

G8 pledges \$60b to fight disease in Africa

AFP, Heiligendamm

The Group of Eight industrial powers yesterday pledged 60 billion dollars to fight AIDS and other diseases in Africa on the final day of their annual summit.

The G8 also renewed a commitment made two years ago to increase other aid to Africa by 50 billion dollars a year by 2010. Aid groups had strongly criticised the world's wealthy nations for not following up promises made at their 2005 summit in Gleneagles.

South African President Thabo Mbeki and Chinese President Hu Jintao were among leaders from emerging nations who were in the Baltic resort of Heiligendamm for talks with G8 leaders expected to focus on aid for the developing world.

Summit host German Chancellor Angela Merkel announced the plan to give 60 billion dollars (44.8 billion euros) to Africa to combat AIDS, malaria and tuberculosis.

"We are aware of our obligations and would like to fulfil promises," Merkel said as she announced the G8 health aid package and the renewed commitment to find general aid.

Ghana's President John Kufuor said: "Africa expects the G8 to deliver on promises. And on Africa's part we are committed to also deliver so that we can be real partners."

Celebrity campaigners led by U2 rock singer Bono have been in Heiligendamm to lobby the leaders of Britain, Canada, France, Germany, Italy, Japan, Russia and the United States over Africa.

US President George W. Bush, who was sick and missed the morning session, unveiled the main thrust of the AIDS initiative in May and the figure included 30 billion dollars already earmarked by Washington.

Bush was laid low by a suspected stomach virus. He held one morning meeting with France's President Nicolas Sarkozy in his hotel suite. But the White House said his condition was "not serious" and that he would go ahead with plans to head for Poland later in the day.

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After the G8 leaders struck a face-saving deal on climate change Thursday, attention on the final day of the summit turned to how the richest nations can assist Africa and work with emerging powers from the so-called "Plus Five" group -- Brazil, China, India, Mexico and South Africa.

Leaders of the five nations held talks in Berlin on Thursday and

said they wanted their "different capacities and interests" taken into consideration when tackling climate change, reflecting the view of China and India that imposing emissions cuts would restrict their booming economic growth.

The climate accord worked out by the G8 -- Britain, Canada, France, Germany, Italy, Japan, Russia and the United States -- was dismissed by environmental groups as an empty gesture, but many observers hailed the pact for finally tying the United States to the goal of fighting global warming.

The G8 agreed to pursue major cuts to dangerous greenhouse gas pollution and said they would "seriously consider" the goal of halving global emissions by 2050.

Although Merkel said she was "very satisfied" with the deal, and British Prime Minister Tony Blair called it "a major, major step forward", global warming campaigners said it came up far too short.

"The deal is clearly not enough to prevent dangerous climate change" said Daniel Mitterer, climate policy advisor of Greenpeace International.

"The US isolation in refusing to accept binding emission cuts has become blindingly obvious at this meeting."

But the UN's top environmental official welcomed the agreement, saying it gave fresh impetus to talks for a successor to the Kyoto Protocol -- the emissions-cutting pact which runs out in 2012 -- and spells out that any deal should be global and come under the auspices of the UN.

"Very recently, (the United States) indicated that it was too early, it was premature to begin negotiations on a post-2012 climate change regime, so that's a very clear shift," said Yvo de Boer, executive secretary of the United Nations' Framework Convention on Climate Change (UNFCCC).

The summit on Thursday also saw Russian President Vladimir Putin call for Russia and the United States to share a base to detect missile attacks.

The startling proposal was a bid to overcome a crisis over US plans to locate a missile defence system in eastern Europe.

Putin proposed after talks with Bush that the two former Cold War foes use a Russian base in Azerbaijan.

Russia has angrily opposed the US plan for a shield system in Poland and the Czech Republic and Putin has threatened to aim Russian missiles at European targets if it was deployed.

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development surcharge, the MCCI said, "The move towards curtailing discretionary powers of tax and VAT officials is also a step in the right direction but much more remains to be done in this area."

The continuation of the existing export incentive structure with a focus on high growth and high value added sectors is also welcomed, as is the extension of the bonding period from one to two years, it said.

Hailing the steps taken to exempt income generated from Zero Coupon Bonds from income tax, the chamber said it would provide a boost to the now stalled securitisation initiative, which provides banks and financial institutions with an alternative and cheaper source of funding.

