



# The Daily Star



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## JS session starts today in gathering storm

By Nurul Kabir

If there is any substance in the proverb — morning shows the day — the 11th Jatiya Sangsad session beginning this afternoon would witness unscheduled turbulent debates.

The main opposition party, Bangladesh Nationalist Party, yesterday demanded general discussions on issues like law and order, price hike of essentials and the latest economic situation, but the ruling party rejected those outright.

This happened yesterday at a meeting of the JS Business Advisory Committee that decides length of a session as well as issues to be discussed.

The meeting decided that the session would continue till November 20 while the House would consider 16 bills, six of those introduced during the last two-day session in September.

Both the ruling Awami League and the BNP would work out strategies to fight each other at meetings of their parliamentary wings this afternoon.

"We would definitely raise our voice in the House against repression on opposition leaders and activists, recently imposed surcharges and duties on different services and imports, price hike of consumer goods, lawlessness across the country, ruling party corruption in the distribution of VGF cards and relief materials and so on," Opp-  
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## BIMSTEC ministers meet in Dhaka Dec 17-19 5 nations are all eyes at Ctg port

The first policy level meeting of the newly floated BIMSTEC to be held in Dhaka will give special focus on developing the Chittagong port as a regional trading hub and building it up as a major gateway to the Bay of Bengal.

The ministerial level meet of the five-nation regional organisation comprising Bangladesh, India, Myanmar, Sri Lanka and Thailand will now be held in Dhaka from December 17 to 19, according to diplomatic sources. Foreign ministers or state ministers of the five member countries are to participate in the meeting.

The meeting, which was due to be held in September last, had to be postponed due to the floods.

The three-day meeting is expected to give increased attention to attracting international cargo traffic to Chittagong port for bolstering regional trading, providing transshipment arrangements and developing it as a major shipping hub with refuelling and warehousing facilities.

Plans to construct a large container terminal by a foreign company in Chittagong are likely to receive a special focus from the neighbouring countries looking for better harbour facilities. A detailed study

By M Anwarul Haq

would be commissioned shortly for enhancing the infra-structural facilities at Chittagong port, it was learnt.

The new regional grouping comprising the five countries bordering the rim of the Bay of Bengal is expected to get a more concrete and durable shape at the Dhaka meet, State Minister for Foreign Affairs Abul Hasan Chowdhury said, talking to The Daily Star. Chowdhury will preside over the working sessions of the 3-day international conference. BIMSTEC was launched in the Thai capital of Bangkok on June 6 last year.

Discussions are also expected to take place to draw up a possible list of tariff concessions and create free trade zones in the BIMSTEC countries.

Some 80 businessmen from the five BIMSTEC countries formed an Expert Group at a meeting in Bangkok in March. A S M Quasem, former president of Dhaka Chamber of Commerce and Industries was elected the first Chairman of the BIMSTEC Economic Forum.

The Business Forum is also expected to hold its first meeting in Dhaka shortly to identify the 'inhibiting factors' in the process of fostering business

