maintained by linking pay hike

with productivity and by downsizing the manpower.

The budget deficit, an issue which came up in the meeting, as a percentage of GDP, is not that high compared to recent experiences. In FY 1995, the deficit was at its highest of 6.8 per cent of GDP. This year it has been projected at about 5.5 per cent which is now dubbed as 'modest', analysts told The Daily Star.

One reason for sustainability of the deficit is that a major portion of foreign financing of the deficit is available as soft loans.

But though the size of deficit does not pose a problem this time, it is the mode of financing, mostly bank financing hidden in the public account head, which is a threat to macro balances, experts said.

The government has already borrowed heavily from the banking system this year which is likely to go beyond Tk 1400 crore. Yet it did not face much

pressure 'because of a weak private sector demand for credit, and the economic growth that was generated mainly came from the agriculture sector.'

But for the coming year, the growth must come from non-agriculture sector which means a steep rise in private sector activities. Experts feel that the agriculture sector which already had a high growth rate of six per cent this year, will not be able to churn out a similar miracle unless an 'extraordinarily good' weather prevails. But when the government's financing source will be predominantly the banking system, this will create credit crunch and thwart the private sector, they felt.

"We can predict from the economic cycle that manufacturing sector will grow next year which will need huge credit, mainly advances as working capital," said an economist. "It will be very important."

See Page 12 Col 1

'Parties more responsible for campus violence' President for changes in DU Ordn '73, student union rules

President Shahabuddin Ahmed yesterday suggested that teachers and students should refrain from party politics on the campus and drastic changes be brought in the country's education system, reports UNB.

Pointing to prevailing "anarchic" situation in educational institutions, the President also underlined the need for amending university rules and restructuring student unions.

"In most of our colleges and universities anarchy prevails; terrorism, gunbattle, extortion, ugly party politics are the order of the day," he said inaugurating a national seminar on "The problems of university education in Bangladesh and their solutions."

"Many people think that a handful of student cadres belonging to political parties have held the educational institutions hostage," the President told the seminar, organised by the Federation of Bangladesh University Teachers Associations (FBUTA) at the Osmani Memorial Auditorium in the city.

He said "Our self-seeking, short-sighted political parties

are more responsible than the students for the present situation. These parties are using the students for their nefarious party purposes."

"I have been saying all the time that if the major political parties arrive at a consensus to keep educational institutions violence-free, then within a few days, student cadres will disappear, terrorism will cease and peaceful academic atmosphere will return."

"Standard of education in Bangladesh has so much deteriorated that degrees or diplomas awarded here are hardly recognised abroad," the President said. From this it is clear that there is hardly any educational institution in Bangladesh where congenial atmosphere prevails, he added.

Shahabuddin was critical of some university teachers dabbling in politics supporting political parties which, he said, "is adding fuel to the fire of student politics."

Referring to the Dhaka University Ordinance 1973, he said although the country's Constitution was drastically amended altering some of its basic struc-

tures, no amendment had been made in the salient features of the DU Ordinance.

"I think amendment to the Act is necessary in the greater interest of education," the President said suggesting amendment to the rules relating to electoral system in the university senate and student representation in it.

Similarly, he said, regulations for creation of central students' union and similar unions in university halls need amendment. "Under the existing regulation, a student can remain a student or a student leader all his life."

President Shahabuddin said eligibility of students for being elected to their unions should be limited to only regular students and the term of a union should be fixed for only one year, on the expiry of which the union shall stand dissolved automatically.

If, for some unavoidable circumstances, a new union is not elected, an ad hoc committee should be appointed by the Syndicate from the most meritorious students of different faculties.

156-year British rule in HK ends tonight

Basic law for HK after handover

HONG KONG, June 29: The basic law, promulgated by Beijing in 1990 to serve as Hong Kong's post-colonial constitution, will take effect at midnight on June 30 when the territory becomes a special administrative region (SAR) of China, reports Reuters.

The following are the key provisions —

- The Hong Kong SAR will exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power
- Socialist policies will not be practised in the Hong Kong SAR and the previous capitalist

See Page 12 Col 3

HONG KONG, June 29: On the eve of recovering Hong Kong, China pledged today to preserve its autonomy. Britain bade elegiac farewells and rival camps geared up for marathon celebrations and protest rallies, reports AP.

With the world watching, foreign VIPs converged on Hong Kong for the ceremony ending 156 years of colonial rule at midnight tomorrow.

In Beijing, President Jiang Zemin renewed China's vow to safeguard the freedoms and capitalist vigor that have made Hong Kong an economic powerhouse.

"We will firmly... safeguard the Hong Kong residents' rights and freedoms in accordance with the law," China's official news agency, Xinhua, quoted Jiang as saying before he left the Chinese capital to review the troops China is sending into Hong Kong.

While China prepared a triumphant military entry into its newly regained territory, See Page 12 Col 1



Chris Patten, Hong Kong's last governor, bidding farewell at a cathedral yesterday. — AFP/UNB photo

BNP, AL, JP happy over steps taken by EC

From Morshed Ali Khan

MANIKGANJ, June 29: The stage is set for holding the by-election in Manikganj-3 tomorrow.

