

Dhaka to seek GSP Plus from Brussels

10th EU-Bangladesh joint commission meeting starts today

PORIMOL PALMA

Bangladesh will seek to avail the GSP Plus facility, which will provide trade privileges after the country graduates from LDC status, during the 10th EU-Bangladesh Joint Commission meeting beginning in Brussels today.

Bangladesh's other priorities will include assistance for Rohingya repatriation, technology transfer for renewable energy and funds for development infrastructure, they added.

The EU will discuss human rights, democracy, labour rights and green transition at the meeting, officials connected to the meeting said.

Being among the least developed countries (LDCs), Bangladesh currently enjoys zero-duty benefit on exports to Europe under the Generalised System of Preferences (GSP).

After graduation from LDC status however, the GSP will not apply and Bangladesh will have to avail the GSP Plus facility for trade privilege. Bangladesh is set to graduate in 2026 and can continue to avail GSP until 2029.

Economic Relations Division (ERD) Secretary Fatima Yasmin will lead the Bangladesh delegation and European External Action Service Deputy Managing Director (Asia and the Pacific) Paola Pampaloni will lead the EU delegation.

EU Ambassador to Bangladesh Charles Whiteley recently said availing GSP Plus requires ratification and implementation of 32 international conventions on environmental, social and human rights standards. Bangladesh has ratified all of them, which many countries have yet to do, he said.

"Any transition is challenging. Any graduation, in our system that is GSP Plus, inevitably is quite challenging," he told The Daily Star on Thursday.

He added that unlike GSP, the GSP Plus has conditions attached.

"And those conditions are quite closely monitored once that transition happens. We are not monitoring these things intensely now but will start as we approach 2029," Whiteley said.

The joint commission meeting, which usually takes place every two years, is being held after almost three years due to the coronavirus pandemic. The last meeting was held in Dhaka on October 21, 2019.

Ahead of this year's meeting, a team of EU officials from Brussels carried out an official monitoring mission to Bangladesh from March 13-18.

It reviewed the country's progress in the context of enhanced engagement process under the Everything But Arms (EBA) arrangement, based on LDC status.

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A still image taken from a video released by Russian defence ministry yesterday shows what it claims are service members of Ukrainian forces, who left the besieged Azovstal steel plant, being searched by the pro-Russian military in Mariupol.

PHOTO: REUTERS

BATTLE FOR AZOVSTAL STEELWORKS Over 250 Ukrainian troops surrender

Kyiv orders Mariupol to yield; Turkey threatens to block Finland, Sweden Nato bids

AGENCIES

More than 250 Ukrainian fighters surrendered to Russian forces at the Azovstal steelworks in Mariupol and Kyiv said yesterday it had ordered its full garrison to evacuate, bringing an apparent end to the bloodiest battle in Europe for decades.

Reuters saw buses leave the steelworks late on Monday and five of them arrive in the Russian-held town of Novoazovsk, where Moscow said they would be treated for wounds.

In one, marked with the Latin letter 'Z' that has become the symbol of Russia's assault, wounded men were lying on stretchers three bunks high. One man was wheeled out, his head tightly wrapped in thick bandages.

While both sides spoke of a deal under which all Ukrainian troops would abandon the huge steelworks, many details were not yet public, including how many fighters remained inside and whether any form of prisoner swap had been agreed in advance.

President Vladimir Putin had personally guaranteed the prisoners would be treated according to international standards.

Russia said at least 256 Ukrainian fighters had "laid down their arms and surrendered", including 51 severely wounded. Ukraine said 264 soldiers, including 53 wounded, had left the plant and efforts were under way to bring out the rest.

In a television address, President Volodymyr Zelenskyy said: "Ukraine needs Ukrainian heroes alive."

Elsewhere, Russian strikes targeting a village in northern Chernigiv region where a military based is located left eight people dead and injured 12 more, a local official told AFP.

In response to Russian invasion in Ukraine, Finland and Sweden have announced plans to join Nato, bringing about the very expansion of the Western alliance Putin had invoked as one of the main justifications for his "special military operation".

The two Nordic countries will submit their bids to join Nato together

at the military alliance's headquarters in Brussels today, Swedish Prime Minister Magdalena Andersson said.

However, Turkey's president has restated his opposition to Finland and Sweden joining Nato.

At a news conference, Recep Tayyip Erdogan said Sweden and Finland should not bother sending delegations to Ankara to persuade Turkey to support for their bids.

Meanwhile, Ukraine's top presidential adviser, Mykhailo Podolyak, said negotiations with Russia on resolving the conflict have been suspended, blaming Moscow's "stereotypical mindset".

After the Kremlin sent troops to Ukraine on February 24, the West has introduced unprecedented sanctions against Russia.

Putin yesterday said the oil sector was undergoing a "tectonic change", but claimed Europe would be committing "economic suicide" with its sanctions on Moscow.

