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**BUSINESS AND POLITICS IN THE MUSLIM WORLD**

**South Asia**

**Weekly Report 114: from 3<sup>rd</sup> April to 9<sup>th</sup> April 2010**

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## **SUMMARY:**

### **BANGLADESH:**

Pakistan will not interfere" in the controversial trial of "war criminals" linked to the 1971 'Liberation struggle' in Bangladesh, saying it was an "internal affairs" of the country. Prime Minister Sheikh Hasina said her government it is working relentlessly to achieve economic freedom of the general masses through eradicating poverty from the country within a shortest possible time. The US President Barrack Obama has selected Bangladesh as a model for food security and will present it in the next G-8 summit. In that light, the US will provide Bangladesh with a good portion of the assistance of \$100 million pledged for food security of the developing nations, Bangladesh has deployed the army to guard water pumps in the capital Dhaka after acute shortages triggered widespread protests. The city's 550 public water pumps have been struggling to meet demand, prompting anger among many of the 13 million residents. A top Bangladeshi minister asked Islamabad to

formally apologise for the atrocities committed by the Pakistan Army during the 1971 'Liberation war' so as to strengthen bilateral ties. Prime minister of Bangladesh called upon market owners and shopkeepers not to use electricity from the national power grid after 7:00pm in order to help the government to tackle the present power crisis. Bangladeshi Parliament has passed a unanimous resolution calling for nuclear weapons convention. Bangladesh's parliament has adopted a resolution giving full support to the U.N. secretary general's proposal for a total nuclear disarmament plan. Bangladesh has got its first sovereign credit rating that has given it much needed access to foreign financial markets and made it a lucrative destination for foreign investors. Bangladesh's exports to the European Union increased by more than 6 per cent in 2009, despite significant decline in Europe's two-way trade with almost all countries due to the fall-out of the global recession. Bangladesh has to do a lot to become a middle-income country or a new Asian tiger by 2021, Announcing a first-of-its-kind joint initiative of India and Bangladesh to combat climate change, coming up with a joint forum to protect the unique ecosystem in the Sunderbans. Canada can provide extensive help to Bangladesh in achieving its much needed energy and food security in the coming years- Bangladesh's economy is expected to grow 6.7 percent in the coming fiscal year starting in July, up from 6 percent in the current fiscal year, The Dhaka High Court has rejected the bail pleas of five Jamaat-e-Islami (JeI) leaders, including its chief Matiur Rahman Nizami, in two cases filed against them for hurting the religious sentiments of Muslims. They were also directed to surrender before the trial court within nine weeks. Nizami and four others face trial for allegedly seeking to compare Nizami with Prophet Muhammad. The government approved seven projects, including capital dredging of country's river system and Buriganga river restoration, involving Taka 2,840 crore. Bangladesh will observe the World Health Day, along with the global community on April 07. This year's slogan has been chosen to be "urbanisation and health

**BHUTAN:** The 16th Saarc summit is due to be held on April 28-29 in scenic Thimpu, capital of the Himalayan kingdom of Bhutan. It is considered that Rapid growth of population is one reason why urban centres across the country face irregular water supply. It is further compounded by the lack of monitoring water quality, inadequate treatment facilities and poor maintenance. Inefficient water supply system accounts for the loss of more than 20 percent of water supplied to homes in Thimphu every year. Last year, the capital, where about 90,000 people live today, lost 23 percent of its water to breakage of water pipes and illegal tapping. In 2006, the loss was 28 percent. The world health organisation (WHO)'s A day after the Maoist attack left over 70 security personnel dead in Chhattisgarh, chief minister Tarun Gogoi today said the militants had also attempted to infiltrate the border areas of Assam over the past few years but failed because of "preventive measures As part of its effort to strengthen political and economic ties with Bhutan, India plans to form a holding company to undertake hydropower development there. State-run power firms are planning to develop four projects in Bhutan with a combined capacity of 3,000MW to harness the country's hydroelectric potential and enhance India's strategic influence in the region. Bhutan's ferroalloy and steel industries, based at Pasakha, Phuentsholing near the border with India, have successfully made their first quarterly bank loan repayments since the onset of the global financial crisis The UN system in Bhutan has contributed 25,477 sheets of corrugated galvanised iron (CGI), about 23 truckloads, between December 2009 and March 2010 to the earthquake-affected communities in eastern Bhutan

**MALDIVES:** Viceroy Hotel Group will launch a luxury resort Viceroy Maldives in December 2010 Foreign Minister Dr. Ahmed Shaheed has expressed concern over media reports of piracy activities in the Maldives territorial waters. The Maldives Journalists Association (MJA) has become a member of the International Federation of Journalists (IFJ) India has officially declared the south and west of Salalah in Oman and Maldives as a pirate-threatened area. The decision was made, in the wake of Somali pirates capturing around 74 Indian sailors off the western coast of Somalia, after hijacking the vessels.

**NEPAL:** The government is holding consultations with various political parties over the fate of UNMIN. The Committee, April 8, 2010, also ordered the government to timely make amendments in the mandate of UNMIN. The UNMIN tenure in Nepal was set to expire May 15, 2008. Maoists are procuring weapons from illegal arms bazaars across the border, home minister P Chidambaram said here China and Nepal, whose border is traversed by Mount Everest, have settled a long-standing dispute over the height of the world's tallest mountain. The Unified CPN-Maoist today decided to call Nepal bandh on April 12 to protest the government's decision to award the Machine Readable Passport (MRP) contract to India. CHINA and Nepal have found an solution to a longstanding dispute over the height of Mount Everest in the giant peak's rock and snow. Nepal's Supreme Court told the government not to proceed with the award of contract for printing the Machine Readable Passport (MRP) with India until further orders. Two separate petitions filed before the court argued that the award of contract". Nepal's former Maoist guerrillas urged New Delhi to open dialogue, warning else it would have to pay a "heavy price" Thulagi glacial lake in Manang, in eastern Nepal is on the verge of explosion, as it is facing a threat due to the rise in temperature, Normal life in the southern plains of Nepal, adjoining India, was paralysed today due to the two day general strike called by the Madhesi People's Rights Forum (MPRF) demanding more autonomy and rights The leader of Nepal's opposition Maoists demanded the government step down, calling it the "main obstacle" to the country's faltering peace process. Nepal and the US have agreed to sign the new Trade and Investment Framework Agreement (TIFA), replacing the bilateral Economic and Trade Agreement (ETA) that they signed in 1947. Senior US Trade officials termed the chances of Nepal getting zero-tariff facility on readymade garment as something 'not possible' The Balance of Payment (BoP) registered a deficit of Rs 21.83 billion in the first seven months of the current fiscal year. According to Nepal Rastra Bank (NRB), Almost four years after the commencement of peace process in Nepal, it has now cleared half the minefields laid during its decade-long armed conflict, helping the country secure a lasting peace, according to Nepali government. Nepal and the United States has begun talks on trade, investment and formation of a council to strengthen economic ties and give new impetus to trade and investment between the two countries.

**SRILANKA:** [Low voter turnout than expected in Sri Lanka general election . Sri Lanka votes for first post-war parliamentary election.](#) [Sri Lanka's Marxist party vows to fight for democracy.](#) [Sri Lanka poll monitors say some IDPs have lost their votes.](#) [Sri Lanka's trade gap widens in January .](#) [Several incidents of election violence recorded in Sri Lanka's general election](#) [Sri Lanka's IDPs harassed and prevented from casting their votes.](#) [Sri Lanka says Australia may become a "breeding ground" for Eelam rebels](#) [Nine new companies to start ventures in Sri Lanka industrial](#)

zone in Horana First result of Sri Lanka parliamentary elections to be released before midnight today

## **Detailed News:**

### **Bangladesh**

#### **Pak will not interfere in trial of Bangladesh war criminals: Pak envoy**

Pakistan today said it "will not interfere" in the controversial trial of "war criminals" linked to the 1971 'Liberation struggle' in Bangladesh, saying it was an "internal affairs" of the country. Bangladesh 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'.

"It is absolutely the internal affairs of the Bangladesh... Bangladesh is a sovereign country. Pakistan believes in its sovereignty. So, it will not interfere into these internal affairs of Bangladesh," said Ashraf Qureshi, the Pakistani high commissioner in Dhaka. Qureshi said Islamabad will not launch any campaign against the legal initiative. Bangladesh law minister Shafique Ahmed, who met Qureshi, said this was "a change in position" on the part of Islamabad, since Qureshi, on his arrival here some months ago, had called the trial an 'internal' affair but had regretted the move. "I assume after talks with the Pakistani high commissioner that they have shifted from their earlier stance" on the trial issue, Ahmed said. The high commissioner rejected allegations that it was carrying out an international campaign against the legal process. Pakistan has argued that a tripartite treaty between Dhaka, New Delhi and Islamabad had resolved the 1971 "war crime" issue. Qureshi declined to call it a trial of "war criminals" when asked if his country would handover the 195 Pakistani army officers accused to face the trial if demanded by Bangladesh. "The matter of war criminals was resolved under the (1972) tripartite agreement" between Bangladesh, India and Pakistan that cleared the way for return of some 93,000 Pakistani troops, he said. Ahmed and foreign minister Dipu Moni earlier had said that "other than Pakistan" no foreign country was opposed to the trial under the International Crimes (Tribunals) Act 1973. According to official figures, Pakistani troops, aided by local collaborators, killed an estimated three million people, raped about 2,00,000 women and forced millions more to leave their homes during the bloody nine-month guerrilla war. On March 26, 1971, Bangladesh - then East Pakistan - declared its independence from West Pakistan.

#### **Govt working to achieve economic freedom: PM**

Prime Minister Sheikh Hasina on Thursday said her government is working relentlessly to achieve economic freedom of the general masses through eradicating poverty from the country within a shortest possible time. "I have a personal philosophy of development aims at uplift of the maximum landless and marginal people living in rural areas, she said while addressing the 17th Biennial Conference- 2010 of Bangladesh Economic Association (BEA) at Osmani Memorial Auditorium here. Finance Minister A M A Muhith, Prof Dr Ashrafuddin and General Secretary of the association Prof. Dr Abul Barkat also spoke on the occasion with president of BEA Dr. Qazi Kholiquzzaman Ahmad in the chair. The theme of this year's conference is "Economy at the Golden Jubilee of War of Liberation: Bangladesh We Want to See." The Prime Minister said her present government in its development policy has attached utmost importance to the matters especially to achieve economic freedom of the rural poor as overall development of the country largely depends on development of the rural areas. In this context, she said we have to find out the ways to reach the fruits of economic progress to the doorsteps of the poor people along with

achieving progress. Sheikh Hasina said her present government has already expanded social safety net, reduced fertilizer prices, distributed agriculture cards among the farmers and increased salaries of officers and employees to achieve the goals. Describing development as a continuous process, she said her party Bangladesh Awami League in its election manifesto gave a development concept for up to 2021 aiming at building a happy and prosperous "Sonar Bangla" in the Golden Jubilee of the country's independence. Seeking cooperation from the country's leading economists to implement the concept paper, the Prime Minister told them that they had a great role to play for implementing the vision for the greater interest of the nation. Sheikh Hasina requested them to prepare a report regarding implementation of "Vision-2021" during the 12 working sessions of the conference and send it to the government for incorporating it in the country's National Development Planning document. Elaborating her personal feelings and opinion, Sheikh Hasina said the decisions and activities which play a vital role in ensuring people's welfare, eradicating poverty and achieving progress should be the main topics of economic activities. In this context, she said the main objective of the country's War of Liberation was to build a balanced and non-communal Bangladesh free from hunger and poverty. But, she regretted with the brutal assassination of Father of the Nation Bangabandhu Sheikh Mujibur Rahman the hopes and aspirations of the people were shattered. She said long 21 years after the brutal killing of Bangabandhu, autocratic government's wearing military uniforms and sometimes in civilian dresses ruled the country with a view to accumulate huge money by exploiting the general people. The Prime Minister said after 39 years of the country's independence desired development was not achieved due to absence of uninterrupted democracy after the killing of Bangabandhu. The Prime Minister said after long 21 years Bangladesh Awami League came to power inheriting food and power crisis. But, within a shortest possible time we solved those problems and turn the country into a food surplus one and increased power generation significantly, she added. The Prime Minister said her previous government brought significant improvements in every sectors of the country's economy like agriculture, education, health, infrastructure development, power and energy. Besides, after coming to power for the second time through a free, fair and credible election on December 29, 2008, our government has also taken various measures for preventing price spiral of essentials, development of power sectors and alleviating poverty in line with its election manifesto. Referring to the present electricity crisis, Sheikh Hasina said her present government has taken various programmes to solve the problems created by the past BNP-Jamaat led four party alliance government in the power sector through corruption and looting. "We are very much aware of the existing power crisis in the country and we have already undertook short, mid and long term programmes to solve those problems for the welfare of the people," she said. The Prime Minister expressed the hope that her government would be able to solve the country's power crisis shortly. The Prime Minister said although her present government had to take over under the World's Economic Meltdown, has been able to move the country's economic wheel smoothly. Earlier, Bangladesh Economic Association awarded Dr. S.R Bose (posthumously), former Finance Minister S.A.M.S Kibria (posthumously) and Journalist Bazlur Rahman (Posthumously) with the association's Gold Medals- 2010. Nurjahan Bose, wife of Dr. S. R Bose, Ashma Kibria, wife of S.A.M.S Kibria and Agriculture Minister Begum Matia Chowdhury, wife of journalists Bazlur Rahman received the medals from the Prime Minister

**Obama to show Bangladesh as model of food security**

The US President Barrack Obama has selected Bangladesh as a model for food security and will present it in the next G-8 summit. In that light, the US will provide Bangladesh with a good portion of the assistance of \$100 million pledged for food security of the developing nations, said US Agriculture Attaché David Leishman to Food and Disaster Management Minister Abdur Razzaque at his office yesterday. A food ministry official said the decision was taken on the basis that the country showed efficiency in handling food crisis in the periods after the natural disasters. The US Agency for International Development (USAID) and agriculture department of the US are working to provide the assistance, said a food ministry press release. Leishman, the US attaché for Bangladesh, India and Sri Lanka, said the food management system in Bangladesh is impressive, but the country takes a lot of time in floating tenders to import food, which discourages other countries to bid. "Food prices change rapidly in the international market. If Bangladesh cuts time in floating tender, more and more countries and exporters can participate in the bidding," he told the minister. The US will help Bangladesh enhance its capacity for food security and agriculture, Leishman said. He, however, mentioned the US does not provide food grains free of cost, except for specific programmes like feeding of schoolchildren. Abdur Razzaque said the country has seen an increase in food production, but it is yet to achieve autarchy. However, the government is working to that end, he noted

### **Encouraging state repression in Bangladesh**

Lately, an activist of the ruling party lodged sedition case against mayor of Dhaka city and leader of Bangladesh Nationalist Party, Mr. Sadeq Hossain Khoka for his recent statement where he recalled the contribution of late President Ziaur Rahman [founder of Bangladesh Nationalist Party], in the war of independence of Bangladesh. Almost a week back, series of cases were brought against the President of National Press Club and eminent journalist Mr. Showkat Mahmood for his remarks demanding investigation into corruption charges brought against the ruling party 'elites'. For the first time, since independence of Bangladesh, the ruling Bangladesh Awami League has adopted a strategy of harassing political opponents with bundles of cases, whenever any of the comments of the opponents are disliked by the rulers or its fans. The situation would only be compared with any totalitarian nation, where rulers are almost considered to be best part of god. In Iran, for example, criticizing Mahmoud Ahmedinejad would be considered to be blasphemous. In former Soviet Union, any critic of the government would be picked up by the secret agents and killed. It happens in many of such nations, where democracy is non-existent and autocracy is established in various forms and names. But, to my knowledge, Bangladesh possibly is not any un-democratic country. People voted the ruling party in power during the election of December 2008, where the current Prime Minister Sheikh Hasina pledged to establish rule of law, freedom of speech, freedom of expression, religious harmony etc in the country. But, just after one year in administration, the present rulers in Bangladesh are gradually exposing a very nasty face of worst form of dictators. And of course, those supporters and activists of the ruling party are seen terribly active in harassing political opponents with various tactics. Possibly the ruling party in Bangladesh dislikes any criticism from the opposition. They want a nation of sycophants, where no one would even think of uttering a single word against the rulers or even family members of the ruling leaders. In brief, the ruling party in Bangladesh has almost established extreme authoritarian rule under the garb of democracy. Freedom of speech

and freedom of press is by now greatly screwed by the ruling elites in Bangladesh. Now, while I have described only a small segment of what is happening with the political opponents in Bangladesh, let us put focus of what are the 'achievements' of the present government during their 14 month's rule. Power crisis has already reached extreme level and even the Capital city is witnessing 'load-shedding' 5-6 hours a day. Business establishments are forced to shut down at a very early hour, while most of the shopping centres in Bangladesh are now compelled to observe 2-days holiday instead of just one. Such situation has already put the small traders in the country into extreme adversity. The entire country is under tremendous sufferings due to such power crisis. On the other hand, the government has virtually failed in taking necessary steps in resolving this issue. Instead of taking measures, those 'elites' of the government are engaged in giving cheap political statements, which surely enhances the hidden anger of the people. Political pundits are even opining that, if the government will fail to resolve the crisis within shortest possible time, there might be tremendous outburst of people's movement, which would become the biggest challenge for the present government. Law and order situation deteriorated greatly when Awami League came in power. Now, possibly murder, extortion, abduction, rape etc has become a regular phenomenon to the people of Bangladesh and that is why the home minister might have now given up her idea of combating terrorism and militancy. Foreign exchange earning from expatriate Bangladeshis working in various countries, especially in the Middle East has already decreased to a great level of volume. Recently, the ruling party leaders have started making statements against Saudi Arabia, labelling it to be patron of war criminals. Such comments of the ruling party leaders surely will annoy the Saudi rulers and possibly there will be further axes on Bangladeshi workers in that country. Unfortunately, most of the Muslim nations, including those in the Middle East were worst opponent of War of Independence of Bangladesh. Especially, Saudi Arabia and Iran were actively patronization the anti liberation forces. Saudi Arabia even waited several years to recognize Bangladesh. Since the independence of the country, it has been consistently observed that, a major segment of the opponents of War of Independence of this country were receiving various forms of patronization from those Muslim nations especially in the Middle East. According to latest news, one of the most wanted war criminal named Mir Kashem Ali, who turned into a billionaire with massive financial support from Saudi Arabia and other Muslim states, secretly left Bangladesh and went into absconding to avert the eminent trial of the war criminals. Mir Kashem Ali, who has established a vernacular daily newspaper and a private television channel, mostly spreading Jihadist notion in Bangladesh with specific agenda against United States, West and Israel, is the top figure in Islamic Bank Bangladesh Limited as well a number of Islamic NGOs in the country. It was also rumoured that Kashem Ali was linked with Islamic militancy in the country. Most importantly, Mir Kashem Ali is a 'man of confidence' of Pakistani espionage agency ISI. It is a million dollar question as to how a known anti-independence element like Mir Kashem Ali managed to escape the country. Moreover, it is also a question to Bangladeshi government as to whether people like Kashem Ali will be allowed to own newspapers and TV channel, which they actually use for advocating Islamic extremism as well as pro-Pakistani notions.

### **Bangladesh water shortage sparks protest**

Bangladesh has deployed the army to guard water pumps in the capital Dhaka after acute shortages triggered widespread protests, an official says. The city's 550 public water pumps have

been struggling to meet demand, prompting anger among many of the 13 million residents, said Taqsen Khan, the chief executive of Dhaka's water supply authority on Wednesday. The army would help ease the crisis by "ensuring the security of key installations" including pumps and water treatment plants, where hundreds of people have staged demonstrations in the last week, he said. This year's unusually high temperatures have seen groundwater levels plunge, aggravating supply shortages, while a power crisis bringing daily rolling blackouts means pumps are operating far below capacity. The shortages have forced many people, especially the poor who live in Dhaka's many slums, to use dirty water, triggering a massive diarrhoea outbreak. The city's only dedicated diarrhoea hospital has received at least 900 new patients a day, said clinic spokeswoman Sumona Liza.

### **Pak should apologise for 1971 atrocities: Bangladesh Minister**

A top Bangladeshi minister on Thursday asked Islamabad to formally apologise for the atrocities committed by the Pakistan Army during the 1971 'Liberation war' so as to strengthen bilateral ties. "Pakistan has to take measures after correctly evaluating the incidents in 1971 if it wants to further strengthen the existing relations between the two countries," the state-run BSS quoted commerce minister Faruk Khan as saying after a meeting with Pakistan High Commissioner Ashraf Qureshi. Khan said Pakistan should formally apologise to Bangladesh for the atrocities. The minister also expected Islamabad to take a "democratic attitude" to the issue as Bangladesh moves to try the Bengali-speaking 1971 war criminals for crimes against humanity. 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. On March 26, 1971, Bangladesh - then East Pakistan - declared its independence from West Pakistan. The government last month set up a three-member special tribunal for the trial of "war criminals" accused of genocide and those who sided with the Pakistani military. Talking to newsmen after the meeting, the envoy said that the question of seeking formal apology from Pakistan for its role in 1971 has to be decided through discussion between the two countries. Former Pakistani president Pervez Musharraf and ex-Premier Nawaj Sharif earlier "regretted" the 1971 role of the Pakistani troops. Earlier this week, Qureshi has said Pakistan "will not interfere" in the controversial trial, saying it was an "internal affair" of Bangladesh. "It is absolutely the internal affairs of the Bangladesh... Bangladesh is a sovereign country. Pakistan believes in its sovereignty. So, it will not interfere into these internal affairs of Bangladesh," the Pakistani High Commissioner said, adding Islamabad will not launch any campaign against the legal initiative. Pakistan has argued that a tripartite treaty between Dhaka, New Delhi and Islamabad had resolved the 1971 "war crime" issue. Talking to a visiting German delegation, Foreign Minister Dipu Moni said today that Bangladesh would try only its own citizens found guilty of war crimes.