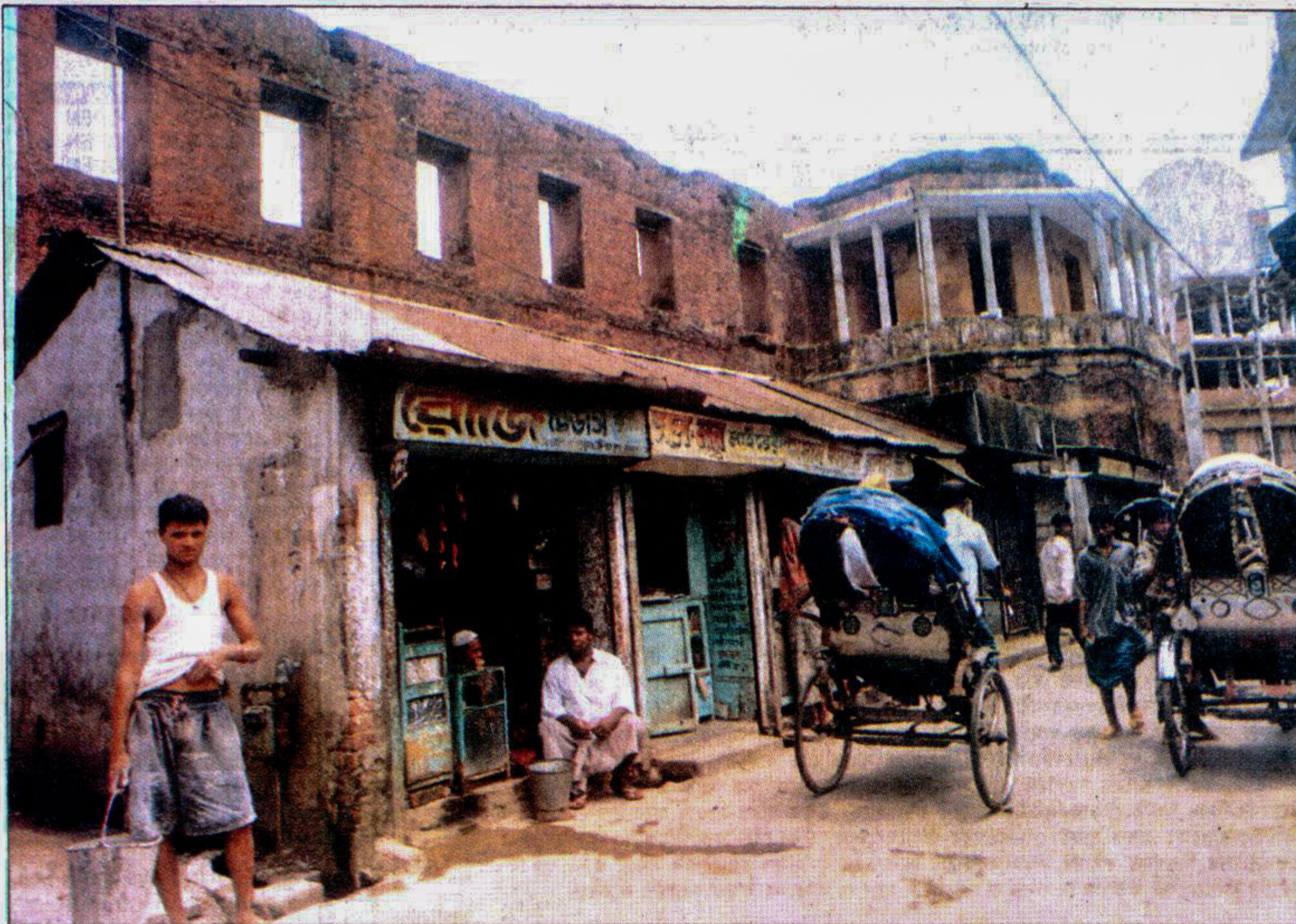
cooperation between government and private sector in the member countries. The meeting is expected to recommend 'corrective measures' for boosting intra-regional trade both at government and private levels.

Plans to start a Trans-Asian Highway linking the five Asian countries and setting up of an airline service connecting their capitals are also on the agenda of the BIMSTEC ministerial meet.

ESCAP has been authorised by BIMSTEC to conduct a study for construction of the Trans-Asian Highway. Stretches of the highway already exist and it is a matter of linking up and providing facilitation services, officials said.

The original grouping comprising four littoral countries of the Bay of Bengal — Bangladesh, India, Sri Lanka and Thailand — had started with the name BISTEC.

Later, at a ministerial level meeting in Bangkok in December last year, the four founding members agreed to admit Myanmar. After the inclusion of Myanmar, the organisation is now called BIMSTEC — meaning Bangladesh, India, Sri Lanka, Myanmar and Thailand for Economic Cooperation.



### ENCROACHERS CLOSE IN ON THE LALBAGH FORT

Makeshift shops and even multi-storied buildings are shadowing the 16th century marvel of Mughal architecture in the city. The fort had been restored and declared an archaeological relic a long time ago. A sign says any one encroaching upon or damaging its structure would be prosecuted. Department of Archaeology officials say the shops were set up illegally. They are threatening the fort. The occupiers stoutly claim they are legal owners of the roadside land. But no one seems to bother about the fate of the fort's outer perimeter. Is it because the Mughal legionnaires are no longer there to guard their fort?  
—Star photo by A K M Mohsin

## Forex reserve stands at \$1916 million

The country's foreign exchange reserve now stands at 1916.25 million US dollars, a Bangladesh Bank press release said yesterday, reports UNB.

