## Uninterrupted and increased cooperation would build up the trust

The Prime Minister's economic affairs adviser Mashiur Rahman says that if Bangladesh gives transit facility it will earn an enormous amount of money, but it depends on building up a relationship of trust with India. The Daily Star took a detailed interview of Mashiur Rahman on November 20.

The Daily Star (DS): Is Bangladesh going to give transit or transshipment facility to India?

Mashiur Rahman (MR): Transit and transshipment -- I have not been able to find a difference between the two. We already have an agreement -- the inland water protocol. We also have a railway protocol, but we do not have a protocol for truck movement. There is an ad-hoc arrangement for truck movement. So I am not referring to that. For inland water transport, as I said, the charges are fixed and they give us a fixed amount annually. For railway, the agreement, which has been in existence since 1947-48, is that when Indian wagons come to the Bangladesh border the goods must be transferred to Bangladesh wagons, and the Bangladesh railway will be responsible for their maintenance. When Bangladeshi wagons go to the Indian border, the goods will be transferred to Indian wagons. It is their responsibility to maintain that.

There is a calculation based on usage. So, whoever uses more pays for the excess use based on the number of days and the quantity of cargo carried. Adjustments are made periodically and the payment is made. So, for railway and for road there is a protocol in existence.

DS: Now that we are expecting more cargo to move, what would be the modality and what is the difference between transit and transshipment?

MR: I have not been able to identify a significant difference between transit and transshipment. The WTO has a clause on transit and that clause includes transit and transshipment. Article 5 of WTO on freedom of transit says: "Goods, including baggage, and vessels and other means of transport shall be deemed to be in transit across the territory of a contracting party when the passage across such territory with or without transshipment, warehousing, breaking bulb or chain in the mode of transport is only a portion of a complete journey beginning and terminating beyond the frontier of the contracting party across whose territory the traffic

Traffic of this nature is termed traffic in transit. So, according to this WTO defini-

tion, what is transit is clear. It is movement of goods from one country across another country. Transshipment is only a part of transit involving change of the mode of transportation.

I think the government of Bangladesh should follow the definition. Our government should also insist that India also accept this, because these are agreed principles in WTO to which both the countries are signatories.

If we act on this then the problem becomes simpler. Then we only need to see whether there is a change of the mode of transport during transit, whether warehouses are used, etc. Bangladesh is legally entitled to impose a charge and collect it from the Indian vessels using this service. WTO also lays down the principles on which the charges shall be calculated. It says clearly that the charges shall approximately be equal to the cost of the services rendered and shall not be used for augmentation of revenue or for protecting domestic services. According to the WTO Article, all hidden

charges of whatever character, other than import and export duty and other than taxes within the purview of Article 3, imposed by contracting parties on all connections with the importation and exportation shall be limited in amount to the approximate cost of service and shall not inherently protect domestic products or imports of fiscal purposes. So the main question is that if a country allows transit facilities to another country and that country takes advantages of the facilities, the spirit should be not to put up impediments or difficulties, not to use it as a source of augmentation of revenue, not to use as a fiscal tool, but the charges which do not exceed administrative cost or the cost of services shall be collected. There is also some approximation because it may not always be possible to calculate precisely what is

So if you take our inland water protocol as a model -- we do not know what is the exact cost of maintaining the river routes for India. We do not know whether we would maintain these routes if India were not using them.

DS: Would you please elaborate on the river transit facility given to India?

MR: Our protocol with India talks about movement of Indian cargo through river routes in Bangladesh and India gives us a fixed amount for the use of these routes. The routes are designated. They used to give us Tk.2 crore until 2008-09. In 2009-10 it has been raised to Tk.4.52 crore. It is a fixed amount they give, regardless of whatever the use is. For actual use we collect from them different charges, which are at the same rate that we charge our own vessels. The original agreement indicated that the cargo would be split 50-50 between Bangladesh and India. But Bangladesh recently has been carrying 99%-100% of the cargo -- and India is mostly using privately owned vessels of Bangladesh.

