

Spending spree

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so that they do not press the finance ministry to expand budget expenditures ahead of the parliamentary elections.

Participants at the meeting also observed that the Anti-Corruption Commission (ACC) has been failing to carry out its mandate and asked the government to make it functional.

Talking to newsmen after the meeting, eminent economist Dr Wahiduddin Mahmud said the private sector is becoming more and more dynamic day by day. "Money supply has also increased remarkably," he said, adding, in this context it is important to think out how inflation can be contained.

Mahmud said the recent suggestion of multilateral donor agencies to scale up interest rates "is not the only solution." Rather, he noted, "it will be improper to check monetary system in such an artificial way."

"The same task [of containing inflation] can be done by curtailing the development budget and dropping large, unproductive projects," Mahmud suggested.

He observed, "We have seen that the last two elected governments increased their development expenditures during the lag end of their tenures. This trend hampers macroeconomic stability." Such increments create room for corruption and misuse of funds, he added.

The eminent economist supported some sort of devaluation of the local currency against dollar to facilitate a smooth growth of the private sector. "It would be a blessing in disguise," he said.

During the meeting, former finance minister M Saïduzzaman said though the central bank should enjoy full autonomy in fixing monetary policies, the process must be accountable.

Referring to the recommendations of Expenditure Review Commission submitted to the government long ago, former adviser to caretaker government M Hafiz Uddin Khan said they are totally in the dark about the government's stand on those. He said, "We don't know which of those have been implemented and which have not."

Former cabinet secretary M Mujibul Haq emphasised good governance and checking corruption, saying, "No policy will be effective if we fail to arrest corruption and if lack of good governance lingers on in the country." There might be difference over the report of Transparency International Bangladesh (TIB) on corruption, he said, but there is no way of ignoring the fact of unabated corruption in the country.

Centre for Policy Dialogue (CPD) Executive Director Dr Debapriya Bhattacharya said discussants at the meeting stressed transparency of government expenditure, arresting corruption and improving governance.

Bhattacharya said currently the exchange rate of taka is under the influence of ballooning imports including those of capital machinery, fertiliser and petroleum. "If investment increases, inflation will be contained and we will also be able to control the balance of payment problems," he added.

Former Revenue Commission chairman Mir Mustafizur Rahman expressed the opinion that there should be no zero-tariff on any import item.

Bangladesh Economic Association President Dr Kazi Kholikuzzaman, former adviser to caretaker government Maj Gen

Tata targets

FROM PAGE 16
Alan Roseling, executive director of Tata Sons, Sukran Singh, executive assistant to Tata Group Chairman, and S Manzer Hossain, Tata resident director in Bangladesh, met the minister yesterday to discuss their plan.

"If we find the proposal viable we may buy power from Tata plants," State Minister for Power Iqbal Hassan Mahmood told The Daily Star yesterday after his meeting with the Tata team.

Tata's earlier plan was to export the electricity to India if the government allows.

Tata representatives told the minister that Bangladesh can save around 1.5 trillion cubic feet (TCF) gas if Tata establishes a coal-based power station instead of a gas-based one.

The minister said Bangladesh will buy power from Tata if it offers lower tariffs with more relaxed conditions than those currently offered by CDC Globelec, which supplies power to the national grid from its Meghnaahat plant.

"We are still facing a power crisis and apprehending it for a few more years. Tata's proposal can help reduce our crisis," the minister added.

The Tata officials expressed their interest to set up their plants at Fulbari or Barapukuria, depending upon coal availability.

The minister said the Power Cell of the Power Division will examine the viability of the plants if Tata makes a formal proposal.

The delegation later called on Industries Minister Matiar Rahman Nizami at his office.

The minister said the government has a positive attitude towards the investment plan of the Indian industrial giant.

(Retd) Moinul Hossain, former secretary Dr Moshirur Rahman were also present at the meeting, while Finance Secretary Zakir Ahmed Khan and NBR Chairman Khairuzman Chowdhury aided the finance minister.

