

POWER SECTOR

WB for contracting out distribution management

UNB, Dhaka

Experts from the World Bank yesterday advocated for contracting out the power sector's distribution management to improve its efficiency.

Speaking at a brain storming session on the issue, the bank officials said appointment of private sector management team could

improve the performance in the ailing power sector.

They identified the distribution segment of the power sector as the most inefficient part of the sector that seriously impedes overall development of the entire power sector.

Officials of international private companies engaged in the management of power distribution in differ-

ent African nations presented their experiences in the seminar.

The World Bank, Power Division and Public-Private Infrastructure Advisory Facility jointly organised the seminar titled "Contracting for Power Sector Performance Lessons from International Experience" at a city hotel.

However, such suggestion of the World Bank and other private companies could not impress the officials of the state-owned Power Development Board (PDB) and Dhaka Electric Supply Authority (DESA) as they came out with some negative experiences in the power sector.

They said DESA and DESCO were created as per suggestion of the World Bank, but this step has failed to yield any major results in reducing system loss or improving their performance.

Addressing the seminar as chief guest, State Minister for Power Iqbal Hassan Mahmood said the government could go for hiring private management consultants for distribution business as a test case for a certain period to improve the performance of the sector.

"But, unless the overall efficiency of the officials are improved, no major change will take place in the power sector....the officials have to come up with positive outlook to run their organisations in a professional manner and with commercial view," he told the seminar.

Power Division Secretary Nazrul Islam said the government has implemented a number of reform programmes to improve the performance of the power sector that reduced the system loss.

"Reform programmes are going on and many things are yet to be done to achieve the goal to have an efficient power sector," he added.

The seminar was addressed, among others, by PDB Chairman Khwaja Ghulam Ahmed, Director General of Power Cell BD Rahmanattullah, World Bank Energy expert Alan Townsend and official of Nigeria Lorne Halpeny.

Kashmiri rebels may drop referendum call

AFP, Islamabad

Indian Kashmiri separatist leaders indicated yesterday they may abandon their 57-year stance on holding a referendum in the divided Himalayan region after meeting Pakistan President Pervez Musharraf.

Mirwaiz Umar Farooq of the All Parties Hurriyat Conference, an umbrella group of some two dozen parties, said a solution could emerge from outside a series of decades-old United Nations resolutions calling for a plebiscite.

Until now the separatists have always backed the resolutions, which were adopted from 1948 onwards, as the only acceptable path to end the bitter dispute over the scenic territory.

"It looks as if we are moving towards a negotiated settlement. We have to move from our traditional positions," Farooq told AFP after a group of moderate separatists met Musharraf late Tuesday.

The Hurriyat leaders are making an unprecedented visit to the Pakistani side of the border as part of a peace process launched between Pakistan and India last year.

"We support the step by step strategy and we understand that a solution to the problem cannot be found in one go. We are very hopeful after meeting with Musharraf."

Kashmir is divided between Pakistan and India and is claimed by both in full. It has caused two of the three wars between the nuclear-armed neighbours since their independence from Britain in 1947.

At that time Kashmir was an independent state. But when Pakistani tribal rebels raided the region, Kashmir's Hindu ruler hurriedly acceded to India.

The UN resolutions were passed

shortly afterwards, calling for a plebiscite in the whole of Kashmir, which could lead to the state either joining Pakistan or India. There is no independence option.

India, however, insists the resolutions have become irrelevant, a view shared by most major powers.

The separatists, meanwhile, all want to split from India, with most seeking to join Pakistan and a minority seeking full independence.

Official media quoted Musharraf as saying after the meeting that Pakistan would not accept the status quo in Kashmir and would continue its efforts to seek a solution in line with the aspiration of the people of Kashmir.

"We talked about different proposals. It was a very productive meeting," Hurriyat leader Farooq said without elaborating.

"We agreed on two things, that the status quo is unacceptable and the Line of Control cannot be made a permanent border."

Indian leaders have ruled out any redrawing of borders while Pakistan rejects making a permanent border of the existing ceasefire line in Kashmir, known as the Line of Control.

However Musharraf has frequently said both sides would have to show flexibility and courage and last year he put forth a set of options including the demilitarization of parts of Kashmir.

Pakistan Information Minister Sheikh Rashid said Wednesday he had applied for a permit to travel to his ancestral home in Indian Kashmir on a new bus service, the first visit of its kind by a senior Islamabad official.

Rashid, a native Kashmiri, said he planned to be on the June 30 bus from the Pakistani zone's capital Muzaffarabad, the seventh since the service was launched on April 7.

