

**SHUMAILA RAFIQ**

**BUSINESS AND POLITICS IN THE MUSLIM WORLD**

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## **Summary:**

### **Bangladesh:**

Bangladesh's ruling Awami League party suffered an unexpected blow Friday when an opposition candidate won a crucial mayoral election in the port city of Chittagong. Chinese Vice President Xi Jinping Tuesday concluded his two-day official visit to Bangladesh and started his trip to Laos, the second leg of his four-nation tour. Visiting Chinese Vice President Xi Jinping met with Khaleda Zia, chairperson of Bangladesh's main opposition Bangladesh Nationalist Party (BNP) on Tuesday in capital Dhaka. Xi highly lauded what Zia has done in pushing the development of relationship between China and Bangladesh.

Myanmar floods and landslides triggered by incessant monsoon rains in Myanmar and Bangladesh have killed more than 100 people. Congressman Peter King has said that the United States is keen to work with the democratic government of Bangladesh and praised various development activities undertaken by Prime Minister Sheikh Hasina. India's Border Security Force (BSF) Thursday rejected a meeting with the Bangladesh Rifles (BDR) at the commandant level over the recent firing along the India-Bangladesh in southern Meghalaya, instead demanding a meeting at the sector commandant level. Indian border guards have asked their Bangladeshi counterparts to maintain status quo in "areas of adverse possession" until a solution is found to boundary dispute between the two countries. The Bangladeshi government will distribute 28 million compact fluorescent lamp (CFL) bulbs among 9.0 million subscribers of 27 districts in an attempt to save at least 300-400 megawatts of electricity a day. Investors and telecom service operators in Bangladesh are worried at the government's move to enact a stringent law against wrongdoing, envisaging arrest without warrant, no scope for appeal and a fine of Taka three billion (\$43.2 million). Bangladesh and China plan to construct a road link via

Myanmar to boost connectivity between the two nations as they seek to deepen bilateral relationship, including space cooperation. Political Uncertainty To Weigh On Economic Recovery. Being effectively closed from investment inflows, Bangladesh has emerged relatively unscathed from the 2009 global financial crisis due to the insular nature of its banking system and strong domestic demand on the back of robust growth in remittances from overseas workers. THE export-oriented garment industries and manpower export, are currently the two main pillars of strength of Bangladesh economy. But both sectors appear to be troubled and unless their problems are immediately addressed, the downturn is certain to invite serious adverse consequences for the economy.

## **Nepal**

Senior CPN-UML leaders have advised Prime Minister Madhav Kumar Nepal not to step down despite growing pressure on him to do so. A senior government minister has ruled out possibility of any further agreement with the Maoists until the latter dissolve, as what he called, their "parallel army". The Asian Development Bank (ADB) Friday approved \$72 million, which includes \$ 60.4 million loan and \$12.1 million in grants, to Nepal for programmes aimed at providing access to poor and isolated rural communities to credit and financial services. Amid rumours of widening rift within the Maoist leadership on who the party should nominate as its prime ministerial candidate, Maoist vice chairman Dr Baburam Bhattarai went on record on Friday saying he was not in the race for the post of the Prime Minister. Speaking at a programme in the capital, Bhattarai said the next government must be under the Unified CPN (Maoist), but he was not going to stake claim on the Prime Minister's post. The government has said it will wait for the decision of the ongoing meeting of the Maoist politburo before it prepares its policies and programmes for the upcoming year. Nepali Congress is considering leading the consensus government to be formed as per a three-week-old agreement among major political parties. Between May 16 to June 17, Sunrise Bank Limited (SRBL) traded the largest number of shares amongst the commercial banks whose shares were traded in Nepal Stock Exchange (NEPSE) during the period. Nearly two dozen Nepali students stranded in violence-hit Kyrgyzstan have been given safe haven in the Indian embassy in the Central Asian country's capital Bishkek, Nepal's official media said Thursday. Work on a controversial high dam by India and Nepal in collaboration continued under tight security in eastern Nepal even as the opposition Maoist party intensified its protests against the mega power project, calling it 'anti-people'. The United States has warned its citizens not to travel to Nepal after months of street protests and political turmoil in the Himalayan nation. The Cabinet Committee on Security (CCS) on Thursday decided to raise 32 more battalions of the Sashastra Seema Bal (SSB) to strengthen security along the Indo-Nepal border in context of the Maoist threat. Figures recently released by Immigration Office, Tribhuvan International Airport (TIA), Kathmandu, Nepal revealed that Nepal received 26,634 visitor arrivals in the month of May 2010, registering an increase of six per cent compared to the same month last year. Traffickers are using their ties to politicians, business persons, state officials, police, customs officials, and border police in Nepal

to facilitate human trafficking, according to the 10th Annual Trafficking in Persons Report, released in U.S capital Washington D.C on Monday.

### **Srilanka**

Sri Lanka's top defence official challenged international rights groups Tuesday to produce evidence of war crimes allegedly committed in the final months of the country's civil war. The Madras High Court is likely to hear a petition seeking the arrest of Sri Lankan Minister Douglas Devananda on Monday. Advocate P Pugalenth, secretary of Tamil Nadu People's Rights Forum, wants the Centre to arrest and prosecute Devananda, who was part of Sri Lankan President Mahinda Rajapaksa's delegation that visited India last week. Sri Lanka showed off its military hardware during a victory parade Friday to celebrate the first anniversary of the defeat of Tamil Tiger rebels, amid growing criticism over alleged rights abuses in the last phase of the quarter-century civil war. Creating, aiding and assisting the separatist agenda in Sri Lanka was for India a necessary evil that annulled any goodwill shared or nurtured between the two nations. A state decision to 'ban' tuition classes in Sri Lanka on Sundays will hurt poor families most as richer people will still be able to bring individual private tutors to their homes, an opposition lawmaker has warned. Sri Lanka is to encourage small farmers tapping rubber to use rain guards to reduce production disruption by rain and provide more supplies for industry helped by high prices, an official said. Sri Lankan tea prices seem to have bottomed out and are likely to gradually rise in future sales as crops come down and global demand remains strong, brokers said. AIADMK chief J Jayalalitha on Friday said the huge Indian financial assistance to Sri Lanka was benefiting the Chinese, who had won all the reconstruction contracts in the country. According to Jayalalitha, India should have used Sri Lankan President Mahinda Rajapaksa's recent visit to India to put things in perspective, rather than merely exchange empty pleasantries.

### **Detailed news:**

#### **Bangladesh ruling party suffers shock defeat in mayoral**

Bangladesh's ruling Awami League party suffered an unexpected blow Friday when an opposition candidate won a crucial mayoral election in the port city of Chittagong. Opposition Bangladesh Nationalist Party (BNP) candidate M. Manzur Alam beat the incumbent ruling party candidate -- who has been mayor for 17 years -- by 95,528 votes, Chittagong election commission official Shafiqur Rahman said. "People responded to our promise of change in Chittagong," Alam told reporters after the initial results were announced. The BNP, which is currently boycotting parliament and has called a protest strike on June 27 to try to bring down the government, said their Chittagong victory signaled widespread discontent with the AL's "misrule". "The AL have failed to resolve the power crisis or spiralling inflation on essential goods and the people have seen this," BNP secretary general Khandakar Delwar told reporters.

The result marks the first loss of a key position for Prime Minister Sheikh Hasina's Awami League 18 months after it won a landslide victory in parliamentary elections that ended two years of military rule. "This defeat is a signal for the government, we accept the result, we realise that the people have spoken and we will help the new mayor as best we can," said Obaidul Kader, a senior AL leader. Local observers said the election was largely peaceful with no major allegations of vote rigging although minor scuffle erupted Thursday night between the opposing candidates' supporters, leaving some injured. Bangladeshi politics has long been dominated by Sheikh Hasina and BNP chief Khaleda Zia, who have maintained a debilitating rivalry for decades. In all four national elections since democracy was restored in Bangladesh in 1991, the losers never accepted the results and began a series of protests and strikes immediately after the polls.

### **Xi Jinping meets with leader of Bangladesh's main opposition party**

DHAKA, June 15 (Xinhua) -- Visiting Chinese Vice President Xi Jinping met with Khaleda Zia, chairperson of Bangladesh's main opposition Bangladesh Nationalist Party (BNP) on Tuesday in capital Dhaka. Xi highly lauded what Zia has done in pushing the development of relationship between China and Bangladesh. Xi said, "China and Bangladesh are good neighbors. This year is the 35th anniversary of establishment of diplomatic relationship between the two countries." "No matter how the domestic and international situation changes, the relationship between China and Bangladesh always maintain healthily and well," Xi said. Xi said the two countries are supporting and respecting each other on politics and benefit each other on economy. "We are seeking common development and we have made a lot of achievement in cooperation of many areas," he said. Xi said China appreciates very much the precious support Bangladesh has given relating to Chinese core interests like the issues of Taiwan, Tibet and Xinjiang. The Chinese vice president said China supports the economic development of Bangladesh and will continue to try its best to help the southasian country. "We will continue to encourage and support some big Chinese companies to be involved in the important development projects in Bangladesh and try to finance the bilateral cooperative projects," he said.

"We believe with the joint efforts of both sides, the closer comprehensive partnership of cooperation from the strategic perspective and on the basis of the principles of longstanding friendship, equality, and mutual benefit will make new progress and benefit both peoples," he added. Xi said for a long time communist party of China has maintained good relationship with all parties in Bangladesh including BNP. "We would like to promote the relationship with BNP and other parties in Bangladesh based on equality, mutual trust and non- interference and make effort to deepen the relationship between the two countries and two parties," he said. Zia, who was twice prime minister, welcomed Xi to visit Bangladesh on behalf of all the party members and supporters of BNP. She also expressed her good wishes to the Chinese government and the Chinese people. Zia said China is a close and friendly neighbor of Bangladesh. "Bangladesh has always regarded China as an important strategic partner," she said. "We feel very grateful to China for its help for Bangladesh in protecting national sovereignty, independence and

development of economy," she added.Zia said BNP will continue to strengthen the contacts with CPC and will play an active role in promoting the friendship between the two peoples.Before the meeting, Xi Jinping, with the companies of Bangladesh Housing and Public Work State Minister Abdul Mannan Khan and State Minister for Liberation War Affairs ABM Tajul Islam, laid wreath to national monument.

