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Summary:

Bangladesh:

A court in Bangladesh has thrown out a corruption case that accused Prime Minister Sheikh Hasina of unnecessary spending, marking the last in a series of graft cases that were all concluded in her favor. Bangladesh Jamaat-e-Islami will hold its scheduled rally at the capital's Paltan Maidan today despite the ban imposed on rallies or processions in and around the venue. The Bangladesh Jamaat-e-Islam postponed their planned rally at the Paltan Maidan yesterday, much to the relief of the worried citizens tensed up over a potentially confrontational situation. A devastating fire raced through several apartment complexes in the Bangladeshi capital, killing more than 100 people and injuring just as many, local media reported Friday. Fire official Nazrul Islam said the blaze started when an electric transformer exploded late Thursday, igniting a three-story apartment building in the Najirabazar area of old Dhaka. Bangladesh blocked Facebook over the weekend, leaving the social networking site

marooned from another tranche of Muslim users even as Pakistan largely restored access to the site. Bangladesh shut down a pro-opposition newspaper and arrested its editor on fraud charges, police said Wednesday, after storming the paper's offices in a late-night raid. Mahmudur Rahman, acting editor of the Bengali-language Amar Desh and one of the government's most vocal critics, was arrested after police broke through an improvised barricade set up by the paper's journalists. Bangladesh on Monday approved legislation mandating eight years of compulsory free schooling for all children, replacing the current five-year minimum, officials said. Bangladesh has made science, English and computing classes mandatory in Islamic religious schools as part of an overhaul of its education system, a government official said Tuesday. Dhaka, May 30 (bdnews24.com)—Bangladesh is set to receive \$100 million as aid initially upon joining the EU-backed Global Climate Change Alliance (GCCA). The government of Prime Minister Sheikh Hasina has earmarked a total of 4,000 acres of land to establish a safari park naming it after Bangladesh's founding father Sheikh Mujibur Rahman in Gazipur north of Dhaka city aimed at protecting the historic Modhupur Shal Forests as well its the biodiversity. The Asian Development Bank (ADB) has signed an agreement with the government of Bangladesh to provide \$266 million in loans to help the country address its natural gas supply constraints, and thus spur economic growth and reduce poverty. Economic Relations Division (ERD) Secretary M Musharraf Hossain Bhuiyan and ADB country director for Bangladesh. Prime Minister Sheikh Hasina on Thursday sought more US investment in Bangladesh and further extending cooperation in the country's power and energy sectors. The Bangladeshi government Tuesday condemned the attack by the Israeli troops on the international aid flotilla transporting humanitarian aid to the Palestinian people under the Israeli blockade. Bangladeshi authorities today jailed 54 activists of the largest Islamist party Jamaat that had planed a rally here to oppose the trial of those accused of genocide during the 1971 'Liberation War'. The Tatas are making fresh overtures to the Bangladesh government, led by Awami League's Sheikh Hasina, for investing in the country's telecom and IT sectors. Bangladesh on Monday approved legislation mandating eight years of compulsory free schooling for all children, replacing the current five-year minimum, officials said. The two-day Asia Regional Conference of Global Climate Change Alliance (GCCA) ended here on Monday adopting a joint declaration to help least developed countries (LDCs) and Small Island Developing Countries (SIDS) in Asia to cope with the climate change.

Maldives

The Ministry of Foreign Affairs has condemned “in strongest possible terms” Israel’s act of aggression against a flotilla of ships attempting to bring humanitarian aid into Gaza. Israeli soldiers raided the flotilla of six vessels carrying 663 activists from 37 countries, which was intending to break Israel’s blockade and deliver aid into Gaza. President Mohamed Nasheed has dismissed public outcry over the resettlement of a two Guantanamo Bay inmates in the Maldives as “political waves through misty clouds. In the Maldives, Mohamed Nazim has announced his "reversion" to Islam, after being taken into police custody after publicly announcing that he was not a Muslim on May 28, 2010. There are big holes in his argument for the Government bypassing its own rules to rush through the ad campaign - particularly when he admitted it had been on the agenda for some time. Hollow, too, was Rudd's

insistence he wasn't in a "race to the bottom" with the Coalition on border protection after Labor shelved the processing of Afghan and Sri Lankan asylum seekers. The Maldives will receive a US\$7.3 million (Rf 93 million) grant from China following a signing agreement on Sunday. Speaking at the ceremony, Additional Secretary of the Foreign Ministry Dr Hussein Niyaz said the relationship between the two countries was a longstanding one. The China-Maldives Business Forum, created to promote economic ties between the two countries, was held in Shanghai on Sunday. The Australian government has announced a new package of aid and assistance for Maldives Thursday, including money for coastal protection, renewable energy and scholarships in Australian universities.

Nepal

The CPN-UML on Wednesday said that Prime Minister Madhav Kumar Nepal will step down only after the guarantee of past agreements on peace process and Constitution-writing. The Party ruling the current government, United Marxist Leninists, and its major coalition partner Nepali Congress has said that unless the main opposition NCP-Unified Maoists fully implemented the first two points of the total three point agreements reached on Friday May 28, 2010, it was impossible that Prime Minister Madhav Kumar Nepal will tender his resignation. Nepal's prime minister is "ready to resign" to pave the way for an end to the country's political impasse, his spokesman has said. Madhav Kumar Nepal agreed to quit to gain support from the opposition Maoist party to extend the term of the parliament. Saved from a dire constitutional crisis last month by the opposition Maoist party but now at loggerheads with it once more, Nepal's government faces a fresh hurdle next month when it again needs help to pass the new budget. Though the nascent republic of Nepal managed to stave off an unprecedented constitutional crisis by a hair's breadth Friday midnight, public anger and confusion still remained, turning the celebration of Republic Day Saturday into a travesty. Nepal is to ban smoking in restaurants, bars and other public places and outlaw all tobacco advertising to try to deter young people from taking up the habit, the government said Tuesday. American President Barack Obama is arriving neighboring country India on coming November. Gold prices surged to all time records in India and neighboring Nepal as the marriage season demands more purchase of the yellow metal. When she chatted with her father on Skype from a remote district in northern Nepal on April 20, Aubrey Caroline Sacco sounded in high spirits. Tourist arrivals in Nepal by air in May have increased by 6 percent to 26,634 compared to the same month last year, local media reported on Wednesday. The Nepali government has proposed special programs worth 3.71 billion Nepali rupees (some 50 million U.S. dollars) for the coming fiscal year to boost agriculture production to deal with widening food deficit in the country.

Sri Lanka

The Sri Lankan delegation at the special debate of the UN Human Rights Council, in Geneva has condemned the attack of Israeli security forces on the Flotilla of Humanitarian Aid to Gaza, the foreign ministry said. Sri Lanka's government and Dubai's Emirates Airlines have finalized a deal to buy out its stake in the national carrier, its chairman Nishanta Wickremasinghe said. The Sri Lankan

government has hit out against UN human rights chief Navi Pillay, accusing her of hounding the country on rights issues. The United Nations Security Council (UNSC) agenda this month would not include the proposed investigations into the killing of civilians during the final stages of the recent conflict in Sri Lanka. Sri Lanka is aiming to push its speculative sovereign rating to investment grade by 2013 by fixing government finances, keeping inflation low and growth high, Central Bank Governor Nivard Cabraal said. India is ready to improve access for Sri Lankan goods and services to its markets by creating mechanisms like common standards and recognizing professional certifications, an Indian diplomat said. Sri Lanka's Environmental Resources Investment, an investment holding company, has bought control of fabric manufacturer South Asia Textile Industries Lanka for 710 million rupees, according to stock exchange filings. The Sri Lankan government has issued a new deadline to resettle tens of thousands of internally displaced people (IDPs) who are still living in camps. The Sri Lankan government is planning to resettle Sinhala families evicted by Tamil tiger rebels in 1985 from the Northern Province to their original homes, a government minister said on Tuesday. As China's influence in Sri Lanka grows, India is seeking to play bigger role in its southern neighbour and is putting pressure on Colombo to sign a trade agreement, diplomatic sources said. Sri Lanka Telecommunications Report Q3 2010 ; There is a growing move towards upgrading 3.5G networks with HSPA+ technology, as operators Mobitel and Tigo look to provide higher download speeds of 28Mbps. Sri Lanka health officials warned the public of possibility of infectious diseases spreading following the floods that submerged most of the country for several days. ADB is one of the leading development partners in the country. ADB has approved over \$ 212 million in loans to Sri Lanka so far this year.

Detailed News:

Bangladesh:

Court drops graft case against Bangladeshi leader

A court in Bangladesh has thrown out a corruption case that accused Prime Minister Sheikh Hasina of unnecessary spending, marking the last in a series of graft cases that were all concluded in her favor. The High Court ruled Sunday that the case _ which accused her of wasting \$290,000 when she hired when she hired American consultants for a state-run industrial zone in 1999 _ was "politically motivated," her lawyer, Fazle Noor Tapash, said Monday. Tapash said the case was the last of 13 filed against Hasina while she was a member of the political opposition from 2002 to 2008. Most of the cases were filed by the government's anti-corruption department during the rule of Hasina's political nemesis, former Prime Minister Khaleda Zia. All were dismissed by the High Court. The cases stemmed from a number of business and military deals that Hasina oversaw while she was prime minister from 1996 to 2001. They ranged from the purchase of eight MiG-29 fighter planes from Russia and a navy frigate from South Korea to the awarding of contracts to foreign oil companies in prospecting for natural gas in Bangladesh. In March, the High Court began hearing the petitions to dismiss the cases against Hasina. The dismissal of the cases in just three months has prompted Zia to accuse the government of influencing the judiciary. "We wonder how the prime minister is getting free

from one case to another," said Khandkar Delwar Hossain, an aide of Zia. Zia, who served as prime minister from 1991 to 1996 and 2001 to 2006, faces four corruption cases. Hossain accused the court of ignoring Zia's petitions for the cases to be dropped while swiftly attending to Hasina's cases. Hasina swept general elections in December 2008, gaining a second five-year term as prime minister by pledging to fight corruption in this impoverished South Asian nation. Transparency International, a Berlin-based anti-graft watchdog, rated Bangladesh as one of the most highly corrupt nations during the rules of both Hasina and Zia.

Jamaat to hold rally today defying ban

Bangladesh Jamaat-e-Islami will hold its scheduled rally at the capital's Paltan Maidan today despite the ban imposed on rallies or processions in and around the venue. Secretary General of Jamaat Ali Ahsan Mohammad Mojahid announced this at a press conference yesterday held at the party office at Bara Moghbazar in the city. Mojahid said they will gather at Paltan Maidan to hold their scheduled rally demanding smooth supply of water, gas and electricity. If any untoward situation arises centring the rally, the government will be responsible for it, he said. DMP Commissioner AKM Shahidul Hoque has imposed a ban on any kind of meeting at Paltan Maidan and its adjacent areas to avert untoward incidents as both Jamaat and Bangladesh Jubo League are scheduled to hold meetings at the same venue today. Mojahid said they will be bound to launch a tough movement against the government since it is preventing the party from holding rallies and carrying out other political activities across the country. Mojahid said that in response to Jamaat's request, Jatiya Krira Unnayan Parishad authorities on May 18 allowed it to hold its rally at Paltan Maidan today. But Bangladesh Jubo League on May 29 declared that it would hold a rally at the same venue on the same day, demanding trial of war criminals of 1971, he added.

The Jamaat leader alleged that the Awami League-led government set Jubo League to create the situation leading to the ban on rallies. He sought the prime minister's intervention in the issue, withdrawal of the Jubo League programme, lifting the ban on rallies and allowing use of loud speakers at the scheduled Jamaat rally. Some other senior leaders of the party were also present at the press conference. Meanwhile, BNP Secretary General Khandaker Delwar Hossain condemned the government's decision of imposing ban on the rallies at Paltan Maidan.

