

Greetings to Summiteers

We wistfully look forward to the tri-nation summit beginning in the city today to break new grounds in the business relationship among the three subcontinental neighbours — India, Pakistan and host Bangladesh. It is the maiden major meeting of such kind within the SAARC region. It is our sincere hope that in the reassuring presence of Inder Kumar Gujral, Mian Nawaz Sharif and Sheikh Hasina the powerful business delegations of the three countries will do something worth their while to help the much vaunted notion of regional cooperation descend on reality from the realms of rhetoric. We want to see this summit go down in the history as some sort of sign post in effective explorative exercise in economic cooperation.

There is no denying that Indo-Pak relationship is the key to greater economic cooperation in this region. Any attempt to bypass this reality is bound to make all efforts ineffectual as it has been the case in the past. But at the centre of improvement in their bilateral relationship lies the Kashmir issue. It has not only vitiated the relationship of the two countries in the last 50 years but has also greatly chipped away from the economic potential of the region. It gladdens our hearts immensely that both Mr. Gujral and Sharif seem to have grasped this reality better than any of their predecessors. We hope today they begin from where they had left off in Washington.

Our hopes around this summit border on robust optimism because it is a whole new atmosphere that all the characters will be playing their role in. As the largest economy in South Asia, we expect India to give momentum to the whole idea of regional cooperation. Ideally it will be a leadership that will not limit itself to the narrow idea of self gain but will open up for smaller economies like ours to pull our weight in the regional approach to meet the millennial challenges. To tap each other's resources Pakistan will have to come up with new vision because in words and actions Bangladesh has shown its preparedness.

There was a time when this economic cooperation was a matter of choice. No more. The world is fast pacing away from this region to reach new peaks of economic prosperity. We have to cooperate with each other for survival.

The Central Bank Report

Like in most other years, the Bangladesh Bank Annual Report for fiscal 1996-97 has been released six months behind the Calendar date. It had better been published in July-August 1997 to be of greater relevance. So, it cannot read very novel or crispy, especially given the fact that no aspect of the 1996-97 economy had been spared statistical analyses and critical appreciations in the local media and among donor agencies beforehand. Hence, a study of the just-released Bangladesh Bank annual report can only be meaningful if it is done in conjunction with a close look taken at the economic score-card of the first half of fiscal 1997-98 which we have crossed.

The 1996-97 fiscal ended with a GDP growth rate of 5.7 per cent as compared with 5.4 per cent in the preceding year. Agriculture came to the rescue again, growing at a rate of 6 per cent compared with 3.7 per cent recorded the year before. It was a good crop year, rendered so by largely calamity-free weather conditions. By contrast, as the first reports of high rice prices suggested Aman harvest might not be up to our best expectations.

In order to sustain the GDP growth rate to a point where it can stabilise at 7 per cent we obviously need to strengthen the industrial sector which has been thrown completely out of gear in recent years. When in 1995-96 industrial growth was estimated at 5.3 per cent it was regarded as a major cause for concern since 10-11 per cent industrial growth had been recorded previously. And more frustratingly it plummeted further by 2 per cent during fiscal 1996-97 largely because of severe disruptions in power and gas supplies which ought to be more under human control than the natural vagaries that affect the fate of agriculture one way or the other.

Bangladesh Bank's recipe for greater industrial investments strikes a responsive chord with us. Indeed, new projects and programmes will have to be adopted and implemented, but given the project implementation rate under the current ADP, reported to be "the lowest ever since 1973," radical steps are certainly warranted in this area. The impediments to better aid disbursement and utilisation must be removed in consultation with donors and by setting our own house in order. The thought that poor ADP performance has come as a saving grace in the light of declining revenue collection must not be entertained any more; for, this can make us complacent and inactive on both counts with dire consequences for the national economy.

Infructuous Parliament

Another session of the parliament has got underway with the main opposition BNP outside the House. We had observed in this column earlier and we reiterate once again that the boycott policy BNP has been pursuing is endangering the future of democratic culture in the country.

