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Govt steps
unlikely to
work

Observes ADB

STAFF CORRESPONDENT

The government initiatives to control spiraling prices of essentials are unlikely to have any major impact in terms of dampening inflationary pressure, the Asian Development Bank (ADB) said yesterday.

"In view of higher international food prices and given the large share of food in computing inflation, these measures are unlikely to have any major impact in terms of dampening inflationary pressure," the ADB felt in its quarterly economic update on Bangladesh released in Dhaka.

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US for polls as
stipulated in
EC roadmap

STAFF CORRESPONDENT

The United States yesterday reiterated that it wants to see the parliamentary election in Bangladesh held by the end of next year.

It came up with the view when Deputy Secretary of State John Negroponte met Foreign Adviser Iftekhar Ahmed Chowdhury on the sidelines of the 14th ASEAN Regional Forum (ARF) that kicked off in Manila the same day.

A member of the grouping that strives to promote open dialogue on political and security cooperation in the Asia-Pacific region, Bangladesh is likely to sign a non-aggression pact-Treaty of Amity

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Inflation stands at decade's highest

It is now close to double-digit

REJAUL KARIM BYRON

Inflation rate on point-to-point basis in June stood at a 10-year high 9.20 percent, and threatens to reach a double-digit soon due to floods and upcoming Ramadan.

Economists suggest that the government maintain traditional market trading instead of interfering by deploying law enforcers to improve the supply-side.

Inflation rate came down slightly in May but it leapt by 1.15 percentage point to reach the record high in the last month of fiscal year 2006-07.

On average basis, inflation ran 7.22 percent in June compared with 7.16 percent in the corresponding period of last fiscal.

According to the Bangladesh Bureau of Statistics (BBS), the inflation rate on average basis has increased steadily over the last five years.

The prices of food items increased by 1.47 percentage point in June to 9.82 percent compared with 8.35 percent in the penultimate month of the last fiscal, according to the data available.

In the same period, inflation on non-food items rose by .57 per-

centage point to stand at 8.34 percent. It was 7.77 percent in the previous month.

However, price increase in non-food items ranged between 4 and 6 percent in the months preceding April, the month when it crossed 7 percent mark in April.

In the wholesale and retail markets, prices of daily necessities are still very high. In last one year, prices of rice increased by 15 to 23 percent. Those rose by 4 to 11 percent in last month, according to latest data released by Bangladesh Trading Corporation (TCB).

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WEALTH REPORT
ACC has nothing
to do with
Hasina's letter

UNB, Dhaka

In response to former prime minister Sheikh Hasina's letter to the Anti-Corruption Commission chairman, the ACC secretary yesterday said they have nothing to do with it and she will have to submit her wealth statement by August 8.

Former Prime Minister Sheikh Hasina wrote a letter to the chairman seeking advice and cooperation in submitting her wealth statement. The commission in its meeting today considered the issue with sympathy. It appeared to the commission that it has nothing to do with it," ACC Secretary

SEE PAGE 15 COL 6

Govt appeals against
Hasina's bail order
Full-bench hearing today

STAFF CORRESPONDENT

The government yesterday filed an appeal with the Supreme Court (SC) challenging Monday's High Court (HC) order granting ad interim bail to detained former prime minister Sheikh Hasina in an extortion case and also directing the government not to hold trial of the case under the emergency rules.

Attorney General Fida M Kamal moved the appeal with the Chamber Judge of the Appellate Division of the SC seeking stay on the HC order.

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After primary hearing, the Chamber Judge decided to send the matter for hearing by the full bench of the Appellate Division and set today for the hearing.

The HC on Monday also issued a rule on the military-backed interim government to reply within two weeks why its approving the case to be under the emergency rules should not be declared illegal.

Earlier on Sunday, the Awami League chief had filed a writ petition with the HC seeking bail and challenging the government move to have the extortion case against

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But as an oxymoron to Bangladesh jute situation, India is now witnessing a strong jute sector with new mills being set up - some counts say at least 56 new mills were set up in the West Bengal, since Bangladesh started closing down its jute mills marked to be closed down by the caretaker government.

For now, India is mainly focused on internal demand. But it has adopted a strategy to reduce internal dependency by 20 percent a year and thereby increase exports. In five years, its export would increase by 100 percent and with all likelihood at Bangladesh's expense.

Indian jute production has not kept pace with its increasing demand and so it is now importing raw jute from Bangladesh. Today, the situation is such that although Bangladesh accounts for 90 percent of global raw jute,

global production and consumption of jute has become increasingly concentrated in India. Bangladesh however meets 75 percent of the global jute yarn demand with the rest supplied by India.

The demand for jute for traditional products on the export markets declined in the face of competition from synthetic with carpet backing the first to suffer in the US. And then the dismantling of the Soviet Union saw a huge rapid loss of demand for sacking from a peak of 250,000 tons in 1981 to below 25,000 tons in 2003. And in recent years, the western European market also declined.