How to handle rallies of political parties

The Bangladesh Jamaat-e-Islam postponed their planned rally at the Paltan Maidan yesterday, much to the relief of the worried citizens tensed up over a potentially confrontational situation -- thanks to Jubo League scheduling a rally at the same place and time. It has transpired that the Jamaat had applied for and obtained the necessary permission to organise the meeting at the Maidan well before Jubo League

announced its rally programme on May 29. So, the Jubo League's counter-move was an act aimed clearly at disrupting Jamaat's rally. Let's make it abundantly clear that we do not support the Jamaat's anachronistic politics and their hidden agenda of pushing the country back to the days of theocracy. In fact, we vehemently oppose Jamaat's politics. We have condemned it in the past and continue to do so, for their role in 1971. They collaborated with Pakistan army while it carried out a genocide. We have also condemned Jamaat's involvement with the killing of our intellectuals just prior to our victory in 1971. What we find reprehensible is that even today, after 39 years of our independence, Jamaat has not apologised to the nation for its role in 1971. However, though we find Jamaat's politics to be totally retrogressive, and its use of religion in politics to hoodwink the people repugnant, nevertheless, one cannot overlook the point that the Jamaat is a legal political party and it has the right to organise a meeting so long as it is peaceful and done with due permission. It is up to the people to decide how to respond to the Jamaat's politics. The trick played by ruling party activists is simple: create a tense situation and force the law enforcers to take a tough position like clamping section 144 to head off a rally of the opposition. Incidents involving Jamaat rallies or processions since April 3 right up to May 31, including the Paltan one in Dhaka, fall into a pattern of clamping section 144 by the government as political activists opposed to them went about foiling their rallies. These were reported from Pabna, Rajshahi, Chapainawabganj, Dinajpur, Barisal, Sylhet and Chittagong. Those opposed to Jamaat politics would do themselves as well as the country a world of good by tackling Jamaat politically which means unmasking Jamaat's legacy and agenda. We firmly believe that any deviation from democratic norms and rules will be counter-productive in the fight against obscurantism. The forces calling themselves democratic and pro-people can ill-afford to be oblivious of this plain truth.

Bangladesh fire kills up to 104, injures over 100

A devastating fire raced through several apartment complexes in the Bangladeshi capital, killing more than 100 people and injuring just as many, local media reported Friday. Fire official Nazrul Islam said the blaze started when an electric transformer exploded late Thursday, igniting a three-story apartment building in the Najirabazar area of old Dhaka. He said the blaze then spread to other buildings where 87 charred bodies were later recovered. He said some injured people might have died later on the way to hospital or while there, but would not give an exact figure. Citing officials at the scene and hospital doctors, ATN Bangla television station reported that at least 104 people had died, and that more than 100 others were injured. "It has caused a huge devastation," Islam told The Associated Press by phone. He said the firefighters had the blaze under control and the rescue operation was continuing Friday morning. He said the victims included many guests of a wedding party on the roof of a building. Bangla Vision TV station quoted unnamed fire officials as saying the fire spread to at least 20 apartment complexes. TV footage showed firefighters and residents carrying injured by tricycle rickshaws to hospitals while many relatives of the victims were wailing. Bangla Vision said the rescue effort was being hampered since the area is crammed with buildings and roads are narrow. Prime Minister Sheikh Hasina expressed her shock at the incident and condolences to the families of the victims, and ordered authorities to provide all medical support to the injured. Authorities ordered an

investigation.

Bangladesh cuts off Facebook

Bangladesh blocked Facebook over the weekend, leaving the social networking site marooned from another tranche of Muslim users even as Pakistan largely restored access to the site. The latest action against the site is, again, down to the "Everybody Draw Mohammed Day" group. Depictions of the prophet are considered blasphemous by Muslims. The group had prompted a total ban on Facebook in Pakistan two weeks ago. The furore in Pakistan had prompted a protest in Bangladesh's capital Dhaka on Friday, Associated Press reports. The site is estimated to have around one million users in the 150 million strong country. Bangladesh's chief telecoms regulator Zia Ahmed said the government had asked local ISPs to block caricatures that offended the population's religious sympathies. Access would be restored if the caricatures were expunged, he said. Pakistan restored Facebook access on Monday, AFP reports, with a judge saying only blasphemous links should be blocked, and the government should deploy technology similar to Saudi Arabia to cut off offensive content. The court will consider petitions to ban the site completely later this month.

Bangladesh shuts down pro-opposition newspaper

Bangladesh shut down a pro-opposition newspaper and arrested its editor on fraud charges, police said Wednesday, after storming the paper's offices in a late-night raid. Mahmudur Rahman, acting editor of the Bengali-language Amar Desh and one of the government's most vocal critics, was arrested after police broke through an improvised barricade set up by the paper's journalists. "He has been arrested on charges of fraud and defamation," local police chief Mahbubur Rahman told AFP. The arrest came hours after the authorities cancelled the paper's publication rights, allegedly because the publisher, Hashmat Ali, had filed a case with the police.

"The publisher has said he was no longer responsible for Amar Desh and it was being printed illegally. He has filed a fraud case with police," government official Muhibul Haque told AFP. But local media reports quoted the publisher's family as saying Ali has been picked up by intelligence officials and detained. Rahman, a stalwart of the main opposition Bangladesh Nationalist Party (BNP), claimed Ali, who also supported the BNP, had been forced to sign the fraud papers prepared by the government's intelligence services. "Police stormed the office and beat several journalists before picking up Rahman on Wednesday morning," said Zahed Chowdhury, city editor of Amar Desh. Rahman has been a vocal critic of the current Awami League government since it swept to power in December 2008 elections.

Bangladesh expands mandatory, free primary education

Bangladesh on Monday approved legislation mandating eight years of compulsory free schooling for all children, replacing the current five-year minimum, officials said. The policy also recommended

modernization of Madrasha education, often blamed for breeding Islamist extremism. Bangladesh has set a target of eliminating illiteracy by 2014, a year ahead of the Millennium Development Goal set by United Nations. Half of Bangladesh's 156 million population is illiterate and it will be a challenge to meet the goal, educator Kazi Khaliqzaman Ahmed said. "The national education policy will be implemented in phases," Education Minister Nurul Islam Nahid said, noting that it was the first secular education policy in the Muslim-majority country

Bangladesh approves overhaul of madrassas

Bangladesh has made science, English and computing classes mandatory in Islamic religious schools as part of an overhaul of its education system, a government official said Tuesday. The reforms are part of efforts to bring the country's madrassas, which are considered by critics to be a breeding ground for Islamic militants, into the mainstream schooling structure. "It will radically change the country's education system and make it modern and attuned to the global need," government official Ekramul Kabir, who helped write the new policy, told AFP. Bangladesh already funds some madrassas in exchange for control over the curriculum and greater flexibility over admittance -- including allowing girls to study at the traditionally all-male seminaries. All pupils at the country's 16,000 state-sponsored madrassas will now have compulsory lessons in science, including climate change and environment issues, English and information technology, Kabir said. "The madrassas will have to teach traditional Koran, Arabic and religious studies alongside these new mandatory subjects," he said. "We aim to double the amount of English lessons in all madrassas... We don't want to have students who can't find a job or pursue a university education." Nearly three million, mostly poor, pupils attend state-sponsored madrassas, accounting for 10 percent of the country's total student population, according to official figures. A further two million students attend unrecognised religious schools. The new policy, which still has to be approved by parliament, will also include eight years of compulsory free schooling, replacing the current five years

Dhaka to get \$100m climate aid

Dhaka, May 30 (bdnews24.com)—Bangladesh is set to receive \$100 million as aid initially upon joining the EU-backed Global Climate Change Alliance (GCCA). Environment state minister Hasan Mahmud announced establishment of a Bangladesh Climate Change Resilience Fund (BCCRF) at the inauguration of a two-day regional climate conference on Sunday. Initial pledges total some \$100 million from several EU countries including the UK, Denmark and Sweden, according to a participant, with more pledges still coming in until Sunday evening. Participants privy to proceedings behind closed doors told bdnews24.com that although pledges were being made there was no guarantee that these funds would be 'above and beyond' the funds European countries had already pledged, which has been a constant demand of the Bangladesh government. Ministers and high officials from Afghanistan, Bhutan, Cambodia, Myanmar, the Maldives and Nepal

are taking part in the conference mainly organised to launch and showcase the GCCA initiative. Bangladesh is set to sign a bilateral agreement with the European Union upon conclusion of the conference. According to Saleemul Huq, a lead author of Fourth Assessment Report of IPCC, the top climate body in the world, the bilateral agreement is to put in place a framework under which the EU would provide climate aid to Bangladesh. Huq is also taking part in the conference. The Bangladesh government has already allocated another \$100 million fund from its resources to deal with the adverse impacts of climate change triggered by global warming as the sun's heat is trapped in the atmosphere by greenhouse gases emitted by industries. It is speculated that the EU initiative aims to pressure the United States and other major polluters, particularly the advanced developing countries like India, Brazil, South Africa and China (that form the BASIC countries), into accepting a legally binding global climate agreement and obligatory emission cuts. But Huq said that there was no such indication on the surface. "And we will take it on face value." According to experts closely working with the Bangladesh government on climate change, the new alliance mainly including the poor countries vulnerable to climate change could also strengthen Bangladesh's move for constituting a 'Most Vulnerable Countries' group within the UN framework as a separate negotiating group. They also speculate that entering into an 'alliance' with the European Union might limit Bangladesh's negotiating options due to an obligation, implied or otherwise, to support the EU position in global climate negotiations. "But this is more like a making a deal with the lesser devil to keep the worse devil at bay," said a climate expert, who was on the Bangladesh government delegation at the last UN climate summit in Copenhagen, suggesting that the position of the United States, India, China or Brazil was more regressive than that of the EU. He also suggested that Bangladesh might gain more from stronger negotiations with the EU. Also head of the UK-based International Institute for Environment and Development, Huq, however, said such speculations looked too far ahead and things had not matured that much. He did not agree that there was much scope to negotiate with the EU over the agreement at hand. "And this agreement does not necessarily have to be detrimental to Bangladesh."

Huq was of the opinion that if the poor countries could agree on progressive issues and get EU endorsement, it would not limit negotiating options. The climate conference is being attended by a EU climate delegation, including Connie Hedegaard, currently the EU commissioner for climate action.

Hedegaard chaired the first part of the Copenhagen climate summit as the Danish minister for climate and energy, but stepped down as the high-level segment began. There were strong criticisms from a number of developing country delegates about Hedegaard's autocratic style of conducting the negotiations. The environment minister is expected to brief the press about the GCCA initiative and the agreement on Monday afternoon in a press briefing. The GCCA initiative will also be launched in Africa, Pacific and the Caribbean after the Asian regional conference in Dhaka. The EU is expected to enter into similar agreements with the Maldives and Cambodia as well.

Bangladesh govt to name new Ghazipur safari park after founding father Mujib

The government of Prime Minister Sheikh Hasina has earmarked a total of 4,000 acres of land to establish a safari park naming it after Bangladesh's founding father Sheikh Mujibur Rahman in Gazipur north of Dhaka city aimed at protecting the historic Modhupur Shal Forests as well its the biodiversity. "No encroachment of forest lands would be taken place in Gazipur once the long-cherished Bangabandhu Safari Park is constructed," State Minister for Environment and Forests Dr Hasan Mahmud told reporters at secretariat in Dhaka yesterday.

The Modhupur Shal Forest, about 40km north of Dhaka city, was famous for peacocks, tiger, leopard, black panther, elephant, clouded leopard and Sambar deer. However, illegal felling of trees has caused disappearance of most of the wildlife and floras. Most of the forest has been denuded and is now occupied by land grabbers and displaced people.

