

Launch disasters

Special navigational rules needed for the confluence

THE details of the launch capsizes in the confluence of three rivers near Chandpur have brought into focus some glaring navigational flaws and the launch operators' great indifference to the safety of passengers.

More than 1,500 passengers have died in launch mishaps in the confluence over the last 10 years. So there is no dearth of evidence that the vessels operating between the capital and the southern districts have to pass through a very turbulent navigational channel. But the question is -- one that might cause a great deal of discomfiture to the government agencies -- what has been done so far to minimise the risks? If the circumstances, which led to last Tuesday's launch disaster, are studied carefully, then we will find that the risk of accident was doubled by overloading. It is not at all clear how the launch operators could agree to take on board the passengers of another launch, which had failed to make its scheduled journey. Only an utter disregard for human lives could have prompted such an unpardonably careless and irresponsible move.

The launch also developed mechanical faults before it went down. So there were apparently many breaches of navigational rules that must not go unnoticed. If the authorities want to prevent such accidents in future they have to be tough on the violators of rules. Reports indicate that the only terminal inspector who should have made sure that the launch was not overloaded was on duty in some other place on that day. The shipping department and the BIWTA are blaming each other for the lapse. But what we would like to point out is that the government agencies have to handle such issues a lot more seriously.

It is also imperative that a set of navigational rules is framed and strictly adhered to in the 'confluence of death'. Obviously, the safety of launch passengers is too important a matter to be left to the launch owners and operators not capable of seeing anything beyond making extra profits. It seems rescue operations are also being carried out in a lacklustre manner. Matters must improve greatly in this area also.

The launch disasters have proven that we are unable to face a danger despite knowing where it exists. The government agencies and launch operators have to refute the general belief, that the journey along the confluence is extremely perilous, by performing better.

Indo-Pak dialogue

What's stopping them from realising the dream of millions?

BOTH India and Pakistan agreeing to join the next SAARC summit, to be held in Islamabad, is not only an expression of good intention from both the sides, but also a positive sign towards the implementation of what they have been saying for the last few months. It augurs well undoubtedly to learn that thawing the strained relations between the two neighbouring countries is on the agenda. It's been more than two months since Indian PM Vajpayee extended an offer for talks which was reciprocated with similar intention by his Pakistani counterpart, Jamali. But something seems to be putting an obstacle on the road to let it happen. There have been speeches, comments, and criticisms from both the sides, but sadly there has been very little progress in terms of concrete efforts. All the initial euphoria is slowly withering away.

Though, goodwill gestures like resumption of direct bus service has been in sight, India, on its part, continues to press on cross border terrorism to be eliminated. Though the officials keep insisting that cross border terrorism should not be a barrier, but to our mind, it definitely is. We feel that Pakistan should sincerely pursue the commitment it made internationally that it would do its best to eliminate border infiltration. Lack of progress in that area seems to be putting a blockade on the process. India wants concrete evidence before the talks can begin. On the other hand, we also agree with Pakistan when they say that it would be humanly impossible to guard 750-kilometre long border at all times. Their claim of not instigating terrorism against India doesn't seem to be convincing enough for the latter. We think if the talks are contingent on such conditions, then it will never take place.

If both the countries continue to remain stubborn on the issue, then they would keep talking 'at' each other instead of talking 'to' each other. They can't ignore people's expectation for peace to prevail between the two neighbours that have already fought three wars. It's not just the citizens of their countries, people in other countries of South Asia have also been waiting with baited breath to witness long awaited 'peace' in the region. Let the issue of border infiltration be left with an international body to monitor while India and Pakistan can make real progress to bring in the region what is most needed now -- peace.

Free trade: Are we prepared?

M. SHAHIDUL ISLAM

PRESIDENT Roosevelt once said, give me a one-handed economist who will not use 'on the other hand' to puzzle me at random. Roosevelt's bitterness with economics and economists resonates more profoundly in Bangladesh where the dismal science of economics is neither an art, nor a science as yet.

One major issue is the impact on Bangladesh's economy of the huge regional trade imbalances. This has added extra burden on the otherwise stryied economic interactions among the SAARC nations. The volume of regional trading in South Asia is the lowest in the world.