### **Bangladesh PM Orders 1hr Outage Every Alternate Hour**

Prime minister of Bangladesh Sheikh Hasina on Thursday called upon market owners and shopkeepers not to use electricity from the national power grid after 7:00pm in order to help the government to tackle the present power crisis. While presiding over a special meeting at the Power Division, she also directed the power distribution agencies to shorten the period of outage to one hour from two, and shed load every alternate hour. "The prime minister has called upon the

market owners and shopkeepers not to use electricity from the national power grid after 7:00pm. If any one wants to keep their shops and businesses open after that time, they have been asked to depend on their own generators,' power secretary Md Abul Kalam Azad told reporters after the two-hour meeting. He said that the existing ban on the daily business of shops and markets after 8:00pm would continue. When he was asked how they would make sure the markets and shops were abiding by the PM's call, he just said that he hoped that everyone concerned would respond positively. He said her directive to reduce the time of outages and shed load every alternate hour would be made effective from today. 'In recent days, we used to enforce two-hour outage after every two-hour period. In total a city area faces around 8-12 hours of load-shedding. From now on we will enforce one hour of load-shedding every alternate hour. However, the period of load-shedding will remain at 8-12 hours a day,' explained an official of the Dhaka Power Distribution Company. The prime minister also asked the officials to find out ways for easing the lengthy process of tender and purchase to commission new power projects in the shortest possible time. Hasina, also responsible for the power, energy and mineral resources ministry, asked the senior officials present at the meeting to come up with innovative plans to resolve the two crises of power and energy, which are seriously affecting the people's life at present. She directed the power officials to motivate the consumers not to waste electricity. The power secretary said that the power generation gap was created over five to seven years ago and it could not be reduced overnight. Thursday's meeting was the third one at the power ministry after Sheikh Hasina took over in January, 2009. Hasina held the meeting amid the worst power crisis in the country which has made the life of the poor people miserable and affected the life of even those who are well-off. The meeting took place at a time when the PM's power and energy adviser Tawfiq-e-Elahi Chowdhury and state minister Muhammad Enamul Huq were on an overseas trip. City residents are facing severe problems in the sweltering heat because of the 8-12 hours of load-shedding, while people in other parts of the country are undergoing 16 hours of load-shedding. The power officials told the PM that increase in power generation was difficult because of the acute shortage of gas. They also unfolded before the PM their plans to increase power generation on emergency, short-term, medium-term and long-term bases. The PDB currently generates only 3,900MW electricity against the demand for around 5,500-6,000MW. Energy secretary Meshbahuddin Ahmed told reporters that the PM had directed them to increase gas production by drilling more wells in the productive gas-fields. She also directed the energy officials to increase the use of Liquefied Petroleum Gas by reducing its price and take immediate steps for importing Liquefied Natural Gas

### **Bangladesh supports U.N. nuclear disarmament plan**

Bangladeshi Parliament has passed a unanimous resolution calling for nuclear weapons convention. Bangladesh's parliament has adopted a resolution giving full support to the U.N. secretary general's proposal for a total nuclear disarmament plan, media reports said on Tuesday. The resolution, moved by Speaker Abdul Hamid and approved unanimously by oral vote, called on the United Nations Conference on Disarmament to immediately begin negotiations on the proposed Nuclear Weapons Convention. "Any use of nuclear weapons would constitute international crimes, including crimes against humanity, crimes against peace, war crimes and genocide, with catastrophic global effects," the *New Age* newspaper quoted the declaration as saying. The resolution further urged all world governments and national parliaments to support the UN initiative. The resolution reflected Bangladesh's policy for a world free of nuclear

weapons, the report said. It reiterated the nation's full support for nuclear disarmament, non-proliferation and peaceful uses of nuclear energy, it added. The resolution also called upon nations with nuclear weapons capacities to divert the 100 billion US dollars spent annually on nuclear weapons programmes to climate change adaptation programmes and to the UN's Millennium Development Goals instead. Bangladesh, which was elected chair of the rotating presidency of the UN Conference on Disarmament earlier this year, approved the resolution ahead of the Nuclear Non-Proliferation Treaty (NPT) review conference scheduled May 3 to 28 in New York.

The NPT, which currently counts 189 signatories, was established in 1970 with the aim of limiting the spread of nuclear arms.

### **S&P gives Bangladesh 'BB-' long-term rating**

Bangladesh has got its first sovereign credit rating that has given it much needed access to foreign financial markets and made it a lucrative destination for foreign investors. Global agency Standard & Poor's after analysing the macro and micro economic conditions of the country has issued it the rating 'BB-' for long term and 'B' for short term. It says the country's outlook is stable. Upbeat finance minister AMA Muhith Tuesday at a press briefing said **the government** is satisfied with the rating as it reflects the economic parameters of the country. The private sector will now get advantage in getting foreign loans and it will reduce import and export costs, he said. "The rating also enables the government to raise low-cost capital in the overseas financial markets and further diversify its funding sources," he added. Importers will be benefited as letter of credit confirmation and guarantee costs will be lower as the whole world now knows the economic condition of the country, Mr Muhith said. The rating will give a strong signal to foreign investors to make decision about investing in Bangladesh, Mr Muhith explained. "This rating will spark foreign investment, especially in power sector," he said. The rating agency highlighted that the tax-GDP ratio is less than 10 per cent and domestic and external debts are relatively high, but the negative factor has been offset by strong economic growth, robust remittance, support of external donors and prudent macro-economic policies. Increased investment and revenue will help the country get better rating in future, but slow tax earning and reduced external aid flow may hamper the rating prospect. The S&P said, "We believe that Bangladesh's economy is largely free of macroeconomic imbalances in spite of its low income level, relatively narrow economic profile, and significant fiscal constraints." Policy continuity and generally sound macroeconomic management have supported relatively strong growth, with per capita GDP rising at an average of 4.2 per cent annually in the past decade, it said. The rating provides a strong vote of confidence in the future economic prospect, but it offers immediate benefit to the country foreign trade, Mr. Muhith said. Bangladesh is grouped with 11 other countries with BB- rating and the country's performance is next to India in South Asia, Mr Muhith said adding, "Sri Lanka and Pakistan have lower rating than Bangladesh." Bangladesh Bank governor Dr Atiur Rahman said resilient economy and strong performance of agriculture, industry and financial sector helped the country **get better credit** rating. Rapid economic growth, significant build-up of foreign exchange reserves, strong commitment for economic reforms and current account surplus are the other reasons that put the country in higher ranking, he said. Citibank NA country director in Bangladesh Mamun Rashid said the country has placed itself on global rating map. "It is universally accepted rating and it will remove any misunderstanding

about the economic performance of Bangladesh," he explained. Many international agencies time to time release different reports on Bangladesh and it will eliminate any confusion about the country, he said. The rating will help the private sector float bonds in the international market or lend from international financial institutions at a lower cost, Mr Mamun said. The cost of country risk for unrated Bangladesh is about two to three per cent and it is expected that the rate will reduce by 0.5 to 1.0 percentage points within 60 to 90 days, he said. "Overall cost of cross-border borrowing will be significantly reduced after the announcement of the rating," he hoped. Bangladesh has the same rating as Indonesia and the foreign lenders charge one to 2 per cent country risk for the East Asian country, he added.

"I started receiving queries from London and Hong Kong about the rating," said the country's top official of the US-based bank. Vietnam also has the same rating, but it has negative outlook. The government started the process to appoint international credit rating agencies four years ago to assess the economic performance of the country. Eventually the central bank had appointed S&P and Moody's to conduct the rating, which is expected to release its report soon. With Bangladesh, Standard & Poor's now rates 124 sovereign governments. The Standard & Poor's in the report said resilient garment export sector and a high and rising remittance flow both play a crucial role in supporting increasingly strong external liquidity. "These sectors have evolved over the time as two key engines of economic growth. Garment exports and remittances combined account for about 80 per cent of current account receipts and 25 per cent of GDP," it said. Remittances and garment exports continued to expand during the 2008-2009 global economic recession and it is expected that the trend will continue in the coming months. "These strengths, combined with significant ongoing donor support, balance the vulnerabilities posed by the sovereign's relatively high public and external debt, significant fiscal constraints, and the low income levels," the global rating agency said. It said Bangladesh's tax-to-GDP ratio, at 8.5 per cent, and total revenue to GDP of 11.8 per cent, are very low due to a combination of low tax compliance, administrative weaknesses, an agricultural sector that is largely free from taxation and, more broadly, the prevalence of tax exemptions and holidays. The international agency said comprehensive revenue reforms that yield a durable rise in revenue generation will be needed to reduce the vulnerability of **debt service** burden and reliance on external donor support, and to finance higher public investment. Public investment grew by just 2.9 per cent annually on average in the past decade, compared with nominal GDP growth of 13.2 per cent annually and hence, economic performance is increasingly constrained by the lack of adequate infrastructure. The stable rating outlook reflects the expectations that a prudent macroeconomic policy-setting will prevail and microeconomic reforms to gradually address growth constraints will continue. The ratings could improve if the government implements measures to expand the low revenue base and improve administrative and collection efficiency, leading to a material rise in its revenue. The ratings could also be raised if rising investment leads to a sustainable increase in real GDP growth. It, however, said the ratings could be lowered if fiscal slippages push the trajectory of government debt upward and if external donor support declines materially.

### **Bangladesh exports to EU up in 2009 despite recession fallout - daily**

Bangladesh's exports to the European Union increased by more than 6 per cent in 2009, despite

significant decline in Europe's two-way trade with almost all countries due to the fall-out of the global recession. The European Union's Dhaka office, however, sounded a note of caution by saying that the government would need to focus more on solving domestic problems such as the energy crisis to retain or enhance Bangladesh's business competitiveness in the international market. "The good news is about trade - how well Bangladesh performed in exports, particularly of readymade garments," the European Union's ambassador to Bangladesh, Stefan Frowein, told newsmen on Monday.

The country's exports to the Common Market of 27 European Union countries stood at 5.8 billion euros in the calendar year of 2009, up by 6.3 per cent from the exports valued at 5.46 billion euros the previous year, showed official statistics. Bangladesh attained positive growth in exports in the year when the European Union's imports from all over the world declined by 23.4 per cent and imports from least developed countries went down by 23.2 per cent. The ambassador appreciated Bangladesh's performance, both in exports and remittances, and said the loans and grants that Bangladesh received in 2009, amounting to 2 billion euros, was equivalent to the value of exports of T-shirts and sweaters to the European market. "Bangladesh has performed well without any change or deviation from policy," said Zillul Hye Razi, trade analyst at the EU delegation's office in Dhaka. Apart from Bangladesh only Qatar recorded a positive growth in exports to the EU market. Although the government of Bangladesh has not provided support to exporters for cutting per unit prices of exportable items including apparels, he mentioned that the country's manufacturers were still competitive in the international arena. "Unless Bangladesh is competitive why are the buyers coming up with orders that the exporters do not dare to accept in view of domestic factors, including the energy crisis?" he said, adding that Bangladesh has been an automatic choice for global retailers. The trade expert mentioned that there were allegations of exports from other countries to the European market in the name of Bangladesh through fraudulent means to utilise duty concessions under the Generalised System of Preference. When he was asked why Bangladesh had performed well in spite of the declining demand for consumer items, Frowein pointed out that the consumers in the West had to choose Bangladeshi items, most of which were 'lower-end but basic products' like T-shirts. Bangladesh ranked fourth after China and Turkey in exporting readymade garments to the European Union in 2009. However, the country's apparel exports are based on only four items - t-shirts, sweaters, trousers and denims. "Lack of diversity is the basic weakness and a matter of concern for Bangladesh. It has narrow basket and only a few export destinations," said Razi.

Other than garments, exports of some other items such as jute and jute goods, pharmaceutical products, ceramics, plastic products and vegetables decline in the year. Stefan Frowein said that shipbuilding could be a potential sector for Bangladesh in the coming years as many countries are no longer competitive in that area. He also told a questioner that Bangladesh's image in the international arena improved in 2009 due to handling of the climate change issue by the government of Prime Minister Sheikh Hasina.

Bangladesh needs to do 'a lot to become middle-income country'

Bangladesh has to do a lot to become a middle-income country or a new Asian tiger by 2021, Dutch Ambassador in Dhaka Alphons Hennekens said Tuesday. "To truly develop the country's potential as an emerging market, the level of investment - both local and foreign - has to increase. Creating a proper investment climate is the government's task," he said while addressing a seminar in the city. Mr Hennekens was speaking at the seminar on 'Business to Business Support

Programmes for Private Sector Development' at the auditorium of Dhaka Chamber of Commerce and Industry (DCCI). The Netherlands Embassy and the DCCI jointly organised the seminar with the chamber president Abul Kasem Khan in the chair. The aim of the seminar was to provide entrepreneurs and chambers with practical information on the private sector investment (PSI) programme, match making facility (MMF) and infrastructure development programme (ORIO) of the Dutch government, said Alphons Hennekens. He said Dutch government provides a maximum grant of 750,000 euro for setting up innovative joint ventures with international business partners. "Setting up a joint venture requires two companies. We offer services to Bangladeshi entrepreneurs to find a suitable Dutch business partner through our match making facility." The MMF aims to help Bangladeshi companies source a suitable business partner in the Netherlands and the ORIO programme provides a 50 per cent grant for infrastructure projects worth 2 million (20 lakh) to 60 million euro, the ambassador said. He said a successful joint venture established with the help of one of the B2B support programmes is the one that stimulates the private sector, creates employment and provides transfer of knowledge. "The thriving private sector is the engine behind economic growth in Bangladesh. Enabling the private sector to develop will create the growth figures needed to achieve middle-income status."

### **Coming soon, an Indo-Bangladesh joint forum to protect Sunderbans**

Announcing a first-of-its-kind joint initiative of India and Bangladesh to combat climate change, Union Minister for Environment and Forests Jairam Ramesh on Sunday said the two countries are coming up with a joint forum to protect the unique ecosystem in the Sunderbans. "I have sent a proposal to the Dr Hasan Mahmud, Minister for Environment, Government of Bangladesh. I am confident and optimistic that we will launch the forum in September this year," said Ramesh, while addressing an international workshop on "Climate threat to Sunderbans across India and Bangladesh" in the city. The forum will work in areas of mangrove protection, tiger protection and building embankments. Ramesh said that experiences like Aila has proven that the initiatives so far taken to combat climate change are not correct and that the government will have try "something new". Insisting on more region-level cooperation on climate change, Ramesh said that the theme at the South Asian Association for Regional Cooperation summit, scheduled to be held on April 27 and 28, will be "Climate Change and Environmental Negotiation". Ramesh said the Cabinet has approved the Rs 1,156 crore World Bank-assisted Integrated Coastal Zone Management (ICZM) Project. To be implemented for the next five years by the Union Ministry of Forests and Environment, the ICZM would initiate activities in the Sunderbans, Haldia and Digha-Shankarpur regions at a total investment of Rs 300 crore. While 78 per cent of the funds will be provided by the World Bank, the remaining money would be provided by the Centre and states. Rebel camps still exist in Bangladesh: Tripura CM Agartala, Apr 5 (ANI): Tripura Chief Minister Manik Sarkar has said more than 20 militant camps still exist in Bangladesh. Addressing a public rally here on Sunday, Sarkar said: "Around four years back we noticed a change in the situation; they (militants) have become and have been cornered, but not uprooted. Still today around 20 to 25 camps of Tripura militants exist in Bangladesh and they are trying to increase their strength eyeing the Autonomous District Council poll." On the other side of the border they are waiting for the green signal from their allies on this side," he added. Sarkar travelled to Dhaka last week to attend Bangladesh's Independence and National Day celebrations. During his visit, he met Bangladesh Prime Minister Sheikh Hasina and Foreign Minister Dipu Moni to discuss

implementation of various projects relating to connectivity and trade. Bangladesh shuts down NGOs for 'spreading militancy' Bangladeshi authorities have shut down almost 3,000 non-governmental organisations, including a number of groups accused of "spreading militancy". The NGOs had their licences withdrawn for breaching government guidelines. The 2,931 organisations had been given the licences to run social welfare projects in healthcare, education and nutrition. But officials say many were involved in unrelated work. Bangladesh, a Muslim-majority country, has been seeking to crack down on groups that are often bankrolled by donors in wealthy Muslim countries. It says those Muslim countries, mostly in the Gulf, are using aid projects as a way to spread radical Islamic ideas. In April last year police charged a Bangladeshi-born British charity chief for using an Islamic school as a cover to store weapons and explosives. The same month authorities deported a Sudanese national after he was accused of using the local branch of Kuwait-based charity the Revival of Islamic Heritage Society to train Islamic militants. Tens of thousands of charities operate in Bangladesh, where 40 percent of the total population lives below the poverty level. The government says the licences of up to another 3,000 groups will likely be cancelled soon.

### **Canada keen to help achieve energy and food security**

Canada can provide extensive help to Bangladesh in achieving its much needed energy and food security in the coming years- Canadian High Commissioner in Bangladesh Robert McDougall said Tuesday. The North American economic giant with its long expertise in agriculture and strong presence in Bangladesh's energy arena can assist the country in achieving self-sufficiency in these two vital sectors, the High Commissioner said. "Our country is a stable producer and developer of both energy and agriculture", McDougall said at a programme organised by International Business Forum of Bangladesh (IBFB) in the city. "Therefore, Canada and its private sector can help Bangladesh in achieving its energy security and food security, which are the most critical challenges for Bangladesh in the coming years", he added. The Canadian High Commissioner's views came at a time when the two-way trade between Bangladesh and Canada is booming- with the Canadian export to Bangladesh rising from US\$ 286.99 million in 2008 to US\$ 626.84 million in 2009. Agricultural products make up much of Canada's export basket to Bangladesh, with wheat, pulses and oil seeds covering more than 90 per cent of the total Canadian shipment into the country last year. Apart from that, the Canadian companies have also invested extensively over the year's in the country's burgeoning energy sector while having strong presence in telecommunication as well as management and engineering consultancy. The Canadian High Commissioner however pointed that there were still scopes for investing heavily in major infrastructure projects as there were rooms for large-scale development of infrastructure in the country in the coming years. "Canada can play a key role in helping Bangladesh building much needed infrastructure in the years ahead- including transportation systems, power generation and gas exploration projects", McDougell said. "Apart from that, we can share our knowledge and expertise in areas like agricultural science", he said, adding, "There are also scopes for investing in construction, manufacturing and textiles industries. The Canadian envoy praised Bangladesh's solid foreign exchange reserve, record flow of foreign remittance and the high economic growth rate in recent years, while pointing the country's large domestic market, strong demographic and the emerging middle class as the major potencies. However, he also identified the "underdeveloped infrastructure to over developed business regulatory structure" as the major constraints for both local and foreign investment. Earlier, the Canadian envoy also

inaugurated the extended office of IBFB at Banani. "The working sphere of our forum has expanded comprehensively over the years", President of IBFB Mahmudul Islam Choudhury said on the occasion, adding "we have the plan to expand our office in the future beyond Dhaka to all the important economic hubs of the country".

### **BSF seizes 500 detonators near India-Bangladesh border**

Border Security Force personnel have seized 500 detonators from Haripukur village near the India-Bangladesh border in West Bengal state's South Dinajpur district. The BSF officials handed over the seized detonators to police on Saturday (April 3) evening. The detonators, found in a bag, were dropped by an unidentified person while he was being chased by the BSF personnel on Friday. The miscreant managed to escape and fled to Bangladesh leaving the bag behind. According to, the Superintendent of Police of South Dinajpur district said that preliminary investigations revealed the recovered items to be detonator. "Few minutes back I received it. BSF (Border Security Force) has submitted a written FIR (First Information Report) and they also seized some detonators. Apparently they look like detonators but experts will decide," said Swapan Kumar Banerjee Purnapatra, Superintendent of Police of South Dinajpur district. The police hope to catch the escaped man soon. "The miscreants who are behind this in procuring this type of detonators. We will catch the fellows very soon," added Purnapatra. Police and security force personnel are trying to locate the source of the detonators

### **CITI welcomes duty credit benefit restoration for US, EU markets**

At a time when a spiralling rupee has been troubling apparel exporters, the Confederation of Indian Textile Industry (CITI) has welcomed the Centre's decision to restore the duty credit scrip benefit of two per cent under the market linked focus product scheme on export of apparel to the US and EU. Talking about how the move will benefit the industry, Shishir Jaipuria, Chairman, CITI said, "Indian apparel exports, especially from the SME units to the US and EU markets suffered during the recession period on account of stiff competition from Vietnam and Bangladesh and to some extent China. The move would help Indian garment exporters in their efforts to recapture the import shares they have lost in these markets because of the global economic slowdown."

According to industry players, apparel exports are expected to touch \$ 45 billion figure by 2015. "Our garment industry had serious pressure from the decline in imports by Western countries, since a whopping 60 percent of our garment exports go to these markets. The restoration of the incentive will help the industry to improve its market shares in the US and EU and will also encourage them, by improving their comfort level, to diversify into the other potential world markets," he added.

Moreover, according to Jaipuria similar incentive needs to be extended also to the home textile industry, which is similarly placed in terms of the level of value addition and has also lost import shares in the Western markets

The haves and the have-nots INEQUALITY of income is a growing concern for Bangladesh. There are possibly two reasons for this. First, anxiety over inequality emanates from philosophical and ethical grounds. There is no reason why individuals should be treated differently in terms of access to lifetime economic resources. Why should someone sleep in a flat in Gulshan and the other on a footpath on the plea that they have been born in different endowments of assets? Second, even if we shelve our thoughts over inequality at an intrinsic

level, the inequality in income and wealth somehow adversely affects the possibilities of overall growth. The fact that a farmer is denied the access to credit to carry out farm activities not only deprives him of an income but also amounts to a loss of GDP.

