

New banks

FROM PAGE 16 Bank (amended) Act, 2003 came into effect, section 9(1) of Bangladesh Bank Order, 1972 became null and void and BB the sole authority to give permission to open new banks. Section 9 (1) used to empower the government to make recommendations in the public interest.

A BB board member however pointed out that though the central bank is supposed to have the oversight in this regard, it cannot always exercise its authority. As BB is not an autonomous body, it has to carry out decision imposed from the highest level of the government, he said.

NEW GUIDELINES

Last month the BB board approved fresh guidelines on establishing new banks. The guidelines were adopted under the Central Bank Strengthening Project (CBSP). They include all the former rules while some new rules have been incorporated.

According to the guidelines, a bank draft of Tk 8 lakh as a non-refundable application-processing fee will have to be attached with an application. Besides, the application must be submitted along with feasibility report for the proposed bank company, detailed minutes of the company shareholders' meeting, deed of the entrepreneur shareholders regarding establishing bank company, board resolution regarding organisational entrepreneurs' shareholding and other related documents.

Another rule requires that sponsors' contributions to the equity capital of the proposed bank will have to be out of net worth declared to the tax authorities, and contribution out of borrowing shall not be acceptable.

The rules say that establishing a new bank will require a capital of Tk 100 crore.

Again, the minimum shareholding stake of each sponsor shall be Tk 25 lakh and the maximum 10 percent of the proposed bank's total share capital. This ceiling of 10 percent applies to an individual, company or family member, either personally, jointly or both. 'Family' is defined herewith to include spouse, father, mother, son, daughter, sister of the individual or anyone dependent on that individual.

Sponsors and directors will have to submit a biographical report containing detailed information about their parents, spouse, children, brother, sister and dependants.

NEW BANKS OR MERGERS

At present, there are about 49 commercial banks in the country, and 30 of them are private. Some of those private banks are widely tagged as

'problem banks'; many of which were established in the 80s. Besides, some of the banks set up in the 90s too show the propensity for becoming bad banks.

The idea behind giving permission to establish new banks was to create a healthy competition among the banks and therefore, provide the people with good and cheap banking services. But in reality, an unhealthy competition has started among the banks, increasing the interest rates and indulging in different kinds of irregularities.

The government in the face of pressure from the donors has taken up reform initiatives for the banking sector. The measures have already yielded some good results at least in the private sector. However, the reform programmes are only halfway through and need to be carried out fully.

Many economists and bankers believe permission should not be given for setting up any more new banks. ABB board meeting last month discussed the issue and concluded that given the country's present economic state, there is no necessity for new banks. They were instead of the opinion that two or three sickly banks should be merged into one.

The central bank also discussed the necessity for creating the legal basis of such merger or acquisition.

BLACK MONEY IN NEW BANKS

According to the guidelines for setting up new banks, opportunity to invest black money has been sealed. However, this year's budget has the provision for paying just 7.5 percent tax on black money. Banking sources say many may take this opportunity and invest black money in new banks and may be that is why the finance minister has not attached any strings to the provision for whitening black money.

WHY SO MUCH INTEREST

Huge profit and less risk are the main motivations for many to be lobbying the government for permission to set up new banks.

Khondkar Ibrahim Khaled, managing director of Pubali Bank, said, "Investment in banking is a good one as the profit is ensured. Besides, banks are hardly at risk for decline in law and order or problems of that sort, as are many other businesses."

All the banks are making profit. In the last six months, private banks have made a profit of around Tk 1,000 crore. Moreover, directors of the banks enjoy a wide range of business privileges. Bankers believe these are the reasons for many to be interested to invest in the banking sector.

Blair's anti-terror plans

FROM PAGE 1 changed," he told the BBC. "I think everybody including the Muslim community agrees that we need to take robust strong identifiable steps, well-targeted in their enforcement, that provide the protection that the public are entitled to expect."