Integration: The very first step

All signs indicate that Dhaka will soon strike a deal to trade freely with India. Being a nation that buys from abroad ten times more than it sells, a total re-haul of the nation's trade structure is needed urgently to prepare for the plunge.

Bangladesh may emulate the models embraced by East Asian countries as they've done spectacularly well in the 1980s with their maiden experiences as free traders. And, Dhaka must not forget that despite such a feat, the World Bank's 1996 index of integration showed Indonesia, the Philippines, and Thailand having a much lower level of integration than Malaysia and Singapore.

The index of integration consists of four components: the ratio of trade to GDP; credit rating; ratio of FDI to GDP; and the share of manufactured goods in total exports. Using this yardstick, Thailand is considered as having integrated faster than others as one of the late entrants in the ASEAN. Dhaka must assess soon where it stands.

Needs and reality

Of Bangladesh's \$31 billion GDP, agriculture alone accounts for 30 per cent. Paradoxically, the agriculture's contribution to overall export is less than 1 per cent. Current agro-based exports are limited to Jute goods (\$33 million a year) and fish plus fish products (about another \$35 million). Lately, a handful of nascent agro- base industries have joined the rank and file of agro-exporting traders.

In the industrial sector, manufacturing outlets' contribution to the GDP is 15.2 per cent, of which only 9.3 per cent constitutes manufacturing activities per se. Excepting the \$3-4 billion earning from garment exports, the share of manufactured goods in the nation's export

kitty is as yet negligible.

As well, to remain competitive in garment exporting following the cessation on January 1, 2005 of the quota system being enjoyed under the Multi Fiber Agreement (MFA), Dhaka may face a brack of a trouble with other Asian neighbours who too have grown equally garment-savvy.

While such concerns will pose enormous challenges toward becoming a free trader, Bangladesh's quest for integration is also hamstrung by its virtual dependency in export on countries of North America and the EU.

As of now, the main export destinations of 'Made in

free trade in the region cannot begin without India's full participation. As the Indo-Bangla Joint Economic Council (JEC) meets on July 14-15, Dhaka will insist on measures to curb trade imbalance through tariff reduction on a basket of Bangladeshi products.

India, however, is likely to dominate the talks with issues like transit, transshipment, Free Trade Agreement (FTA) etc. India may as well reiterate its previous stance to convince Dhaka to facilitating gas export as the fastest way to redress the imbalance.

Taking cue from Sri Lanka's tale of success in free trading with India, Bangladesh finance minister earlier

proposed to his Indian counterpart that an Indo-Bangla free trade regime can be commenced for an initial duration of six months to see its efficacy. Indian external affairs minister reportedly agreed.

Study shows, Indo-Sri Lankan free trade is working in Sri Lanka's favour, and, in 2001, Sri Lanka's export to India rose by 136.9 per cent and Indian's to Sri Lanka by 48 per cent.

The JEC is meeting after six years of hiatus, indicating the degree of antipathy prevalent in trade issues of the two neighbours. Many observers even attribute blames on successive Bangladesh governments for having allowed Bangladesh's level of yearly import from India to overshoot the \$1.2

billion mark while her export barely topped the range of \$450-500 million. The trade deficit crisis exacerbated further lately by the Indian decision not to allow Bangladeshi cement to neighbouring North Eastern states. The measure costs Bangladeshi exporters Taka 6 crore per month, contributing another chunk of Taka 72 crores a year to the existing pool of deficit.

Bangladesh's predicament is further heightened by the lack of diversification needed in preparing a range of products suitable for Indian markets. The process warrants an exhaustive market research to ascertain the range of commodities; study on production feasibility within; and the viability of products in quality and price.

Protectionism: A nemesis Protectionism is a nemesis of the free trade paradigm itself. A recent WB study claims, average customs duty and other protective taxes of India are highest in the region at 32.7 per cent, followed by Bangladesh at 26.4 per cent, Pakistan 18.2 per cent, Nepal 16.2 per cent and Sri Lanka at 12.5 per cent.

