

CG move to hold local govt polls 'unconstitutional'

Left party leaders tell roundtable

STAFF CORRESPONDENT

Speakers, mostly left-leaning party leaders, yesterday described the caretaker government's effort for holding the local government election as 'unconstitutional' as the newly introduced law for the election is contrary to the constitution.

Workers' Party of Bangladesh (WPB) organised a roundtable on the local government law and election at its office in the city with WPB President Rashed Khan Menon in the chair.

Politburo member of the party Fazle Hossain Badshah while presenting a keynote paper said, "The caretaker government has introduced new law for holding local government election which is the clear violation of the article 50(D) of the constitution." The article curtails the caretaker government's power to adopt any policy changing decision.

The prohibition of teachers and the people active in political parties from participating in the local government election by the caretaker government is an effort to



PHOTO STAR

Workers' Party President Rashed Khan Menon speaks at a roundtable at the party office in the city yesterday.

make the local government bodies meritless and politically unaware, Badshah added.

Communist Party of Bangladesh General Secretary Mujahidul Islam Selim said the government going to materialise its game plan gradually by holding the local government election. "If the

government was really sincere for the election, it could have arranged it within 15 to 16 months which the government has already passed."

The leaders opposed the Election Commission's decision to hold local government election ahead of the general election and called on all leftist progressive

democratic forces to come forward in fulfilling the hopes and aspirations of the people.

They also criticised the governments' decision to run the local government body under administration.

Secretary General Dr Badiul Alam Mojumdar of Sushasaner Jonno Nagarik (Sujan), a civil society platform working for good governance, suggested for representation of 40 percent women for their empowerment to establish poverty and hunger-free Bangladesh.

"As the three elected governments in the last one decade and a half did not do anything to strengthen local government and broke their commitment to people, the caretaker government has taken the initiative to hold local government election."

Former lawmaker of Awami League Dr Abdur Rajak, Jatiya Samajtantrik Dal leader Mohiuddin Khan Badal, Gono Azadi League President Abdus Samad, Dhaka University teacher Sadeka Halim and WPB General Secretary Bimal Bishwas also spoke at the roundtable.



'Walk the World 2008' held in Jessore

World Food Programme (WFP) Jessore Sub-Office organised 'Walk the World 2008' in the district yesterday as part of 'End Hunger: Walk the World' campaign organised by WFP and its partners, says a press release.

The Walk started from the Office of the Deputy Commissioner at 9:00am and ended at WFP Jessore Sub-Office.

WFP launched Walk the World, the annual global advocacy event, as a way to help achieve the first United Nations Millennium Development Goal of reducing by half the number of hungry people in the world by 2015.

Walk the World also aims at raising funds to finance projects that assist hungry children.

Over 200 people, including representatives from the government, NGOs and UN agencies, journalists and students attended the event.

Head of WFP Jessore Sub-Office Hafiza Khan welcomed the participants. Her speech threw a light on WFP activities for the poor children.

Deputy Commissioner of Jessore Abul Hossain inaugurated the event while noted actress Shomi Kaiser in her speech lauded WFP activities for poor children.



Officials of Grameenphone Ltd and Dana Group pose for photograph after signing an agreement recently for the installation of a co-generation service system for the Grameenphone Headquarters Building at Bashundhara in the city.

GP signs deal with Dana Group

Grameenphone Ltd recently signed an agreement with Dana Group for the installation of a co-generation service system for the Grameenphone Headquarters Building at Bashundhara in the city, says a press release.

The contract was signed between Grameenphone Ltd and Dana Engineers International Ltd, a sister concern of Dana Group and its associates Kawasaki Gas Turbine of Japan and Broad Air Conditioning of China. The signing ceremony was held at the Grameenphone Headquarters office.

The co-generation service system is a prestigious project being implemented for the first time in Bangladesh, using Kawasaki Gas Turbines as the captive power source and a Broad Absorption Chiller, sold by Dana Engineers International Ltd, for heat recovery. Total Gas Turbine capacity is 2.23 MW and cooling capacity is 2400 ton of refrigeration.

Anders Jenson, chief executive officer, and Peter Russ, project director, Corporate Headquarters Project of Grameenphone Ltd, and Salman Masud, managing director, Dana Group, signed the contract on behalf of their respective organisations.

Eastern University freshers' orientation held

The orientation ceremony for summer semester 2008 of Eastern University was held at the university auditorium on Saturday, says a press release.

NCC Bank Ltd Chairman Tofazzel Hossain attended the programme as the chief guest and distributed certificates among the participants.

He said today news presentation is a subject of art and creativity. Planned training, practice and correct pronunciation can make an expert news presenter.

Mirza Tarequl Qader, executive director, BIJEM, presided over the function.

A total of 35 participants from different universities took part in the course.

