

## Tipaimukh issue

Setting up expert committee is welcome

THE parliamentary delegation has been to India and back after holding talks on the Tipai project with Indian authorities. It is a pity that the opposition BNP was not represented in the team. The idea of sending an all party delegation was a welcome one but couldn't come about because of BNP's unwillingness to participate.

Since it was the BNP who is the most strident critic of the project one would have thought that it is they who would have been the first to take the opportunity of a discussion with the Indians and put across their points of view regarding what they perceive to be the harmful consequences of the dam. The conclusion one might draw from it is that political considerations got the better of its judgment. Regrettably, the party put its interest above that of the country. And the Jamaat followed suit.

However, we are rather surprised at the clean chit given to the project by the leader of the parliamentary delegation on his return from India. He sees no harm to Bangladesh from the construction of the dam, having been fully satisfied with India's 'no damage' assurance. The delegation was not a technical mission and we are not sure what the basis of such a comment is apart from the Indian assurance.

We understand that Bangladesh is not in possession of all the relevant data to be able to assess the impact and formulate a position on it. In any case, a dam of any size invariably has an impact on the ecology, and certainly on the flow of water downstream. And there is no reason to think that Tipai dam would be an exception unless there is convincing evidence to the contrary. We are not certain that we have definitive answers to the queries on the type and scope of impact of Tipai project on Bangladesh. The team leader at best could have suggested steps like further study of project data and if need be conduct a joint assessment and arrive at a win win situation.

In light of the above we welcome the PM's directive in this regard to set up an expert committee to study the project in detail to ascertain the nature and degree of the likely impact. In fact that is the way to proceed in order to be able to determine what our position on the issue ought to be.

We also feel that the matter, being one of serious public concern, must come into the realm of public discourse. To start with, the government should make public the data it has received so far, if any, on the project.

## US journalists' homecoming

A humanitarian soft-touch to rugged diplomacy

THE return of TV reporters Laura Ling and Euna Lee to California from their 140-day captivity in North Korea where they were sentenced to 12 years of hard labour for an alleged illegal entry from China goes down as a stand-out event. For one thing, the denouement comes as a positive anti-climax to an abyss reached in the relationship between the US and North Korea; and for the other, it has been made possible through an involvement of high level players, especially that of former US president Bill Clinton.

The outcome is, in a way, the measure of what track-II diplomacy by a lone man of wide acceptability can achieve. Yet, the principal message to draw from the dramatic and heart-warming release of the journalist is this: when diplomacy is seriously and imaginatively employed in mitigating a profound humanitarian concern relating to a family that when the state feels empathetic about and owns up, is not only bound to succeed but also achieve a higher purpose.

It is worthwhile to note that the outcome is set against a particularly inimical phase in the Washington-Pyongyang relationship marked by North Korea's nuclear and missile tests and continuing UN sanction against the country which seemed to throw the six-country talks out of gear. Besides, Pyongyang's highly uncomplimentary remarks about US Secretary of State Mrs Clinton signalled a further embittering of relations. The atmospherics were left soured. Perceptive observers, however, tend to think that the extremely harsh comments were perhaps sought to be counter-veiled by conveying words to Washington that if Bill Clinton were to step in, Pyongyang would grant amnesty to the journalists.

Basically, it appears North Korea is anxious not to go to a point of no-return with the USA. Actually, it has made full use of Clinton's presence by reaching what it called 'a consensus of views seeking negotiated settlement of issues dividing the two countries'. The US had from the start drawn a line between the nuclear issue and the humanitarian concern but there is little denying that an aperture may have opened for a continuation of a dialogue on the nuclear and other issues.

## It could have been worse

The recent budget statement of the finance minister as well as statements by the Governor of the Bangladesh Bank have outlined ambitious steps. The possibility of success in the backdrop of continued global economic recession will lie in promoting inclusive economic growth.

MUHAMMAD ZAMIR

I have been following with great interest our evolving economic scenario over the past few weeks. Contrary to dire forecasts about economic development in Bangladesh during fiscal 2009 and FY 2010, Cassandras have been proven wrong in most areas.

There has been some bad news but there have also been many encouraging reports. It has been a roller-coaster ride. Yes, export earnings might have grown by only 4.18 percent in May this year. However, in the broader perspective, we also posted an 11.87 percent export growth in the first 11 months of the immediate past fiscal year, earning USD 14.14 billion, up from USD 12.64 billion in the same period a year earlier. This was despite negative growth in the following sectors -- frozen food, raw jute, pharmaceuticals, jute goods, vegetables, leather and ceramic products.