The study adds, India's average tariff in 2002 was second highest among 105 developing countries and two times higher than China, Brazil and Indonesia. India currently uses six normal customs duty rates; along with 41 protective tax slabs to discourage import.

This is the continuation of India's pre-1990s economic policy, and, it deserves changes to facilitate unfettered access of goods and services to Indian markets.

Such a measure will also be in tandem with the latest round of WTO negotiations, whereupon the EU proposed that all developed and Advanced Developing Countries (which includes India) should offer duty and quota free access to LDC (which includes Bangladesh) products.

Devil in details

With regards to Bangladesh's ill-preparedness, a look beneath the apparent exposes more devils concealed in minute details. While extraneous factors of the like do create bottlenecks in trading freely, government's public sector strategy and performance seem to compound the problem of liquidity needed to finance and fine tune the nation for free trading. After all, a nation aiming to be merchants must not be seen as cash starved.

Reality is: Bangladesh's liquidity situation is a battered one; cumulative public and private loans -- 25% of which already defaulted -- having drenched the financial institutions of their ability to finance new projects. Government also lacks in wherewithal to patronise new ventures.

Why the government is so poor? So far, much is being heard about private defaulters, while the State Owned Enterprises (SOEs) too keep draining the public exchequer of resources that could have been used to meet other vitally important social and economic needs.

As the army of loan defaulter swells in number, Bangladesh ought to follow the South Korean example to surmount the problem. South Korean government recapitalised its banks and set up a public asset management company to buy up bad loans.

Given that the total defaulted loan by 17 SOEs alone amount to Taka 1,335 crore 65 lakh -- according to last count -- the nation can hardly condone the magnitude of

this problem. As well, total loaned amount with 49 SOEs stands at Taka 6,708 crore 47 lakh. Add to this the combined default loans in private and public sectors -- Taka 24,000 crore -- to gauge the severity of the problem.

Feigning that nothing happened, the government's investment strategy with respect to the SOEs remains unchanged. The government still invests 36 per cent of the nation's GDP -- Taka 89,920 crore to be precise -- in the SOEs alone.

On the flip side, Taka 170 crore 8 lakh profits from some of the SOEs in FY 2001-02 hardly reconciles the taxpayers' pain who'd lost Taka 1,461 crore and 55 lakh due to mismanagement and corruption by 44 SOEs in the bygone fiscal alone.

Reforms, loans and cooperation

That notwithstanding, the World Bank's recent commitment to loan Bangladesh \$1.25 billion in FY2004-05 -- provided Dhaka can bring about further reforms in various sectors of the economy -- is a sign of trust reposed on the nation's latest economic performances.

If India must accept this World Bank recognition of Dhaka's credit worthiness as a positive development, it must give a good shot to pull Bangladesh out of its prevailing 'export paralysis' by allowing a selective lot of Bangladeshi goods and services into Indian market under a liberalised tariff regime.

For, once Dhaka improves upon its existing performances, its credit rating is bound to go even higher. The World Bank's range of loans has increased gradually from \$17.9 million in FY2000-01 to \$1.25 billion for 2004-5.

The resilience of the Indian economy rests on its size and diversity. Indian GDP is \$538 billion strong, growing further at an annual rate of 5-6 per cent. The spectacular success in the IT sector portends the continuation of this growth bonanza, particularly after the China-India rapprochement.

Bangladesh also expects India to recommend Bangladesh's accession into the AFRF so that a truly Asian Free Trade Zone emerges in the neighbourhood, combining the ASEAN and the SAARC. The EU's expressed intent to join the ASEAN will indeed make the Asian region the hub and epicentre of global trading in coming decades. Are we ready?

Author and columnist M. Shahidul Islam is a senior assistant editor of this paper.

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Bangladesh' products are US (33%), UK (12%), Germany (11.4%), France (6.9%), Netherlands (4.9%), and Italy (4.8%). The look East policy demands a complete restructuring of the export regime by avoiding complementary products available in regional markets. The garment sector is one of the most vulnerable ones from such a standpoint.

Regional pendulum

Due to Dhaka's persistent trade surpluses with North America and the EU countries, its chronic deficits with regional nation-states make the regional free trade proposition itself a scary spectacle. But free trade being the only available game in global market, Dhaka can hardly bypass that reality. And it must not.

