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No wind in investment sail

CPD interim report on economy suggests demand augmentation through expansionary policy

STAFF CORRESPONDENT

One and a half years ago, fear loomed large that growth and stability were at peril because of yawning fiscal deficit and external sector crisis. While these two fronts have been dealt with, investment stagnation has become more manifest during the initial months of this fiscal.

And unless the government goes for some moderate expansionary policy augmenting domestic demand, riding on the back of a still-low inflation, the situation might turn into stagflation, the Centre for Policy Dialogue (CPD) said in its interim review of the economy.

Deepening of investment stagnation is reflected in the fall in term-loan disbursement and slowdown in

capital machinery import. "And the higher off-take of savings instruments despite rate cuts now suggest that investors' confidence level continuous to be abysmally low," said Dr Debapriya Bhattacharya, executive director of the CPD, while releasing the interim report on Independent Review of Bangladesh's Development yesterday at the CPD office.

Term-loan disbursement decreased by 18.4 per cent in the first quarter of FY03 in comparison with a 47 per cent increase during July-September, FY02. The situation is marked by inter-temporal growth in disbursement rate turning negative and disbursement volume lower than the recovered amount - two phenomena being witnessed after many years.

And all this is now attributed to the deepening stagnation in manufacturing sector.

The trend in revenue collection may also trigger recession as the collection from import sector is less which may force the government to focus on internal trade related tax.

Dr Debapriya said, "Against the backdrop of less than expected import growth, there may be an attempt to achieve the aggregate target of revenue receipt through enhanced collection of internal trade related taxes like local VAT and supplementary duty. Continuation of such trends may exert recessionary pressure on the domestic investment situation."

As proof for dull investment, the CPD pointed out sluggishness in import trends continued during the

first quarter of FY03. Import payments during July-August, 2002 had

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Dr Debapriya Bhattacharya

101 eminent citizens decry repression on intellectuals

STAFF CORRESPONDENT

One hundred and one eminent citizens yesterday expressed their concern in a statement over alleged repression on writers and journalists, says a press release.

They have alleged that the government is targeting writers, journalists and cultural personalities.

The citizens took strong exception to what they termed an indecent remark of a minister about writers and intellectuals. They have also alleged that there are some people who want issues like freedom of expression of writers and intellectuals to be brought under the

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Nat'l NGO body refutes ADAB statement

STAFF CORRESPONDENT

The National NGO Co-ordination Committee (NNCC) yesterday refuted an ADAB statement and said NGOs continued to quit ADAB protesting its leaders' role.

The NNCC in a statement signed by its Member Secretary Shamsul Huda said over 100 NGOs including some 25 leading ones have so far left ADAB protesting their role which is "contradictory to the ADAB constitution and destructive to its non-partisan image".

Their names have been published in newspapers.

But the ADAB statement published in newspapers on Saturday did not mention any NGO's name to

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Cold spell claims five in Pabna

OUR CORRESPONDENT, Pabna

Five people, two of them children, died from cold in the last four days in Pabna.

Also, hundreds of people with cold-related diseases have been admitted to several hospitals in the district.

The dead are Akbar Sarder, 102, and Abdur Rahman, 65, of Chalmohor Upazila, two-month-old Mangal of Rishipara under Chalmohor Upazila, and Hawa Begum, 90, of Masjidpara and two-month-old Anisur Rahman of Satura under Bhagura Upazila.

The cold wave paralysed the normal life and cold-related diseases have broken out in the district.

Residents of the Chalanbil area are worst hit. They have almost stopped going out after sundown due to dense fog and extreme cold.

Contacted, Civil Surgeon of the Pabna General Hospital Dr Rafiqul Islam, however, said a few patients, suffering from diarrhoea, were admitted to different hospitals in the district three days ago.

