

Call money rate

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morning instead of afternoon.

According to them, banks have to realise an average of four-percent cash ratio reserve (CRR) by February 15. As they had lowered the CRR to three percent earlier, they are now forced to keep it at as high as six percent to achieve the four-percent CRR average and for that they need extra funds.

After maintaining their own CRR, the nationalised commercial banks (NCBs) were not able to lend money to other banks. Only Sonali Bank extended a very small amount of funds yesterday.

Besides, the early measures banks are taking to offset the anticipated damage to normal banking by the hartaal on February 14-15 are also pushing call money rate unusually up, bankers said.

Some bankers alleged that a section of foreign and private commercial banks are involved in manipulating the money market, for which the call money rate shot up so high. "It has become very difficult for some small banks to collect deposit at the present low rate of interests," said the managing director of a bank. "If the present situation continues for two to three months, it will be very difficult for these banks to survive."

Another high official of a bank said it is very difficult to say how long the present situation will continue. "The present situation in the money market should be investigated," he felt.

"In fact, borrowing for short-term, some banks went on long-term lending and now their need for funds to maintain the liquidity has pushed the call money rate high." Premier Bank Ltd Managing Director Kazi Abdul Mazid told The Daily Star yesterday.

Besides, investments in textiles, steel, telecoms and some other

sectors have increased due to the lower interest rates that expanded the demand for bank loans, he observed.

Meanwhile, the central bank's regular monthly meeting with the chief executive officers of commercial banks scheduled for yesterday was deferred. The meeting will be held on February 13.

Talking on the money market situation, a top BB official said, "The central bank has been concentrated on the foreign exchange market in the last few days and could not look into the money market properly," adding, "It will look into the money market shortly."

The BB has been releasing foreign currency on a regular basis to cool down the upbeat exchange market. It released \$6 million yesterday through Sonali and Agrani banks at Tk 63 a dollar. But in the interbank transactions, the greenback traded between Tk 63 and Tk 63.30.

The commercial banks also needed a huge amount of funds to buy the foreign currency released by the BB, which worsened the liquidity crisis.

UNB adds: After its indirect measures to tame the foreign exchange market had apparently failed, the BB yesterday sought co-operation of the commercial banks in identifying the reasons for the recent jump in the price of dollar.

BB Governor Fakhrudin Ahmed sent a letter to the commercial banks seeking their co-operation and also asking them to reduce the price of dollar by 50 paisa by today.

Believing the central bank's intervention releasing a huge quantity of dollars to the market through the state-run Sonali and Agrani banks, the greenback has been traded at a range between Tk 63 and Tk 64 during the last two weeks, as compared to the Tk 59-61 range just before the Eid-ul-Azha.

Sonali Bank yesterday made a requisition to the central bank for \$36 million to meet the demands by the commercial banks in the next few days, bank sources said.

Detectives

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Laskara union unit Al, was picked up for verifying information gathered from arrestees.

Law-enforcers, however, denied picking up Zahid. But the intelligence men confirmed it, saying Zahid was picked up from Boidder Bazar Monday afternoon.

He might help investigators verify statements made by six arrestees since 'he was conducting the Al meeting', they reasoned.

However, it could not be known where Zahid has been kept.

Local AL leaders said they do not know his whereabouts. "His family yesterday (Tuesday) first told me that police picked up him," District AL President Mushfiq Hussain Chowdhury told The Daily Star over phone yesterday.

Sources, meantime, said intelligence men are checking bank account records of arrested district BNP Vice-president Abdul Qaiyum, who is being remanded in Dhaka, to find any clue to the carnage. They said if need be, they might freeze his accounts.

6-day

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area during the six days of tight security enforcement.

"Eight close circuit cameras will be installed in the area to monitor the movements of people and their activities," he said.

The state minister informed that 12 platoons of BDR personnel would also be deployed in the area from midnight of February 20 to 8:00am the next morning.

Dhaka University Vice-Chancellor Prof SMA Faiz, Dhaka Metropolitan Police Commissioner, director general of RAB, director general of BDR, director general of Ansar and other senior officials were present at the meeting.