The International Criminal Court sent a 42-member team to Ukraine to probe alleged war crimes.

Rohingyas from India coming to Bangladesh

Says foreign minister

UNB, Dhaka

Foreign Minister AK Abdul Momen yesterday said a good number of Rohingyas have been coming to Bangladesh from India through the fences in recent times.

These Rohingyas went to India in 2012, he told reporters, adding that they are coming after hearing that they will have good food in Cox's Bazar.

He said their relatives in Cox's Bazar apparently conveyed to the Rohingyas in India that they are living happily in Cox's Bazar with good food supplies. "As a result, they (Rohingyas) are getting into Bangladesh in groups."

The bad news is that they are coming through fenced areas with the help of brokers on both sides of the Bangladesh-India border, he said.

A total of 18 Rohingyas have been detained recently, and they were coming in groups. "We have to engage more security forces to stop them."

Fugitive for 12 years arrested in Habiganj

OUR CORRESPONDENT, Moulvibazar

Police on Monday arrested a man who had been a fugitive from justice for 12 years in Habiganj.

Shahab Uddin, 45, of Tetaiya area of Habiganj, was sentenced to one year in prison for attacking a neighbour in 2010.

Mominul Islam, sub-inspector at Habiganj Sadar Model Police Station, said law enforcers were looking for him until he was arrested in a raid on a village in Madhabpur upazila of the district.

A court sent him to jail yesterday.

2 cops injured in clash with Jamaat-Shibir

OUR CORRESPONDENT, Sylhet

Two police officers were injured yesterday during a clash between Jamaat-Shibir men and police on Jail Road in Sylhet city.

The clash happened when police intercepted a procession of Jamaat, witnesses said.

Mohammad Ali Mahmud, officer-in-charge of Kotwali Police Station, and Nishu Lal Dey, sub-inspector of Bandar Police Fari, were admitted to Sylhet MAG Osmani Medical College Hospital, said a spokesperson of the metropolitan police.

Two Jamaat activists were arrested at the scene, said BM Ashraf Ullah, additional deputy commissioner (media).

"A regular case of assault on police will be filed," he added.

UN rights chief to visit China 'shortly'

AFP, Geneva

The UN rights chief will be arriving in China "shortly" for a long-anticipated visit, including to the Xinjiang region where authorities stand accused of widespread rights abuses, a spokeswoman said yesterday.

BNP's distrust of the govt to deepen

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pointless... Who is making the decision about it? No political party, neither the incumbent nor the opposition, can and should make such a decision.

"For the Election Commission, the question is: Why is it even considering adoption of a machine that most of the political parties and members of the civil society have objected to?"

"The EC has yet to demonstrate any signs that it intends to earn the trust of the voters, it should rather focus on rebuilding some semblance of an autonomous body which is willing to act to ensure a fair election."

Other commentators said the opposition had adequate reasons for not trusting the ruling party, but they expressed hopes that both camps would reach a consensus in the coming days.

Al Masud Hasanuzzaman, professor of government and

politics at Jahangirnagar University, said, "The ruling party talked about a fair election. Maybe there are some national and international pressures [for a credible election]. We have to wait and see what sorts of steps it takes to hold an election that is credible."

Soon after the May 7 meeting, the BNP said the use of EVM was a new technique for vote rigging and the party would not participate in any election overseen by the incumbent government, because "a free and fair election is not possible" under this government.

The BNP boycotted the general election held on January 5, 2014, demanding that a non-partisan, interim government hold the polls. The party participated in the following parliamentary polls even though its demand was not met and got only six seats in the election marred by "vote rigging" and "ballot stuffing".

BNP later participated in some local government elections but started boycotting those elections too accusing of vote rigging.

The AL, however, maintains that an election-time non-partisan government is unconstitutional.

Shantanu Majumder, professor of political science at Dhaka University, said that both camps were likely to change their tough stance in the coming days.

"The Awami League could not hold credible elections in 2014 and 2018... Whatever the reality, the responsibility goes to the ruling party to a great extent," he said.

As the BNP has been out of parliament for a long time, boycotting the election would be a threat to its existence.

"Keeping these matters in mind, both the AL and the BNP will come to a consensus. But it is too early to say how things will pan out."

Lockdown in China

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last one month.

Around 75 percent of the materials has already reached the project site but 25 percent is yet to be collected and the lockdown is hampering the process,

he said.

Not only the Shanghai port, industries have also been locked down, which is a matter of concern, he added.

The 9.1km Bangabandhu tunnel is being built at

a cost of Tk 10,374.42 crore, with a deadline of December 2022.

Project Director Harun-Rashid said, "Lockdown in Shanghai has appeared as a new obstacle for us. We are trying to overcome it."

Forex market volatile

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billion in August.

Against this backdrop, Habibur said, the government should take different measures including expanding OMS to insulate the poor households from the price increases.

