

India needs to deliver

Pranab's statement very welcome

WE couldn't agree more with the Indian Finance Minister regarding the need for India to take steps expeditiously on specific outstanding issues between the two countries. We welcome the frank admission he made to the visiting Bangladeshi journalists that there has been delay and slippages in this regard.

While we very much appreciate the acknowledgement we fail to understand why it has taken so long on India's part, after the joint communiqué was signed by the two prime ministers in January 2010 that agreed in principle to address these issues urgently.

The Indian finance minister voices the sentiments of the people of Bangladesh when he says that people want to see more things visible done by the Indian side. It needs hardly be repeated that Bangladesh has been more than expeditious in making good on its commitment as per the joint communiqué.

The issue of transit and Indian insurgents in our territory, two issues that relate to India's two vital interests of security and economy, and which India had been seeking for a long time, have been addressed with the utmost rapidity by Bangladesh without even asking for a quid pro quo, whereas, there was strong opinion in Bangladesh that these two be used as give-and-take issues between the two countries. We fear that lack of reciprocity on India's part is likely to dilute the recent gains and lead to severe disappointment among the people of Bangladesh.

The outstanding issues are by no means intractable, but regrettably India's commitment is sometimes hamstrung by its internal dynamics. A case in point is the border killings by the BSF, which, in spite of assurances at the highest level, has not stopped. This is entirely unacceptable, and it is for India to remove the impediments, bureaucratic or otherwise, that stand in the way of the implementation of its policies and directives.

It is with great interest that people in Bangladesh are waiting for the impending visit of the Indian PM to Bangladesh, where announcements from the Indian side are likely to be made including on the Teesta and the long-standing and vexing border issue, according to the Indian finance minister.

Criminals targeting cars

Deal with them ruthlessly

AS many as 159 incidents of carjacking were recorded by the police over the last three months. And all these incidents occurred in the capital. One is certainly surprised at the figures. The bigger truth, however, is that the figures could be higher. Be that as it may, the fact that such incidents have been going up in frequency points to the dismal state of law and order not just in Dhaka but elsewhere in the country as well. It is clear that organized gangs of criminals are at work and indulge in their acts in various ways. Sometimes they simply pounce on individuals in cars cruising on the road; sometimes they shadow a car before finding an opportune moment to terrorise the driver into parting with the keys. In many instances, car robbers have acted violently, leaving drivers wounded from attacks with sharp weapons.

Incidents of carjacking must necessarily be observed as part of a bigger picture of lawlessness. Of late, murder, kidnapping and rape have featured increasingly in the news. With car stealing or commandeering now coming into the list, it now becomes a critical question of whether the law enforcers are in a position to roll back the slide and, more importantly, willing to do it. Carjackings have happened earlier too, but the difference between then and now is that these days it is not empty cars that are stolen. The criminals today are not loath to go up to a car owner or driver and ask him to hand it over. Audacity has now taken over where stealth was once the pattern. It only shows the degree to which citizens' security has dwindled.

The police have certainly been nabbing car thieves. That is appreciable, but more to the point would be a sustained, ruthless operation against these criminals before they spread their tentacles any further.

THIS DAY IN HISTORY

May 9

1941

World War II: The German submarine U-110 is captured by the Royal Navy. On board is the latest Enigma cryptography machine which Allied cryptographers later use to break coded German messages.

1942

Holocaust: The SS murder 588 Jewish residents of the Podolian town of Zinkiv (Khmelnytska oblast, Ukraine). The Zoludek Ghettois destroyed and all its inhabitants murdered or deported.

1945

World War II: Ratification in Berlin-Karlshorst of the German unconditional surrender of May 8 in Rheims, France, with the signatures of Marshal Georgy Zhukov for the Soviet Union, and for the Western Headquarters Sir Arthur Tedder, British Air Marshal and Eisenhower's deputy, and for the German side of Colonel-General Hans-Jürgen Stumpff as the representative of the Luftwaffe, Field Marshal Wilhelm Keitel as the Chief of Staff of OKW, and Admiral Hans-Georg von Friedeburg as Commander-in-Chief of the Kriegsmarine.

2004

Chechen president Akhmad Kadyrov is killed in a land mine bomb blast under a VIP stage during a World War II memorial victory parade in Grozny, Chechnya.

2005

Estonia ratifies the European Constitution.

Putting our capital market on right track

NIRANJAN CHANDRA DEBNATH

CAPITAL is the lifeblood of business and industry and capital market is the main source for raising capital. It provides long-term fund for industries and creates investment scope for the mass. Capital market plays a vital role in industrial, and thus overall economic, development of a country. Though our capital market was established long ago it gained momentum in the late '80s and early '90s. Overcoming the debacle of 1996, the capital market started functioning smoothly again, but has started behaving irrationally in the recent years.