It said the reserve is increasing even after huge import of foodgrains and post-flood rehabilitation work.

The forex reserve was 1739.24 million US dollars in June 1998.

Meanwhile, the export earning from July to August 1998 was recorded at 944.28 million US dollars which is 22.41 million dollars more than that of the same period of the previous fiscal year.

## Financial mess found in govt entities

Some Tk 13 crore has been misappropriated by officials and employees of three public sector banks, says an audit report submitted by the President yesterday, reports APB.

The banks where the defalcation took place are Janata Bank, Rupali Bank and the Bank of Small Industries and Commerce, according to the report submitted by the Comptroller and Auditor General of Bangladesh, M Hafizuddin Khan, to President Shahabuddin Ahmed at Bangabhaban.

Moreover, "serious irregularities" involving some Tk 752 crore in purchase and other transactions by Food Department, T&T Board, Bangladesh Biman and Bangladesh Railway Authority have been detected during audit, the report said.

The government auditors found a sum of Tk 563 crore as bad debt against the loans disbursed to various institutions by four nationalised commercial banks. The NCBs having the dud money are Sonali, Agrani, Janata and Rupali.

The irregularities found in audit reports and queries made by me were hardly responded to by the concerned ministries and departments," the Auditor-General apprised the President. Khan submitted a total of 21 reports — 10 special audit reports, 8 annual audit reports and 3 appropriation accounts of the government — under Article 132 of the Constitution.

The CAGB office reported to the President that the Public Accounts Committee of the Jatiya Sangsad was working hard, but the function of the Public Undertakings Committee remained suspended for not appointing its chairman for a long time.

President Shahabuddin Ahmed lauded the performance of the Comptroller and Auditor General and his staff and advised them to perform their constitutional obligations

"without fear or favour."

The President will take appropriate action for submission of these reports to the Jatiya Sangsad, a Bangabhaban press release said.

## Another three months sought to wind up Sonali in UK

By Inam Ahmed

The team, in a meeting with the managing director of the FSA, Michael Foot, has sought time till end-June next year to finish the task.

FSA, which supervises banking in the UK, had earlier extended the time limit for restructuring the bank's UK operation to March 31 next instead of the earlier January 1.

FSA will take the decision on Bangladesh's plea at its board meeting. It also informed the Bangladesh side that if SB did not close down its operation by the stipulated time, the FSA will force the bank to cease operation, the sources said.

If SB has to continue business in the UK, it has to be transformed into a representative office under the restructuring formula signed with the Bank of England (BOE).

However, the Bangladesh team has successfully negotiated with the FSA in allowing the restructured representative office to continue remittance and small scale trade and finance operations, they said.

In a notice sent to SB, the FSA had earlier said the bank's UK offices cannot take any new deposits or give loans from now on.

The UK operation will be registered under British law as either Sonali Finance Company or Sonali UK Limited.



## Quiet end to Runa Laila's stormy marriage

By Court Correspondent

Runa Laila's short but stormy marriage to Ron Daniel Plinic came to a quiet end yesterday when a Dhaka court accepted a divorce petition filed by the Swiss national.

Runa, one of the country's most celebrated singers, has been estranged from her husband for a long time, during which she has been the subject of rumours linking her to local film star Alamgir.

In his divorce petition, Plinic accused Runa of having an extra-marital affair with Alamgir, once a heart-throb of Dhaka's silver screen.

Runa married Plinic in London in 1990, but the marriage ran into trouble not long afterwards. Plinic filed for divorce on April 19, 1998.

Runa Laila did not turn up for the verdict at the court of First Assistant Judge, Dhaka, who granted an ex-parte decree accepting Plinic's divorce petition.

