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# Taka devalued by 5.5pc

## BB governor links adjustment to increasing external imbalance, falling export prices

**INAM AHMED**

The Bangladesh Bank yesterday devalued taka by 5.5 per cent, making dollar costlier by Tk three to face off growing external imbalance and falling export prices due to global recession.

The dealers will now buy and sell the greenback between Tk 56.50 and Tk 57.50, with the mid-rate being Tk 57. The range was between Tk 53.85 and Tk 54.15, and the mid-rate Tk 54. The buying and selling band has been widened to one taka from 30 paisa.

The last major devaluation was effected in August last year when taka was adjusted downward by 5.8 per cent. Economists had anticipated devaluation for quite some time, with foreign exchange reserve dipping to an all-time low of US\$1.2 billion, exports slowing down by 10 percentage point in the third quarter, remittance flow turned negative to the extent of 3 per cent while imports grew by 24 per cent. At the same time, export prices of major commodities including that of RMG and frozen

food showed about 20 per cent decline. This revealed a mismatch in external balance.

Bangladesh Bank Governor Dr M Farahuddin and eminent economist Dr Wahiduddin Mahmud both agreed that devaluation had been inevitable under the current circumstances.

"Devaluation of the exchange rate of taka became inevitable in the face of low and declining level of foreign exchange reserves which now stand at US\$1.2 billion and are sufficient to meet only one and a half months' import costs," Dr Mahmud told The Daily Star. "Any further flight in the reserves may lead to lack of confidence in the current policy of free convertibility of taka for import and other current account transactions.

"Maintaining export incentives may be cited as one of the objectives of devaluation, but the immediate objective is to attract more remittances to the legal channel and to somewhat dampen the rapid growth in import demand that has taken place in the current fiscal

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# Joint statement

## Dhaka, Caracas to identify new areas of cooperation

**UNB, Dhaka**

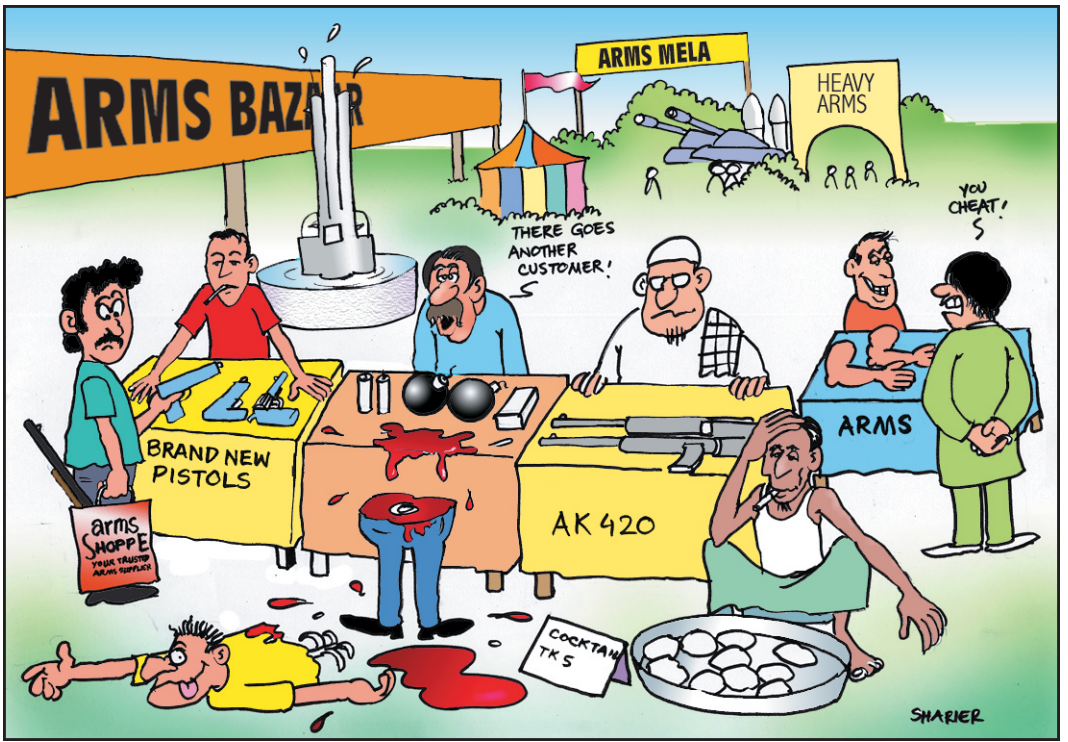
Bangladesh and Venezuela have agreed to identify new areas of cooperation and further strengthen the existing relations between the two countries.