Officials said 1,987 hectares of forest land of Sreepur Range of the Forest Department would be developed as a safe habitat for both herbivorous and carnivorous animals. The project would be one of the government initiatives for conservation of forests to protect wild animals in line with the international multilateral environment agreements, they said. A large area of forest would be encircled for tigers and lions and a natural interpretation centre cum nature history, three water bodies, one veterinary hospital and a 10km bituminous and 3km brick road would be constructed under the project. According to the officials, the forest now has about 220 plant species, including 43 different tree species, 19 shrubs, three palms, 27 grasses, 24 vines and 104 herbs. The wildlife in the park includes 13 mammals, nine reptiles, five birds and five species of amphibians. In addition the Forest Department has recently introduced peacocks, deer, pythons, and cat fish

\$266m ADB loan for gas sector

The Asian Development Bank (ADB) has signed an agreement with the government of Bangladesh to provide \$266 million in loans to help the country address its natural gas supply constraints, and thus spur economic growth and reduce poverty. Economic Relations Division (ERD) Secretary M Musharraf Hossain Bhuiyan and ADB country director for Bangladesh Thevakumar Kandiah signed the loan agreement on behalf of the two sides at a ceremony at NEC-2 on Thursday. The loan assistance under the 'Bangladesh Natural Gas Access Improvement Project' will be used to build new gas transmission and distribution pipelines to meet growing demand and expand coverage to less developed areas in the southwest. The main objective of the project is to expand capacity and improve efficiency in natural gas production, transmission, and distribution systems. The project will install compressors and metering systems to boost reliability, improve safety and strengthen the management of gas supply and demand. The project will also help improve supply efficiency by developing four new wells and installing gas processing plants at the Titas gas field to increase gas production by 120 million cubic feet per day (mmcf). The state-owned Petrobangla and some of its companies including Gas Transmission Company Ltd (GTCL), Bangladesh Gas Fields Company Ltd (BGFC), Sundarban Distribution Company Ltd (SDC) and Titas Gas Transmission and Distribution Company Ltd under the Energy Division will implement

the project tenured from 2010 to 2015. Around 200,000 new households in the southwest, along with 1,400 industrial and commercial establishments will receive gas as a result of the expanded distribution network. Of the total estimated project cost of US \$ 542 million, ADB will extend US \$ 266 million (\$261 million as Ordinary Capital Resources loan & \$5 million concessional loan (ADF) to Bangladesh. In addition, the government of Korea (Export Import Bank of Korea) is expected to provide \$45 million. The government of Bangladesh will provide the remaining amount of \$231 million in equity and loans. Among the schemes, the ADB will provide US\$ 173 million for implementing the Ashuganj and Elenga compressor projects, key elements in the gas sector which are expected to boost gas flow across the country and provide some relief to the industry and power sectors in particular. The officials said that for the last couple of years, the drop in pressure of the gas supply has been a major problem for different industries as well as power plants in different areas of the country. Many industries and power plants in Dhaka, Narayanganj, Gazipur, Narsingdi, Sylhet, Baghabari and Chittagong have complained that the pressure of the gas supply is not adequate, and that has allowed them to utilize as little as only half their production capacities. The Petrobangla officials said the pressure in gas transmission dropped at different points for lack of compressors. Even many fields, which are capable of enhancing production, could not utilize their capacities due to compressor-related limitations. "When all the three gas compressors will be installed, the pressure will improve to 1000 pounds per square inch (PPI) and finally, this will improve the overall gas supply situation," said one Petrobangla official. This will facilitate an additional 300 MMCFD gas from different fields, he added.

Originally, a project was undertaken three years back to install three compressors at Muchai, Ashuganj and Elenga. For the three compressors, the government had sought \$150 million from ADB, but initially the lending agency agreed to provide only \$55 million. But after protracted negotiations, the donor agency finally agreed to raise the loan amount for the compressor project, a key component of the whole package.

One of the three compressors is now being installed at Muchai with the financial support of the US oil company Chevron under the framework of its production sharing contract (PSC) with the government.

The ADB loan has a maturity of 32 years, including a grace period of 8 years, with an interest rate of 1 percent during the grace period and 1.5 percent thereafter. On the other hand, the interest rate for the OCR loan is LIBOR (the London Inter-Bank Offered Rate, a daily reference based on the interest rates at which banks borrow unsecured funds from other banks) + 0.60 percent and in the case commitment charge is 0.15 percent. Speaking on the occasion, ADB country director Kandiah said that two basic features of the project are improving the efficiency of the existing gas transmission network and also improving the supply of gas. Sundarban Gas Co Ltd. a newly formed distribution affiliate of state-owned Petrobangla will enter into contracts with private firms for the operation, maintenance, metering and billing of gas supplied to consumers in the southwest from 2012.

It may be mentioned that ADB's total of loans sanctioned to Bangladesh stands at over \$10 billion. The development assistance of ADB mainly focus on the power, energy, local government, transport, education, agriculture, water resources and governance sectors of Bangladesh.

Moriarty meets Hasina: More US help for power, energy sectors sought

Prime Minister Sheikh Hasina on Thursday sought more US investment in Bangladesh and further extending cooperation in the country's power and energy sectors. The Prime Minister sought the support when US Ambassador to Bangladesh James F Moriarty paid a courtesy call on her at the Prime Minister's Office (PMO) here on Thursday morning. During the meeting, they discussed matters relating to bilateral issues and expansion of trade and business between the two countries, said Prime Minister's Press Secretary Abul Kalam Azad after the meeting. Sheikh Hasina said that her government is working relentlessly for ensuring good governance through establishing human rights, upholding democratic values and freedom of expression. She said the present government is also working for alleviating poverty, the main enemy of the South Asian region. Mentioning her government's firm stand against terrorism and militancy, she said it (government) has taken various measures to prevent terrorism in the country for the greater interest of the nation. "We will not allow any sorts of terrorism in Bangladesh as we are firm to prevent it at any cost," she added. The Prime Minister said that her government is active to further strengthen the parliamentary democracy in the country. In this context, she said necessary facilities have been provided to opposition political parties especially the main opposition BNP so that they could actively participate in the Jatiya Sangsad proceedings. Regarding bilateral relations between Bangladesh and the United States, she said Bangladesh attaches great importance on its relations to the USA. She expressed the hope that the existing friendly relations between the two countries will be further strengthened in the days to come. While discussing about exploration of gas and coal in the country, Sheikh Hasina sought US cooperation to this end. The Prime Minister said the minority community is enjoying equal rights as excellent communal harmony is prevailing in the country. Expressing satisfaction over the existing human rights situation in Bangladesh, she said her government attaches more importance on maintaining religious harmony. In this context, she reiterated her government's pledges to ensure human rights in the country.

Regarding freedom of expression, she said press in the country is enjoying freedom at present as her government believed in freedom of expression. Ambassador At-Large M Ziauddin, Secretary to the Prime Minister's Office Mollah Waheeduzzaman and Press Secretary Abul Kalam Azad were present on the occasion.

Bangladesh Condemns Israeli Attack on Freedom Flotilla

The Bangladeshi government Tuesday condemned the attack by the Israeli troops on the international aid flotilla transporting humanitarian aid to the Palestinian people under the Israeli blockade.

"Bangladesh is shocked and saddened at the unwarranted attack on unarmed civilians on board the Mavi Marmara on 31 May, 2010, and the resultant loss of lives," said a statement of the Ministry of Foreign Affairs. It said that Bangladesh expresses its profound condolences and sincerest sympathy to the bereaved families, and joins in prayer for the eternal peace of the departed souls. The Bangladeshi government also called for collective international action to end the siege immediately, and to allow the people of Palestine to return to normal life. At least 19 people were reportedly killed and dozens injured when Israeli forces have attacked a flotilla of aid-carrying ships aiming to break the country's siege on Gaza.

54 Jamaat activists jailed in Bangladesh

Bangladeshi authorities today jailed 54 activists of the largest Islamist party Jamaat that had planned a rally here to oppose the trial of those accused of genocide during the 1971 'Liberation War'. The police detained nearly 100 activists of radical Jamaat-e-Islami (JI) ahead of their planned rally in the capital defying a government ban. "We earlier detained some 100 Jamaat workers but later arrested 54 of them" as JI vowed to go ahead with their planned rally at the city's Paltan Maidan, the police said. A Dhaka court later ordered that they be sent to jail as police said the JI cadres had gathered at different places in the capital defying the ban order. The Jamaat, however, later postponed their rally as riot police and the elite anti-crime Rapid Action Battalion (RAB) troops enforced a sharp vigil at the rally ground. The Jamaat, which was a crucial partner in the previous Bangladesh Nationalist Party (BNP)-led government, planned the rally as the government has vowed to expose several of their top leaders for alleged "crimes against humanity" during the Liberation War against Pakistan. Dhaka Metropolitan Police had imposed the ban on all meetings and rallies in the capital amid fears of law and order problem. The party's secretary general Ali Ahsan Mohammed Mujahid, at a press conference later, said the government's move to hold war crimes trial "will disappear without trace". "War crimes trial is a falsehood. We don't take it seriously. God willing, it will be vanish into thin air," he said. Earlier reports said authorities have gathered evidence against 25 high-profile "war criminals", mostly from the Jamaat. The Jamaat leaders claimed that people did not endorse the war crimes trial and the trial initiatives "was nothing but a conspiracy of the Awami League with its local and foreign cohorts". On March 25, the government has set up a three-member special tribunal for the trial of "war criminals" accused of genocide and those who sided with the Pakistani military during the 'Liberation War'. Jamaat's chief Motiur Rahman Nizami and secretary general Mojahid led the so-called Al-Badr forces, which is widely believed to have been involved in genocide, rape and murder of frontline intellectuals in an effort to cripple the emerging nation. According to official figures, Pakistani troops, aided by local collaborators, killed an estimated 3 million people, raped about 200,000 women and forced millions more to leave their homes during the bloody nine-month guerrilla war.

Tatas renew interest in Bangladesh

The Tatas are making fresh overtures to the Bangladesh government, led by Awami League's Sheikh

Hasina, for investing in the country's telecom and IT sectors. Four years ago, the group had pulled out of a Rs 10,000-crore proposal to build a steel mill, a fertiliser factory and a power plant. Khaleda Zia of the Bangladesh Nationalist Party was the Prime Minister then. The Tatas have held talks with Summit Communications of Bangladesh, which has the licence to set up telecom infrastructure there. Summit Communications' managing director Arif Ali Islam said, "We held exploratory talks. I cannot reveal the nature of the talks because of confidentiality clauses." Summit Communications has the licence to build a telecom transmission, or an optic fibre network, across the country, linking all sub-district towns. The network, which will be used by all operators as well as by the government, has to come up within 10 years. The network could involve investments of over Rs 1,000 crore, analysts said. Sources in the Bangladesh government said Tata Communications and Tata Consultancy Services had shown interest in the country's booming IT industry because of low labour rates. No official comments could be obtained. The software industry in Bangladesh, valued at \$3.5 billion, is still small but is growing at a 35 per cent rate annually. Sources in the Tata group confirmed that the company had shown interest in the emerging market and had also sent a team to meet Bangladesh's telecom regulators. According to sources, the recently elected Awami League government would welcome the Tatas and want them to expand their investment to other sectors such as automobiles, where they could build a plant to assemble knocked-down cars and trucks. Tata Motors, sources said, is studying the possibility of an assembly unit in Bangladesh as well as sourcing auto parts from there. "However, we, too, will go by the earlier government's ruling that we cannot make gas available at cheap rates to any foreign company," government officials said. The Tatas had demanded cheap gas for its mega steel project. The then Bangladesh government did not agree as it felt the move would reduce the availability for domestic industry and household users. In 2006, the Tatas said they were suspending work on the \$3-billion project because of delays on the part of the government. This was considered to be the single biggest investment in that country. Bangladesh has found it hard to attract foreign direct investment, which totalled \$6 billion since 1971, the year of its independence. The country had earlier offered Indian investors special economic zones along its border, revamped railway links and the use of Chittagong and Mongla ports. Indian companies made overseas investments worth around \$16 billion in 2008-09 and \$18.74 billion the year before. Acquisitions of European steel company Corus and car maker Jaguar Land Rover are among the recent high-profile investments abroad. Though India is Bangladesh's largest trading partner, its investments in the neighbouring country has been negligible. Analysts see investments in textiles, consumer goods, power plants and infrastructure as a possible way to offset the huge trade gap between the two nations. Uttara, Mongla, Narsinghdi in Khulna, Saidpur and Rangpur are enclaves where Indian investment could be localised.

India exports goods worth about \$3 billion to its eastern neighbour, while Bangladesh exports just about a tenth of that to India. This has always been a sore point in the economic relations between the two nations, with Bangladesh demanding better access to Indian markets for its tea, textiles and food products.