## VAT on computer software goes

The government has withdrawn the Value Added Tax on import, production, supply, procurement and export of computer software for ensuring a desired expansion and development of the sector, reports UNB.

## Can Bangladesh handle Bibiana find?

By Sharier Khan

US company Occidental's major gas discovery in Bibiana, Sylhet, can be viewed both as a bane and a boon, say energy experts.

Although the government did not officially announce the discovery, sources said Occidental has estimated a gas reserve of 4 to 5 trillion cubic feet (tcf).

Both independent and Petrobangla energy experts agree that while such a big reserve could give a boost to the energy sector, it could be a major economic burden if it is not utilised properly.

The biggest gasfield, Titus, has a reserve of around 4.5 tcf. The total gas reserve in the country, excluding Bibiana, now stands at around 10 tcf. "Bibiana reserve would greatly increase the total and the country is not prepared to tap it," one source said.

The economic aspect of a Production Sharing Contract (PSC) became clear to the government when British company Cairn started supplying gas from the Sangu field to the national grid in June. As per the Gas Purchase Sales Agreement (GPSA), the government is paying in dollars for buying gas from Sangu at an international rate, which puts a tremendous pressure on its foreign currency reserves.

Besides, the government is incurring a huge loss as it purchases Sangu gas at around double the price it sells.

The government could not gain from Sangu gas by meeting the demand. Petrobangla's subsidiaries have been producing around 800 million cubic feet per day (mcf) before Sangu started operation. The total quantum of gas production did not increase after Sangu started supplying 60 mcf in June.

In other words, Petrobangla reduced its gas production to consume Sangu gas. This was due to lack of gas distribution infrastructure. "In fact, to fulfil contractual obligation with Cairn, the government reduced its production to buy expensive Sangu gas," a Petrobangla source pointed out.

"Ideally, Petrobangla should have foreseen that when Sangu starts operation, gas distribution and consumption infrastructure should be able to consume it. But it did not do so and went for this makeshift arrangement."

The source went on: "There is an unmet gas demand of over 200 mcf now. It will shot up sharply in the next couple of years. If the government does not work out a gas consumption plan, all new gas findings will be wasted for export with the country suffering from an unprecedented energy crisis."

A powerful lobby in the government and a group of foreign companies led by Cairn-Shell (working in blocks 15-16), Occidental-Unocal (in blocks 12, 13 and 14) and Rexwood Okland-Tullow Oil (blocks 17-18) are out to export gas.

Of these companies, Shell and Occidental and Unocal, however, have plans for investing in gas sub-sectors utilising local gas. If implemented, Bangladesh might benefit from those provided the national interest is kept above everything, sources noted.

Those lobbying for gas export argue that by allowing foreign companies to export gas, the government would evade the financial burden of purchasing their gas at higher price.

"This is ridiculous. Do we invite foreign companies to invest in gas sector to export gas? We invited foreign companies because we need gas to run our power and fertiliser plants and for many other things that would develop the economy," said an energy expert requesting anonymity.

"Right now, it is important that Petrobangla plans to utilise gas to be supplied by Occidental. With supplies from Occidental-Unocal and Bibiana, Occidental might provide more than 5 tcf of gas. This is going to be a boon for both Bangladesh and Occidental if they can utilise this gas by setting up power plants or fertiliser projects," he added.

The Rupantarita Prakitrit Gas Company Limited (RPGCL) of Petrobangla has already floated a tender for utilising  
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## Tk 10,228 cr goes down the drain BIDS counts the cost of century's worst flooding

By Rafiq Hasan

This year's flooding may have caused a damage of Tk 10,228 crore to different sectors of the national economy, including infrastructure, industry and agriculture, according to a study.

The study by researchers at Bangladesh Institute of Development Studies (BIDS) also predicts a lower economic growth in the next fiscal as a result of the devastation wrought by the prolonged deluge.

The study says a substantial production shortfall in the agriculture and manufacturing sectors during the recent flood may pull back the economic growth in the next financial year.

"The economy will grow in the next financial year at a much slower rate than expected," said the study by a team of researchers led by Omar Haider Chowdhury, K M Nabilul Islam and Debapriya Bhat-tacharya assisted him.