London's police chief Ian Blair has added his backing to the powers but Britain's newspapers were divided.

Some argued the prime minister's plans were vital and long overdue but others said they were misguided. "For years, his government turned a blind eye while Britain became a haven for suspects wanted in their own countries for murder and terrorism. No wonder our country is dubbed 'Londonistan'," the right-wing Daily Mail commented.

The left-leaning Guardian newspaper countered: "The foremost objection is that these measures would have done nothing to stop the first and most deadly wave of suicide bombing. The first and best test of any legislation remains: will it work?"

The Islamic Forum Europe warned that the measures could jeopardise national unity in Britain.

"If these proposed measures are allowed to see the light of day, they will increase tensions and alienate communities. The measures are counter-productive and will encourage more radicalisation," group president Musleh Faradhi said. "Many Muslims will perceive our prime minister as playing into the hands of the terrorists."

He criticised the government's plans to ban Hizb ut-Tahrir the radical Islamic group that calls for the formation of an Islamic caliphate and is banned in several central Asian countries. Supporters insist it is a non-violent group persecuted by corrupt governments.

"Proscribing it will be counterproductive," Faradhi said. "It will give a green light to despotic leaders in the Muslim world to silence political dissenters."

The London-based human rights group Liberty strongly criticised the measures.

"The fundamental values of a democracy cannot be changed because we are provoked by terrorists," said Liberty's director Shami Chakrabarti.

"Liberty is very disappointed by the prime minister's remarks. We want a unifying leader, not one who sows the seeds of discord," she said.

"We are deeply concerned that the criminal offence of condoning, glorifying, or justifying terrorism is broad enough to catch moderate as well as ranting politicians and religious spokespeople."

Talks with Algeria, Lebanon and several other countries to allow Britain to deport their nationals without fear of torture, also triggered concern.

"We are alarmed by his intention to return individuals to countries where they may face torture," said Chakrabarti.

"Torturing, or sending people to face torture, can never be justified."

Similarly, a plan to outlaw the radical Islamic group Hizb ut-Tahrir in Britain was slammed as "most unjust" by a spokesman for the organisation.

"By doing this, he (Blair) is setting an example to the tyrant rulers of the Muslim world, encouraging them to further suppress their populations," said Imran Waheed.

"Hizb ut-Tahrir is a non-violent political party."

"It has had a history of non-violence for the last 50 years and these mea-

sures are like what we have seen in Uzbekistan where President (Islam) Karimov has been burning his political opponents alive," he said.

Waheed appeared to be referring to a military crackdown that claimed several hundred lives in eastern Uzbekistan in May, which the Uzbek government said was a response to a plot by Hizb ut-Tahrir to seize power in the country.

"Our members are all for political expression, not for violence," said the spokesman.

Hizb ut-Tahrir, or the Party of Islamic Liberation, is a Sunni movement founded in the Middle East in the 1950s.

It established itself in the former Soviet republics of Central Asia 10 years ago and reportedly wants to create an Islamic state in the region.

Russia's Supreme Court classified the group as a "terrorist" organisation in February 2003. It is, however, legal in most Western countries, though Germany has imposed a ban due to the group's anti-Semitism.

In contrast to the negative comments sparked by Blair's tough measures, two mainstream British Muslim groups largely welcomed them, noting that rules to counter the threat of foreign extremists were long overdue.

"We are frustrated to the bone with some of these people in the name of our great religion, in the name of our way of life, going day after day and causing damage to our way of life here," Omar Farooq of the Islamic Society of Britain told BBC Radio.

Similarly, Inayat Bunglawala of the Muslim Council of Britain gave a thumbs up to many of Blair's proposals.

"Some of the measures are quite sensible and are perhaps overdue," he said, while also noting that the council would seek assurances from the government that expressions of support for Muslims overseas, such as the Palestinians or the Chechens, would not be outlawed.

At the same time, both Bunglawala and Farooq warned against banning Hizb ut-Tahrir. Farooq said the group had been growing weaker and its new-found notoriety may boost its appeal.