BNP, AL and JP leaders here have expressed their satisfaction over the steps taken by the Election Commission to hold the election in a free and impartial manner.

BNP candidate Abdul Wahab Khan told The Daily Star that the steps taken to maintain law and order are "sufficient."

When asked about his expectation about the results, Wahab replied, "If the elections are fair, we will win with a big margin."

Meanwhile, both BNP and AL have lodged formal complaints about NGOs who would be acting as observers tomorrow.

The BNP candidate said, "We know FEMA and Proshika are See Page 12 Col 7

Bypolls in Manikganj-3 constituency today

By Staff Correspondent

By-election in Manikganj-3 constituency of the Jatiya Sangsad will be held today.

Voting will start at 8 am amid tight security and continue till 4 pm without any break.

The seat, comprising one pourashava (municipality) and 16 unions under Manikganj Sadar and Satoria thanas, fell vacant following the death of BNP MP Nizamuddin Khan on April 8 last.

There are 1,79,286 voters, 92,037 female and 87,249 male, in the constituency.

Six candidates are contesting in the by-polls. They are: Abdul Wahab Khan (BNP), Col. (retd). MA Malek (Awami League), Mohammad Ramzan Ali (Jatiya Party), MH Khan Majlish Murad (JSD-Rob), Mohammad Sadek (Krishak Samik Mukti Andolon) and Kartik Chandra Saha (Independent).

The voters will cast their votes in 404 polling booths in 91 centres. A total of 1303 polling personnel will conduct the polls. Vote counting will start right after the polling ends and preliminary unofficial results will be sent to the Election Commission (EC) from an election control booth opened at

See Page 12 Col 6

JS snippets

By Nazmul Ashraf

Leader of the House and Prime Minister Sheikh Hasina yesterday won a 'competition' of capturing the copy of a list of BNP leaders, allegedly bribed by the French company-Alcatel, for getting the digital telephone business in the country during the BNP rule.

The contest on the floor of the House was witnessed shortly after the JS was adjourned for Magreb prayers. Commerce and Industries Minister Tofael Ahmed showed the list during his discussion on the

See Page 12 Col 7

Tk 59.50 cr DU budget announced

By DU Correspondent

Dhaka University authorities yesterday announced a Tk 59.50 crore budget for the university for fiscal 1997-98 with a deficit of Tk 4.07 crore.

Total income has been estimated at Tk 55.43 crore of which Tk 50.43 will come from the government allocation and Tk five crore will be collected

See Page 12 Col 5

Deadline expires today \$200m JSAC set to be cancelled

By Inam Ahmed and Shehab Ahmed

The 200 million dollars balance of the Jute Sector Adjustment Credit (JSAC) is set to be cancelled as the deadline for meeting the conditionalities in this regard expires today without any progress.

The conditions for availing the 50 million dollars second tranche of the 250 million dollars JSAC — privatising at least one jute mill along with transfer of nine others to private hands by today — in all probabilities will remain unfulfilled.

"There will be no extension of the project if the government does not fulfill the conditions by tomorrow," said a WB official last night. "But we are committed to supporting the government's privatisation programme and helping the Privatisation Board through technical support."

"The government has now to think hard what to do about its ailing jute sector that is bleeding the exchequer. If the government, in consultation with all parties concerned including

the private sector, opposition political parties and the trade unions come forward with an alternative plan, we will see what can be done," the official added.

The WB is already preparing a 'technical strategy note' to help the government reach a decision about the once prosperous but now limping jute mills in its inventory.

But the main issue for the government to think is what it will do with the banks, burdened with defaulting loans of these jute mills. It had already written off some loans which had to be set off from the JSAC amount.

The government, till yesterday, did not officially communicate its position on the programme to the WB.

The 250 million dollars JSAC was launched in 1994 for restructuring the ailing jute sector and the WB released the first tranche of 50 million dollar earlier.

See Page 12 Col 3

Postal service irks Greenidge

Sports Reporter

Country's notoriously tardy postal service has taken the micky out of its newly adopted citizen. National cricket coach Gordon Greenidge flew off the handle yesterday as a letter from London reached him more than two months after it was posted.

"Strange country" was all this celebrated West Indian cricketer of the yester-years could utter as an invitation from his former English county Hampshire about a function, scheduled for May 31, was delivered to him by the BCB office bearers only yesterday evening. It was posted on April 14.

This is, however, not for the first time that the Caribbean charmer went through such a flabbergasting experience. On another occasion, a letter and a parcel from the West Indies reached him three months after it was posted. Worse, he found both the letter and the parcel opened.

"A mail is a private thing. It should not be scrutinised by others," vented a furious Greenidge.

"This is a strange country. I had never faced such embarrassing situation in my life," added the former West Indies opener.

