

Crisis grips Egypt

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eventual Israeli-Palestinian peace deal and of mediating internal Palestinian disputes.

Demonstrators have dismissed the 82-year-old president's vague promises of political and economic reform as too little, too late and were not impressed with Suleiman's appointment.

Osama, a protester in central Cairo, told AFP: "It's not a good choice; he is Mubarak's man. It's not a sign of change."

The crowd in Tahrir Square, the epicentre of the revolt in the capital, chanted "Neither Mubarak nor Suleiman; we're sick of Americans."

Following Mubarak's instructions, the cabinet resigned yesterday, and the president later tapped the current aviation minister, Ahmed Shafiq, to form a new government.

Shafiq, 69, is respected by the Egyptian elite, even among the opposition, and has often been mooted as a potential successor to Mubarak.

But Egyptians were watching to see if widely hated Interior Minister Habib al-Adly, who has been in office since 1997 and who is responsible for the security apparatus, will keep his job.

Along with the demonstrations, looting broke out in the capital after the widely hated police appeared to have faded from the scene, prompting the army to call on citizens to defend themselves.

The army announced that a night-time curfew would be enforced and extended in key cities. But when the new 4:00 pm to 8:00 am lockdown went into effect, demonstrators in Cairo paid no heed.

Later, the army stood back as protesters fought running battles with police in front of the interior ministry.

Hundreds of demonstrators threw Molotov cocktails at police near the epicentre of five days of protests, who responded with gunfire, which witnesses said were live rounds. Medics said three people were killed.

As Mubarak stood his ground, influential Arab cleric Yusuf al-Qaradawi called on him to quit, telling Al-Jazeera television he should "leave Egypt," as the "only solution to the problem."

"Leave Mubarak. Have pity on the people and get lost before the destruction spreads in Egypt," said the Egyptian-born president of the International Union of Muslim Scholars, who accused Mubarak of being "deaf, dumb and blind."

And the banned Muslim Brotherhood, Egypt's most well-organised opposition

Hasina

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rigging, she said today people have seen that under a democratically elected government, by-elections can be held in a totally free and fair manner.

The then BNP government had plotted all kinds of evil designs to rig the Magura by-election, which had forced people to launch movement against then BNP government, noted the prime minister.

Hasina was critical of the opposition party for calling hartal in Brahmanbaria protesting results of the by-election in Brahmanbaria-3 seat won by AL.

The prime minister also described the recently held municipality elections as the most peaceful polling.

"AL and BNP have won almost equal number of seats in the municipality elections. However, these elections also have proved the government's commitment to true democracy," she said.

Hasina regretted that BNP is not joining the parliamentary sessions though its candidates have contested the by-elections.

The prime minister urged the people and the expatriate Bangladeshis to remain alert against all types of conspiracies by the BNP-Jamaat alliance.

group, called for a peaceful transfer of power through a transitional cabinet.

Protesters have been demanding not only Mubarak's departure but an end to endemic state corruption and police brutality that have become systematic under the president's 30-year rule.

In another development, steel magnate Ahmed Ezz, widely seen as a linchpin of a corrupt regime, resigned from the ruling National Democratic Party, where he was a senior member, state television reported.

Earlier, young Egyptians had already formed a human chain to protect the Cairo Museum, which is located in Tahrir Square and which houses the famous Tutankhamun mask and other priceless antiquities.

And efforts were underway around the capital to organise neighbourhood watch committees.

Elsewhere, clashes erupted in the key port city of Ismailiya, northeast of the capital, where thousands of workers fought running battles with police.

In Alexandria, hundreds of people camped out by the main mosque in the centre of the Mediterranean city vowing to protest again, with several police stations still burning amid sporadic looting.

As in Cairo, tanks were deployed and the police were absent. Civilians directed traffic and conducted clean-up efforts.

Despite the ongoing protests, two Cairo mobile phone networks came back on line on Saturday, a day after all Egyptian operators were told to cut services.

But Internet access appeared still to be cut by late afternoon.

US President Barack Obama called on the Egyptian authorities not to use violence against the political protests, driving home his message in a 30-minute phone conversation after a late-night speech by Mubarak.

He urged Mubarak to take "concrete" steps towards political reforms, saying he must turn "a moment of volatility" into "a moment of promise."