Clarification

The Grameen Bank in a clarification on a report published in The Daily Star on December 25 headlined "Grameen Telecom eyes GP majority shares" said Grameen Bank does not own any share of Grameen Telecom, nor does Grameen Telecom belong to Grameen Bank. Grameen Bank does not finance any

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Proposal for more fixed, cell phones drafted

PM's nod to be sought on VoIP too

MUSTAK HOSSAIN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has finally drafted a proposal seeking prime ministerial approval for awarding two licences for fixed line phones and two more for mobile operators.

The proposal also seeks legalisation of voice over Internet protocol (VoIP) or Internet telephony.

According to sources, should the move get the go-ahead it would ensure cheap yet easy access to fixed line phones, cellular phones and international and long distance telephony. It would also help develop the country's information communication technology (ICT).

The country's cellular phone industry is heading for more competition if the BTRC asks for a nod from the prime minister to allow at least two new cell phone companies to launch business.

BTRC Chairman Syed Marghub Morshed said yesterday, "Action to this end will follow very soon."

The sources added that the telecom regulator wants to let two fixed line operators in the market fold considering the huge demand for fixed telephones. The BTRC proposal also recommended Internet telephony by legalising VoIP, which the country's ICT sector has long been demanding.

The three-page BTRC proposal will be submitted to the prime minister

through the Ministry of Posts and Telecommunications (MoPT).

The telecom watchdog has suggested competitive bidding for awarding all new telecom licenses, sources in the BTRC said. All the services would be awarded through competitive bidding to allow private investment from local and foreign companies.

They said the BTRC has blamed unplanned allocation of frequency in the past for its failure to invite new companies to launch mobile service. It recommended getting back unused frequencies allocated in favour of the state-run Bangladesh Telegraph and Telephone Board

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CHILLED TO THE BONE



PHOTO: AFP

Homeless people gather around a small fire in search of warmth in the city. An unusually cold weather over the last few days has left several people dead across the country. Meteorologists warn that the cold spell could get worse in the new year.

Cyclone blows out light in lighthouse island

Power supply to Kutubdia remains snapped since 1991

ABUL KALAM AZAD, back from Kutubdia

The lighthouse in Kutubdia has helped ships find their ways on the Bay of Bengal for years. Ironically, the people on the island, 45 kilometres southwest of Cox's Bazar, have virtually no access to electricity for over a decade now.

A power plant was set up in the 1980s for some 1.5 lakh residents on the 50-square-kilometre island.

In 1991, however, the April 29 cyclone and the accompanying tidal bore left the power plant out of order. Over the last 11 years or so, the government has taken no initiative to restore the plant.

The Bangladesh Navy has, just after the Operation Clean Heart began on October 17, repaired the plant to ensure supply to the Kutubdia Sadar for a couple of hours in the evening.

"We have got used to living in

darkness," said a middle-aged shop-owner at a market.

A few affluent families have, however, set up their own generators and so have some shops and restaurants at two markets on the island.

"These are hazardous and insufficient," said a restaurant owner.

Lack of electricity has had an impact on the islanders' lifestyle. Most people go home after sunset, have dinner and go to bed.

"There is virtually no nightlife

here," said a young man. "Some people do get together at the Boara Guph and Dhurung bazaars to while away the afternoon gossiping. But, as the sun sets, most usually head home."

According to local people, there were a few shops that would run Hindi and Bengali movies on the videocassette player for money.

However, the administration,

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New AL body to meet on New Year's Day

STAFF CORRESPONDENT

The first meeting the newly formed Awami League Central Working Committee (ALCWC) will be held on January 1.

It will begin at 10:00am at the party's Bangabandhu Avenue central office, said a party press release last night.

The party yesterday nominated Bir Bahadur MP from Bandarban hill district as one of its seven organising secretaries.

His name was announced following a three-hour meeting of the AL Presidium, held at its Dhanmondi office with party chief Sheikh Hasina

in the chair.

With this, AL so far announced names of 46 office bearers and 26 Central Working Committee members.

The newly created post of Liberation War Affairs Secretary is yet to be filled.

AL has 47 posts of office bearers and 26 posts of Central Working Committee (CWC) members.

The party announced names of six organising secretaries along with 33 other office bearers including its president and the new general secretary.

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