Even if the CHT peace agreement which BNP is now projecting as a stumbling block on their way to a possible return to parliament demands that it take its rightful position in the parliament to debate the matter. If the agreement is so harmful for the country as the party seems so convinced about it, it is all the more imperative for the party to discuss it in the parliament and register their protest in its hollowed precincts.

By staying away from the House it is not only doing injustice to its own argument but also doing a great disfavour to itself, because if it sees itself as a party beyond now and today it should understand that it is morally obligated to its future electorate to record its opposition to a treaty it deems as being against the interest of the country. In its ardour for antiparliamentary inclination the party seems to have forgotten that MPs enter a moral covenant with the electorate whenever they seek votes to participate in parliamentary sessions. We urge the BNP to change its policy for the future of this country, for the future of democracy.

I think the first point we need to stress is that the summit is going to take place in a very changed global environment central to which is the need for South Asia to pay more attention to economic cooperation and interaction, both at the inter-governmental level and, much more importantly, interaction in the private sector.

Of course we have SAARC. We have mutual cooperation within the framework of SAARC. We also have the SAARC Chamber of Commerce and Industry.

But we felt that these three countries, India, Pakistan and Bangladesh, make up a very overwhelming population of Asia, having the three largest economies in South Asia. These countries, in a sense, have a very special role to play because this is really where the very overwhelming section of the private sector is active.

Secondly, there should be a clear signal which goes out to the international community, foreign investors that India, Pakistan and Bangladesh not only provide an excellent location for investors, but that they themselves, through this process of interaction, are planning to create the necessary environment and climate to attract foreign investment.

We are trying to send these signals to our own private sectors. I think what makes this conference special is it is being termed as a 'business summit'. It is an attempt to bring together not simply the prime ministers of the three countries but also the foreign, finance and other ministers of these countries along with senior representatives, major players in the private sectors of India, Pakistan and Bangladesh.

I think it's important for governments to know and to hear from the private sector what needs to be done, what they need to do to create the right environment.

It is equally important that we recognise that all that we need to do is to respond in the way of our legislation, in our organisation. To cite something very specific, we can start by making our customs laws and regulations more responsive to the changed business environment.

THE THREE-NATION SUMMIT

Towards a New Beginning

by Farooq Sobhan

sub-groupings within ASEAN to reinforce ASEAN and to give it more substance. I think that is really the context in which we should view the initiative.

We must look into the question of how we can make, South Asia as a whole, more competitive. This whole question is of competitiveness, of meeting global standards, of meeting the ISO 9000 standards, the role of the chambers. In India the chambers play a leading role in trying to include much higher standards and creating the training infrastructure which is necessary to make this possible.

The strength of ASEAN is to be seen in three different specific areas. One is that they have converted themselves into an effective regional grouping. And they can stand up collectively and defend their interests. That is one very essential element in the new global trading system. That needs to reflect itself in what is happening inside ASEAN.

The second important element here is the fact that you have the opportunity for joint ventures for interaction at several levels within the business community. One of our major problems is mindset. Certainly for 25 years and more they have been used to dealing within a certain very restricted business community. But the rules of the game have changed completely and whether we like it or not, we have to play by the new rules of the game.

We need to get a dialogue going between business bodies and the government. In India, Pakistan and in Bangladesh, there have been dialogues between government and the chambers. But I think it would be very useful to see this as a

collective dialogue because there are very important points of common interest.

There is an 'either-or' syndrome that exists in Bangladesh and Bangladeshi politics. By 'either-or' syndrome, I mean that no government of Bangladesh can be friendly with both India and Pakistan at the same time. You have to pick one or the other. But times have changed. And anyway I think that it was, if it did exist, a totally erroneous conception. Bangladesh must first and foremost always think of its own interests. Growing from that interest is the imperative of seeing that it has good relations with all countries in South Asia including India and Pakistan. It is equally important that it encourages good relations between India and Pakistan. Politically it's certainly good, economically it's certainly good, and that's certainly what the foreign investor wants to hear and I would certainly like to think that's what our own industrialists want to hear, see and contribute.

I realise the private sector in Bangladesh is experiencing a certain degree of pain, a certain degree of anxiety. This is equally true of India and of Pakistan. Our pain perhaps derives from the fact that we see Indian goods flooding our market. But I think it's important that we conceive of seeing Bangladeshi goods, if not flooding Indian markets, at least entering it in large quantities.