He told the news agency on Sunday he did not believe any incentive from the West would persuade Tehran to give up nuclear enrichment. Iran denies it is trying to produce the bomb.

The policy splits could undermine Rice's appeal on Tuesday in Paris for an end to the U.S.-European rift over the Iraq war -- an appeal that was well received in France.

In her keynote speech of an eight-nation tour, delivered symbolically in France, one of the biggest critics of the war, Rice called for a new chapter in transatlantic ties and received a cordial welcome from French Foreign Minister Michel Barnier.

"Condi Rice, a skilled pianist, gave a faultless recital at her European diplomatic gala in Paris," the newspaper Liberation said. But it added that the strength of the new relationship would be tested by problems such as Iran and China.

The daily Le Figaro also noted the differences over Iran.

But, referring to a comment widely attributed to Rice over other countries' lack of support for the war in Iraq, it said: "The time when Ms Rice thought it necessary to 'punish France, ignore Germany and forgive Russia' has clearly passed."

Taskforce

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different ministries were present at the meeting.

The taskforce meeting was convened to find ways of keeping essential prices, particularly rice, at a reasonable level and within the purchasing capacity of the common people.

The meeting observed that last year's Aman production, at 11 million metric tons, was short of target by more than 1.7 million tons, pushing rice prices up.

A number of steps, including providing irrigation and fertiliser subsidies, have been taken to increase production in the next boro season, the meeting was told.

"The government has cut duties on different essential items and the highest 30 percent duty has been reduced," Altaf told reporters after the meeting.

Duties on potato, dry chilli, turmeric, ginger, sugar, salt and powdered milk have been cut in fiscal 2004-05.

But prices of some essential items have gone up in the global market, making their imports costlier, he added.

The price of sugar has increased in the last one year by 28 percent, palm oil 11 percent, coarse rice 15 percent, lentil 3 percent, ginger 125 percent, turmeric 10 percent, according to the working paper of the meeting.

The report said crops were heavily damaged due to last year's deluge and essential prices in the global market increased substantially. Besides, the fuel price hike has significantly pushed transportation costs up, it said.

Extortionist injured in accidental bomb blast

STAFF CORRESPONDENT

A member of a group of alleged extortionists was injured as a bomb exploded in his pocket while they were running away after wounding two businessmen by blasting bombs in Lalbagh of the Old City yesterday.

A patrol team of Lalbagh police chased the gang of four and a bomb went off in the pocket of Mithu Ahmed, 16, a student of class X at New Paltan Lines School.

He is undergoing treatment at Dhaka Medical College and Hospital.

Earlier, the gang hurled two homemade bombs at a shoe factory in Shahidnagar and injured its owner Mohammad Farid, 35, and his brother Mohammad Siraj, 22, for not giving them toll.

Foreign ministry

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political secretary to the AL chief, in a recent press briefing complained that Noor Chowdhury, a convict in the Bangabandhu murder case, was given a Bangladeshi passport by the Ottawa mission through forgery.

Saber said the passport had been issued to help Noor leave Canada when the Canadian government pressed the Bangladesh government to take him back to the country.

No official

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"We have seen the report, but we have not received any official communication either from the Saarc secretariat or from the office of the current Saarc Chair, Pakistan, about it," Zahirul Haque, Director General of the External Publicity Wing of the foreign ministry, told the news agency.

He said Bangladesh is always sincere about all activities of the Saarc for its development and progress.

The 13th Saarc summit scheduled for February 6-7 was postponed at the last moment as India decided not to participate in the summit citing two reasons--political development in Nepal and security concerns in Dhaka.

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Rice urges

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only limited collective support for the US-led operation in Iraq, mostly by training Iraqi officers.

IRAN IMPATIENT

Iran has signaled its own impatience with the pace of the EU talks, the third round of which began in Geneva on Tuesday. Iran's top nuclear negotiator, Hassan Rohani, said yesterday that this week's talks would "probably reveal the degree of Europe's commitment to the negotiations."