Between 1996-2003, Bangladesh's average yearly export to SAARC countries stood at \$758.43 million while her import sky rocketed to a staggering \$8.617 billion.

This has resulted into the swelling of Bangladesh's cumulative deficit to Taka 20,000 crore, or \$12 billion. Besides India, deficit in regional trade includes China (\$3 billion), Pakistan (\$6.34 million), Taiwan (\$59.20 million) Singapore (\$3.24 billion), Japan (\$2.1 billion), Sri Lanka (\$ 14.55 million) and Myanmar (\$15.60 million), to name but a selective few. Even Bhutan enjoys a trade surplus with Bangladesh.

Indo-Bangla free trade

Whatever way one tends to view it,



Bend it like Bush, and use Orwellian euphemisms!

DR. FAKHRUDDIN AHMED writes from Princeton

WITH apologies to David Beckham and the makers of the movie 'Bend It Like Beckham,' a mega-hit also here in the US, which the writer has seen, the Bush Administration has mastered the Orwellian ('crudely deceptive') art of head-in-the-truth with distorted language, way out of recognition! Geoffrey Nunberg of Stanford University points out in The New York Times that George Orwell, who would have been one hundred on June 25, 2003, 'is the writer most responsible for diffusing the modern view of political language as an active accomplice of tyranny. As he wrote in 'Politics and English Language,' 'Political language is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind.' Critics on the left hear Orwellian resonances in phrases like 'weapons of mass protection' for nonlethal arms, or in names like Patriot Act or Homeland Security Department's Operation Liberty Shield, which authorises indefinite detention of asylum-seekers from certain (Muslim) nations. And just about everyone discerned an Orwellian note in the name of the Pentagon's Total Information Awareness Project, which was aimed at mining a vast centralised data base of personal information for patterns that might reveal terrorist activities.' In other words, 'Big Brother Is Watching You.'

Mindful that lying has serious legal consequences, and under intense pressure from the press, the Bush people will allow that the President may have 'exaggerated' the Iraqi danger. That is Orwellian for deceit and lying. Of course President Bush is not alone in demolishing the truth when it blocked his way. Lyndon B. Johnson had lied about Vietnam, Richard M. Nixon had lied about Watergate, Ronald Reagan had lied about Iran-Contra, and Bill Clinton had

lied about his sexual dalliances. None of them, however, led the nation into a pre-emptive war 'on the wings of a lie.' Let us rewind to the beginning of the preparation for the Iraqi war. It is not that the critics are going after the president after the hostilities have ended. As the President was becoming more and more shrill in his pronouncement of an imminent Iraqi threat, critics were constantly pointing out that all of what the President had said was speculation; he had not provided any shred of evidence of an imminent Iraqi threat. Without explicitly using the L-word, Democratic Senator Bob Graham, a member of the Senate Intelligence Committee, who sat in on all

way that is powerful and persuasive and politically attractive and tap into what the public can grab." Iraq's possession of "weapons of mass destruction," and posing of "imminent threat to the US" did the trick. According to David E. Rosenbaum of The New York Times: "in hindsight, the threat of banned weapons, genuine or not, does not seem to have been, as the president was suggesting, the decisive motivation for going to war. More central reasons -- his desire to dominate the Middle East and remove a dictator whose defiance made the United States seem weak would have been harder to sell politically." Mr. Rosenbaum could also have added

of the last minute smear campaign. When Republican Senator John McCain posed a threat to George W. Bush's nomination for President in early 2000, dark suggestions were planted in the press that Senator McCain, the highly decorated Vietnam war hero, might have committed treason in the Vietnamese prison (where he languished for five years), and that he had fathered a child with a black prostitute. (Senator McCain's adopted daughter, Brigitte, is from Bangladesh.) President Bush realised that to execute his agenda he needed both the House and Senate under Republican control. Since the Senate was in the hands of the Democrats before the

Congress and the nation. But the Republicans regained the Senate in 2002, freeing the President to pursue his Iraqi agenda unchallenged and uninvestigated. British Prime Minister Tony Blair is not getting such a free ride. Blair's alleged prevarications are being investigated by the British Parliament.