For its part a spokesman for the Law Society, which regulates and represents lawyers in Britain, said it was important to strike a balance between tough laws and human rights.

"We will study the detail of the proposals with care," he said.

Charles Falconer, the lord chancellor, said the deadly July 7 attacks in London showed the government must act against people "who are encouraging young men who are becoming suicide bombers."

"I think there is a very widespread sense in the country subsequent to July 7th that things have changed. A new balance needs to be struck. It needs to be a lawful balance but it needs to be an effective balance," he told British Broadcasting Corp. radio. Blair's government has been trying to build support among political opponents and Muslim leaders for new anti-terrorism legislation since the suspected suicide bombings that killed 56 people, including four attackers.

(Reuters, AFP, AP, BBC Online)

300 Khasias

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Khasias are now living amid utter insecurity at the neighbouring punjees and hilly jungles, local leaders of Kulaora said, adding that the betel leaf gardens were the only source of income of the Khasias at Notun Choilta and would cost at least Tk 50 lakh.

The forest department also destroyed on July 27 betel leaf gardens at Noonchhara punjee and Puran Choilta punjee in the same union, local leaders of Kulaora told The Daily Star.

The Khasias in the Balaima, Puran Choilta, Amuli, Noun Chhara, Putichhara and Jhimai punjees now fear further eviction, amid rumour of the forest department's plan to implement a social forestry project in the area while some Bangla-speaking people threatened them of eviction.

The Khasia male members have been guarding their remaining betel gardens at Notun Choilta at night since the eviction.

The Khasia leaders are planning to lodge a suit in this regard, sources said, adding that the Khasias are now prepared with their indigenous arms to resist further possible eviction by the forest department.

Owel Khasia, leader of the Notun Choilta, told The Daily Star that they have been living on the Khas land of district administration for years and so the forest department has no right to evict the indigenous people.

Local Khasia leaders also said they had taken lease of the land and have been paying taxes to the government.

Meanwhile, a Khasia leader from Notun Choilta punjee alleged that the forest department had pledged to the Banglees in the area give a portion of land in the punjees if the eviction drive is successful.

The forest department, however, refuted the allegations that they conducted the eviction drive in cooperation with the Banglees and said the Khasias had been living and cultivating betel leaf on the forest department's land.

But an official in the office of Assistant Commissioner (Land) at Kulaora requesting anonymity said the land is under the district administration though Md Yunusur Rahman, Deputy Commissioner (DC) of Moulvibazar said he is not sure if the land belongs to the forest department or the district administration.

About allegations of the forest department's plan to implement a social forestry project, the DC said, "This is a reserve forest, and so there should not be anything like that."

Meanwhile, Officer-in-Charge of Kulaora Helaluddin said he had received no order to evict the Khasias, while Mihir Kanti Mojumder, joint secretary of the Department of Forest said they have not instructed any eviction of Notun Choilta punjee.

EC still in dilemma

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meeting, the EC secretariat officials were directed to assemble a dossier containing the existing electoral laws and precedents regarding the voter list.

The meeting also discussed whether it was feasible to introduce an annual revision system of the voter list. The commission will sit again today to decide on the roll.

CEC MA Aziz, who has recently backtracked on his earlier legal stance on the roll, yesterday hinted that a fresh list might be prepared. "There is no legal barriers in having a fresh voter list," Aziz told reporters after the meeting. "We will follow the precedents to prepare the list," he added.

The CEC and the other two commissioners—AK Mohammad Ali and M Munsef Ali—had repeatedly said that the electoral ordinance would have to be amended to prepare a fresh list. But the EC documents show that the commission had made fresh voter lists in 1983, 1990, 1995 and 2000 without having to amend the Electoral Rolls Ordinance 1982.

The two other election commissioners want more examination of electoral laws before taking any decision in this regard. "It will take some time to make the decision as we've only started examining the electoral laws," Election Commissioner M Munsef Ali said yesterday.