That idea that inequality is, more or less, inevitable in the process of economic growth owes much to Simon Kuznets in the 1950s. His hypothesis (called inverted "U" hypothesis) states that inequality increases during the initial stages of growth of developing countries but begins to fall in later stages (Malaysia is an exception in this case with growth and equality going hand in hand). However, one limitation of Kuznets's study was that he had very little survey data on developing countries to draw on. But with huge expansion of data from nationally representative survey households in subsequent years, very few witnessed a trend increase (decrease) in overall inequality. Inequality in Bangladesh matters primarily for poverty reduction. It is true that poverty falls with growth -- as it did happen in Bangladesh over the years. But the same rate of growth could result in different rates of reduction. Martin Ravallion reveals interesting insights into the nexus, and I paraphrase; the rate of poverty reduction is the growth rate times the growth elasticity of poverty reduction (GE) -- a proportionate change in the measure of poverty that results from a given rate. A large negative GE reveals that even a modest growth rate can bring rapid poverty reduction. For the \$ 1, the average GE is about -2, meaning that a growth rate of say 5 percent in mean household income per capita will reduce the share of population below poverty line by 10 percent (in proportionate terms). Then the author argues that, among the highest inequality countries, poverty incidence tends to be unresponsive to growth.

Consider a country with a 2 percent rate of growth and a headcount poverty rate of 40 percent. In a low inequality country with a Gini index of 0.30, the poverty rate will fall by about 6 percent a year and be halved in 11 years, on average. In a high inequality country with a Gini of 0.60, growing at same rate and with same initial poverty level, it will take about 35 years to halve the poverty rate. This is because poverty responds less to high inequality. High inequality countries need high economic growth to reduce poverty. Poverty incidence also tends to be less responsive to growth in poor countries. The combined effect of high poverty and high inequality greatly attenuates the growth elasticity of poverty reduction. Recall that the average GE for developing countries is about -2. Among those countries with both high inequality (Gini over 0.45) and high incidence of poverty (a \$1/day headcount index over 25 percent), the median elasticity falls to -1, implying that twice the rate of growth will be needed to achieve the same rate of poverty reduction. But in another set of developing countries with G- 0.35 or less and headcount index less than 10 percent, the median elasticity is -3.4 to initiate large reduction from small growth. In Bangladesh, Drs. Rizwanul Islam, A.R. Khan and Mahabub Hossain have extensively examined the inequality issue. Bangladesh was relatively less unequal with a Gini of around 0.37 during 1973/74-1991-92. Between 1991-92 and 1995-96 inequality increased sharply and Bangladesh, at the moment, is bracketed as highly unequal country (Gini 0.46). The bottom 40 percent had 14 percent of income in 2005 compared to about 19 percent in 1983/84. The top 10 percent had about 38 percent compared to 28 percent, respectively. The rapid increase in inequality, according to Dr. A.R. Khan, has robbed Bangladesh of more than three-quarters of the potential decline in the headcount index of poverty over a decade (an actual decline of 3 percentage points as compared to a potential decline of 13.3 percentage points). Dr. Rizwan reckons that the elasticity of poverty reduction with respect to growth was relatively high, close to 3 in the early 1980s, but has fallen to below 1 or so in recent years. That means more growth now comes from sources like remittances, wages and salaries, property income etc. to raise inequality and mildly

affects poverty reduction. The sources of inequality are many. Initial endowments of assets apart, disparities in human resources development, credit and risk market failures, institutional disparity etc. help widen inequality. In fact, it is reasoned by many that market failure is the major villain of peace in this regard. Professor Nurul Islam (former chairman of the Planning Commission) argues that unusual hike in land prices, massive loan defaults and tax evasion have aggravated inequality over time. These are clearly the products of market failures in Bangladesh. We rather want to add that an "inequality trap" could be caused by the existing institutional framework (of which market is one). To arrest rising inequality, growth needs to be more equalising or less desexualising. The problem is that most of the income elastic components generated in Bangladesh are disequalising -- remittances from abroad, property income, non-farm entrepreneurial income, and "salary" income. Agricultural wage and farm incomes are equalising. That is why the agricultural sector should get priority both from the growth and the equity points of view. It requires a combination of growth policies and right policies to assure the poor's access. If a country gets the combination of policies right, then both growth and poverty reduction will be rapid. Get it wrong, and both will be stalled. In Bangladesh, for example, access to credit for the share croppers, progressive taxation, distribution of khas lands for the landless, emphasis on labour-intensive industrialisation, access to services for the poor etc. might reduce the level of inequality. But don't forget to draw a line between bad and good inequalities. The former spring from failures of all kinds (e.g. market, coordination, and governance) and give rise to social exclusion, restrictions on migration, constraints on human development, lack of access to finance, corruption and uneven influence over public actions. They limit the space for economic advancement. On the other hand, good inequalities are those that reflect and reinforce the market-based incentives needed to foster innovation, entrepreneurship and growth (the sweat for the sweet).

### **Bangladesh eyes GDP 6.7 pct, bigger budget –minister**

Bangladesh's economy is expected to grow 6.7 percent in the coming fiscal year starting in July, up from 6 percent in the current fiscal year, the finance minister said on Sunday. Abul Maal Abdul Muhith said the 2010/11 budget would be around 1.30 trillion taka (\$18.7 billion), 14 percent bigger than the current year's 1.14 trillion taka. He said the budget would aim to achieve 6.7 percent growth and keep inflation within 6.5 percent. The minister said improving power and energy sector and controlling prices of essentials would be top priorities for the government's next budget. "We would allocate bigger money to finance top sectors that are essential to push our economy forward, and make sustained efforts to lower inflation and reduce poverty," the minister told reporters. Annual inflation in January picked up to 8.99 percent from 8.51 percent the previous month on a spike in food prices, which is a major concern for the government with 40 percent of the country's population still living on less than \$1 a day and spending 70 percent of their income on food.

The budget is the second for Prime Minister Sheikh Hasina's government, which won office with promises to improve utilities, cut prices and produce and supply more energy. The impoverished south Asian country is currently facing 1,500 megawatts of electricity shortages a day which the World Bank estimates costs it up to 2 percent in GDP growth each year. Muhith last week said investors felt dismayed over the country's poor state of energy supplies

### **Wheat stocks swell, diplomatic deals likely**

NEW DELHI: India's wheat stocks on April 1, the start of the new harvest, were four times the target, raising prospects of more exports through diplomatic channels. Analysts believe the government, battling high food prices, won't lift a ban on wheat exports but it may ship out small quantities to neighbouring Nepal, Sri Lanka or Bangladesh under government deals. "As global prices are so weak, lifting a ban on exports without giving a subsidy has no meaning. And a subsidy is out of the question. There could be exports through the diplomatic route," said Rajni Panikkar, head of research at MF Global Commodities. While Indian wheat prices were higher than international levels, hopes of yet another robust crop was adding to the bearish sentiment in the global market, Panikkar said. On Monday, benchmark May futures in Chicago settled 1-¼ cents down at \$4.53-½ per bushel, after dipping to \$4.47, a contract low. Government sources said while wheat stocks were at 16.1 million tonnes against a target of 4 million tonnes on April 1, rice stocks were at 26.7 million tonnes, more than double the targeted 12.2 million tonnes. Stocks are expected to swell further as the harvest has just begun. Wheat is sown in October-November and harvested from April. After three consecutive bumper harvests in India, the world's second-biggest wheat producer, 2010 output is expected to be a record 82 million tonnes against an annual domestic consumption of around 76 million tonnes, government officials say. Signalling its confidence about another bumper harvest this year, the government, which banned exports of wheat in early 2007, allowed 50,000 tonnes of overseas sales to Nepal in February. But private exports are unlikely due to high food prices. The country's food price index rose 16.35 percent in the 12 months to March 20, up from an annual rise of 16.22 percent in the previous week. Higher stocks at government warehouses would force state-run Food Corp of India (FCI), the main grain procurement agency, to go a little slow on purchasing from local farmers. The government buys rice and wheat from domestic farmers to build inventories for emergency needs, run a number of welfare programmes and protect farmers from distress sales. Industry officials say the FCI would buy about 20 million tonnes of the grain in 2010, down from 25.4 million tonnes a year, said RK Garg, president of the Roller Flour Millers' Federation of India. That will encourage the Indian units of trading firms such as Cargill Inc and Louis Dreyfus Commodities to increasingly buy wheat from surplus states and sell it to millers in other parts of the country.

### **Bangladesh Islamist leaders denied bail, told to surrender**

The Dhaka High Court has rejected the bail pleas of five Jamaat-e-Islami (JeI) leaders, including its chief Matiur Rahman Nizami, in two cases filed against them for hurting the religious sentiments of Muslims. They were also directed to surrender before the trial court within nine weeks. Nizami and four others face trial for allegedly seeking to compare Nizami with Prophet Muhammad.

A criminal case was filed at a Dhaka court in March against five JeI leaders, including Nizami and secretary general Ali Ahsan Mohammad Mojaheed. According to the complaint, Dhaka city JeI chief Rafiqul Islam Khan at a discussion in Dhaka March 17 compared Nizami to Prophet Muhammad, which hurt the Muslims. The three other accused are Nayebe Ameer (the group's deputy chief) Delwar Hossain Sayedee, Rafiqul Islam Khan and city president of Islami Chhatra Shibir A.S.M. Yahia. Besides, court in Lalmonirhat in northern Bangladesh had also issued summons in March to Nizami and three of his party leaders to appear before it May 25 in a case

filed on a similar charge. Syed Rejaul Haque Chandpuri, secretary general of Bangladesh Tarikat Federation, filed the case at a metropolitan magistrate's court in Dhaka against five JeI leaders. The court ruling came Sunday as investigators aiding a government-appointed tribunal prepared for holding "war crimes" trial of those who attacked unarmed civilians in the run up to the 1971 freedom movement. Nizami, then head of the party's student wing, is one of the prominent accused. The investigators of war crimes Sunday received a list of 1,775 alleged war criminals and accounts of their role during the liberation war from The War Crimes Facts Finding Committee (WCFFC). The WCFFC submitted the list and other documents and evidence to help investigators. WCFFC chief M.A. Hasan told reporters that most on the list have died and only 400 or 500 are still alive. The names of Bangladesh Nationalist Party (BNP) leader Salauddin Quader Chowdhury, JeI leaders including Nizami, former chief Golam Azam, secretary general Ali Ahsan Mohammad Mojaheed and assistant secretary general A.T.M. Azharul Islam appeared on the list. Hasan claims the documents are strong enough to prove the allegations against the war crime suspects.

## **7 projects worth Tk 2,840 cr okayed**

The government on Tuesday approved seven projects, including capital dredging of country's river system and Buriganga river restoration, involving Taka 2,840 crore. The approval was given at a meeting of the Executive Committee of National Economic Council (ECNEC) held at the NEC conference room with Prime Minister and ECNEC Chairperson Sheikh Hasina in the chair. The projects would be implemented with Taka 2,402 crore (85 percent) to be provided by the Government of Bangladesh (GoB) and Taka 97 crore (15 percent) that would be available as project aid, Planning Minister Air Vice Marshal (Retd) AK Khandoker told journalists at a briefing. The massive Capital Dredging of River System in Bangladesh Project would be implemented with an involvement of Taka 1,028 crore, totally from internal financing. The Buriganga river restoration (New Dhaleshwar-Punli- Banshai-Turag-Buriganga River System) project would be implemented at cost of Taka 944 crore. It is aimed at restoring the river Buriganga from July 2010 to June 2014 by removing wastes from it, reclaiming lands from illegal occupants on its both sides and raising its navigability through connecting with Dhaleshwar river. A project titled "Mirpur 10 to Airport Road Flyover and Banani Rail Cross Overpass Construction Project would be implemented under Water Resources Ministry March 2010 to June 2012 at an estimated cost of Taka 192 crore to be financed from domestic resources. The ECNEC also approved South-Western Integrated Water Resource Planning and Management (Amended) Project under Water Resources Ministry with an outlay of Taka 283 crore comprising Taka 59 crore GoB financing and Taka 224 crore PA. Other projects include Barishal Engineering College Construction Project under Education Ministry involving Taka 74 crore GoB fund, Development of National ICT Infra-Network for Bangladesh Government (BanglaGovNet) Project under Ministry of Science and ICT with an involvement of Taka 281 crore (Taka 67 crore GoB and Taka 214 PA), and Strengthening the Research and Exploration Capabilities of the Geological Survey of Bangladesh of Taka 38 crore GoB financing.

Finance Minister Abul Maal Abdul Muhith, Planning Minister Air Vice Marshal (Retd) AK Khandoker, Bir Uttam, Agriculture Minister Begum Matia Chowdhury, Labour and Manpower and Expatriates' Welfare and Overseas Employment Minister Engineer Khandaker Mosharraf Hossain, Water Resources Minister Ramesh Chandra Sen, Commerce Minister Lt Col (Retd) Faruq Khan, Communications Minister Syed Abul Hossain, Shipping Minister Shahjahan Khan, Education Minister Nurul Islam Nahid, Prime Minister's Advisers Dr Syed Modasser Ali and Dr Alauddin Ahmed, State Minister for Science and ICT Architect Yeafes Osman attended the meeting. Cabinet Secretary, Prime Minister's Principal Secretary, Planning Secretary, Members of the Planning Commission, secretaries of the relevant ministries and senior officials were present

### **World Health Day tomorrow: Bangladesh's achievement remarkable: WHO**

Bangladesh will observe the World Health Day, along with the global community on April 07. This year's slogan has been chosen to be "urbanisation and health", keeping in mind the environmental and urban hazards coupled with the ongoing crises of utility services that prompted various health problems for the city dwellers, particularly children and the poor. Government will organise different programmes including bringing out rally, drawing and music competition for children, exposition of health education, movie fair, distribution of leaflets, stickers and poster and broadcast of discussion programme on BTV. Ministry of Health will organise a press briefing on the eve of the day. Japan Bangladesh Friendship Hospital, Jagoo Foundation, Salahuddin Hospital, American International University of Bangladesh, AG Breast Care, Sondhani of Dhaka Medical College and Bhadhan of Dhaka University will hold health fair at different parts of the country. Blood pressure, BMI, blood sugar will be measured as well as blood group will be detected in the fair. Primary health tips, voluntary blood donation, primary eye examination, heart camp, free ECP counselling and breast screening services will also be given to people. The World Health Organization (WHO) observes the day with concern that malnutrition is a major cause of death and debility in children in Bangladesh. Micro-nutrient deficiency is quite common; nearly 75 per cent of children's life is spent in illness mostly due to malnutrition related debility and infections. However, according to WHO, Bangladesh has achieved a significant decline in infant and child mortality over the past decade. Control and prevention of diseases, such as measles, poliomyelitis, and diphtheria along with widespread use of ORS for diarrhoeal diseases have greatly reduced childhood mortality and morbidity. Bangladesh is on the verge of polio eradication, and has already achieved the elimination goal for leprosy at the national level. People are living longer; the average life expectancy at birth in Bangladesh had increased to over 65.1 years. Population continues, however, to grow at about 1.5 per cent and total fertility rate has remained around 2.51 for the last several years. The maternal death ratio is still high at over 300 per 100,000 live births

### **PM promises to ensure electricity for all within 2020**

Prime Minister Sheikh Hasina on Saturday promised to ensure electricity for all within 2020. "The government has taken measures to ensure electricity for all within 2020," she said while unveiling the plaque of newly-built 51 megawatt rental power plant here this morning. Mentioning that power is the driving force for development of any country, the Prime Minister said the wheels of development remain stalled without power. Blaming the past governments for nagging power crisis in the country, Hasina said that while assuming power, her government

inherited acute crises of power, gas, water and food as well as global economic recession. "People voted Awami League to power as they know it cares for public welfare." She alleged that the last BNP-led four-party alliance government was engaged in plundering public money in the name making of electric poles. "There were only poles but no electricity connection though demand for power was increasing day by day," the Prime Minister said. "Do we meet the power deficiency or its increasing demand?" Saying that the government worked for the last 14 months for the development of the power sector, she listed her government's various efforts to free the nation from the nagging power crisis. Hasina said the present government is always conscious of the necessity of power. "So, we promised in our election manifesto to make the country surplus in power by 2021." She said steps have been taken to raise the power generation capacity to 7,000 megawatt by 2013 as per the election pledges. "Contracts were signed to install power plants with 1000 megawatt capacity in different places of the country in the first phase under this plan." She also said steps were taken to award work orders for installing power plants to produce another 1000 megawatt by next two months. The Prime Minister informed her audience that the government has taken measures to implement a scheme to install power plants of 500 megawatt capacity in the private sector. "The cabinet also endorsed a project last month for installing power plants to produce 830 megawatt of electricity," she said.

### **Bangladesh convicts, jails 29 paramilitary mutineers**

DHAKA (Reuters) - A special tribunal in Bangladesh on Wednesday convicted 29 paramilitary troops of mutinying last year against their army commanders and sentenced them to up to seven years in jail. The minimum punishment handed out was four months in prison, legal officials said. Those convicted were among soldiers who killed more than 70 people, including 57 army officers, during the two-day revolt at the paramilitary Bangladesh Rifles (BDR) headquarters in Dhaka in February 2009. The sentences issued in northern Panchagarh district were the first by the tribunal, which sits at various locations and is headed by BDR chief Major-General Mainul Islam. Around 3,500 soldiers or border guards have been accused of involvement in the mutiny. Many face punishment on charges of participating in the revolt and for the killings and the concealment of bodies. The mutiny, less than two months after Prime Minister Sheikh Hasina took office for the second time, threatened the stability of her government and raised fears of military intervention.

Instead of calling in the army to quell the mutiny, Hasina chose a negotiated settlement and may have spared the south Asian nation worse carnage, officials and analysts said. Her political rivals, including former prime minister Begum Khaleda Zia, said summoning the military would have crushed the revolt more quickly and saved lives. The dead included the then-BDR chief Major-General Shakil Ahmed, his wife and a number of civilians. The rebels buried most of the bodies in mass graves and tossed some into sewers. The revolt undermined attempts to restore democracy after two years of emergency rule by an army-backed interim authority. The mutiny started during an annual meeting at the BDR HQ in Dhaka's Peelkhana area over disputes on troops' pay and objections to being commanded by officers drawn from the army. It quickly spread to a dozen other districts, including Panchagarh, but the rebels dropped their weapons and returned to the barracks within two days. Home ministry officials said trials of mutineers would proceed for a few more months and added that preparations were underway to rebuild and rename the BRD. Bangladesh has a history of long periods of military rule and of turmoil under shortlived civilian governments. Analysts say the army still remains a threat to democracy in this

impoverished country of over 150 million people and often takes direct or indirect control over administration while politicians squabble

### **S&P rating to help Bangladesh attract investment – minister**

Bangladesh was assigned its first international credit rating on Tuesday by Standard & Poor's, who rated the country's long-term debt at BB- and short-term debt at B, the agency said on Tuesday. Finance Minister Abul Maal Abdul Muhith said the rating placed Bangladesh second in south Asia after the major emerging economy of neighbouring India, which S&P rates three notches higher at BBB-. "That will boost our image outside and will help to attract more foreign investment," Muhith told reporters. S&P gave a stable outlook for the rating. "We believe that Bangladesh's economy is largely free of macroeconomic imbalances in spite of its low income level, relatively narrow economic profile, and significant fiscal constraints," said S&P sovereign credit analyst Agost Benard. "The current account is balanced, the flow of remittances is strong, the growth of the economy is stable over the last several years, farm output is better and foreign exchange reserves are also healthy," he said while releasing the credit rating report. The S&P report said that Bangladesh's resilient garment export sector and a high and rising remittance flow were both crucial in supporting increasingly strong external liquidity. Garment exports and remittances combined account for about 80 percent of current account receipts and 25 percent of gross domestic product (GDP). Muhith said the rating reflected the sustained strength of Bangladesh economy during the global economic crisis

### **Tripura wants improved connectivity with Bangladesh**

The Tripura government has asked the centre to improve air and surface connectivity between northeast India and Bangladesh to boost trade and people-to-people contacts, officials here said Wednesday. Tripura Chief Minister Manik Sarkar and Finance Minister Badal Choudhury met Planning Commission Deputy Chairman Montek Singh Ahluwalia in New Delhi Tuesday. The state's annual plan allocation of Rs.1,860 for 2010-11 was finalised at the meeting. "Tripura chief minister has asked the planning commission deputy chairman to take necessary steps with the centre to introduce a direct flight between Agartala and Dhaka and develop the national highways in the northeast to get access of the Chittagong international port in Bangladesh," a senior official told reporters. The Bangladesh government has agreed to allow India to use the Chittagong port, about 75 km from Tripura's southern town Sabroom. Sarkar said the centre should constitute a dedicated committee to closely monitor the implementation of the India-Bangladesh agreements signed during Bangladesh Prime Minister Sheikh Hasina's visit in January. He said all the four districts of Tripura be covered under the Backward Regions Grant Fund (BRGF), which provides financial resources for supplementing and converging existing developmental inflows in the backward districts. He also asked for development of the cargo handling facilities in Agartala airport to support the growing food processing industry in the state

### **Bangladesh parliament security intensified**

Dhaka, April 8 (IANS) The security at Bangladesh's parliament has been intensified following a threat to blow it up, Speaker Abdul Hamid has said. "There is no need for any fresh measures as we have taken every precaution," he said when his attention was drawn to a threat received by Parliament Secretariat Tuesday evening. The letter, signed by Mohsin, threatened to blow up the

Sangsad Bhaban, an architectural masterpiece of well-known architect Louis I Kahn. "If they want to blow us up, they will be blown away themselves," said the speaker. A security officer of the Sangsad Bhaban told New Age newspaper that the letter was "an empty threat", but every precaution was taken. The Sheikh Hasina government issued a security alert last week following tip-offs from foreign security agencies, including those from India, that there was a threat to Hasina and to her colleagues.

