

Rice to arrive soon to see Dhaka's progress

UNB, Dhaka

US Secretary of State Condoleezza Rice will visit Bangladesh to have a firsthand view of the progress achieved in different fields, said the outgoing Ambassador Harry K Thomas.

The US envoy expressed the hope when he made a farewell call on Prime Minister Khaleda Zia at her office yesterday.

Thomas, who is going back to his

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Outlaw killed in 'crossfire', trader shot dead

OUR CORRESPONDENT, Kushtia

A cadre of underground Gono Mukti Fouz (GMF) was killed in 'crossfire' between police and his accomplices and unidentified assailants gunned down a businessman in the early hours yesterday.

Detective Branch (DB) of police arrested the GMF cadre, Sahinur Rahman alias Sahin, 35, of Jagannathpur village in sadar upazila, from the town on Wednesday.

Police took him to his village to seize firearms at around 3:30am where GMF cadres opened fire on

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Mosharraf's murky deal for Niko

He illegally made Petrobangla pay \$4m

SHARIER KHAN and JULFIKAR ALI MANIK

Ousted state minister for energy AKM Mosharraf Hossain had illegally forced Petrobangla pay Niko Resources \$4 million in two instalments earlier this year for purchasing gas from the Feni gas field without fixing any price or any purchase

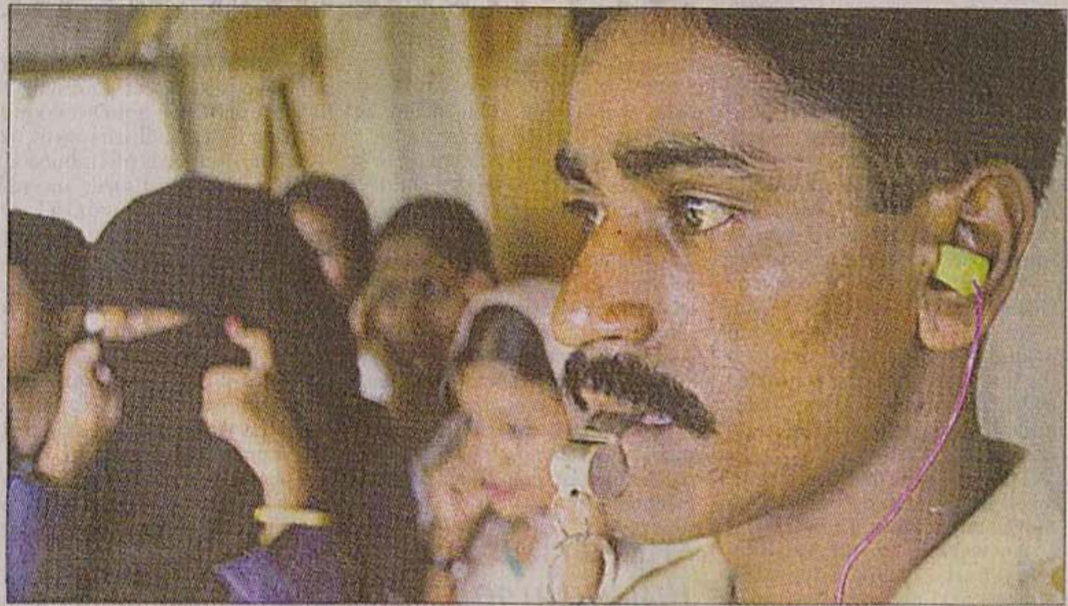
agreement. In addition, the state minister—who was forced to quit for receiving a car worth Tk 1 crore from Niko—was pushing Petrobangla to agree to pay Niko \$2.35 for per thousand cubic feet of gas (or an unit).

Petrobangla had been saying Niko's gas should not cost more than \$1.4 per unit. But under pres-

sure from the minister who was more eager to help the foreign oil company than his own domain, Petrobangla pushed its own offer up to \$1.75 per unit.

Mosharraf and Niko's pressure led the energy ministry to moderate a price for the Feni gas. The ministry

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A security guard and visitors watch the fire at Tengratila gas field yesterday covering their eardrums from the intense sound of the roaring flames.

Niko to drill 2nd relief well

Presents plan to govt

SHARIER KHAN

Canadian company Niko Resources yesterday presented a plan to the government saying it will start remedial operation on July 25 to drill a fresh relief well at Tengratila gas field to seal the main well damaged in the January 8 explosion and consequent fire.

Niko has reached an understanding with US company Century which has rented out a rig to Unocal

at Moulavibazar gas field. Century will mobilise the costly rig to Tengratila late this month, Niko officials told officials of the energy ministry and Petrobangla at a meeting.

As per its draft plan, Niko will drill the second relief well from a new location and plug the main oil, meeting sources said.

Niko was drilling a relief well that caught fire due to a blowout on June

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Sheer indifference to Tengratila miseries

Locals face acute drinking water crisis, protest further drilling

IQBAL SIDDIQUEE, Sylhet

Tengratila gas field blaze entered its seventh day yesterday with no signs of taming while sufferings of local people multiplied due to an acute crisis of drinking water caused by arsenic contamination.

Niko officials had earlier detected the contamination of tubewell water and asked the locals

not to use it. They marked 77 tubewells in the areas around the gas field for arsenic-contaminated water about a month ago when they were preparing to start drilling of the relief well that suffered the June 24 explosion and consequent fire.

The Canadian company or the local authorities are yet to take any

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JS passes budget

STAFF CORRESPONDENT

Parliament yesterday passed the national budget for fiscal year 2005-06 amid continued boycott by the main opposition Awami League which termed the budget "anti-people."