### **Myanmar floods, landslides kill 100 in Myanmar, Bangladesh**

Myanmar floods and landslides triggered by incessant monsoon rains in Myanmar and Bangladesh have killed more than 100 people. In this photo taken Wednesday, June 16, a resident wades through floodwaters in Maungdaw, Rakhine State in the western part of Myanmar.Floods and landslides triggered by incessant monsoon rains in Myanmar and Bangladesh have killed more than 100 people, officials and reports said Thursday.At least 46 people died Tuesday in Myanmar's northern Rakhine state, according to the state-run Myanma Ahlin newspaper. Rescue workers are pulling residents out of the worst-affected areas and trying to open a key road damaged in the torrents. Bridges in the region have also been washed out.State television reported Wednesday that 28 of the people were killed when houses built on mountains collapsed in landslides in Buthidaung, 360 miles (575 kilometers) northwest of Yangon, and 18 others died in Maundaw, south of Buthidaung.Meanwhile, across the border, Bangladesh recovered three more bodies overnight in the southeastern Cox's Bazar district, raising the death toll from powerful landslides to 56, said local magistrate Mohammad Jasim Uddin. Rains in the area have now stopped, he said.Flooding is common in both countries during the monsoon season that typically starts in late May. Cyclone Nargis struck both countries in May 2008, devastating large swaths of Myanmar where it left more than 140,000 people dead or missing

<http://www.csmonitor.com/From-the-news-wires/2010/0617/Myanmar-floods-landslides-kill-100-in-Myanmar-Bangladesh>

### **Chinese vice president concludes Bangladesh tour, starts Laos trip**

Chinese Vice President Xi Jinping Tuesday concluded his two-day official visit to Bangladesh and started his trip to Laos, the second leg of his four-nation tour.In Dhaka on Tuesday, Xi met separately with the country's opposition leader, parliament speaker and president.In talks with Khaleda Zia, chairperson of Bangladesh's main opposition Bangladesh Nationalist Party (BNP), Xi lauded what Zia has done to promote the Sino-Bangladeshi relationship.He said China appreciates very much Bangladesh's precious support on issues concerning China's core interests like the issues of Taiwan, Tibet and Xinjiang.He said China supports Bangladesh's economic development and will continue to do its best to help the south Asian country.Zia said China is a

close and friendly neighbor of Bangladesh. "Bangladesh always regards China as an important strategic partner," she said. Talking with Bangladeshi Parliament Speaker Abdul Hamid, Xi spoke highly of the comprehensive development of bilateral relations since both countries established diplomatic relations 35 years ago. He reiterated China's commitment to work with Bangladesh to push forward their comprehensive partnership of cooperation. He also called on the legislatures of both countries to further strengthen communication and promote mutual understanding. Hamid said the Sino-Bangladeshi relationship is time-honored and all the parties in the Bangladeshi parliament support developing relations with China. In talks with President Zillur Rahman, Xi said the Sino-Bangladeshi relations have stood the test of changes in the world situation and continually move forward. "The cooperation in all areas is very fruitful and has brought real benefits to the two peoples and also plays an active role in maintaining regional stability, peace and development," he added. Xi said the two countries' decision to establish a "Closer Comprehensive Partnership of Cooperation" last March showed the direction for further developing bilateral relationship. Rahman said Bangladesh and China maintain good relationship. He believed Xi's visit will greatly promote the friendship between the two peoples and push bilateral relationship to a new level. On Tuesday afternoon, Xi left Dhaka for Vientiane, capital of the Lao People's Democratic Republic for an official visit. In a written speech at the airport upon his arrival, Xi said China and Laos enjoy profound traditional friendship, and established a comprehensive strategic partnership last year. Laos is the second leg of Xi's four-nation trip on June 14-24, which will also take him to New Zealand and Australia.

[http://news.xinhuanet.com/english2010/china/2010-06/16/c\\_13352527.htm](http://news.xinhuanet.com/english2010/china/2010-06/16/c_13352527.htm)

### **US to work with Bangladesh: Congressman**

Congressman Peter King has said that the United States is keen to work with the democratic government of Bangladesh and praised various development activities undertaken by Prime Minister Sheikh Hasina. King made the remarks during a meeting with PM's Health Adviser Dr. Syed Modasser Ali at Capitol Hill in Washington on Wednesday, a release from Bangladesh mission in the US capital said. The Adviser lauded the role of the US Congress for the cause of democracy in Bangladesh and mentioned the resolutions passed by the US Congress. Modasser expressed the hope that the US Congress will continue its support for Bangladesh. He said the government is committed to graduate Bangladesh to a middle income country by 2021 and sought US assistance in achieving the goal. The Adviser in particular sought the US Congress' support for duty-free access of Bangladesh products to the American market. He briefed the Congressman on various activities in the health sector including establishment of community health clinics and highlighted the importance of the activities on socio-economic development of the country. Modasser mentioned the social impact in the area of fighting the menace of terrorism.

Earlier, the Adviser had a meeting with Atul Keshap, acting Deputy Assistant Secretary at the State Department. Issues pertaining to the interests of the two countries including cooperation in the area of counter-terrorism featured in the discussions.

<http://nation.ittefaq.com/issues/2010/06/18/news0373.htm>

### **Maintain status quo, BSF urges Bangladesh border guards**

SHILLONG: Indian border guards have asked their Bangladeshi counterparts to maintain status quo in "areas of adverse possession" until a solution is found to boundary dispute between the two countries. The Border Security Force (BSF) took up the issue after Bangladesh Rifles (BDR) troopers Tuesday resorted to "unprovoked firing" in different areas of the India-Bangladesh border in southern Meghalaya. "There was a telephonic discussion with them (BDR). We have conveyed to them that the areas (where the firing occurred) belong to India and villagers would continue to cultivate in these patches of land," BSF Inspector General (Assam-Meghalaya) Frontier R C Saxena told reporters. "Till a solution is worked out on areas of adverse possession, our (Indian) villagers would continue to cultivate in these areas," Saxena asserted. At present, there are 551.8 acres of Bangladeshi land in India's adverse possession, while 226.81 acres of Indian land is in Bangladesh's adverse possession. These adverse possession areas were created when the erstwhile East Pakistan and India demarcated the international boundary in the mid-1960s. There are 11 such areas in Meghalaya. While Bangladesh cites documents of 1937, the Indian side relies on land records of 1914 to support its claims. Meghalaya chief minister Mukul Sangma, who was in New Delhi apprised union home minister P. Chidambaram about the BDR's firing. "BDR's action is perceived as an act of terror to displace our people from their habitation," Sangma said. "The government of India should also address the boundary disputes with our neighbouring countries at the earliest in the interest of the local people," he added. The centre must take steps to provide security to the people residing along the India-Bangladesh border, Sangma maintained. On June 4, union home secretary G.K. Pillai said the joint boundary working group of India and Bangladesh would meet next month to resolve the boundary dispute between the neighbouring countries. "We are hopeful that the joint boundary working group will resolve adverse possessions and enclaves and the undemarcated boundary between India and Bangladesh," Pillai added. On Tuesday morning, Bangladesh border guards fired at Indian villagers in Muktapur, Jaliakhola, Naljuri, Amdoh, Amjalong, and Hawaii Tilla areas which are in India's adverse possession in Meghalaya's Jaintia Hills district. Also coming under BDR attack was Pyrdivah village. Under India's adverse possession in Meghalaya's East Khasi Hills district, the village was occupied for several days in 2001 by BDR, which claimed it to be a part of Bangladesh, before they were forced to retreat. Of the 4,098-km-long India-Bangladesh border, Meghalaya shares a 443-km border with Bangladesh, part of which is porous, hilly and unfenced and prone to frequent infiltration. Bangladesh Prime Minister Sheikh Hasina, during her visit to India in January, had agreed to maintain peace and status quo on the border. Meanwhile, a Border Security Force (BSF) official here said the situation along the international border was tense and its troopers have heightened security in the area.

<http://timesofindia.indiatimes.com/City/Guwahati/Maintain-status-quo-BSF-urges-Bangladesh-border-guards-/articleshow/6055188.cms>

### **Rising demand of energy, a serious matter of concern in S Asia**

Energy scarcity in South Asia is likely to increase over time. Demand for energy in all countries of the region has been projected to increase by a substantial amount in 2015. The acceleration in demand for coal, natural gas and electricity in India, Pakistan, Bangladesh and Sri Lanka seems to be putting pressure on these countries particularly regarding ensuring adequate energy for industries and businesses. The demand-supply gap will widen unless domestic supplies are supplemented by imports. Chairperson MHHDC Khadija Haq revealed while talking to Daily Times that economic growth in South Asia has been and continues to be constrained by severe dearth in energy supply, and amongst the main challenges that South Asia faces today meeting an ever-increasing demand for energy is an important one. "In order to meet the growing demand for energy, trade in energy between countries in the region has attracted much importance, and further trade in energy can help increase trade in goods, which would further help enhance human development" she stated. Khadija explained that energy trade of South Asian countries is largely concentrated in the trade of oil, coal and electricity; there is no incidence of trade of natural gas. India substantially imports crude oil (88 percent), refinery products (35 percent), and coal (90.6 percent), followed by Pakistan, which imports these items at 7.9 percent, 41.3 percent, respectively. Export of commercial energy is largely limited but exists to some extent. Whereas Mehboob-ul-Haq Human Development Center (MHHDC) has issued the annual report 'Human Development in South Asia 2009', in which it is revealed that energy consumption in South Asia is abysmally poor compared to neighbouring regions. Energy use in South Asian countries was 662.6 million oil equivalent tonnes with per capita energy use between 0.25 to 1.67 tonnes of oil equivalent. A significant portion of households of the region has no access to electricity, as the electrification rate was less than 50 percent for most of the countries. The report stated that most of the South Asian countries could no longer meet their demand for energy from domestic resources. They will have to opt for importing energy and that too at a time when the worldwide competition for energy supplies is very strong. The availability of energy at an affordable price is likely to emerge as an important challenge towards economic growth. The energy resource endowment of South Asia region is relatively small by world standards. The resource base of natural gas and crude oil for the region is small against the current consumption and projected growth in demand. Coal reserves are limited in the context of the current consumption rate and projected consumption for the next several decades. Nevertheless, the potential for hydro-energy in the region is large. The report points out that Nepal and Bhutan have the potential to generate Hydro Power beyond their foreseeable domestic demand. These two countries are hence in a strong position to contribute to meet the energy needs of the entire region by developing these Hydro Power resources for exports to India, and possibly onwards to Bangladesh and Pakistan. The preferred regional cooperation efforts lie in promoting cross-border electricity trade from the large hydro-electricity resources of Bhutan and Nepal to India or through India to Bangladesh, Pakistan and Sri Lanka. There are also possible opportunities for short-term and long-term exchanges of small