The EC at the first meeting on the voter list on July 20 failed to come to a conclusion because of the commissioners' varying legal interpretations about preparing the roll. The internal conflict of opinions prompted the commission to arrange a three-day-long dialogue with the political parties to seek their opinions on the issue.

The much-talked about dialogue had ended up in a farce amid boycott of the mainstream political parties including Awami League (AL). Of the 53 political parties who took part in the EC-initiated talks, 40 including the ruling parties had favoured a fresh roll.

The two election commissioners at yesterday's meeting argued that legal details should be looked into before taking any decision regarding preparation of the roll. Besides, they discussed the merits and demerits of having a fresh roll and revising the existing one, meeting sources said.

"We have discussed the legal matters on preparing the voter list. We will decide on the issue at the next meeting, examining the laws," Election Commissioner AK Mohammad Ali told reporters after the meeting.

Natwar rules out talks

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participation, he said, "Yes, of course. Without participation of Bangladesh how can it take off?"

Talking to reporters, Saifur also said Bangladesh has agreed in principle to participate in the tri-nation pipeline, but added that there are more issues related to it. The ministries of energy and foreign affairs will carry forward the next course of discussion, he said.

"Forming technical committees alone cannot take us anywhere. To resolve issues including trade barriers and disputed corridors, I believe decisions must be taken at the political level of both the countries first," Saifur said.

He added that such political decisions will then have to be conveyed to the technical committees for execution. "Inter-state problems can never be resolved without such a mechanism," the finance minister observed.

Saifur said Singh had informed him about import ban on some goods (yarn) through land port. "I told them we shall lift those barriers tomorrow, if you create suitable infrastructure at the port point to carry the goods," he noted.

"There are trade barriers in both countries," the finance minister pointed out. "We want healthy trade between India and Bangladesh. At the same time we don't want to see our exports facing barriers in India."

Citing an example, Saifur said Bangladeshi export goods are subjected to state intervention in West Bengal. "The Assamese businessmen do not open letters of credit for import of Bangladesh goods because they need permission of the central government."

"Again, we are asking India for a few kilometres of road access to Nepal – but it won't give us the access," the finance minister noted.

"There are problems on both the sides. But international relationships should be based on mutual trust and bilateral interest. I have told them you are a big country – why are you afraid of us? Why don't you open up more? The bigger power should always come up first in any initiative," Saifur told reporters.

TRI-NATION PIPELINE

During two rounds of meetings in January and February on the trans-national gas pipeline involving Myanmar, India and Bangladesh—one at ministerial level and another at technical level—India had agreed

on three proposals of Bangladesh.

These proposals asked for a bilateral agreement between India and Bangladesh as part of the tri-nation pipeline deal. Bangladeshi proposals also sought a corridor access through India to purchase power and other commodities from Nepal or Bhutan and measures to reduce trade gap with India.

New Delhi had asked Dhaka to place detailed proposals on these issues in a scheduled meeting in April. But the meeting did not take place before June and Bangladesh did not prepare any detailed proposal. And India suddenly changed its stance in early April.

According to reports from New Delhi by our correspondent, the Indian external affairs ministry objected to the Indian energy ministry's initial nod to Bangladesh's proposals. The external affairs ministry argued that a bilateral agreement between India and Bangladesh cannot be part of a tri-national agreement.

India then signalled its disapproval of the bilateral agreement by inviting Bangladesh only one day before the next round of tri-nation gas pipeline talks in early June.

At the same time, the Indian media reported that India wants to go ahead with the pipeline project bypassing Bangladesh. As the invitation did not seek Bangladesh's participation clearly, Dhaka refrained from attending it.

However, the meeting between the ministers of Myanmar and India in June did not produce any encouraging results.