Bidisha moved

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courts late yesterday although the High Court had directed the government to immediately transfer ailing Bidisha to the prison cell.

A pale-looking Bidisha -- her eyes shut and face, hands and legs swollen -- was carried to the docks about half an hour after she was taken to the court hajat at about 2:20pm in a white police van. She fainted in the docks, prompting women police to pour water on her to help her regain her senses. She was later given a chair to sit in the dock with the support of two female policemen.

Court proceedings over, Bidisha was taken to Dhaka Central Jail at 4:20pm from where she was shifted to the BSMMUH at 6:05pm.

Bidisha's domestic help Jesmin Sangma, arrested on Tuesday, was, meanwhile, remanded for two days yesterday after the police showed her arrested in the theft case. The police in their prayer for taking Sangma on a five-day remand said she knows everything about Bidisha's "criminal activities".

CONTEMPT CHARGE

Bidisha's lawyers yesterday said they would charge Dhaka jail authorities with contempt of court for refusing them a meeting with their client despite the High Court ordered full access of the lawyers to her during police remand or custody.

"We went to the jail to meet Bidisha, but we were not allowed," said Barrister Sara Hossain, one of Bidisha's lawyers. "We sent a slip to the jailer thrice from the gate as we were barred from entering the jail for around two hours from 4:20pm, but he even did not bother to meet us," she said.

The lawyers were not allowed to see Bidisha at the prison cell, either.

As the lawyers showed Deputy Jailer Jannatul Farhad the High Court order, he said, "This order will not do, you need to take permission from the Dhaka Central Jail authorities."

The lawyers, Bidisha's father Abu Bakar Siddiq, a former Rajshahi University professor, and her sister Manisha left at about 7:15pm.

"After consulting Bidisha's father, we will file a contempt of court case in the High Court against the jail authorities for dishonouring the High Court order," said Barrister Tanjibul Alam, another lawyer of Bidisha.

CASE MEANT FOR HARASSMENT

Another counsel for Bidisha, Shafi Uddin Bhuiyan, argued in the Court of Chief Metropolitan Magistrate, Dhaka that the cases were filed to harass and humiliate his client. He maintained that the government pressured Ershad into filing the case to advance its petty interests. Moreover, Bidisha is a victim of the

government's dirty game.

"Bidisha deserves to be set free on bail as she is seriously ill. Moreover, she now has fainted twice in the dock," Bhuiyan told the court.

The lawyers also submitted the certified copy of High Court orders.

The forwarding report investigation officer (IO) Kazi Nure Alam, also officer in charge of Gulshan Police Station, placed before the lower court yesterday says Bidisha gave important information during her three-day remand, which is being verified. Moreover, she is a short-tempered woman who poses a threat to the life of the complainant if she gets bail until the investigation of the case is over, the IO said.

Magistrate Rafiqul Islam rejected the bail petition and directed authorities to comply with the High Court directives. Bidisha broke down in tears and slapped her forehead on hearing the order.

Later, she was taken to the court of Magistrate Jagannath Das Khokon where Bidisha was shown arrested in the other case on charges of false personification in one of her three Bangladesh passports, and providing false information about her place and date of birth.

In the two passports issued on March 1, 1996 and February 27, 2000 she mentioned her name as Bidisha Siddiq Wilson, place of birth as Bagherhat and date of birth to be July 1, 1967.

However, in another passport issued on January 7, 2003, the date of birth reads March 6, 1971 and place of birth Dhaka.

The defence lawyers, while moving for her bail, said their client was not involved in the matter. Moreover, the police implicated her as part of a conspiracy to harass her.

The court, however, rejected the bail petition, but it directed the authorities to comply with the High Court order and allow Bidisha's family to meet her.

BIDISHA FEARS FOR LIFE Bidisha fears that she may be killed in police custody. "Ask Dr Kamal to put up my case, otherwise the police may kill me in their custody," Barrister Tanjibul Alam quoted Bidisha as saying.

Bidisha later told journalists yesterday that the IO asked her to disclose names of the journalists who, according to the IO, maintain contact with her. She did not name any, though.

She also alleged that she was not allowed to sleep properly and take medicine.

"I did not embezzle money, neither did I steal mobile set or damage furniture," Bidisha said and added that it is Ershad who is a thief, as he has stolen her son Eric Ershad.

Arms cache found at Iraq embassy

REUTERS, London

A cache of guns, bugging devices and equipment that may have been used for torture has been discovered at Iraq's abandoned embassy in London, the country's newly appointed ambassador said yesterday.

Scotland Yard confirmed "a number of firearms" had been recovered from the embassy in an upmarket area of southwest London but declined to say when.