One of the key issues of plugging South Asia in ASEAN, into Europe, is going to be the Asian Highway. There is this mind-set that when goods cross Bangladesh, it's going to be from point A in India to point B in India. But these are goods which are going to be travelling from Paris to Hong Kong, from Singapore to Pakistan. It's a major arterial route we are talking about. I cannot think of a single more important infrastructure for Bangladesh to be plugged into than the Asian highway and railway as soon as possible.

The above are excerpts from the author's speech delivered at a recent Daily Star Roundtable on the Three-nation Summit.

THE three-nation South Asia tripartite talks in Dhaka on January 15 will be long on rhetoric but terribly short on substance. More than Pakistan and Bangladesh, it is India that needs to augment her trade within the sub-continent to give a choice of economic amelioration to her teeming millions. Pakistan and Bangladesh do get residual benefits but not on the same scale as our large neighbour. While Prime Minister Sheikh Hasina's excellent initiative to get all talking on such lines must be appreciated it must also be clearly understood by all concerned that there are two major inhibiting factors that will govern the future of trade and commerce in the South Asian sub-continent, viz (1) the core problem of Kashmir and (2) the fear that India's industry may overwhelm that of its neighbours because sustained protection over the years and economy of scale because of numbers make its products much more competitive.

History is witness to the fact that not only was the South Asian sub-continent the cross-roads of commerce but its raw materials and products provided for the shifting of the focus of industry to the western world. Strange as it may seem now, Bengal, which encompasses modern Bangladesh and India's west Bengal, was once the granary of the sub-continent and for many East Asian countries. The Sultan of Istanbul would get the hull of his warships made in the islands of Hatiya and Sandwip. The commerce was so frequent that piracy flourished in the Bay of Bengal as Dutch and Portuguese pirates joined in with locals to make the islands of the coast safe havens from where to operate. Piracy was only less frequent in the Arabian Sea, off the coast of what is now Pakistan and that only because of the strength of the Arab naval forces in the area. To the exclusion of the rest of South Asia, the historical silk-route passed through territories now comprising Pakistan.

As everyone knows crime only flourishes off lucrative targets and there was no more lucrative target than the trade and commerce off the coast of the South Asian sub-continent and in the mountainous areas of the North. This situation has now been totally reversed, from a net outflow of goods and produce there is almost a one-way inflow of goods and produce. Because we were mercilessly exploited by the British, who denuded us systematically of our resources (and our skills), for the past fifty years after independence the countries of South Asia have been playing catch-up with the rest of the world. Because of a myriad reasons we got left behind in the throes of the Asian miracle.

Now with the Tiger economies becoming pussycat, it may not have been a bad thing after all. The unfortunate fact remains that the peoples of South Asia need to cooperate to better their economic conditions very much as other regions have done or else we will be left so far behind the civilized countries might as well put a "CHINA WALL" around us to contain the anarchy that will ensue and become the order of the day.

Already we are showing signs of that savagery in refusing to live as amiable communities. As a businessman and now a political leader of some note, Mian Nawaz Sharif is one of the strongest advocates of South Asian Cooperation to ever appear at the helm of affairs in Pakistan but here he runs against India's position over Kashmir. Unless India allows major meaningful concessions to Pakistan, it is incon-

ceivable that any government in Pakistan would survive full fledged trade with India.

While Pakistan speaks of full sovereignty for the disputed territory of Kashmir, one believes that initiatives that will give freedom short of full independence that would include free access to Pakistan and India equitably would be reluctantly acceptable to the people of Pakistan. Both sides have their reasons but Pakistan has historical and traditional affinities other than religion that far surpass India's claims.