Another central bank high official, on the condition of anonymity, said the BB might not devalue the inter-bank exchange rate further this week just after the latest depreciation of local currency by 0.91 percent to Tk 87.50 a dollar, the sharpest single-day fall in the past one decade.

The taka was devalued five times this year.

The exchange rate stood at Tk 85.80 a dollar on December 30 and Tk 84.80 on May 17 last year.

"We will observe the situation in the next couple of days, after which the central bank will take decision whether it will devalue the taka further," he said.

But managing directors of three banks, wishing not to be named, said BB should decrease the inter-bank exchange rate to Tk 92 a dollar in the quickest possible time in order to restore discipline in the foreign exchange regime.

Some banks are now offering Tk 95 a dollar to hunt remittances, but the rate is supposed to be Tk 86-87 in line with the central bank instructions.

Syed Mahabur Rahman, managing director of Mutual Trust Bank, said the BB was on the right course of direction as it was now depreciating the local currency based on the market demand.

"But more depreciation is required," he said.

Emranul Huq, managing director of Dhaka Bank, echoed the same, saying the market is yet to be stabilised, which is why the central bank should think of weakening the local currency further.

Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, said the central bank should have followed a gradual depreciation of the local currency much earlier.

"But it did not do so, as a result of which it is now compelled to depreciate the local currency drastically," he added.

The exchange rate came under pressure against the dollar since the final quarter of 2021 when imports bounced back due to the pent-up demand and price hikes in the global market following the improvement in the coronavirus situation. "In this context, the depreciation will help exporters and remitters, but it will further fuel inflation due to price hike of the imported items," said Mustafizur.

Inflation in Bangladesh rose five basis points to 6.22 percent in March, driven by higher food prices, according to data from the Bangladesh Bureau of Statistics.

Mustafizur suggested the government strengthen the OMS to shield the poor from the price hike stemming from the taka devaluation.

The depreciation will encourage remitters to send their hard earned money through formal channels as it will slash the exchange rate gap between formal and informal channel.

Many remitters are preferring hundi, an illegal cross-border transaction system, as they get a higher rate of the taka than what banks offer. This has left an adverse impact on the inflow of remittance, which is also squeezing the forex reserves.

Between January and April, remittances stood at \$17.307 billion, down 16.2 percent year-on-year.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said the central bank should increase its repo (repurchasing agreement) rate to rein in inflation.

Although money supply to the market has decreased, slashing the repo rate will create a psychological barrier among businesses to hike the products.

The repo rate is the rate at which the central bank lends money to banks in the event of any shortfall of funds. The BB also uses the means to reduce the money supply in the market to check inflation.

He suggested the government provide cash assistance to the poor in the wake of inflation.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, says more devaluation of the taka is needed but the government also should lay emphasis on tackling inflation.

It takes time to reap benefits from weakening of the taka, but the inflationary pressure hits the commoners immediately, he said.

The coverage of social safety nets should be widened in the next fiscal budget to help the poor, Selim said.

PM urges people

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The meeting discussed the Padma bridge rail link project.

Asked whether the highest allocation proposal for the transport sector in the new annual development plan (ADP) is a populist move ahead of the next general election, the planning minister said being a pro-people government, they must satisfy the people.

The next parliamentary election is scheduled to be held late next year.

Hasina in the meeting said, "I would urge the people to be a little more economical and careful. Then there should be no problem."

She said commodity prices have increased due to the global situation and this needs to be communicated to the people.

"Here, many will criticise it. As the Awami League is in power, it is being able to control the [rise in price] situation to some extent. How would the situation have been if anyone else was in power? Fighting would have started on streets, but that did not happen."

Hasina said people need to be careful as there is a global economic downtrend and a famine seems to be appearing globally. "We have to be very careful about spending money. We should not spend our resources unnecessarily."

Mentioning that the Covid-19 pandemic and Ukraine-Russia war are

having a huge impact on the country's economy, she said the problem is not just in Bangladesh, but in all developed and underdeveloped countries of the world.

There are countries in Europe where commodity prices have gone up by 17 to 50 percent. Even Germany is facing shortage of edible oil, the PM said, adding that England has set a limit on the sale of cooking oil so no one can buy more than one litre.

Inflation in United States has risen above 6 percent and it is about to reach 10 percent, Hasina said, mentioning that the price of diesel has crossed the \$4 a gallon mark from \$1 and such a situation prevails across the world.

"Despite all these, we have been able to keep our economy moving. But there will be an impact as we need to import goods and the prices have risen," she said.

Tigers thrive

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picking up three wickets in quick succession. Joy, who struck his second fifty in his fifth Test, was dismissed for 58 off 142 balls as the fourth-best opening stand in Tests for the Tigers ended after 162 runs.

Concussion - replacement Kasun Rajitha removed both Najmul Hossain Shanto and skipper Mominul Haque cheaply before Mushfiqur and Liton steadied the ship and made sure the hosts finished the day on a high.



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