I do not know how much private vessels earn from India. Canal charge, parking charge, landing and shipping charge are collected by BIWTA. In 2001-02, our income on charges was Tk.2 crore, and it is Tk.4.52 crore in 2009-10. This does not include the income to the ship owners for providing services. The quantity of cargo carried has also increased. In 2001-02 it was 47,858 metric tonnes. In 2009-10, it was 12 lakh 77 thousand 446 metric tonnes. Our expectation is that if the movement is facilitated, the charges collected by BIWTA and the quantity of cargo will also increase. The income through vessels hired by India will also increase and will contribute to the national income.

DS: You are going to prepare a set of rules for fixing transit and transshipment fees and other related matters. How will you do that?

MR: The basic element of that is the cost for operation that is recovered, and there is a fixed amount of payment for maintenance, use of equipment and so on. If the same principle is applied, the only thing we need to look at is the method of calculation and the amount. What we should be careful about is that we don't inflate

We cannot underestimate, because we will not be able to recover the amount that we should. If we overestimate, we reduce India's incentive to use the facilities that we give to them. So there ought to be some balance. The question is, what is the additional cost Bangladesh will incur for providing that service? If India does not use the services will Bangladesh incur the cost? That is the additional cost.

For roads, right now, we do not have any problem because India will use the Ashuganj- Agortala road, which is already there. In order to carry the excess cargo some improvement and extension of the road is necessary, and the cost will

be borne entirely by India. So we are not incurring any additional cost for that.

They are also bearing the cost for setting up the facility for transshipment at Ashuganj. The ODC cargo will be offloaded from vessel to a truck. The Ro-Ro ferry to be used will also be installed by India. So, we will not set up whatever will be used entirely by India. The entire cost will be borne by India.

So that part of the investment is not a problem now. All that India would give us is the berthing etc, which is the Indian protocol. If some additional measures that are not part of the investment are necessary the cost will be collected.

Finally, the rules will basically follow what is in the inland protocol. There is a railway protocol for movement of goods.



Mashiur Rahman

For movement along the roads the WTO prescription should be applied and the numbers have to be calculated.

DS: Will you conduct a detailed study on what the pressure on our roads will be when heavy-duty Indian cargo trucks start plying? How much will we be benefited by this? How much load will our ports be able to take?

MR: The basic question is, do you start before the study or do you study first? The investment in all of this would depend on how much cargo will be transported through Bangladesh. There is, as of now, no basis for making calculations, so you make an assumption that x, y, z quantity will be transported.

Unless there is some basis for that calculation, all calculations have to be based on assumption. The critical factor is how much cargo can the Chittagong and Mongla ports handle?

If India, Nepal, Bhutan were not going to use these ports, would Bangladesh make an investment in these ports? So, these are difficult assumptions, difficult calculations. Supposing India, Nepal and Bhutan do not use our roads or ports, how much improvement and how much investment will we make? That will

depend on our need. Then you add something for India, something for Nepal and something for Bhutan. So if we assume that we will handle, say, 10% more cargo, then the calculation should be on the additional cargo handled and an increase by 15% each year. That additional investment will be the on account of Bangladesh and 10% will be for India, Nepal and Bhutan.

So that would be the additional investment required for that. That is something that we should collect. That calculation is based on an assumption. The important point right now would be to establish the principle and methodology of calculation. The calculations can be made once that is established and an approximate rate per unit is accepted.

DS: The government has charged the commerce ministry with the responsibility of formulating rules and related issues for giving transit and transhipment. How will the calculation be done? Will the help of an expert be taken in this

MR: I do not know how much expertise and methodology is available with the commerce ministry. There may not be an expert available. So if necessary, we will take an expert.

DS: Will there be separate agreements for giving transit facilities for different modes and routes? For example, transit is going to be introduced at Ashuganj and Akhaura soon.

MR: For ODC cargo, they will use inland water routes. Ashuganj has been already declared as a port of call. And movement to Ashuganj does not need any significant additional investment for navigation. What is additional is the transfer of the ODC from a vessel to an automobile. That cost will be borne by India. Then the use of road -- the cost of whatever improvement is needed will be borne by India. Bangladesh will not incur any additional cost or investment.

So, for this, we don't need a new protocol. What we need is investment, and the additional cost involved for operation of that road. That is all that are needed. No additional protocol is needed for that additional cost.

DS: Will the amount of fees be fixed as per the new rules that will be formu-

MR: I have not seen the terms of reference. This would be an extension of the protocol and the rules that we have now. If we follow the WTO, all that we need to do is to look at the cost for providing the service. And that cost has been defined in terms of efficiency.