Comparably, the country's import payment stood at USD 20.95 billion in the first 11 months of 2008-09 fiscal year. This meant that the trade deficit has narrowed. This was of course mostly due to decline not only in the prices of commodities in the international market but also because of a drop in the import of capital machinery compared to the corresponding period of the previous year. This last factor also indicated that there has been less investment in the manufacturing sector.

There was also the other important news -- the National Board of Revenue had achieved 99.01 percent of its revised revenue earning target fixed for the last fiscal year -- although the growth was a slim 10.63 percent year-on-year due to poor import duty collection (due to falling imports). The overall revenue collection was Taka 52,476 crore. That was commendable. I am confident that this figure will increase during the course of this current financial year, with the expansion of the income tax base as well as greater efficiency and better management in the collection of Value Added Tax.

There were, as expected, disquieting statistics about the numbers getting employment abroad. Global recession has seen a gradual decline in the number of Bangladeshis obtaining such employment. This has been particularly evident since January this year. In fact, the first six months of January-June 2008 saw 475,896 Bangladeshis proceeding abroad. Comparably, during January-June 2009, only 250,900 left our shores. However, despite this, and the prediction of

doomsayers, we have watched the amazing and steady rise by 22.32 percent in the remittance received from abroad during FY 2008-2009. It reached a record USD 9.68 billion.

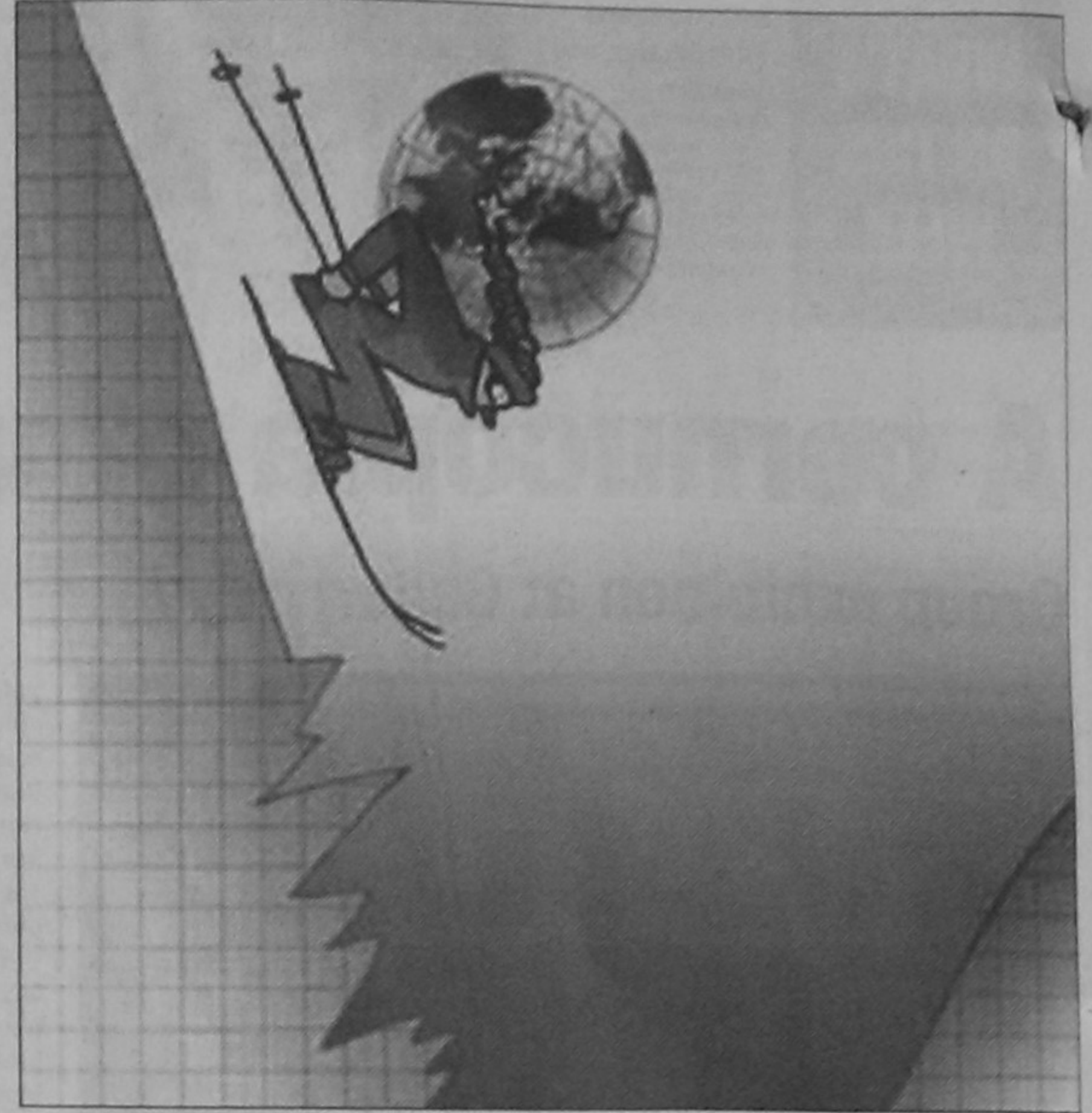
This, juxtaposed with an improvement in the balance of trade scenario has helped the country's foreign exchange reserve to rise to an all time high of USD 7.42 billion -- sufficient to meet four months of our import requirement.

