

BB moves to shrink

FROM PAGE 1

"The move will not help much in reducing inflation, as the current inflationary trend is essentially a cost-push one, largely underwritten by high global prices of fuel as well as food, fertiliser and steel," observed Centre for Policy Dialogue (CPD) Executive Director Dr Debapriya Bhattacharya.

In November 2003, the BB cut the SLR ceiling by 4 percentage points to 16 percent to facilitate banks reduce interest rates. And in February 2005, in line with its tight monetary policy, the central bank increased the CRR by 0.50 percentage points from 4 percent.

The move has been taken to rein in the inflation, said a BB official adding that another objective was to ease the pressure on foreign exchange reserve by reducing import.

Inflation has been on the rise throughout last fiscal year (FY), reaching a 7.35-percent rate in June 2005 from 5.64 percent in June 2004.

The BB step, following its current contractionary fiscal policy, is aimed at shrinking the banks' investment funds by reducing the money supply. The supply increased by 16.79 percent in FY05 and by 13.84 percent in FY04. Side by side, both the government borrowing from banks and the private sector credit have seen a significant rise.

The government borrowing rose by 15.51 percent in FY05 and by 13.84 percent in FY04 while the bank loans taken by various government agencies and institutions rose by 24.44 percent in FY05 and by 18.88 percent in FY04.

FY05 also saw a 17.02 percent hike in private sector credit, which was 14.16 percent in FY04.

On the other hand, the country's foreign reserve has been shrinking fast due to increasing pressure on the BOP. Yesterday the reserve stood at \$2.84 billion, compared to \$3.02 billion on June 30 last.

A huge increase in import and a reduced export growth are responsible for the shrinking reserve, a BB source said. The reserve will dip further next month when the BB is scheduled to pay up the import bills to the Asian Clearing Union.

The country's import rose by 20.58 percent in FY05 and by 12.9 percent in FY04, while export grew by 13.83 percent in FY05 and by 16.10 percent in FY04.

Dr Bhattacharya, executive director of the country's leading think-tank, said inflation in Bangladesh is more a structural than a monetary phenomenon. He

Bearded men

FROM PAGE 20

Those involved in the bomb blasts are enemies of the country, nation and democracy. All efforts are underway to identify them and bring them to trial.

Refuting allegations of indiscriminate harassment of people, especially men with beard and cap, the government made it clear that only those suspected had been taken into custody. But most of them were set free after interrogation found no connection with JMB or the incidents. No innocents are subjected to harassment.

It urged all concerned to refrain from spreading fear, confusion or dish out information that might hamper the investigation process. All sections of people should cooperate with the government in finding out real planners, collaborators and executors of the August 17 bomb blasts.

Family doubts

FROM PAGE 1

identity only by seeing it."

"We will wait for the DNA testing to be carried out under supervision of Rab. And after that, we on our own will have another testing done from abroad. We will accept the remains to be those of my husband only if the results of those two tests match," Nazma said.

Lt Col Kazi Emdadul Haque, chief of Rab-7, said that they might need some 15 more days to complete the DNA test.

Journalists crowded the Rab office early in the morning for Jamal Uddin's wife Nazma and son Liton to arrive. The mother and son came to the crime-busters' office at 1.00pm. They were straightforwardly ushered into the chamber of Col Emdad and none other was allowed to be in the room.

"We didn't allow anyone else to make it easy for them to withstand the strain of looking closely at the skeleton which might be Jamal Uddin's," Kazi Emdad said, explaining allowing none inside the office.

Only the cameramen of some television channels were given access to the room when Kala Mahbub, one of the accused in the abduction case, was brought there at around 1.45pm.

Shahid Chairman, a prime accused, was brought to the room at 2.00pm. Nazma and her son Liton knelt down on the floor

and begged Nazma to pardon him for what he had done to Jamal."

"I'm guilty of killing your husband," he told Nazma in presence of Rab Chief Col Kazi Emdad and two other officers.

Both Nazma and Liton asked him some questions and recorded the answers in a mini recorder.

Mahbub confessed to Jamal's 'murder' and divulged names of others involved in the abduction and 'killing'. He also narrated before them how and when Jamal was kidnapped, kept in captivity, and killed.

Replies to a query of Liton, he said Maruf Nizam, younger brother of local ruling BNP lawmaker Sarwar Jamal Nizam, had a hand behind the abduction and murder. He had promised them Tk 1 crore for Jamal's abduction.

When Nazma asked why he did not disclose these beforehand, Mahbub said he had kept his mouth shut because he was not feeling secure.

After 15 minutes, Shahid Chairman was brought and Nazma and Liton lit him to know the fate of Jamal.

He also confessed to the crime and named Maruf Nizam as one of the masterminds behind the abduction.

"Both Kala Mahbub and Shahid Chairman have confessed to their crime and disclosed names of Maruf Nizam, Kashem Chairman, and a few others," Nazma told journalists after the face-to-face meeting with the two accused.

Jewellers cheat

FROM PAGE 1

however agreed that the BB move will help relieve the BOP pressure, as it will reduce the banks' loanable funds, leading to a lower import finance, which will ultimately decrease the pressure on the forex reserves.

