

**BANGLADESH: RECENT DEVELOPEMENTS**  
**(Aug 2005-Mar 2006)**

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August 2005 saw the overt manifestation of large scale violence in Bangladesh, something that the international community was anxiously expecting. It came in the form of terrorism. The months since then have seen the country battle with this phenomenon and achieve some success particularly with the capture of the masterminds that orchestrated these attacks. Insecurity was compounded by the unstable political scenario. With national elections scheduled for January 2007, the issue of caretaker government and reforms was once again brought to the fore. Terrorism provided both major political parties the opportunity to trade allegations of incompetence and complicity to gain public support in the upcoming elections. While the domestic situation was precarious, external relations with important neighbours and major powers improved marginally. Bilateral exchanges with India, Pakistan and China were conducted while anti-terror cooperation with the US and UK have apparently been enhanced. With the arrests of the JMB leaders, a certain pause may have been achieved in this war, but several questions remain. Will this stability last? Would follow up legal and security forces actions lead to a dismantling of terrorist infrastructure? Would substantial political and social reforms be

instituted to return Bangladesh in to a moderate Islamic state?

**I**  
**POLITICS**

The last few months have been months of turmoil as far as domestic political affairs are concerned. Agitations and protests against the government have been abundant as the Awami League and the BNP accused each other of being inefficient and corrupt. The main opposition party (AL) led fourteen party alliance began agitations by boycotting the national dialogue on stopping bomb terrorism sponsored by the BNP. Amidst heightened rhetoric suggesting state collusion in corrupt practices and fostering terrorism, the AL threatened to boycott elections. Prime Minister Khaleda Zia went so far as to warn Sheikh Hasina from employing language that hinted at sedition.

Anti Ahmadiya roiting in Dhaka in December 2005 too was politicised. While the opposition claimed this to be an example of the government's anti-secular policies, the government itself refused to take any action to declare the Ahmadiyas non-muslims. With the rise of terrorism in the disguise of fanatic Islam, the BNP led government has been careful not to

encourage right- wing extremism in the country.

The Awami League eventually returned to Parliament on 12 February 2006 or its continued absence would have rendered it ineligible to function as the opposition. The AL placed proposals for reform in the caretaker government and electoral systems but threatened to resign altogether if the proposals were not carried through. In the wake of the AL's return to Parliament, controversy over registration of voters continues to rage. The AL contends that registration is being manipulated to keep minorities including Hindus out of the voting list. Allegations of government interference in the investigation of graft charges by the Anti Corruption committee only heated matters. The BNP has now chosen to treat the reforms proposals seriously, inviting the Awami League to appoint nominees to discuss the proposals with the government on 20 March. If the two parties do indeed reach a compromise on the proposals then perhaps the domestic political scene will be less tumultuous in the run up to the elections in January 2007.

The inability of the national air carrier Bimaan to meet flight demands, along with serious power shortfalls and the dearth of fertilizers and diesel that has affected boro cultivation, have all ensured that marches and agitations against the government continued.

As oil prices surge and power outages continue, the Bangladesh government has had to put military forces on alert to protect oil depots should the need arise. This precaution testifies to the precarious domestic situation in Bangladesh, where the main political actors continue to trade allegations

instead of joining forces to combat threats to national security.

## **II** **INTERNAL SECURITY**

### *Domestic Terrorism*

Terrorism made its presence felt with over 400 bomb blasts within a span of one hour in 63 of 64 districts in Bangladesh on 17 August. Governmental institutions and areas of public gatherings for official interactions were the main targets. The *Jama'atul Mujahideen Bangladesh (JMB)*, which had only recently been banned by the government, took responsibility for the blasts. Leaflets found on all blast sites called for the creation of a state based on Islamic law and warned the government of increased strikes if it continued to follow man-made laws. These synchronised bombings were the prelude to alarmingly extensive and frequent terrorist activities. Bomb threats and bombing became almost commonplace beginning with five serial bomb blasts at court houses in Chandpur, Laxmipur and Chittagong on 3 October 2005. These blasts left two dead and 38 injured. Handwritten leaflets of the *Jama'atul Mujahideen Bangladesh (JMB)* found at the blast site Chandpur called for the establishment of Islamic rule in the country. On 29 November, suicide bombers killed at least eight people and injured over one hundred in two separate attacks in the Ghazipur and Chittagong court premises. Police arrested a JMB cadre, Iftekhhar Hasan Al Mamun with an unexploded bomb, along with leaflets of the banned outfit after the 29 November attack. This followed a suicide bomb attack on 14 November in Jhalakathi where two senior assistant judges and three bystanders died.