Jatiya Party (Ershad) and a few other small opposition parties were present in the House during the passage of the budget which was placed in parliament on June 9.

The FY06 budget outlines a gross expenditure, including revenue and development spending, of Tk 81,428 crore and a net expenditure of Tk 64,383 crore.

This budget happens to be the last budget that the BNP-led four-party alliance government will have

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Hartal ends peacefully

STAFF CORRESPONDENT

A dawn to dusk countrywide hartal enforced by the main opposition Awami League (AL) yesterday passed off almost peacefully in the capital and elsewhere in the country.

In Dhaka, a good number of passenger buses, private cars, and CNG three-wheelers plied the streets during the 12-hour stoppage, but educational institutions, shopping malls, and many private and government offices remained closed. Branches of commercial banks operated, keeping the back doors open.

AL enforced the shutdown from 6:00am to 6:00pm protesting the

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UK gives 50m pounds for power supply

UNB, Dhaka

British Department for International Development (DFID) gives 50 million pounds sterling (Tk 575 crore) to Bangladesh to connect 1.35 million households and businesses to electricity supply in under-served areas of the country.

UK International Development Minister Gareth Thomas announced the substantial assistance yesterday, which will be received over the next five years.

The overall programme cost is

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Banks get bad image for acute dollar crisis

INAM AHMED

A severe foreign currency crisis has gripped the banks, jeopardising their international payment obligations.

The situation has become so biting that some of the small private commercial banks (PCBs) have not been able to settle their letters of credit (LCs) payments for the last couple of months, putting Bangladesh in a spot, according to bankers.

An abnormal rise in imports from September of the just concluded fiscal year has led to the crisis despite a downpour of assistance -- about \$300 million -- from the World Bank and the International Monetary Fund (IMF).

Imports rose by 26 percent last fiscal year against the previous year's only 12 percent.

"The central bank has to intervene to ease the situation soon,"

said the chief executive of a foreign bank. "Many of the local banks have been failing in their payment obligations to foreign suppliers. This will give Bangladesh a bad image if things are left to continue."

A top Bangladesh Bank official yesterday told The Daily Star on condition of anonymity that a high import growth is responsible for the current situation.

"Import growth is still very high at 20 percent and every month letters of credit valued at \$1 billion are being opened. This is way too heated a situation," he said. "But we cannot sustain this trend anymore. We have to rein in the wild horse and the banks have to consider their funds situation before opening any new LC."

Khondokar Ibrahim Khaled, managing director of Pubali Bank, said the crisis is giving a bad signal abroad. "This is an outcome of bad fund management of the smaller

banks," he said. "They had opened LCs without thinking of their funds position."

But many bankers have held the Bangladesh Bank partly responsible for the crisis.

"They have been barring us from properly quoting rates for dollar," said managing director of a big private bank. "If we quote above Tk 64 for a dollar, the central bank calls us and asks us to lower rate. Had the market force been allowed to play, dollar would have been much costlier, crowding out importers of luxury items."

As the crisis lingers, the central bank has also been clench fist in releasing dollars to banks, a claim contested by a top central bank official.

"The Bangladesh Bank has mainly been giving dollars to the nationalised commercial banks for petroleum payments," said the CEO

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Bangla Bhai men back in business

STAFF CORRESPONDENT, Rajshahi

Armed cadres of outlawed Jangra Muslim Janata Bangladesh (JMB) have started coming back and operating underground activities in Bagmara upazila and they may soon start hitting their "enemies" while police are reluctant to admit their presence.

Most JMB activists who went into hiding following arrest of their leaders in January started returning after release of these leaders on bail, threatening security of the area, a cross section of Bagmara residents apprehended.

Under Bangla Bhai's close associate Mustafizur Rahman Mustaque, who was recently released from jail on bail, the armed JMB cadres have reorganised and started marching into the villages.

Introducing themselves as Rapid Action Battalion (Rab) sources, they even searched several houses in Cheukhali, Shikdari, Hamirkutsa, Jhikra, Jugipara and Goalkandi areas at night.

The Bagmara police, however, claimed that the media reports were

baseless and brushed aside the possibility of the JMB return saying both the outlawed PBCP and JMB are cornered by prevalent police vigilance.

Following a report in The Daily Star on June 28, the local police visited the villages only to report to the headquarters yesterday that "no JMB activities were found in investigation".

Meanwhile, Superintendent of Police (SP) in Rajshahi Abdullah Al Mahmud went to Bagmara Police Station after the report and rebuked the policemen for their negligence in arresting the Bangla Bhai cadres.

"You will face action, if any further negligence is found," local journalists present at the police station quoted the SP as saying to the police officials in line with serving a notice for immediate arrest of the wanted JMB cadres.

However, Mustaque or none of his group has been arrested so far.

Admitting the presence of Bangla Bhai men in Bagmara, a senior law enforcement official said, "The JMB has deep-rooted networks. Those

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KIBRIA KILLING Dhaka urges all in US not to pre-judge investigation outcome

UNB, Dhaka

Bangladesh has assured all concerned in the United States that the government is fully committed to upholding the due process of law in investigation into all political killings, including that of former finance minister Shah AMS Kibria.

"The government of Bangladesh has made significant progress in investigating the bomb attack of January 2005 that killed Kibria," a press statement from the Bangladesh embassy in Washington said, adding, "Eight people have been arrested as suspects of the case."

The statement, issued on Tuesday after a letter sent by some US Senators and Congressmen to Secretary of State Condoleezza Rice on the issue, said the foreign agencies, including FBI, are working with the law enforcement agencies of the government to ensure efficient, transparent and comprehensive

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Tk 6.70 per minute

Tk 2.70 per minute

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