Let us say, if the efficiency cost is calculated at Tk.100 and the inefficiency Tk.10 more, you cannot ask them to pay more. If you take the case of Chittagong port -- there will be demurrage charge and a waiting charge.

That is the loss because of inefficiency. If you are competing in the international market, you cannot ask anyone to pay for your inefficiency. You can only ask them to pay for your efficiency.

As for inefficiency part, you can say, OK, this is additional cost for inefficiency. If you use our port, that is something that cannot be avoided, and it is for you to decide. But your principle is very weak. DS: Transport expert Dr Rahmatullah

has shown in a study -- which is still in draft form -- that Bangladesh can make a profit of \$2.3 billion over the next 30 years by giving transit and transshipment facility. If the calculation is correct, how beneficial will it be to the

MR: I have not seen that report, so I cannot comment on it. But as I said, these are all based on assumptions. If the assumptions are valid, then there is a use for them. If the capacity of Chittagong and Mongla ports does not increase significantly, you cannot handle one additional unit. So this assumes efficiency of the ports, efficiency of the transport from port to inland borders and across the Indian border. All these are assumptions. Dr. Rahmatullah had worked in Escap and he was also a very important player in the Asian railway and Asian highway. If Escap had made some assumptions, then some calculations are there. If the adjustment is consistent with the price changes so far, that might reflect the use of it. But as I have said I have not seen it, so I cannot com-

DS: In your opinion how and to what extent can Bangladesh benefit by giving transit and transshipment facilities? Do you have any data in this regard?

MR: You can earn an enormous amount. I cannot accept any of the calculations done on so many assumptions. My accepting or rejecting does not reflect on the quality. But these are all based on assumptions. For instance, if the assumption is that all import to the northeastern states will be through Bangladesh, it will be a wrong one. These are wrong assumptions because if you want northeastern states to import everything through Chittagong port then you have to build up a relationship of trust, which is not there. Uninterrupted and increased cooperation, let us say for 10 years, would build up the trust. Then India can start importing all the goods for its northeastern states through Chittagong and Mongla

## Metternich's World

## Leaked documents and public romances

ILARY Clinton was deeply upset and angry a few days ago. The reason was obvious. She was furious at what Julian Assange and his Wikileaks team were doing through releasing thousands of documents, mostly cables from American embassies around the world, on their website.

The way the US secretary of state reacted to the leaks -- and you can be sure others in the Obama administration felt the same way -- you would have thought Wikileaks had engaged in criminal activity. For Washington, matters would have helped somewhat if it had chosen to stay quiet over the release of the cables. After all, it does not look nice when a country's diplomats are observed baring their hearts about how they feel toward governments and individuals in their host countries.

In modern times, the conscious feeling is there that diplomats must be very circumspect about how they express their opinions. There is something called finesse and nowhere is it more needed than in diplomacy, even 유 when in their private moments diplomats are tempted to strip personalities in host countries down to the thread-

Diplomacy, it has been said many times over, is fundamentally a matter of ethics and morality. That is the idealistic side of it. The practical one is something else, especially when it comes to American diplomats. At a time when the United States happens to wield the greatest might in the world (some have even called it an empire that appears set to last long, compared to the many other empires we have known in history), it is pretty

natural and unavoidable that its Wikileaks cables. Obama administradiplomats will exercise a degree of clout that certainly will make others uncomfortable.

Which explains why US ambassadors are so powerful a presence, especially in countries where great poverty struggles to balance itself against

tion officials are now scrambling to explain to countries offended by the revelations how much Washington cares about its ties with them. That sounds fine, but has anyone noticed that few such countries, if at all, have demanded explanations from the



tenuous democracy. American diplomats are most sought after individuals nearly everywhere. In fact, there have been countries where they have worked in a manner that has led to the collapse of nationalistic governments. Or where governments have fallen, US diplomats have stepped in, to make sure that in the new circumstances, new governments are roped into an alliance of sorts with the establishment in Washington. Indonesia post-1965 and Chile post-

1973 come to mind.

United States about the leaked documents?

Being powerful has its brighter side. One can get away with everything. That ought to be a warning bell for politicians in Third World nations: they do not have to feel thrilled every time western diplomats in their countries invite them to breakfast. Who knows? Their conversations, the way they gulp down the delectable items on the table might all end up on documents in a faraway State Department!