Bangladesh expands mandatory, free primary education

Bangladesh on Monday approved legislation mandating eight years of compulsory free schooling for all children, replacing the current five-year minimum, officials said. The policy also recommended modernization of Madrasha education, often blamed for breeding Islamist extremism. Bangladesh has set a target of eliminating illiteracy by 2014, a year ahead of the Millennium Development Goal set by United Nations. Half of Bangladesh's 156 million population is illiterate and it will be a challenge to meet the goal, educator Kazi Khaliqzaman Ahmed said. "The national education policy will be implemented in phases," Education Minister Nurul Islam Nahid said, noting that it was the first secular education policy in the Muslim-majority country.

EU pledges 8.5m euros for Bangladesh to fight climate change

The two-day Asia Regional Conference of Global Climate Change Alliance (GCCA) ended here on Monday adopting a joint declaration to help least developed countries (LDCs) and Small Island Developing Countries (SIDS) in Asia to cope with the climate change. Bangladesh, Cambodia and the Maldives signed the joint declaration at a city hotel. Under the agreement, the European Union (EU) will provide 13.5 million euros of which Bangladesh will get 8.5 million euros and the remaining amount would be shared by the two other countries. State Minister for Environment and Forests Dr Hasan Mahmud and European Commissioner for Climate Action of the EU Connie Hedegaard, Ambassador and Head of the EU Delegation to Bangladesh Dr Stefan Frowein and Minister for Maldives Aslam Mohammad, among others, were present at the signing. After the signing, State Minister for Environment and Forests Dr Hasan Mahmud, at a press conference, termed the regional climate conference as a successful one and recalled Bangladesh's successes in the recent Copenhagen conference. "Today's joint declaration will create a platform for Bangladesh to work with regard to the climate change more efficiently. Our main objective is to have a legally binding agreement in the upcoming Cancun climate conference," said Mahmud. Connie Hedegaard said, "We need to work very hard to achieve success in the forthcoming climate conference. South Asian countries which suffer most due to the climate change should be the top of the agenda in the conference. Developing countries need to remind the developed countries how much they are suffering from the adverse impact of climate change," she said. The conference has set a new example of working together to handle the problems due to the climate change in a coordinated manner, said Dr Stefan Frowein. A number of issues relating to climate change are being discussed in the two-day conference including Copenhagen to Mexico: Next Steps on International Climate Negotiations, Modalities of Implementation of the GCCA: Presentations and Discussion and Impact of Climate Change on development: Adaptation Challenges. The GCCA was formed at the initiative of the European Union (EU) in 2007 to bring the developing countries particularly the most vulnerable ones to climate change, in a platform to adapt to climate change and pursue sustainable development strategies. By focusing on the LDCs and small island states, the alliance offers a structured dialogue and concrete cooperation on actions funded by the EU's development policy.

Maldives

Maldives condemns Israeli attack on aid flotilla

The Ministry of Foreign Affairs has condemned “in strongest possible terms” Israel’s act of aggression against a flotilla of ships attempting to bring humanitarian aid into Gaza. Israeli soldiers raided the flotilla of six vessels carrying 663 activists from 37 countries, which was intending to break Israel’s blockade and deliver aid into Gaza. Nine people were reported killed aboard the main vessel MV Mavi Marmara during the assault in international waters, while up to 60 activists and 10 Israeli soldiers were injured. Surviving passengers have been detained by Israel. The Maldives Foreign Ministry said the incident was “a clear act of aggression against civilians, especially civilians engaged in humanitarian work”, and called for an “immediate independent international enquiry so that the facts may be ascertained, accountability established, and justice secured for those who have tragically died, as well as their family and friends.”

“There can be no excuse for such violence, which represents a violation of international humanitarian and human rights law and a step-back from universal humanist values,” the Ministry said, in a statement. Yesterday the UN Security Council said it “deeply regrets” loss of life and injuries during the military operation, “and condemns those acts which resulted in the loss of at least ten civilians.” The Security Council further stressed that “the situation in Gaza is not sustainable”, and Israel to provide “unimpeded provision and distribution of humanitarian assistance throughout Gaza.” “The only viable solution to Israeli-Palestinian conflict is an agreement negotiated between the parties,” it said, claiming “that only a two-State solution, with an independent and viable Palestinian State living side by side in peace and security with Israel and its other neighbors, can bring peace to the region.” Israeli Prime Minister Benjamin Netanyahu described the attack as “a clear case of self-defense”, reiterating that “Israel cannot allow the free flow of weapons, rockets and missiles to Hamas in Gaza.” “We have no problems with the people of Gaza. We do have a conflict with the terrorist regime of Hamas, supported by Iran,” he said. The Maldives Foreign Ministry denounced the blockade as “not only morally wrong as it inflicts unjustifiable harm on innocent civilians, but also short-sighted in that it breeds mistrust, animosity and hatred – exactly the emotions that led to this tragedy and to the perpetuation of the Middle East conflict.” The Maldives joins many other international voices deploring Israel’s aggressive reaction, including Kevin Rudd, Prime Minister of Australia where President Mohamed Nasheed is currently visiting. “The Australian government condemns any use of violence under the sorts of circumstances that we have seen,” Rudd said. One Australian citizen was reportedly shot in the leg, while reknown Australian journalist Paul McGeough is among those currently detained by Israel.

President dismisses outcry over Gitmo inmate resettlement

President Mohamed Nasheed has dismissed public outcry over the resettlement of a two Guantanamo Bay inmates in the Maldives as “political waves through misty clouds.” “I don’t really think there is

much of an outcry. I first mentioned this sometime last year in December, and this has been public knowledge since then – not a single person has said anything about it all this time,” he said. The agreement, in which the United States will fund the transfer of two Muslim inmates to the Maldives on humanitarian grounds, has met with consternation from opposition parties who argue the move will make the Maldives look like “a terrorist paradise rather than a tourist paradise.” “I will say again, they are not terrorists,” Nasheed said during a press conference today. “It was very clear back then that people were arrested [and put] in Guantanamo without proper checks. People were just taken from all over and incarcerated. Today, when the jail is being dismantled, and the Maldives is among the few 100 percent Muslim countries in the world, if we can’t care about them, where is the example we are showing to the international community and other people of the book [Jews and Christians]?” Nasheed said the Maldives and the US State Department had “looked into who [he] is, and who his relatives are.” “Just think, these people have been kept in a small cell in handcuffs and chains for six or seven years when they’ve not done anything at all [to deserve it]. Do you know how they kept? We’ve seen the photos. So when we help one of them and people talk about it [negatively], I don’t really want to listen to it at all.”

Vice President Dr Mohamed Waheed Hassan meanwhile told newspaper Miadhu that “overreacting” to the resettlement of the Guantanamo Bay detainees risked “losing the focus on more realistic issues.” Parliament’s National Security Committee had arranged a meeting on the issue on Wednesday to identify potential legal problems with the resettlement, however Minivan News understands this has been rescheduled. Nasheed meanwhile said there were no obstacles in Maldivian law, constitution or customs preventing the Maldives from resettling the inmate. “I don’t think that the people of this country is against such a humanitarian assistance or deed,” he said. Speaking to Miadhu, Foreign Minister Dr Ahmed Shaheed derided opposition criticism of the move as politically motivated, noting that the same party that had led a no confidence motion against him for strengthening the country’s diplomatic relationship with Israel now disapproved of the Maldives helping Muslims. The inmate was a Palestinian man who was arrested and taken to Guantanamo while preaching in Pakistan, Shaheed said. “According to the information I have, his home was demolished by Israeli troops and that many of his family members are being intimidated by Israel,” Dr Shaheed told Miadhu. The only Maldivian held in Guantanamo Bay, Ibrahim Fauzee, was flown to Male in May 2005. Fauzee was arrested in May 2002 in Karachi, where he was studying.

Maldives: Arrested Man Reverts to Islam - in Police Custody

In the Maldives, Mohamed Nazim has announced his "reversion" to Islam, after being taken into police custody after publicly announcing that he was not a Muslim on May 28, 2010. As reported in our previous posting "Maldives: Man Attacked, Threatened with Death, for Freedom of Conscience," Mohamed Nazim had announced that he was not a Muslim at a lecture by Zakir Naik (who widely calls for the death penalty for "apostates"), and then was promptly taken into police custody and given "counseling" by the Maldives government Islamic Ministry. Mohamed Nazim made his public

"reversion" to Islam at the Maldives government Islamic Ministry before journalists invited by the Islamic Ministry. Mohamed Nazim was brought before Maldivian media to make a statement to the press about his "reversion" to Islam, while the police are still deciding whether or not to bring criminal charges against Mohamed Nazim for choosing his freedom of conscience. A Maldivian lawyer previously told the Maldives press that Mohamed Nazim had to be given such government "Islamic counseling" before capital punishment charges were considered against Mohamed Nazim for "apostasy." Haveeru News stated that: "Mohamed Nazim, 38, repented and gave the 'Shahaadha' testimony before journalists at the Islamic Ministry Tuesday with a public apology." It quoted Mohamed Nazim as stating "And as that action was very much related to the feelings of all Maldivians, I believe that it was an agony for the Maldivian people. I deeply apologize for that to all the Maldivians. Along with that, I would like to say that the major misconceptions I had regarding Islam have been clarified. Therefore, I am now a Muslim. I want Maldivians to accept me as a Maldivian and as a child of this community." The Maldives Deputy Minister for Islamic Affairs Sheikh Mohamed Farooq told Haveeru News that Mohamed Nazim reverted to Islam "on freewill" (while in police custody).

The Minivan News also reported on the "reversion" of Mohamed Nazim while in police custody. The Minivan News further reported that the Maldivian NGO the "Islamic Foundation" leader Jammiyyathu Salaf Sheikh Abdulla Bin Mohamed stated that there were "many people trying to introduce other religions to the Maldives underground" and that he would "release the names of these underground people at the appropriate time." On May 13, 2010, the Maldives was elected to be part of the United Nations Human Rights Council (UNHRC). The Maldives constitution mandates that all citizens of Maldives must be Muslims. A December 2009 study showed the Maldives (with a 99 percent literacy rate) to be in the top 5 percent of the worst nations for religious freedom. It is a nation that has been building its criminal law based on Sharia law, and whose Parliament bans non-Islamic houses of worship. There have been repeated reports on Maldives government publicly whipping of women and the Maldives is in the bottom rankings of nations with a global gender gap.

Polls reveal public fed up with politicians

There are big holes in his argument for the Government bypassing its own rules to rush through the ad campaign - particularly when he admitted it had been on the agenda for some time. Hollow, too, was Rudd's insistence he wasn't in a "race to the bottom" with the Coalition on border protection after Labor shelved the processing of Afghan and Sri Lankan asylum seekers. The problem for the public is the Coalition isn't providing a viable alternative. Abbott and his chief lieutenants haven't exactly provided them with a sound reason to believe they have what it takes to run the nation. The Coalition's made it clear it's more than willing to go back-to-the-future on asylum seekers, reintroducing a Pacific Solution-style processing system and ramping up fears of hordes of boat people descending on northern Australia. Adding to people's concerns, the Opposition Leader still has to repair the damage caused by his off-the-cuff revelation that only his scripted remarks could be taken as gospel. And both

sides of the political fence have done their best to turn Parliament into a circus with their antics in question time each day.

Beaten by an ass

Such is the community's disdain with politicians they gobbled up a stunt by Channel Seven's *Sunrise* breakfast program. In a mock poll, the program put Don Key - an actual donkey - up against Mr Rudd, Mr Abbott and Australian Greens leader Bob Brown for voters to choose. As it turned out, the public gave the established political leaders a kick up the ass. The donkey candidate got 44 per cent of the vote, compared with 20 per cent to Mr Rudd, 24 per cent to Mr Abbott and 12 per cent to Mr Brown.

It might have been a joke but it was a fair indication of the mood in the community.

But even if leaders have been testing the public's faith of late, there are still some shining lights that show political expediency doesn't always make way for principles. In an eloquent valedictory speech, retiring Liberal backbencher Petro Georgiou showed conviction does sometimes win out. During an emotional farewell speech, Mr Georgiou gave a moving account of why he has often been an outspoken critic of his party on issues such as border protection. Such principles have been at a cost to his career. Despite 15 years in Parliament and a capacity for higher office, he has never been promoted from the backbench. "I have always known the consequences of my actions," Mr Georgiou told Parliament. Ultimately, however, being a member of Parliament, especially a member of the Liberal Parliamentary Party, brings the responsibility of speaking with one's own voice on matters of principle."