The Democrats are outraged that ordinary Americans do not seem to care that Mr. Bush may have lied to them. Conservative guru and former education Secretary William Bennett (who recently admitted to being a compulsive gambler) wrote a book decrying the public's lack of outrage during Mr. Clinton's sex scandal. It may be

Jewish Americans, anti-Semitism has decreased and America's love for Israel has increased. President Bush's easy victories in Afghanistan and Iraq have made him a winner. Average Americans are simply not interested in how he won.

The problem for Mr. Bush is the war's aftermath. It was pointed out in this column that America can win any war on its own; but America cannot win peace on its own. The rosy picture presented to the Americans, that the Iraqis will welcome the American soldiers with flowers but not materialised. American soldiers are being greeted with bullets. After accusing "Saddam loyalists" for the attacks at first, it is now acknowledged that the attacks are uncoordinated and spontaneous. The decision to bypass the UN, and go to war only with the UK alongside, is coming back to haunt America. Iraqi resistance has killed over 60 American soldiers since President Bush declared the hostilities over in Iraq on May 1. At this rate, before the end of the year, more American soldiers will be killed in Iraq after the war, than during it. Such guerrilla attacks indicate that the Iraqis are viewing the Americans as not liberators, but occupiers. Unfortunately for Mr. Bush, Americans are beginning to express concern about the war's aftermath. Last month, 28 per cent were concerned; this month, 44 per cent are. Some truths, such as the deaths of American soldiers in Iraq, cannot be spun away. Mr. Bush's coalition partner Prime Minister Tony Blair is also finding out that Orwellian euphemisms cannot reverse the finality of the recent ambush-death of six British soldiers in Iraq. Isn't it intriguing that the personally honourable Englishman "George Orwell" (the writer's pen name), who through his writings and characters invented the language of political spin, was actually born in Bengal in 1903, and that his real name is Eric BLAIR!

LETTER FROM AMERICA

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the classified intelligence briefings, accused President Bush "of a pattern of deception and deceit" on Iraq. Reports say that "Vice president Dick Cheney made several visits to the CIA's Langley headquarters to pressure low level specialists interpreting raw intelligence" on Iraq. At close door Senate Intelligence Committee hearing recently, State Department's intelligence analyst Christian Westermann accused the under secretary of state for arms control and international security, Mr. John Bolton, of pressuring him to make his reports more pro-war. Mr. Bolton is well-known for his passionate support for Israel.

The truth is, Mr. Bush would not have been able to make his case for war with the truth. According to Donald F. Kettl of University of Wisconsin, Mr. Bush had "to find a

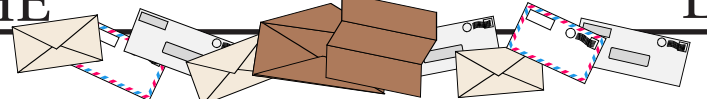
that grabbing a country with the world's second largest oil reserves and destroying another of Israel's enemies could have been the other motives. The buffoon that he was, Saddam never realised that he was going to pay a heavy price for giving money to the families of Palestinian suicide bombers, who killed Israelis. There is another theory. After September 11, the Bush people were so mad that they needed to attack some country and smash some heads. The cakewalk in Afghanistan was not enough to assuage their anger. Deputy Defence Secretary Paul Wolfowitz's plea to attack the pompous, yet toothless Iraqi dictator proved too irresistible!

