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INFLATION RISES

Rate went up 44 basis points to 5.72pc in Apr-Jun compared to previous quarter

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A GREEN SIGNAL?

BCB boss says Mashrafe can keep playing as long as he wants

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'ILLEGAL WEALTH'

Nawaz Sharif faces new pressure after damning graft probe report

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Bleeding from bad loans

Accumulated defaulted loans badly affect banking sector, whole economy

SAJJADUR RAHMAN

Ballooning bad loans are crippling not only the banking sector but also the national economy as a whole as the authorities fail to recoup the loan money from big businesses, many of whom are willful defaulters, analysts say.

The ripple effects reach far and wide. To start with, banks cannot convert savings into loanable funds as they have to keep aside the amount equivalent to the bad loans as provision, which they cannot intend to maintain stability. As a result, banks' cost of funds shoots up and lending rates get higher.

All of this affects the banks' profit margin, scope of business expansion and the plan for job creation, according to experts.

Things are getting worse by the day as borrowers from some leading corporate groups to little-known businesses have been taking away depositors' money, never to return it.

Eight state-run banks are the worst victims as a fourth of their loans have gone bad.

As of April, the accumulated default loans in the economy is Tk 111,347 crore, which is higher than the development spending last fiscal year, as disclosed by Finance Minister AMA Muhiuddin in parliament on Monday. The figure includes the written off loans totaling nearly Tk 40,000 crore.

Bangladesh Bank data show nonperforming loans account for 10.53 percent of the total outstanding loans. But analysts say the figure would have been much higher if loans had not been rescheduled and restructured.

In 2015, for example, the BB allowed large borrowers, with at least Tk 500 crore loans, to restructure their loans. Around Tk 15,000 crore were restructured that year alone.

Analysts say there is no record of anyone being punished for willful defaults. Such inaction is encouraging unscrupulous businesses and individuals to become defaulters willingly.

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Commuters slosh through the partly waterlogged Kazi Nazrul Islam Avenue, one of the busiest thoroughfares in the capital, around 2:00pm yesterday after the city experienced a downpour. The poorly maintained inadequate drainage system cannot handle even a short rainstorm common throughout the monsoon months. See related photos on page 5.

PHOTO: ANISUR RAHMAN

Ex-SP Babul quizzed again

Denies involvement in killing wife

STAFF CORRESPONDENT, CG

Former superintendent of police Babul Akter yesterday reiterated that he had no involvement in the murder case of his wife Mahmuda Khanam Mitu.

He was quizzed for almost four hours yesterday afternoon by the investigation officer of the murder case at the Chittagong Metropolitan Police head-quarters.

Emerging from the IO and Additional Deputy Commissioner (north) Kamruzzaman's room in the evening, he made the claim before journalists.

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CHIKUNGUNYA OUTBREAK

Blame lies with city corporations

Says Nasim, criticises them for failure to control mosquito

STAFF CORRESPONDENT

Health Minister Mohammed Nasim and his deputy Zahid Maleque yesterday blamed the Dhaka South and North City Corporations for the chikungunya outbreak in the capital, saying the two governing bodies failed to control the mosquitoes that spread the disease.

The eradication of mosquito is the responsibility of the city corporations while creating public awareness about the disease is the job of the ministry, they said, adding that it was performing that duty.

The ministry is running a campaign on radio and TV to raise the awareness, Nasim said while speaking as chief guest at a function organised at Osmani Memorial Auditorium marking the World Population Day.

He said they had informed the two mayors of the city corporations about the breeding grounds of mosquitoes in the capital.

The minister then criticised a recent news report that said his ministry was solely responsible for the chikungunya outbreak.

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16TH AMENDMENT VERDICT

JS uproar sparks debate, criticism

STAFF CORRESPONDENT

Lawmakers ignored the rules of procedure of the Jatiya Sangsad by launching a blistering attack on the Supreme Court for scrapping the 16th constitutional amendment that restored parliament's power to remove SC judges for misconduct or incapacity, alleged some civil society members yesterday.

As per sections 53, 63 and 133 of the rules of procedure, parliament cannot hold discussions on the president, judges and the judiciary, said Badiul Alam Majumdar, secretary of civil society platform Shujan.

"It is clearly stated [in the rules of procedure] that questions cannot be raised or adjourn motions cannot be placed in this regard. And the rules of procedure are also law approved in parliament," Badiul said.