MOVE TO HIKE INTEREST RATES

Economists said the central bank's move to discourage private sector borrowing by raising the bank interest rates may result in a revenue shortfall and have negative impacts on the country's GDP, employment and investment.

Bangladesh Bank (BB) recently advised all the banks to increase interest rates on the ground that an upward credit trend has been putting huge pressures on the foreign exchange reserve and stoking up inflation.

The country's business leaders denounced the move instantly, terming it a completely wrong strategy. Economists and bankers, even officials at the BB, share the same opinion. They said, instead of dissuading, the central bank rather should encourage private sector borrowing by scaling down the interest rates.

"This is a wrong move. The hike in inflation rate was not triggered by the credit trend but by the price hike of commodities," noted a BB official.

Only two years ago, the BB pushed the banks to cut down their interest rates. After reduction, the interest rates on deposit stood between 3.5 and 9 percent and on borrowing between 8 and 14 percent.

In contrast, the maximum interest on borrowing in any western country is just 5 percent. Even in neighbouring India and Pakistan, the rates are half of those in Bangladesh.

According to BB statistics, fresh borrowing by the private sector from July 04 to February last was Tk 10,711 crore, marking an 11.32 percent growth. The amount was Tk 4,920 crore in the corresponding period of the previous fiscal year with a growth of 5.94 percent. The BB termed the credit growth 'excessive' and related it to diminished liquidity in banks and also the upward trend in inflation.

From Tk 11,754 crore in June last year, the bank liquidity came down to Tk 9,281 crore in February. And the average inflation rate that had reached 6.21 percent in October last year gradually came down to 6.12 percent in February.

Side by side, high import pressure pushed up the trade deficit by 68 percent in the first seven months of the current fiscal year. In January the deficit stood at \$157 crore.

On the issue, Bangladesh Institute of Development Studies (BIDS) Research Director Zaid Bakht remarked, "It's incorrect to assume that inflation will go down if money supply is reduced. The on-going inflation is actually caused by a higher price level of commodities."

He said, "May be both IMF and Bangladesh Bank believe that since the election year is ahead, the government may not be able to cut down its expenditures. So they want to control private sector borrowing as an alternative and to ensure some sort of fiscal discipline."

AB high official bears out the speculation informing that the central bank has recently advised the government to control unnecessary expenditures. He however said the BB move for interest rate hike was meant for commercial and unproductive lending only, not for export or industrial credits.

But, pointing out that the major bulk of private borrowing goes to productive sectors and only a small portion represents consumption, Bakht said, "In such a context, if the government squeezes credit, the central bank will not achieve its express goal."

Rather, he predicted, "we will have revenue shortfall and face budget deficit."

Joy receives

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District leaders of BNP's student wing Jatiyatabadi Chhatra Dal handed the bouquet to Joy on behalf of Tarique during his stopover at Parijat Motel in Bogra. Hasina was also present on the occasion.

Details were not available immediately.

Joy along with his mother and father Dr Wajed Miah stopped in Bogra on their way to Rangpur from Dhaka on a brief visit to his ancestral home.

Joy arrived in Dhaka on April 14 from the US on a four-week stay in Bangladesh.

557 polling centres

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attacks and communications problems have been marked as risky ones.

He said around 12,000 polling agents and presiding officers will be deployed to hold the elections and they will be given training on May 3, 4 and 5.

In addition to six companies of army, 10,000 police, 20,000 Ansar, BDR, RRF and Rab personnel will be in place to ensure security.

Replying to a question, Kuddus said the Election Commission will hold separate meetings with the mayoral and commissioner candidates. The date of the meeting is yet to be announced.

JP activist shot dead

STAFF CORRESPONDENT

Unidentified assailants on Saturday gunned down a Jatiya Party (JP-Manju) activist in Lalmatia and police shot two carjackers in Keraniganj yesterday.

Police recovered the body of Mohammad Masud Milky alias Niam, 35, son of Abu Naser Milky and resident of Rajabazar in Tejgaon, from Lalmatia Wasa office premises at 11:30pm.