According to Dhaka's energy experts, the option to bypass Bangladesh in the pipeline project is not only costly but also risky. India will either have to lay the pipeline in the Bay of Bengal to bypass Bangladesh or have to install an extra 1000 km pipeline in its eastern states around Bangladesh to get the job done.

While the Bay pipeline concept is based on a risk factor due to the nature of the sea, the 1000 km extra pipeline in eastern India will not only increase the cost of gas transmission, but will always be a target for separatists of Assam, Nagaland and other eastern provinces.

Foundation stone

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meeting held at the communications ministry yesterday with Minister for Communications Nazmul Huda in the chair.

The meeting reviewed the progress of preparation regarding the construction of the bridge over the Padma at Maowa-Jajira point.

The Jamuna Multi-purpose Bridge Authority (JMBA) would construct the six-kilometre-long bridge at a cost of over Tk 7,500 crore.

Major donor agencies like the Japan Bank of International Cooperation (JBIC), the World Bank, and the Asian Development Bank (ADB) have responded positively to finance the project, the meeting was told.

Huda asked the officials concerned to complete land acquisition, resettlement and environmental management plan at the project site by this year.

The government wants to start the physical construction of the bridge from the first quarter of the next year, he said.

Yesterday's meeting also reviewed the activities of the JMBA and said Tk 684 crore has so far been collected as toll from the Jamuna Bridge.

No charge sheet

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last year. However, the investigation officer of the case, Senior ASP of CID Munshi Atiqur Rahman claimed yesterday that the main task is almost complete. The charge sheet will be submitted soon, he added, without disclosing the findings of the probe.

The attack took place when the AL leaders were about to leave the meeting venue, Hotel Gulshan Centre, in the city. City AL leader Mohammad Ibrahim was killed in the attack while the mayor had left the place just minutes ahead.

The same night police arrested SM Nunu Miah, an expatriate, in connection with the attack. The law enforcers tortured him for confessional statement, it was alleged. The joint interrogation cell (JIC) also quizzed him repeatedly in Dhaka.

However, Nunu Miah, a British citizen, was released two months later. The police arrested as many as 50 people as suspects. After two months of the attack, CID interrogated the injured and other AL leaders, which raised questions.

In December, the CID ASP talked to the city mayor and others. Besides, he managed a confessional statement from a guard named Belal from a neighbouring house.

However, a source alleged that CID forcibly took the statement from the guard Belal, who had stated that AL leader Ibrahim had himself thrown the grenade. The CID may submit the final charge sheet showing Ibrahim as the main accused, the source said.

Oral saline

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was fined Tk10,000 for producing and selling biscuits and cakes with out expiry date while restaurants Changpai and Banshori were fined Tk 3,000 and Tk 1,000 for unclean environment.

The court also raided the offices of Rupsha Company and Anchor Trading and fined them Tk1 lakh each for marketing products without the permission of the Bangladesh Standards and Testing Institution (BSTI).

The court found King Brand soybean oil marketed by Rupsha Company and Nova mustard oil and Kishan atta marketed by Anchor Trading without the BSTI certification labels.

As the companies failed to pay the fines, the court sent the manager of Rupsha Company and the chief executive officer of Anchor Trading to jail with one year's rigorous imprisonment.

The same court also apprehended 50 kilograms of jatka (immature Hilsha) fish from two traders in the same market. The court collected Tk1,000 as fine from them.

Meanwhile, the mobile court of Magistrate Jahangir Alam seized huge quantity of polythene-bags from eight shops in the Ray Saheb Bazar. The court collected Tk12 thousand as fine.

However, the mobile court formed by the Dhaka City Corporation (DCC) still could not conduct its operation yesterday as it did not get police force.

"We have applied to the police commissioner for police force. But we are yet to get a reply," said Md Golam Sarwar, the public analyst of the DCC.

Ministry fails

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University, Pundra University of Science and Technology, Southern University and Comilla University.

However, the ministry mysteriously dropped the name of Southern University and sent show cause notices to the others. Earlier, BGC Trust University Bangladesh, which was recommended for closure, was exempted.