Maldives ally

And, a visitor to Australian shores, Maldives President Mohamed Nasheed, might best have exemplified what's wrong with local politics. Perhaps both politicians and the public take the nation's democratic tradition for granted. Mr Nasheed, from an island nation that stands to suffer immeasurable damage from climate change, launched a staunch defence of Mr Rudd and his decision to delay the introduction of an emissions trading scheme. The first democratically-elected leader of the Maldives, Mr Nasheed, who spent much of his life a political prisoner, made it clear to journalists he wasn't just trying to curry favour with the Prime Minister. "I've spent half my adult life in jail, and I'm not a person to say things that I don't believe in," he said. Mr Nasheed - imprisoned as part of a non-violent struggle for democracy - put forward an impassioned argument for cutting across the political divide on issues that were in the best interests of nation

Maldives receives US\$7.3 million from China

The Maldives will receive a US\$7.3 million (Rf 93 million) grant from China following a signing

agreement on Sunday. Speaking at the ceremony, Additional Secretary of the Foreign Ministry Dr Hussein Niyaz said the relationship between the two countries was a longstanding one. He noted that both the Foreign Ministry building and the national museum, currently under development, were gifts from China. Under the new agreement both governments will decide on a project to fund with the grant, "such as a housing project or a harbour development project," Niyaz said.

China-Maldives Business Forum held in Shanghai

The China-Maldives Business Forum, created to promote economic ties between the two countries, was held in Shanghai on Sunday. The forum was organised by the Maldives embassy in China and the China Council for the Promotion of International Trade. Over 23 Chinese businesses participated in the forum, most of them operating in the areas of construction, fisheries, tourism and transportation. A presentation on investment opportunities in the Maldives was given during the forum by Special Envoy of the President, Ibrahim Hussain Zaki; Minister of Foreign Affairs, Dr Ahmed Shaheed; and Minister of Economic Development, Mohamed Rasheed.

Australia announces new aid package to Maldives

The Australian government has announced a new package of aid and assistance for Maldives Thursday, including money for coastal protection, renewable energy and scholarships in Australian universities.

The AUD1.3 million (Rf11.7million) package, announced by Prime Minister Kevin Rudd at a joint press conference with President Mohamed Nasheed and Prime Minister in Canberra, offers AUD500,000 for climate change adaptation and carbon emission cuts, AUD300,000 to support civil society groups and AUD230,000 for the Maldives national qualification framework. Australia also announced that it would help strengthen education, environment, science, health, governance, and public administration in Maldives as well as support capacity building for the country's fledgling democratic institutions. The country offered 25 scholarships in the 2011 intake for Maldivians to study in Australian universities.

Rudd said the new aid package is "about helping the Maldives build a better future for itself. Although a small country, [the Maldives] are a part of the family of democracies around the world, and we stand shoulder to shoulder with them as a fellow democracy." He described President Nasheed as a "strong leader" and "a champion of human rights and democracy." He "has been a strong friend of Australia, a strong collaborator with Australia in the lead up to, and during, Copenhagen on practical global action on climate change, and I would salute his leadership on that," the Prime Minister added. "Democracy has not always been the prevailing political condition within the Maldives. He has shown courageous leadership in ensuring that democracy remains entrenched within his country, and we work with him in continuing to consolidate the democratic project there," said the Prime Minister. President Nasheed thanked Rudd for "the good work done" at Copenhagen and said that he is "one of

the most important voices and intelligent people working [on climate change].” According to the President’s Office, Press Secretary Mohamed Zuhair, commenting on the President’s trip to Australia said, “this prestigious trip has enhanced our relations with Australia and added to the Maldives’ importance on the world stage. It has also helped deliver a significant and valuable package of assistance for our country.”He added that the Australian government would pay for most of the costs incurred during the visit, the office said.“We have paid for our air tickets to Australia, but the Australians have kindly agreed to pay for all other expenses.”The new Australian assistance package is an addition to support already pledged by Australia during the Maldives Donor Conference in March.

Nepal

Nepal PM won't resign before consensus: UML

The CPN-UML on Wednesday said that Prime Minister Madhav Kumar Nepal will step down only after the guarantee of past agreements on peace process and Constitution-writing. During the Standing Committee (SC) meeting, the party has remarked that it was pointless on the Maoists' part to pressurise the prime minister to step down before implementing the past agreements. UML Chairman Jhala Nath Khanal and leader KP Oli informed the SC members about the procedures of three-point agreement between the three parties.Nepalnews quoted Khanal as, saying that the first point of the three-point agreement, which is about implementing the past agreements, and the third point (on 'immediate resignation' of the PM) should be implemented simultaneously."The second point of the agreement regarding the extension of the Constituent Assembly term has already been executed," he said. Earlier, UCPN (Maoist) Vice-Chairman Dr Baburam Bhattarai had said there would be serious consequences if Prime Minister doesn't resign as per the agreement.

It had been agreed during the tri-partite meeting between the Maoists, the Nepali Congress and the CPN-UML last Friday that Prime Minister will resign within five days if Maoists agree on the extension of Constituent Assembly (CA)'s tenure.Meanwhile, a meeting of the big three parties is underway to discuss the contentious political issues including the spirit of the three-point agreement.The three parties resume the talks shortly after UML decision that Prime Minister would step down if the main opposition party agrees to implement the other conditions stated therein.The meeting is being attended by Prime Minister as well

Twist in Nepal Politics, NC-UML say Maoists to dismantle armed makeup first

The Party ruling the current government, United Marxist Leninists, and its major coalition partner Nepali Congress has said that unless the main opposition NCP-Unified Maoists fully implemented the first two points of the total three point agreements reached on Friday May 28, 2010, it was impossible that Prime Minister Madhav Kumar Nepal will tender his resignation.

This, the government partners told the Maoists' leaders at the three-party meeting held at the Constituent Assembly building, May 30, 2010.

Politics has already taken a new but expected twist.

Three Point Agreement reached on Friday last follows:

1. To bring logical end to the peace process and accomplish historical goal of drafting New Constitution, we hereby commit ourselves to accomplish our duties in consensus and unity.
2. We agree to extend tenure of the Constituent Assembly by one year period to accomplish the remaining tasks of drafting constitution.
3. To accomplish above mentioned jobs and responsibilities we agree to form a National Unity government in consensus and assure that the prime minister of the current coalition government is ready to extend his resignation.

The NC and UML leaders also urged the Maoists to first dissolve its paramilitary structure of the Young Communist League and return the seized properties to its lawful owners.

Said Bharat Mohan Adhikari of the UML, Maoists raised the issue of resignation of the Prime Minister. We said that there is enough time left for consensus so let us resolve issues agreed upon in deeds, Adhikari said.

The Maoists on the other hand maintained that on Friday, May 28, 2010, it was agreed upon that Prime Minister Nepal would resign in five days time and if the PM resigns it will facilitate the process of consensus. The meeting was participated in by Unified Maoists' Chairman Pushpa Kamal Dahal, vice chairmen Mohan Baidya Kiran, Narayan Kaji Shrestha, Secretary C. P. Gajurel and UML Chairman Jhal Nath Khanal, UML general secretary Ishwar Pokharel, UML secretary Bishu Poudel, leaders Bharat Mohan Adhikari and Pradip Gyawali led the ruling United Marxist Leninists' Party.

Similarly, Sushil Koirala, acting President of the Nepali Congress, senior leader Sher Bahadur Deuba, vice president Ram Chandra Poudel, general secretary Bimalendra Nidhi, leaders Ram Saran Mahat and Krishan Prasad Sitaula led the Nepali Congress team.

Visibly, the Maoists are being cornered.

Nepal's Maoists accuse government of 'betrayal'

Nepal's opposition Maoists on Friday accused the prime minister of breaking a pledge to resign, sparking a new row between the three main parties less than a week after they agreed to share power. The Maoist party said the prime minister had broken a verbal commitment to step down within five days of an agreement reached late last Friday to secure the support of opposition lawmakers for a bill to extend parliament's term.

"We plan to expose the dishonesty of this government, which has betrayed the agreement we reached," Maoist party spokesman Dinanath Sharma told AFP.

The ruling Communist Party of Nepal (UML) confirmed that Prime Minister Madhav Kumar Nepal had said he would stand down within five days, although a written agreement signed by the party leaders did not specify a timeframe.

The party said he wanted first to secure commitments from the former rebels on key issues relating to the peace process and the drafting of a new national constitution.

"We now gather that the priority of the Maoists is not peace and constitution-writing but power," UML leader Pradeep Gyawali told AFP.

The parliament, or Constituent Assembly, was elected in 2008 with a two-year mandate to complete the peace process launched after the 10-year war between Maoist rebels and the state, and to draft a new national constitution.

But it failed to complete either task on time, hampered by fierce disagreements between the Maoists -- the largest party in parliament -- and their political rivals.

Its term had been due to end last Friday, leaving the country without a functioning legislature, but lawmakers voted to extend it for another year after the ruling parties agreed to a new power-sharing government.

Party leaders held talks this week to try to agree on the shape of a new government, but the discussions ended amid disagreement over the timing of the prime minister's resignation.

Both the Maoists and the UML said Friday they were prepared to hold further talks, although none have yet been scheduled.

Nepali prime minister 'ready to resign'

Nepal's prime minister is "ready to resign" to pave the way for an end to the country's political impasse, his spokesman has said. Madhav Kumar Nepal agreed to quit to gain support from the opposition Maoist party to extend the term of the parliament. The three main parties have agreed on a power-sharing deal. The country has been suffering from political deadlock since the Maoists quit government last May. "He is ready to resign," a spokesman for Mr Nepal, Bishnu Rijal, told AFP news agency. "But he wants to make sure that all the outstanding issues arising from the peace process are settled before he resigns."

He added that the prime minister would meet party leaders over the weekend to discuss the way forward. The parliament, or Constitutional Assembly, elected in 2008, had been due to expire on Friday, the deadline to write a new constitution. But the Maoists, the ruling Communists and the Nepali Congress Party agreed to extend parliament by up to a year. The Maoists had demanded Mr Nepal's resignation as part of the deal to avert political crisis. There had been disagreement over the details of the new constitution, which would pave the way for fresh polls. The parliament's extension allows time for more negotiations. The Maoists, who are the largest party in parliament, have been protesting against the government since their leader, Pushpa Kamal Dahal, resigned as prime minister last year.

Nepal PM faces new hurdle

Saved from a dire constitutional crisis last month by the opposition Maoist party but now at loggerheads with it once more, Nepal's government faces a fresh hurdle next month when it again

needs help to pass the new budget. With a fresh quarrel erupting between Prime Minister Madhav Kumar Nepal and the former guerrillas after the premier refused to resign by Wednesday, the ruling party might find itself in yet another difficult position. As Finance Minister Surendra Pandey wished to announce the new budget July 9, the prime minister has to ensure that parliament will not be obstructed by the Maoists who had done so last year. Unable to pass the budget, the government was driven to the brink of a financial collapse in 2009 and had to appease the Maoists who lifted the blockade to allow the procedure.

In its one year of rule, the coalition government of Madhav Kumar Nepal has run into at least three major crises due to its continued hostility with the Maoists, the largest party in parliament. Though each time the former rebels capitulated, the battle is growing increasingly more acrimonious.

In the past, the Maoists, who are demanding that the current government be dissolved to make way for a new one under their leadership, imposed a blockade of parliament and a series of general strikes. They also threatened not to allow the government to extend the term of parliament, which would have plunged Nepal into a grave constitutional crisis from May 28. Though the former insurgents were the first to yield each time, now there is a bitter feeling of betrayal among the Maoists. The Maoists say they had a gentlemen's agreement with the prime minister that in return for saving the government from dissolution last month he would resign by Wednesday. But the prime minister says the Maoists are misrepresenting his promise that he would step down when there was an agreement among all parties on the peace process. The standing committee of the Maoists will meet Thursday to decide the party's next course of action.