In the wake of these attacks the Bangladesh government entrusted the Rapid Action Battalion (RAB), a special force under the Home Ministry, with the task of identifying and dealing with terrorist elements. RAB operations that continue till date have recovered huge caches of arms and ammunitions which include AK 47s and LMGs, as well as bomb making materials. (RAB seizures are mostly explosives and very few arms) Along with the munitions, RAB has recovered manuals on bomb making techniques and leaflets propagating the JMB call for the establishment of an Islamic state in Bangladesh. While RAB attempts to combat the JMB, terrorist activities continue unabated. Whether or not RAB operations have met with unqualified success remain debatable, what cannot be doubted is the magnitude and complexity of the terrorist network that RAB has unearthed.

The RAB's high profile arrests began with the capture of militant Abdul Awal on November 18, 2005, who was one of the seven members of the highest policymaking body of the outlawed Islamist militant outfit, the Majlish-e-Shura. The arrest of JMB Operations Commander, Aatur Rahman, alias Sunny on 17 December 2005, who is the younger brother of JMB chief Shaekh Abdul Rahman gave investigators an insight into the functioning of the KMB. Sunny alleged that the money for militancy in Bangladesh came from Pakistan, Saudi Arabia, Kuwait, Qatar, Brunei and other Middle Eastern countries for establishing the "Rule of Allah". Islamic NGOs and non-governmental organizations also supported the JMB. JMB's nexus with Islamic militant groups abroad became evident as

bank statements of Moulana Mosud (who was arrested at the Zia International airport for his involvement in the blasts) show that he had received over one crore takas from the UK and the UAE. With Sunny's arrest and the possibility of external funding for the JMB becoming real, the question of Al-Qaeda linkages is becoming persistent.

The arrest of Rakib Hasan Russel alias Hafez Mohammad, also a Shura member on February 28, 2006 near Baitul Mukarram mosque in Dhaka attested to the efficiency of the RAB which had so far been criticised for dragging its heels.

JMB chief Shaikh Abdur Rehman surrendered to RAB officials on 2 March, bringing to end a 34 hour siege by the RAB on the Sylhet house where Abdur Rehman was captured along with his family members. Soon after the arrest of Abdur Rehman, JMB second-in-command Siddiqui Islam alias Bangla Bhai was captured on 6 March from Muktagachcha in Myemensingh district.

Now five of the seven shura members have been captured. The two remaining members of the Shura, Salahuddin alias Salehin ('commander' of the Sylhet-Mymensingh region) and Faruq Hossain alias Khaled Saifullah ('commander' of the Rangpur-Dinajpur region), are still at large.

Investigations have revealed that attacks on writer Humayun Azad and Rajshahi University teacher Prof Yunus were ordered by the JMB as was the suicide bombing in Netrakona on 8 December that killed 8 and injured 50. Sedition cases have been

filed against both Abdur Rehman and Bangla Bhai.

Soon after these high profile arrests, a bloody gun battle took place between JMB cadre and RAB in Comilla on 13 March. At least six JMB men were arrested including a son of JMB commander Shaikh, a regional commander and two suicide bombers. A high alert has been sounded along the border and the BDR has intensified patrolling to capture the two remaining JMB Shura militants.

It is widely suspected that the JMB has links with the *Jamaat-e-Islami* - one of the four parties in the ruling coalition. Arrested JMB operatives have hinted at the active collusion of Jamaat members in aiding terrorists. It is also interesting to note that JMB cadres have previously been involved with the *Islami Chhatra Shibir* - the student wing of the Jamaat. Threatening letters to journalists warned of dire consequences should articles be written against various Islamic organisations including the Jamaat.