"They [MPs] have disregarded the law they themselves made. It is unfortunate if lawmakers do not obey the law."

Eminent jurist Shahdeen Malik too said,

"Parliament does not have the jurisdiction to hold a discussion like that one lawmakers had that day [on Sunday]."

"With this type of discussion following a verdict, I think they [lawmakers] have probably violated the rules they have enacted."

The civil society members were speaking at a roundtable discussion titled "Independence of Judiciary and the Way Out", organised by Shushashonkor Jonno Nagorik (Shujan) and held at the Jatiya Press Club. Shujan President M Hafiz Uddin Khan, also a former caretaker government adviser, was in the chair.

Although organisers said the event was pre-scheduled and had no relation with Sunday's discussion in the House, several speakers focused on the JS uproar.

Senior ministers and MPs from the treasury and the opposition benches on Sunday

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NEWS ANALYSIS

Anger, not totally righteous

SHAKHAWAT LITON

MPs in the Parliament set an unusual example on Sunday by launching a blistering attack on the Supreme Court for scrapping the 16th constitutional Amendment that had empowered the House to remove SC judges on grounds of misconduct and incapacity.

Since 2010, the SC cancelled three more constitutional amendments—5th, 7th and 13th. But in those cases, the SC's jurisdiction was never questioned and it was not made a subject to attack in the Parliament.

The SC has been widely lauded for its verdict scrapping the 5th Amendment that ratified and validated all changes in the constitution and acts done by the first martial law regime. The Awami League MPs called the verdict a "landmark". They had also welcomed the SC verdict cancelling the 7th Amendment that had ratified and validated all acts carried out by the second martial law regime.

The past AL-led government in 2011 used the apex court verdict nullifying the 13th Amendment to abolish the election-time non-partisan caretaker government system which was introduced in 1996 in a volatile political situation.

The 16th amendment was brought to the constitution by

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CHANGE MAKER

Stronger together

Milk cooperative brings solvency to Gaibandha shoal women

K M REZAUL HOQUE WITH ANDREW EAGLE

On the remote shoals in the Jamuna river in Gaibandha district, life is tough. Household dairy farms have long been pursued by village women, in the hope of achieving solvency for their families. But, burdened by distance and isolation, transporting milk to the market has never been easy. Household dairies often operated at a loss. When local NGO SKS Foundation assisted around 2,000 shoal-dwelling women in forming a dairy cooperative the situation changed. Nowadays the future looks bright.

"I used to have a single cow from which I got one and a half litres of milk daily," says Jarina Begum from Tengrakandi Char. "It was always difficult to get a fair price when selling the milk, since the nearest market is five kilometres from my home."

Tengrakandi is one of the several shoals that comprise the three unions of Fulchari, Arendabari and Fazlupur in Fulchari upazila. The communities living there are detached from the mainland year-round. During the monsoon months, country boats are the main means of transport, through the dry season going anywhere means a long, sandy journey on foot.

The dairy cooperative means that milk can now be sold at local collection points, at regulated fair rates. The cooperative has also been able to offer advice to increase output. For the dairy farmers involved, it's an innovation that has made a world of difference.

"Now I have two cows which produce more than four litres of milk a day," says Jarina. "I sell to the cooperative now, for a good price."

Neighbour Rashida Begum's fortunes have similarly improved. "My dairy was a losing concern," she says, "but now we can sell the milk at the cooperative's procuring point for a fair rate."

The advantage is not only the current Tk 32 per litre the cooperative offers, but that the seller is paid in cash soon after the milk is delivered, she explains.

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Tamim pulls out of county

SPORTS REPORTER

The wife of Bangladesh cricketer Tamim Iqbal was the target of an attempted hate crime in the United Kingdom on the night of July 10, leading the cricketer to cut short his stint with county-side Essex Eagles and return home with his wife, a source close to the Bangladesh Cricket Board informed yesterday.

Tamim had only reached Essex on Saturday and played just one of the eight games he was supposed to play. It has been learnt that the left-hander left England last night and is expected to reach Dhaka in the evening today.

It is not yet known exactly where the incident occurred. According to the

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Workers at a milk collection point in Tengrakandi of Gaibandha's Fulchari upazila measure the milk brought in by women dairy farmers for sale. The farmers formed a dairy cooperative to make sure that they get a fair price and local household dairies run on profit. The cooperative of around 2,000 women also offers advice to farmers to increase output. The photo was taken recently.

PHOTO: KM REZAUL HAQUE