Unless the ruling alliance reaches an agreement with the Maoists it is unlikely that the new constitution will be ready even by next year. The statute was to have been promulgated May 28 but was not ready due to the protracted squabbling between the major parties.

Nepal averts crisis but chaos remains

Though the nascent republic of Nepal managed to stave off an unprecedented constitutional crisis by a hair's breadth Friday midnight, public anger and confusion still remained, turning the celebration of Republic Day Saturday into a travesty. The interim parliament, which has also been mandated to write a new constitution, was saved from the jaws of death at midnight after the opposition Maoist party agreed to bail out the government and supported its bid to give the house a new lease of life. Now, Nepal's 601 lawmakers have been given a second chance to complete the new constitution by May 27, 2011. However, going by the past performance of the house, which was repeatedly held hostage by the major parties as they squabbled for power, it is doubtful if it would be able to draft the new constitution within the extended deadline. "Following my party's diktat I voted to prolong the interim parliament," said Anil Kumar Jha, an MP from the Sadbhavana Party, a minor partner in the ruling coalition. "However, I do not think a new constitution will be ready in one year." Earlier, the chief of

the main opposition party had expressed the same doubt. "The ruling parties do not want a new constitution," former revolutionary and chief of the Maoist party Pushpa Kamal Dahal Prachanda had said at a public meeting in Kathmandu. "They will not be able to write a new constitution even if they are given four more years to do so." The Maoists, the most fierce opponents of extending the term of parliament, however capitulated near midnight Friday, minutes before the house was going to expire, and supported the government bid to extend its life by a year. Once the Maoists threw their weight behind the government, 580 of the 585 MPs present at the late-night session of the house voted for the motion. Only an individual MP from the southern Terai plains, once regarded as a wanted bandit, and four members of Nepal's only openly royalist party in parliament opposed the bid ineffectually. Now as a reciprocal gesture, embattled Prime Minister Madhav Kumar Nepal is expected to step down, though it is not clear when. The Maoists Saturday claimed Nepal would quit in five days' time to make way for a new government that would also have their participation. However, the transition may not be so smooth. Even on Friday, hours before the midnight deadline, Nepal had refused to quit, saying that he was supported by 22 of the 25 parties in parliament. Friday's midnight drama has tarnished the images of the top three leaders of the three largest parties with the public condemning them for frittering away the sacrifices made by people, time and money from the state exchequer to promote petty party and personal interests. There is also doubt about the clandestine last-minute understanding forged between the ruling parties and the Maoists. One of the MPs, Sarita Giri, commented on that in the house Friday. Giri said there was no transparency about the deal. She also said the parties had the responsibility of informing the people why they could not write the new constitution by May 28, 2010 but had not done so.

Nepal's Maoists accuse government of 'betrayal'

Nepal's opposition Maoists on Friday accused the prime minister of breaking a pledge to resign, sparking a new row between the three main parties less than a week after they agreed to share power.

The Maoist party said the prime minister had broken a verbal commitment to step down within five days of an agreement reached late last Friday to secure the support of opposition lawmakers for a bill to extend parliament's term. "We plan to expose the dishonesty of this government, which has betrayed the agreement we reached," Maoist party spokesman Dinanath Sharma told AFP. The ruling Communist Party of Nepal (UML) confirmed that Prime Minister Madhav Kumar Nepal had said he would stand down within five days, although a written agreement signed by the party leaders did not specify a timeframe. The party said he wanted first to secure commitments from the former rebels on key issues relating to the peace process and the drafting of a new national constitution. "We now gather that the priority of the Maoists is not peace and constitution-writing but power," UML leader Pradeep Gyawali told AFP. The parliament, or Constituent Assembly, was elected in 2008 with a two-year mandate to complete the peace process launched after the 10-year war between Maoist rebels and the state, and to draft a new national constitution. But it failed to complete either task on time, hampered by fierce disagreements between the Maoists -- the largest party in parliament -- and their political

rivals. Its term had been due to end last Friday, leaving the country without a functioning legislature, but lawmakers voted to extend it for another year after the ruling parties agreed to a new power-sharing government. Party leaders held talks this week to try to agree on the shape of a new government, but the discussions ended amid disagreement over the timing of the prime minister's resignation. Both the Maoists and the UML said Friday they were prepared to hold further talks, although none have yet been scheduled

Nepal to ban smoking in public places

Nepal is to ban smoking in restaurants, bars and other public places and outlaw all tobacco advertising to try to deter young people from taking up the habit, the government said Tuesday. A new anti-smoking bill will also make it illegal for anyone under 16 to smoke, and introduce compulsory health warnings on cigarette packets, health ministry official Bal Sagar Giri told AFP. "More and more young people are being lured by attractive tobacco advertising. That has to end," he said. It is high time we had a strict enforcement of law that regulates tobacco use and punishes offenders. Giri said the bill, currently being debated in parliament, would also introduce fines of 5,000 rupees (70 dollars) for individual offenders and 100,000 rupees for tobacco companies. The government estimates that 15,000 people die every year of smoking-related diseases in Nepal, one of the world's poorest countries. Globally, tobacco kills five million people annually, according to the World Health Organization, with deaths expected to hit 10 million a year in two decades, 70 percent of those being in developing nations. In 2006, Nepal's Supreme Court ordered the government to ban smoking in public places and outlaw tobacco advertisements in broadcast media, but the ruling has never been implemented. The new bill bans smoking in all enclosed public places including government offices, schools, hospitals and restaurants.

Obama likely to visit Nepal during his India trip

American President Barack Obama is arriving neighboring country India on coming November. Obama vowed to visit to India. The visit is as the response to the invitation from Indian Prime Minister Manmohan Singh. It is said that he would visit to Nepal during his India trip. However it is yet to conform. Obama's India trip has taken interestingly in Nepal as Nepal's political situation is backed by the India and the India is backed by the America.

Gold rises to new highs in India, Nepal

Gold prices surged to all time records in India and neighboring Nepal as the marriage season demands more purchase of the yellow metal.

In India, world's largest gold market, prices zoomed to an all-time high of Rs 19,050 per ten grams here while in Nepal prices rose to another record high of Nepal Rs 30,910 per 10 grams. Bullion in the Asian region gained as much as 0.5 per cent to \$1,222.47 an ounce, its highest level since May 19, as the euro extended its 2.4 per cent decline against the U S dollar last week. The precious metal's rise in future trading was another supporting factor boosting the sentiment in the physical market. Gold has

gained 8.3 per cent over the past two months in global markets and reached a record \$ 1,249.40 an ounce on May 14 on concerns that European measures to cut deficits and contain sovereign debt risks will curb growth in the region and weaken the euro. Emerging and Asian countries' efforts in supporting the recovering global economy are still marred by the European debt crisis and weak consumption pressurizing the gold price in the international market. Gold has risen by 0.35 per cent to \$1220.40 in the international market. Precious metals, and especially gold, are used as a safe haven against depreciating currencies

Nepal becoming a Bermuda Triangle for tourists?

When she chatted with her father on Skype from a remote district in northern Nepal on April 20, Aubrey Caroline Sacco sounded in high spirits. The 23-year-old American, who was on a journey of self-discovery in Nepal, where she had arrived after a five-month travel through India, told her father Paul Sacco, a former soccer player in Colorado, that she was going trekking in the Langtang area bordering Tibet, famous for its scenic trekking trails. She said she would return to Kathmandu end of the month.

More than a month after that, the young artist and musician is still missing, raising fresh questions about all the western tourists who have disappeared while trekking alone in Nepal.

“My daughter is very tough and not afraid of anything or anybody,” says Paul Sacco, who has come to Nepal with his son Crofton to search for Aubrey. They traced her to a hotel where she stayed on April 21. The following day, she resumed trekking again, halting at the Lama Hotel for lunch. After that, she simply vanished. Besides a three-hour helicopter search, the Saccos together with Nepal’s tourism ministry have organised searches by local groups, police and even the army. They have organised a programme on a local FM station in the local language and announced a reward of NRS 100,000 for anyone who can offer information leading to Aubrey’s whereabouts. But all they have drawn till now is a blank. What makes the disappearance all the more alarming is that it is not an isolated incident. In December 2008, Julian Wynne, a British tourist trekking in the Everest region, vanished during the start of a nine-month vacation and has not been found yet. In 2006, Kristina Kovacevic, a German trekker, also went missing in northern Nepal. Police found her body in the Solukhumbu region on the very day her sister Karoline arrived there to search for her. Though the Nepal authorities say she must have met with an accident due to bad weather, Karoline has rejected the explanation, suggesting there could have been foul play. The Kovacevic incident created a furore as it came close on the heels of the disappearance of two young western women in Kathmandu valley itself. German Sabine Gruneklee and Celine Henry from France went missing after they entered the Nagarjuna forest on the outskirts of Kathmandu valley on separate days in 2005. Although Gruneklee’s body was found a year later, the 32-year-old French volunteer, who closely resembled Arundhati Roy, is still listed as missing.

Between 2003 and 2004, three more tourists went missing, including an Indian, Kushagra Vasant

Singh, from Ujjain, Madhya Pradesh. Till two years ago, Singh's fiancée in the UK, Razia Khan, was trying to trace him in Nepal but to no avail. Paul Sacco says he was unaware of the disappearances till he came to Nepal to search for his missing daughter. "I did not want her to travel alone," he says dolefully. "I would have liked her to travel with a guide and we had many arguments over that. She said she was 23 and an adult. The journey was meant to be a voyage of self-discovery – that was her philosophy.

Tourist arrivals in Nepal increase 6% in May

Tourist arrivals in Nepal by air in May have increased by 6 percent to 26,634 compared to the same month last year, local media reported on Wednesday. According to the figures released by the Immigration Office, Tribhuvan International Airport, the only international airport in the country, arrivals from China and India, a major tourist market for the country, have achieved sustained growth. Since June 2009, arrivals from India and China have registered double-digit growth, reported The Kathmandu Post daily. Visitor arrivals from India have increased by 4.3 percent, which showed sustained growth this year, except for a soft decline in April. A total 9,726 Indian tourists arrived in Nepal in May compared to 9,324 arrivals in the same period last year. In the first five months of the year, 37,325 Indian tourists have arrived in Nepal by air compared to 34,537 last year. In May, 1,024 Chinese tourists arrived in Nepal by air compared to 772 in the same period last year. According to the airport figures, in the first five months of the year, 11,271 Chinese tourists came to Nepal compared to 6,583 in the same period last year.

Indian Army Chief to be invited to visit Nepal

The Nepali cabinet on Wednesday gave the nod to the Nepal Army (NA) to invite Indian Army Chief Gen. V. K. Singh for an official visit to Nepal. According to Thursday's eKantipur.com report, Singh will be conferred the title of Honorary General of NA. Gen. Nepal Army Chief Gen. Chhatra Man Singh Gurung was honored with a similar title by Indian President Pratibha Patil in December. "The Chief of Army Staff will soon send an invitation to the Indian army chief as per the cabinet's decision," said Nepal Army Spokesperson Ramindra Chhetri. The cabinet also approved the visit of a 15-member NA delegation to China scheduled for Sept. 17-27, reported the website.

Nepali gov't proposes special programs to fight food deficit

The Nepali government has proposed special programs worth 3.71 billion Nepali rupees (some 50 million U.S. dollars) for the coming fiscal year to boost agriculture production to deal with widening food deficit in the country. According to Tuesday's myrepublica.com, despite robust growth in wheat and barley production, Ministry of Agriculture and Cooperatives (MoAC) has already forecast a rise in food deficit in the country to 316,465 tons in 2010/11, almost triple the deficit figure of 132,914 tons recorded last year, due to fall in production of other key crops paddy and maize. "We have proposed special programs to raise production of cereal crops, with focus on increasing access of farmers to improved seeds and encouraging high value products in urban areas," Hari Dahal, spokesperson of the

MoAC, told the website. Under the program, the government will launch seed production programs by establishing community-run seed banks in 10 districts. It has also proposed another program with the involvement of Nepal Agriculture Research Council, Department of Agriculture and National Seeds Development Company to make the country self-sufficient for improved seeds. The ministry has also proposed a program for renovation and improvement of public ponds across the country. It has also sought a budget to boost production and export of tea. In the next fiscal year, the ministry targets to increase irrigated land by 732 hectares by launching 1,302 new small irrigation projects and 75 co-operative level irrigation projects and raise commercial horticulture by 2,400 hectares and coffee production by 150 hectares. The ministry has set the target of increasing annual milk production by 150,000 liters, encouraging farmers to rear improved breed of cows and buffaloes.

