

## Xmas today

Son of God, in a stable in the city of Bethlehem on this day.

It is a public holiday in Bangladesh as in many other countries. Security measures have been beefed up in the capital and elsewhere in the country to ensure peaceful celebration of the day.

President Zillur Rahman and Prime Minister Sheikh Hasina greeted the members of the Christian community on the eve of Christmas Day.

Marking the carnival, Christians will offer special prayers at the churches.

The prayer houses and adjoining areas have already been decked out with colourful tiny blinking lights. Illuminated Christmas trees have been placed with a star standing right on top. Santa Claus will hand out Christmas gifts to the children on the occasion.

Special dishes will be prepared in the families of members of the community and the children will seek blessings from the elders.

In Dhaka, the celebrations begin on Christmas Eve with Christmas carol in hotel lobbies, restaurants, lounges and other public places. The Sonargaon Hotel, Ruposhi Bangla, Radisson and Westin are set to arrange parties featuring carols, games and dance performances.

## Passengers

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Shakhawat Hossain and Palash Sutradhar, employees of a pharmaceuticals company, said their annual conference was scheduled in Dhaka yesterday at 8:30am.

They started from Chittagong on Friday and could reach Chandina around 3:00am and by 10:00am they only could reach Gouripur. They could not attend the conference on time.

Junab Ali, a former UP chairman of Titas upazila in Comilla, said he had started his journey to Dhaka Friday evening and had to walk at least 14 kilometres from Raipur area to Daudkandi Toll Plaza to board a Dhaka-bound bus.

Taj Meher, an inhabitant of Gopalpur village under Titas upazila, said she along with her two grandchildren had started her journey towards the capital on Friday. After wasting several hours in Daudkandi Toll Plaza area, they had to go back home walking about nine kilometres.

Police sergeant Saiful Islam told this correspondent that after the accident they brought two breakers and removed the two damaged vehicles.

Only reckless driving is to blame for all this, added the officer.

## BSF

FROM PAGE 20

continued in the dark of night.

Several flag meetings were held on the issue.

In one of the meetings, the Indian force assured BGB of not using this road. But for the last few days, Indian tractors loaded with bricks, cement bags are driving along the dirt road to border pillar 2024.

The Indian authorities are gathering construction materials close to the zero line and even inside Bangladesh territory. They are digging deep the ground and making big holes to construct the 2-3 feet high wall up to the level of the road. A few border pillars have sunk into earth.

One BGB official seeking anonymity has said the Indian side may have an ill-motive to construct a boundary wall.

BGB office sources have said the high officials of both countries have agreed that retaining wall could be built within 16 feet of zero line to protect a boundary pillar that falls in any water body.

Contacted, Lieutenant Colonel Mustafizur Rahman, commanding officer of Sarail 12 battalion, said they earlier had sent BSF a message requesting not to erect any boundary wall there and held a battalion commander level meeting on December 21. In the meeting, the BSF agreed that they would not erect any wall above the ground level.

BGB is always watching if BSF violates any treaty or border rules, the CO added.

## Short-term achievements

FROM PAGE 1

Board (PDB) needs subsidy amounting to Tk 7,000 crore to 9,000 crore a year. To cover this subsidy, the government has been increasing power tariff every six months.

While raising power tariff

would help the PDB cover its losses, it would have some negative political impact as the people would have to spend more for power. But the main concern in 2012-13

would be availing enough foreign currency to import petroleum worth billions of dollars, and hundreds of millions of dollars for payment to private power companies.

The country's foreign currency reserve, which is replenished mainly by garments exports and money sent by immigrant workers from abroad, is already taking heavy blows due to fuel imports. If recessions in Europe worsen in 2012, the reserve situation would become precarious.

In the gas sector, Petrobangla and its affiliates added a small amount of new gas to the national grid. But the gas deficit remains at no less than 500 million cubic feet a day (mmcf).

Petrobangla has been supplying around 2,000 mmcf

for the last two to three years.

So far, Petrobangla's

success in the gas sector has remained confined within rosy forecasts. Bangladesh

Petroleum Exploration Company (Bapex) forecast that it expected to discover more than two trillion cubic feet of gas from a prospective field in Netrokona-Sunamganj. Geologists term this kind of forecast unrealistic.

Bapex has added some small gas supplies from its gas fields and has conducted three dimensional surveys in some of the old fields. These surveys will help the government plan additional production from these fields. However, these are all in the planning or pre-planning stage.

In the last three years, the government awarded contracts for several large gas and dual fuel-based power plants. The most significant of these deals were signed by Summit and Orion.

As a local company, Summit now generates more than 500 MW power. It was awarded three contracts to generate more than 1,000 MW power, and the plants are supposed to come into operation in mid-2013.