It's most heartening to know that Which takes one back to the Philippine President Benigno Aquino

III is a bachelor and is quite adept in dating women at frequent intervals. We will ignore his complaint that the media are ruining his love life, that women are now afraid to go out with him because they are afraid their stories or their pictures (perhaps both) will find space in newspapers the next morning. It is quite natural for women going out with an eligible bachelor, in this case a president, to come into the spotlight.

Somehow you feel there is some spice coming into life when these things happen. Think of Nicolas Sarkozy. The French leader, soon after his election as president, divorced his wife and went straight into marriage with the beautiful Carla Bruni. He didn't feel embarrassed at all, did he?

We have these days all the reports of Italy's Silvio Berlusconi making it with women young enough to be his granddaughters. He is addicted to romance, even in his seventies. Israel's Prime Minister Benjamin Netanyahu has been married more than once. Nelson Rockefeller, in early 1960s America, said farewell to his wife before acquiring a second one in the form of a woman named Happy. Pakistan's Iskandar Mirza and Zulfikar Ali Bhutto had something in common: both were married to good women, until each of them found an Iranian woman to fall in love with and marry.

But, no, not all public relationships have been smooth. Argentina's Carlos Menem, when he was president, went for a very public spat with his first wife Zulema Yoma. They divorced and Menem married a much younger woman, a former model. Mrs. Menem II was spotted topless with a man at a beach three years ago.

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## The secret of the blurb



T'S bizarre what people choose to boast about these days. Got an email ad urging \_\_\_ me to buy tickets for a theatre show called "Insane in the Brain." The blurb said: "Violent and sad!"

Isn't it strange what people choose to boast about? I'll never forget the television producer who launched a TV network in southern China with the slogan: "No romance, no violence, no news!" It wasn't a success. No viewers.

On the other hand, negative blurbs are at least believable. The Malaysian pirated DVD

of "SuperBabies 2" has a blurb in huge letters at the top of the back cover: "SuperBabies has no redeeming qualities!" The pirates' DVD box designer, who clearly didn't understand English, Googled the critics and randomly chose

a line that was (unfortunately for him) bang on target.

I often get asked to write blurbs for bad books. You have to write something that sounds like the right sort of thing but isn't actually a lie. "Every now and then, a book comes along. This is such a book."

Even some publishers can't write blurbs. The back cover of The Other Hand, a 2009 novel, says: "We don't want to tell you too much about this book. It is a truly special story and we don't want to spoil it."

I'm not joking. A 2007 book has this on the back: " 'The Boy in the Striped Pyjamas' is very

suspect this really means: "This book is so boring even our company's blurb writer wouldn't read it." Scott Adams, the guy who writes the Dilbert cartoons, asked members of the public to

clues about the book on the cover, but in this

case we think that would spoil the reading of

the book." Total cop out! One can't help but

write his blurb instead of his publisher. Here are my five favourites from the entries

he received. 1) "As a very attractive woman, I found this

book hilariously funny and I'd seriously consider making out with any guy I saw reading it." (Diana Wales); 2) "I have to buy this book! My kidnappers

had a copy but my Dad foolishly paid the ransom an hour too soon." (Richard Factor); 3) "I used to be a nobody, and now I have a

comment on the back of a book!" (Chitrak Bandyopadhyay);

4) "I've imagined a book like this for years! To avoid disappointment I won't be reading it, but you definitely

The back of the book

This is not the front of the book. It is

the back. The other side is the front.

Welcome to this side. We get fewer visitors than the front. Thank you for

should!" (Anonymous);

5) "Before I found this, I was a pathetic, depressed, underappreciated, overworked, sexually impotent, joyless shell of a man. Now, I'm all those things with a funny

A thought strikes me. Why is it that only books, films and plays have blurbs? Why don't

Adams is smart. He didn't send them the

book, so they couldn't say anything bad about

people have blurbs? If this ever became the fashion, I have a good one up my sleeve for my former boss.

"Violent and sad!" You might think this wouldn't work. But the

people in the marketing department of "Insane in the Brain" would at least work for him.

For more reviews on reviews, visit our columnist at: difficult to describe. Usually we give some