Srilanka

Sri Lanka condemns Israeli attack

The Sri Lankan delegation at the special debate of the UN Human Rights Council, in Geneva has condemned the attack of Israeli security forces on the Flotilla of Humanitarian Aid to Gaza, the foreign ministry said.

“My delegation strongly condemns the recent attack by the Israeli security forces on the flotilla carrying humanitarian aid to Gaza and deeply regrets the loss of life and the injuries resulting from this exercise of force on international waters,” Attorney General Mohan Peries said in Geneva on Tuesday. He also called on the international community to intensify its efforts to address “the urgent humanitarian situation in the occupied territories in order to alleviate the suffering of the Palestinian people.” “We call all parties to forge an early solution based on the two state settlement envisaged by all, to establish a sovereign, independent and viable state of Palestine,” the Lankan Attorney General added. This statement was in support of the resolution put forward by the Ambassador from Egypt condemning the attacks on the flotilla carrying aid to Gaza.

Ceat acquires 100% stake in Sri Lankan investment arm

NEW DELHI: Tyre major Ceat today said its Sri Lankan investment arm Associated Ceat Holdings Company has become a wholly-owned subsidiary of itself

after acquiring the remaining stake in the Colombo-based firm. Ceat, which had a 54.84 per cent shareholding in the investment company, has acquired the remaining stake, amounting to 45.16 lakh shares, the company said in a filing to the Bombay Stock Exchange. However, the tyre maker did not disclose the financial details or information about the group entities involved in the transaction. "Ceat Ltd has informed BSE that the company, currently holding 54.84 per cent stake in its Sri Lankan investment arm, Associated Ceat Holdings Company Ltd (ACHL), Colombo, has acquired the remaining 45,15,789 equity shares of the said ACHL," Ceat said in

the filing. Following the acquisition of the 45.16 per cent stake, ACHL has become a wholly owned subsidiary of Ceat. ACHL holds 50 per cent stake in Ceat Kelani Pvt Ltd, a joint venture between the Indian tyre giant and Colombo-based Kelani Tyres Ltd. The JV company operates three wholly owned subsidiaries, which manufacture tyres under the Ceat brand in the island nation.

Sri Lanka government, Emirates finalize deal to buy back national carrier

Sri Lanka's government and Dubai's Emirates Airlines have finalized a deal to buy out its stake in the national carrier, its chairman Nishanta Wickremasinghe said.

"The deal has been finalized," Wickremasinghe said. "It is between the government and Emirates." Wickremasinghe said he was not aware of the final price. However a government source familiar with the deal mentioned a deal value of 55 to 60 million US dollars for Emirates' 43.6 percent share holdings of Sri Lankan Airlines. State-run Bank of Ceylon and Sri Lanka Insurance Corporation, which was recently re-vested in the state are involved in the deal, the source said. Emirates managed the airline for 10 years from 1998. The government already owns 51 percent of Sri Lankan

Sri Lankan foreign minister denounces UN rights chief

The Sri Lankan government has hit out against UN human rights chief Navi Pillay, accusing her of hounding the country on rights issues. The indignation was expressed by new Sri Lankan Foreign Minister GL Peiris. It came a day after Ms Pillay repeated her view that an international body was needed to look into war crimes allegations in the Sri Lankan context.

Prof Peiris told the BBC of Sri Lanka's "frustration" at her continued backing for an international probe.

'Hindrance'

"We think that this course of action is unfair. It is even oppressive. It is as though some people will not rest until they are successful in harassing Sri Lanka," he said.

He said that the attitude of "pursuing Sri Lanka" was not only unfair but also "repugnant to the basic values and principles that are enshrined in the UN system". "We think any foreign intervention is not only unwarranted but will be a source of hindrance, a detriment to the work of the commission as it gets under way," he said.

There have been allegations from international campaign groups and some Western countries that both Sri Lankan government forces and Tamil Tiger rebels may have committed war crimes last year, indiscriminately or deliberately harming civilians.

Colombo denies doing this and is specially incensed by any call for international inquiry because with most of the rebel leadership dead, any probe would by definition be focussed on the government side. On Monday Ms Pillay noted that the Sri Lankan government has now set up its own reconciliation commission but told the UN Human Rights Council that issues of accountability on the island really needed international attention.

Sri Lanka war crime inquiry not on UN Security Council agenda for June

The United Nations Security Council (UNSC) agenda this month would not include the proposed investigations into the killing of civilians during the final stages of the recent conflict in Sri Lanka.

Mexico's Permanent Representative to the UN and the President of the UNSC for the month of June, Claude Heller has said that although the issue on Sri Lanka was a sensitive one, it was not on the Council's agenda during his presidency.

When asked whether the self investigation of the allegations by Sri Lanka is an acceptable outcome, Heller replied that he has his personal opinions but there is no agreement on the matter in the Security Council.

Heller said that the Secretary General could take action, but for the time being, there had been no initiative in the Council.

Sri Lanka successfully fended a resolution tabled by the European member countries of the UN Human Rights Council last May calling for an investigation into the alleged human rights violations during the final phase of the conflict.

Sri Lanka aims for investment grade rating by 2013: CB Governor

Sri Lanka is aiming to push its speculative sovereign rating to investment grade by 2013 by fixing government finances, keeping inflation low and growth high, Central Bank Governor Nivard Cabraal said.

"We will take necessary steps to improve our credit rating," Cabraal told a business forum in Colombo Friday.

"I have been critical of credit rating agencies, but we will take the necessary steps to improve our credit rating to investment grade by the year 2013."

Fitch rates Sri Lanka's government at 'B+' four notches below the lowest investment grade rating of 'BBB-', showing that Sri Lanka has a hard climb ahead. A sovereign rating measures the creditworthiness of the government.

Standard & Poor's has given Sri Lanka a 'B' sovereign rating, which is another notch below.

S & P raised the outlook on its rating to positive last October, and Fitch to 'stable' after Sri Lanka signed a deal with the International Monetary Fund to lower deficit spending last year.

Cabraal said Sri Lanka would focus on improving macro-economic fundamentals.

In recent years the government had a stated policy of saying that cutting budget deficits was not the only way to improve economic management while the finance minister in 2004 said cutting deficits was 'old fashioned' after jettisoning an IMF program.

Sri Lanka was downgraded a notch from its original rating as the country went on a deficit spending and state expansion drive after 2004 pushing inflation close to 30 percent with excessive money printing to finance deficits.

But monetary policy has improved in recent years with Cabraal clamping down on inflation from 2007.

"I was not the most popular governor," Cabraal said. "But today people have realized how important it is to have low inflation. I intend to keep it low for the long term."

Last year seven state institutions made operational losses of more than one percent of gross domestic product, while the budget was in deficit by 9.8 percent excluding grant financing and 10.2 percent with grant financing.

Sri Lanka's national debt is over 80 percent of GDP. Cabraal said economic management would be improved to push the rating up and make Sri Lanka more attractive to investors and growth would be kept above 6.0 to 6.5 percent a year.

"We will concentrate on steady and sustained growth, low inflation, adequate level of foreign exchange reserves, continuous infrastructure development, stable debt dynamics, constantly improving productivity levels, high public sector institutional viability and continuous financial system viability," he said.

Sri Lanka's foreign reserves are now at over 5.0 billion US dollars and inflation is just around 5.0 percent, much lower than the historical double digits to 30 percent generated by the Central Bank in the past.

He said the government had a goal of doubling per capita income (a measure of economic size adjusted for population) to 4,000 US dollars by 2016 and poverty pushed down to 5.0 percent from 11.0 percent.

Sri Lanka told India ready for common standards to smoothen trade

India is ready to improve access for Sri Lankan goods and services to its markets by creating mechanisms like common standards and recognizing professional certifications, an Indian diplomat said. "India is willing to set up mechanisms that facilitate the increased presence of Sri Lankan goods and services in the Indian market," declared Vikram Misri, Indian deputy high commissioner in Colombo.

"Indeed, that is our stated policy and we are serious about implementing it in practice."

The proposed mechanisms include common sanitary and phyto-sanitary standards, mutual recognition agreements for certification of goods and mutual recognition of professional certifications.

These will bolster the institutional framework needed to achieve the aim of closer integration between the two neighbours, Misri told a recent seminar on the Indo-Lanka free trade deal organized by the Institute of Policy Studies, a think tank.

Sri Lankan exporters have complained that the lack of common standards and India not recognizing Sri Lankan certification act as trade barriers.

Difficulties in accessing Indian markets faced by some Sri Lankan exporters and industrialists have led them to lobby against the free trade deal and block its expansion to include trade in services and investment.

Misri acknowledged there were negative perceptions related to the free trade agreement in Sri Lanka. "Often, it is stated that the FTA did not address non-tariff barriers (NTBs) which restrict market access to India. Of course it did not." Misri said it was the first FTA for both countries and both learnt what worked and what did not. "We realized for example that we needed to get closer cooperation going between the Customs Departments of the two countries so that transparency and predictability and even facilitation could be ensured.

"We realized that we needed to remove discretion with the authorities by having water tight arrangements on testing and certification as well as sanitary and phyto-sanitary standards."

Misri said that it is often not recognized that 90 percent of the NTBs exist because of lack of harmonization and agreements between countries.

"This can also help improvement in the regulatory standards in the two countries, which is often an issue in Sri Lanka when we talk of the FTA."

Sri Lanka ERI takes control of fabric manufacturer

Sri Lanka's Environmental Resources Investment, an investment holding company, has bought control of fabric manufacturer South Asia Textile Industries Lanka for 710 million rupees, according to stock exchange filings. ERI subsidiary Ceylon Leather Products said in a statement it plans to acquire 51 percent of South Asia Textile Industries Lanka (SATL) through a private placement for 550 million rupees. Ceylon Leather Products' parent holding company Environmental Resources Investment said in a separate statement it plans to buy eight percent of SATL through a private placement for 160 million rupees. ERI is controlled by Lionhart Investments, a privately held firm. The total investment of 710 million rupees results in a controlling stake of 59 percent in SATL which makes knitted fabric for a range of apparel and industrial uses. SATL's value per share was 17.86 rupees according to the last audited net asset value of the firm as at December 31, 2008, the statement said. SATL was set up in April 2004 under the investment promotion agency, the Board of Investment in a 15-million-dollar investment by South Asia Textile Industries of Singapore at the abandoned site of former state-owned Pugoda Textile Mills.

BOI approval entitles investors for tax holidays and duty free imports of machinery and raw material. The statement said SATL has had "positive results" from its inception and annual sales of 3.6 billion rupees in 2007 and four billion rupees in 2008.

ERI was one of the best performing stocks on the Colombo bourse earlier this year and the subject of speculative buying which also prompted inquiries by the markets regulator.

Ceylon Leather Products is a Sri Lankan leather products manufacturer which owns the DI brand.

Sri Lanka sets deadline for resettlement of displaced people

The Sri Lankan government has issued a new deadline to resettle tens of thousands of internally displaced people (IDPs) who are still living in camps. More than 60,000 internally displaced people (IDPs) continue to live in three government camps, the UN Refugee Agency (UNHCR) has said. The new Minister of Resettlement, Milroy Fernando, told *IRIN* an August deadline was "realistic" and that the process would be expedited to ensure people could return home as soon as possible. "There was a previous deadline of April but that was not feasible," Fernando said, describing the process as a "top priority" for the nation. "A lot of work has been concluded post-elections, including reconstruction of homes and the introduction of several livelihood assistance programmes. The new deadline is therefore realistic," he said. Among his ministry's top priorities was to go beyond resettlement and initiate livelihood support mechanisms for the displaced, he said.

"To facilitate resettlement, the de-mining process too is being expedited. People are so keen to return home. But as a responsible government, we simply cannot allow people to return to their original villages before the completion of the de-mining work.