Use of pvt equipment at Ctg Port allowed

From Staff Correspondent

CHITTAGONG, June 29: Chittagong port will allow use of private equipment for cargo handling from tomorrow.

This was announced by the Minister for Port and Shipping at a meeting with the Port Users Forum (PUF) held today at Chittagong port rest house.

The meeting was also attended by Political Adviser to the Prime Minister, Dr S A Malek, State Minister for

Labour and Manpower M A Mannan, Deputy Minister for Port and Shipping Dhirendra Debnath Shambhu, Mayor of Chittagong City Corporation Mohiuddin Chowdhury, Chittagong Chamber president Jafrul Islam Chowdhury, Sabar Hossain Chowdhury, MP and Mosarraf Hossain, MP.

In the meeting, a committee was formed with a Joint Secretary of the Ministry of Port and Shipping as convener, to make recommendations on requirement of handling equipment both in the public and private sectors, official sources said.

PUF members present in the meeting included Kamal Uddin Ahmed, Tarek Anis Ahmed, Nader Khan, M A Latif, Tarek Kamal and Md Shahabuddin.

The port authorities had earlier allowed a shipping agency to use private equipment. But private equipment could not be used in the face of resistance from port workers who started a strike from March 15 this year. When their strike was withdrawn, the port users began a boycott programme for allowing them use of private equipment. Later, the issue remained hanging for a long time until today's declaration.

BCL starts strike at IU demanding VC's removal

From Our Correspondent

ISLAMIC UNIVERSITY, June 29: All academic and administrative activities at the Islamic University were paralysed as the Bangladesh Chhatra League (S-P) started a strike today demanding removal of the Vice-Chancellor.

Earlier in the morning, the BCL activists detained the university vehicles in Kushtia and Jhenidah towns and locked the main gate of the varsity.

PM leaves for Tokyo tonight

Prime Minister Sheikh Hasina leaves Dhaka shortly after midnight tonight for Tokyo on a six-day official visit to Japan at the invitation of her Japanese counterpart Ryutaro Hashimoto, reports UNB.

Hasina's 37-member entourage will include Finance Minister SAMS Kibria, State Minister for Foreign Affairs Abul Hasan Chowdhury, Principal Secretary to PM, Dr SA Samad, Dipanker Talukder MP, Foreign Secretary Farooq Sobhan and ERD Secretary AKM Mashur Rahman.

It also includes Director General (Far East) M Sirajul Islam and Director General (OSD) Sheikh Ahmed Jalal of the Ministry of Foreign Affairs and Press Secretary to the PM, Jawadul Karim.

Besides, a delegation comprising a 55 top businessmen and industrialists will accompany her.

See Page 12 Col 6

Five foreign firms offers help to install Meghnaghat power plant

By Staff Correspondent

Five foreign firms submitted to the government yesterday the technical and financial offers for installation and commissioning of the Meghnaghat 300-450 MW power unit on 'build, own, operate basis.'

Representatives of Genting Sanyen of Malaysia, ABB Energy Ventures of India and USA, Midlands of UK, Marubeni of Japan and AES Corporation of USA submitted their proposals to the Bangladesh Power Development Corporation.

See Page 12 Col 2

Goods seized from house occupied by Kader Siddiky at Tangail

From Our Correspondent

TANGAIL, June 29: A police team today removed the household goods of Abdul Kader Siddiky, MP, from a house here which was in his illegal possession since last December.

About 100 policemen led by a magistrate, made a swoop on the official residence of the Principal of the Government Kumudini Mahila College, which was being used by Kader Siddiky.

He was not at the house during the police raid. Nor any other family member was present.

Earlier, on June 20, the DC of Tangail had served Siddiky See Page 12 Col 4

JP rebels call council session today

By Staff Correspondent

The dissidents of the Jatiya Party have convened a council of the party today. The possibility of a showdown centring the council session was not ruled out from either side of the two camps.

The day-long council will have two sessions and is scheduled to begin at 11:00 am in the auditorium of the Engineers Institution, said a press release issued from the rebel camp.

In the first session, the national flag will be hoisted by Kazi Zafar Ahmed and the party flag by Shah Moazzam Hossain, the press release said. It will be followed by recitation from the Quran and welcome speech. The session will be presided over by

See Page 12 Col 2

Transport strike in Khulna Div from today

From Staff Correspondent

KHULNA, June 29: The Dakkhin Bangla Truck Malik Samity has called a transport strike for an indefinite period from tomorrow in all routes of Khulna division to press their seven-point demand including removal of the Deputy Commissioners of Jessore, Magura, Chuadanga and Kushtia districts and cancellation of registration of the Noapara Brokers' union.

The Leaders of the Union allege that the DCs are permitting overloading of trucks and buses

See Page 12 Col 3

Auto-rickshaw strike in city

By Staff Correspondent

The workers, drivers and owners of auto-rickshaws of the city observed a strike yesterday protesting imposition of 35 per cent duty on import of auto-rickshaws in the budget for fiscal 1997-98.

A rally was also held in front of the National Press Club.