quantities of electricity between adjacent areas in India and neighbouring countries. Any energy trade by surface routes within the region has to pass through India. Transit facilities may also be required if a country proposes to purchase energy in the form of electricity or gas from areas outside the region such as the Middle East. Countries providing transit facilities could also access gas for their use. Currently, Pakistan is considering the relative benefits and costs of three gas pipeline projects linked outside South Asia. Coal is one of the energy fuel resources available in the region in large quantities. Nevertheless, barring India, coal mining has received very little attention in South Asia. The high price of oil coupled with price volatility has led some countries of the region like Pakistan and Sri Lanka to increase the use of coal and lignite into their future energy consumption projections. Cooperation between the countries of the region could involve trading coal, sharing coal-mining experience, and participating in coalmine development in neighbouring countries. Suggestions: Khadija Haq suggested, while speaking to Daily Times that a regional power grid would help facilitate transmission of electricity within the region. Long-term arrangements of power sales to countries other than India would still need the latter's support since the transmission lines would have to pass through India. The sales and purchase arrangements could be finalised by the parties to the transaction without having to resort to lengthy negotiations with governments and government agencies. A gas grid in the region could still help these countries obtain gas from other countries in Central Asia, the Middle East and elsewhere. Significant surplus are available in many countries to the east and west of the region. The creation of a South Asian energy market and the cooperative development of the available diverse energy sources in the region can also help increase the level of energy security in the region and can subsequently contribute to achieving a higher sustained economic growth. This could lead to a South Asian regional power and gas market, and competition among power and gas producers in both public and private sectors that ensures the economic and efficient delivery of services to the consumers in the region.

[http://www.dailytimes.com.pk/default.asp?page=2010%5C06%5C18%5Cstory\\_18-6-2010\\_pg5\\_11](http://www.dailytimes.com.pk/default.asp?page=2010%5C06%5C18%5Cstory_18-6-2010_pg5_11)

### **BSF rejects commandant-level meet with Bangladesh border guards**

India's Border Security Force (BSF) Thursday rejected a meeting with the Bangladesh Rifles (BDR) at the commandant level over the recent firing along the India-Bangladesh in southern Meghalaya, instead demanding a meeting at the sector commandant level. 'There was no point in opening unprovoked firing in all the border out posts. Therefore, we have rejected their (BDR) offer to hold talks at the commandant level and asked for a meeting at the sector commandant level,' BSF Inspector General (Assam-Meghalaya) Frontier R.C. Saxena told IANS. 'An official communique has been sent to the BDR and the BSF was expecting a positive response from our Bangladesh counterparts,' Saxena said. Meghalaya, which shares a 443-km border with Bangladesh, witnessed series of 'unprovoked firing' by the BDR June 15. Prithvi Raj, the former inspector general of BSF (Assam-Meghalaya) frontier had accused 21 BDR battalion

commander, Lt. Col Zahirul Alam of ordering his troops to fire on Indian villagers in areas claimed by Bangladesh but in 'adverse possession of India'. At present, there are 551.8 acres of Bangladeshi land in India's possession, while 226.81 acres of Indian land is in Bangladesh's possession. There are about 11 such areas in Meghalaya with several of them being in the Jaintia Hills and East Khasi Hills district bordering Bangladesh. These adverse possession areas were created when the erstwhile East Pakistan and India demarcated the international boundary in the mid-1960s. Raj had also blamed Alam of being an 'over-enthusiastic officer' which led to the two border guarding forces exchanging fire on a number of occasions this year. Without naming the 21 Battalion commander, Saxena said: 'He is not having the right frame of mind and so a meeting at the commandant level would not be meaningful.' Meanwhile, after Tuesday's firing the villages in the bordering areas are limping back to normalcy. Saxena added that BSF has asked its troop to be on high alert and heightened its vigil in the sensitive areas.

<http://sify.com/news/bsf-rejects-commandant-level-meet-with-bangladesh-border-guards-news-national-kgrvafgdfdf.html>

### **Myanmar and Bangladesh: UNHCR rescues, shelters flood victims**

BUTHIDAUNG, Myanmar, June 17 (UNHCR) – Using speed boats that normally ferry UNHCR staff to remote work sites, the refugee agency has rescued 50 patients from a hospital in western Myanmar from devastating floods, as well as more than 100 children from their inundated homes. Less than 24 hours after the same torrential monsoon rains hit the Bangladesh side of the border, UNHCR on Wednesday also rushed plastic sheeting to some 4,500 Bangladeshis near Cox's Bazar. Their homes had been destroyed hours earlier by floods and mudslides that killed at least 58. Eight UNHCR speed boats – routinely used to reach villages on the many rivers flowing into the Bay of Bengal – were used to rescue 104 children and 121 adults trapped by high water in Myanmar's northern Rakhine State. "The national operators of our boats and their helpers have been enormously brave, especially in rescuing all 50 patients, 20 staff and some important medicine from rapidly rising flood waters in the Buthidaung Hospital," said Dinesh Shrestha, head of UNHCR's field office in Maungdaw. The patients were taken to a school for safety. In the Maungdaw area, some 270 families were forced to leave their homes and had to seek shelter temporarily in two schools. UNHCR distributed blankets and mosquito nets to 212 of them – emptying its stocks in Maungdaw – and the Myanmar Red Cross Society, private donors and others pitched in with help for the rest. Even if they could not return to their own homes because of high water, most families went back quickly to stay with relatives in their own hamlets. UNHCR is coordinating the humanitarian response in northern Rakhine State. Many roads in the state are still under water, and some bridges have been washed away. Three UN refugee agency staff members had to walk nearly four hours to get to work because of mudslides blocking their normal route. Across the Naf River, which forms the border between Myanmar and Bangladesh, Craig Sanders, UNHCR's representative in Bangladesh, observed that "this is the most

devastating natural disaster the people of Cox's Bazar have faced in recent years."He noted that many of them were already living in poverty, with little or no savings. "This disaster will set them back even further," Sanders said, adding: "We will continue to work with the government and other agencies to ensure that the most vulnerable are able to get back on their feet as soon as possible."UNHCR helps the Bangladeshi government operate two refugee camps near Cox's Bazar, home to about 28,500 Rohingya refugees from northern Rakhine. According to government estimates, there are also a further 200,000 Rohingya living in the area who are not registered with UNHCR."Many of the Bangladeshis who have been affected by this calamity have been generously hosting refugees for the past two decades," Sanders said. "We at UNHCR are glad that we can respond to their needs so quickly and assist them in rebuilding their lives."

<http://www.unhcr.org/4c1a1a026.html>

### **Heavy Rain Hits China & Bangladesh**

Heavy rainfall and massive landslides have reportedly killed close to 50 people and injured seven in China. Chinese authorities have taken emergency measures to help the victims of major floods after downpours engulfed Guangxi, Guangdong, Fujian and Hunan earlier this week. And also in the southern coastal area of Cox's Bazar in Bangladesh, major mudslides triggered by heavy rainfall claimed the lives of at least 38 people, according to local media reports with the number expected to climb.Officials were quoted as saying that swift rescue efforts are being impeded because of debris blocking major highways.

[http://www.arirang.co.kr/News/News\\_View.asp?nseq=104063&code=Ne2&category=2](http://www.arirang.co.kr/News/News_View.asp?nseq=104063&code=Ne2&category=2)

### **Bangladesh To Distribute 28 Million Energy Saving Bulbs To Save Power**

Dhaka, Bangladesh (AHN) - The Bangladeshi government will distribute 28 million compact fluorescent lamp (CFL) bulbs among 9.0 million subscribers of 27 districts in an attempt to save at least 300-400 megawatts of electricity a day.Electricity subscribers will get the CFL bulbs by June 30, 2011 in different phases, Power Secretary M Abul Kalam Azad said at a press briefing at his office in the capital, Dhaka on Wednesday.All the energy saving bulbs will be distributed in a single day from 9 am to 5 pm (local time) as part of the government's move to reduce the electricity consumption.Subscribers will be limited to four bulbs, the power secretary said, adding that anybody willing to receive such energy-saving bulb will have to show the latest electricity payment bill and incandescent bulbs as proofs to the distributor at any booth

Read more: <http://www.allheadlinenews.com/articles/7019014589#ixzz0rJH4dEy3>

### **Investors worry as Dhaka plans tough telecom law**

Investors and telecom service operators in Bangladesh are worried at the government's move to enact a stringent law against wrongdoing, envisaging arrest without warrant, no scope for appeal and a fine of Taka three billion (\$43.2 million).