The victim's brother Shoyeb Milky said two youths—Nurul Islam Swapan and Mohammad Sajib, both aged 30—came at 10:00pm to say Masud was abducted.

Earlier in the evening, Shipan of the area called Masud out of the house, said his younger brother Rana.

Masud's family held Swapan and Sajib and handed them over to police. Following their statement, the police rushed to the Wasa office and found the body.

Police also arrested Saiful Islam Shipan, 35, from the area.

In Keraniganj, police shot and injured two carjackers—Delwar and Moktar, both aged 32 and residents of Mirpur,—when they were fleeing with a hijacked motorcycle at around 12:00noon.

Moktar received two bullets in his left leg and Delwar was wounded in the head. The police also seized two pistols from them.

JS body

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responsible for the unauthorised design of the collapsed building and recommended tracking down the Rajuk officials who authorised the faulty design of the building and stern action against them.

The tragedy on April 11 left 76 people killed, according to unofficial figure, and 36 missing under the wreckage at Baipail of Palashbari in Savar.

Committee Chairman Mosharrar Hossain Mangu chaired the meeting attended by State Minister for Labour and Employment Aman Ullah Aman, Shahjahan Khan, Atiur Rahman Atiq, Mufti Mohammad Wakkas and MAkhtaruzzaman Mia.

Shahjahan Khan told the meeting that festival bonus must be ensured in all the industries, including garment factories. He observed that the workers do not even get minimum salary or remuneration in many garment industries.

The meeting recommended that the chief inspector of factories under the labour ministry submit a report after visiting 65 garment industries in Dhaka City on the security arrangements, hygiene, safety measures, and regularities in salary and remuneration provided by the garment factories.

The standing committee decided to send a proposal to the establishment ministry on making the Labour Department into a directorate.

Violence erupts

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them. The cops also charged baton in a frantic bid to quell the protestors. Members of Rapid Action Battalion (Rab) appeared at the scene and dispersed the mob after 40 minutes of chaos.

Witnesses said about 30 students of the same school who were returning home chased the bus speeding away and started damaging it. Kafilur police, however, managed to seize the bus and arrested driver Belayet Hossain.

In a few minutes, a few thousand locals, shop owners and pedestrians joined the students and started torching and damaging vehicles.

Traffic movement on Rokeya Sarani remained suspended for about two hours after the law-enforcers brought the situation under control.

Omi's family members, relatives, school friends and teachers gathered at the Dhaka Medical College and Hospital when the body was taken there.

"Bring my son back. I have reared him in great efforts. I do not want to hear anything—bring my son back," Omi's mother wailed when she regained her senses. "They (bus workers) have killed my son."

Omi was the eldest among two sons of Zakir Hossain, a garment materials supplier.

Correction

We ran a BDNEWS story in our yesterday's edition headlined, "Commotion over dy secy promotion", in which the news agency had mistakenly mentioned the name of AN Shamsuddin Azad Chowdhury as secretary of Faridpur Zila Parishad. It is Abul Kalam Azad who is the secretary and AN Shamsuddin Azad Chowdhury is assistant waqf administrator in Dhaka, BDNEWS says.

Dr Zakirul Islam, a recently promoted deputy secretary and officer on special duty (OSD) at the establishment ministry, in a rejoinder to the BDNEWS-creed report, which he sent to The Daily Star, clarified that he had obtained 90 marks against a requirement of 83 for promotion to the post of deputy secretary. The BDNEWS report mentioned his name among a few others who have been promoted despite their not fulfilling the requirements.

Canada envoy

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Sproule explained.

Stronger initiatives are required from the private and government levels to improve the investment climate in Bangladesh by tackling these problems, he observed.

The Canadian envoy was speaking at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (Ficci) at Dhaka Sheraton Hotel.

In this age of globalisation, investors are not reluctant to shift their investment destination when they face any kind of obstacle, and governments and the private sectors must be quick to respond and adapt, Sproule said.