In the last two years, the market index increased from 2,795 points in December 2008 to 8,290 points at the end of 2010. On January 9, the index fell 600 points, and 600 points again the next day. The index increased by almost 1,000 points on the following day. Such ups and downs are totally unusual, abnormal and unexpected. Some of the reasons identified behind such ups and downs are:

- Allowing investment of black money in the share market;
- Reduction of bank interest on deposit;
- Imposition of tax on savings certificate;
- Lack and instability of regulatory framework. It appears that stock market related regulations are imposed on trial and error basis. For example, in 2010 margin rule was changed on 12 occasions;
- Irrational behaviour of both individual and institutional investors;
- Lack of the central bank's oversight of the activities of commercial banks and financial institutions. In recent years it has been observed that some banks, instead of performing their prime activity, i.e. financing industrialisation and business, paid more attention towards share market investment, which heated the capital market irrationally. Such activities of commercial banks should have been controlled in time;
- Bangladesh Bank's instruction to reduce exposure in share within a specified time;
- Withdrawal of big, especially institutional, investors from the market;

- Failure in bringing the culprit of '96 stock market debacle to law.

Smooth development of stock market and its stability is a must for overall economic development of our country. The following initiatives may have positive effect in this regard:

- Lack of confidence of investors is the main problem of the market today. The prime task at this moment should be restoration of confidence at any cost. Implementation of recommenda-

If normalcy and confidence cannot be restored in the market, it will severely affect industrialisation and the overall economy of the country, and its adverse political effect cannot be overlooked.



- tions of the investigation committee phase by phase, and setting of priority can restore confidence.
- SEC must be reconstituted immediately with required manpower having adequate knowledge and moral integrity;
- More detailed investigation to be carried out so that the masterminds behind the share market debacle can be identified properly and punishment can be ensured to the responsible ones;
- It is claimed that the persons suspected to have caused the share market debacle were not involved in anything illegal. The claim may be true (!), interestingly. Even

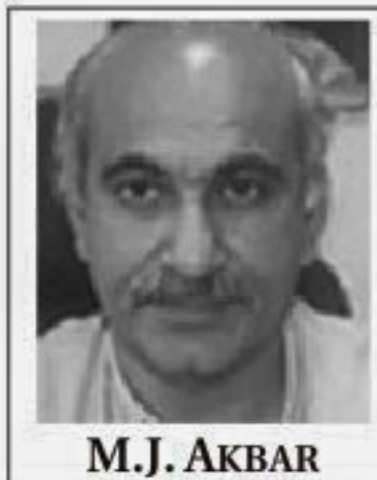
though their deeds may not have been illegal, they were immoral.

- Sometimes immoral doings may be more harmful than illegal doings;
- Bangladesh Bank may relax its recent policies regarding commercial banks' exposure in share market; institutional investors may be motivated or compelled if necessary to increase their investment in the market at least at that level of their participation before the crash of the market. It may not be possi-

- ble to restore confidence in the market if the institutions remain inactive. CRR may be reduced and liquidity support by the central bank may also be considered for the time being so that commercial banks can inject more funds in investment of shares;
- The condition of the market is very sensitive now. Any adverse comment at this stage will affect the market seriously. So, we all must be careful in making comments regarding share market;
- One basic principle for investment in shares is that you have to invest in shares of good fundamentals, and the men behind the company

BYLINE

An army wrapped in wool



M.J. AKBAR

THE death of two birds with one stone is generally greeted with generous applause, notwithstanding the fact that the second casualty was an accident. What is useful in sport might be less fortuitous in other circumstances.

The four American helicopters which went for the final kill in the long hunt for Osama bin Laden achieved their primary purpose. The world is now busy sifting through the ruins of their second hit. For in the process they also crippled the credibility of Pakistan's most powerful institution, its army, often described by its apologists as critical to national stability and even cohesion.

All pretence and pretension is over; a fudge that the killing of Osama was some sort of "joint operation" was a thin camouflage that has been torn apart by minimal public scrutiny. On May 4 Pakistan's Information Minister Firdous Ashiq Awan admitted in Parliament that American choppers had evaded detection by use of "map of the earth" flying techniques. If the Pak military did learn what was happening during the 40-odd minutes that ground operations took, there was too much uncertainty and confusion in its chain of command to fashion an adequate, or any, response.

Stark fact: the Pakistan army is impotent before America.

Only the impotent resort to bluster. The Pakistan military rather pompously "threatened" America with "dire consequences" if it dared to

violate Pak sovereignty again. America sniffed, not in sorrow but disdain, and sent drones on Friday to hit targets in the Datta Khel area, killing 12 people, described naturally as "militants." Washington did not seek Islamabad's permission for renewed military action.