Dr Salah Al Shaikhly told BBC radio the arms haul, which dates to Saddam Hussein's period in power, included four machine guns, several Uzis and 10 handguns with silencers and had been found in one of the 20-odd safes at the embassy.

"It was amazing, you really despair when you know this kind of arsenal was kept at the Iraqi embassy," Al Shaikhly said.

"There were also other things which looked like electric cattle prods," he added.

Aside from boxes of live and spent ammunition, there were also telescopic cameras and bugging devices.

"I believe they must have been bugging their own people inside the embassy ... Such was the regime, it didn't trust anybody. Everybody was spying on everybody else," the ambassador said.

The Knightsbridge building was abandoned by Iraqi diplomats in early 2003 in the run up to war in Iraq. Although the imposing structure was burgled several times while it was left empty, thieves were unable to break into the safes.

The discovery of the weapons is likely to renew debate in Britain about guns and diplomatic missions. Under international law, an embassy is regarded as sovereign territory.

In 1984, police officer Yvonne Fletcher was killed by shots that came from the Libyan embassy in London during demonstrations against the country's leader Muammar Gaddafi.

The gunman was smuggled out with other embassy staff under diplomatic immunity although Libya accepted responsibility in 1999 for the shooting and agreed to compensate her family.

RMG order to shift

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Dhanmondi office.

Kearney led a four-day mission in Bangladesh since June 5 to see what was needed to be done in the aftermath of the Spectrum Sweater Factory collapse in Savar.

The mission's purpose was to examine the issues relating to the payment of compensation, structural investigations of all multi-storey factories and arrangements for total compliance with the national and international labour standards.

Kearney was accompanied by the Social Compliance Initiative members, including the Cotton Group of Belgium, GAP, Inditex of Spain and Karstadt Quelle of Germany, which together represent a large share of Bangladesh's apparel exports.

Expressing dissatisfaction at the government's inaction to address the problems of working conditions and poor infrastructure, Kearney said 90 percent factories could disappear and buyers may shift their business to other countries if the working environment in factories [in Bangladesh] is not improved.

He told reporters that the April 11 collapse of the nine-storey garment factory is not a unique incident and warned that many other factories may face the same disaster.

"Providing humanitarian assistance during the disaster is not enough. It is the responsibility of the government to find out how many workers were killed and injured and how many needs medical treatment," he said, emphasising the government's role in assisting the workers who lost job in the accident.

Two other members of the delegation were Maren Boehm and Javier Chercohes.

Awami League leader Faruk Khan MP, Syed Abul Hossain and Habibur Rahman Siraj assisted the opposition leader during the hour-long meeting.

Later, Faruk Khan told reporters

that the AL chief requested the delegation to see that garment workers do not suffer due to the government's mismanagement. "We also told the delegation that Awami League will continue political pressure on the government to develop the working condition in the garment sector."

Bodies of 2 PBCP

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local Awami League office.

Tariqul used to live in Nirala residential area under Khulna thana and zakir was a resident of Rupsha strand road of the same thana.

Deputy commissioner (DC) of Khulna Metropolitan Police (KMP) Akbar Ali said Bullet-riddled body of Tariqul was recovered from the bypass road in Khanjahan Ali thana while Zakir's body was recovered from Mujginia area under Khalishpur thana. He was beaten to death, Akbar said.

Zakir was wanted in eight criminal cases including three for murders and three for dacoities. A new motorbike found beside his body was seized, the DC said.

The bodies of both were sent to Khulna Medical College and Hospital morgue for autopsy.

Fathers of both the outlaws told this correspondent that police picked up their sons from roads Tuesday midnight and killed them in the small hours yesterday. "Police have adopted this new tactics instead of crossfire," said Tariqul's father Nazrul Islam.

Senior KMP officials did not admit that the outlaws were arrested. They were killed in factional feuds among them, said one official on condition of anonymity.

Two general diaries were filed with Khanjahan Ali thana and Khalishpur thana.

Mobile to be taxed

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the bulk of the mobile sets is smuggled in, depriving the government of its expected tariff earnings.

At present, there are more than 5 millions cellphone subscribers and the growth rate of the subscribers is about 100 percent. The five mobile companies are aiming to raise the number of mobile phone users to 15 million by the next year.

Taking advantage of the low prices and lucrative offers by the mobile companies, many users are using two SIM cards in one mobile, which is why the government is planning to impose a tax of Tk 1,500 for each SIM.

If parliament approves the government plan, the price of each SIM card may go as high as Tk 2,000 against a paltry Tk 75 to Tk 300 now.

