

Govt must show

FROM PAGE 16

rather than casting the net too widely, will send the right signals and enhance the credibility of the ACC in the eyes of the public."

Patel also identified a lack of "implementation capacity" as a significant downside to the current interim administration. He observed that having only ten persons to manage the portfolios that were previously managed by some 40 ministers is "not satisfactory."

"This is surely going to cause overstretching in the span of control over the machinery and decision-making...and even day-to-day decisions." It creates a situation where "we (WB) are going to increase our support, but the amount of money on the table is not being implemented in a timely way," added Patel.

He said there is clearly a desire to improve the quality of politics and he has gained confidence that there are "competent people at the wheel" and he believes that the government will be able to implement its planned reforms in the electoral system and within political parties.

The public should consider the timeframe if they become impatient with the speed of change, and be reassured that "if all the reforms are done, the quality of politics cannot go anywhere but up," Patel said.

Bangladesh's potential growth rate of 8 to 9 percent has been hampered by "confrontational politics" and corruption in the past, and that 3 percent of "lost growth" has led to millions remaining in poverty unnecessarily, Patel observed.

The WB vice president also identified the rising inflation as a significant downside and he disagreed with the government's position over the issue and encouraged the government to "think very hard about it."

Jonathan Dunn, mission head of IMF in Bangladesh however said although global and regional inflation levels are comparable to the levels in Bangladesh, it is important that there is enough scope for the government to make policy adjustments to rein in the high inflation levels.

Currently, Patel said, consumer price index inflation in India and Pakistan were 7.6 and 7.7 percent respectively, in comparison to Bangladesh's 7.4 percent, which is higher than the central bank's "comfort level". However, he added, inflation above the comfortable level will happen and measures against runaway inflation have to be taken.

Saying that it is important to bring down the current inflation level, Dunn suggested tighter monetary policy as well as adjustments to the demand side as possible policy solutions, but added that it is not good that people here are getting "used to" the high levels of inflation.

Dunn further advised, the exchange rate to be made more flexible to complement the monetary goals of reducing inflation, scope for further appreciation of taka, especially with high foreign reserves.

Patel said the change in the gov-

ernment after 1/11 "has not created any imbalance," and that the government has done well to take policy decisions that have been pending at the ministries for years.

"Through my discussions over the past three days it is clear to me that the present period provides a rare window of opportunity to make fundamental economic and political reforms which must be seized," said Patel, adding, the WB will continue to work with the government in reforms to crucial sectors—water, power and education.

During his visit, Patel met Chief Adviser Fakhruddin Ahmed, Finance and Planning Adviser M Azizul Islam, senior government officials, development partners, civil society members, and representatives of NGOs, private sector and the media.

"There should be no softening on the critical challenge of improving the lives of the poor during this important political transition" and the government is in a unique position to institute reforms with a lasting impact, he added.

The WB is set to disburse a total of \$450 million by the end of this fiscal year.

Patel said, "What matters is that we have the environment and conditions for the World Bank to provide the maximum support for the mission we pursue here, which are largely to eradicate poverty and for Bangladesh to meet the Millennium Development Goals (MDG) by 2015."

The vice president for South Asia added that Bangladesh is one of the rare countries to be on its way towards meeting the MDGs within 2015 and many of them have already been met.

Patel cautioned saying, "Those making decisions on the eviction of road-side businesses or small business that are on government land [should] keep in mind the consequences for the poor people" because "this sector is the lifeblood of the poor and [it] makes an important contribution to growth of the economy."

Patel also expressed his satisfaction over the government's commitment to addressing weak revenue mobilisation, large energy sector losses, trade liberalisation and outstanding state-owned enterprise liabilities.

He said the WB will do all it can to assist the government to recover the illegally earned money that has been sent overseas and the WB is also hopeful that the strengthening of the ACC would bring greater efficiency in retrieving the illegally earned money.