Less evident fact, but fact nevertheless: Pakistan's generals, who have controlled defence policy from the moment Ayub Khan became defence minister, whether through their own dictators or civilian politicians who took their dictation (except for the six

neo-colonisation is the grant of independence on condition you do not exercise it. It is an exchange of security systems, where the superior power ensures the survival of an ally, while the ally protects the interests of the superpower in its region.

When, therefore, the Pakistan army feels the need for an alternative policy line which might be unacceptable to Washington, it is forced into double-talk and deception. The ISI must maintain distance and deniability when it nurtures assets it needs to use when its requirements are askance of

Instead of being an impenetrable wall on the frontier, the Pak army has become a porous bale of cotton. You can only sleep comfortably wrapped in cotton; a nation's guardians need to keep their eyes open.

Zulfiqar Bhutto years), have turned a national army into a mercenary force. Those who pay the piper determine the tune.

Since Pakistan's generals have Urdu as their first language, they will not need an interpreter to understand Sahir Ludhianvi's evocative couplet: "Kaise bazaar ka dustoor tumhein samjhaaon, Bik gaya jo woh kharidaar nahin ho sakta (How shall I explain the logic of the bazaar? He is who has been sold cannot become a buyer)."

This is a variation, not particularly subtle, of the neo-colonial syndrome. Neo-colonisation was honed and shaped by the British Raj on the Indian subcontinent through the princely states, so we have sufficient evidence from history. In essence,

American interests. This explains its relationship with outfits it has either spawned or fattened.

That old codger Pervez Musharraf, whose most effective arsenal has always been stored within his vocal chords, has been trotted out to explain how Osama was living in luxury within smelling distance of the military. This is logical, since Osama made his home in Abbotabad when Musharraf was president.

As attorney for the army, however, Musharraf is hopeless; he thinks raising his voice, combined with a convenient memory, improves an argument. One story is too priceless to be ignored. Former Afghanistan intelligence chief A. Saleh recalls that when, four years ago, he told Musharraf that

should be good also. If you buy good shares and price falls subsequently, do not panic, rather be patient and hold the shares, price will increase in course of time. Share market investors should follow these basic principles;

- There must be an active checking point/unit (CDBL) so that at any time the trading flow can be specifically tracked;
- SEC must ensure adequate, stable and long-term policies because frequent change of policies adversely affects stability of capital market;
- From the investigation it became clear that there are specific loopholes in the law and regulatory organisations. These regulatory loopholes must be identified and removed;
- Activities of listed companies and market players must be monitored constantly. It must be ensured that related regulations are properly complied, AGMs are held and dividends are paid regularly by listed companies;
- Now, virtually both SEC and Bangladesh Bank regulate the share market simultaneously. So, there must be co-ordination in their supervisory activities;
- In 1996, almost 100 companies were de-listed. It is alleged that the persons behind these de-listed companies are again coming into the market by floating new companies. We must be careful about them;
- Tax on capital gain (10%) for banks may be revised because tax on their core business in 42.50%, whereas tax on profit from shares is 10%.

One of the most optimistic aspects of our share market is mass participation of investors. Almost 33 lac investors are involved. More than 99% of them are general investors. They have invested most of their savings in the capital market. We have to do everything to retain these huge investors in the market. If normalcy and confidence cannot be restored in the market, it will severely affect industrialisation and the overall economy of the country, and its adverse political effect cannot be overlooked.

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Osama was hiding in or around Abbotabad, Musharraf exploded: "Am I President of the Republic of Banana?"

The question is rhetorical. Dictators like Musharraf have turned Muhammad Ali Jinnah's Pakistan into a banana republic.

I wonder sometimes if Pak generals get more irritated by an Indian general's barb or an Afghan's taunt. Last Wednesday, General Zahir Azimi, spokesman for Kabul's defence ministry, publicly wondered: "If the Pakistani intelligence agency does not know about a home located 10 metres or 100 metres away from its national academy, where for the last six years the biggest terrorist is living, how can this country take care of its strategic weapons?" The whole of Pakistan, not just Kabul, is waiting for an adequate response.

The deterioration of the Pakistan army is not a consequence of financial corruption. That is a small part of the story. It is self-destructive because there is complete absence of accountability. No one, either a wing of government or Parliament, can question its will to do what it wants. In the name of patriotism, it has declared virtual independence from the rest of Pakistan. The consequences are there for all to see. Instead of being an impenetrable wall on the frontier, the Pak army has become a porous bale of cotton.

You can only sleep comfortably wrapped in cotton; a nation's guardians need to keep their eyes open.

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