More and more Canadian are showing interest in the growing telecommunications, IT as well as in the energy and power sectors, Sproule said. Canadian companies are recognised for high quality products and services, the high commissioner added.

Canada's biggest development cooperation programme is in Bangladesh and economic ties between the two countries are diversifying and strengthening, he noted.

The decision of the Canadian government to grant open market access to goods from Bangladesh, which took effect on January 1, 2003, significantly increased its exports to Canada, he said. The impact is a 198 percent increase in Bangladesh's export to Canada in just two years.

At the same time, Canadian exports to Bangladesh declined by 11 percent in 2003 and the latest figures suggest exports from Bangladesh in 2004 leaped 44 percent from 2003, he said.

Workers' warnings

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additional five storeys," the source added.

In addition, hundreds of industrial sewing machines and other machinery weighing several tons, which should have been installed on the ground floor, were instead placed on the top floors.

"The live load of machinery made the entire structure further vulnerable to collapse and 'horizontal vibrations' from their use resulted in cracks in the columns and foundation," he said.

The probe committee also concluded after its initial examination of the concrete slabs that the "concrete was of very poor quality."

"Now we want to test the foundation and the piling of the building, but it will not be possible until the debris is completely removed from the site," said the probe committee member.

He added that the committee sent samples of the materials to a laboratory for testing. The results might take time, the source said, but once they are obtained the prosecution against the culprits will be easier to start.

Inspector Khorshed Alam, the Detective Branch (DB) officer heading the investigation of the tragedy, recently said his focus is securing the test reports of the construction materials.

"Once I have the test reports of the construction materials, I can

Pvt fixed phone

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of Post and Telecommunications (MoPT) had awarded a licence to the WorldTel Bangladesh Ltd to run fixed line phones in the capital on a joint co-exclusivity with the BTTB for a period of four years from the effective date of the licence.

Dhaka city was kept out of the open licensing regime as the WorldTel Bangladesh Ltd, a fully owned subsidiary of the UK-based WorldTel Holdings Ltd, served a legal notice to the MoPT early January last year pre-empting any move to open its area of operations to other companies.

The move was taken by the WorldTel when Bangladesh Telecommunications Regulatory Commission (BTRC) took initiative to award licence under a new PSTN (public switched telephone network) licensing regime.

The BTRC, however, refrained from awarding licence for the central zone comprising Dhaka and adjacent areas and gave about two dozen licences to interested companies.

A chamber judge of the Supreme Court yesterday ruled out WorldTel's petition seeking stay order until the company files an appeal in this regard.

The decision, "a land breaking one" according to many, would pave the way for private operators interested to launch the service in the capital, dwelling place of some 10 million people.

"This would enable us to launch service in the capital where about 70 percent of the country's telephone users live," Zakaria Swapan, chief executive officer of the RanksTel, told The Daily Star in his reaction.

Many private fixed phone operators including the Bashundhara Communications Network Limited, which won the first licence, refrained from rolling out network as they thought that it should not be a viable business without having the central

Bangladesh is a huge market since its population is more than four times the size of Canada.

Bangladesh has made remarkable progress toward achieving the Millennium Development Goals (MDGs), Sproule said. It has succeeded in becoming agriculturally self-sustaining, in reducing its birth rate, improving literacy rates, and in empowering women through employment and education.

Ficci President Mahbub Jamil told the meeting Canada granted duty- and quota-free access of all Bangladeshi products except dairy, poultry and egg to its market as a gesture of goodwill despite the fact that Bangladesh imports much less from than it exports to that country.

The investment and trade regimes of Bangladesh are by far the best in the region, macro-economic fundamentals are sound and incentive package for investment in general and foreign direct investment in particular is attractive, he mentioned.

Its only shortcomings are in the areas of infrastructure and governance. But a dispassionate observer could see that things are improving gradually, although very slowly, the Ficci president observed.

Private Canadian investments in Bangladesh at the moment are not that big. Only significant private investments from Canada are Bata Shoe Company and Niko Resources, he said.