On Saturday, State Department spokesman Philip Crowley repeated concerns about the unrest.

'Stalker' slits

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now fighting for her life at Bogra Shaheed Ziaur Rahman Medical College Hospital.

"Her condition is very critical," a physician at the hospital told this correspondent yesterday afternoon.

Aminul Islam, officer-in-charge of Sherpur Police Station, said they have detained the alleged stalker -- Monirul Islam Moni, 22 -- of the same village.

Locals said one or more than one person entered Laboni's room by digging a hole into it, slit her throat with a sharp knife and fled the spot taking her for dead.

Hearing the girl's scream, her parents woke up and found her lying in a pool of blood. They rushed her to the hospital.

The OC said Laboni's family suspects Monirul masterminded the attack failing to marry her.

When asked, her family members said Monirul had been stalking Laboni on her way to and from school for about eight months.

"Monirul's mother Laily Begum had earlier given a proposal to Laboni's parents for her marriage to their son. But Laboni's family didn't agree, saying she is still a minor girl," a police official said quoting a neighbour of the family.

He also said Monirul returned home on Friday night after getting married in Dhaka, and the incident occurred the same night.

Monirul's family denied the allegation against him, the police official said.

The OC said, "They (Monirul's family) say he married a girl in Dhaka on Friday and returned to Bogra at night. So, he was not in a position to be involved in the crime."

No case was filed till 7:00pm yesterday. But police said the victim's family was preparing to file a case.

POST-POLL VIOLENCE

Jubo Dal man killed

STAFF CORRESPONDENT, Sylhet

In a post-election violence, an activist of the Jatiyatabadi Jubo Dal was stabbed to death by local Jubo League activists in Nabiganj upazila of Habiganj district yesterday.

The deceased Mainul Haque, 35, son of Asrab Ali of village Sakua, was the brother of Kargaon union BNP president Shahab Uddin.

Police and local sources said Kargaon union Jubo League president Abdul Quddus and his companions numbering about 15 swooped on Mainul and two of his companions with sharp weapons as they were on way home from Tokerbazar at about 2:00pm.

Severely injured Mainul died on the spot while Anwar Miah and Nurul Haque were admitted to the Nabiganj Upazila Health Complex.

Mainul's body had been sent to the Habiganj Sadar hospital for an autopsy.

Speeding buses

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speedy intra-city bus of Bellal Paribahan hit him while he was crossing the road in front of the secretariat at about 12:00noon.

Locals rushed him to Dhaka Medical College Hospital where the doctors declared him dead at about 1:30pm, said Masudur Rahman, sub-inspector of Shahbagh Police Station.

Humayun Kabir, a relative of the victim, said Saifur was hit by the bus when he was returning home at Mirajagar of Shanir Akhra from his college.

Police found the bus abandoned near Sahbagh intersection after the accident, the SI said.

Police couldn't arrest the driver and the helper, he said.

Meanwhile, Masud Rana, 25, a son of Mozammel Hossain of Sherpur, who worked as an iron operator of Trade World Limited of Vertex Group at Hemayetpur, was crushed by the Vertex group's bus when he was trying to get on it.

Rabiul Islam, sub-inspector of Savar Police Station, said Masud slipped and went under the wheels of the bus when he was trying to board it about 8:00am.

Police recovered the body and seized the bus but the driver and helper had fled, he said.

Two killed

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Hossain, officer-in-charge (OC) of Pallabi Police Station. As the criminals saw the Rab men, they started firing on the law enforcers.

The Rab team fired back and at one stage Dabir was shot dead.

Dabir's cohorts, however, managed to flee.

A revolver, a single-shot firearm and two bullets were recovered from the scene, Iqbal said.

The OC identified Dabir as the second-in-command of Zamil Group, a criminal gang active in the area.

Dabir was a resident of Kalshi in Pallabi and an accused in many cases filed with Pallabi Police Station, the OC said.

Meanwhile, Abdul Khaleq died in a gunfight with Rab at Gaurichanna of Barguna sadar upazila.

Acting on a tip-off, a patrol team of Rab-8 challenged a gang of robbers at Gaurichanna around 2:00am, Rab sources said. The gang members opened fire on the Rab personnel prompting them to retaliate.

At one stage of the gunfight, the criminals fled the scene.