The government Sunday tabled in parliament the Bangladesh Telecommunication (Amendment) Act 2010. Defending the proposed changes, Post and Telecommunications Minister Raziuddin Ahmed Razu said the amendments were required to 'legalise' VoIP (phone calls via internet) business and issue call termination operator licences to generate employment. The minister said if the bill gets through, it would help curb 'illegal use of telecom technology and increase revenue income'. The bill was sent to the parliamentary standing committee on post and telecommunications ministry for scrutiny. The committee was asked to turn in a report in the house within 15 days. Among the recent entrants in Bangladesh's telecom field is India's Bharti Airtel, which acquired a stake in Warid Telecom and will be investing in telecom infrastructure. Hasanul Haq Inu, chairman of the parliamentary standing committee on post and telecommunications ministry, Saturday said the committee would stand against the proposed amendment. 'I don't believe parliament will pass the bill without making it suitable for the industry,' he said. According to The Daily Star newspaper, the bill proposes unilateral changes in clauses in an operator's licence by the regulator and arrest of telecom stakeholders without warrant. It also has a few clauses outlining the way make VoIP business legal. If the bill gets through, telecom operators will not have a chance to appeal against the telecom regulator's decision, the daily said quoting unnamed legal experts. All offences would be considered cognisable. The regulator or police could file a case even on suspicion, and arrest any telecom operator official without a warrant. No official of telecom ministry or Bangladesh Telecommunication Regulatory Commission (BTRC) agreed to comment on the issue, the newspaper said. Telecommunication penetration is only 34 percent in Bangladesh. More than 56 million people now use mobile service while only 1 million people have access to the internet. The European Union, International Telecommunication Union (ITU) and investors in telecom sector in Bangladesh had sought a law that will help increase telecom penetration in the country. But they wanted provisions of harsh punishment dropped. 'Under the law, there is a possibility that the regulator may claim the operator is involved in wrongdoing,' said Oddvar Hesjedal, chief executive of Grameenphone. 'We cannot go for appeal against any decision taken by BTRC. This seems unconstitutional.' Hesjedal said many operators were hesitating to go for 3G (third generation) technology because of the proposed amendment.

'We have to pay for licences and rollout. Under these circumstances, the law could be a fear factor for future investments.' Mahbub Zaman, president of Bangladesh Association of Software and Information Services, said such a law would send a wrong message to the tech savvy generation.

<http://sify.com/news/investors-worry-as-dhaka-plans-tough-telecom-law-news-international-kgol4bhjefa.html>

**Bangladesh, China plan road link via Myanmar, space cooperation**

Bangladesh and China plan to construct a road link via Myanmar to boost connectivity between the two nations as they seek to deepen bilateral relationship, including space cooperation. The two countries will discuss constructing a road link for connecting China with Bangladesh via Myanmar during Chinese vice president Xi Jinping's visit tomorrow, foreign minister Dipu Moni said today. They will also discuss launching of satellite stations during the two-day official visit of the Chinese vice-president that begins on Monday. "There will be discussion on launching of satellite stations in Bangladesh with Chinese assistance," Moni was quoted as saying by the private *bdnews24 online*. The foreign minister said Chinese companies had recently made proposals to help with launching of satellites.

The report, quoting foreign ministry sources, said Bangladesh will be able to collect necessary data on land use and disasters such as cyclone, flood, surge and drought with the satellite. Ashfaqur Rahman, a former Bangladesh ambassador to China, was quoted as saying that the Chinese government in 2007 gave Bangladesh a ground station for launching satellite stations. Sparso, which is under defence ministry, looked after the satellite ground station, he said. The minister told reporters that an agreement on economic cooperation between Dhaka and Beijing would be signed during Xi's visit. In addition, she said, the two sides will also discuss other regional matters during the talks headed by prime minister Sheikh Hasina and Xi.

Moni said the two leaders would also discuss the progress on implementation of the joint communiqué signed during Hasina's China visit.

**[http://www.dnaindia.com/world/report\\_bangladesh-china-plan-road-link-via-myanmar-space-cooperation\\_1395963](http://www.dnaindia.com/world/report_bangladesh-china-plan-road-link-via-myanmar-space-cooperation_1395963)**

### **Bangladesh Business Forecast Report Q2 2010 - New Report Published**

Political Uncertainty To Weigh On Economic Recovery. Being effectively closed from investment inflows, Bangladesh has emerged relatively unscathed from the 2009 global financial crisis due to the insular nature of its banking system and strong domestic demand on the back of robust growth in remittances from overseas workers. However, we believe that 2010 and 2011 will be more difficult for Bangladesh as the textile-focused export sector has failed to gain traction on the tentative recovery in the eurozone and the US, while remittance growth has decelerated due to a decline in overseas demand for Bangladeshi labour. Moreover, the increasingly confrontational attitude by the ruling Awami League (AL) and the opposition Bangladesh Nationalist Party (BNP) has raised concerns about political stability going ahead and could, in our opinion, weigh on business sentiment and capital investment. We see growing risks from the increasingly confrontational tendencies in Bangladeshi politics, which could see a return to the political turmoil that preceded the declaration of emergency in January 2007. The increasing tension between the ruling AL and the opposition BNP erupted into violent street protests in February, leaving one demonstrator dead. We see a risk of escalating tension as the government of Sheikh Hasina Wajed pushes for a ban on Islamist political parties and seeks to discredit the rule of former president Ziaur Rahman, the late

husband of opposition leader Begum Khaleda Zia. We have revised down our real GDP growth forecasts for FY2009/10 (July-June) and FY2010/11 on the back of our expectations that the garment-dominated export sector will struggle amid weak demand in the eurozone and US. Moreover, an impaired labour market in the Middle East is likely to lead to a slowdown in remittance growth, which has boosted private consumption in recent years. Domestic demand should also be affected by a gradual tightening of liquidity conditions by Bangladesh's central bank as inflation rises into double digits in H110. However, we maintain that Bangladesh will remain in a secure balance-of-payments position over our forecast period on the back of the still substantial inflow of remittances and record foreign currency reserves. Bangladesh's score in Transparency International's Corruption Perceptions Index rose from 2.1 to 2.4 between 2008 and 2009, raising it from 147th to 139th place out of 180 countries surveyed. This was largely on the back of institutional and legal reforms implemented by the caretaker government in office between January 2007 and January 2009. A failure by the civilian government of Sheikh Hasina Wajed to uphold this momentum on fighting corruption will likely to impair much needed foreign direct investment (FDI) and domestic capital expenditure.

[http://www.officialwire.com/main.php?action=posted\\_news&rid=159819](http://www.officialwire.com/main.php?action=posted_news&rid=159819)

### **Deepening Sino-Bangladesh relations**

Ever since China extended its diplomatic recognition to Bangladesh in the mid-seventies and opened its embassy in Dhaka, Sino-Bangladesh relations have only improved from strength to strength. Six friendship bridges built by China over mighty rivers, the Banghabandhu International Conference Centre and other structures are the symbols of the friendship and assistance of China to Bangladesh. China has extended substantial grants and loans to Bangladesh as well as technical and financial assistance to many projects of significance for the Bangladesh economy. Its extension of support to Bangladesh in building up and maintaining its defence capabilities is noted with particular appreciation in this country. China has emerged as the biggest source of import of goods for Bangladesh in recent years. Besides, during Bangladesh Prime Minister Sheikh Hasina's trip to China some months ago, the Chinese government offered duty-free entry of about 5,000 Bangladeshi goods to their market. This trading opportunity only needs to be exploited by Bangladeshi companies and exporters. The Chinese Vice President has just ended his two-day visit to Bangladesh. The visit only months after Sheikh Hasina's trip to that country, indicates that the Chinese leadership puts a premium in further strengthening and diversifying relations with Bangladesh. This is a happy augury for both countries.

Understanding on important matters was reached during the Chinese Vice-President's visit including Chinese assistance for building a deep-sea port and assistance in installing a space satellite. The two countries also signed an economic cooperation agreement during the visit under which Beijing will give a grant of 40 million RMB to Bangladesh. Agreements were also reached for the quick disbursement of Chinese aid for the Pagla Water Treatment Plant and Shahjalal Fertiliser Factory. Chinese participation in building the contemplated sea-port at

Sonadia is of very great significance for the Bangladesh economy. Bangladesh will be expected to facilitate regional connectivity enormously from materialising this project and earn handsomely from extending port services to the region as a whole.

The stepped-up activities to bring the two countries closer in different ways should serve as a model of relations between a near superpower and its far smaller but constructively oriented neighbour. The Chinese Vice-President has stressed this factor of Bangladesh being a good neighbour for its pacific intentions and for playing by international norms and regulations and expressed that they are happy to have such a worthy neighbour. For its part, Bangladesh has always considered China to be a friend which has consistently stood by this country in meeting its various needs. Chinese diplomatic help was considered to be particularly helpful for Bangladesh in normalising its relations with Myanmar. For Bangladesh, as it deepens economic relations with China, a significant lookout should be persuading Chinese entrepreneurs to relocate many of their enterprises in Bangladesh. Rising wages in China are pushing these industries into non-competitiveness and their relocation can give them a new lease of life while Bangladesh would also gain in the process. If Bangladesh can make itself the home of the Chinese industries on the wane in different sectors, then as an expert has predicted, it can raise its rate of economic growth to the double-digit level fairly soon and reduce its poverty level substantially in the near future.

[http://www.thefinancialexpress-bd.com/more.php?news\\_id=103279&date=2010-06-17](http://www.thefinancialexpress-bd.com/more.php?news_id=103279&date=2010-06-17)

### **Security of garment industries**

THE export-oriented garment industries and manpower export, are currently the two main pillars of strength of Bangladesh economy. But both sectors appear to be troubled and unless their problems are immediately addressed, the downturn is certain to invite serious adverse consequences for the economy. The garment industries are threatened by a variety of factors. For some years, some non governmental organizations (NGOs) and trade union bodies, have been blamed by the owners and operators of factories for meddling in their affairs. These NGOs have been accused of deliberately fomenting unrest from outside. The reportedly engineered incidents led to a series of vandalising of garment factories in the course of the last couple of years that caused significant losses to equipment, apparel, raw materials and other resources. Although the workers do indeed have grievances over non fulfillment of their demands, it seemed that the majority of them were disinterested to attack the sources from where they earned their living. Law enforcement bodies have on occasions found evidence of external interest groups in fanning unrest. Recently, the NGO Bureau was directed to cancel the registration of some NGOs on these grounds. The owners of garment industries have been pleading for long that the government should extend various supports to them like those their competitors in other countries have received. But so far little has been done in the way of extending such supports in the form of incentives, and policy support that could level their playing field against the foreign competitors.

Even the request to create a special squad out of law enforcement bodies to protect the garment industries exclusively, has been largely ignored. But the moot question is: can the government afford to remain a passive bystander --watching the premier export sector sink?