Prospective Canadian investors could exploit the investment opportunities on offer in Bangladesh and come forward with more investments, Jamil added. He said Ficci is ready to offer its services for the purpose if needed.

Outlaw killed in 'crossfire'

OUR CORRESPONDENT, Kushtia

An outlawed party operative was killed in 'crossfire' between police and his associates at Nayanpur of Mirpur upazila early yesterday.

The dead, Abdus Sattar, 39, was a top cadre of Biplobi Communist Party (BCP). With his death, the death count in crossfire rose to 60 in Kushtia district.

Mirpur police said they went to Nayanpur village after a tip-off that BCP cadres were preparing to attack rival outlawed outfit Gono Mukti Fouz (GMF).

As the police team reached Itkhola of Nayanpur at about 4:00am, BCP cadres who were lying in wait there opened fire on them. The policemen returned fire that resulted in an hour-long gunfight, said a police source.

After the gunfight had stopped and the outlaws fled the scene, police found a body, which was later identified to be Sattar's, covered the source. Besides, they recovered eight rounds of bullets.

Sattar hailed from Nayanpur and stood accused in five cases including two for murder, police said.

Mirpur police yesterday filed a case in this connection accusing a number of unidentified BCP cadres.

Housing company MD held on charge of land grabbing

STAFF CORRESPONDENT

Police on Saturday arrested the managing director (MD) of a housing company and two of his aides at the company's Uttara office on charges of fraud and illegal appropriation of land.

After a tip-off, a team of Uttara police raided the office at house No 24/8 in Uttara sector 7 at about 6:45pm and made the arrests. Police said Iqbal Sajjad, 50, MD of Sreshtha Housing Society, Kamruzzaman Shahin, 35, and Ferdous, 45, are members of an organised gang of frauds.

The arrestees have allegedly been involved in land grabbing in the name of Sreshtha Housing Society. They have amassed crores of taka by grabbing land from innocent people. Besides, they took huge sums of money from people after promising them plots and flats, said sources.

Duty officer of Uttara Police Station said in between 2002 and 2005 as many as eight cases, four of them on fraud charges, have been lodged against the three with different police stations.

Police produced the three before the Chief Metropolitan Magistrate's Court, Dhaka, yesterday and petitioned for a 10 days' remand for each of them. Police however could not say how many days' remand was granted at the time of filing this report at about 8:00pm.

India 'lifts' Nepal

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resuming arms supplies to a despotic king who suppressed the elementary democratic rights of the people.

"The appreciation and goodwill it (India) earned with its firm stand in defence of democracy and popular government in Nepal will disappear and it will be held responsible for abetting (the) king's authoritarianism," it said, quoting a party statement.

The Congress Party-led government needs the 61 votes of the various communist parties in the 545-seat lower house, or Lok Sabha, to remain in power. The communists support the government, which is due to complete a year in office on May 22, from outside of the cabinet. (AFP, PTI)

Rice procurement

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Similarly, the government could purchase only 135 tonnes of wheat against the procurement target of 50,000 tonnes during its procurement drive from March 24 until yesterday.

Against this backdrop, the government had to import 70,000 tonnes of rice in recent months and is now in the process of importing 20,000 tonnes of wheat to replenish the fast-diminishing stock of public granaries.

Starting today, the government plans to offer Boro growers prices at the existing market rates, which are estimated at Tk 14.50 and Tk 9.25 per kilogram for rice and paddy respectively. The corresponding figures offered by the government during last year's Boro season were Tk 13.25 and Tk 8.40 respectively.

In the last meeting of the Food Planning and Monitoring Committee on April 6, several senior ministers expressed dissatisfaction over the low food stock and the slow pace in the food procurement drive, and asked the officials concerned to accelerate the drive for increasing food stocks to meet any emergency.

Talking to The Daily Star yesterday, Deputy Minister for Food and Disaster Management Asadul Habib Dulu expressed optimism about the success of the government's current procurement drive.