There has also been welcome news with regard to recovering money from large scale loan defaulters. An updated list is now being prepared of those who have defaulted on loans of Taka 10 million and above. This will include a wide selection -- apparel units, government organizations including ministries, media houses, private aviation companies, leather and tannery units and even educational institutions. This is a good measure. One hopes that the relevant agencies of the government will pursue this matter with seriousness and quickly dispose of the cases on defaulting loans held up in courts, particularly in the Artha Rin Adalat. The process of recovery needs to be facilitated on an emergency basis.

Such a process will be important for success within this current financial year. Statistics released by the Bangladesh Bank has indicated that the economy grew 5.9 percent in the previous fiscal year, the slowest rate since 2002-03. It has mostly been due to the global slowdown. It could have been worse. As in the case of so many other countries it might have been in the negative territory. We have instead seen a case of the glass being more than half-full. This leads me to believe in the Bangladesh Bank forecast of the country achieving a growth of gross domestic product in the range of 5.5 percent to 6 percent during the current year. I also think that this figure will be exceeded in FY 2010-11 if we can successfully undertake infrastructure development -- especially through public-private partnership. However, while undertaking such an exercise, we have to be careful that we do not trigger off an escalation of inflation.

We are today at a critical threshold in our economic journey. Policy planners, quite often reiterate that we are striving to become a middle income country and exit from the LDC Group. This is of course the preferred option. Some of our economists believe that this will be possible by 2015. The UNCTAD considers 2024 to be the more likely scenario.

Nevertheless, one element is beyond



Bangladesh also experienced adverse impact of global recession.

doubt. Rapid economic growth and achieving middle income status will require foreign direct investment. A recent report has revealed that FDI increased by 67.4 percent in the first nine months of the past financial year. It reached the figure of USD 882 million, partially because of the investment of nearly USD 300 million by a Japanese company in the local mobile phone industry. Our Board of Investment has revealed that they have registered USD 4.1 billion worth of investment proposals during the last fiscal year. This however does not mean that all these proposals will eventually materialise.

My reason for caution originates from a recent report published on Bangladesh by the Japanese trade and investment promotion agency -- Japan External Trade Organization (JETRO). In an indictment, this agency has pointed out that Bangladesh is losing its competitive edge in attracting investments compared to 30 other cities in 15 different countries. They have made their evaluation on the basis of 34 cost components which include, among others, factors like telecommunications, utilities, industrial estate prices, broadband internet connection charges, corporate income tax rates, mobile phone charges and transportation cost (the cost for carrying containers).

They have also hinted at other hidden costs like non-existence of comprehensive one-stop service, lack of clear regulatory regimes and corruption arising out of

abuse of governance and misuse of the due process of law. There is also the important factor related to absence of sufficient energy and gas supply within the power sector. We have already read recently about the problems being faced with regard to this last element by the important Korean Export Processing Zone near Chittagong. Apparently, total foreign investment from different companies totaling nearly USD one billion is held up. Some of those willing to invest in this zone earlier have since moved to Vietnam.

We have to move forward. We have to get our act together.

We have a new monetary policy for the next six months. The recent budget statement of the finance minister as well as statements by the Governor of the Bangladesh Bank have outlined ambitious steps. The possibility of success in the backdrop of continued global economic recession will lie in promoting inclusive economic growth. We will also have to expedite the pace of growth of our productive sectors. In addition, there has to be greater effort in ensuring that there is no unrest or violence in the industrial belts.

We have several tough tasks ahead of us during the current financial year and the next. It will not be easy. However, achieving our economic objectives should be possible given dedication, seriousness and coordination.

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## A man on mission

Leaders in Pakistan have in Manmohan Singh a person who is determined to travel whatever the distance is required to make up with Pakistan. He is thinking of a common market for the South Asian countries. Islamabad should not try to score points while interpreting the joint statement.

KULDIP NAYAR

I was asked the other day at Amritsar whether the lighting of candles on the night of August 14-15 at Wagha border has lessened the distance between India and Pakistan. My reply was that the mood of people has changed, but not to the extent I expected when a dozen of us lit candles at the border for the first time 15 years ago. I was conscious then that it would take time to dispel the darkness that decades of hatred had accumulated.