The ban on Harkatul Jihad in October 2005, the drafting of a new stringent anti-terror law and the continuing crackdown on JMB operations indicated the will of the leadership to deal with the problem of terrorism seriously. As ties with foreign militant organisations are revealed and the financial network of the JMB comes to be deciphered, it is hoped that militancy in Bangladesh may be dealt with decisively. The emphasis that Western governments have put on the capture and trial of militants may well have provided the political impetus required for swift action.

#### *Small arms trade*

The Army and BDR mounted joint action to seize a huge cache of arms

and ammunition from Naikkhongchhari upazila in Chittagong district on 4 March, destroying two dens of gunrunners in a 36-hour operation on Mirinja hill. Though none of the criminals involved were captured, this arms haul is believed to be the largest in three years in the hilly area close to Myanmar border. The cache includes sophisticated firearms including five AK47 rifles, two M16 rifles, one M1-A1 heavy machinegun, one German-made G3 light machinegun (LMG), one G3 rifle, one 7.62 bore rifle, one heavy SBBL gun, two SBBL guns and one Russian-made sub-machine carbine. Besides, 18 rocket shells, one two-inch mortar, 12 grenades, 47 anti-personnel mines including 27 US-made ones, 31 explosives-charged rocket launchers, one 40mm rocket launcher, 19 SMG magazines, eight M16 rifle magazines, three G3 LMG magazines and 7,000 bullets were recovered from the spot.

While action against illegal small arms smuggling has continued for some time now, the recovery of such a large cache underlines the urgent need to address the issue before it begins to have repercussions on larger anti-terrorism efforts.

### **III** **External Relations**

A flurry of activity marked Bangladesh's external affairs. With SAARC summit in Dhaka to bilateral negotiations with Pakistan and India.

#### *SAARC*

The 13th summit of the South Asian Association for Regional Cooperation took place in Dhaka from 12 to 13 November amidst high security. The summit ended with a vow to combat terrorism and poverty as enshrined in the Dhaka Declaration. Afghanistan became a member of the SAARC while

China and Japan gained observer status. The need to establish SAFTA by 1 January 2006 was emphasized.

*India*

Bilateral relations between the two states have remained strained though efforts to improve relations have been made sporadically.

Natwar Singh's visit to Dhaka in early August was the first ministerial-level visit to Bangladesh since the UPA came to power and focussed essentially on security, bilateral trade, border management, water sharing and the UN reform issue. Though contentious matters including the proposed gas pipeline from Myanmar, illegal immigration and border fencing were discussed and diplomatic statements issued, little headway was made. Natwar Singh's visit was essentially a prelude to future high-level exchanges especially in the wake of the SAARC summit.

A two-day meeting of the Bangladesh-India Joint Working Group on trade issues from 1 to 3 August undertaken to revise the bilateral trade agreement ended without major breakthroughs. Although a 'roadmap' for boosting trade was declared, no detailed work plan was formulated. Bangladesh's efforts to repeal non-tariff barriers including the certification by the Bureau of Indian Standards, quarantine of jute products, mandatory sanitary import permit and labelling saw little headway. Indian requests for withdrawal of the import ban on yarn and sugar through land ports and required certification from Khamar Bari for import of poultry products were also denied.

Issues related to trade impinged on the prospect of energy cooperation between the two states when Mani Shankar Aiyar, Indian Minister for Petroleum and Natural Gas, visited Dhaka on a two day official visit between 4-6 September 2005 and discussed the tri-nation pipeline and other trade related issues. Adviser to the Energy Minister of Bangladesh, Mahmudur Rahman stated that the issues of trade deficit, corridor to Nepal and Bhutan and the pipeline were all related and could not be discussed separately. This stance has led to a stalemate as far as the pipeline project is concerned with India beginning to look at alternative routes for the pipeline. The MoU on Petroleum signed between India and Myanmar during Indian President Abdul Kalam's visit (8-10 March 2006) relates to the export of petroleum gas to India via pipeline or shipping it as LPG. This may well resolve India's energy requirements while bypassing Bangladesh altogether.