Citing the CPD's post-budget reaction, where it suggested a three-pronged approach to contain the present macro-economic tensions, Bhattacharya said a single measure will not solve the problem, adding more than one and simultaneous steps are required for that. Two of the CPD's suggestions were for a slight downward adjustment of exchange rate of taka and rise in bank interest rates in line with the rise in inflation index.

Another suggestion was for the government to restrain the non-development expenditure. "The first two measures have largely been acted upon, but we are yet to see any strong resolve regarding the third," Bhattacharya said.

He also cautioned that "If the private sector credit is reduced by increasing the SLR and the CRR, while the government continues to borrow through bank and non-bank channels to finance its non-development expenditure, it will only defeat the purpose."

Pubali Bank Managing Director Khandaker Ibrahim Khaled said the central bank's move may reduce the private sector credit but, in all probability, it will raise government borrowing.

"Consequently, I doubt if this measure will help reduce the inflation in any way," he maintained. As there is enough liquidity now in the banking sector so the move will not affect it, Khaled explained, adding instead it will improve the banks' fund management.

Pointing his finger to Bangla-desh, Pranab said "It is a hardcore fact that if there is no economic development in our neighbourhood, no amount of fencing or patrolling will stop illegal immigration."

Mukherjee said: "If a state supports terrorism, it is not giving respectability to terrorism but it is the very negation of peace and tranquillity and orderly development of society."

Also speaking on presence of three nuclear powers - China, India and Pakistan in Asia, the Indian Defence Minister said it had resulted in apprehensions among other states of the region.

Mukherjee said: "We cannot brush their fears and apprehensions under the carpet. It is absolutely necessary to create a situation where nuclear arsenals will never be used."

They also saw Mosiron's grandson Kabir and one of his friends going away from the house earlier.

Mosiron had been staying at his son Kamal Hossain Mollah's house for two weeks, though she lived at Moksudpur in Gopalganj.

Police recovered the dead body and sent it to the morgue for autopsy.

They picked up Nasrin Akther Shathi, 16, daughter of another son of Mosiron, for interrogation for she had also been living there for a few days. She denied knowing anything about the murder.

Sources said that Kabir had a love affair with Shathi to which Mosiron objected. As a result the boy became angry and killed his grandmother.

Rowshan Munshi, cousin of dead Mosiron, however said the killing might be aimed for capturing the village land of her husband.

The victim's son Kamal Hossain Mollah without mentioning any names alleged that several criminals killed his mother in a case filed with the Kaful police.

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Old woman

FROM PAGE 20

rushed to the spot hearing screams. The body bore injury marks of sharp weapon.

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Asma Kibria

FROM PAGE 20

justice for the killing of Kibria while addressing the 26th 'Blue for Peace' programme at the Central Shaheed Minar. Nearly 100 people joined the half an hour long programme.

Asma urged the people to join their next programme on the Kemal Ataturk Avenue on Thursday and in Comilla on September 8.

Cultural activist Ramendu Majumder said had the killers of Bangabandhu Sheikh Mujib Rahman been punished, the country would not have faced the dreadful situation and the fundamentalist forces.

The fundamentalist forces are consolidating their position under the patronage of the government keeping the progressive forces at bay, Majumder said. He urged the cultural activists to be united to resist the extremists.

Among others, late Kibria's four sisters and other family members took part in the programme.

Kibria, an Awami League lawmaker, was killed in a grenade attack in his hometown Habiganj on January 27 this year.

Criminal killed

FROM PAGE 20

Son of Ahmed Hossain of Bhordehi village under Savar upazila, Mozammel was accused in a number of cases including the police sub-inspector (SI) Matir murder case, they said.

According to his confession, the members of the elite anticrime force seized a 9mm pistol and six bullets from his house.

Later, they along with Mozammel went out to recover more firearms. When they reached Turag-Morogakanda road at about 2:00am, Mozammel's accomplices opened fire, forcing the Rab members to retreat.

Mozammel was caught in the crossfire as he tried to flee and died instantly. His accomplices, however, managed to flee the scene, the sources added.

Extortion charges

FROM PAGE 20

Shahadat Hossain, Mohammad Jasim and Mohammad Ripon.

The cops and their informers were arrested for snatching silver ornaments and extortion of Tk 28,000 from Sohel Rana alias Shyamal and Habib on July 21. They are employees of City Silver House at Tantibazar in Old Dhaka.

Shyamal filed a case against the eight under Speedy Trial (Law and Order Disruption) Act on July 22.

Detective Branch (DB) of police on July 30 pressed charges against the accused, showing 20 people as prosecution witnesses.

He also blasted the ruling BNP for sharing power with parties using Islam for political gains.

Turning to student community,

he pointed out that the

collaborators of Pakistani

occupation forces in the mass

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According to the tenets of Islam,

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"Allah will punish them for the

crimes that they did in the past and

are doing now," he said referring to

the political parties who use religion

for politics.

These collaborators should ask

pardon, the eminent jurist stressed.

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