"The abolition of provision of all up front and advance tax on government bonds is commendable but should be extended to bonds and securities issued by banks and financial institutions to allow for a vibrant and publicly traded bond market to emerge," it said.

The MCCI also welcomed the endowment allocation of Tk 1 billion for the SME foundation as SMEs are seen as a major employment-generating sector of the economy.

"We welcome the finance advisor's announcement that next year, the GDP growth will grow by over seven per cent. For this, investment-GDP ratio will need to grow from the current 26.2 per cent to over 35 per cent," the MCCI said, adding that the government should also endeavour to minimise its level of borrowings to curb inflation and knock-on effects on the economy.

"In conclusion, we would like to reiterate that to maintain and accelerate the present growth trajectory of the economy, we must build on the current initiatives underway to bring in good governance and curbing of corruption. We should check inflationary pressure, support our agriculture and industrial sectors and create a business friendly environment," it said.

It said the much-needed step taken to isolate the mammoth burden of the BPC (Bangladesh Petroleum Corporation), which was affecting the financial liquidity of the public sector banks, is appreciated. The chamber strongly welcomed the subsidy earmarked for providing diesel and fertiliser inputs to the agriculture sector.

Lauding the withdrawal of the

US immigration

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counsellor Dan Bartlett said of Bush. "But based on the latest information we have, there still is a good chance this bill could go forward."

Bartlett said the president did not call any lawmakers from Germany to lobby for the measure.

Whether Bush can revive the legislation may depend largely on whether he can soften some of the differences between key components of his party's base, including the corporate community and social conservatives.

They clashed on matters such as the immigration bill's proposal for a new temporary worker programme. Businesses that crave immigrant workers were furious when senators in May set the limit for incoming temporary workers at 200,000 a year instead of the original plan for 400,000. They were even more dismayed when the Senate narrowly voted to end the programme altogether after five years.

But slapping tighter limits on immigration is a priority for many conservatives. When it came to the temporary worker programme, their interests overlapped with those of pro-labour groups concerned about a flood of low-wage workers.

Top US Chamber of Commerce lobbyist R. Bruce Josten told The Associated Press this week that the immigration issue is "divisive in the Republican base, it's divisive in the Democratic base, it's divisive in the business community. It splits organised labour, it splits the immigration community."

Republican senators who backed the immigration bill felt particularly exposed to fierce attacks from conservative activists in their home states, including talk show hosts and local GOP officials. Sen. Trent Lott, R-Mississippi, said in a floor speech Thursday that he disliked many aspects of the bill but felt it would be irresponsible to kill it.

"I am getting calls, but I would say to my constituents: Do you have no faith in me after 35 years that I am just going to buy a pig in a poke here, or be for something that is bad?" Lott said.

In a recent poll by the nonpartisan Pew Research Centre, 55 percent of the respondents said penalising employers who hire illegals is the best way to reduce illegal immigration. One in four said more border agents is the best answer, and 7 percent favoured more border forces.

When the word "amnesty" was not invoked, 62 percent of Republicans said they favoured letting illegal immigrants now in the country obtain citizenship if they have jobs, pass background checks and pay fines. But only 47 percent of Republicans said they favoured giving amnesty to illegal immigrants if they met those same conditions.

Democrats, independents and moderate and liberal Republicans were most concerned about jobs, but conservative Republicans were about equally concerned with jobs and terrorism.

EU

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said they achieved an "important result" by the CEC's assurance to announce a "key roadmap" for the elections by July 15.

Michaels said from the meetings he had with the law adviser, army chief, and select members of the civil society, he understands that a practical set of reforms, such as political party reforms, need to be finished and accomplished."

The European Union is ready to politically and financially support the Bangladesh government to ensure these reforms are undertaken, Michaels said.

He added that the foreign adviser reassured him that Bangladesh is ready and willing to meet international standards while the interim government is in place.

The five-member EU Troika delegation is set to meet Chief Adviser Fakhruddin Ahmed tomorrow and later hold a press conference.

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Budget unique

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significant fall soon due to international market pressure.

However, measures have been taken to safeguard the poor.

If the government can retrieve the ill-gotten money believed to be stashed away at home and abroad, a portion might be used to reduce deficit financing or enlarge the Annual Development Programme (ADP), he said.