<http://nation.ittefaq.com/issues/2010/06/17/news0303.htm>

## **Nepal**

### **UML leaders suggest PM Nepal not to resign**

Senior CPN-UML leaders have advised Prime Minister Madhav Kumar Nepal not to step down despite growing pressure on him to do so. During an informal gathering held at PM Nepal's official residence in Baluwatar Friday morning, the UML leaders are learnt to have asked PM Nepal, who is also a top UML leader, not to tender his resignation as the possibility of formation of a consensus government is gradually becoming dim. They were of the view that the current government has a clear majority and it should stay put. The UML leaders gave this suggestion to the embattled PM Nepal at a time when it is being said that he has already made up his mind to resign. The suggestion also contrasts the remark made by UML general secretary Ishwor Pokharel who had said on Thursday that the prime minister is willing to step down in order to give a way out to the deepening political crisis in the country. UML Chairman Jhala Nath Khanal including senior leaders K.P Oli, Bharat Mohan Adhikari and UML ministers in the government were present at the meeting.

### **Energy Minister says no national consensus govt until Maoist 'parallel army' dissolved**

A senior government minister has ruled out possibility of any further agreement with the Maoists until the latter dissolve, as what he called, their "parallel army". Energy Minister Prakash Sharan Mahat said that the Maoists should dissolve their People's Liberation Army (PLA) - the parallel army - by completing the work of integration and rehabilitation of combatants at the earliest. "Until that is not done, there can't be agreement on a national consensus government," Minister Mahat said at a press meet organised in Biratnagar of Morang on Monday. Stating that the Maoists are power hungry, Mahat said they are just looking at ways to get into power and not serious towards completing the main task of the peace process that includes completing the integration and rehabilitation work of the combatants languishing in cantonments. Minister Mahat assured that the current government is very committed to give the country a new constitution within the extended time period and take the peace process to a conclusion.

<http://www.nepalnews.com/main/index.php/news-archive/2-political/6802-energy-minister-says-no-national-consensus-govt-until-maoist-parallel-army-dissolved.html>

### **ADB approves \$72 million for Nepal**

The Asian Development Bank (ADB) Friday approved \$72 million, which includes \$ 60.4 million loan and \$12.1 million in grants, to Nepal for programmes aimed at providing access to

poor and isolated rural communities to credit and financial services. The cluster programme is targeting an increase in credit access to the rural poor from 1 million accounts in 2008 to 1.17 million by 2012 and an increase in women's access to finance from 200,000 accounts to 283,000 over the same period, ADB said. ADB further said that the cluster program aims to remove obstacles to credit access in rural communities by carrying out institutional and policy changes designed to make rural financial institutions more willing and able to provide credit and services to those in need. "The policy and institutional reforms under this phase of the program will transform key rural financial institutions into viable finance intermediaries with a strong client orientation and pro-poor focus, while improving the efficiency and outreach of semi-formal institutions," said Mayumi Ozaki, Finance Specialist, Rural and Microfinance, in ADB's South Asia Department. ADB's loan which will help cover adjustment costs related to the restructuring of key rural finance institutions has a 24 year term, including a grace period of 8-years, with interest charged at 1 percent per year during the grace period and 1.5 percent for the balance of the term. The grant will help fund a sector project to develop a legal framework and regulatory authority to supervise and develop capacity at rural finance institutions. An additional grant of \$200,000 from ADB's Technical Assistance Special Fund will provide capacity support to assist Agricultural Development Bank's transformation. The Ministry of Finance is the executing agency for the programme, which runs through June 2012.

**<http://www.nepalnews.com/main/index.php/business-a-economy/6920-adb-approves-72-million-for-nepal.html>**

### **Bhattarai says he is not in race for PM's post; Poudel, too, sings different tune on govt leadership**

Amid rumours of widening rift within the Maoist leadership on who the party should nominate as its prime ministerial candidate, Maoist vice chairman Dr Baburam Bhattarai went on record on Friday saying he was not in the race for the post of the Prime Minister. Speaking at a programme in the capital, Bhattarai said the next government must be under the Unified CPN (Maoist), but he was not going to stake claim on the Prime Minister's post. Saying that his party's emphasis would be on bringing the peace process to a conclusion and writing the constitution, the Maoist leader informed that his party was yet to formally decide whether to remain in the opposition at a time when the environment for formation of a national unity government has not built. Speaking at the same programme, Nepali Congress vice chairperson revealed that his party was not going to claim government leadership until all the parties pledge their support to it. Poudel, who is being described as a prime ministerial candidate from the NC along with acting president Sushil Koirala and senior leader Sher Bahadur Deuba, also made it clear that Prime Minister Madhav Kumar Nepal would not step down unless the three-point agreement signed on May 28 is fully implemented. Likewise, senior UML leader K.P Sharma Oli accused the Maoists

of creating hurdles in forging political consensus. "As long as the Maoists do not behave sincerely consensus politics is not possible," Oli, a staunch critic of the Maoists, said

### **Govt to wait for Maoist politburo decision**

The government has said it will wait for the decision of the ongoing meeting of the Maoist politburo before it prepares its policies and programmes for the upcoming year. An informal meeting of the council of ministers took this decision on Saturday. Communication minister and government spokesperson Shankar Pokharel said though the government is prepared to present the programmes and policies it is having problems in doing so because of the political uncertainty. The cabinet decision comes at a time when it is coming under heightened pressure to step down to pave the way for a national unity government. Some senior UML leaders have already said the Prime Minister would offer his resignation very soon. The meeting of the Maoist politburo ongoing on at the party headquarters is expected to clarify its position over the future government. Sources said that most of the politburo members have advised the party leadership to stick to its current position that there should be a national unity government led by the party

### **Sunrise Bank trades largest number of shares**

Between May 16 to June 17, Sunrise Bank Limited (SRBL) traded the largest number of shares amongst the commercial banks whose shares were traded in Nepal Stock Exchange (NEPSE) during the period. The SRBL saw a trading of 100,062 units of shares worth Rs 33,411,22 in 1,800 transactions. Bank of Kathmandu (BoK) and Prime Commercial Bank Limited (PCBL) occupied the second and third position respectively in terms of trading the largest number of shares. BoK traded 88,905 units of shares equivalent to Rs 76,257,069 in 893 transactions. Similarly, PCBL saw a trading of 55,323 units of shares worth Rs 26,632,407 in 968 transactions. In terms of average share price, Standard Chartered Bank Limited (SCBL) topped the chart amongst the commercial banks followed by Nabil Bank Limited (NABIL) and Everest Bank Limited (EBL) at second and third position respectively. During the review period, SCBL saw its average share price at Rs 3,140.83. Similarly, the average share price of the NABIL and EBL stood at Rs 2,263 and Rs 15,19.95 respectively. The commercial banks's group traded 848,842 units of shares worth Rs 516,257,574 in 9,282 transactions during the period.

### **Indian embassy shelters Nepali students in Kyrgyzstan**

Nearly two dozen Nepali students stranded in violence-hit Kyrgyzstan have been given safe haven in the Indian embassy in the Central Asian country's capital Bishkek, Nepal's official media said Thursday. Twenty students from Nepal who were studying medicine in the southern city of Osh had found themselves in trouble after ethnic violence broke out June 10, killing nearly 200 people. Rapidly running out of money and fearing for their lives, the students waited

for the Nepal government to rescue them and bring them home. However, the coalition government of Nepal, locked in a fierce power struggle with the opposition Maoist party, has turned a deaf ear to their pleas. The foreign ministry has also pleaded lack of funds and reportedly told the families of the students that they would have to pay for their wards' passage back home. Nepal's official media quoted the guardians of the stranded students as saying that they were sheltering at the Indian embassy in Bishkek. The Nepali embassy in Moscow had learnt about the students from the Indian embassy, the Rising Nepal daily said. In the past too, India, Nepal's southern neighbour, has bailed out Nepalis from trouble-hit countries.

Four years ago, when violence erupted in Lebanon, India helped evacuate Nepalis on Kathmandu's request. The Indian gesture comes even as a section of the Nepali media, as well as the opposition Maoist party, have been flaying the Indian government for alleged attacks on Nepali-speaking people in the northeastern state of Meghalaya.

### **Nepal Maoists intensify anti-dam protest**

Work on a controversial high dam by India and Nepal in collaboration continued under tight security in eastern Nepal even as the opposition Maoist party intensified its protests against the mega power project, calling it 'anti-people'. Fifteen ethnic groups affiliated to the former guerrilla party, who had warned of a 'strong protest movement' from Thursday if survey on the 3,300 MW Sapta Kosi Multipurpose Project was not halted, have submitted a fresh memorandum to Nepal's foreign ministry, saying they would begin a stir if the 'voice of the indigenous people was not heard'. According to the memorandum, the project which envisions building a 269 metre dam would cause 83 villages in Nepal to be submerged. These, the protesters say, contain agricultural land as well as ethnic cultural and religious relics. The groups allege that the project will serve mainly India's interests. However, the protests have failed to stop the ongoing survey. Nepal's Survey Department has completed a map of the project area while presently, a three-member team of geologists from the Geological Survey of India is adding a geological survey to determine the nature of the rocks in the area. The Sapta Kosi project, besides generating hydropower, is envisioned to prevent floods on the Kosi, known as the 'Sorrow of Bihar', provide irrigational facilities and develop a waterway. Though India and Nepal began talks in the early 1940s to develop the multipurpose project and a joint team of experts was formed in 1991, it has been able to hold only six meetings due to the political turmoil in Nepal. A feasibility report by India's Central Water Commission in 1981 recommended building a 269-metre-high dam, which is being opposed by environmentalists, who say it would be hazardous in an earthquake-prone land like Nepal. A joint office was opened in Nepal's eastern Biratnagar town in 2004 to prepare the detailed project report, which was expected in 30 months. However, the report could not be completed due to the security situation in Nepal. Though last month protesters disrupted survey, it has been resumed after Nepal's home ministry pledged stringent security.

Nearly four dozen security personnel have been deployed in Sunsari district, where the survey is on.

### **United States warns against traveling to Nepal**

The United States has warned its citizens not to travel to Nepal after months of street protests and political turmoil in the Himalayan nation. The warning, issued by the State Department, said the United States remains concerned about the security situation in Nepal. The Maoist former rebels shut down the country for more than a week last month protesting against the government. Street demonstrations turned violent with clashes between communist supporters and police. No tourists were harmed during the protests, but a general strike shut down hotels, restaurants and transportation.