## **BHUTAN**

### **Move over India-Pakistan sideshow, Kabul is new centre-stage**

The 16th Saarc summit is due to be held on April 28-29 in scenic Thimpu, capital of the Himalayan kingdom of Bhutan. However, there are possibilities of a Loya Jirga, the grand council of tribes, assembling in Kabul on April 29 to discuss the fate of Afghanistan. One of the two will have to change their schedule. Remember that Afghanistan became the eighth member of Saarc at the New Delhi summit in April 2007. It would be ironic that India, which canvassed hard to bring Kabul into the South Asian framework, will be struggling in Thimpu (and probably elsewhere) to retain its toehold in a country it has wooed as a strategic ally to offset Pakistan's influence in the region. Recent political and diplomatic callisthenics over Kabul have on occasion involved great leaps of faith, for example in defining the finer distinction, real or imaginary, between the varied species of the Taliban. India is just beginning to wake up to this reality. It is quite likely that the Thimpu meeting could become a major sounding board for the future political architecture in Afghanistan and for its ramification across the region. It all hinges on the way the Afghan imbroglio would play in the coming days. That a future Saarc summit could see a Taliban or a former Taliban representative from Kabul would have seemed nightmarish but it is a real possibility now. Hitherto most Saarc meetings had tended to mutate into an India-Pakistan sideshow, not without annoying its smaller members. Their issues were hardly given display by Indian and Pakistani officials and their journalists. Does it matter that the Maldives faces a real threat to its existence because of global warming, a little noticed Saarc issue? On the other hand, dramatic images of Pervez Musharraf clasping A.B. Vajpayee's hands in a deft move in Kathmandu, or Nawaz Sharif and Vajpayee sitting glumly at their "zero summit" in Colombo after the 1998 nuclear tests, or Inder Gujral and Sharif breaking new ground though all too briefly in Male, are relics of the sideshow. Given an obvious lack of interest in India for a serious resumption of dialogue with Pakistan at this point in time, and as Islamabad looks too preoccupied with Kabul to be keen to divine the lines that knit Delhi's perpetual frown, Thimpu could respond by ignoring both (to the applause of the smaller members) and by focusing on the issues of a new beginning in Kabul. In any case India has painted itself into a corner with its terse

if pointless approach to a resumption of talks with Pakistan. If the backstage, with or without a foreign nudge, should yet produce a second meeting of their foreign secretaries the body language would be required to be tweaked for everyone to retain interest in their serious concerns. But already India is in trouble with its single-point agenda – the Mumbai carnage being projected as the main acid test for everything. This has had two adverse fallouts for its diplomacy. The first: Delhi has become stymied by the reality that while the terror attack on Mumbai has indeed thrown up serious challenges to its essential security from Pakistan-based fanatics it will be up to Delhi to choose between a single point theme with Islamabad or to see it as one of the issues in the big picture of geo-strategic jockeying over Afghanistan.

Second: The mandarins in Delhi have been forced to ask whether Pakistan is alone in the business of not cooperating with them over the Mumbai attack. At least the Indian home minister alleges this at every opportunity he gets. He will now have to consider wondering if Islamabad is now in cahoots with the United States in depriving Delhi of important insights into the murky affair of a self-confessed terror mastermind of Mumbai. We are talking about someone who is believed by serious analysts in India to have been a drug trafficking mole for the American intelligence community. India cannot be seen to be using different yardsticks on the ISI's alleged links with the Mumbai plot and what has emerged as the mysterious affair of David Coleman Headley, involving American intelligence, possibly the CIA.

So two things have happened that should make Indian diplomats sit up. They have been left out of the club of countries now converging on Kabul to seek solutions to its million serious problems. And they have been betrayed by the United States on the Headley affair. On the Afghan front, India shot itself in the foot quite deliberately by going so far to placate the United States that it ended up alienating Iran, which has a major stake in Afghanistan. According to an Indian newspaper report Iran snubbed the Indian foreign minister by discouraging him to visit Tehran to discuss Afghanistan. For the love of America, India has alienated others too. Now it will have to row back hard to revive its older and more durable links with Russia and also improve its frosty demeanour towards China. Informed Indian analyst M.K. Bhadrakumar, a former diplomat who has watched Iran, Afghanistan, Pakistan and Central Asia closely, observed a pattern recently. The sudden dash by Pakistani army chief Ashfaq Parvez Kayani to Kabul a few weeks back to discuss “matters of mutual interest” with President Hamid Karzai, the two-day unannounced mission around then by US Secretary of Defence Robert Gates whose primary intent was to check out on the intensifying exchanges between Kabul and Tehran, Iranian President Mahmud Ahmadinejad's consultations in Kabul ostensibly to discuss the bright

prospects for Afghan-Iranian economic cooperation, and Karzai's own two-day trip to Islamabad - all served to highlight the overlapping templates of the power struggle, Bhadrakumar noted. Perhaps the biggest loss for India in the Afghan power play was its self-inflicted aloofness with Iran and its new found preference for Saudi Arabia, under American tutelage no doubt. Ahmadinejad's visit to Kabul had an ideological purpose similar to that of India. It was primarily intended to make a big statement of solidarity with Karzai, urging the latter to stand up to the challenge and conveying Teheran's willingness to stand shoulder-to-shoulder by his side. In essence, says Bhadrakumar, "Tehran abhors the idea of a Taliban-dominated Afghanistan and wants a settlement that duly reflects Afghanistan's plural society. Tehran shares Karzai's thinking that while the Taliban can participate in any inclusive settlement, that has to be on the basis of a willingness to lay down arms and accept the Afghan constitution, which provides for a democratic plural society safeguarding the interests of all religious and linguistic groups." But where is India now in all this? Similarly, India has been let down badly in its investigation into Mumbai not just by Pakistan, which is to be expected, but by the United States, whose friendship it counts as a keystone of its foreign policy. Headley's arrest in Chicago last October initially seemed a breakthrough in throwing light on the operations and activities of Lashkar-i-Taiba (LeT), the Pakistan-based group, in India. But instead the Obama administration's alleged efforts to cover up the details of the case have been taken to their logical conclusion. Headley's plea bargain raises explosive questions, say Indian analysts. The LeT began planning the attack on Mumbai some time around September 2006. According to the plea bargain, Headley paid five visits to India on reconnaissance missions between 2006 and the November 2008 strike, each time returning to the US via Pakistan where he met "with various co-conspirators, including but not limited to members of LeT". The plea bargain simply refers to the Pakistani handlers of Headley as A, B, C and D. But who are they? Will India ever know? Other similar questions and the Afghan imbroglio will be crowding out the usual India-Pakistan sideshow in Thimpu. Afghanistan is the new centre-stage. This will be seen to be the case even from the remote Himalayan perspective of landlocked Bhutan.

### **Bhutan to host 16th edition of SAARC**

The 16th South Asian Association for Regional Cooperation (SAARC) summit is scheduled to be organised in Bhutanese capital Thimpu from April 28-29. Also known as the 'land of thunderbolt', the kingdom of Bhutan is holding the regional meet for the first time in the 25 year old history of SAARC. Bhutan had been citing lack of infrastructure for its inability to hold the regional summit. However, the improvement in the Himalayan nation's economy in recent years is said to have made it capable to host the top regional meeting. All the member states of SAARC

is learnt to have taken Bhutan's decision to hold the regional summit positively and have agreed to make climate change as the main issue during the meeting. Established in December 8, 1985, SAARC at present has eight countries in the region as its members - Nepal, India, Pakistan, Sri Lanka, Bangladesh, the Maldives, Afghanistan and Bhutan. SAARC provides a platform for the people of South Asia to work together in a spirit of friendship, trust and understanding. It aims to accelerate the process of economic and social development in member states

### **The more the messier**

Rapid growth of population is one reason why urban centres across the country face irregular water supply. It is further compounded by the lack of monitoring water quality, inadequate treatment facilities and poor maintenance. Inefficient water supply system accounts for the loss of more than 20 percent of water supplied to homes in Thimphu every year. Last year, the capital, where about 90,000 people live today, lost 23 percent of its water to breakage of water pipes and illegal tapping. In 2006, the loss was 28 percent. The world health organisation (WHO)'s regional health forum states that the expansion of water supply and sanitation systems is not commensurate with the rapid growth rate. "The limited water supply has to be stretched for a larger population, which leads to rationing of the supply." As Bhutan observed the 60th World Health Day yesterday, themed, "Urbanisation and Health: Urban health matters," in Thimphu, water shortage and sanitation issues faced by residents of the 54 towns, which make up urban Bhutan, came into focus. Health secretary, (Dasho) Dr Gado Tshering, said that rapid migration of rural dwellers to urban centres has created numerous health concerns with rising pollution and unhealthy lifestyles. "The rising trend of urbanisation has also put pressure on limited resources and inadequate infrastructure in urban centres," he said. "The day is also to remind policy makers the importance of working collectively for a healthy community." The launch of six Nu 10 postal stamps of Thimphu city yesterday was also one of the ways Bhutan would remind itself that urbanisation is a challenge to public health.

Bhutan's major water quality problem is microbiological contamination, states the WHO publication. Microbiological contamination is the presence of one or more various bacteria, yeasts, mould, fungi, or their toxins and by-products, which could adversely affect one's health and safety. Only five of the 54 towns have sewerage treatment plants. Only 30 percent of households in these five towns are connected to sewerage treatment plants. The rest are all connected to septic tanks or traditional pits, with the possibility of the sewerage seeping into groundwater rivers and polluting fresh water sources very high. Public health director Dr Ugen Dophu said that diarrhoea still remains a public health challenge for Bhutan. He also said that it is difficult to reach health services to those living in temporary sheds and huts in urban centres. "It's not that services are not available. But those, who are socially and economically disadvantaged, may not get the time to avail these services," he said. "So we have set up three satellite clinics in Thimphu." Three towns of Thimphu, Damphu and Gelephu are among the 884 registered cities that have volunteered to join the global campaign of 1,000 cities, 1000 lives. Under the campaign, events will be organised worldwide from April 7-11, calling on cities to open up portions of streets to promote health activities

### **Assam vulnerable to Maoists, warns CM**

A day after the Maoist attack left over 70 security personnel dead in Chhattisgarh, chief minister Tarun Gogoi today said the militants had also attempted to infiltrate the border areas of Assam over the past few years but failed because of “preventive measures”. “What happened in Chhattisgarh is very dangerous. Assam is also vulnerable because the Maoists have been trying to build a base in the state’s border areas and tea gardens. They have not been successful because our forces are more experienced in tackling insurgents and also because we have treated the Maoist issue seriously from the outset,” Gogoi said here today. Gogoi further said Maoist rebels basically targeted border areas because these were largely underdeveloped and government access was normally limited. “However, the reach of our government is deep. Our forces are also alert,” he said. Dispur had of late invested heavily in the development of border areas. Though Gogoi, who also holds the home portfolio, did not elaborate, reports of Maoists’ bid to infiltrate Assam have been doing the rounds since 2008, starting with rebels from Nepal entering Bhutan through the state. The infiltration bid took place with the help of elements in the militant Adivasi National Liberation Army (ANLA), which has since been neutralised, and some other Adivasi groups. There is a sizeable Adivasi population in the four BTAD districts of Assam comprising Kokrajhar, Chirang, Baksa and Udalguri, bordering Bhutan. As is the case elsewhere, the Maoists have attempted to infiltrate the Adivasi community by fanning feelings of deprivation. More recently, Independent MLA Bhubon Pegu had cited a “secret” police report that had accused him, Krishak Mukti Sangram Samiti (KMSS) general secretary Akhil Gogoi and development activist Ravindra Nath of having links with Maoists. The report had, in fact, mentioned the KMSS leader as having received training from Maoists in Jharkhand in 2007, which the accused denied. Security officials said the threat from Maoists was always there, because unlike other insurgencies, Maoism “is not” jingoism or parochialism. “It is universal. It is an idea that threatens India. We are safe because our forces are always in fighting mode. They targeted ANLA and some groups in Goalpara but have been nipped in the bud,” a senior official associated with the state’s security set-up said. Besides the Maoist issue, the chief minister also refuted the sweeping allegations of BJP president Nitin Gadkari during his recent two-day visit to the state. Gogoi said he would write to Gadkari asking him to prove the charges of corruption levelled against him by the latter. He also said that operations against Ulfa would continue because the outfit was still recruiting cadres. “If Ulfa continues to indulge in violence we will keep our operations going. We can’t lower our guard,” Gogoi added. Bhutan PM pays respects to GPK on 13th day. Bhutanese Prime Minister Jigme Y Thinley arrived on a brief trip to pay a tribute to the late Nepali Congress president and former prime minister Girija Prasad Koirala’s 13th day death ritual, on Thursday. Energy Minister Dr Prakash Sharan Mahat received the PM at the Tribhuvan International Airport. Prime Minister Madhav Kumar Nepal met his Bhutanese counterpart at the former's office at Singha Durbar. The two PMs discussed the bilateral relations of the countries. Thinley also visited Deputy Prime Minister and Foreign Affairs Minister Sujata Koirala at her residence in Mandikhatar to pay homage to her late father GPK. Thinley is scheduled to return to his homeland in the evening.

### **Ministry plans holding firm for Bhutan projects**

As part of its effort to strengthen political and economic ties with Bhutan, India plans to form a holding company to undertake hydropower development there. State-run power firms are planning to develop four projects in Bhutan with a combined capacity of 3,000MW to harness

the country's hydroelectric potential and enhance India's strategic influence in the region. "There will be a company to oversee the hydropower development in Bhutan. The companies which are planning to develop projects there should go for a holding company as it will help in efficient government-to-government deliberations regarding the projects," said H.S. Brahma, union power secretary. NHPC Ltd, NTPC Ltd, Tehri Hydro Development Corp. Ltd and Satluj Jal Vidyut Nigam Ltd plan to develop the projects through joint ventures, and import the bulk of the power generated back to India, as reported by *Mint* on 22 March. Around 90% of the electricity generated through these projects will be brought back to India to meet the country's growing energy demand. India has a peak power shortage of around 12%. However, project developers are not enthused by the power ministry's approach. "If this (one holding company for all projects) happens, then managing day-to-day affairs of the projects will become very unwieldy," said a chief executive at one of the state-owned firms, who did not want to be identified. India has increased its energy diplomacy in the neighbourhood and has also been trying to engage countries such as Myanmar, Bangladesh and Sri Lanka to counter the growing Chinese influence. Bhutan, which is strategically located between India and China, is estimated to have the potential to generate 30,000MW of hydropower, but has an installed capacity of just 1,490MW. While India has the potential to generate 300,000MW, only around 145,000MW of it is exploitable. The country has a hydropower generation capacity of 36,085MW and plans to add 15,627MW by 2012. India already has power-grid links with Bhutan and has helped it develop the Tala and Chukha projects. Electricity sale is the primary source of revenue for Bhutan. In order to harness its full hydropower potential, the two countries signed an agreement in July 2006 to facilitate, encourage and promote the development and construction of hydropower projects and associated transmission systems, as well as trade in electricity. "The proposal for a holding company for all hydropower assets in Bhutan is a smart idea. It will work as dealing with the Bhutan government will become easier and help in preparing the ground work for the proposed projects," said Rupesh Sankhe, an equity research analyst at **Angel Broking Ltd**. "We have a peak power deficit of 12% and, in a situation like this, hydropower projects will help in meeting the demand," Sankhe added. India has an agreement with Bhutan to import 5,000MW of power by 2020, of which around 1,400MW is already being bought

#### [Bhutan Ferroalloy and Steelmakers Resume Bank Repayments](#)

Bhutan's ferroalloy and steel industries, based at Pasakha, Phuentsholing near the border with India, have successfully made their first quarterly bank loan repayments since the onset of the global financial crisis. Bhutan Ferro Alloys, Ugyen Ferro Alloys and Bhutan Concast Pvt Ltd, repaid Nu 8.8 mn, Nu 8.1 mn and Nu 5.7 mn respectively on 31 March. The repayments will be disbursed among a consortium of local lending banks: Bhutan National Bank (BNB), Bank of Bhutan (BoB) and Royal Insurance Corporation of Bhutan (RICBL). The next instalment is due on 30 June. Five local financial institutions had given a consortium loan amounting to Nu 2.5 bn to the ferroalloy and steel industries in 2006. The borrowers had also borrowed around Nu 1.6 bn from individuals. Last year the financial institutions and the Bhutan government accepted the industries' request to defer repayments until the global economy stabilised, on the condition that they pay at least the interest of the loans and inject equity into their projects, which accounts for 50 percent of the loan amount. "The overall performance of the industries has been better," the relationship manager of BNB, Pema Jamtsho told the local newspaper, *Kuensel*, adding that their performances would be based on the performance with the banks. "If cash flow is good, then it

means they're doing good."However steel industrialists pointed out that prices had yet to get back to pre-crash levels.In 2008, the cost of finished TMT bars ranged between Nu 44 and Nu 48 a kg. Today, it is Nu 35-36.A source at one of the ferroalloy manufacturers said the industry was doing much better compared with last year. "But the market is unpredictable and there will be highs and lows," he added.

## **Meet McKinsey & Company**

It is a common observation for nations and companies, who hire McKinsey for management consultancy, to find that they had only seen the tip of an iceberg that is McKinsey, even long after completion of their work. The 84-year-old world's best known and the least understood organisation shuns publicity and is extraordinarily tight-lipped about how it does what it does. Fortune magazine in the USA described McKinsey as the most well known, most secretive, most high-priced, most prestigious, most consistently successful, most envied, most trusted and most disliked management-consulting firm on earth. When this 'firm,' as it prefers to be called instead of 'company,' with over 8,700 consultants in 90 consulting offices across 50 countries, was hired through an open bidding among five international consultants by the elected government to achieve its targets faster, the decision sparked debates in forums and drew flak from various corners. One of the reasons was the whooping fee the government was paying McKinsey. For their 23 months of involvement in Bhutan's socio-economic development under its accelerating Bhutan's socio-economic development (ABSD) initiative, they are paid USD 9.136 mn, about Nu 400 mn. Some called it a re-planning of the 10th plan, while local consultancy firms said they could do the same work if not better for that amount of money.

"I was told that the total amount of money the government spends on consultants in a year is actually more than the amount made public," information and communications ministry secretary, Dasho Kinley Dorji said. "It's about what you are getting for what you are paying. We need to define what is too expensive and too cheap?"The media cell, which was established to inform people on the progress of ABSD, said the gross national happiness commission (GNHC) secretariat was directed by the cabinet to hire an 'internationally reputed strategic and management consulting firm,' given the 'cross-sectoral nature of issues at hand.'" This happened on March 11 last year.Four months later and, with the signing of an agreement between the government and the firm, the project kicked off on July 1."McKinsey isn't here to make decisions," Dasho Kinley Dorji said. "It's here to advise the government."The agreement and media cell officials said McKinsey will support the government in improving efficiency and effectiveness in a minimum of five areas of public services and five sectors for job creation. "The firm is also responsible for supporting the government in institutionalising a mechanism for ensuring the progress and sustainability of various initiatives undertaken," it stated.Observers, however, were sceptical and said McKinsey's proposals represented the best of corporate America, whether it was good for a country like Bhutan and that the government was paying the firm too much.

McKinsey's reputation had come under scrutiny several times. It was alleged to have given misguided analysis and recommendation in 1980 to AT&T that cellular phones would be a niche market. The British railway company Rail Track collapsed after a series of accidents, allegedly after following McKinsey's advice to reduce spending on infrastructure and return cash to shareholders instead.The media cell argued that McKinsey's approach to consultancy and project

was unique and that consultancy doesn't end after surveys were conducted and reports handed to the government. "They'll support the selected sectors in terms of implementing the recommendations to the extent of implementation support, determined by capacity that exists with the sector," officials from the media cell explained. The ABSD initiative has engaged about 17 McKinsey consultants. For the first year, there are eight consultants including two project managers. The next 11 months will have five consultants including a project manager. "There are four top leaders at the prime minister's level who fly in and out of the country," said a media cell official. The consultants are a panel of experts from across the world that are available whenever required, depending on the sectors. They provide expertise in specific sectors, physically, telephonically and via internet. The project manager manages the team on the ground, provides technical input and liaises with various government agencies. The associates on the ground collect data, understand the ground situation, solve problems and feed information to their leaders and experts. "They may not necessarily bring in an in-depth knowledge on a specific sector but will provide analytical and problem solving skills," media cell officials said

**Neither by default nor intention yet**

If Bhutan is aiming to brand itself as an organic country, there is a huge challenge ahead, going by what our farmers use in the fields across the country. To increase yield, Bhutanese farmers, except those in Gasa and Zhemgang, had used 2,310 tonnes of chemical fertilisers in 2008, or approximately 290 truckloads. This is excluding the thousands of kilogrammes of pesticides and herbicides. Urea, a nitrogenous compound and suphala, a granular natural coloured chemical fertiliser, are the two most widely used. Farmers used about 1,380 tonnes of urea and 930 tonnes of suphala. According to records with the agriculture ministry, western dzongkhags of Wangduephodrang, Paro and Thimphu were the highest consumers of all forms of chemical fertilisers. Wangduephodrang tops the list. In 2008, farmers in Wangdue mixed 185 tonnes of suphala and 175 tonnes of urea into their soil. Potato production is one of the reasons for the high usage of urea in Wangduephodrang, explained an agriculture officer. Paro stands second consuming 164 tonnes of suphala and 177 tonnes of urea. Although Thimphu's consumption is not as high as the other two districts, it consumes all forms of chemical fertilisers available, the most used being suphala. With 52 tonnes of suphala and 380 tonnes of urea, Trashigang recorded the highest consumer of chemical fertilisers in eastern Bhutan. Bumthang consumed the highest from the districts in the central region and Chukha among the southern districts. The least used chemical fertiliser was borax, with only 420 kg consumed, while urea was the most used.

Agriculture officials however said that, with only eight percent of the country arable, about 40 percent of the arable land might be using chemical fertilisers. "The rest don't use chemical fertilisers because they don't have access to them," coordinator of the national organic program, Kesang Tshomo said. "Each household must be using little bit of chemical fertilisers but, for organic, it has to be zero use of any synthetic fertilisers or pesticides." She said that farmers know the effect of chemical fertilisers. "They know that, after three years of using chemical fertilisers, the soil's texture and structure is lost. The soil becomes compact and when you irrigate the water runs off and doesn't seep in," explained Kesang Tshomo. However, going organic doesn't mean farmers cannot use chemicals. "They can use compost, farmyard manure, bio fertilisers and natural minerals like sulphur and copper, which are extracted from the soil and not produced in factories," said Kesang Tshomo. Bhutan, the coordinator said, is not organic by

default but close to it. “We can’t claim to be organic, but we have huge potential to become organic if all programs and strategies and researches are aligned towards branding Bhutan as organic,” she said. Forest products such as ferns (nakey) and mushrooms, said Kesang Tshomo, are organic by default and not by intention. “They could qualify as organic but we don’t have a certification system in place,” she said. “Most products are self claimed as organic by farmers and it’s based more on trust between the producer and the consumer.”