Yet I thought that the people in both countries would assert themselves and cry for peace when the rulers were keeping them quiet in the name of patriotism or religion. For the first time since independence, some 40 people from Pakistan appeared on the other side of the border on the midnight last August and exchanged candles with us and shook hands amidst slogans like *India-Pakistan Dosti Zindabad*.

I must explain the lighting of candles at the border is not the end by itself. It is a movement to awaken people on both sides to their common culture, history and geography so that they don't go apart. It is a search for peace, an effort to change the outlook. I can see more and more people renouncing violence and ruling out war to sort out things amicably. The change is slow, but it is creeping in steadily.

The 26/11 attack on Mumbai, however reprehensible, did not create a war hysteria which the attack on the Parliament House did. At that time, forces of the two countries stayed on the border, in an eyeball-to-eyeball formation for 11 months.

Another positive sign is that Pakistan

has admitted that the perpetrators of the Mumbai carnage are its nationals and their entire operation was planned on Pakistani soil. The admission of guilt is hard when the record of the two countries is only a sum total of accusations and counter-accusations. Now, even the ISI is reportedly keen on initiating a dialogue with New Delhi. The agency's chief has reportedly met the Indian intelligence chief.

I am not suggesting that Pakistan has changed its policy. General Parvez Kayani, the Army chief who still calls the tune, has put the danger from the Taliban and India at par. Yet, when President Asif Zardari rules out any danger from India and says that the 26/11 attacks were by the Taliban who had been nurtured and trained for years by successive Pakistan governments, it indicates some rethinking, however limited.

Its Supreme Court's judgment is the biggest thing that has happened to Pakistan. The court has declared all the ordinances issued by former President General Pervez Musharraf null and void. This is in line with the fresh air of freedom that is blowing in that country. The fact that there is not even a comment by the army encourages me to believe that the latter is beginning to respect the limits to which the armed forces can go in a democratic polity. At this time, the tendency of Indian thinkers and experts to run down Pakistan and heap all the blame on it does not help. Even a bit of change across the border is a huge because it gives the tiding of the most-awaited spring.

However, the effusive Prime Minister Yusuf Reza Gilani continues to goof up things by saying that he had an upper

hand at Sharm-el-Sheikh where he signed the joint statement with Prime Minister Manmohan Singh. Gilani is helping only the BJP and the hawks who haven't accepted the statement either in letter or in spirit. He is provoking New Delhi to take a stiff stand. It seems he would wreck even the remotest chance of talks between the countries if he continues to speak in the vein he is doing.

Take the mention of Baluchistan. Gilani is gloating over the "victory," which the opposition and media in India are exploiting to take the government to task. Manmohan Singh has told Pakistan to place the evidence on the table. No dossier has been sent so far. America's statement that there is no evidence of India's hand in Baluchistan should have silenced the critics. But they are bent upon defaming Manmohan Singh who has acted on the principle of transparency.

In the next few days, India and Pakistan will be celebrating their 62nd year of independence. Both should use the occasion to introspect to which direction their relations are heading. Both are relentlessly going towards a point where, even if there is no conflict, there will be no settlement.

Those in India who are engaged in a sterile debate over the word "link" should stop their carping because of the Lashkar-e-Toiba's (LeT) attack this week in Srinagar, which killed two security men. The resumption of LeT activity in Kashmir after one year proves beyond doubt that the first task before the two countries is to deal with the gamut of terrorism.

The 26/11 is only one facet of it. Until Islamabad does not go after the terrorists' organisations like the LeT which "concentrate on India" from the safe haven of Pakistan, the root cause of terrorism can't be met. Then the way the Pakistan administration is handling the case of LeT founder Hafiz Saeed is not helping the initiation of "composite dialogue."

How I wish Pakistan could start thinking afresh on India. When I accompanied former Prime Minister Atal Behari



Vajpayee on his bus trip to Lahore, I could see how determined he was to begin a new chapter to cultivate good relations with Pakistan. We had not reached the border yet when he called me and showed the message he had received about the killing of Hindus by the militants at Doda. But he decided to complete the mission. This can be judged from what he wrote in the visitors' book at the Minar-e-Pakistan: India's stability and integrity depended on the stability and integrity of Pakistan.

The effort which some of us have been making for the last 15 years by lighting candles on the Wagha border is towards that end. People in both the countries should light a candle outside their house or on the rooftop on the night of August 14-15 to avow their commitment to friendship between the two nations.

Leaders in Pakistan have in Manmohan Singh a person who is determined to travel whatever the distance is required to make up with Pakistan. He is thinking of a common market for the South Asian countries. Islamabad should not try to score points while interpreting the joint statement. He should be strengthened. He is a man on mission.

Kuldip Nayar is an eminent Indian columnist.