<http://www.google.com/hostednews/ap/article/ALeqM5giv0h6xrdMV5aZ5oF-xuWsYhtwZAD9GC7Q580>

### **32 more battalions for Nepal border**

The Cabinet Committee on Security (CCS) on Thursday decided to raise 32 more battalions of the Sashastra Seema Bal (SSB) to strengthen security along the Indo-Nepal border in context of the Maoist threat. Recruitment for half of the proposed 32 battalions (nearly 32,000 personnel) would be over in the next three years. The SSB, the primary border-guarding force, has 35 battalions. Raising the proposed battalions would enable the government to reduce the distance between border outposts along the India-Nepal border, particularly in context of the 'Red Corridor' that the Maoists draw up from the north. As a concerted exercise to ramp up security along the borders, the home ministry is expected to approach the CCS soon to deploy the Border Security Force along the India-Myanmar border. Assam Rifles — a paramilitary force that is under the home ministry's administrative control and the army's operational command — is the designated border guarding force along the border. But the home ministry believes that the border-guarding role did not appear to be as much of a priority for the Assam Rifles, which focused on counter-insurgency operations

<http://www.hindustantimes.com/32-more-battalions-for-Nepal-border/Article1-559296.aspx>

### **Nepali Congress eyeing leadership of next government**

Nepali Congress is considering leading the consensus government to be formed as per a three-week-old agreement among major political parties. Senior Congress leader Kul Bahadur Gurung said he had received information that Prime Minister Madhav Kumar Nepal, who heads the

present CPN (UML)-led government of which Nepali Congress is a part, was going to resign by Friday. “We would first try to form a consensus government, if not we'll go for a majority government,” he added. The Nepali Congress' move comes at a time when the main opposition UCPN (Maoist), which has been demanding formation of a consensus government under its leadership, is facing internal conflict. A faction among the top leaders wants to join the government — be it by consensus or majority — while others do not want to be a part of it.

There are differences on the selection of a prime ministerial candidate also. Though party spokesperson Dina Nath Sharma on Thursday said the party would abide by its earlier decision to let its chairman, Pushpa Kamal Dahal “Prachanda”, lead the government, there are other leaders backing vice-chairman Baburam Bhattarai.

Meanwhile, Mr. Prachanda said political parties have not been able to forge consensus as the “decision-making authority resides elsewhere”, suggesting foreign interference. “If the authority to make decisions reside in the three parties, consensus can be forged soon,” he said on Thursday.

**<http://beta.thehindu.com/news/international/article470063.ece>**

### **Nepal witnesses 26,634 visitor arrivals in May 2010**

Figures recently released by Immigration Office, Tribhuvan International Airport (TIA), Kathmandu, Nepal revealed that Nepal received 26,634 visitor arrivals in the month of May 2010, registering an increase of six per cent compared to the same month last year. A total of 34,964 foreign tourists departed from TIA in May 2010. The number of Nepalese arrivals stood at 47,740, while 64,652 Nepalese departed from TIA in May 2010. The arrivals from South Asian region, except for the arrivals from Sri Lanka, have gained overall positive growth of six per cent with Bangladesh (30 per cent) and Pakistan (26.3 per cent) registering positive growth. Visitor arrivals from India have increased by 4.3 per cent which showed sustained growth this year, except soft decline in the month of April this year. Only Sri Lanka recorded negative growth by 53.7 per cent. China, another major source market, also recorded double digit growth of 35 per cent. Visitor arrivals from Japan have registered a positive growth of 13.9 per cent. However arrivals from Asia (other than South Asia) have marginally declined in the month of May 2010 by 3.7 per cent. Visitor arrivals from South Korea, Malaysia, Singapore and Thailand have registered a negative growth of 14 per cent, 30.3 per cent, 32.7 per cent, and 50 per cent respectively. European markets registered overall positive growth of 10.8 per cent with major source markets showing positive trend in terms of visitor arrivals. Markets in the Western Europe have posted strong growth in the arrival figures. Arrivals from the UK, Germany, Netherlands, Switzerland, Denmark, Czech Republic and Poland are up by 4.9 per cent, 14.2 per cent, and 47.5 per cent, 12.3 per cent, 20.9 per cent, 75 per cent and 278.6 per cent respectively. However, visitor arrivals from France and Italy have marginally declined by 0.7 per cent and 1.9 per cent respectively, while Spain and Sweden are down by 18 per cent and 17.7 per cent

respectively. Arrivals from USA are up by 10.4 per cent but the figures from Australia, New Zealand and Canada have shown negative growth by 9.8 per cent, 2.9 per cent, and 3.2 per cent respectively.

Despite the global economic slowdown Nepal has gained a sustained positive growth in the international tourist arrivals since June 2009. Nepal's major source markets, neighboring markets in particular, India and China have registered double digit growth which is quite encouraging for the tourism entrepreneurs as well.

**<http://www.travelbizmonitor.com/nepal-witnesses-26634-visitor-arrivals-in-may-2010-10653>**

### **Human trafficking refuses to die down in Nepal due to complicity by govt officials: Report**

Traffickers are using their ties to politicians, business persons, state officials, police, customs officials, and border police in Nepal to facilitate human trafficking, according to the 10th Annual Trafficking in Persons Report, released in U.S capital Washington D.C on Monday. However, in a positive light, the report stated that Nepal has made significant efforts to prosecute traffickers despite limited resources. Nepal also maintained its status as a Tier 2 country. The report raises trafficking-related complicity by government officials as a serious problem. "Trafficking-related complicity by government officials remained a serious problem in Nepal, with traffickers using ties to politicians, business persons, state officials, police, customs officials, and border police to facilitate trafficking. Despite these serious concerns, there were no investigations, prosecutions, or convictions of government officials complicit in trafficking," said the report. Releasing the report on Monday in Washington, DC, Secretary of State Hillary Clinton called it "a catalogue of tragedies that the world cannot continue to accept." "Human trafficking crosses cultures and continents," she said. "I've met survivors of trafficking and their families, along with brave men and women in both the public and the private sector who have stood up against this terrible crime. All of us have a responsibility to bring this practice to an end." The report recommends that the Nepal government increase law enforcement efforts against all types of trafficking and against government officials who are complicit in trafficking; institute a formal procedure to identify victims of trafficking and refer them to protection services; and, improve protection services and put in place more effective tracking mechanisms for both sex and labour trafficking cases

## **Srilanka**

### **Sri Lanka challenges war crimes allegations**

Sri Lanka's top defence official challenged international rights groups Tuesday to produce evidence of war crimes allegedly committed in the final months of the country's civil war. Defence Secretary Gotabhaya Rajapakse said those making the allegations should present evidence before Sri Lankan courts instead of talking to the international media. "If there is evidence, it can be brought to the notice of the established Sri Lankan judicial system," Rajapakse told the Sinhalese-language Lankadeepa newspaper. "They can even go through lawyers and inform the police." Sri Lanka has consistently resisted international calls to probe allegations that thousands of Tamil civilians were killed during the final months of fighting against the Tamil Tiger rebels last year. "I challenge them to produce evidence (of war crimes). There is no point in giving photographs and videos to the media. We have an established legal system. Use it," Rajapakse added. His remarks came ahead of visit to the island by UN chief Ban Ki-moon's top political adviser, Lynn Pascoe, and a top Japanese envoy, Yasushi Akashi.

Both envoys are expected to push Sri Lanka to swiftly move towards ethnic reconciliation a year after defeating the separatist Liberation Tigers of Tamil Eelam (LTTE) guerrillas, who were fighting for a Tamil homeland. Ban is due to appoint a panel to advise him on accountability issues in Sri Lanka following wide-spread allegations by international rights groups and Western nations that both sides were responsible for crimes against humanity. The top Sri Lankan army commander at the time, General Sarath Fonseka, has denied any wrongdoing, but has agreed to testify before any war crimes tribunal. Fonseka fell out with the government and quit in November before unsuccessfully challenging President Mahinda Rajapakse's re-election at January polls. Fonseka has since been arrested and faces two courts martial for alleged corrupt deals and dabbling in politics while in uniform. Gotabhaya Rajapakse, who is the president's brother, told the BBC earlier this month that Fonseka would be executed as a traitor if he tried to expose alleged war crimes. The United Nations estimated that 7,000 civilians were killed in fighting in the early months of last year before government troops overwhelmed the rebels and ended the decades-long separatist campaign.

### **Madras HC to hear plea against Lankan minister**

The Madras High Court is likely to hear a petition seeking the arrest of Sri Lankan Minister Douglas Devananda on Monday. Advocate P Pugalenth, secretary of Tamil Nadu People's Rights Forum, wants the Centre to arrest and prosecute Devananda, who was part of Sri Lankan President Mahinda Rajapaksa's delegation that visited India last week. He was declared a proclaimed offender and an absconder by a Chennai court for murder and rioting in Chennai in 1986. He is alleged to have been involved in a shootout in which one person was killed. The Choolaimedu police registered a case in 1987 for offences under various sections of the IPC, including 302 (murder) and the Indian Arms Act. The Kodambakkam police had registered a case against Devananda in 1990 and then the an Additional Sessions Court in Chennai declared Devananda as an absconding accused. According to Sri Lankan media reports, he is expected to claim amnesty under the Indo-Lanka peace accord for the alleged offences committed in 1986 in

Tamil Nadu. "I am not aware that I am a proclaimed offender. If informed legally about it, I will respond to the case. I have been coming to India for medical and personal reasons. The Indo-Sri Lanka accord of 1987 had pardoned several Tamil Sri Lankans," Devananda had told CNN-IBN a few days back. Devananda now enjoys diplomatic immunity in India since he's a state guest.