The minister hinted at earlier projections that put Boro output to be hovering around 140 to 145 lakh tonnes this year.

On the question of a diminishing food stock in government godowns, he said, "During the pre-Boro period (March-April), granaries are always short of food stock. The granaries will soon be filled up once the Boro procurement drive kicks off."

BSF fires at kids

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returned home safely.

Bangladesh Rifles (BDR) sources confirmed the incident and said the BSF men fired one round of bullet on the kids.

'UNFORTUNATE'

The BSF opening fire on a group of Bangladeshi children on Chapainawabganj border is unfortunate, BDR Director General Major General Jahangir Alam Chowdhury told the BBC radio last night.

"I think the BSF higher authorities will take action against those responsible for the incident," he added.

"We are trying to establish communication with the BSF high-ups to ease the situation... Both the BDR and BSF have to make efforts to restore normalcy on the border."

REAZ-SIKRI MEET

In Dhaka, Bangladesh Adviser for Foreign Affairs Reaz Rahman and Indian High Commissioner in Dhaka Veena Sikri sat in an informal meeting yesterday in a bid to find a diplomatic means of blanketing the simmering border tension, reports BDNEWS.

During the meeting at the foreign ministry, sources said, both the sides talked on the recent border skirmishes and explained each other's position.

Quoting veteran CPI (M) leader Jyoti Basu, who observed that India should immediately initiate dialogue with Dhaka to resolve various bilateral problems, a top foreign ministry official said the notion proves that India's political leadership does not want any more border

trouble.

BDR-BSF FLAG MEETING

A battalion level two-hour flag meeting between BDR and BSF was held yesterday at Naogaon border to defuse tension and restore peaceful atmosphere in the bordering area, reports BDNEWS from Naogaon.

The meeting began at 10:00am beside pillar number 258 at Agradigan border in Dhamrai hat upazila of the northwestern district on BDR's invitation.

A range of border problems including smuggling was discussed in the meeting that continued until 12:15pm and both sides promised to maintain a peaceful atmosphere at the border. 28 Rifles Battalion Commander Lt Col Zahid Hasan led the Bangladeshi side and BSF 115 Battalion Commander Lt Col Hazarika led the Indian one.

2 SENT OVER TO IDENTIFY BODIES

The BDR yesterday sent two people from frontier village Gopalpur to Bongaon on the Indian side of the border to identify bodies of the two Bangladeshi nationals shot dead by the BSF on Saturday, UNB reports from Jhenidha.

Sources said the move came after the BSF yesterday in a letter asked the BDR to send two people for identifying the dead bodies kept in the morgue of Bongaon.

Intruding BSF men gunned down Jahidur Rahman, 24, and Moktar, 20, of Gopalpur village while they were going out to their cropland on Saturday morning.

Anti-Ahmadiyya

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Khatme Nabuwat Movement.

"Moududi's ideology, which became Jamaat's principles in Pakistan, had succeeded in creating situations that led to violence against Ahmadiyyas, and grabbing state power and implementing sharia law there," Prof Mobashwer told the media in an interview yesterday.

"They are following the same ideals here in Bangladesh to attain the same goal."

The Ahmadiyya leader noted that the recent atrocities on the Ahmadiyyas are part of a design plotted by a top leader of Islamic Oikya Jote, who wants to drive a hard bargain with the BNP in the next parliamentary election.

"But I believe they (Khatme Nabuwat) will not be successful in their campaign to vilify the sect," he said.

Continues Prof Ali: "Bangladesh is not Pakistan where the fundamentalists succeeded in labelling us as non-Muslims. Our country came into being on the basis of a liberal cultural heritage having no room for bigotry."

The Ahmadiyya issue has been put forth to jeopardise the very base of the nation, he said, adding, "Our people are not orthodox, they are rather simply pious and moderate."

The Ahmadiyya Nayeib-e-amir said the Khatme Nabuwat's claims that the Ahmadiyyas do not accept Hazrat Muhammad as the last prophet and that they have a separate 'Qalema' are nothing