The scope for making black money white is going to be over at the end of this month. The finance minister on different occasions said this provision contradicts the anti-money laundering law as well as the spirit of the constitution of Anti-corruption Commission.

But at the last moment, the government is going to extend the period by another year, arguing that this would encourage investment.

The government is raising the ceiling of zero tax from the existing Tk 100,000 up to Tk 120,000. The decision will be announced in the upcoming budget but the new ceiling is expected to be enforced from the fiscal year 2006-07.

The government's recent pay hike for the public servants, believed to push up the pay scale in the private sector too, as well as the present inflation rate are making the government to re-fix the zero tax ceiling, sources said.

The tax holiday facility is going to be restricted to just 12 sectors,

AL office at Sonatola set on fire

OUR CORRESPONDENT, Bogra

An Awami League (AL) office at Sonatola was vandalised and set on fire on Tuesday night allegedly by BNP and Jubo Dal activists, a few hours after local Jubo Dal leader Ahsan Habib Ratan came under an attack.

Since the incident, many activists of the AL and its front organisations have fled their houses, fearing arrest in a case filed by Ratan against 17 activists of Jubo League and Bangladesh Chhatra League (BCL) for the alleged attack.

Ratan said some BCL and Jubo League workers attacked him in front of a local cinema hall at around 9:00pm Tuesday when he was returning to his house after attending a party programme. He alleged that the attackers stabbed him after the beating.

AKM Ahsanul Taiyab Zakir, president of Sonatola upazila BNP unit, however, denied the involvement of his activists in vandalising and setting fire to the AL office. He rather blamed the BCL and Jubo League workers for the attack on Ratan.

President of Sonatola AL unit Nurul Anwar Badshah, however, termed the attack on Ratan as "fake". He alleged that the Jubo Dal leaders beat up AL worker, Abdul Mumin, while setting fire to the AL office.

Police yesterday arrested Convenor of Sonatola upazila Jubo League Masum Morshed and another leader, Saiful Islam, in connection with the attack on Ratan.

In another incident, the local AL leaders accused 106 local BNP workers for attacking and setting fire to the AL office at Sariakandi in Bogra Saturday night.

Sariakandi upazila AL leaders Shahjahan-ul-Alam, Abul Kalam Azad and Pilu Montaz filed three separate cases with the magistrate court.

The accused include upazila BNP Convenor Rafiqul Islam, Joint Convenor Rabiul Islam Faruq, Tosadek Hossain Bulu and acting president of municipal BNP Abdul Wares.

\$80bn Google takes top media spot

BBC ONLINE

Internet search phenomenon Google has overtaken a swathe of venerable rivals to become the world's biggest media company by stock market value.

After its shares hit an all-time high on the New York markets on Tuesday, Google is now worth \$80bn (£44bn).

This takes it ahead of media leviathan Time Warner, which is valued at \$78bn.

The valuation comes in spite of the fact that Google's annual sales total just \$3.2bn, a fraction of Time Warner's \$42bn.

Some analysts believe Google's shares are now overpriced, a rerun of the heavy valuations seen during the internet boom of the late 1990s.

Others maintain that Google's high stock value reflects its future earning potential and that its shares could go as high as \$325-350.

Google has become the world's most highly-valued media company after only 10 months of trading as a public company.

It now dwarfs more traditional media companies such as Viacom and Walt Disney, which have stock market capitalisations of between \$54bn and \$55bn.

When it first floated in August last year, its shares debuted at \$85.

Google makes most of its money from the sale of advertising that sits alongside its search results.

Ex-chairman

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Injured Atahar was rushed to Bagerhat Sadar Hospital and later shifted to Badsha Mian Memorial Clinic in Khulna in a critical condition. Family sources said he would be taken to Dhaka for better treatment.

Police launched a block raid in Bagerhat town after the bomb attack and picked up 24 people. They recovered a pair of sandals from the spot.

"We are yet to find out the motive behind the attack," said Mostafa Kamal, superintendent of police at Bagerhat.

Hasina

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"We are yet to find out the motive behind the attack," said Mostafa Kamal, superintendent of police at Bagerhat.

Sumon's mother Amela Khatun, father Abul Hakim, AL leaders Saber Hossain Chowdhury, Haji Mohammad Selim and Jubo League Chairman Jahangir Kabir Nanok were present, among others, during the meeting with Hasina.

Iran wants to import

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the two governments. "The two countries could exchange their respective opportunities to building better understanding on trade and economy," he pointed out.

Commerce Minister Altaf Hossain Chowdhury informed journalists that an agreement is going to be signed today with Iran to give a boost to the bilateral trade relations.

"The agreement will allow us to get access of our products also to some other countries like Uzbekistan and Kazakhstan," he added.