This was stated in a joint statement issued yesterday at the end of Venezuelan President Hugo Rafael Chavez Friar's one-day visit to Dhaka.

On his arrival the Venezuelan President had official talks with Prime Minister Sheikh Hasina on Wednesday.

The statement said the leaders exchanged views on the socio-

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# India invites Musharraf for talks, ends ceasefire in Kashmir

## Pakistan to respond "positively" when invited "officially"

**AFP, New Delhi**

India on Wednesday ended its unilateral ceasefire in Kashmir and invited Pakistan's military ruler Pervez Musharraf for peace talks.

The decision to scrap the six-month-long cessation of military combat operations in Kashmir was announced by Foreign Minister Jaswant Singh after a cabinet meeting chaired by Prime Minister Atal Behari Vajpayee.

"It was expected that various terrorist groups and organisations, mostly foreign, would see reason and recognising the imperatives of peace,

dialogue and co-operation shun violence. Regrettably they have not," he said. "Therefore, this phase is now over."

Singh added: "Hereafter security forces shall take such action against terrorists as they judge best. They will in the process continue to exercise maximum care that no harassment is caused to the civilian population."

Since Vajpayee first announced the ceasefire on November 19, 2000, more than 1,000 people have died in violence linked to Islamic separatism in the Himalayan state.

Singh said the decision to invite Pakistan's

ruler was also taken at the cabinet meeting.

The invitation may bring Vajpayee and Musharraf face-to-face for the first time.

"Prime Minister Vajpayee has decided to invite General Musharraf to visit India at his earliest convenience. A formal invitation will be delivered shortly," said Singh, who is also defence minister.

Pakistan reacted quickly to the unexpected Indian offer and said it would respond positively once New Delhi sent a formal invitation.

"The chief executive has more than once said that he is ready to meet and hold talks with the

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# Uzbek woman robbed, knifed near police HQ

**STAFF CORRESPONDENT**

An Uzbekistan national was robbed of her passport, airline ticket and cash dollars after being stabbed by muggers only 100 yards from police headquarters near Bangabazaar in the city's Ramna area on Wednesday.

Suraiya Banu, 30, along with another woman, was on her way to Bangabazar to buy some clothes at around 4pm when three muggers stopped their rickshaw at Bangabazar crossing and ordered them to hand over their bags.

As the two refused, the muggers tried to drag Suriya down from the rickshaw. As she fell down, the muggers stabbed her in the left hand and took away 700 US dollars, her passport and plane ticket.

After the incident, Suraiya went straight to the embassy of Uzbekistan and later went to the

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Relatives mourn the death of mother and her daughter, who were killed at DCC staff quarters at Maniknagar in the city's Demra area Wednesday.

# 7 murders in 32 hours

**STAFF CORRESPONDENT**

Seven people including a newborn baby were killed in separate incidents in the city within 32 hours till 8 pm yesterday.

Besides, the body of an unidentified young man was recovered yesterday morning.

A businessman, Babar Mia, was shot dead at Nawabpur Road at about 8 last night.

A gang of four unidentified youths entered his shop, shot him in the chest and took away money from the cash box. They exploded a bomb and fled the spot.

Babar was rushed to Dhaka Medical College Hospital where doctors declared him dead, hospital sources said.

Hasan Mainuddin, 42, ground officer of Qatar Airways at the Zia International Airport, was gunned down by unidentified miscreants near his residence at Panch Bhai Lane in Sutrapur area yesterday afternoon, police said.

Three armed men shot in his chest and leg at about 2 pm while he was taking tea in a shop.

The victim was rushed to DMCH but doctors declared him dead. The motive behind the killing could not be known immediately.

Mainuddin's brother filed a case with Sutrapur thana in this regard.

Iqbal Hossain, 35, a tea stall owner, was stabbed to

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# JS body critical of environment, communications ministries

**NAZRUL ISLAM**

Parliamentary Standing Committee on Government Pledges yesterday expressed grave concern at the poor performance of the communications, and forest and environment ministries in fulfilling government pledges.

While reviewing performances of the two ministries at a meeting yesterday, the committee found that only one of Prime Minister's five pledges given under the Ministry of Communications was fulfilled so far while none of her six pledges for different projects under the Ministry of Forest and Environment was put into reality.

The single pledge fulfilled under communication ministry is the reintroduction of Benapole-Petrapole rail track.

The remaining unfulfilled pledges are, Northern Development Project, rehabilitation of the rail track from Akhaura to Sylhet with concrete slippers, rehabilitation of the rail truck damaged by the '98 floods and reconstruction of flood-damaged road communication in the southwestern part of the country.