The WB vice president also advised the media to ensure accountability in the government by publicising government inefficiency in recovering the ill-gotten money or prosecuting corruption suspects.

Jalil tells joint forces

FROM PAGE 1

from suspected criminals in exchange for saving them from the law.

Detained former FBCCI president Abdul Awal Mintoo might be made a state witness in the case against Awami League (AL) president Sheikh Hasina in connection with a high-tech frigate purchase scam, sources said. Mintoo told interrogators that Korean company Daewoo bribed Hasina Tk 1 crore to close the deal. The amount was deposited to an account which she supposedly has been using for the purposes of her party politics on her own discretion.

Sources said detained AL General Secretary Abdul Jalil told TFI that his party chief Hasina regularly received money from several industrialists and businessmen. He said she used to receive Tk 50 lakh to Tk 1 crore from each of those businessmen before launching any political programme or a movement.

Jalil also confessed that before the recently stalled general election, established businessmen and other wealthy people competed for AL tickets, and it was not a problem for people with illegally earned money to win party nominations, the sources said.

During the period some younger party leaders like Hasina's cousins Sheikh Fazlul Karim Selim and Sheikh Hejal, Obaidul Quader, and Jahangir Kabir Nanak also partook in the thriving nomination trade.

Jalil, who was arrested from his Marcentile Bank on May 28, is now on a four-day remand, being quizzed by TFI about the AL leadership. Marcentile Bank, the infamous April 30 deadline, formation of syndicates which monopolised the business of essentials giving rise to price spirals, and about the affairs of Janat Mancha.

Meanwhile, detained former state minister for home Lutfuzzaman Babar admitted to earning a humongous amount of money and properties through corruption. He became close to Tarique Rahman by playing a vital role in arranging a regular flow of extortions from different businessmen for Tarique.

Apart from taking bribes from Bashundhara Group, Babar also received a large sum of money from the suspected killers of Chittagong businessman and BNP leader Jamal Uddin Ahmed, and the killers of another shipping businessman

Kamal

FROM PAGE 1

politicians whose words contradicted their deeds.

"We (political leaders concerned) publicly said that we would not break our pledges, but regrettably some of us, not all, broke those," Dr Kamal said in an interview with Channel i adding "I apologise, because from simple and naive belief, I was with them."

"Those who have broken their pledges have been identified and they should say sorry publicly and I apologise on their behalf," the veteran politician said. Such leaders should withdraw from politics, he added.

Regarding the ongoing drive against corruption, he said that top political leaders, rather than second or third ranked leaders, should be put on trials on a priority basis. Although some top leaders are on trials, most of the detained party people are second or third-ranked, he observed.

Earlier, the Gono Forum president had told the same television channel that he has taken an initiative to float a new political platform.

Dr Kamal said that he has already started talks with honest people and those personalities who had taken a stance against corruption. This move was prompted by a concern for national interest, he added.

"It is not the time to stay put at home. The need of the hour is to rise for national unity," he said.

While his attention was drawn towards the ban on politics, he replied, "The ban would not stand in the way as we can talk to each other as citizens of the country. We are having talks in the people's interest and for their cause."

Power shortage

FROM PAGE 1

The government has approved Tk 3,633 crore in the coming fiscal's ADP allocation for the power sector.

Sector-wise, it is the highest allocation and 31 percent more than the preceding year's planning ministry sources said.

Of the allocation, 56 percent is

meant for setting up 14 new power plants with an electricity generating capacity of 2,505 megawatts.

The Economic Relations Division (ERD) will seek \$300 million from the Bretton Woods institution for the power development projects.

He said the WB will do all it can to assist the government to recover the illegally earned money that has been sent overseas and the WB is also hopeful that the strengthening of the ACC would bring greater efficiency in retrieving the illegally earned money.

The WB vice president also advised the media to ensure accountability in the government by publicising government inefficiency in recovering the ill-gotten money or prosecuting corruption suspects.