Locals at about 6:00am found Khaleq's dead body, said Shariful Islam, deputy assistant director of Rab-8.

The body was sent to Barguna General Hospital.

Khaleq was an accused in several cases filed with Barguna Sadar Police Station, police said.

Rab sources claimed that Khaleq led the Khaleq Bahini, a gang of robbers, active in the area.

Foul play in stockmarket

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"It will never be good for the market if companies are allowed in, with their accounts overvalued. It is time to reveal this window dressing of balance sheets," he said. Window dressing is an accounting strategy to spruce up the balance sheet to make it more attractive than it really is.

Rizvi said there is no designated institution to look into matter or deal with the fabricated accounts by an issuer. These things should be checked at entry level so that companies with window-dressed accounts cannot enter the market, he said.

Mamun Rashid, a banker and economic analyst, said market capitalisation grew 10 times in five years to \$50 billion in 2010.

Daily average turnover shot to \$237 million in 2010 from \$38 million in 2008. Compared to Bangladesh, the average trade of Vietnam and Philippines was \$60 million and \$82.5 million in 2010, he said quoting market data.

He said the supply of new issues has not increased in line with the inflows of funds and growth in numbers of beneficiary-owner accounts, which rose 65 percent to nearly 3.4 million in one and a half years. "The market is uniquely retail-driven: too many investors are chasing too few stocks," he said.

At the same time, the systems of listing -- direct listing or book building -- were abused by sponsors, institutional investors and others, he said mentioning how valuation of a hotel was fixed at a staggering \$850 million. Rashid said the hotel had earlier been valued at \$50 million. "It went up to \$850 million after introduction of book building, raising many eyebrows."

Rashid said the stockmarket saw an investment spree that led to the bubble on assumption that stock prices will only rise and the government will never allow the market to go down.

"We possibly need to focus on governance," he said pointing to the role of auditors, and book-keeping system. Mahfuz Anam, editor and publisher of The Daily Star, moderated the roundtable.

"The market has seen a phenomenal rise. There are many factors behind it and there are allegations of manipulation," Anam said. To set the tone for the discussion, he said the roles of auditors have surfaced in public mind.

Mahmood Osman Imam, a professor of finance at Dhaka University, said the arithmetic mean that was used to determine the indicative price for initial public offerings (IPOs) under book building method showed connivance in the market. There was no problem in the book building method, but it was misused, he said.

AF Nesaruddin, partner of Hoda Vasi Choudhury and Company, came down heavily on the stockmarket regulator. He said it has failed completely to regulate the market.

Nesaruddin said a share of Tk 200 in net asset value was fixed at Tk 800-900. This high IPO pricing affected the prices of other items similar in nature, he said.

"Share overpricing cannot be done without the connivance of the SEC," alleged Nesaruddin.

"Was the SEC sleeping?" he questioned.

Sheikh Mortoza Hossain, president of Bangladesh Merchant Bankers' Association, said merchant banks are blamed for every market fall although they are not solely responsible for the bubble.

Merchant banks mainly bring the initial public offerings (IPOs) to the market and maintain portfolio investment through discretionary and non-discretionary accounts, he said.

"We maintain non-discretionary accounts. It means our customers manage their portfolios and make decisions on their own," he said. The merchant bankers can hardly influence the investors' decisions. They work like brokers, he said.

Mortoza said the market started picking up in 2007 after the 1/11 changeover. A few merchant bankers were working at that time, as

nobody was interested to invest in the market, he said.

"Mutual funds were undervalued at the time. Then we thought of increasing the supply side in the stockmarket. We also paid attention to the demand side. That's why we went for non-discretionary accounts to boost the demand side. We did not wrong," Mortoza said.

He said the issue managers do not even have any idea of how to maintain accounts.

Mortoza reacted sharply to the allegations of merchant bankers' roles in market volatility and said: "You cannot just blame all merchant bankers and issue managers wholesale."

The market started going up from the beginning of January and continued up to November last year.

The merchant banks maintained due diligence even for the non-discretionary accounts. "They did not give loans against all securities. The prices of junk shares went up even though no loans were disbursed for them," he added. "We maintain omnibus accounts. If you do not have omnibus accounts you cannot maintain discretionary accounts," he said.