"People are very eager to go back to their own villages but we prevent those wanting to return to areas that are still uncleared," he said.

"We are currently making some plans to resettle and offer livelihood support in their original villages. To boost their livelihoods, the ministry now offers fishing gear and agricultural equipment for identified persons," he said.

Sri Lanka to Resettle Sinhala Families to North

The Sri Lankan government is planning to resettle Sinhala families evicted by Tamil tiger rebels in 1985 from the Northern Province to their original homes, a government minister said on Tuesday. Milroy Fernando, minister of Resettlement, told reporters that 200 Sinhala families have been living in the refugee camps in Puttalam, about 142 km north of capital Colombo in the last 25 years. "Some of them currently live with their relatives in several parts of the island," Fernando said, adding that the government has already identified the dilapidated houses and abandoned land belonging to them in the north traditionally dominated by the minority Tamils.

He said the government is taking measures to improve infrastructure and develop agriculture and fisheries industry in the north which had been the main battlefield between the government troops and the Liberation Tigers of Tamil Eelam (LTTE) in the last 30 years.

The troops defeated the LTTE in May 2009, but 77,000 civilians out of the 280,000 who were displaced at the final phases of the war are still living in government run welfare camps in the north waiting to be resettled. Fernando promised to resettle all the remaining civilians within two months

Indian businesses work on beating China at its game

As China's influence in Sri Lanka grows, India is seeking to play bigger role in its southern neighbour and is putting pressure on Colombo to sign a trade agreement, diplomatic sources said. "There is some concern by India that it doesn't have the kind of role that China is playing in Sri Lanka in the military, political and economic context. That appears to be a source of concern for Indian authorities," said an Asian diplomat, who spoke on condition of anonymity. Last week a group of local entrepreneurs backed by about 800 of their employees took to the capital's streets in protest against a proposed Indo-Sri Lankan trade services agreement, claiming that it would be detrimental to Sri Lanka's economic interests. The proposed agreement would make it easier for Indians who work in certain service sectors, such as professionals, teachers, doctors and lawyers, to work in Sri Lanka. Some local entrepreneurs are concerned that this would take jobs away from Sri Lankans.

The group immediately won assurances from Mahinda Rajapaksa, the Sri Lankan president, whom they met to express their concerns, that the government would not sign any trade pact that is detrimental to Sri Lanka's interests. However, local political analysts view the recent developments differently. "I think the India issue is more of a case of catching up [with China] in terms of trade and development here. In recent years India has been more interested in bringing countries [in Asia] under its economic umbrella than political interests," noted Harim Peiris, a one-time spokesperson for Chandrika Kumaratunga, a former president. Kusal Perera, a political columnist for the Colombo-based Sunday Leader newspaper, said there is no issue between India and China vis-à-vis a presence in Sri Lanka. "In many ways, India and China are working together in joint projects like in Myanmar, for example, where they are involved in building an airport," he said in an interview. The countries want to "co-habit" in the region and outside and also come together in an kind of economic group, he said.

However, the local Sunday Times newspaper said in a report on May 30 that India had requested Sri Lanka's permission to set up two more missions at the level of deputy high commission in northern Jaffna and southern Hambantota, the hometown of Mr Rajapaksa. This is in addition to a mission in Colombo and an existing consulate in the central hill town of Kandy. Last month, India set up a consulate – mostly to handle visas – in Jaffna, home to most of Sri Lanka's minority Tamil community, which has close cultural and family ties with the south India state of Tamil Nadu, but now suddenly wants the facility upgraded, the report said.

"There was no immediate information as to what India has said to justify the opening of a diplomatic mission in Hambantota. The only reason attributable is its decision to directly confront what many Indian watchers see as India's growing sensitivity to China's increasing economic development programmes in the Hambantota district," the report said. While India has long-established political, cultural and economic ties with Sri Lanka, China increased its presence after Mr Rajapaksa became president in 2005.

This followed growing criticism by the West over human-rights issues in Sri Lanka in regards to strategies being used against ethnic against Tamil rebels in the civil war. Unable to win support from the West, the government expanded its friendship with India, Iran, Libya and the non-western sector, particularly China. The latter has lent huge sums of money for economic development and also provided military arms support during the war.

According to Mr Peiris, China's involvement has been "exponential" in military, economic and political terms. China, while providing development finance, is also involved in some of the biggest projects in the country such as a port, airport, and international convention centre in Hambantota.

Mr Peiris said China, which has a permanent seat in the UN Security Council unlike India, has also helped Sri Lanka deflect pressure from allegations of human-rights abuses.

The Asian diplomat said the Indian foreign secretary, Nirupama Rao, visited Colombo twice in the past two to three months to persuade Sri Lanka to sign the Comprehensive Economic Partnership Agreement, an extension of the Indo-Sri Lanka Free Trade Agreement that has boosted trade between the neighbours. Samantha Kumarasinghe, the chairman of Multi Chemi Group, which produces cosmetics, a huge industry in India, said the extended agreement would destroy Sri Lanka's control of trade and services and bring more benefits to Indian businesses and professionals. "Under this set-up any professional – even an Indian barber – can come with his family to work in Sri Lanka," Mr Kumarasinghe, who organised the protest demonstration on Tuesday in Colombo, said.

Sri Lanka Telecommunications Report Q3 2010 - New Market Report Published

Sri Lanka Telecommunications Report Q3 2010 ; There is a growing move towards upgrading 3.5G networks with HSPA+ technology, as operators Mobitel and Tigo look to provide higher download speeds of 28Mbps. Mobitel successfully completed trials of its HSPA+ service together with Huawei Technologies in late 2009, while Etisalat, the owners of Tigo, announced plans to upgrade to HSPA+ during 2010. The latter also announced it would install 500 3G base stations in all major towns and cities across the country. For the most part, Sri Lanka has reached saturation in urban markets, aided by price competition in the mobile sector, which has allowed an increasing proportion of the population to access mobile services, and largely prepaid at that. The growth in prepaid has also been aided by operators' network expansion to rural areas, which remain largely uncovered. To this end, service providers have seen their ARPUs negatively impacted and, combined with the increasing costs relating to network expansion, have seen revenues squeezed. In light of this, it has become necessary for operators to focus on driving up the quality of their subscriber base, largely within urban markets, where demand for non-voice applications remains high. A number of value-added services (VAS) are already provided in the market, and operators continue to expand their portfolio. Mobitel announced in April 2010, for

example, its latest VAS to be the country's first Sinhala WAP-based portal called Luhudu, made available over its mobile network. Dialog, meanwhile, in March 2010, launched its internet radio service over its mobile network called Music Station. In terms of development in the wireline sector, the Telecommunications Regulatory Commission (TRC) of Sri Lanka announced in early December 2009 that it would start the expansion of WiMAX networks in January 2010, to help extend services of telemedicine and e-learning to rural parts of the country. On the back of this, Sri Lanka Telecommunications (SLT), the incumbent operator with a roughly 80% share of the broadband market, revealed that it plans to invest US\$12.8mn in the deployment of WiMAX aided by Sky Networks. Services, which are fixed-line based rather than mobile, could be available from March 2010. The operator remains eager that demand for broadband services should be encouraged with declining voice telephony occurring as a result of attractive VoIP alternatives such as Skype, as well as Google Talk and other MMS services. Furthermore, its dominant position in the fixed-line market is expected to allow the operator to provide fixed mobile converged services and the provision of IPTV services to enable it to stay ahead of the competition.

Sri Lanka health officials warn of diseases spreading following floods

Sri Lanka health officials warned the public of possibility of infectious diseases spreading following the floods that submerged most of the country for several days.

Most of the flood-displaced have returned to their homes and according to the Disaster Management Center of Sri Lanka 131 people from 33 families left in the only 2 camps in Gampaha district.

There were initially 52 camps set up to house 15,364 flood-displaced persons. The worst floods in decades affected over 600,000 people, mostly in the Western Province.

As the flood waters are receding the health officials have expressed concern over possibility of various water borne diseases spreading in the devastated areas.

Sri Lanka's Health Minister Maithripala Sirisena has told IRIN, the humanitarian news service of the UN Office for the Coordination of Humanitarian Affairs (OCHA), today that several health camps are being set up in the flood-affected areas to provide emergency healthcare to flood victims. "The risk of epidemics is high but with the water subsiding, the situation has improved. The ministry is running more than 100 health camps in the affected districts to attend to flood-affected persons," the Minister has told IRIN. According to Dr. Paba Palihawadana, the director of the Epidemiology Unit of the health Ministry possible diseases that could spread include hepatitis A, diarrhoea, cholera, typhoid, viral flu, rat fever (Leptospirosis) and mosquito-borne diseases such as dengue. Snakes bites are another concern, she has informed.

Emergency medical supplies had been rushed to the main hospitals in affected districts, while over 100 doctors had been deployed, the Minister has told IRIN. Meanwhile, the government intends to resettle all flood-affected this week, but will continue supporting the families as floods

had drastically affected their livelihoods, Disaster Management Minister A.H.M. Fowzie told IRIN.

Rapid rebuild, inclusive growth, key to post-war Sri Lanka–ADB

President Mahinda Rajapaksa with ADB President Haruhiko Kuroda during their meeting last week. Hafeez Rahman Director General South Asia Department ADB, Dr Richard Vokes Country Director - ADB for Sri Lanka, Mr S Hosoda - Advisor to ADB President and Mr T Maekawa of ADB, Ministers Dinesh Gunawardane, Mahinda Yapa Abewardane, Deputy Ministers Sarath Amunugama, Chandrasiri Gajaweera, Secretary Ministry of Finance P. B. Jayasundara and Central Bank Governor Ajith Nivad Cabral are also present.

Pic By: Sudath Silva.

One year after a decades-old civil conflict ended in Sri Lanka, Asian Development Bank (ADB) President Haruhiko Kuroda said that a top priority of Sri Lanka's post-war development was to make sure that rapid reconstruction continues in the conflict-affected areas and the benefits of development reach everyone in the country.

Addressing a press conference Friday at the end of a three-day visit to the country, Kuroda said that ADB would continue to support Sri Lanka as it rebuilds its economy and seeks accelerated development.

"Along with rapid reconstruction to enable people in conflict-affected areas to return to normal lives as soon as possible, post-war development should also focus on more inclusive and equitable growth," said Kuroda, who held discussions with Sri Lanka's President Mahinda Rajapaksa and senior Government leaders during his visit.

Reconstruction of basic infrastructure and restoration of essential services such as water and sanitation, roads, hospitals and schools in the war-affected Northern and Eastern Provinces will remain a priority area of ADB's assistance, Kuroda said.

With the end of the conflict, and based on ADB's forecast of 6% economic growth for Sri Lanka this year and at least 7% in 2011, Kuroda said that he was optimistic that the people of Sri Lanka can look forward to a more promising and secure future. Sri Lanka's civil conflict ended in May 2009. Kuroda stressed that for peace to be sustainable, challenges need to be addressed. On the economy, inclusive growth and sustainable development need to be underpinned by sound macroeconomic fundamentals, firm efforts to keep the fiscal deficit under control, a strengthening of the financial sector and greater participation in the economy by the private sector. Kuroda also expressed his deepest sympathy to the people and Government of Sri Lanka for the loss of lives, damage to homes and properties, and suffering caused by the recent floods in the country. Kuroda visited various ADB-assisted projects in the North, including the launching ceremonies of the Dry Zone Urban Water and Sanitation project in Mannar and the Kilinochchi-Jaffna power transmission line. He visited the Mannar General Hospital and Kilinochchi Hospital where ADB supports reconstruction and upgrading of medical facilities. He also visited two flagship projects supported by ADB, the Colombo Port Expansion Project and the Southern Transport Development Project, Sri Lanka's first major expressway to be built since

independence in 1948. Earlier this year, ADB approved \$ 150 million in emergency assistance loan to Sri Lanka for reconstruction of urgently needed infrastructure and restoration of essential services in war-affected regions. Another \$ 50 million loan was also extended this year to support the Government's efforts to undertake public finance management reforms aimed at promoting increased investment in underdeveloped areas, including in areas severely affected by conflict. ADB is one of the leading development partners in the country. ADB has approved over \$ 212 million in loans to Sri Lanka so far this year.