Price spiral calls

FROM PAGE 1

solution," he said.

According to CPD, the rate of inflation is not likely to fall below seven percent in the near future.

Lack of institutional monitoring mechanism, information gap among different stakeholders, market concentration, increased production cost of domestic commodities, too many market intermediaries, dislocation in market structure due to anti-corruption drives and increased transportation costs are the major causes behind creeping price inflation -- particularly in the food sector, according to a CPD study.

CPD observed that the economy of the country is passing through various challenges and the benefit of the current reform measures is unlikely to produce good results in the next couple of years.

"We have to wait for having the benefit of the structural reforms which are being undertaken in various sectors like Biman, shipping and power. But these would definitely contribute in forming a strong base for the future economy," Mustafizur Rahman pointed out.

He expressed doubt about the government's projection of achieving 7 percent growth in gross domestic product (GDP) in the next fiscal of 2008 and suggested lowering the target by at least a half percent to make it realistic.

For achieving the growth target of 7 percent, the country would need huge investments -- at least 29 percent of the GDP. This would not be possible due to the existing socio economic conditions, Rahman observed.

From the investment perspective, a target of 6 to 6.5 percent growth rate for fiscal 2008 seems rather more realistic, he added.

Presenting various significant features of the economy, Debapriya said while the total number of the poor in the country remained unchanged, the number of hardcore poor increased to 2.7 crore in 2005 - up from 2.5 crore in 2000.

Debapriya said despite an inspiring achievement in national poverty reduction, regional disparity is glaringly apparent. Barisal, Rajshahi and Khulna turned out to be the most poverty-prone areas in the country.

"We are demanding a poverty-friendly growth," he said.

He said it would be realistic to project and achieve a lower target. The projected GDP growth is unlikely to be achieved due to lower growth in agriculture, industry and construction sectors.

The agriculture sector has been suffering mainly due to fuel price hike and fertiliser crisis. Low growth in the agriculture sector is holding the economy back from achieving the projected growth, observed Debapriya.

The government may ask for the allocation under the Bank's special scheme Power Sector Development Credit (PSDC) programme instead of the existing Development Support Credit (DSC) programme.

Allocation for the power sector between FY 02 and FY 07 was Tk 17,244 crore, mostly for developing distribution lines. The expenditure was Tk 14,040 crore as of December 2006.

The government may ask for the allocation under the Bank's special scheme Power Sector Development Credit (PSDC) programme instead of the existing Development Support Credit (DSC) programme.

Allocation for the power sector between FY 02 and FY 07 was Tk 17,244 crore, mostly for developing distribution lines. The expenditure was Tk 14,040 crore as of December 2006.

The revised allocation for the power sector in the current fiscal is Tk 2,779 crore, which is 6 percent less than that of preceding year.

Allocation for the power sector decreased by 0.47 percent in FY 04-05 and it witnessed a slight increase (0.47 percent) in FY 05-06.

The government may ask for the allocation under the Bank's special scheme Power Sector Development Credit (PSDC) programme instead of the existing Development Support Credit (DSC) programme.

Allocation for the power sector between FY 02 and FY 07 was Tk 17,244 crore, mostly for developing distribution lines. The expenditure was Tk 14,040 crore as of December 2006.

The revised allocation for the power sector in the current fiscal is Tk 2,779 crore, which is 6 percent less than that of preceding year.

Allocation for the power sector decreased by 0.47 percent in FY 04-05 and it witnessed a slight increase (0.47 percent) in FY 05-06.

The government may ask for the allocation under the Bank's special scheme Power Sector Development Credit (PSDC) programme instead of the existing Development Support Credit (DSC) programme.

Allocation for the power sector decreased by 0.47 percent in FY 04-05 and it witnessed a slight increase (0.47 percent) in FY 05-06.

The government may ask for the allocation under the Bank's special scheme Power Sector Development Credit (PSDC) programme instead of the existing Development Support Credit (DSC) programme.