The programme was completed in two sessions -- one for the freshers of the Faculty of Business Administration and another for the freshers of the Faculty of Engineering and Technology, Faculty of Arts and Faculty of Law.

Prof Dr Rahim B Talukdar, vice chancellor of Eastern University, presided over both the sessions.

Deans of different faculties, distinguished guests, faculty members, students attended the programme.

Perils of bad times

FROM PAGE 1
length for the private sector to get engaged. The mere figures of increased credit flow or LC settlements would mean a little since they would not necessarily mean matching increases in volumes, because of runaway price increases of commodities worldwide. And putting bets on the booming capital market is bound to be unsustainable as most stocks have unrealistically high Price Earnings Ratio, showing that a big correction is inevitable. Whether that landing will be hard or soft, only time will say.

As much as gains, globalisation also promises pains for Bangladesh because of the big worry worldwide about the risks of financial meltdown, recession and, of course, runaway inflation. The US market is already lead heavy and the euro-area economy that shone with heavy export boom, suddenly reversed. Business confidence is falling there, even for the companies in Germany whose economy grew by 6 percent in the first quarter. Consumer spending has buckled and retail sales dropped. Losses and write-downs of the global banks already total \$35 billion, and HSBC forecasts that the average inflation rate in emerging economies will rise to 6.6 percent this year (and remember it is the wholesale price index and not consumer price index which should be much higher), its highest in ten years. And the average world inflation rate has already risen to 5.5 percent, its highest since 1999.

To make things worse for them, the emerging economies, probably with the exception of Brazil, are following loose monetary policies leading to negative actual real interest rates. This means these economies will need to appreciate their currencies to curb inflation by reducing import prices.

Bangladesh is however poised on a different dilemma -- it can target inflation through exchange rate management but at the cost of exports. On the other hand, it can go for export enhancement by making imports costlier and thereby fuelling inflation further. Only a determined visionary can choose between the two in unambiguous terms.

But even an export-oriented stance will need panning out a proper export strategy, finding ways to spur its productive mechanism and diversifying markets. It can no longer sit on the garment serendipity that occurred because of a number of reasons including higher labour costs in Southeast Asia and the war in Sri Lanka.

And there is that big worry of fuel prices breaking all previous records every week and inching towards the \$200 a barrel mark. The commodity market is also overheated by the joint action of the Chinese and Gulf consumers. For Bangladesh none of these spell any good news.

The international trade posture is also not going to be helpful for Bangladesh that relies so heavily on exports for growth and employment. The WTO trade talks have gone nowhere, signalling no new hope of deals on increased trade in industrial goods and reduction of agriculture subsidy. The US election is approaching and the euro-area is also getting ready for polls, which all signify that a much more protectionist trade approach is in the offing. This could only make Bangladesh's market access efforts much more difficult to succeed.

The indications of what the next budget will look like, which is not going to be placed but proposed today (as the parliament no longer exists), have been appearing in the press, and the prospect does not look very promising. The finance adviser is expected to propose a high revenue target matched by high expenditure. The expenditure part is understandable because the government will need a big social safety net mostly in the form of food subsidy and employment, and also a fat fuel import bill. If fuel prices are not adjusted quickly and properly -- and probably this is the time to deregulate the fuel market to align it to the international market -- the government will have to stop a huge subsidy on fuel too. The demand for increased public servant salary will only add to the outlay. But what is not fully comprehensible is whether a high revenue target can be fulfilled next year. This is more so because this year's unusually high performance has already perched up the benchmark upon which next year's ambitious target has been set. A blurry idea about continuation of reforms after election can make one all the more doubtful about lofty targets.

Indications are there that the government will resort to high borrowing from the bank to finance budget deficit, inviting delicate monetary stances with political-economic fallout. Curbing inflation will necessarily require squeezing private sector credit, which the entrepreneurs will not like. Consequences on both ends can be messy with unintended casualties in the fight against inflation.

The only way of mitigating high bank borrowing is to access a higher quantum of foreign aid, but

need to develop its capability of monitoring the global situation on an urgent basis. This will help the country to get prepared for any shocks or opportunities, be it in the food sector or in exports. And it will have to keep enough flexibility in its budget through block allocations and scopes for reallocation of funds in cases of necessity.

This flexibility will be needed because we all believe a new elected government will be responsible for seeing the economy through for half of the next fiscal year, and that government will justifiably want to review the budget. This is why a budget, especially its ADP, designed in a loose fashion rather than marshaled in a tight and sanguine way, would be desirable.

As the new budget is about to be placed today, everybody will know the realities the finance adviser will be subjected to. But that understanding may necessarily not mean that everybody will be accommodative and receptive of the plans that accompany policies that are aligned to the present day, and future scenarios. This may, in every sense, be a new test for budgeting exercise in Bangladesh.

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