However, recent developments are heartening with some revival in exports to the former Soviet Union. And the overall export

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factory will be closed today and we have been ordered not to allow anyone inside the factory."

PJML operations had been suspended since July 10.

Rapid Action Battalion personnel were seen guarding the entrance of the factory in the morning.

Most business establishments including food stores in the area were found closed yesterday. PJML workers used to make purchases at these businesses on credit. These businesses are feared to go bankrupt if the workers fail to pay back their dues.

PJML was established in 1952 on 71 acres of land. It went in production in 1954. The mill currently has

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"I heard that the mill [PJML] will be closed today, but I do not know what would happen to my Tk 2.50 lakh in back pay," said Delwar, a worker of the mill, to whom PJML owes last eight months' salary.

Rahul Amin, a security guard of the mill, said, "As far as I know, the

factory will be closed today and we have been ordered not to allow anyone inside the factory."

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Rebels want
to exclude
Khaleda

Claims Hannan Shah

STAFF CORRESPONDENT

Blasting pro-reform BNP leaders for announcing reform proposals beyond the party constitution, Brig Gen (retd) Hannan Shah, an adviser to the BNP chairperson, yesterday said they intend to exclude the party chief keeping their own position safe.

"They want to see the party chairperson disqualified in line with the so-called minus two formula," he told reporters at his Mohakhali DOHS residence.

Rejecting the allegation, Ashraf Hossain, joint secretary general of the party, said they are doing everything according to the party constitution.

"We have announced some draft proposals before the nation to

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From hay day to doomsday

INAM AHMED

As trucks lined up yesterday at Bangabandhu land port to carry jute goods to Nepal for its growing carpet industry, an opposite development took place in Bangladesh. The curtain finally fell on the four state-owned jute mills marked to be closed down by the caretaker government.

This latest move, sudden and widely debated, has once again brought to the fore discussions about the future of jute, globally and in Bangladesh. And at the centre of the debate lies a number of critical issues -- slow productivity in the jute industry complicated by even slower to come technological improvement, lack of domestic support for jute and rather incentive for discarding jute farming, the immediate global jute trade

pattern that shows an uncertain situation but somewhat rosier picture in the long term, the diversification of products and so on.

ENDS IN BANGLADESH,
BEGINS IN INDIA

Another point much pertinent today is what impact did the World Bank's Jute Sector Adjustment Credit (JSAC) had on Bangladesh. The project was supposed to revitalise the sector through privatisation, debt restructuring and technical upgradation. But as industry insiders say it proved to be another project that did not yield any positive result. Rather they say the Bank's policy had moulded the present day mindset that jute had lost its golden glory and so downsizing production capacity is the best option.

For now, India is mainly focused on internal demand. But it has adopted a strategy to reduce internal dependency by 20 percent a year and thereby increase exports. In five years, its export would increase by 100 percent and with all likelihood at Bangladesh's expense.

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Tension in Khulna amid closure report of another jute mill

EMRAN HOSSAIN, from Khulna

Laid off workers of Peoples Jute Mills Ltd (PJML) in Khulna yesterday crowded the factory entrance yesterday afternoon after hearing about the closure of the factory.

Hundreds of workers of the mill, uncertain about their payments, rushed to the factory but found no official notice of closure.

"I heard that the mill [PJML] will be closed today, but I do not know what would happen to my Tk 2.50 lakh in back pay," said Delwar, a worker of the mill, to whom PJML owes last eight months' salary.

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Body formed to formulate new jute policy

STAFF CORRESPONDENT

The government has formed a high-powered committee to formulate a new jute policy to revive the jute industry, sources in the jute and textiles ministry said.

Director of the Department of Jute heads the committee. Abdur Rashid Sarker, secretary of the ministry, told The Daily Star yesterday.

A number of experts from the private sector have been included in the committee that has already started its work.

The committee will formulate the policy taking into consideration how the jute products can be made more diversified so that it could be more export-oriented.

The secretary said, "We hope to get full account of the workers

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City roads in bad shape

STAFF CORRESPONDENT

Almost all roads in the capital have turned into patchworks of potholes and craters due to substandard construction and torrential rain.

Acknowledging that all roads in the city have literally become impassable, Dhaka City Corporation (DCC) officials claimed that they are trying to repair those.

"We started repairing the roads three or four months ago and now we have increased the volume of work...but as you can see the heavy downpour is hampering the work," said a DCC official.

City residents are however quite dissatisfied with the band-aid measures taken by the DCC. Anwar Ali, a city resident, said, "I simply don't understand why road repair works are kept pending each year till the monsoon. The potholes will reappear in two or three months!"

During spot visits, innumerable potholes were seen on the roads stretching from Sayedabad to Kanchpur, from Jurain to Pagla via Postogola, and on Darussalam Road in Mirpur.

Similar conditions are also plaguing the roads of Uttara, Rampura, Malibagh, Purana Paltan, Naya Paltan, Gabtoli, Mugda, Khilgaon, Bashabo,



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