Six-day director general level talks between the BDR and the BSF were held in New Delhi in the last week of September. The talks were an extension of border talks between the two sides in attempts to relieve tensions. This round focused on CBMs and the question of fencing the border by the BSF along with other security issues. At a time when the situation along the border is becoming tense with skirmishes being reported almost daily in the Bangladeshi press, the talks helped diffuse tension and further dialogue. Allegations that India was involved in the August bomb blasts across Bangladesh did cast a cloud over the talks.

The Indo-Bangla Joint Rivers Commission met from September 19-20. Although there was no breakthrough in the Teesta water sharing issue, India assured Bangladesh that its multibillion Rupees river linking project would not lead to diversion of water from the Ganges or the Brahmaputra. Both sides agreed to joint inspection by their water ministers of the bordering areas affected by erosion of transboundary rivers. The 36th Joint Rivers Commission also resolved a review of the 'operational implementation' of the 1996 Ganges Water Sharing Treaty. India expressed its willingness to go ahead with the Tipaimukh Hydrological Dam (THD) despite Bangladesh's concerns of reduced water flow. India did, however, agree to provide Bangladesh a detailed plan of the THD and take into account concerns expressed by Bangladesh after reviewing the plans. Although bilateral talks over water sharing seem to be progressing between India and Bangladesh, disagreements over the ratio of water sharing with regard to Teesta and Bangladesh's fears of the consequences of India's river linking project could hamper progress in the future.

Home Secretary level talks between Bangladesh and India in October in New Delhi too were largely inconclusive. The Indian delegation was led by VK Duggal while the Bangladeshi delegation was headed by Sarfaraj Hossain. On the agenda were issues relating to border security, consular access to nationals lodged in the other country's jails, proper implementation of the 1975 border guidelines to allow fencing of the border and checking arms smuggling and cross border crimes. Though an understanding to grant consular

access was reached, little headway was made on other issues. India raised the issue of militant camps in Bangladesh of terrorists operating in northeastern India. Bangladesh refuted the allegation and offered to permit Indian officials to visit the region in order to verify its stance but was reluctant to add this proposition to the minutes of the meeting when suggested by India. These meetings are an indication of how far the two states have yet to travel in order to resolve the numerous issues that plague their relationship.

On 17 December, the Indian Chief of Naval Staff, Admiral Arun Prakash, began a four-day official visit to Bangladesh. The visit was aimed at reopening maritime relations between the two states. The recommendations range from extensive patrolling in the Bay of Bengal to the maintenance of some Bangladesh ports by India. The visit is expected to warm relations between the defence forces of the two states.

The Commanding Officer of the BSF (Malda District) BC Dey stated on 17 December that India and Bangladesh would conduct a joint survey of the Indo-Bangla border in West Bengal's Malda district from December 22. The joint survey seeks to demarcate the international border at places where the rivers have changed their course.

Talks between the Bangladesh government and Indian industrial giant Tata for a proposed \$2.5 billion natural gas project met further hurdles with the government rejecting the \$1 per mcf bid for gas made by Tata. A study report to the Board of Investment in March 2006 suggested that the benefit from the project would be equal to the subsidy extended by

the government if it accepts Tata's bid of \$1 per mcf.

Prime Minister Khaleda Zia made an official three day visit to India from 20-22 March. This was Zia's first official visit to India since the ruling coalition came to power in October 2001. Accompanied by Foreign Minister M Morshed Khan, Finance minister M Saifur Rahman and Foreign Affairs Advisor Reaz Rahman, Zia also led a 40 member strong business delegation, signifying Bangladeshi willingness to improve trade relations with India. The focus of the visit was on reducing the trade gap, address security issues and discuss Bangladesh's concerns over India's river-linking project.