All efforts at present under the six years old national organic program are scattered, the program coordinator said. “We need to focus more on research and to bring our production level at par with the production from chemical fertilisers,” she said. But, Kesang Tshomo said that branding Bhutan as an organic country was achievable if efforts are improved. “We have the leadership but we don’t have the system in place at the implementation level nor one understanding.”

In six years, the program with its five staff, has framed standards, a national framework for organic farming, educated farmers on organic farming, designed a logo for organic foods to recognise the farmers’ efforts and is exploring markets within the country. It is also working on to have an alternative certification system called the participatory guarantee system (PGS), where farmers will inspect and verify each other’s farms for organity. For the farm produce to reach the consumers, officials said that there is a need for private sectors to be involved. “We need private sectors to develop products and market them, so that these products move out of the farm. That is where we lack now,” said Kesang Tshomo. “There are lots of farmers interested in organic farming. But they don’t know what to grow.” Besides the need for a dedicated marketing team to create demand for local produce, it would also help the farmers, said Kesang Tshomo, if there was a system or policy in place for public kitchens such as schools, hospitals and monasteries to buy their farm produce. “But breaking into the contract system, where things are bought directly from India and sent or linking up hasn’t been easy,” said Kesang Tshomo. “The challenge in linking up with hotels is that vegetable production has to match with their peak seasons.” Agriculture minister Lyonpo (Dr) Pema Gyamtsho said that being organic and going organic is different and that Bhutan should take one step at a time to go organic. “We’ve asked the organic program a strategy for all products because a blanket policy is not practical,” said Lyonpo. He said that, in the next five years, the agriculture ministry is aiming to convert most products into organic. “We can’t go organic in everything everywhere,” Lyonpo said. “The decision to go organic ultimately lies with the farmers because it’s their land.”

**CGI sheets from UN system**  
The UN system in Bhutan has contributed 25,477 sheets of corrugated galvanised iron (CGI), about 23 truckloads, between December 2009 and March 2010 to the earthquake-affected communities in eastern Bhutan.

**The CGI sheets cost about USD 395,000.**

Most of the CGI sheets were distributed to 716 households in the five worst affected districts of Mongar (10,699 sheets), Pemagatsel (927), Samdrupjongkhar (60), Trashigang (11,600) and Trashiyangtse (2,130), according to a press release from UNDP. More than 3,250 people are estimated to have benefited from the distribution of the CGI sheets. The CGI sheets were procured in accordance with international standards. The quality was monitored by the disaster management department (DDM) and the standards and quality control authority and checked

upon delivery at the relief camp in Yongphula by dzongkhag officials and a field coordinator jointly representing the UN system in Bhutan and DDM. The provision of this assistance recognises the need to rebuild stronger and safer homes and is in direct response to the request of the government, stated the press release. The September 21 earthquake destroyed or damaged more than 4,950 homes in 12 dzongkhags and left over 7,000 people without adequate shelter. Following the earthquake, the UN system in Bhutan also provided tents, blankets and tarpaulin sheets to meet the needs for temporary shelter in the eastern districts, along with emergency family kits, tools for debris removal and other safety equipment.

### **Positive feedback from Indian companies**

“Exploratory” talks with the three Indian companies, involved in constructing the Punatsangchhu I hydro dam, to train and employ more Bhutanese is going in the right direction, says the labour ministry. Although nothing concrete has been agreed upon between the government and the companies, L&T, HCC, and Gammon, a recently returned delegation received “positive feedback” from the companies, according to labour minister, Lyonpo Dorji Wangdi. Despite the construction of the Chukha and Tala dams, Bhutan still lacks a technically skilled work, with the result that most skilled workers come from abroad. Currently, Bhutanese make up only 36 percent of the workforce constructing Punatsangchhu I, despite agreements that at least 40 percent be mobilised locally. With two more hydropower projects scheduled to begin this year, the labour ministry needs more skilled workers to achieve its mandate of maximising local recruiting, but also giving the companies the skills they require. “We want to be in a comfortable position,” said Lyonpo Dorji Wangdi, on being able to supply the required workforce. “We look forward to developing this positive partnership between the royal government and the Indian companies,” said Lyonpo. Labour secretary, Dasho Sonam Tenzin, who, along with the economics affairs secretary, met the Indian companies in New Delhi, also said that the response had been “promising”. In a move that would certainly boost the technical skills of the construction sector in Bhutan, the labour secretary said the companies expressed willingness to train Bhutanese in their vocational training institutes (VTI) in India, and also provide support, including equipment and material, for VTIs in Bhutan. The labour ministry, together with the companies, will select from Bhutanese applicants, who have finished class eight and above, and also vocational graduates. They will then undergo a three-month course, of which most will be practical on the job training, after which they will be employed by the companies, either in Bhutan or India. On whether the course length may be too short, Dasho Sonam Tenzin said that, since the courses will be limited to specific fields, it would be enough. “We’re yet to determine the number,” said Dasho Sonam Tenzin, on how many could go for training. The secretary pointed out that an obstacle would be in encouraging young Bhutanese to take such an opportunity. “It disheartens me that most of them are waiting for desk jobs, there’s so much scope in the construction industry, eventually they could even form their own companies, and we’ll help them,” said the labour secretary

### **MALDIVES**

## **Viceroy Hotels to open Viceroy Maldives in December 2010**

Viceroy Hotel Group will launch a luxury resort Viceroy Maldives in December 2010. The property is being developed by Maldives-based, luxury hotel developer, EoN Resorts, in partnership with Mubadala Development Company. The property is currently under development on the crescent-shaped island of Vagaru, located in the Shaviyani Atoll, one hour north of the capital Male. The Viceroy Maldives resort will feature 61 villas, situated both over water as well as on the beaches that ring the 17-acre Vagaru Island. The villas will boast from 1,345 to 3,300 sq feet of indoor space, with outdoor private areas, all including plunge pools. The resort will also offer five F&B outlets, a spacious over-water spa and fitness centre, a signature cantilevered pool and pool deck and a full-service dive and watersports activities centre

### **TAV partners with AdP as Maldives tender reaches key stageMALDIVES.**

TAV Airports Holding and Aéroports de Paris Management have teamed up to bid for a controlling stake in Maldives Airport Company Limited (MACL), which manages Malé International Airport. The move to privatise the state airports group has reached a key stage, with the government recently issuing Request for Proposal documents. Six consortia pre-qualified for the bid in January, with a strong presence from India's powerful aviation groups. The short-listed names include GMR Infrastructure Ltd, Zürich Airport in partnership with GVK Airport Developers Limited, Reliance Airport Developers Private Limited (another Indian company) with Mexican group Aeropuertos Y Servicios Auxilliares, SNC Lavalin International with Vienna Airport, as well as Turkey's leading airports group TAV along with AdP. In October 2009 the government launched the process to sell a majority stake in the airport company, to fund the expansion and development of Malé International. MACL will also be restructured so that the privatised company is not responsible for air traffic and security services, as it is currently. The government has employed the services of the International Finance Corporation, a member of the World Bank Group which advises on infrastructure projects, to help it find an investor

EU Commissioner visits India for climate change talks

Brussels : EU Commissioner for Climate Action, Connie Hedegaard , will visit the Maldives and India this week to discuss the follow-up to the December 2009 UN climate conference in Copenhagen and how to take forward international negotiations aimed at reaching a global climate agreement for the post-2012 period. The visits take place just before this year's first round of UN climate negotiations, in Bonn on 9-11 April. Both the Maldives and India were among the countries which negotiated the Copenhagen Accord, the principal outcome of the Copenhagen conference, and both have pledged emission reduction actions under it, the European Commission said in a statement. In her visit Tuesday to the Maldives , one of the countries most under threat from climate change, but which has also pledged to become carbon-neutral by 2020, Hedegaard will meet President Nasheed, who played an active role in the Copenhagen conference, and other top politicians. The Maldives is one of the most active members of the Global Climate Change Alliance (GCCA) initiative set up by the European Commission, which aims to step up cooperation and dialogue between the EU and the developing countries that are

being hit earliest and hardest by climate change and which have the least capacity to react. During her visit to India on 7-9 April, Commissioner Hedegaard will meet Environment Minister Jairam Ramesh and the Minister of Coal & Mines, Prakash Jaiswal, among others. She will underline the need for action-oriented decisions to be reached at the UN climate conference at the end of this year in Mexico and ask for active support from India and the other BASIC countries (Brazil, South Africa, China) in integrating the substance of the Copenhagen Accord into UN decision texts.

### **Maldives In Brief: Maldives concerned over piracy reports**

Foreign Minister Dr. Ahmed Shaheed has expressed concern over media reports of piracy activities in the Maldives territorial waters. The Minister's comment follows Indian media reports that pirates had been active in the Maldivian seas, Miadhu reported. Dr. Ahmed Shaheed has said that the Maldives government is closely monitoring the developments off the coast of Somalia, which had hijacked many Indian vessels and 100 Indian nationals last week.

The Maldives prefers to work closely with its strategic partners and neighbours to deal with the imminent threat to Maldives, Dr. Shaheed was quoted as saying.

### **MJA joins IFJ**

The Maldives Journalists Association (MJA) has become a member of the International Federation of Journalists (IFJ) – the world's largest association of journalists. Welcoming its latest entrant, IFJ told the MJA to “engage actively” with them. The IFJ invited MJA “to engage actively with the IFJ...by keeping in touch with us on the work of the MJA, as well as in reporting in media rights issues in the Maldives,” a statement issued by the MJA said. The Sydney-based network of hundreds of countries has told MJA it was interested to learn “more about how the IFJ can support your work in defending press freedom and media rights in the Maldives.” The global network of journalists is spread across the world, including Africa, Asia, Europe, Latin America, Middle East, North America and Asia-Pacific championing press freedom. The MJA extended best wishes to all members on joining the IFJ

### **India bans its boats beyond southern Oman, Maldives**

India has officially declared the south and west of Salalah in Oman and Maldives as a pirate-threatened area. The decision was made, in the wake of Somali pirates capturing around 74 Indian sailors off the western coast of Somalia, after hijacking the vessels. A notification was issued on Tuesday with immediate effect, instructing Indian vessels to avoid “sailing to the south and south-west of Salalah, and the Maldives.” India is currently attempting to file the case with the International Maritime Organisation and the United Nations and is coordinating action with other navies to protect the seafarers, The Hindu reported. Tuesday's ban order would be among several measures by India to prevent further pirate attacks, said Nautical Adviser to the Government of India M.M. Saggi on Wednesday, The Hindu said. It is estimated that pirates take around 10-15 minutes to attack a ship. It takes yet another 15-20 minutes to take the sailors on board under control. If the ship sends an alert message, the nearest naval ship present in the region would take

around half an hour to reach the vessel in distress for rescue operations. Addressing the issue, Maldives Foreign Minister Ahmed Shaheed said Maldives was also threatened by pirate activities in the region. "It has been a few months since we have started talking [in public] about the issue. But some people took the issue lightly, claiming that we were talking about a country [Somalia] too far from us," he said. "Actually Somalia is not so far from us, considering the activities of Somali pirates and our location." Shaheed revealed Maldives would raise concerns over the issue seeking protection to sailors, at the UN Conference on Security of Sailors next month.

### **Maldives would also work with US and Indian authorities, he added**

Maldives Civil Servants Association (MCSA) has asked Civil Service Commission (CSC) to dismiss Mariyam Waheeda, Permanent Secretary of Ministry of Home Affairs. According to the association, "legal evidences have shown and proven that she has violated the Civil Service Act" and "her repeated actions caused many civil servants to lose jobs." MCSA has also lodged a case with the commission against Waheeda, for allegedly proposing the commission to sack 64 employees after downsizing atoll offices. A press release issued by the association quoted three lawyers who "investigated the case," as saying that Waheeda attempted to deceive the commission by providing false information, when she made the proposal. The association further claimed that she has been dealing with the current employees against the Civil Service Act. "...therefore, this Association proposes the Commission to further investigate the case and dismiss her from permanent secretary's post, in accordance with the Maldives Civil Service Act," the statement said. Mariyam Waheeda was not available for comment. CSC Member, Mohamed Fahmee Hassan confirmed MCSA's request, but did not disclose its details, saying an investigation was pending.

## **NEPAL**

### **CA Committee instructs Nepal Govt to extend UNMIN tenure**

Whenever we need foreign support to help us solve our internal disputes then our first choice should be the United Nations", said Prime Minister Madhav Kumar Nepal. Mr. Nepal, who was summoned by the International Relations and Human Rights Committee of the Constituent Assembly to discuss the fate of United Nations' Political Mission in Nepal (UNMIN) made these remarks April 8, 2010. "The government is holding consultations with various political parties over the fate of UNMIN", he also said. "We are capable to singlehandedly steer our peace process but if there is consensus among political parties then the government has no objection to extend UNMIN's tenure", he also said. Prime Minister Madhav Kumar Nepal's UNMIN friendly remarks came only after he met with Western Envoys including US Charge d'Affaires Donald Camp and Special representative of UK Prime Minister Donald Camp recently. The EU foreign

mission heads had pressurized Nepal PM to extend the UNMIN tenure and expand its mandate. Similarly, Samuel Tamrat- director of the Asia and Pacific Division, Department of Political Affairs of the United Nations, upon meeting the prime minister had threatened to pull-out from Nepal if its mandates were not expanded. Later meeting leaders of some political parties Tamrat had made it clear that the UNMIN with its limited mandate cannot continue with its Nepal mission for long. The International Relations and Human Rights Committee of the Constituent Assembly, after listening to the remarks of Prime Minister Nepal thus instructed the government to extend the tenure of United Mission in Nepal (UNMIN). "The UNMIN must stay in Nepal until peace process comes to the logical end", the committee decision also said. The Committee, April 8, 2010, also ordered the government to timely make amendments in the mandate of UNMIN. The UNMIN tenure in Nepal was set to expire May 15, 2008. The CA committee decision reads "The role of the UNMIN was set as per the Comprehensive Peace Agreement, Nepal's peace process is yet to conclude and peace process has not come to an end, the role of UNMIN is still necessary". While majority of the leaders speaking at the committee meeting UML and Nepali Congress camp opined that the UNMIN should stay in Nepal with certain amendments in its term of reference, the Unified Maoists' party leaders favored expanding its mandate. Narayan Kaji Shrestha, Unified Maoists' Party vice chairman said that the parties should stop criticizing the UNMIN and provide broader mandate of the UN Mission in Nepal. No surprise the UNIMIN is often alleged as excessively friendly to the Unified Maoists' Party

### **Maoists buy arms from B'desh, Myanmar, Nepal**

Maoists are procuring weapons from illegal arms bazaars across the border, home minister P Chidambaram said here on Thursday even as the Centre ordered an inquiry by former BSF chief E N Rammohan into the Dantewada attack. "They buy arms from across the border. There are arms bazaars across the border. They bring them clandestinely into the country," he told reporters here after a meeting of the Cabinet Committee on Security. When asked to specify which borders he was referring to, he cited India's open and porous borders with Nepal, Myanmar and Bangladesh. Suggesting that it was from these very arms bazaars that northeast insurgents got arms, Mr Chidambaram said Maoists' arsenal comprised arms looted from security forces, those procured from illegal markets and even country-made weapons. MHA sources later said the prime source of weapons being procured by Indian insurgents was the Chinese arms mafia, and weapons were mostly routed through conduits in Chittagong and Myanmar. However, arms coming in from

Nepal were passed on by surrendered cadres of Communist Party of Nepal (Maoist). Mr Chidambaram said Maoists were also funding their operations by looting weapons and extorting money from mining companies located in affected areas. MHA on Thursday set up a one-member committee headed by a retired DGP-level officer E N Rammohan to probe the circumstances and possible lapses that led to the killing of 76 security personnel in Tuesday's Maoist ambush in Dantewada. Mr Rammohan, who will submit the report in 15 days, would reconstruct the sequence of events, besides analysing the command structure and hierarchy behind the Dantewada deployment decisions. The report would contain suggestions for mitigating the lapses to prevent recurrence of similar incidents. Mr Chidambaram reiterated that something had gone wrong. "I maintain what I said yesterday that something went wrong...we have to find out what went wrong," he said. Mr Chidambaram refused to elaborate on prime minister's comments that the government had not taken any decision to use air power to quell extremist violence. "My view is that, if necessary, we can revisit it. We have to reflect on it," he said adding: "If there is a policy revision, you will be informed." Even as deployment of IAF for active counter-Naxal operations seems unlikely, the government has decided to go ahead with its plan to procure unmanned aerial vehicles, micro air vehicles to be precise, for the para-military forces for "real time air surveillance." The trials of UAVs, which will be a valuable force multiplier, are set to begin next week, according to an MHA official. MHA has also decided to reiterate the standard operating procedures to each units of central forces deployed on counter-Naxal operations. "The lesson learnt from Tuesday's attack is that we just cannot make a mistake," an official said. The government will go in for a training overhaul for the forces, besides pushing in more copters for troop mobility during surgical, intelligence-based strikes. The MHA has particularly requested BPCL facility at Jagdalpur to ensure fuelling of the aircraft to be used in the counter-Naxal operations.

### **China and Nepal agree on height of Mt Everest**

China and Nepal, whose border is traversed by Mount Everest, have settled a long-standing dispute over the height of the world's tallest mountain.

Traditionally, the Chinese always measured its height at 8,844m - the apex of its solid rock. The Nepalese, meanwhile, opted to measure it by its snow height, which made Everest 4m taller.

This week, Beijing accepted the higher measure.

New Zealander Sir Edmund Hillary and Sherpa Tenzing Norgay conquered Mt Everest in 1953

### **Maoists call Nepal bandh on April 12**

The Unified CPN-Maoist today decided to call Nepal bandh on April 12 to protest the government's decision to award the Machine Readable Passport (MRP) contract to India. The decision was taken by a meeting of the party's office bearers held at the residence of chairman Pushpa Kamal Dahal 'Prachanda' at Nayabazaar. In a press statement, Prachanda said the government not only violated the existing laws, but also defied orders of the Public Accounts Committee. "We have announced a Nepal bandh on April 12 demanding withdrawal of the government's anti-nation move and dissolution of the anti-nation government," the statement said. According to the party's secretary CP Gajurel, the party will begin protest programmes from both the parliament and the streets until the government takes back its decision.

Maoist chairman Prachanda also urged the general public and all “patriotic and democratic forces” to unite to actively participate in the struggle and make the agitation successful

### **China, Nepal end Everest height row in rock and snow**

CHINA and Nepal have found an solution to a longstanding dispute over the height of Mount Everest in the giant peak's rock and snow. The world's highest mountain lies on the border between the two countries and they have disagreed for years over its exact height, which Nepal puts at 8848 metres - nearly four metres more than the measurement used by China. Officials from the two neighbours reached a compromise at talks in Kathmandu this week by agreeing the two measurements referred to different things - one to the height of Everest's rock and the other to the height of its snowcap. "The Chinese side - led by Li Qingyuan - accepted Nepal's claim that the snow height of Mount Everest is 8848 metres, while the Nepali side recognised the Chinese claim that the rock height of the mountain is 8844.43 metres," a senior official at Nepal's Department of Surveys told the Kathmandu Post daily. Thousands of people have climbed Mount Everest since the first ascent in 1953 by Sherpa Tenzing Norgay and Edmund Hillary, but its exact height has been a source of dispute ever since the first measurement was made in 1856. The broadly accepted height of 8848m was first determined by an Indian survey in 1955, and measured the mountain's snow cap, rather than the rock beneath it. Geologists believe Everest is growing as India is gradually pushed beneath China and Nepal by the shifting of the continental plates. In May 1999 an American expedition used GPS technology to measure a height of 8850m and this figure is now used by the US National Geographic Society, although it has not been officially accepted by Nepal.

### **Nepal SC stays contract on passport printing with India**

Nepal's Supreme Court on Wednesday told the government not to proceed with the award of contract for printing the Machine Readable Passport (MRP) with India until further orders.

Two separate petitions filed before the court argued that the award of contract, if not done according to rules and procedures, involved corruption and undermined the security aspect on such a “sensitive issue”. The contract for printing four million passports at the rate of \$4 per piece was given to an Indian organisation, a security printing and minting company, after previous tenders invited by the government were cancelled. The petitions claim that the rate at which the contract was awarded was much higher than what other companies had quoted.

However, the controversy took a new turn after the Public Accounts Committee (PAC) of Parliament grilled Prime Minister Madhav Kumar Nepal on Tuesday for having defied its earlier instructions not to issue the contract to India bypassing set norms

### **Start talks with Maoists, Nepal peers tell India**

Though India's Home Minister P. Chidambaram has ruled out holding talks with the Maoist guerrillas, Nepal's former Maoist guerrillas urged New Delhi to open dialogue, warning else it would have to pay a “heavy price”. “India should learn a lesson from Nepal,” said Dinanath

Sharma, spokesman of the formerly banned Unified Communist Party of Nepal (Maoist) that created history by signing a peace agreement four years ago and taking part in elections, which saw it emerge as the largest party in parliament in 2008. “Our party fought a 10-year People’s War. But then realising the demands of the time, it started dialogue with the political parties,” he told IANS. Sharma, who is also a member of parliament, said the current offensive in India against its Maoist parties smacked of the 21-month “repressive” period of emergency declared by then Indian prime minister Indira Gandhi. “When a government fails to heed the voice of the people and instead tries to impose dictatorship by repressing it with guns, it triggers greater opposition by the people and ultimately collapses,” Sharma said. “That is what happened in Nepal, where (king) Gyanendra tried to rule like a despot. It will be very costly for the Indian government if it tries to stifle the voice of the people.”