Shahwar Jamal Nizam, senior legal associate of Singapore-based Duane Morris and Selvam LLP, stressed the importance of coordination between the regulators.

He also called for fixing the definition of market manipulation and arranging training programmes for imparting knowledge to the officials and investors.

"The independent directors should have more power in the board of directors of the companies to establish strong corporate governance. Such rules should be imposed; the listing processes should be written clearly," he said.

Ahsan H Mansur, executive director of Policy Research Institute, said the market could not have bubbled without the flow of money.

Mansur observed that expansion of money, tax exemption and black money have fuelled the market.

But the former official of the International Monetary Fund opposed any intervention in the market. "The market should be left on its own," he said.

Fahmida Khatun, head of research at Centre for Policy Dialogue, put the market collapse down to 3Gs: greed of investors both large and small, gap in policy coordination and governance (lack of it).

Parven Mahmud, president of Institute of Chartered Accountants of Bangladesh, urged the SEC to better coordinate with the accountants.

Shahed Noman, former managing director of Dhaka Bank, criticised the SEC for lack of commitment and for not having a 'forensic department'. He said appointing independent directors to listed companies did not work, and the central bank should assess the issue.

Yawer Sayeed, managing director of AIMS of Bangladesh Ltd, identified three factors behind the stockmarket volatility: policy contradiction that was the base, overlapping of roles and contradiction of actions.

Black money was open for investment without any question at a time when the SEC was tightening the share credit ratio, Sayeed added.

The commission approved initial public offerings (IPOs) with a PE of 60, 70 or 80 when the same regulator fixed 40PE as a benchmark for margin allowing or justifying a company's share prices to go up that level.

"The government has come up with Rupali Bank shares, which were the worst, while Janata Bank said it will not go to the market unless it gets Tk 1,000 per share. But nobody talks about the listing of Basic Bank, which is one of the most profitable banks," he continued. "All these show policy contradiction by the SEC or the government."

Sayeed said institutional investors and asset managers did not play their due roles either. In the name of floating mutual funds, the asset managers, sponsors or even trustee bodies engaged in private placement business.

Senior lawyer Ajmalul Hossain QC said greed has

been the driving force behind the stockmarket. "The majority of small investors rushed to the market hoping to make a quick buck."

He said the country's stock exchanges always urge people to invest in stocks and get more benefit. "Their slogan worked and people rushed to it."

"One thing that has not happened is that the bourses did not warn people that prices can go up and down. They did not say the investors might lose everything. Now they should be told that they can lose everything they have."

Dr Sharif Bhuiyan, a partner of Dr Kamal Hossain and Associates, said the absence of the rule of law is the main problem in the country.

"In Bangladesh, one who abides by the law is zero while one who violates the law is hero. This cannot be a proper characteristic of a market. There is also a culture of impunity. We have to address basic legal things."

"There must be mechanisms so that outsider interventions cannot influence the SEC."

"Many problems arose also due to conflict of interests. We have conflict of interests at SEC, bourses, issuers and investors levels. We should address the issue of these conflicts legally."

Walul Maruf Matin, former CEO of Chittagong Stock Exchange, said: "The stockmarket operators have said nobody listens to their demands. This is scary."

All stakeholders such as merchant banks, stock exchanges, the regulator, the government, journalists and investors need to be educated for a better stockmarket. "There should also be independent directors and corporate governance. And the education must be linked with some certification."

The profession as financial adviser has not developed in the country at all, he said. For corporate governance, the country needs independent directors, he suggested. "The directors must have a minimum qualification."

Matin stressed the need to define the rules and regulations. "We do not know about regulations which define manipulation and what will be punishment if we breach that. If we cannot do that the probe will not yield any benefit. It will end up disgracing some people only, in most cases innocent people."

Fortune maker

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local demand in Baufal, Bilbilas, Birpasha, Nurainpur, Kalaia, Kalishury, Kachipara, and Kanokdia areas.

Upazila Agriculture Officer Md Hanif Sikder said, "We gave training on vegetable cultivation to 400 jobless youths in the upazila. Of them, only 100 have been able to run business and Oli is the best among them."

"Oli's success has given a boost to the whole village. It is now known as the 'vegetable village'," he said.

Deputy Director of Patuakhali Agriculture Extension Department Nikhil Ranjan Mondol said, "If jobless youths get involved in agriculture, the number of unemployed will go down and our agriculture sector will also benefit from it."

