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Hopes high as Saarc Summit starts today

AFP, Islamabad

Optimism ran high as South Asia's leaders arrived in the Pakistani capital yesterday for a landmark summit after ministers agreed to turn the region into a free trade zone and strengthen anti-terrorism measures.

The three-day summit starts in Islamabad today.

While a regional free trade pact -- which could lift commerce among member states from 4.0 to 60 percent of their total external trade -- tops the official agenda, all eyes will be on the forum's two giants.

The South Asian Association for



TOP THREE AGENDAS

- Framework agreement on Safta
- Adopting protocol on anti-terrorism pact
- Signing of social charter

Regional Cooperation (Saarc) summit offers a key chance for its giants India and Pakistan to meet for the first time since near war in 2002 and propel an eight-month peace process.

The summit is also being seen as

an opportunity to revive the 18-year-old forum thanks to thawing India-Pakistan ties, to which it has been hostage most of its life.

The nuclear rivals were on the brink of war at the last Saarc summit in Kathmandu two years ago.

Ongoing tensions triggered the cancellation of the 2003 summit in Islamabad.

The seven nations of Saarc -- Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka -- make up one of the world's most populous and poorest regions.

India's Foreign Minister Yashwant Sinha declared the 12th Saarc summit would be "exceptionally successful and historic" after foreign ministers finalised the free trade and anti-terrorism agreements plus a social charter.

He said they augured well for bilateral India-Pakistan ties.

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PM off to Pakistan

STAFF CORRESPONDENT

Prime Minister Khaleda Zia left Dhaka yesterday evening for Islamabad to attend the 12th Saarc Summit.

She will today address the inaugural session of the three-day regional summit and later hold bilateral talks with the other Saarc heads of state and government.

Foreign ministry sources confirmed that she would have one-on-one dialogues with Pervez Musharraf, president of the host country, as well as Indian Premier Atal Bihari Vajpayee, Sri Lankan President Chandrika Kumaratunga and Nepalese PM Bir Bahadur Thapa.

Sources said the agenda of the

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INDO-PAK TALKS Premiers give conflicting signals

AFP, Islamabad

Pakistan's Prime Minister Zafarullah Jamali expects a 'structured Indo-Pak summit' during a regional South Asia summit opening yesterday, but his Indian counterpart Atal Behari Vajpayee dashed hopes of formal bilateral talks.

"There is a possibility that I will have a separate meeting with my Indian counterpart, as the two

SEE PAGE 11 COL 7

Pakistan blocks India's single currency move

AFP, Islamabad

Pakistan yesterday blocked India's attempt to bring its proposal for a single South Asian currency on to the agenda of the upcoming regional summit, a Pakistani official said.

The Indian proposal was taken up on Friday by foreign ministers as they began a two-day meeting to pave the way for the 12th summit of the seven-nation South Asian

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Motia, 50 others hurt as cops swing baton

Hartal sees sporadic violence



PHOTO: STAR

Main opposition Awami League's presidium member Motia Chowdhury is attended to by her anxious party colleagues after police clubbed her and other demonstrators at a procession on the Bangabandhu Avenue in the capital during hartal hours yesterday.

STAFF CORRESPONDENT

Police clashed with leaders and activists of the Awami League (AL) and its front organisations demonstrating at different places in the capital during the dawn-to-dusk countywide hartal (shutdown) yesterday that virtually crippled life.

More than 50 AL men, including former minister and party Presidium Member Motia Chowdhury and Jubo League Chairman Jahangir Kabir Nanok and General Secretary Mirza Azam MP were injured in police baton charge.

In Chittagong, Rangamati and Lalmonirhat, about 40 people were injured in clashes between loyalists of the ruling BNP and the AL.

Police picked up 36 people in Dhaka during the hartal the main opposition party called to protest what it said is infringement on democratic and political rights of the opposition and killing of its leaders and activists by the ruling alliance loyalists.

The shutdown disrupted operation of Chittagong and Mongla ports, stock exchanges in Dhaka and Chittagong, most banks and business houses across the country. No classes were held at the educational institutions.

Traffic movement was thin in

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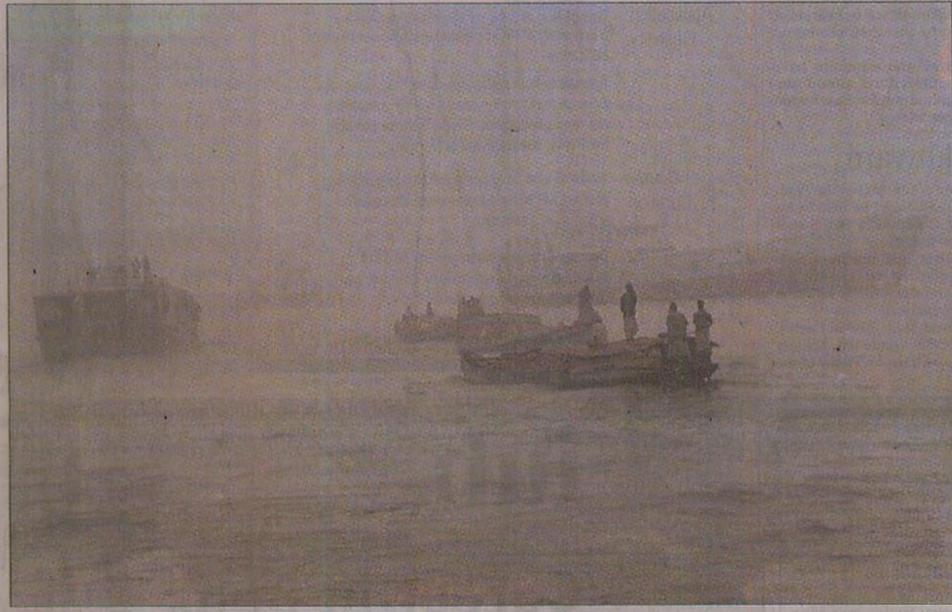


PHOTO: STAR

Boats and launches on the Buriganga river move with caution as a blanket of heavy fog brought by a cold snap blurred vision until midday yesterday. The fog congealed into rain-like drops at night, disrupting all modes of transport.