The history of the last three years has demonstrated that the Bush strategists will stoop to any level to get their way. They are the masters

November 2002 elections, Bush strategy was to win back the Senate. As the race for Senator from Georgia was tightening, President Bush's political strategist, Karl Rove, ran TV commercials accusing the sitting Democratic Senator Max Cleland of being soft on national security. Interesting, because Senator Cleland is also a much decorated war hero who lost both his legs fighting for his country in Vietnam. President Bush, on the other hand, avoided service in Vietnam through his father's influence, enlisted in Texas Air National Guard, which he left eight months early, and where his attendance was erratic. For Karl Rove, there is no shame in character assassination; the only shame is in losing an election. If the Democrats still held the Senate, they would have been investigating, a la Watergate, whether President Bush lied to the

recalled that as the Republicans were trying to impeach President Clinton, his approval rating hovered around 70 per cent. The fact is, Americans like a winner. With two Presidential election victories under his belt and a booming economy, Clinton was considered a winner, and thus beyond reproach. Among the white Americans, mostly the Jews and the white clergy marched shoulder to shoulder with Dr. Martin Luther King, Jr. as he pursued civil rights for the American blacks in the 1960s. The Southern whites, and many whites in the North were dead set opposed to it. Now that the civil rights laws have been enacted and the blacks are gaining more economic and political clout, the impression one gets is that civil rights struggle was a good thing, and that everyone was for it! Similarly, coincident with the empowerment of the

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

Tax must be withdrawn from books and journals

We fully approve Mr. Mukit Choudhury's view.

All kind of import duty, tax and surcharges that have been imposed so far by the present government must be withdrawn immediately from foreign books and journals.

We need foreign books and journals not only for higher education but also for the English Medium Schools from where thousands of Students are passing O and Alevel examinations every year.

The government also recognised the impact and importance of English language. Therefore, many Institutes are being set up to teach the language properly. These institutes also require a lot of foreign books, besides the private universities, which are increasing in number every year, will also require plenty of foreign books.

Imposition of import duty, tax and surcharges on foreign books and journals will cause the nation a heavy loss. So all the impositions that have been made so far should be withdrawn immediately considering the benefit we will get if we have foreign books and journals at

considerably price. The government should realise that it will support the education system.

Lets hope that they do it soon.
Dr. Kazimiyaz Rashid
Uttara, Dhaka

"WB praises Bangladesh"

Whom should we believe -- the World Bank (WB) or the ever critical Opposition party.

Time and again I read in the statements of the Opposition leaders that the government of BNP had proved to be a total failure and

brought the country to a near collapse due to mismanagement of economy; whereas, the outgoing WB Director Frederick T. Temple described "Bangladesh as a country of great prosperity that have potential for development". Should I not feel encouraged and thank the BNP government for their efficient leadership and criticise those who do not appreciate this.

Please allow me to reproduce the BSS reporting for the people who have missed it. The WB Director "highly appreciated the economic development of Bangladesh taken place in nearly two years of the

present government". Mr. Temple "lauded particularly the financial management and reform initiatives undertaken by the Khaleda government". He also said "the present government had not only achieved economic progress but also undertook time-fitting procedural means for better financial management". He specifically said that "if the initiatives of the government are implemented successfully, the whole economic scenario of Bangladesh will take a positive turn for the benefit of the people".

Do I need to say more on the success of the policies of the present govern-

ment and urge the Opposition to come forward. They must stop criticising only for criticisms sake and extend their support for the betterment of Bangladesh and stop pulling it backward by calling useless 'hartals' on silly grounds every now and then.

A F Rahman
Dhaka

Shahbazpur gas-Bhola

This is one of the biggest gas reserves of the country located at the southern part of Bangladesh. Few years back UNOCAL, an American gas and oil company, offered to

explore this gas to Bangladesh government. With the offer they wanted to build a gas based power plant at Bhola and a 24 inch gas pipeline to be constructed under the river to connect Khulna -- a 210 Megawatt gas turbine for Khulna which is still under 2/3 hours of load shedding everyday during the summer. Despite assistance from the national grid Khulna city has to suffer the load shedding between 6 p.m. and 10 p.m. However despite persuasion by the UNOCAL, the government didn't agree with their proposal.

This important and the only

discovered gas filed in the southern region can play a vital role to mitigate the suffering of people of Barisal, Patuakhali, Bhola, Khulna, Mongla, Bagerhat and some more districts if gas connections are provided. I understand this field has been handed over to BAPEX the country's loan drilling company. We would like to know what are the plans of the government for this project and how long it will take to discover gas from Shahbazpur field and whether this gas can be utilised for other districts of south-western part of Bangladesh.

Shahid Hossain
Dhanmondi, Dhaka