BNP rebel

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Sirajul Islam, who was elected a parliament member on the Awami League (AL) ticket, joined the BNP on June 4.

The main opposition AL decided not to participate in the election.

Bidisha

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should not be granted regular bail.

The bail for Bidisha will remain effective till disposal of the rule. With this, Ershad's estranged wife got bail in all five cases filed against her by Ershad, his staff and the government.

The former military ruler's personal staff Golam Reza filed the case with the Court of Chief Metropolitan Magistrate, Dhaka.

Bidisha appeared before the court in person yesterday morning while her counsels moved her petition for the interim bail before an HC bench.

"Ershad is filing cases against me one after another to harass me. This time he got the case filed by one of his assistants—it is very sad," she told reporters while coming out of the court.

Golam Reza filed the case against Bidisha as a cheque of Tk2.13 crore against the First Security Bank of Dikhhusha branch given by her was dishonoured. The court issued a warrant of arrest against Bidisha.

In the complaint, Reza alleged that Bidisha had borrowed the amount over the years 2002, 2003 and 2004 in cash and pay orders from the complainant when he was the managing director of a cold storage owned by Ershad.

Bidisha gave Reza the cheque (No. FSB-0178717) on March 21 this year but it was bounced back as her account (No. 22012440) in the bank had insufficient fund, he alleged.

In July, Bidisha filed a civil case praying for a court order so her ex-husband Ershad or his staff Golam Reza could not use the cheques she has given against her. The court issued a "show cause" notice to the respondents regarding the prayer.

Dr Kamal Hossain, Advocate Zahurul Islam, Barrister Sarah Hossain and Barrister Tanjib-ul Alam argued for the petitioner while Deputy Attorney General ABM Waliur Rahman opposed the bail.

Medical tests

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At least 20 diagnostic centres in the city have implemented the new tariff on laboratory tests.

Patients have complained the rates for diagnostic tests have been hiked without any public notification. An association leader speaking anonymously said price hike of dollar and reagents in the international market has forced them to set new tariff for most of the tests.

The new tariff will not be applied to all categories of the tests as charges for the most of the imaging and manual examination tests remain the same.

But cost of most of the biochemical, hormone, culture, blood and serum tests would be higher, the leader added.

Let's forget past

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as a defense structure within 150 yards of the zero line while India said the fencing is not a defense structure.

On the signing of extradition treaty earlier proposed by India, Shyam Sharan said, "We hope this will be considered and signed soon."

About reducing huge trade imbalance of US \$1.5 billion, Bangladesh side stressed the need of removal of non-tariff and para-tariff barriers.

The Indian side said the issue would be taken up at the upcoming commerce minister-level meeting of the two countries.

However, Shyam Saran said India decided to recognise the standardization certificate issued by Bangladesh about its exportable items.

A bilateral Free Trade Agreement could help resolve the problem by increasing the volume of trade, he added.

Bangladesh side stressed the need for development of land ports in Indian sides including at Banglabandha, Phulbari and Petrapole to facilitate the border trade that the Indian side agreed.

Welcoming more investment from India, Dhaka said negotiations on US \$2.5 billion Tata investment is progressing well and a definite outcome will emerge soon.

Bangladesh expressed concern over India's inter-river linking project and said it would badly affect the country's ecology and agriculture.

The Indian side said the project is still at a conceptual stage and they would not do anything without any consultation with Bangladesh.

India agreed to exchange information and data about flood and weather forecasting with Bangladesh thrice a day through e-mail.

The two sides discussed cross-border terrorism and extradition of criminals during yesterday's talks.

Foreign Secretary Hemayetuddin said Bangladesh is concerned over Bangladeshi hardened criminals' taking shelter in India as well as anti-Bangladesh campaign by certain groups in India.

The Indian foreign minister assured that they would take up the matter with authorities concerned.

Bangladesh reiterated