These three plants need \$ 800 million investment.

As per contract, Summit has to complete financial arrangements for its Bibiyana-1, 2 and Meghnaghat-2 projects by February. If Summit is able to meet this deadline, it may be able to bring its power plants online a few months before the expiry of the Awami League govern-

ment's tenure. While Summit chief Aziz Khan is confident about this financial closure, industry insiders are not yet sure if Summit will be able to maintain the schedule.

Orion has been awarded deals for three coal-fired power projects having 1,200 MW capacity. To set up these power plants on their own land at Maowa and in Chittagong and Khulna, Orion would need about \$ 1 billion investment. In addition, the company needs to import huge coal regularly to run these plants.

According to the company's top executive Salman Karim, final agreements are expected to be signed next month and the deadline for Orion to complete financing arrangement is September.

The Maowa coal plant will have 600 MW capacity, and from the date of signing agreement, Orion will get 45 months to build the plant. The two 300 MW plants in Chittagong and Khulna will get 36 months to complete. None of these plants will come into operation within this government's tenure.

Orion's financing also remains a challenge as neither the World Bank nor the Asian Development Bank is keen to finance coal-fired power projects. But the company is hopeful that the financing will be possible within due time.

## Economy bleeds

FROM PAGE 1

Credit (LC) for other commodities also fell.

However, more state-owned banks are queuing at Bangladesh Bank for foreign currencies for import of fuel and fertiliser. The increasing demand for foreign currency, in turn, is putting pressure on foreign exchange rates.

The country received only \$5 million in net foreign aid in the last five months compared to \$250 million during the same period last year.

Low foreign aid is also a major reason behind the increase in foreign exchange rates, said BB officials.

Besides, huge public borrowings for subsidies on fuel, fertiliser and electricity are also contributing to inflation.

Three months after the announcement of national budget, the finance division suddenly found that the actual subsidy would be more than twice the subsidy allocation in the national budget.

Increased imports of fuel and fertiliser that see a rise in prices on the international market have pushed up the government's subsidy burden, say finance ministry statistics.

It prompted the government to borrow more money from banks, especially the central bank, since the start of the current fiscal year. This

has caused the inflation to go up.

The finance division in September conveyed to the prime minister that the government should bring down subsidies on fuel, fertiliser and electricity.

"The planning and foresight of the finance division was flawed," said Zaid Bakht, research director of Bangladesh Institute of Development Studies (BIDS).

Bakht said the finance division should have predicted that imports of fuel and fertiliser would rise, and it should have taken steps much earlier accordingly. He also blamed the bureaucracy's inefficiency for the decline in foreign aid.

An IMF team visited Dhaka this month over a \$1 billion credit to Bangladesh and gave a set of conditions for the loan that is to be finalised by January next year.

A major condition for the loan is to bring down government expenditures drastically.

The finance division has agreed to reduce expenditures but is still negotiating the size of the cut.

Wishing anonymity, a central bank official said the fall in GDP growth is a result of declining industrial production.

Central bank statistics say opening of LC for capital

machinery and raw materials fell by 34 percent and 0.46 percent in the last four months of the current fiscal year.

Zahid Hussain, senior economist of the World Bank, said the drop in opening of LC possibly reflects the investors' weak confidence for uncertainties centring the crisis in Europe, and its effect on the rest of the world.

"Possibly, the investors have taken a wait-and-see approach," he said.

Opening of LC for import of raw cotton, yarn, pharmaceutical materials and synthetic fibres has decreased, he said.

It probably reflects the decline in export orders, as the Euro zone is the largest destination of Bangladesh's exports, he said.

Zaid Bakht believes snags in large projects including the Padma bridge project would hamper the GDP growth.

Asking not to be named, another Bangladesh Bank official said the present high inflation would impact the GDP growth and would "eat up" the purchasing power of common people.

But if Bangladesh manages to attain 6 percent GDP growth, it will be quite good in the context of the present global economic situation, he said.

The popularity of the former KGB spy, who has remained Russia's paramount leader, has dropped since he has not grasped the seriousness of the protests.

There are growing doubts that Putin will win outright in the first round of voting. Many Russians say he is out of touch and some sources close to Russia's leadership suggest he has not grasped the seriousness of the protests.

Putin accused the United States of encouraging the protesters.

Dozens of police trucks lined the city's main ring road nearby and the police blocked off roads around the protest site, but they did not intervene.

There was no immediate reaction to the protests from Putin but state and other tightly controlled television channels provided coverage of the rally, without any direct mention of the criticism of the 59-year-old prime minister.

Putin is still expected to win the presidential election

and his return would bring political and economic stagnation.

President Dmitry Medvedev, who is stepping aside for Putin to return to the Kremlin after four years as prime minister, has promised

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