He told the news agency on Sunday he did not believe any incentive from the West would persuade Tehran to give up nuclear enrichment. Iran denies it is trying to produce the bomb.

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Saifur leaves

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information superhighway by September. The IDB will charge 3.5 percent interest on the 11-year loan.

On February 14 and 15, Saifur will meet EC Trade Commissioner Peter Mandelson and Commissioner for External Relations and Neighbourhood Policies Benita Ferrero Waldner at the EC headquarters in Brussels. This will be the first interaction between the Bangladeshi minister and the new EC executives elected last November.

Saifur will also participate in a policy dialogue with the EC, European research organisations and development practitioners. The Bangladesh embassy in Brussels will arrange the dialogue.

Since coming to office in 2001, a number of ministers of the present government have held talks with EU trade commissioners on several occasions, but this will be the first time that a senior minister is going to meet the EC external relations and neighbourhood policies commissioner. The external relations commissioner dealt with the EU's political relations with other countries.

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Body to screen Bac

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relating to the duties and responsibilities of Commissioner Prof Maniuzzaman Miah.

"It was not in today's meeting agenda and we've not even raised the issue," the ACC chairman said. He reiterated that there was no crisis in the commission and no conflict among its members.

On February 3, the chairman issued an order to strip Miah of his capacity to supervise administrative and establishment-related jobs. Justice Sultan himself took over the responsibilities for a temporary period.

"I should have some responsibilities and I think I, being the chairman, should look after the administration and establishment," he said yesterday.

About the possibility of redistributing the responsibilities of the commission members, the ACC chairman said, "At the moment, there is no scope for it."

When his attention was drawn about Prof Miah's comment to the press that he might consider resignation and asked about the commission's possible move if Miah resigns, Justice Sultan said, "I hope he (Miah) will not quit."

The chairman however said: "One cannot be forced to work against his will."

Prof Miah, meantime, said yesterday again that he would have to consider an 'extreme decision' if his responsibilities are taken away permanently.

Yesterday's meeting also decided to appoint a legal and a media consultant for the commission and make advertisement for the posts in 15 days.

It decided to send a letter to Dhaka University authorities asking for a consultant from IBA or Management Department to finalise an organogram studying the two drafts prepared by Prof Miah and other Commissioner Maniuzzaman Ahmed.

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Addressing the conference, Saifur Rahman said Awami League (AL) is a very old party but it does follow the norms of politics. They (AL) like politics of violence as they lack public support, he added.

Tarique Rahman asked his party men to keep vigil on fertiliser and seed dealers, and help ensure that government facilities reach the people.

He added the project was a "potential conduit for peace" between India and Pakistan apart from the commercial dividends.

He hoped MPs would regularly visit their areas.

The ACC chairman declined to make any comment on the January 29 Cabinet Division letter that says some of the Bac officials are still holding 'non-existing' positions and issuing letters on behalf of the ACC which is illegal.

"It will significantly enhance the oil security of the country," Petroleum Minister Mani Shankar Aiyar told reporters after a cabinet meeting chaired by Prime Minister Manmohan Singh, the Press Trust of India news agency reported.

Three possible pipelines to India are being investigated -- from Iran through Pakistan, from Turkmenistan through Afghanistan and Pakistan and from Myanmar through Bangladesh, he said.

Indian industry welcomed the cabinet's nod saying that the Iran-Pakistan gas pipeline would be the cheapest option.

Meanwhile, activists who escaped roundup after the power grab met underground to finalise details of an anti-monarchy protest they plan to stage in the capital on Thursday in defiance of a ban on public gatherings.

Krishna Pahadi, former president

of the Human Rights and Peace Society, said some 20 organisations would be represented at the protest and all those taking part expect to be detained.

"For people who will attend the meeting will be arrested but you cannot be detained for more than three months," he said.

Numbers were not as important as the symbolism of the demonstration, Pahadi added.

"Tomorrow, even if there are few people, the presence of various organisations will give a symbolic message ... It will (send) a clear message that we are against the royal move."

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