During her visit Zia met with many senior officials and signed two agreements with the Prime Minister of India, Dr Manmohan Singh- the Revised Trade Agreement and the Agreement for Mutual Cooperation for Preventing Illicit Trafficking in Narcotic Drugs and Psychotropic Substances and Related Matters. India and Bangladesh have agreed to cooperate in dealing with the menace of terrorism especially along the border areas and Bangladesh now awaits an interim agreement on the sharing of Teesta water as India has assured that it will consider Dhaka's proposal. The possibility of the creation of a Free Trade Area between the two states was also discussed as a means to reduce the trade gap, while both parties agreed to maintaining high level political dialogue to 'strengthen and consolidate' existing friendly relations. It was apparent that Zia's principal aim of convincing her domestic audience that she had a working relationship with the Indian

leadership could not be substantiated. Hence from her perspective the visit was a failure, just as relations between the two states remain perhaps at their lowest level for many decades.

Even as Zia visited New Delhi, the BDR and BSF traded gunfire on Bodapara border in Panchagarh district on the morning of 22 March. A four hour long gun battle followed alleged unprovoked firing by the BSF. A sector commander level flag meeting was held on 23 March to discuss the incident. Bangladesh's opposition to India's fence building efforts remains strong. While India deems this a necessary step to reduce illegal immigration, Bangladesh sees it as an attempt by India to redraw the border.

#### *Pakistan*

Khaleda Zia, undertook a three day official visit to Pakistan beginning 12 February. This was the first official high-level visit to Pakistan in 13 years, the last was undertaken in 1992 when Zia was in power. Zia visited Pakistan in 2004 to attend the 12<sup>th</sup> SAARC summit. The bilateral visit this year, however, was aimed at strengthening cooperation and enhancing bilateral ties.

Four memorandums of understanding (MoUs) on trade, standardisation and quality control, agriculture and tourism were signed during the course of the visit. The export promotion bureaus of the two countries signed a MoU to examine business and trade conditions in order to identify sectors of mutual interest, and exchange information and publications regarding development of trade relations to facilitate mutual investment. A regular mutual

exchange of economic and commercial information, market research reports and trade directories is to be established between the two. Cooperation in training programmes regarding trade and investment was also agreed upon. Regular working meetings, to evaluate the implementation of the provisions of the MoU are to be held.

The Pakistan Standards and Quality Control Authority and the Bangladesh Standards and Testing Institution on standardisation and quality assurance signed a MoU, under which the two sides agreed to strengthen bilateral cooperation in standardisation and quality assurance and conformance testing and certification. The third MoU, signed between the two countries' agricultural research councils, agreed to enhance cooperation in agricultural science and technology and agricultural production, including livestock and fisheries, through joint activities and programmes. In the MoU on tourism, the two sides agreed to conduct familiarisation tours to each other's countries for travel writers, tourism professionals, academicians and print and electronic media personnel.

The two sides also discussed defence and security cooperation, proposed reforms in the Organisation of Islamic Conference and the United Nations. A proposal to finalize the bilateral free trade agreement by September was also made. Formal talks on the same are expected to begin soon. Islamabad also agreed to introduce a passenger and air cargo service between Dhaka and Karachi. Bangladesh is expected to seek Pakistan's support in demanding duty free access to US markets at the WTO.

### *China*

The year 2005 marked the 30th anniversary of establishment of bilateral ties between Bangladesh and the PRC. Khaleda's visit to Beijing in August 2005, the "year of friendship" was her second bilateral visit since the BNP government came to power. Wen Jiabao, the Chinese Premier, set forth a five-point proposal to enhance relationships during talks with Khaleda Zia. The proposal includes using the 30<sup>th</sup> anniversary to realize common ground reached by the two countries in all fields; exploring new areas for cooperation; strengthening exchanges on high-tech and agriculture; expanding cultural and personnel exchanges; maintaining close cooperation on the reform of the United Nations, south-south cooperation and other major international and regional issues. Although Zia's visit was cut short due to an emergency, the visit emphasized improved bilateral relations following Wen's visit earlier in the year. Direct flights between Dhaka and Beijing were established during Wen's visit, economic cooperation has only grown with China becoming Bangladesh's largest trading partner in March 2006. Bangladesh displayed support for China's observer status in the SAARC even though it did not find favour with India. A push for greater defence cooperation has also been made with Dhaka seeking to buy fighter planes from Beijing. Cordial relations between China and Bangladesh contrast starkly with those with India.