Trader shot dead

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52, was also a stockmarket investor and a former employee of Emirates airline.

He was standing in front of his drugstore on the ground floor of his five-storey building when a gang of youths fired on him at around 9:30pm, Rampura police said quoting an eyewitness.

Shahidullah, also president of Kunjaban residential welfare association, received two bullets in the chest and shoulder. He died on the way to Dhaka Medical College Hospital.

His younger brother Abdul Momen told The Daily Star they have no idea what could be the motive behind the killing.

"As far as I know, my brother had no enmity with anyone," he added.

No case was filed and none was arrested till filing of this report at 1:30am today.

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- SEC should be able to take independent decisions
- Better coordination between regulators: Bangladesh Bank, SEC and finance ministry
- Clear delineation of powers and authorities of regulators
- Existing securities rules must be enforced
- Book-building method must be reformed
- Education and training for independent directors, listed companies and retail investors
- Banking system must be protected
- Markets must be disciplined
- Culture of impunity must go
- Clear listing rules must be in place
- A legal framework for markets is necessary
- No regulatory and government intervention in market; it should be on its own
- Govt must assess impact of stockmarket crash on real

Free ACC

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As per the amendments, the ACC will run under the government, TIB officials claimed.

The human chain styled as Want Independent and Effective ACC was held in front of the Jatiya Press Club in the morning.

Addressing the programme, TIB Executive Director Iftekharuzzaman said the provisions in the amendments will serve the purpose of a special section of the society.

The cabinet on January 24 approved the draft Anti-Corruption (Amendment) Act, 2010 with 10 amendments.

The TIB executive director said under the amended law, the ACC is bound to take permission from the government before filing any graft case against government officials. This will take away ACC's freedom and encourage government officials in corruption.

Besides, it is unconstitutional to give someone any facilities under special consideration since the constitution promises equal rights to all citizens.

Another provision in the proposal allows the government to appoint the secretary of the ACC, which is meant to control its activities, he added.

The amendments also made the commission accountable to the president and parliament.

"But we think, the commission should be accountable to the supreme judicial council or a special parliamentary committee to ensure transparency," said Iftekharuzzaman.

He noted that the government has overlooked the issues that needed to be addressed to ensure freedom of the ACC.

He demanded that the ACC be given absolute power to investigate allegations of corruption against any individual or institution.

TIB directors Iftekhar Ahmed Chowdhury (research), Rabeya Rawshan (civic engagement) and Ranjan Halder (finance and admin), among others, were present at the gathering.

Meanwhile, Sachetan

Nagorik Committee of TIB organised human chains at 45 spots at upazila and district level across the country.

G Azam

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Shahriar Kabir, convener of the forum, who was present at the meeting, told the media that statements of Ghulam Azam published in the daily Sangram in 1971, are enough to try and punish Ghulam Azam for crimes against humanity.

During the war, Azam in an issue of the Sangram, a Jamaat mouthpiece, said, "Pakistan is the house of Islam for the world Muslims. Therefore, Jamaat activists don't justify living if Pakistan is disintegrated."

He also expressed concern over not arresting Ghulam Azam, who has become the country's anti-liberation and fundamentalist symbol-figure.

Ghulam Azam met Tikka Khan, the Pakistani general known as butcher of Beluchistan and architect of the March 25, 1971 genocide, 10 days after the War of Independence started.

Directly opposing the birth of the nation, Azam led the formation of Shanti Bahini to thwart Mukti Bahini fighting for the country's independence.

Ghulam Azam apparently has distanced himself from party politics since 2001.

Shahriar Kabir also observed war crimes trial would not be completed even in next three years if sufficient manpower and logistics are not provided to prosecutors and investigators.

He also said "There is also a lack of coordination among the probe body, prosecutors and the government," he said.

Echoing Kabir's remarks, Chief Prosecutor Ghulam Arief Tipoo said if the prosecutors and investigators are not given enough support, the work will proceed slowly.

The meeting was held at Bailey Road residence of Tipoo in the city yesterday.

Some other leaders of the forum, Justice Mohammad Ghulam Rabbani, Justice Syed Amirul Islam, Prof Muntasir Mamun and barrister Tureen Afroz, among others, were present at the meeting.