Sharma said his party did not support the violence by the Indian Maoists, nor did it support the “repression” by the Indian government. “Even India’s intellectual class has started speaking out against the government’s anti-Maoist offensive,” Sharma said. “If the Indian government fails to address the demands of its poor, peasants, workers and tribals, the war will increase.” In Nepal, Sharma said the Maoists had first sought dialogue with the government. “We gave a 42-point demand to the then prime minister Sher Bahadur Deuba but he ignored them,” the MP said. “So we were forced to start the People’ War in 1996 that saw thousands die.” Sharma, whose party had held three rounds of peace talks, even with governments nominated by King Gyanendra, said the Indian government should start dialogue with the Indian Maoists and reach a negotiated understanding. Still regarded by some Indian parties as having links with the Indian Maoists, who have been branded by the Indian government as its biggest internal security threat, Sharma underlined that the Nepal Maoists were not associated with any armed Indian groups. “As Maoists we support their cause theoretically but we have no ties with them,” Sharma said. “We are no longer an armed party. We contested an election and are now waging protests against the government peacefully and through democratic means.”

### **Thulagi Glacial Lakes In Nepal Are Facing Threat Due To Temperature Rise**

Thulagi glacial lake in Manang, in eastern Nepal is on the verge of explosion, as it is facing a threat due to the rise in temperature, China’s Xinhua news agency reported Thursday, citing a recent study as saying. Thulagi is one of the six glacial lakes in Nepal. Citing the study, a local daily reported that the Thulagi glacial lake is 2,500 meters long, 500 meters wide and 80 meters deep, respectively, while the opposite part of the Dona river flowing

from the Thulagi glacial lake is mellow and the land on either side of the river is falling off. Due to the rise in temperature, the snow kept melting continuously which has brought the lake at a high risk, experts said in a report published by Kathmandu-based International Center for Integrated Mountain Development (ICIMOD). The lake has been getting narrower by 22 meters every year, according to the study. "The rocks around the lakes have kept falling off regularly and earthquakes were occurring with the area as an epicenter. This, too, is increasing the risk of explosion of the lake," experts said. The study indicated that hydropower projects built in dozens of rivers, including the Marsyangdi river, concrete and rough bridges, various buildings, arable land and forests could be devastated by the explosion of the glacier lake. ICIMOD said that out of 1,466 glacial lakes in Nepal, the ones in the watershed area including Thulagi of Manang are at higher risk. Dr. Arun Bhakta Shrestha, who was also involved in the study as an expert, said that as climate has kept on changing constantly, one needs to remain alert. According to his recent study conducted in the mountainous regions, temperature in the region was increasing at a rate of 0.09 degree Celsius every year and this was posing threat to glaciers.

### **RIGHTS-NEPAL: Laws Have Changed, Mindsets Haven't**

When Ranjit Thapa applied for citizenship by descent through his mother at the Kathmandu District Administration Office, little did he know that the road ahead was fraught with obstacles. Like many Nepalis, Thapa does not have a birth certificate and had to get a citizenship card after the age of 16. He was not worried when his father, who lives separately from his mother, refused to support his bid to apply for citizenship through his name. Thapa knew that the Nepal Citizenship Act 2006 assures that Nepalis acquire citizenship from either parent. But Thapa was soon to learn that although many gender discriminatory laws have changed in this Himalayan country, mindsets have not. The district office refused to handle his case, saying he needed to process citizenship through his father and asked Thapa to do this from Kavre, his estranged father's hometown. That was when the Forum for Women, Law and Development (FWLD) stepped in and filed a writ petition in the Supreme Court, which on Jun. 26, 2009 ruled that the 'right to choose' whether to seek citizenship through one's father or the mother rests on the applicant. Thapa was finally granted citizenship through his mother and got a citizenship card. "The problem is not in the laws but in the mindsets of government employees entrusted with the responsibility of issuing citizenship cards. They cannot imagine a woman's identity independent of a man," said the FWLD's Meera Dhungana. Experiences like Thapa's are far from uncommon in the capital Kathmandu, and sure to be even more so in the interiors of Nepal. Ninety percent of Nepalis live in villages and many are born at home, so they are unlikely to have birth documents. Nisha Rai, whose father left her family when she was very young, struggled long and hard before FWLD helped her obtain citizenship through her mother's name. She had needed proof of citizenship in order to study overseas, and missed a couple of opportunities during her bureaucratic struggle. Many others continue to remain deprived of job opportunities in the absence of this document. When Sushama Gautam, who also works for FWLD, visited the DAO office advocating for Rai's right to get citizenship in her mother's name, she recalls the staff there asking her: "How can there be a child without a father?" The words of the bureaucrats themselves reveal their mindsets. Despite the Supreme Court ruling, the chief district officer (CDO) of Kathmandu, Laxmi Prasad Dhakal, flatly ruled out to IPS the option of applying for citizenship through the mother when the father is alive or his whereabouts known. CDO Dullu Raj Basnet of Panchthar district in eastern Nepal said he "hasn't issued a

single citizenship card through the mother because there is no such provision in the law." The CDOs point to Section 3 of the law: "Whatever may be written in Sub-section (1) (on citizenship from either parent), a child born out of wedlock by a Nepali female citizen to a foreign national shall be in accordance with Section 5, Sub-section (2)." That provision says, "A child born to a Nepali female citizen from marriage with a foreign citizen in Nepal may be granted naturalised citizenship as prescribed, provided the child has not acquired the citizenship of the foreign country on the basis of citizenship of his/her father." By referring to these sections, what the DAOs essentially do is challenge people applying for citizenship through the mother to prove that his or her father is not a non-Nepali, thus indirectly still seeking details about the father as basis for granting citizenship documents. "The ultimate victim of the narrow interpretation of the law by government staff is the 'spirit of equality' with which the amendment was made," said Binda Pandey of the CPN-UML, who heads the committee on fundamental rights and directive principles of the Constituent Assembly debating a new constitution due in May. "While we understand that the lower-level staff of the DAO may not have understood the new act fully, it's appalling to see well-informed high-ranking officials such as the CDO harbouring such a discriminatory attitude," Gautam pointed out. "We have taken up some cases but imagine the plight of thousands of other people across the country." In truth, advocates Dhungana and Gautam say, it is not only DAO officials who discriminate against women. "Many times, close family members shun away from supporting women in their bid to acquire citizenship," they said. In some cases, family disputes lead to bitter struggles when male members refuse to provide documents for female kin's citizenship papers. Nakkali Maharjan from Kirtipur municipality, whose husband left her, had difficulty getting her father to support her citizenship process. "The fear that the daughter might claim a share of the property leads to such resistance," Gautam said. Under Nepali law, sons and daughters have equal right to ancestral property. Tulasi Maya Maharjan, also from Kirtipur municipality, is going through the same struggle as others before her. Gautam says that for as long as citizenship and property rights are "intricately linked", there will be more cases like that of Thapa and Rai

### **Life affected in southern Nepal due to strike**

Normal life in the southern plains of Nepal, adjoining India, was paralysed today due to the two day general strike called by the Madhesi People's Rights Forum (MPRF) demanding more autonomy and rights. Markets and factories were shut down, schools and colleges were closed and transport services were halted on the first day of shut down. The MPRF is demanding implement past agreements signed between the government and the Madhesi groups for more autonomy, representation and rights for the Madhesi people. The strike has mainly affected life in Jhapa, Sunsari, Morang, Rautahat, Sarlahi, Siraha, Saptari, Rupandehi and Banke districts, according to the police. Meanwhile, Sadbhavana Party has launched three week long Madhes Swabhiman Yatra campaign in Terai districts to exert pressure for timely drafting the Constitution and to complete the peace process.

### **'Maoists get weapons from across the border'**

Two days after Maoist guerrillas killed 76 security personnel in Chhattisgarh, Home Minister P Chidambaram on Thursday said the leftist insurgents were procuring arms from "across the

border". "There are bazaars across the border. You can always get arms from there. Where do you think northeast rebels are getting the arms from," Chidambaram told reporters.

"There are several places across the border where you can buy arms. You can Google check... You should visit these places if you have not," he said. The home minister said India shared an open border with Nepal, Bangladesh and Myanmar through which the rebels were clandestinely smuggling weapons. Chidambaram said the government would probe "into the lapses" that led to the worst ever attack on security forces Tuesday. "We will launch a full probe into what went wrong, look into the lapses," he said. He said the operations in Dantewada region where Maoists staged the bloodbath in the Chintalnar hilly area was a joint decision of state police and central paramilitary troopers. Union Home Secretary G.K. Pillai last year said that the leftist rebels were getting arms from illegal weapons markets in China, Myanmar and Bangladesh.

### **Nepal's govt must quit: Prachanda**

Maoist supremo Prachanda today demanded the resignation of Nepal's embattled government to save the faltering peace process as he threatened to launch a massive agitation to dislodge it.

Prachanda blamed the 22-party ruling alliance led by prime minister Madhav Kumar Nepal for hampering the peace process. "This is the most worthless and corrupt government in history which is defaming the nation," he told a rally of Maoists supporters in the heart of the capital today. He demanded the ouster of the CPN-UML coalition and formation of a "national unity government" under the Maoists, which is the single largest party in the 601-member constituent assembly. "Once a national unity government is formed it will be possible to draft the constitution within one and a half months and the peace process to end within a month," the former prime minister was quoted as saying by The Himalayan Times online today. "We believe the peace process can be brought to a successful conclusion in a month's time," he said at the rally to mark the fourth anniversary of a popular uprising against the former king. The political leaders are struggling to meet a May 28 deadline to finish the drafting of a new constitution as stipulated by the peace process that brought the civil war to an end in 2006. Disagreements persist on such fundamental issues as the structure of the national government and the creation of federal states.

Prachanda threatened to launch another phase of agitation to dislodge the government in a bid to uphold "civilian supremacy", national integrity and for timely drafting of a new constitution.

"It is not the end of the fourth phase of our agitation, but it is the beginning of a decisive agitation in all 75 districts across the nation," he said. He said the struggle has entered a "decisive" phase from today. The Maoists, who have around 40% of the seats in parliament, want the CPN-UML government disbanded, followed by the formation of a new coalition led by them.

Analysts fear that the death of former Nepalese leader Girija Prasad Koirala, who was instrumental in bringing the Maoists to mainstream politics after a decade-long insurgency in 2006, could derail the faltering peace process.

### **Nepal's Maoist leader says govt main obstacle to peace**

The leader of Nepal's opposition Maoists on Tuesday demanded the government step down, calling it the "main obstacle" to the country's faltering peace process. Pushpa Kamal Dahal said his party, which has the largest number of seats in parliament, would not support the coalition government that took over when the Maoist-led administration fell last year. His comments come amid mounting concern about the state of the peace process that began when a decade-long civil war between the Maoists and the state ended in 2006. "We believe the peace process can be brought to a successful conclusion in a month's time," said Dahal at a rally to mark the fourth anniversary of a popular uprising against the former king. "We also believe the constitution drafting process can be completed within a month and half. But that can only happen on one condition: if the current government steps down." "We believe the main obstacle to the peace process is the current government." Nepal's lawmakers have until May 28 to complete a new constitution analysts say is key to ensuring lasting peace after the conflict, in which more than 16,000 people died. They must also reach agreement on the integration of nearly 20,000 former Maoist fighters still languishing in cantonments around the country, more than three years after the end of the war. International donors have made clear their frustration at the slow progress in the peace process in recent months. The United Nations' top political official B. Lynn Pascoe visited Nepal in March and urged party leaders to fulfil pledges made at the end of the war. The Maoist-led government fell in March 2009 after the president overruled their decision to sack the head of the army. Since then the party has held regular protests, calling for an apology and a parliamentary debate over the extent of the president's powers.

### **Nepal, US agree to sign new trade pact**

Nepal and the US have agreed to sign the new Trade and Investment Framework Agreement (TIFA), replacing the bilateral Economic and Trade Agreement (ETA) that they signed in 1947. The agreement to this effect was reached here on Tuesday when a Nepali trade delegation led by Commerce Secretary Purushottam Ojha held talks with senior US Trade Representative (USTR) officials. TIFA has provisions that will facilitate Nepal to gain favorable market access in the

US. "The US has agreed to sign TIFA on our terms. The agreement will be signed once we complete necessary legal procedures," Ojha told myrepublica.com. The new agreement has seven articles related with trade, investment and technical assistance. Among others, it provisions constitution of secretary-level Trade and Investment Council (TIC) to regularly discuss on issues related to bilateral trade and investment. The second article of the agreement deals with reduction and elimination of tariff and non-tariff barriers to trade. It promises to facilitate trade, ease market access for Nepali commodities in US and also incorporates US readiness to pledge technical assistance to Nepal for raising the country's capacity to widen commodity base and increase exports.

Increasing US investment to Nepal is another crucial component of TIFA. Provisions on protection of intellectual property rights and technical assistance too are incorporated in TIFA.

- Trade and Investment Council to be formed
- US agrees to address Nepal's tariff and non-tariff concerns
- US okays technical assistance to boost trade
- FNCCI, US Chamber to meet twice in 2010
- Nepal eyes US investment for hydropower development

"TIFA will be mutually beneficial. It will help Nepal lure US investments and also facilitate the US investors because they wish to establish their presence in every potential area," said Dr Shankar Sharma, Nepali ambassador to the US. On Tuesday, the Nepali team had held preliminary talks with Deputy US Trade Representative Demetrios Marantis. The team then held article-wise talks with Assistant Trade Representative Michael J Delani and South Asian Trade Director Adina Adler on TIFA. The agreement was finalized after two rounds of talks. The two sides have agreed to sign the agreement after getting nod from Ministry of Foreign Affairs and Ministry of Law. The signing will be held in Nepal, most probably within two months. US is the third biggest market of Nepali commodities, after India and EU. However, economic activities between the two countries had eroded sharply in recent years due to change in global trading regime and conflict and political transition in Nepal. The private sector representatives in the delegation have welcomed the new development. "As TIFA provisions formation of a strong mechanism for the two sides to work on key issues, it can truly facilitate trade and investment between the two countries," said Kush Kumar Joshi, president of Federation of Nepalese Chambers of Commerce and Industry (FNCCI). Joshi said FNCCI will hold two meetings with US Chamber of Commerce (USCC) in 2010 in a bid to attract US investors to Nepal. The New Delhi-based USCC and FNCCI will coordinate to hold the meetings during which Nepal will focus at inviting US investment in hydropower sector among others. The Nepali delegation is further scheduled to interact with USCC officials on Wednesday.

**‘Duty-free on garment not possible’**

Senior US Trade officials on Tuesday termed the chances of Nepal getting zero-tariff facility on readymade garment as something ‘not possible’. During the bilateral talks, the Nepali trade delegation had pushed for the facility with the senior USTR officials, especially referring to the current political transition when the country was not getting enough investment to create new

jobs. However, USTR officials ruled out immediate chances of getting such a facility. Instead they suggested Nepal to diversify trade and take benefits of zero-tariff facilities it has pledged on other products under generalized system of preference (GSP). Under GSP, Nepal enjoys duty-free market access for 1,500 commodities. However, owing to non-tariff and other barriers, Nepali exporters have been managing to tap the benefit only for handicraft items. During the talks, the US officials said Nepal can effectively raise its exports to the US through new products like tea, coffee and bamboo and wooden furniture items. Nepali side, nonetheless, sought special tariff preferences for indigenous Nepali commodities like pashmina.

Nepal Maoists restrict NC, UML men from entering Udaipur district Gopal Kirati, a Unified Maoists' Party central committee member, declared while addressing a press-meet in Gaighat of Udaypur District, April 7, 2010, that his party has imposed a ban order on the Constituent Assembly members from the United Marxist Leninists and Nepali Congress camps from entering into the district. "They must not be allowed to enter the district as they have foiled the prospect of drafting constitution", Kirati who is also a member of the Constituent Assembly said. For all along two years period they were found obeying to the diktats of their foreign masters, Kirati opined. Nevertheless, he maintained that under any circumstances the Unified Maoists' Party would still want that the Constitution should be drafted within the stipulated time frame. "A National Unity government under our own leadership has become mandatory to accomplish the pending tasks as per schedule", he maintained adding "if the prospect of unity government is also foiled then our party will unilaterally declare a Peoples' Constitution. "A country cannot survive without a constitution, "We will thus declare our Peoples' Constitution come what may", Kirati concluded.

### **Central Bank paints gloomy economic picture**

The Balance of Payment (BoP) registered a deficit of Rs 21.83 billion in the first seven months of the current fiscal year. According to Nepal Rastra Bank (NRB), the central authority, in the first seven months of 2009-10, the overall BoP recorded a deficit of Rs 21.83 billion against a surplus of Rs 25.68 billion in same period last year. "The current account also registered a deficit of Rs 30.76 billion against a surplus of Rs 20.32 billion in the same period last year," revealed Nepal Rastra Bank 'current macroeconomic situation based on the first seven months' data of 2009-10. The central bank attributed the huge current account deficit to the increase in trade deficit and the slowdown in the growth of remittance inflows in recent months. FOB-based merchandise trade deficit also grew by 62 per cent to Rs 180.20 billion compared with a growth of 27.8 per cent in the same period last year. Gross foreign exchange reserves have also been continuously depleting. "Reserves dropped by 13.5 per cent — Rs 37.77 billion — to Rs 242.22 billion in mid-February 2010 from a level of Rs 279.99 billion as in mid-July 2009 against a growth of 18.4 per cent — Rs 39.17 billion — in the same period last year," said NRB. "NRB's reserves declined by 14.8 per cent to Rs 190.96 billion from a level of Rs 224.19 billion a year earlier. Gross foreign exchange reserves in dollar terms declined by 8.7 per cent to \$3.27 billion in mid- February 2010 against a growth of 4.4 per cent in the same period last year," it said attributing it to widening of the current account deficit. "The current level of reserves is sufficient for financing merchandise imports for 7.8 months and merchandise and service imports for 6.7 months." Commercial banks also are facing liquidity crunch. "The liquid assets of commercial banks declined substantially by 10.4 per cent to Rs 168.5 billion in contrast to a growth of 3.4

per cent in the same period of last year. Of the components of liquid assets, liquid fund declined by 11.6 per cent against an increase of 11.8 per cent in the same period last year,” the central bank added. “A decline in commercial banks’ balance with NRB and balance held abroad accounted for such a contraction of their liquid funds.” Meanwhile, merchandise exports also declined by 9.8 per cent to Rs 35.80 billion against a growth of 18.3 per cent in the same period last year. “Exports to India dropped by 4.6 per cent against a growth of 2.4 per cent in the same period last year and exports to other countries plummeted by 17.7 per cent against a growth of 54.4 per cent in the same period last year,” said the central bank. However, imports, on the other hand, grew by 42.2 per cent to Rs 222.07 billion compared with a growth of 25.8 per cent in the same period of last year. “Imports from India grew by 36.1 per cent compared with a growth of 11.4 per cent in the same period last year and imports from other countries witnessed a growth of 50 per cent compared with a growth of 50.7 per cent in the same period last year. Growing imports and decreasing exports has widened the trade deficit as it is expanded by 59.9 per cent to Rs 186.27 billion. Trade deficit had risen by 28.6 per cent in the same period last year. Trade deficit with India rose by 51.3 per cent compared with a growth of 15.2 per cent in the same period last year. Similarly, trade deficit with other countries expanded by 70.4 per cent compared with a growth of 49.6 per cent in the same period last year. “The export-import ratio dropped to 16.1 per cent from 25.4 per cent a year earlier,” NRB added. Though, the government budget posted a surplus of Rs 8.42 billion compared with a surplus of Rs 8.79 billion in the same period last year, total spending increased by 31.9 per cent to Rs 103.38 billion compared with an increase of only 15.1 per cent in the same period last year.

### **Nepal Govt counting its last breath: Maoist leader Pun**

The Chief of Young Communist League (YCL), Ganesh Man Pun, has said while addressing a mass meet in Ineruwa of Sunsari District that the current government is taking its last breathe. “If Madhav Kumar Nepal does not resign voluntarily he should be forcefully kicked out from the post of the prime minister”, said Pun. Speaking at the same program, Ram Rijhan Yadav, a Unified Maoists’ Party central committee member revealed that the current UML party led government was formed only after splitting the Madhesi Janaadhikar Forum. He said “India had given some 3 crore rupees to Bijaya Kumar Gacchadhar to split the MJF.” Gacchadhar after the split in the MJF and formation of MJF-Lokatantrik was elevated to the rank of Deputy Prime Minister in the UML party led government

### **Nepal's gloomy economic outlook worsens**

As a strongest indication of mounting threat to yawning economy, Nepal’s Balance of Payment (BOP) deficit scaled up to a record Rs 21.8 billion, thanks to an alarming 60 percent rise in trade deficit and continued slow remittance growth. According to monthly economic report prepared by Nepal Rastra Bank (NRB) released on Wednesday, the BOP deficit was a whopping 185 percent higher than a surplus of Rs 25.68 billion recorded during same period. The rise in deficit in the current account -- BOP’s one of the two primary components that shows net amount a country has earned -- has emerged as an imminent threat to country’s monetary stability. The report

showed that current account deficit has increased to Rs 30.76 billion from a surplus of Rs 20.3 billion recorded during same period last year. Likewise, remittance inflows also recorded a slow growth of 13.6 percent against a strong 58.6 percent growth seen during the same period last year. However, pension receipts of Nepalis, who mainly served in foreign security forces, increased by 77.7 percent to Rs 15.6 billion. The report pointed out the deadly combination of dwindling exports and swelling imports as the crux of the country's economic problem. Country's total exports further shrunk by 9.8 percent to Rs 35.8 billion whereas imports surged by 42.2 percent that fueled trade deficit by 59.9 percent. Exports to both India and third countries declined by 4.6 percent and 17.7 percent respectively during the period, the report stated.

- BOP deficit swells to Rs 21.8 billion
- Trade deficit widens by 59.9 percent
- Remittance growth slows 13.6 percent
- Salary index rises by 16.7 percent

Nepal's foreign exchange reserves fell by 13.5 percent during the period. Exports of silk and garments, declined by 18.6 percent and 30.3 percent while imports from both India and third countries rose by 36.1 percent and 50 percent respectively. As the result, Nepal's total foreign currency reserves declined by 13.5 percent to Rs 242.2 billion and the amount according to NRB is sufficient to support imports of merchandise and services for 6.7 months.