Cold snap claims 18 more lives

STAFF CORRESPONDENT

At least 18 people, mostly children and the elderly, died in the last three days from the cold snap that swept much of Bangladesh with chill winds and rain-like dense fog at night amid overcast conditions.

The deaths were reported in Pabna, Satkhira, Narayanganj and

Rajshahi amid the cold front that fogged up the horizon, delaying overland, river and air travels and pushing the temperatures to as low as 9.5 degrees Celsius in Rajshahi yesterday and 9 degrees in Jessore on Friday.

Airliners of Biman, Gulf, Emirates and Saudia arrived five to eight hours late at Zia International

Airport because of the fog, the flight operation wing of the airport said.

As the chill winds cut through the country, people, especially the elderly and homeless in northern and southwestern districts, lit bonfires to fend off the bite of cold.

The urban people in Dhaka and other cities preferred to stay indoors

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Egyptian plane crashes into sea, kills 148

Technical fault blamed

REUTERS, Sharm El-Sheikh, Egypt

An Egyptian Boeing 737 airliner carrying 135 mostly French tourists crashed into the Red Sea off the Egyptian resort of Sharm el-Sheikh yesterday and a rescue team member said there were no survivors.

"The initial indications are that it was a technical fault, but that is only preliminary," Civil Aviation Ministry Secretary-General Hassan Abo Ghanima told the news agency. He had said earlier: "There is no sign of terrorism."

The plane, operated by the Egyptian company Flash Airlines, disappeared from radar screens minutes after take-off from Sharm

el-Sheikh airport at 0244 GMT and crashed into deep water a few miles to the southeast, official sources said.

The pilots did not report any problem and the weather was normal with good visibility, official sources said. The plane was heading for Cairo to refuel, change crew and take on more passengers before flying on to Paris.

A French diplomat based in Egypt said there were 135 passengers aboard, all but one French, and 13 Egyptian and Moroccan crew members.

The crash coincided with intense US concern about possible attacks

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CHT DEVELOPMENT UNDP team arrives today to undo deadlock

STAFF CORRESPONDENT

A delegation of the United Nations Development Programme (UNDP) arrives in Dhaka today to review end the deadlock in UNDP's development works in the Chittagong Hill Tracts (CHT).

Led by Shelly Timpson, a retired UNDP resident representative, the three-member team also includes Elizabeth Stema Topolo, acting secretary of UN Permanent Forum on Indigenous Issues, and Victoria Tauli Corpaz, an expert on indigenous people, sources said.

Development works in the CHT hit snags after the abduction of three foreign nationals in February 2001. After a detailed risk assessment survey in the region, the UNDP had announced that it would resume development works there from July last. It also set up offices and

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Banks soon to cut deposit rates

REJAUL KARIM BYRON

The private banks may go for deep cuts, as high as 4 percent, in their deposit scheme rates this month in line with the government's reduction in savings instrument rates.

The banks have already instructed their branches not to open any new deposit scheme accounts. Such schemes, numbering about 40 lakh, account for 20 percent of total deposits.

They now offer the highest of 12 percent interest rate on various schemes. However, if the depositor re-deposits the interest in fresh schemes, the weighted interest rate would go up to 16 percent.

Currently, two types of schemes are in place -- the monthly income and monthly savings schemes. A person depositing Tk 100,000 in the income scheme will get Tk 1,000 a month. This Tk 1,000 can again be deposited in the monthly savings scheme to get Tk 80,000 after five

years. This virtually puts the return at 16 percent.

Premier Bank has decided to cut its deposit rate to 9.5 percent from 12 percent. Shahjalal Bank to 10 percent from 12.5 percent and NCCBL to 9 percent from 12 percent. Some banks may abandon the schemes altogether.

These banks had offered these high interest bearing deposit schemes in the face of stiff competition. But this pushed up their cost of funds of which deposit rates alone accounted for up to 10 percent.

"We had been waiting to see how far the government reduces interest rate on savings instruments," Managing Director of NCCBL, M Aminuzzaman said. "Last year, the private banks reduced lending rates, but they did not touch deposit rates. We are under pressure to further cut lending rates, which now compels us to reduce deposit rates."

Aminuzzaman, who also heads

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Miracle rescue from Iran quake

REUTERS, Bam, Iran

Iranian rescue workers pulled a woman alive and unscathed from the rubble in Bam yesterday, more than eight full days after an earthquake destroyed the city, a Red Crescent spokeswoman told the news agency.

"She doesn't have a single scratch on her face," said Red Crescent spokeswoman Masoumeh Malek. "She can talk to us and answer our questions. When I ask her something she says 'yes dear.'"

The woman, aged about 60, was found in good condition despite long odds of surviving so long after

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