Explaining the "three reasons that have made the budget unique", he said efforts have been put to make the budget transparent and accountable. "For the first time, contingent liabilities have been set in the budget," he added.

The bank borrowing to meet the deficit is 1.6 percent of the GDP, which too is not that high, he notes.

The adviser said the money the government will borrow from banks will be spent on development projects that will result in a positive impact on supply side, and ultimately contain the inflation.

The government will take feedback from the people and organisations on how to develop the projects and ensure quality of the implementation process. The ministry concerned and the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry will receive the public input online.

A secretary-level committee will put forward a set of proposals identifying obstacles to project implementation and potential ways to get rid of those, and the government will take decisions in the light of those proposals.

The Tk 87,137-crore budget unveiled Thursday proposes limiting the taxmen's powers and introducing a universal self-assessment system for the taxpay-

ers. "I myself at a discussion last year termed the budget of my predecessor ambitious, and so I was careful so that this year's does not become an ambitious one," the finance adviser said.

He also said usually the budget is prepared taking into account the expenditure, not the funds to be made available, but this year's has an eye on the funds first and then fixed the expenditure.

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Emphasising efficient financing mechanism, Debapriya suggested increasing the revenue earning and speedy release of \$7 billion foreign aid in the pipeline. If necessary, a taskforce can be formed for continuous efforts for foreign aid, he said.

GDP (gross domestic product) growth is on track now but seven percent growth target as proposed in the budget for fiscal 2007-08 is a challenging one. Moreover, investment target is unrealistic, the CPD noted.

Analysing the proposed duty structure, Debapriya said duty on raw materials should not be more than on finished products. Computer import should be duty-free for continued growth of information technology but logical duty can be imposed on accessories.

The CPD pointed out that achieving seven percent GDP growth in the next fiscal year would be tough without massive investments.

The CPD suggested continuing the momentum in revenue collection, introduction of universal self-assessment system and simplification of VAT registration. It also suggested avoiding volatility in bank borrowing and pursuing structural reforms are major challenges for the government in the coming fiscal year, according to CPD analysis.

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Debapriya was critical about foreign aid for the Election Commission's job saying, "Free and fair election should be ensured with our own money, and not with any

revenue from abroad."

Replies to a question, Debapriya categorically denied making any black money white.

Unscrupulous people hurt by his stand against black money spread such rumours about him, he said.

Stabilising market prices particularly food prices, achieving pro-poor growth, addressing inequality, increasing investment, proper utilisation of funds allocated for power, education and health sectors, raising domestic savings, greater foreign aid flow, improving ADP implementation and pursuing structural reforms are major challenges for the government in the coming fiscal year, according to CPD analysis.

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He also said the proposed budget

is not very realistic as it has not

considered the real situation in the country.

Bush returns

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a luxury resort here.

Bush stayed in bed for several hours to rest and recuperate. He missed one session with African leaders and another with leaders from China, India, Brazil, Mexico and South Africa, all developing nations not G-8 members.

Members of the Group of Eight agreed on a program worth more than \$60 billion to combat the spread of HIV/AIDS and fight malaria and tuberculosis in Africa. Critics have said all the G-8 nations are lagging two years ago, at the British-hosted summit, to double assistance to the troubled continent by 2010.

The leaders also worked on a possible deal with Russia over the future of the Serbian province of Kosovo.

Bush returned to the talks in time for the closing lunch. The president was "fully expected" to keep to his original travel itinerary, Bartlett said. Bush was to be scheduled to fly from Germany to Poland to meet and have dinner with Polish President Lech Kaczynski and then on to Rome.

He stressed the need for increasing the number of scholarships in colleges and universities and said allocation for research in the agricultural sector should be increased as there are many researchers in the country working in agricultural institutions.

Bartlett joked that Bush's decision to steer clear of the other leaders for a while was a "precautionary step" to avoid following in the footsteps of his father, former President George H. W. Bush.

The elder Bush fell ill, fainting and vomiting, in January 1992 at a state dinner in Tokyo. The first sign that something was amiss with the current president came when Sarkozy appeared alone before reporters after their meeting.

Bartlett said that Bush was in his bedroom and that Bush's spokesman would have to explain further.

Bartlett said the two leaders discussed a myriad of issues, including Iran, Syria, Lebanon, Iraq, Afghanistan, Darfur,