<http://ibnlive.in.com/news/madras-hc-to-hear-plea-against-lankan-minister/124188-3.html>

### **Sri Lanka marks 1st anniversary of civil war's end**

Sri Lanka showed off its military hardware during a victory parade Friday to celebrate the first anniversary of the defeat of Tamil Tiger rebels, amid growing criticism over alleged rights abuses in the last phase of the quarter-century civil war. The conflict that killed more than 80,000 people ended last May, when government forces crushed the rebels who had fought for a separate state for ethnic minority Tamils, claiming decades of discrimination by the Sinhalese majority. Artillery, tanks and multi-barrel rocket launchers were featured in the parade down Colombo's main thoroughfare, Galle Face, facing the Indian Ocean. Thousands of troops, including disabled soldiers in wheelchairs, joined in. Warplanes and helicopters flew over Galle Face while navy gunships sailed along the coast. Celebrations came as Sri Lanka faced growing international criticism for not examining abuses allegedly committed during the last phase of the war. According to U.N. documents, more than 7,000 civilians died in the last five months of the conflict. Rights groups say they have photographic and video evidence, and have called for war crime investigations. Government troops were accused of shelling a small strip of land where hundreds of thousands of people were boxed-in during the war's final stages. The rebels were accused of killing noncombatants trying to leave the area they controlled and firing artillery from civilian-populated regions that led to retaliatory military fire. President Mahinda Rajapaksa on Friday denied allegations that civilians were targeted during military operations and said offensives were carried out only to wipe out "terrorism." "Not a single bullet was fired at civilians from your weapons," he said in his address to troops at the parade. Rajapaksa last month appointed the "Lessons Learned and Reconciliation Commission" to investigate alleged human rights abuses during the war. Sri Lankan officials have refused calls to establish an international tribunal. The United Nations, meanwhile, plans to appoint a panel of experts to look into human rights issues in Sri Lanka, despite opposition from the government. The panel to be announced next week will advise Secretary-General Ban Ki-moon "on the way forward on accountability issues related to Sri Lanka." Sri Lanka strongly opposes the body's formation with Rajapaksa in March calling it "totally uncalled for and unwarranted." Friday's parade had been planned for last month, but was delayed because of heavy rains and floods. Rajapaksa said only those who hate the country would betray the "heroic soldiers" — an apparent reference aimed at the former army chief who is now in military custody. Sarath Fonseka, the general who led the army to victory

over the Tigers, has pledged to support any investigation into alleged war crimes. He was arrested after he unsuccessfully ran in presidential elections against Rajapaksa in January. He now faces a court-martial for allegedly planning his political career while still in uniform, and breaching regulations in purchasing military hardware. Fonseka's supporters say Rajapaksa is punishing the general for daring to challenge him.

### **India's manipulation of Sri Lanka to hide Tamil Nadu demands for separatism**

Creating, aiding and assisting the separatist agenda in Sri Lanka was for India a necessary evil that annulled any goodwill shared or nurtured between the two nations. In probably a few sentences we can but summarize the outcome and how India fooled Tamil Nadu, while the LTTE fooled the Tamils and the International Community piggybacked to plug its western agenda in Asia while realistically India's designs on Sri Lanka have just started & LTTE was only the appetizer.

### **The difference in Tamil Nadu separatism & LTTE/Prabakaran Eelam**

The root of the problem realistically starts from the argument demanding why Tamil Nadu or any other state in India cannot demand independence from the Indian State on the grounds that India came to be called as it is because the British on arrival in the Indian subcontinent found it easier to govern by consolidating all the current territories (including Pakistan and Bangladesh) into one administrative unit. This single argument obviously must be the reason d'être for several other states fighting to separate from Indian rule.

The first "**Tamil Nadu for Tamils**" Conference was held on 10 December 1939 calling for an **independent Dravida Nadu**. In 1939 Prime Minister Jawaharlal Nehru was quick to make constitutional amendments prohibiting political parties and individuals demanding independence to contest elections. Understanding the scenario at hand it was US Congressman Hon. Edolphus Towns who speaking on 2 October, 1998 declared thus:

*"India is a country made of many nations. It has 18 official languages. While it maintains a democratic form of government, the principles of democracy do not seem to apply where the minority nations are concerned. Tens of thousands of Sikhs, Christian Nagas, Kashmiri Muslims, Dalits, Tamils, Assamese, Manipuris, and others have been murdered by the government, with no apparent difference no matter which party is in power. Currently, there are 17 freedom movements within India's borders.*

*India's breakup is inevitable. I think I speak for most of us here when I say that I hope it happens in the peaceful way that the Soviet breakup did. Otherwise, there is the risk of another Yugoslavia in South Asia.*

*It has been American policy to preserve the current artificial stability in South Asia, but let us remember that we pursued a similar policy with regard to the Soviet empire and it collapsed anyway. The best way to preserve stability, democracy, prosperity, freedom, and peace in South Asia is to get on the side of the peaceful, democratic, nonviolent freedom movements in Khalistan, Kashmir, Nagaland, and the other nations living under Indian rule."*

North Indian dominated India takes much effort to through its influence over media portray a One India motto, yet the reality remains that most Tamils know that they are culturally dominated by Hindians and nothing much has changed over the years.

The tendency with most freedom struggles has been the trend to end up diverting from the actual struggle for separation to turn their struggle into a “profession” with leaders linking up with foreign nations keen to use these struggles to enforce their own agendas. Similarly, the Indian Government was quick to see the need to divert Tamil Nadu nationalism to another terrain and Sri Lanka was naturally its chosen territory.

India could not have been unaware of the growing Tamil Nadu nationalist sentiment which still prevails though artfully dealt with by India’s intelligence and the manipulation of its political parties using their weakness for power and money. It is precisely for this reason that we need to understand the greater difference between the need for Tamil Nadu to liberate from India and the farce for Eelam carried out by Prabakaran and what India will do to not allow separatism to happen in Tamil Nadu. The LTTE sprang into being realistically speaking as a youth movement against the norms of Tamil society. Many of these Tamil youth were from low castes including its leader Prabakaran. Animosity against the systems was what initially fostered hatred and was good enough to gather numbers that was soon hypnotized into upgrading their vent against the thought to be real culprit – a country’s Government. In Sri Lanka’s case this was further expanded to be against the Sinhalese. In the context of the greater Tamil nationalist struggle and freedom of Tamil Nadu, Prabakaran, LTTE and Eelaam must be taken separately. It is on this basis that we tend to question how Eelam can be created in Sri Lanka where there has never been any exclusive area for Tamils and where only 2.4m Tamils actually live (1m of this number presently live overseas) in a world where there are over 76million Tamils of which 66million Tamils live in Tamil Nadu.

Eelaam for Prabakaran was not for all Tamils it was for Tamils who accepted Prabakaran as dictator and only those Tamils who agreed to his type of megalomaniac governance. **What kind of Tamil Eelaam is this where over 95% of Tamils will be excluded from a Tamil homeland, in an area that all Tamils of the world cant even physically congregate?** How can there ever be two Eelams? Just imagine two Tamils representing Eelam in Tamil Nadu and Eelam in Sri Lanka...or two contestants for the Miss World pageant from Eelam Tamil Nadu and Eelam Sri Lanka!

It is the knowledge of this makes us demand why India, the international community, the UN and the NGO/INGO lobbies should side with the LTTE over the Tamil people who were suffering all through the 30 years of LTTE domination. If India had been sincere of its concerns for the Tamil people in Sri Lanka why did India watch children, innocent men and women being brainwashed and turned into killers and child soldiers? This is what we demand an explanation for!

**India never intended for the LTTE to actually create an Eelaam and in the worst case scenario that it did India had a plan for that too.**

India was content to keep the LTTE as a cancer with no cure. Delays would allay any agitation in Tamil Nadu, who was content to outsource liberation for Tamils to the LTTE and to watch how

Prabakaran could create an Eelam. In reality what was being done was to allow Prabakaran to do the dirty work of creating an Eelaam. Prabakaran was merely being used as a proxy fighter head in the larger context of Tamil Nadu nationalism. Had he succeeded in creating Eelam in Sri Lanka he would have possibly been eliminated & Sri Lanka's north would have been the foothold to launch attacks to separate Tamil Nadu.

The Indians were well aware of this or at most would have thought of this possibility for which their plans were already in place. The only faux pas made at all was during the rule of Rajiv Gandhi who stepped outside of the greater plan by agreeing to send in the IPKF which not only embarrassed India (deaths to about 8000 Sri Lankan Tamils and death to over 1000 Indian soldiers) but eventually led to the assassination of Rajiv Gandhi by the LTTE.

India was soon to apply other pressures upon Sri Lanka. By economically engulfing Sri Lanka using the issue of LTTE and the interests of the Tamils, India was able to pressurize Sri Lanka into various agreements and trade pacts over the years. Sri Lanka today ends up being Sri Lankan and buying Indian and it is as a result of this folly by our political leaders that is likely to lead to a future scenario of India possibly looking upon annexing Sri Lanka for with Indian labor working and living in Sri Lanka it would have another argument to be interested and exert pressure on Sri Lanka's Government.

We may celebrate victory over LTTE but victory over LTTE may likely lead to defeat in more important terrains and prove far more dangerous than the LTTE itself. An India that transported its own separatism from Tamil Nadu to provide a balcony view of separatism in Sri Lanka could not have been unaware of the mechanisms that constitute the existence of terrorist entities globally. It is necessarily with this knowledge that India has planned its counter strategies all to its own advantage. While we in Sri Lanka may ponder over what Sri Lanka has lost we need to pay marked attention to what India has been gaining through the conflict period and more importantly in the present context where we must wonder whether our Government has blundered and entered into death traps of late. The incentive and disincentive carrots used by India upon Sri Lankan leaders by and large have always reaped required results. Opening doors to Sri Lankan students, sharing IT expertise, and networking between the corporate worlds provides no challenge or threats to India. However, 20% of Sri Lanka's imports come from India and Indian tourists are also adding to Sri Lanka's increase in tourist numbers. Similarly, 70% calls at Colombo port are from India. Yet, though there are more than 130 flights per week from Colombo to India though visa on arrival is only given to Indians and not provided to Sri Lankans arriving in India.

All through the conflict despite the anti-Indian sentiments amongst Sri Lankan, India has forged ahead with its policy to shroud Sri Lanka – it has today stakes in our oil explorations, it has banks, Indian HR firms, petroleum control and it is now fast pacing its influence into Sinhala territories as well as by and large they now realize the need to move with the Sinhala and Muslim communities as well and that will certainly explain how it will place its officials to carry out a dual role in Hambantota while also keeping an eye on the Chinese. Why would our officials

agree to allowing India to set up offices in Jaffna and Hambantota when the people would anyway have to come to Colombo to take any flight?