Indian counterpart businessmen who meet me frequently at World Economic Forum's organised meetings at Davos and other locations, have emphasized repeatedly their interest in Pakistan as a market and their need for a direct access through Pakistan to the Central Asian markets in exclusion of the problem of Kashmir. I have repeatedly explained to Rahul Bajaj, Jamshed Godrej, Rajiv Kaul, etc that neither will take place as long as the Kashmir situation remains alive, that unless they can convince their government (of the day) to settle this issue, the aspirations of the peoples of South Asia to have that land access will be frustrated. To that end the best hope that the Indians have at this time is in the form of Pakistan's present PM, indeed he is visibly keen to solve the problems but he knows that if he gives away the only bargaining chip without reciprocity, he will not last long as PM, mandate or no mandate.

On the other hand, South Asians, India much more than others, must understand that

View from Pakistan

Tripartite Trade Talks

by Ikram Sehgal

and this incident has not been incorporated in this case.

A: I don't know.

Q: All the intelligence units keep track and inform the higher authorities of the activities of the armed forces personnel inside the cantonment.

A: Yes.

Q: DGFI in writings informed Bangabandhu of its hunch of a conspiracy.

A: I don't know about that.

But, I am in doubt whether they informed Bangabandhu of such thing.

Q: When did you put three battalions in combat preparedness?

A: By 6:15 to 6:20 am on August 15.

Q: Tofael Ahmed was politically in charge of Rakhi Bahini.

A: I don't know.

Q: Does the infantry march forward with the coverage of tanks?

A: The infantry protects a land occupied by the tank regiment by defeating the enemy.

Q: Quoting you, it was written in a book titled "Facts and Documents" that the tank regiment was under the direct supervision of the Army Chief and you had no connection with the tank regiment.

A: The armour was under the CGS (Chief of General Staff) and the participating Artillery regiment was under me. The book quoted an interview of mine published in a newspaper, which was again misquoted.

Q: The coup in which you took part was led by CGS Khaled Mosharraf.

A: Yes.

Q: Two Field Artillery was under 46 Brigade on the day of occurrence.

A: Yes.

Q: There was no ammunition in the tank on the day of occurrence.

A: We did not know it at first.

At about 11 am we came to know that there was no ammunition in the tank. But, two machine guns and a heavy machine gun fitted with the tanks were loaded with ammunition.

Q: When did you go to the Bangabhaban first?

A: On October 15, 1975 and I inspected two of the companies of 1st Bengal regiment posted there.

Q: You went to Bangabhaban alone. Were you afraid?

A: Yes, alone. I was not afraid because two companies posted there were of my brigade.

Q: Did you know that people were killed and injured in Mohammadpur by artillery shells

tanks were kept?

A: At the Central Ordnance Depot (COD).

Q: Who was in charge of COD at that time?

A: It was under the Chief of Logistic Brig C R Dutta, but ammunition was being controlled by General Services Branch, which was under CGS.

Q: After the incident you along with Brig C R Dutta, Brig Khaled Mosharraf and Chief of Army Staff were at the 46 Brigade.

A: C R Dutta was never there, but CGS was all along with me.

Q: Who were the officials in charge of two Indian Army helicopters?

A: I don't know.

Q: Brig Ovan used to impart training to Rakhi Bahini staying in this country.

A: I don't know.

Q: Was C R Dutta the coordinator from Bangladesh side with the Indian authorities for the helicopters?

A: I don't know.

Q: You were against those, who were the supporters of Musharraf government.

A: I didn't support Musharraf government.

Q: Did you encounter any revolutionary command council before the sepoxy revolution?

A: No.

Q: During Musharraf's stay in Bangabhaban, the military secretary and the assistant military secretary were from the army like in the past.

A: Yes.

Q: The army officers who were with Bangabhaban continued to be with President Musharraf Ahmed.

A: I don't know.

Q: You did not witness the August 15 incident. Then, how did you say that firing was one-sided?

A: I conducted an investigation and it was revealed that firing was one-sided.

Q: You have given false witness against the accused as they were your opponents during your service in the army.

A: It is not true.

Q: Were there any tank when you conducted a coup?

A: Our coup was against the tank and artillery regiments and army and navy were with us.

Q: Soon after the incident you deployed all the units of armed forces to check a possible civil war.

A: It is not true.

Q: There was enmity between each other inside the cantonment before the August 15 incident.

A: It is not true. — UNB

Further texts of cross examination will be published as and when received.