Apart from this, Bangladesh will strongly move for getting duty-free access of some products to Iran, he said. "We will request Iran to at least offer reduced duty on some Bangladeshi goods."

On a persisting trade deficit of \$ 50 million Bangladesh suffers with Iran, he said Bangladesh plans to hold a single country trade fair this year in Iran to attract Iranian investors to invest here as well as to promote local products.

MEETS PM

In the afternoon, the visiting Iranian minister paid a courtesy call on Prime Minister Khaleda Zia at her office.

During the talks, the prime minister appreciated Iran's role in development and stressed the need for expanding cultural, commercial, trade and other bilateral relations with Iran to strengthen the ties between the two countries.

"There is ample scope for expanding trade and commerce with Iran and the ongoing exchange of visits at various levels are keeping significant contribution in cementing the relationship," she said.

Mentioning the quality of Bangladeshi products like jute, jute goods, leather, leather goods, ceramics and pharmaceuticals, the prime minister said there is great possibility of exporting these items to Iran.

Shariatmadari emphasised strengthening the joint economic commission, which in return will help expand trade and commerce between the two counties. He also suggested formation of a joint economic council and joint chamber in this regard.

Unquiet time for Saifur

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During the July-April period of FY05, NBR revenue showed a moderate growth of 13.5 percent, achieving 71.34 percent of the annual target, whereas the matching figure was 72.91 percent in the previous fiscal year. This shows that it is unlikely that the NBR revenue target would be met at the end of the year.

Non-NBR revenue collection is also not very encouraging with a marginal growth. Though the realised figure for July-February is 4.69 percent higher than its benchmark figure of FY04, it is much lower than the comparable growth performance of FY04 (20.71 percent).

Low domestic resource mobilisation following the floods of 2004 is also leading the economy to an increased budget deficit in FY05. The share of bank borrowing in total deficit financing has increased from 5.3 percent during the first eight months of FY04 to 15.4 percent during the same period of FY05. On the other hand, the share of non-bank borrowing has reduced from 77.8 percent in FY04 to 35.2 percent in FY05, as savings instruments became unattractive.

Inflation has become a major concern as it peaked on a point-to-point basis from 5.65 percent from the start of the fiscal year to 6.72 percent in March, which makes monetary management even trickier.

The central bank has been grappling with the inflation-associated pressures, often rubbed with power play, such as interest rate management and exchange rate.

Export earnings for the July-March period have been showing a encouraging 12.5 percent growth, but that offers little comfort, as the real test for the readymade garments, fetching around 80 percent of the export earnings, will face a real challenge this year. This is even more pertinent as RMG export for the first time in a decade failed to achieve a double-digit growth rate and ended with a 9.5 percent increase.

But the increments in exports were dwarfed by a faster increase in imports, which is 25.1 percent higher than the matching period (July-February) of the previous fiscal year. The major contribution of this growth came from petroleum product payments other than capital goods, textiles, food and fertilizer. Now it is feared that if this trend continues, it would build up an alarming pressure on the balance of payment situation in the next fiscal year.

And Saifur has to think of the famous cycle of BOP tension translating into fiscal tension. With increased investment leading to pick-up in imports, it will put foreign exchange under pressure and the BoP will be strained. If Saifur wants to ease up the situation with foreign loan, this will lead to increased debt service liability with the ultimate pressure on the fiscal situation. But what else can he do unless new tax reforms bring in more money?

If all these economic pressures are something Saifur can sustain, the political pressures will be too pesky to tackle, and as the domino effect goes, this can squish the economic front.

Saifur has to play politician this time in allocating funds and committing to reforms. Already demands

Iranian Ambassador to Bangladesh Mohammad Beheshti Monfared was also present during the meeting.

Case filed

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of Prof AKM Saidul Islam, head of the Orthopaedic Department of Rangpur Medical College and Hospital.

Prof Saidul, 50, and his driver Nazrul Islam, 35, died instantly when a bus collided with their private car on the Dhaka-Mymensingh highway on Tuesday.

Soon after the accident, students and doctors of Mymensingh Medical College and Hospital (MMCH) and Community Based Medical College (CBMC) put up barricades on the highway, damaged about 20 vehicles and clashed with police and transport workers.

Police charged baton, fired rubber bullets and tear gas shells to bring the situation under control, leaving 40 people, including ten students, wounded.

Body formed

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current per-kilometre fares of Tk 0.62 for 52-seat buses and Tk 0.75 for minibuses.

The meeting sources said the ministry will order the metropolitan traffic police department to take action if it receives any complaints that any operator is taking increased fare.