The findings were presented at a seminar Tuesday organised by Bangladesh Economic Association in the city.

The study however did not forecast any possible growth rate for the next fiscal.

The rate of growth of the country's economy in the early 90s was around 4.7 per cent but crossed the five-point mark, hovering around 5.5 per cent, during the later part of the decade.

Laying out the preliminary estimate of budgetary implications of the 1998 flood for Bangladesh, the researchers said that the revenue yield would fall and current expenditure would shoot up due to huge relief and rehabilitation work.

"As a result, the overall budget deficit will increase substantially from the pre-flood estimates. Similarly, the balance of payments situation of the country will also deteriorate."

According to the study, the floods have widened the food gap from around 2.1 million tonnes to around 4.38 million tonnes.

"Such shortage of foodgrains immediately forces the government to import more foodgrains than anticipated," the paper said.

The agricultural sector topped the list of the worst affected, with estimated damages to the extent of Tk 5052 crore, of which crop sector alone lost Tk 4377 crore and non-crop sector Tk 675 crore.

Infrastructure suffered damages worth Tk 3949 crore, including Tk 1087 crore in roads and bridges, Tk 153 crore in railways, Tk 313 crore in embankment and irrigation canals, Tk 273 crore in educational institutions, Tk 33 crore in health centres and facilities and Tk 2090 crore in the residential sector.

The damage to industries was estimated to be Tk 1227 crore — large industries lost Tk 222 crore, small and medium industries Tk 904 crore and cottage industries Tk 100 crore.

## Police, Riflemen swoop on vendors



BDR personnel keep an eye on the sidewalks in the city's New Market area to thwart possible comeback attempt of the hawkers. — Star photo

Bangladesh Rifles (BDR) personnel with help of police have driven out hawkers from pavements. BDR men have also been deployed at some city points to manage city traffic.

They manage traffic in Nikkhet, New Market and Mohammodpur areas, from Mirpur Road to Asad Gate and Satmasjid Road. Nearly 100 BDR men are now on the roads managing traffic.

Mobile patrol teams of the frontier men in the New Market area also keep a round-the-clock watch on footpaths to thwart any attempt by the hawkers to return who had long been occupying the sidewalks.

On-duty traffic policemen said that swarming hawkers had earlier forced pedestrians to walk on the streets, and the area was constantly choked with heavy traffic.

Meanwhile, Army, Navy and Air Force personnel who were earlier deployed to handle traf-

fic at several congested points in the city have been withdrawn, official sources said.

They said the armed forces backed by traffic police have set a good standard of traffic management. "Now it is up to the traffic police to keep up the trend," said an official.

The New Market area now wears a different look without the hawkers. Pedestrians are finding life easy on the sidewalks. Over a dozen BDR personnel have kept the traffic moving smoothly. Buses, tempos, rickshaws that used to stop on the roads to pick up passengers cannot do this now.

A garbage container of the Dhaka City Corporation (DCC) near Gausia Market, that occupied almost half the road and littered areas near by, has been removed after being requested by the on-duty BDR men, they said.

The busy bus stops along Mirpur and Satmasjid roads

look neat and clean. No bus or tempo is allowed to stop in the middle of the road. Empty rickshaws do not block the bus stops any more.

Official sources said the decision to involve BDR in the city traffic management was taken about a month ago. Since BDR men did not have any expertise in traffic management, instructors from the Military Police had to train them. Official sources said acute shortage of trained traffic policemen prompted the home ministry to take the decision.

In addition to traffic management, the BDR are being used to evict illegal traders. When asked how long the BDR operation would continue, a home ministry official said those deployed in the city are from the BDR reserves and are usually stationed in the capital. The authority plan to go with the operation for an indefinite period.

The Daily Star-Standard Chartered Bank

Wills International Cup '98

CRICKET QUIZ

DRAW OF ROUND-2

TODAY

4:30 pm Jatiya Press Club

Guests Include

A S M Faruque  
Former Bangladesh Cricket Captain

Minhazul Abedin  
Former Bangladesh Cricket Captain

Aminul Islam  
Captain, Bangladesh Cricket Team

All are cordially invited