How many of Sri Lanka's products raw or manufactured are in profuse that we can cater to the giant Indian market? Of course private sector companies in Sri Lanka can benefit but how much it will actually translate to better the lives of the common masses in Sri Lanka is the question. It appears that many of Indian generosity are largely to counter China's build up in Sri Lanka, South Asia and the Indian Ocean. The general view has been that while China and Pakistan have remained unwavering friends of Sri Lanka, India has preferred not only to play the bully but has preferred to tag along western motives and this view has in fact isolated India from its South Asian neighbors.

The patriotic calls during the LTTE times need now to be translated into actions by our leaders. The patriotic calls led to a nation backing its Government to help it withstand international pressures that warded off any possible plots to militarily send foreign troops over. The people acted as a front strong enough to backtrack any designs to enter and militarily intervene in Sri Lanka.

It is now the turn of the Government to use its strength to make calculated judgment and calculated choices. As custodian of the country and its people it must at all times remember that Sri Lanka is not a cake to be cut and served to foreign nations to do as they please. Whatever fruits are shown on paper is not important as the integrity of the country.

We need a better strategy than having to nullify Indian interference by serving Sri Lanka to other nations. It may balance the scales but long term repercussions are detrimental to the people of Sri Lanka and the present pacts & agreements despite the promised monetary benefits are likely to lead to a country lost or handed over and nothing left to the Sri Lankans. For the Tamils there is Tamil Nadu, for the Muslims there is the Middle East ....where will the Sinhalese belong?

Therefore, our leaders should not end up being turned into Emperor's without clothes by all foreign nations who now seek to have a piece of the Sri Lankan cake!

**<http://www.asiantribune.com/news/2010/06/13/india%E2%80%99s-manipulation-sri-lanka-hide-tamil-nadu-demands-separatism>**

### **Sri Lanka tuition ban will hurt poorer students: lawmaker**

June 18, 2010 (LBO) - A state decision to 'ban' tuition classes in Sri Lanka on Sundays will hurt poor families most as richer people will still be able to bring individual private tutors to their homes, an opposition lawmaker has warned.

Police have already started to 'raid' cheaper mass tuition classes in rural areas like in the Sabaragamuwa and Southern provinces, opposition United National Party lawmaker Mohan Lal Grero said.

## **Provincial Laws**

In Sri Lanka provincial councils make their own laws. Officials have said they want students to attend religious 'Sunday school' instead of tuition classes. Tuition is also 'banned' on *Poya* days, a Buddhist religious holiday that is observed every month. There is also confusion about what each provincial council will do. Some officials have said the law will not apply to students over 15 years of age. Others have said classes conducted after 2.00 p.m will not be 'raided'. Grero says students are going after private tuition because teaching quality of formal schools (which are mostly state-run) is poor, the syllabi is vast and a high school exam needed for university entrance, called advanced level, is too competitive. To prepare students for high school, parents have started giving private tuition from a young age. Grero says extended hours of study for very young children can harm their mental development, something parents and educators should pay attention to. "The advanced level exam is the biggest hurdle in life for any student as it becomes the turning point of his life," Grero, a former tuition master who now runs a private school told reporters. "I was a tutor for some time ago. I always told my students that if the class is having a zero head count for a day I would become the happiest person, as it implies the standards of school education is up."

## **'Free' education**

In 2009, 328,000 students were admitted to the state school system but there were only space for 20,069 students in state universities. In Sri Lanka degree awarding is a state monopoly.

At the last ordinary level national exam 55 percent of students failed, up from 53 percent a year earlier. Though education is technically 'free' parents pay for private tuition due to the poor quality of teaching in schools and the bottleneck at university entrance. Rich parents send their children abroad for university. Some parents mortgage their houses to send children abroad. Lately cheaper cross-boarder institutions have come up, and the government is planning to liberalize tertiary education. Education hit a fresh crisis in 2004, with tens of thousands of graduates who had got a 'free' education at the expense of the people, agitating for and getting lifetime state jobs and pensions from the public as well. A large 'mass class' costs about 300 to 400 rupees a month, students say while an 'individual' private tutor may cost about 3,000 to 4,000 rupees a month. "Again every parent can't come up with this solution as it is very costly," Grero said. The costs may vary depending on the popularity of the teacher and cost of transport. The cost of 'small group' classes fall mid-way. Police cannot raid individual homes, or the homes of the rich and the powerful, as easily as the classes of less well off children which are held in public venues. Students choose tuition masters on the basis of their teaching skills. Popular tuition masters attract hundreds of students for each class. Teachers like Grero also used to give 'free passes' for needy students who asked for them.

## **Frustration**

Grero warns that banning tuition classes on Sundays may increase frustration among students. "The youth in this country have a lot of expectations about their future," Grero said. "Parents are also having big hopes about their children. They push their children to pass the A/L exam with flying colours as the most of them don't have any other wealth to give them." Critics say Sri

Lanka's rulers have had a tendency to interfere heavily into the lives of the people. Rather than restrain the state, which is the intention of a constitution, Sri Lanka's constitution has also progressively enhanced the powers of the state and the executive. Though nominally a democracy, legal analysts have pointed out that the country's constitution lacks absolute guarantees of individual freedom allowing the state to interfere heavily in the lives of ordinary citizens. Since independence from British rule in 1948, Sri Lankan citizens have taken up arms against the government three times, leaving more than 100,000 citizens dead. The Sinhalese majority has taken to arms twice and the Tamil minority once

<http://www.lankabusinessonline.com/fullstory.php?nid=2067091063>

### **Sri Lanka seeks to raise rubber output with rain guards**

June 18, 2010 (LBO) - Sri Lanka is to encourage small farmers tapping rubber to use rain guards to reduce production disruption by rain and provide more supplies for industry helped by high prices, an official said. Plantations industries minister Mahinda Samarasinghe said that in some parts of the island lashed by heavy rains recently tappers were able to tap trees for only five days a month, sharply reducing output. Rubber estates run by government research institutes which used rain guards were able to make good profits, he said. "So we want to make rain guards more available, especially to encourage rubber small holders to use them," he told a news conference. "Then we can increase rubber production, raise farmer incomes while ensuring enough supplies are available for industry." About 72,000 small farmers cultivate rubber on 33,000 hectares in the island while listed plantations companies cultivate another 50,000 hectares. Samarasinghe said even among the plantations firms use of rain guards was inadequate. Sri Lanka's total rubber production is now around 130,000 tonnes and the country is estimated to need 150,000 tonnes by 2015, Samarasinghe said. Small farmers are likely to be the main suppliers of rubber in future, he said. Local consumption of rubber by industry has risen sharply in recent years. In 1980 only 10 percent of rubber was used locally. Today 80 percent of production is used by local industries which have had to cope with record prices in recent months owing to global shortages and rising demand.

### **Sri Lanka tea market seen strengthening**

June 17, 2010 (LBO) - Sri Lankan tea prices seem to have bottomed out and are likely to gradually rise in future sales as crops come down and global demand remains strong, brokers said. Tea prices rose at this week's Colombo auction as volumes fell and quality improved. "With crop intakes from most plantation regions easing, and quality also showing an improvement, we believe that we have seen the bottom of the market and expect auction prices to keep moving up gradually as seen at the recent sales," brokers John Keells said. They reported crops as being "moderate" in all planting districts. "After a run of depressed prices particularly in the month of May, the producers would welcome the ascending prices witnessed at the last two sales," the brokers said. "The current demand seen at the Colombo auctions is a clear indication that global demand is sufficiently buoyant." Low grown teas cultivated in the south mainly by small farmers

met with "excellent demand" at this week's sale, they said. "In spite of the large volumes that we have seen in the recent past, prices for the best on offer appreciated in value, whilst the below best varieties in the leafy category too maintained last levels with the exception of the Pekoe1 grade." Forbes & Walker Tea Brokers said crops seem to be easing in most 'high and mid-grown' elevation planting districts. "Consequently, auction quantities are likely to record a gradual decline in the ensuing sales, particularly in respect of the High and Mid-growns," they said. "Therefore, with a more balanced availability commencing July and through until September, it would be reasonable to conclude that prices would slowly commence to strengthen from now on."

### **Indian aid to Sri Lanka benefiting Chinese: Jaya**

**Chennai:** AIADMK chief J Jayalalithaa on Friday said the huge Indian financial assistance to Sri Lanka was benefiting the Chinese, who had won all the reconstruction contracts in the country. Noting that India has sanctioned Rs 1,000 crore towards reconstruction of the war-ravaged Tamil areas in Sri Lanka, she said that the reconstruction contracts have now been awarded by the Sri Lankan Government to China. "So the Indian taxpayers' money, sent for the benefit of the Tamils of Sri Lanka, is ending up in China's kitty," she said, according to a statement here. Terming as "alarming" media reports that more than 25,000 convict labourers from China have landed in Sri Lanka to execute contract works relating to highways and railways, she alleged that this labour force has been "infiltrated with Chinese spies and intelligence personnel with a specific mandate to commence anti-Indian surveillance and espionage operations".

### **Rajapaksa cautions against 'sympathy for terrorism'**

According to Jayalalithaa, India should have used Sri Lankan President Mahinda Rajapaksa's recent visit to India to put things in perspective, rather than merely exchange empty pleasantries. "A large number of Tamil men-folk have died in the war. Several thousands of able-bodied young men are still interned in concentration camps, branded as suspected LTTE (Liberation Tigers of Tamil Eelam) activists. To expose the hapless and vulnerable remnants of the Tamil population, consisting of the old, the disabled and the womenfolk, to the overtures and excesses of a 25,000 strong prison-labour force from China would be disastrous," Jayalalithaa warned. She demanded that the Indian government act before it is too late. "It has to talk to Sri Lanka, and talk tough," she added.

**<http://sify.com/news/indian-aid-to-sri-lanka-benefiting-chinese-jaya-news-national-kgsrsVhhdeh.html>**