The six unfulfilled pledges under the forest ministry are, the amendment of Atia Forest Conservation Ordinance, non-eviction of inhabitants of Atia forest, employment generation for the Atia people through social forestation, steps to maintain the ecological balance and the project to protect the country from green house effect.

Out of nearly 142 projects under the communications ministry and about 41 projects under the forest and environment ministry pledged by different ministers, only 29 under the communications ministry and 11 under the environment ministry were implemented so far, the meeting was informed.

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# Miladunnabi on June 5

**BSS, Dhaka**

The holy Eid-e-Miladunnabi will be observed in the country on June 5 (Tuesday) as the Arabic month of Rabiul Awal begins today, an official handout said.

This was decided at a meeting of the National Moon Sighting Committee in the conference room of the Islamic Foundation in the city yesterday.

Chairman of the committee and Minister of State for Religious Affairs Moulana Mohammad Nurul Islam chaired the meeting.

# Top terrorists on buying spree

**ZAYADUL AHSAN**

Top terrorist groups from different parts of the country are on a mad rush to the port city to purchase arms ahead of the upcoming general election.

According to police sources, they believe that illegal arms would be hard to come by during the caretaker regime and have, therefore, started 'shopping' in advance.

Dipu Chowdhury, son of State Minister for Shipping Mofazzal Hossain Chowdhury Maya who has recently hit the headlines on several occasions for his crime exploits, has been one of the high-profile buyers. He went to Chittagong last month to buy an AK-47. Police came to know of Dipu's errand but only after he had come back to Dhaka with the assault rifle, sources said.

Like the minister's son, many top-notch terrorist leaders have been to the port city to purchase firearms of different types.

However, sources said, dealing in illegal weapon is full of traps and treachery. Arms agents, they added, sometimes don't hesitate to cheat even the fiercest of criminals.

Zakir, brother of jailed terrorist Sweden Aslam, has recently learned the home truth about illegal arms business.

Last month, Zakir went to Chittagong to buy an AK-47. He

struck a deal with Bidhan Barua, an armed cadre loyal to Salahuddin Quader Chowdhury, and paid him Tk one lakh in advance for the assault weapon, according to a detective branch source. The rest of the amount, Tk 1.3 lakh, both sides agreed, would be paid when Zakir got the weapon. However, Bidhan never showed up with the AK-47 and has gone into hiding ever since.

Furious as well as frustrated, Zakir came back to Dhaka and

parts of the country, including the group loyal to Jatiyatabadi Chhatra Dal (JCD) president Nasiruddin Ahmed Pintu, have recently been to Chittagong to buy weapons, a dealer requesting anonymity said. The JCD terrorists of Sylhet led by Zaman and another gang based at the Syedabad bus terminal were also on the list of shoppers.

Terrorists from Laxmipur, Noakhali, Feni and other places are also coming in to buy firearms, he

**CHITTAGONG THE ARMS PORT-6**

# Nazrul's birth anniversary today

**STAFF CORRESPONDENT**

The 102nd birth anniversary of National Poet Kazi Nazrul Islam will be celebrated in the capital and elsewhere in the country today.

Born on this day in 1899 in village Churulia of 24 Parganas district in West Bengal, Nazrul inspired the people to fight against the British regime through his powerful poems against injustice, oppression and colonial rule that earned him the title of 'rebel poet'.

The fearless voice of the fiery

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# Revenue earnings mark rise despite rampant tax evasion

**RAFIQ HASAN**

Despite widespread tax evasion by big companies and wealthy people, revenue earning of the government showed a remarkable increase in the current fiscal year, National Board of Revenue (NBR) sources said.

According to the statistics, revenue earning increased by 22.48 per cent during the first 10 months of this fiscal year over that during the corresponding period of last year.

During this period July last year to April this year--revenue earning totalled Tk 14,299.72 crore against the target of Tk 13,892.29 crore for the period. The amount was Tk 2,625.96 crore more than that in the corresponding period of the previous fiscal year.

"Government's continued efforts, financial sector reform, strengthening of monitoring system by tax

officials and expansion of tax network are the main reasons behind the growth," said NBR Chairman Zakir Ahmed Khan.

He noted that the tax network was expanded recently and business community was paying more tax than they did earlier.

About tax evasion by big companies, Khan only said the board would continue its efforts to stop the leakage and maintain the pace of growth in revenue collection.

He also said private sector business increased significantly and contributed a lot to economic development as well as revenue earning of the government.

The revenue earning target for this fiscal year is Tk 18,000 crore.

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