The long-running mismatch between the growths of deposit mobilization and credit investment, which experts point out as major cause for tightening liquidity of banking system, continued even during the seventh month. According to the report, the total deposit mobilization of commercial banks increased by 3.9 percent to Rs 571.3 billion whereas their total credit expanded by 13.3 percent during the same period. Despite sluggishness, loans and advances flow to private sector increased by 17.7 percent to Rs 509.1 billion by mid-February. Similarly, the national salary wage rate index also rose by 16.7 percent over the period compared to 16.5 percent recorded during the same period last year. Of the major groups, education sector saw the highest salary increment of 22.4 percent followed by wages of agricultural labors that increased by 20.7 percent.

### **Nepal marks 5th Int'l Day for Mine Awareness and Assistance in Mine Action**

Almost four years after the commencement of peace process in Nepal, it has now cleared half the minefields laid during its decade-long armed conflict, helping the country secure a lasting peace, according to Nepali government. Highlighting the efforts made by the government in eliminating the threats of landmines and explosive remnants of war, Nepali Minister for Peace and Reconstruction Rakam Chemjong said that there has been impressive progress in mine clearance, mine risk education and victim assistance in Nepal. The occasion to mark the 5th International Day for Mine Awareness and Assistance in Mine Action on Sunday, Chemjong said that in partnership with an active mine action community comprising government actors, United Nations and civil society, Nepal has achieved a positive improvement on clearance of mines. Chemjong applauded the continued progress of Nepal Army toward clearing all of the mine fields laid during a decade-long armed conflict and the completed demolition of dangerous explosive items held in the Unified Communist Party of Nepal (Maoist) (UCPN-M)'s seven cantonments. "Mine action constitutes one of the priority areas in our peace building process. The Comprehensive Peace Accord, signed between the government and UCPN-M spells out clear

commitment to the mine action and commensurate assistance to the victims," Chemjong added. However, according to UNICEF, after the decade-long insurgency in Nepal, which started from 1996 and ended in 2006, more than 262 casualties resulted from landmines and explosive remnants of war. Out of the 262 casualties, 143 were children, 19 of them killed. "As we know, during the decade-long conflict in Nepal, thousands of men, women and children were victims of explosives devices. Many lost their lives and many more were maimed," said Gillian Mellso, UNICEF representative to Nepal. Addressing the press conference organized by Ministry of Peace and Reconstruction, Mellso said that mines and explosive remnants of the conflict continue to maim and kill individuals, years after the hostilities have ceased. "It is a sad fact that in all the countries "infected" with explosive remnants of war, it is the young and curious children who become most vulnerable to mines and other explosives during the post-conflict period. It is therefore not surprising to learn that in Nepal the percentage of child victims is increasing and, alarmingly, the age is also becoming younger," said Mellso. She also added that two weeks ago in Sunari district, some 220 km southeast of capital Kathmandu, five boys and one girl between the age of 8 and 13 were severely injured when an object that they had picked up to play with exploded. However, Chemjong said that mine action constitutes one of the priority areas in Nepali government's peace building process. "The Comprehensive Peace Accord, signed between Nepali government and UCPN-M spells out clear commitment to clearance of mines and other dangerous explosive items," he said, adding that " We are continuously engaged in implementing those commitments." Nepali government established an inter-ministerial Steering Committee in 2007 chaired by minister for Peace and Reconstruction, and a National Mine Action Technical Committee to take responsibilities of all policy as well as implementing matters relating to mine action. To support a more direct role in the day-to-day management of mine action activities, a separate Mine Action Unit has recently been established in Ministry of Peace and Reconstruction to coordinate mine action activities as a focal point for mine action. The Nepal Army demining platoons, with support from the United Nations Mine Action Team have cleared 26 out of 53 minefields with plans to complete clearance of the remaining half by the end of 2011. A total of 52,617 improvised explosive devices and other dangerous items have been destroyed by UN Mine Action Team since the beginning of demolitions in 2007, according to UNICEF.

### **Nepal-US trade talks begin**

Nepal and the United States has begun talks on trade, investment and formation of a council to strengthen economic ties and give new impetus to trade and investment between the two countries. Visiting Commerce Secretary Purushottam Ojha, who led the Nepali trade delegation for negotiations, discussed on various trade-related issues and Nepal's concerns on market access in the US with the senior White House officials. They had met with Assistant Secretary of State Robert Blake and Deputy Assistant Secretary of Program Bureau William Craft. During the talks, the Nepali side pushed for duty-free entry facility for Nepali goods, including the readymade garment, to the US and requested technical assistance for trade development. The US officials, on the other hand, requested Nepal to improve business environment in the country so that the US companies based in South Asia could expand their operations in Nepal. They also suggested the Nepali officials to work for attracting US multi-national companies based in South Asia, instead of seeking direct investment and businesses from the investors based in the US territory. They also Nepal has higher chances of getting businesses and

investment from the US business units operating in the South Asia than those based on the other side of the Atlantic. Most of the US multi-national companies in the region have their bases in India. Blake and Craft also asked the Nepali authorities to do away with problems like political instability, labor unrest, power crisis, infrastructural bottlenecks and fragile security situation. Unless these constraints are addressed, they said Nepal will not get substantial investment from the US.

- Nepal pushes for zero-tariff facility
- Seeks more US investment
- US seeks end of instability, labor unrest, power crisis

The US officials suggest that Nepal should focus on expanding export basket and diversify trade, instead of relying on a single product -- particularly readymade garment -- to address unemployment problems and reduce trade deficit. Contrary to the US officials' statements, local manufacturers, however, have been saying that the industry can still bounce back provided that they get duty free market access facility in the US. The Nepali delegation has included zero tariff facility for garment as one of its agendas for talks. The delegation also pushed for duty-free facility on coffee, pashmina, woolen carpet and tea, among others. Apart from discussing on these facilities, the two sides are scheduled to hold article-wise talks on Trade and Investment Framework Agreement (TIFA) on Tuesday, when they will meet senior officials of US Trade Representative (USTR). In the TIFA, the two sides will mainly discuss on non-tariff barriers in bilateral trade, ways to promote protection of intellectual property rights and setting up a permanent high-level body that will meet frequently to identify constraints to trade and investment and solve them.

### **Maoists warn Nepal Prez not to become tool of regressive elements**

Naryan Kaji Shrestha 'Prakash', the Unified Maoists' party vice chairman told Janadisha Daily, upon meeting President Ram Baran Yadav, April 5, 2010, that his party leaders who had met the President on Sunday had told him-the President- point blank not to become the tool of regressive elements. "We told the President that the regressive elements have become suddenly active, there is the threat that they could use you as their tool, are you aware of this fact", we asked the President tells Shrestha. "The President told us that he was totally aware of this situation", Prakash continued. "We told the president that the current political deadlock is the result of his decision to reinstate government sacked Army Chief, if he corrects his decision, the deadlock will come to an end...we told him frankly", the Unified Maoists' party vice chairman also told Janadisha daily. "We know that meeting the ceremonial president would lead to no solution, only the unity between the parties would rather end the current dispute", Prakash talking to his party's affiliate paper added. The President had invited the Unified Maoists' Party Chairman Pushpa Kamal Dahal 'Prachanda', acting president of Nepali Congress Sushil Koirala and UML Chairman Jhal Nath Khanal at the presidential secretariat for a dinner, Sunday April 4,

2010. Reportedly, the dinner was organized under the coordination of Padma Ratna Tuladhar and Daman Nath Dhungana, leaders of Civil Society. The meeting lasted for over three hours. During the meeting, Prachanda told President Yadav that the current government has totally failed to fulfill the wishes of people. He also briefed the President that even the parties represented in government are willing to see the formation of a National Unity Government. "Formation of National Unity Government under the leadership of Unified Maoists' Party will end the current deadlock", Dahal assured the President. Daman Nath Dhungana, former Nepali Congress leader told the media that the three leaders made commitments that they would entirely focus on drafting the Constitution on time. Earlier during the day, Prime Minister Madhav Kumar Nepal also met with President Yadav

## **Srilanka**

### **Rajapaksa's Party Claims Victory in Sri Lanka Vote**

Sri Lankan President Mahinda Rajapaksa's coalition claimed victory in parliamentary elections as votes were counted, predicting he would gain a stronger mandate to drive the island's economic growth. The ruling United People's Freedom Alliance won 15 seats in three southern districts, including the president's stronghold of Hambantota, to five for the main opposition United National Party, according to early results from the Election Commission. Rajapaksa spokesman Chandrapala Liyanage forecast the bloc will win about 140 seats in the new assembly, up from 105. The government that wins control of the 225-member assembly for a six-year term will be tasked with extending economic expansion by bringing prosperity to the island's war-ravaged north and east and forging reconciliation with its Tamil minority. Rajapaksa won re-election as president in January by the biggest margin in 16 years after defeating the separatist Liberation Tigers of Tamil Eelam.

"Rajapaksa is seen as a leader who delivers on his promises," said Jehan Perera, director of the National Peace Council advocacy group in the capital, Colombo. "After ending the war, people are now looking at his promise to develop the country."

Sri Lanka's economy is forecast by the central bank to grow by 6.5 percent in 2010, the fastest pace in three years, led by a construction spree and higher farm output and tourism receipts. The Colombo All Share Index is up 16 percent this year, and has almost doubled to a record since the rebels were defeated in May.

## **Displaced Tamils**

Rajapaksa, 64, has pledged to spend \$1 billion annually on ports and roads. In January he said he will submit proposals on a political solution to Sri Lanka's ethnic division after talking with all parties. A two-thirds majority in Parliament would allow him to alter the constitution. Such a result would be a "recipe for authoritarianism," allowing hardliners in the coalition to block the devolution of power, Rohan Edrisinha, director of the Centre for Policy Alternatives, an advocacy and research group, said by phone from Colombo today. "It is shortsighted to have

economic development without political reconciliation," he said. Rajapaksa pledged to establish a united country after a war that killed 100,000. About 76,000 Tamils remain displaced. The main opposition parties abandoned their alliance after the arrest of General Sarath Fonseka, Rajapaksa's main challenger in January's election. The former army chief is before a court martial on charges he violated military and exchange-control laws, allegations he denies. Fonseka is seeking a seat in Colombo for the Democratic National Alliance from military custody. The alliance failed to get any seats in the three districts counted. Repolling will take place in parts of two districts, an official at the Election Commission, Sumanasiri Ekanayake, said in a telephone interview, delaying a final tally

### **Australia: No more Afghan, Sri Lankan refugees**

Australia announced Friday that it would no longer accept refugee claims from Sri Lankans and Afghans, saying the situations in those countries has improved enough that their people may no longer need to seek protection elsewhere. The suspension of refugee claims comes as the government struggles to cope with an influx of illegal boatloads of asylum seekers who have filled an offshore detention center and fueled a political debate over immigration policies. Most of the boat people who reach Australian waters are from Sri Lanka and Afghanistan. "The Australian government believes that asylum seekers should only be granted the right to live in Australia if they are genuinely in need of protection," said a joint statement issued by the ministers for immigration, foreign affairs and home affairs. Foreign Minister Stephen Smith said the decision was sparked by the end of the two-decade civil war in Sri Lanka and the improved situation of minorities in Afghanistan. He said other countries have already stopped processing asylum claims from Sri Lanka, but Australia may be the first to suspend Afghan applications. "People aren't being denied their right to seek asylum but it's been suspended," Immigration Minister Chris Evans told reporters in Canberra. Asylum seekers are a hot-button political issue in Australia, particularly since the current government relaxed immigration policies, reducing the time would-be refugees spend in detention before their applications are processed and dropping a requirement that they must renew their visas every five years. The opposition claims that those changes led to the tenfold increase in illegal boat people in 2009 over the previous year. They say the illegal arrivals drain money and resources and would more than welcome if they applied through the established U.N. refugee process. The Christmas Island detention center - built to hold 800 people - now holds about 1,500 in tents and overflow buildings. In recent weeks, dozens of rejected asylum claimants have been transferred to the mainland to await deportation because of the lack of space at Christmas Island as at least 1,800 more people have arrived by boat this year. Evans said asylum seekers already in Australian detention would have their claims processed. Any arrivals after Friday's announcement would be taken to the Christmas Island detention center until the suspension was lifted or until they could be safely returned home.

Hassan Varasi, a leader of the Afghan community in the southern city of Adelaide, said the government's decision was misinformed. "It's not the right thing to do," said Varasi, who came to Australia by boat in 1991. "In Afghanistan, the situation on the ground is very volatile and that is why the U.S. government decided to send more troops there. It's very contradictory what the Australian government is doing, assuming the situation has changed for the better."

On Thursday, the Australian navy rescued 70 people from a sinking boat in Australian waters in the Indian Ocean. The passengers, who said they wanted to come to Australia, would be the last allowed to file refugee claims with Australia under the new standards.

That boat was the 38th to arrive in Australian waters this year, bringing a total of more than 1,800 asylum seekers. The government also announced stricter punishments against people smugglers and created a new offense of providing material support for people smuggling

### **Sri Lanka official vote result to be delayed: monitor**

The official result from Sri Lanka's parliamentary election could be delayed by a decision to rerun the ballot in two of the country's 22 electoral districts, a private monitor said Friday. The People's Action for Free and Fair Elections (PAFREL) said voter intimidation and attempts to capture polling booths had forced the election commissioner to order the fresh polling. "Only a couple of booths were affected, and the few thousand votes there will not make a big impact on the overall election, but we are told that the declaration of the official final result will be held up," PAFREL chief Rohana Hettiarachchi said. The PAFREL, which is recognised by the Sri Lankan Elections Commission, said the authorities had yet to announce a date for the fresh polling. Early results from Thursday's election showed the ruling party of President Mahinda Rajapakse heading for a comfortable victory, even without the final results from the two affected districts.

### **Island wide results of Sri Lanka general election delayed until completion of re-poll in several centers**

Sri Lanka Elections Department will not officially release the island wide results of the 2010 general election until the final results of the Nawalapitiya electorate in the Kandy district is released after the re-poll in several polling divisions in Nawalapitiya. The Elections Commissioner earlier decided to annul the votes at several centers in Nawalapitiya following complaints of elections malpractices. The Department is to gazette the re-polling at the disputed centers. Meanwhile, results from one of the centers in Kumburupitiya, in Trincomalee District has also been annulled by the Elections Department since a group had forced their way into the center and stolen most of the ballot papers. Election officials said a decision would now be taken if a re-poll will be conducted in the respective center. Apart from those incidences, the overall election was free and fair and peaceful, the election officials told media. However, the election monitors disagreeing with the officials said they will be discussing the malpractices took place with the Election Commissioner

### **Tight security for Sri Lankan poll Thursday**

Thousands of police and military personnel will be deployed across Sri Lanka during Thursday's parliamentary election, an official said. Combined military and police personnel will be deployed

to prevent recurrence of violence that marred the poll campaign since the declaration of the election Feb 9, Xinhua reported Wednesday citing Inspector General of Police Mahinda Balasuriya. "We will be deploying over 55,000 policemen and over 19,000 troops from the three forces," Balasuriya told reporters. In addition, there will be 2,000 elite police special task force troopers on election day duty. Monitors said over 300 incidents of election related violence have been recorded since February. Most of them were due to intra-party clashes among the candidates of the ruling coalition. One death was recorded while over 200 people were arrested for perpetrating violence. Over 14 million people are eligible to vote at over 11,000 polling stations to elect a 225-member parliament for a six-year term.

**SRI LANKAN PRESIDENT MAHINDA RAJAPAKSA'S RULING PARTY SAYS MAY NOT GET TWO-THIRDS MAJORITY; CERTAIN OF VICTORY AT POLLS**

### **Sri Lanka's trade gap widens in January**

Sri Lanka's trade deficit expanded to USD 688.9 million in January this year, an increase of nearly 260 percent from a USD 191.5 million a year ago, the Central Bank said releasing its external sector performance review Thursday for January 2010. The Central bank attributed the widened trade gap to a 3.9 percent decline in earnings from exports which stood at USD 472 million. The expenditure on imports rose significantly by 70.1 percent to USD 1.161 billion, due to increased expenditure on all major categories, particularly intermediate goods led by petroleum imports. Remittance from the Sri Lankan migrant workers in January 2010 grew 12.3 percent over January 2009 receiving USD 289.8 million. The gross official reserves without Asian Clearing Union (ACU) funds, were at USD USD 5.135 million, by end January 2010. Based on the previous 12 month average imports of USD 890 million per month, the gross official reserves, without ACU funds, were equivalent to 5.8 months of imports, the Bank reported.

### **Will President Rajapaksa's family triumph in Sri Lankan elections?**

The polls have opened in Sri Lanka for the first parliamentary vote since government forces defeated the Tamil Tiger rebels last year. President Mahinda Rajapaksa's eldest son, two of his brothers and his cousin are all running for seats in parliament. The family, especially the president and his defence secretary brother Gotabhaya, remain popular as a result of last year's decisive victory in the war against the Tamil Tiger separatists. The president's son Namal is only 23, yet is being groomed for great political things. As Charles Haviland reports for the BBC, the Rajapaksas appear to be forming the latest political dynasty in the country

### **Turnout Low at Sri Lanka Parliamentary Elections**

Three months after his [landslide victory](#) in [Sri Lanka](#)'s presidential election, [Mahinda Rajapaksa](#) sought to solidify his party's hold on power by securing a two-thirds majority in parliamentary elections held Thursday. Candidates and election monitors said that voter turnout appeared to be unusually low, especially given the circumstances: the country was holding its first parliamentary elections since the [Tamil Tiger](#) insurgency was defeated in May 2009. Mr. Rajapaksa was hoping to consolidate his presidential victory with a solid majority in Parliament. He has pledged to take firm steps to unite this ethnically divided and war-ravaged nation once the election is over. But opposition parties accuse him of seeking to turn Sri Lanka, one of South Asia's oldest democracies, into an [effectively one-party state](#) by using state resources to ensure that his party's candidates prevail. Mr. Rajapaksa's main opponent in the presidential contest and a retired army general, Sarath Fonseka, is under arrest and in the midst of a court martial, accused of using his military post to advance his political career. Government officials say that he was plotting a coup. General Fonseka's supporters say that the charges against him were brought to punish him for running against his one-time ally.

Mr. Rajapaksa won the January election handily with 58 percent of the vote, against General Fonseka's 40 percent. The unwieldy coalition of opposition parties that had united behind General Fonseka went their separate ways for the parliamentary election, and most are in disarray. The best they could hope for, analysts said, was to prevent Mr. Rajapaksa's party from winning a sweeping majority that would allow it to rewrite the Constitution. "It is a low turnout poll," said Ravi Karunanayake, a candidate of the main opposition party, the United National Party. "Low turnout is likely to turn out to our advantage." Paikiasothy Saravanamuttu, director of the Center for Policy Alternatives, said the low turnout was most likely a sign of voters' apathy. "It is a paradoxical election," Mr. Saravanamuttu said. "There are 7,600 candidates but they don't seem to have enthused their fellow citizens." Mr. Rajapaksa, who was first elected in 2005 after promising to defeat the Tigers, has pledged to use a large parliamentary majority to take measures to unify the country, which is split along religious and ethnic lines among the Sinhalese Buddhist majority; the minority Tamils, most of whom are Hindu; and a small Muslim population. The Tamil Tiger insurgency sought a separate homeland in northern Sri Lanka. After the Sri Lankan army's decisive defeat of the rebel group, most Tamil parties in Sri Lanka have given up on that dream and hope instead for a measure of self-rule within a united country. But many Sinhalese hard-liners see autonomy as a precursor to independence and want to keep the highly centralized system of government intact. Election-monitoring groups reported sporadic violence in the days before the vote, but election day was largely peaceful, according to the Center for Monitoring Election Violence, based in the country's capital, Colombo.

### **Sri Lanka shares at new record on retail buying**

Sri Lanka's shares hit a new record high on Thursday led by heavy retail buying on hopes over a strong government and political stability after Thursday's parliamentary polls, analysts said.

The All-Share Price Index .CSE of the Colombo Stock Exchange hit a new all-time high of 3,952.45, surpassing its previous high of 3,919.91 hit on Wednesday. It closed 0.77 percent or 30.01 points firmer at 3,939.62. Sri Lankans voted on Thursday in an election likely to further entrench President Mahinda Rajapaksa's political dominance, the first parliamentary poll since last year's end of a quarter-century of war. [ID:nSGE637028]"Heavy retail buying was seen with a strong government hope," said Jaliya Wijeratne, head of institutional sales at SMB Securities.

"But in future, everything will depend on how the next government is going to play its cards on the economy and whether it is going to agree with IMF conditions to continue the loan." Sri Lanka will renegotiate with the International Monetary Fund to revise budget deficit targets upward, after the global lender delayed the third tranche of a \$2.6 billion loan as the country failed to reach the goal set last year. Top listed private lender Commercial Bank of Ceylon COMB.CM closed 1.22 percent at 227.75 rupees, while Asian Hotel Properties AHPL.CM gained 3.5 percent to 142.50 rupees.

### **Sri Lanka poll monitors say some IDPs have lost their votes**

Sri Lanka poll monitoring group, the Center for Monitoring Election Violence (CMEV) has said that Internally Displaced Persons (IDPs) who were previously housed at the Chettikulam welfare camp and later resettled in Kilinochchi have lost their votes.

CMEV Coordinator D.M. Dissanayake has told the media that the IDPs had been brought to the Chettikulam camp only to be told by the officials that they had no vote.

According to the CMEV official, there were long lines witnessed at the Chettikulam polling center.