Allocation for the power sector decreased by 0.47 percent in FY 04-05 and it witnessed a slight increase (0.47 percent) in FY 05-06.

The government may ask for the allocation under the Bank's special scheme Power Sector Development Credit (PSDC) programme instead of the existing Development Support Credit (DSC) programme.

Allocation for the power sector decreased by 0.47 percent in FY 04-05 and it witnessed a slight increase (0.47 percent) in FY 05-06.

Crowd, police clash at protest of G-8

ROSTOCK, Germany

Masked demonstrators hurled stones and flagpoles at police during a demonstration yesterday by tens of thousands of people against the upcoming Group of Eight summit in Germany, engulfing the harbor of this northern port city in chaos.

"So far we can say that it is just a rumour. We have found nothing in last three days but our search is going on," said Dr Biwas MK Zaman, national professional officer (Epidemiology) of WHO.

If the matter is found to be true it would be a big incident for the world as the last case of smallpox was found in 1977, he said.

In Bangladesh the last case of smallpox was reported in 1975. WHO announced total eradication of smallpox from nature in 1977 and they stopped their worldwide smallpox vaccination programme in 1982. Smallpox killed some 300 to 500 million people in the 20th century.

Right now no country including Bangladesh has the smallpox vaccine in their stock, WHO sources said, adding that the laboratory of WHO head office has the germ to develop the vaccine again.

"If we find a case right now we would quarantine the patient," Dr MK Zaman said.

According to the recent reports published in several newspapers in India, smallpox and measles have been spreading among children in Burma-Bangladesh border areas. Local health workers said many

Smallpox outbreak

FROM PAGE 16

children in Maungdaw township of Myanmar are now suffering from the diseases, which broke out in the area at the beginning of last month.

Indian media reports from border town Nila in Teknaf stated that many children in the area are suffering from smallpox and measles.

Bengali news reports from Anandabazar reports the sudden outbreak of smallpox in Rajshahi also.

The WHO officials said they have been monitoring the situation since last Thursday.

"Our health workers have conducted extensive search at Nila in Teknaf but they did not find anything. We are also keeping in touch with the WHO office in Myanmar, they would inform us if they find any case," said Dr MK Zaman.

Meanwhile, Khatol Newsline put up news on May 31 that the state government has issued smallpox alert throughout West Bengal after receiving preliminary unconfirmed reports of the disease from areas bordering Bangladesh and Myanmar.

Right now no country including Bangladesh has the smallpox vaccine in their stock, WHO sources said, adding that the laboratory of WHO head office has the germ to develop the vaccine again.

"If we find a case right now we would quarantine the patient," Dr MK Zaman said.

According to the recent reports published in several newspapers in India, smallpox and measles have been spreading among children in Burma-Bangladesh border areas. Local health workers said many

Forest boss turned

FROM PAGE 16

different names," said a law enforcer requesting not to be named.

The law enforcers are looking for two brothers-in-law - Khalek and Mintu - who were Gan's helping hands in smuggling timbers from different forests to various sawmills in the capital.

It is also reported that five of his relatives became millionaires with the blessings of the forest boss. The dishonest government official earned money through different means including bribery for appointment, transfer, promotion and implementation of different government projects regarding forest and smuggling timber. He also leased out forestlands at lower prices after taking bribe. A number of forest officials remained at their preferred places in Chittagong zone for years by bribing him Tk 6 lakh to 7 lakh.

Owner of a huge amount of ill-gotten wealth, Osman Gani did not properly look after his widowed mother and two mentally challenged sisters living at his ancestral home at Kriparrampur village of Homna upazila in Comilla, locals said.

Our staff correspondent from Khulna reports: Gani realised Tk 57 lakh from officials and employees of east and west wings of Sundarban Forest Division threatening them to transfer to "unattractive" places. Deputy ranger Mohammadul