### *International Organizations*

The International Monetary Fund (IMF) reportedly threatened to stop funding if it continued to utilize supplier's credit. Bangladesh Finance Minister Saifur Rehman expressed his displeasure with what he termed as



attempts to take over the driving seat in the reform programme by World Bank and the IMF. On the heels of this report, the IMF was quick to reassure Bangladesh of continued support and lauded its overall macro-economic performance. Complications arising out of the privatization of Rupali Bank may lead the World Bank to defer Development Support Credit (DSC) to Bangladesh. Privatization of Rupali Bank was a condition tagged by the WB and the IMF for releasing the Poverty Reduction Growth Facility and the DSC, which has not yet been met due to a High Court stay order. The World Bank was also unhappy over growing nepotism in the Anti Corruption Commission. The World Bank did however extend credit to Bangladesh though the country had been unable to meet certain requirements. As donor agencies demand that Bangladesh actively reduce corruption and political instability, the government is considering setting up a joint task force comprising government and donor representatives to monitor the utilization of funds.

Having identified Bangladesh as the transport and energy hub of the region, the Asian Development Bank (ADB) has proposed a \$315 million near-commercial annual loan from its Ordinary Capital Resources (OCR) Fund for the next three to five years to help the country manage its debts in a sustainable manner. The loan is expected to be utilized for improving infrastructure to attract more FDI into the country. Coming on the heels of the proposed investment by Tata and Asian Energy to the tune of \$4.5 billion, the loans proposed by the ADB would go a long way towards boosting the Bangladesh economy.

#### *US and UK Offer Counter-Terrorism Cooperation*

Long and short-term solutions to growing terrorism in Bangladesh were suggested by the US on 28 November, following the threat to the American and European missions in Dhaka by a self-proclaimed regional outfit of the Al Qaeda on 27 November. A spokesperson for the US embassy in Dhaka expressed the hope that the US and Bangladesh would jointly tackle the problem on many fronts over a period of time. The British Minister of State for Foreign and Commonwealth Affairs, Dr Kim Howells, in a meeting with Prime Minister Khaleda Zia on 16 November, assured full cooperation and support to Bangladesh to combat terrorism. Following this, investigative teams from both the US and the UK have been working very closely with law enforcement agencies to mount successful counter-terrorism campaigns. At US insistence, the Bangladesh government decided to amend the Anti Money Laundering Act, 2001 adding provisions for identifying bank customers and detecting non-government organisations' funding, to give "teeth" to the law that has punished not a single money-launderer in the country despite numerous allegations. This would go a long way in identifying sources of terrorist funding. Despite reiterating its faith in the Bangladesh government to combat terrorism and close cooperation on the issue, US suspended all Peace Corps activities in Bangladesh fearing a back lash against American citizens in the country.

#### *Asian Highway*

The Bangladesh government decided not to participate in the UN sponsored Asian Highway project despite the

risk of losing economic benefits. The existing route of the Asian Highway that will connect thirty-two Asian countries with Europe has two roads entering into Bangladesh from Benapole and Banglabandha and exiting through Tamabil in Sylhet, having both entry and exit points with India. Bangladesh wants inclusion of the proposed Dhaka-Myanmar direct road via Cox's Bazar to be included in the Asian Highway route. Bangladesh Minister for Communications Nazmul Huda categorically stated that Dhaka would not sign the agreement unless the changes suggested by it were accepted. He said that the UNP had given a commitment to the people that it would not provide a communication route connecting both parts of India no matter what the economic costs were to the nation.

of available resources however, remains a problem.

#### **IV** **Conclusion**

As RAB action against militants continues, the need of the hour is to ensure that proper judicial and investigative procedure is followed during trials. In the past criminals have walked free due to the inability of the prosecution to sustain its arguments. While trials for those apprehended continue, it is also imperative that pressure on militant elements is not let up. The middle rank leadership, if given space, may well be able to garner enough support to resuscitate the terrorist network. With the beginning of dialogue between political actors, it is hoped that the run up to the elections will see a more stable political atmosphere. The problems that plague Bangladeshi economy stem from infrastructural faults. Regional and international organisations have offered aid to remedy these. The proper utilization