### **Sri Lanka emergency laws extended**

The dissolved Sri Lankan Parliament on Tuesday extended the emergency laws by another month. The extension came two days before the parliamentary election. Parliament alone has authority to extend the life of emergency regulations and that too for one month. The extension is the second since Parliament was dissolved in February. Emergency has been in vogue since the assassination of the then Foreign Minister Lakshman Kadirgamar in August 2005. Since the military defeat of the LTTE in May last year, some opposition parties have been questioning the need to keep alive the emergency laws. The government's case is that the security forces are engaged in unearthing the sleeping cadres of the Tigers. The State of Emergency was passed with 58 voting for it and 5 against. Members of Tamil National Alliance and the ultra left JVP voted against the motion. The resumed proceedings of the two court martials against the former Sri Lankan Army Commander, General Sarath Fonseka, were adjourned again for a later date. The courts martial were held in Colombo. The first court martial, hearing the charges of participation of General Fonseka in political work while in active service, was adjourned to meet on May 5. According to his lawyer, the proceedings have been postponed following a Court of Appeal order

### **Fears of Rajapaksa dynasty as Sri Lanka vote**

Almost a year after the defeat of the Tamil Tigers, Sri Lanka votes today in parliamentary elections that could expand President Rajapaksa's already vast powers, extend his rule beyond 2017, and lay the ground for a dynastic succession. Mr Rajapaksa's ruling coalition is sure to win the poll, with the opposition in disarray after the arrest in February of General Sarath Fonseka, the former army chief who was runner-up in a presidential election in January. The only question is whether the United People's Freedom Alliance can attain its goal of winning a two-thirds majority, allowing it to make changes to the constitution that could include prolonging Mr Rajapaksa's rule beyond the end of his second term in 2017. The coalition holds 128 seats in the outgoing 225-member parliament, but is expected to increase that number either by winning more seats in the election or persuading elected MPs to cross over after the poll. We must remember that terrorism is over, and only a strong parliament can carry development forward and unite the communities," Mr Rajapaksa told state television today after casting his vote in his home village.

Mr Rajapaksa promises to use a fresh parliamentary mandate to kickstart the island's economy – especially the tourism sector – and address the ethnic Tamil minority's demands for greater autonomy, which sparked the 26-year civil war.

But opposition leaders, human rights groups and many Western officials fear the election will push South Asia's oldest democracy one step closer to authoritarian rule following the controversial presidential poll. The Government has deployed 60,000 constables and kept another 20,000 military personnel on alert to deal with any major outbreak of violence during the nine-hour voting period. Yet independent election monitors still reported dozens of incidents of violence and intimidation – mostly blamed on Mr Rajapaksa's supporters – and said that some Tamils displaced by the war could not vote because of a lack of public transport. "Pro-government supporters are reported to have intimidated voters," D.M. Dissanayake, a spokesman for the Centre for Monitoring Election Violence, said. Critics say that Mr Rajapaksa appears to be planning to extend his own rule, and then to hand power to his son, Namal, who is standing in today's election after graduating from London's City University last year. They point out that dozens of other Rajapaksa clan members are already in parliament or government, with one brother serving as a minister, another as a presidential adviser, and a third as the powerful Defence Secretary. They also accuse Mr Rajapaksa of silencing domestic political opponents and the independent media and extending emergency powers unnecessarily. General Fonseka, who led the victorious campaign against the Tigers only to fall out with the President and resign from the Army last year, has been permitted to run for a parliamentary seat in the capital, Colombo. But he is still in custody in Colombo in the midst of a court martial trial on charges of engaging in politics while still army chief, and breaching regulations in purchasing military hardware. Ranil Wickremesinghe, the former prime minister who heads the largest opposition party, the United National Party, is facing a leadership challenge and party disunity after a series of election losses. The Tamil National Alliance, a former rebel proxy party that had 22 seats in the outgoing parliament, is also expected to lose ground in the election after splitting following the defeat of the Tigers. One faction has sided with the Government, another has abandoned its demand for an independent Tamil state, and the third is seeking a Sri Lankan confederation with Sinhalese and Tamil states.

### **Sri Lanka March tourist arrivals up 53.7-pct**

Apr 08, 2010 (LBO) – Sri Lanka's March 2010 tourist arrivals rose 53.7 percent to 52,352 from a year earlier with more visitors from Western Europe, Middle East and South Asia, tourist promotions office data showed. The tourist arrivals from Western Europe rose 48.6 percent to 21,797 in March 2010 from a year ago with arrivals from the UK up 30.1 percent to 8,559, France up 63.1 percent to 2,872 and Germany up 96.5 percent to 5,305. Arrivals from Western Europe was up 52.3 percent to 69,877, Middle East 106 percent to 7,352, South Asia 53.4 percent to 37,194, Eastern Europe 17 percent 12,655 and North America 63 percent to 9,222.

### **South Asian tourist arrivals rose from 51.7 percent to 12,801.**

Arrivals from India, one the largest tourist markets for Sri Lanka, had shot up 72.1 percent to 8,607 in March 2010. Maldivian arrivals rose 26.3 percent to 3,160 and those from Pakistan went up 44.7 percent to 612 visitors, the data showed. Visitors from the Middle-East rose 138 percent to 2,928, and arrivals from Africa had increased 55.2 percent to 135. Eastern Europe arrivals were up 21.8 percent to 3,421. Arrivals from Russia the largest tourist market from the eastern block were up 10 percent to 1,324, while the total from other Eastern European countries like Czech Republic, Poland, Romania and Ukraine rose 31 percent to 2,097. North American arrivals were up 95 percent to 3,417. Visitors from Canada rose 135 percent to 1,743, and US arrivals were up 65.6 percent to 1,674. From January to March 2010, Sri Lankan tourist arrivals rose 50.3 percent to 160,409.

### **Sri Lanka's Marxist party vows to fight for democracy**

Sri Lanka's Marxist party Janatha Vimukthi Peramuna (JVP) said the party would fight to restore democracy in the country with the little bit of democracy that currently prevails in the country. JVP Leader Somawansa Amarasinghe after casting his vote at the Mayurapadha Pirivena in Pelawatta today (8) said apart from the violence, voters should also keep in mind the blatant violation of election laws that had taken place during election times since 2008. He said the ruling party has been using public money, public assets, state employees, and state media for their campaigns since 2008 in a very immoral manner. "They also attacked and assaulted and even murdered activists of the opposition parties including that of the JVP. We have to consider all this when talking about the election results. Hence, we do not consider any of these elections as a free and fair election," he said. Amarasinghe observed that a country could not move forward under the present situation and that free and fair elections were needed for a country to progress. "It is the government that is tired of free and fair elections, not us. All what we have to say is that we would be in if at least one little bit of democracy exists," the Marxist leader continued. He vowed to fight for democracy and free and fair elections. "The JVP will fight for such elections and until the country is victorious. We would never be subjugated. Our aim is to fight back. We will fight till victory

### **Predicting Sri Lanka general election outcome**

While the winner of Sri Lanka's General Election is a foregone conclusion, the task at hand is to predict the number of seats the ruling UPFA Government is likely to achieve. The objective is clearly to win an outright clear majority to enable and facilitate decision making and as promised

to reduce ministerial portfolios to a bare minimum. Ironically, the man chosen and believed to be “the” person to challenge Mahinda Rajapakse in January’s Presidential Election as the “Common Candidate” three months later has only the JVP to support him. Everyone seems to have deserted him except of course the press statements issued which hardly means anything. All those parties belonging to the Common Alliance are today vying for parliamentary elections separately...for those wise to have read the nature of the common alliance in January and voted according to their conscience, will realize the hypocrisy that prevails. Today, members of the UNF are openly giving reasons as to why people should vote for the UNP instead of the Trophy? In just 3 months we see a total turnaround in what the members of UNF proclaimed. What is interesting to note is how supporters of the UNP who idolized Fonseka in January, have today forgotten that he is contesting alongside the JVP. The golden question is – are they likely to vote for Fonseka instead of the UNP....this is the interesting feature of this general election. How far voters who supported Fonseka’s common candidature for the presidential election is likely to carry forward that loyalty during the general election by casting their vote for the General and the DNA/trophy or will they again prefer to attach themselves to the loosing UNF that is unlikely to see any better forecasts until they realign themselves with a proper leader.

In all probability the UNF supporters of January will be either wondering whether to stick to the traditional voting pattern, or believe that Fonseka can bring about a change despite his alliance with the JVP or even decide to back the UPFA by giving them the benefit of doubt in the promise to reduce cabinet portfolios. Some of the die-hard supporters are likely to refrain from voting altogether. The dark side of the general elections is of course the “manape” war which created in-house conflicts as a result – even the UPFA teams have not been spared and despite strict presidential calls for “teamwork” there have been continued rifts & this may affect voting as well. What most of us hope is that most present ministers who have been mere figureheads and not sincerely carrying out their roles/tasks would be voted out and hopefully a fresh team of people will be included. Bringing in the old lot would again tighten the presidential cuffs into continuing the same portfolios enjoyed earlier with little justice done to the people and their needs. In a post-war peace – the country needs action, planned action, continued action and consistent action. Now if the public sector see themselves as detached from this equation and feel that their salaries, pensions, remunerations matter more than their own productivity and ability and will to provide a better service to the public – they better put their socks up because the public service arguably deserves a good shake up and they need to understand that given that many of them are political appointees at least that appreciation should be translated to doing their job properly. The ills in the education, health sector and even statutory organizations have created immeasurable problems as a result of political appointments. While understanding that political appointments are inevitable the recipients of such appointments are surely expected to at

least in appreciation of the privilege given to them take pains to show how worthy he/she is of the position bestowed upon them. This will to a great extent nullify or reduce the common belief that all political appointees end up destroying the public administration system. However, until such time these political appointees realistically assess their performance and do something about it we are likely to see the education, health and other key areas diminish in their service levels to the public. It is too early to predict who are likely to be top performers at the manape war but posters should not be taken as a key factor to decide. While the ruling government will be anxiously looking forward to an outright majority in parliament, most of us would also encourage the public to clearly make their decision known. Voting for splinter groups hardly helps in matters. Similarly, again the focus will be on how the Tamils will decide to cast their vote. Again we need to wonder whether Tamils will continue to desire to project themselves as being marginalized or desire to belong as Sri Lankan's in a nation that must work towards building up what was lost. The outcome of the presidential elections in January saw a very poor voter turnout by the Tamils in the North. There are several reasons that may explain this – Tamils were voting for the first time in many years, they may not have been interested in voting, they may have wanted to watch and see and then decide, we cannot rule out that some may still feel that their eggs should remain with the LTTE and this would explain if the TNA the mouthpiece of the LTTE are likely to secure considerable voter approval. Yet, the TNA too is divided & it would be interesting if the Tamils are able to judge & decide upon the vast development and changes that the ruling government has embarked upon & of course the efforts taken by the President to converse in Tamil. A good proposition is to finally decide & ensure that no ethnic based political parties contest any election in Sri Lanka, or the public make up their minds not to give their vote to such parties – this would to a great extent reduce the manner politicians manage to fool the voters into building up a scenario that they are being purposely denied rights etc due to their ethnicity. With two major elections likely to be over in 2010 – we can look forward to better times provided of course that the country has a fixed policy internally and externally. A major disappointment is the manner in which we seem to have lost or with poor inactions likely to lose some age-old friends – if Pakistan comes to mind then the Government needs to immediately ensure that they do not forget all those nations that have remained close whatever the odds. It is again reiterated that Sri Lanka may have India as its closest neighbor but we cannot forget at all times that India may not necessarily be a friend and whatever action or inaction India promises in favor of Sri Lanka – it is certainly not without tags that is most likely not to benefit Sri Lanka but certainly serves India's purpose Only. Therefore as a sovereign nation, all governments need to realize that we are not doormats to any foreign nation – including India. Therefore, with a clear policy for how the country should progress with proper targets for each minister, firm directives to all public sector employees, incentives for the

private sector as they largely contribute towards GDP growth, and a firm foreign policy that does not do summersaults for anyone's benefit – Sri Lanka should certainly progress for the better and the people can realistically look forward to good times ahead. The obvious next challenge is eliminating corruption – but one word of thought - corruption exists everywhere – it is a global problem & not confined to third world or developing nations alone

### **Nine new companies to start ventures in Sri Lanka industrial zone in Horana**

Nine new companies are set to start projects at the Horana Export Processing Zone (HEPZ), Sri Lanka's Board of Investment (BOI) announced.

The nine companies, once completed will bring an investment total of US\$ 57.15 million employing 1,221 staff at the Horana EPZ. According to the BOI it is a significant investment in terms of jobs created and the amount of Foreign Direct Investment (FDI) as both will be doubled in number.

Following companies are the new additions to the zone.

- Unilever Sri Lanka (Pvt) Ltd, a UK investment, will be producing food items, soap, and toothpaste. It is an US\$ 40 million investment that will provide employment for 100 workers.
- A Malaysian company Aspic Bio Tea (Pvt) Ltd, will be producing liquid tea and bio tea. It will invest US\$ 2.5 million and provide employment to 49 workers.
- Indian company Cavin Care (Pvt) Ltd, will be produce cosmetic products investing US\$ 650,000 and employing 110 workers.
- Auto Link International (Pvt Ltd), a Sri Lankan enterprise will be engaged in vehicle reconditioning.
- An Indian company Heritage Foods (Pvt) Ltd will be producing food and beverages with US\$ 350,000 invested. It will provide employment for 202 workers.
- Phoenix Industries Ltd is a Sri Lankan plastic personal care and packaging products company will invest US\$ 2 million and employ 55 workers.
- An Indian manufacturer of paper products Nithiya Packaging (Pvt) Ltd will invest US\$ 7 million and employ 350 workers at capacity.
- Hwagin Medical Lanka (Pvt) Ltd is a Chinese manufacturer of disposable syringes representing an investment of US\$ 4.2 million will employ 100 workers.
- A Sri Lankan company, Digital Engineering Lanka (Pvt) Ltd will manufacture anti adhesive oil, concreting and foaming grease, with an investment of US\$ 450,000 and employ 55 workers.

Horana Export Processing Zone, the 385-acre industrial zone located in the Kalutara District commenced operations in November 1999. The HEPZ comprises a complete road network, power supply, treated water supply, telecom facilities, water treatment plants, waste water treatment plants and security services. The current total investment at the HEPZ is US\$ 54 million and its 11 enterprises provide employment to 1,623 workers. These enterprises are involved in the manufacture of garment accessories, essential oil, plastishell products, non ferrous metal recycling, MDF boards, electric power generation, and glassware

### **Sri Lanka Plans to Halve Deficit as Expansion Boosts Revenue**

Sri Lanka plans to nearly halve its fiscal deficit in three years as the end of the island's 26-year civil war spurs economic growth and boosts revenue, Treasury Secretary P.B. Jayasundera said. The budget shortfall is targeted to narrow to 5 percent of gross domestic product by 2012, from 9.7 percent last year and 7.5 percent in 2010, Jayasundera said in an interview at his Colombo office yesterday. "We will not compromise on public investment but revenue will be raised," he said. "As the deficit falls, borrowing from banking sources will disappear." The International Monetary Fund said Feb. 25 it may consider changing a \$2.6 billion loan package to Sri Lanka after government spending to rebuild areas destroyed when ethnic Tamil rebels were routed last year caused the deficit to exceed the lender's target. The Central Bank of Sri Lanka has forecast economic growth of 6.5 percent this year, 7.5 percent in 2011 and 8 percent in 2012. President Mahinda Rajapaksa, whose government faces parliamentary elections tomorrow, has pledged to spend \$1 billion a year to build new roads, ports and power plants. Under the IMF loan approved in July, Sri Lanka is expected to cut its deficit to 6 percent of GDP in 2010, from 7 percent last year, and to reduce it to 5 percent by 2011. Fitch Ratings said last month that Sri Lanka's credit rating may be lowered if the island nation fails to narrow its budget deficit.

### **2010 Budget**

The IMF has said it will decide whether to grant Sri Lanka a third loan tranche of about \$330 million after completing a review of the \$42 billion economy once the government presents its 2010 budget. Sri Lanka's foreign-exchange reserves are at a record \$6 billion, after dipping to \$1.27 billion before the IMF bailout package. "The IMF targets will have to be revised," Jayasundera said. "Now that stabilization is over, the program needs to be more of a buffer to help create growth in the medium-term." The government's delayed 2010 budget is likely to be presented in June, following consultations with the newly elected government, Jayasundera said. "It will be a policy budget, with a new tax regime and growth momentum for the private sector while rationalizing public spending," he said. "Defense and interest expenditure has stabilized." Central bank Governor Nivard Cabraal left interest rates unchanged in March for a fourth straight month, holding the reverse repurchase rate at 9.75 percent, its lowest level since November 2004. Sri Lanka, which usually presents its budget for the calendar year the preceding November, tabled spending estimates for the first four months of 2010 due to the elections

### **Sri Lanka leader appeals to Tamils**

Sri Lanka's president has promised to work towards national unity and reconciliation during a visit to the ethnic minority Tamil heartland in the north of the country. Mahinda Rajapakse visited the town on Jaffna, which was held by the separatist Tamil Tigers for five years, on Thursday as he campaigned for his party ahead of parliamentary elections on April 8. "We should get rid of the ethnic thinking and should not be racists," Rajapaksa told supporters at the Alfred Duraiappa Stadium. "We will be able to solve the issues in the north through the people's participation councils by giving the opportunity to the people to address issues by themselves." Rajapakse was re-elected as president following elections in January, largely on the back of popular support from the country's Sinhalese majority. Despite his resounding victory, he lost out to Sarath Fonseka, the former army chief, in predominantly Tamil areas just months after declaring victory over the Liberation Tigers of Tamil Eelam (LTTE) separatists. "I thank all those who voted at the

presidential election," Rajapakse said."Even though not all voted for me, they participated in a democratic process which will lead to unity and national reconciliation."The LTTE, which fought a 37-year war for an independent homeland in the north and east of the Indian Ocean island, controlled Jaffna until it was forced out by the military in December 1995.However, access to the town remained limited until recently because of fighting between the separatists and government forces elsewhere in the region.Rajapakse said he was keen to establish IT-based industries in Jaffna, 400km north of the capital, Colombo, and spur greater economic development in the area.With the opposition deeply divided following the electoral defeat of Fonseka and then his **detention**, the ruling Freedom Alliance is tipped to win the April 8 polls.

### **Sri Lanka expects leisure to loom larger in FDI**

Telecom and power sectors which accounted for 65 percent of foreign direct investment to Sri Lanka in recent years will play a less dominant role as cash pours into leisure with an upturn in tourism, an official said. In the first quarter of this year around 250 million US dollars have come as foreign direct investments (FDI) compared to 602 million for the whole of last year, Board of Investment chief Dammika Perera said."In the past telecoms and power sector contributed around 60 percent of FDI, while 40 percent came from other sectors," Perera told reporters in Colombo. "In the future the telecoms and power sectors will come down to around 40 percent."

With a pick up in tourism after a 30-year war ended last year, more cash is expected to pour into the sector. Leisure firm have started to expand to increase capacity and about 200 million dollars in investment commitments are expected soon, Perera said. Private power plants supplying the state-run Ceylon Electricity Board have invested 73.6 billion rupees through and generate about 40 percent of the country's power need, BOI deputy director general A M C Kulasekera said. There are 18 telecommunication service providers that have invested 194.6 billion rupees, Kulasekera said

### **Sri Lanka apparel manufactures ready to face loss of GSP+**

Sri Lankan apparel manufacturers are confident that the loss of the European Union's GSP+ tax concession would not affect their industry, a top executive in the industry said. Addressing the media Chairman of Tri-Star Apparel Dr. Kumar Dewapura, said the local clothes manufacturing industry is geared to face the possible outcome, if the GSP+ is withdrawn."The GSP+ tax concession is not a facility that is provided to them, but to apparel exporters to the European Union countries. Therefore, if they withdraw the GSP+ then they will have to negotiate terms with foreign importers and agree upon a reasonable price," Dewapura said. The industry is taking initiatives to reduce their manufacturing capacity and to reduce wastage, he added. The European Union citing Sri Lanka's alleged human rights violations has decided to suspend the GSP+ tariff concession in February. The EU has given six months to allow the manufacturers and traders to adjust to the new rules and to Sri Lankan government a fair opportunity to get the decision reversed. /Meanwhile, Tri-Star Apparels is all set to reopen their factory at Polpithigama. The factory once opened will provide 291 jobs to members of war veterans' families. Tri-Star Apparels is one of the few companies that have already begun to expand to the North and East. With their factory in Trincomalee that employs over 1,000 workers, they have begun to help the

economy in the area to improve. The Tri-star Apparel Group is one of Sri Lanka's largest exporters of clothing to Europe and the USA. Retail giants Wal-Mart, Target, Abercrombie-Fitch and Gap are among its customers in the US.

### **U.S. Donates Demining Equipment to Sri Lankan Army**

The United States Government recently donated demining equipment to the Sri Lanka Army's School of Military Engineering, a press release issued by the U.S. Embassy in Colombo said.

At a ceremony in Embilipitiya, on April 2, the U.S. Embassy's Acting Deputy Chief of Mission Edward Heartney presented Brigadier General Udaya Nanayakkara and Lieutenant Colonel Rajindra Dias with helmets, vests and visors for students of the School of Military Engineering to use during demining training. The donation marks the latest contribution by the U.S. to assist the Sri Lankan Government and Military with demining operations in the North. During the past year, the U.S. has donated over 770 million rupees (\$6.7 million) for demining activities. The donation marked the culmination of a joint project between specialists from the U.S. and Sri Lankan militaries. For 10 days, the U.S. team worked alongside Sri Lankan Army Engineering instructors to develop training exercises to improve the safety and effectiveness of mine clearing activities. "It is a pleasure to be here today to meet some of the people who are currently or will soon be working practically nonstop to clear Northern Sri Lanka of mines so that people can return to their homes safely and as soon as possible," Mr. Heartney said at the ceremony. During his remarks, Mr. Heartney also highlighted the strong partnership between the United States and Sri Lanka. Citing commercial, military, and educational cooperation, Mr. Heartney said, "We are confident that our broad relationship can continue to remain strong just as it has for decades

### **Sri Lanka puts thousands of troops on alert ahead of elections**

Sri Lanka has placed nearly 20,000 troops on alert to bolster police who are trying to stop violence ahead of parliamentary elections. The Centre for Monitoring Election Violence has reported 325 minor incidents of poll related violence in the run up to Thursday's vote. Firearms have been used in about 50 cases. The military is now on stand by to assist 60,000 police officers.

President Mahinda Rajapakse's ruling Freedom Alliance is widely expected to win the parliamentary elections after he was re-elected as president with 58 per cent of the vote in January. It's the first parliamentary elections since his government claimed victory against the separatist Tamil Tigers in May last year.

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