



Sedimentation has reduced water depth in the Bhadra to such an extent that it barely looks like a river. The authorities spent crores of taka only two years ago to dredge the river. The photo was taken recently in Kharnia area of Dumuria, Khulna.

PHOTO: HABIBUR RAHMAN

# Rohingyas sneaking in from India now

MOHAMMAD AL-MASUM MOLLA

The illegal entry of Rohingyas into Bangladesh from India over the past three weeks has triggered a fresh concern as the new inflow will create an additional burden for the country already hosting one million of the forcibly displaced Myanmar nationals.

Police and intelligence officials said many of the Rohingyas, who lived in different places in India, sneaked into Bangladesh with the help of brokers and some were detained by law enforcers. They were later sent to the transitional camps in Cox's Bazar.

There is no official record of the numbers of Rohingyas entering so far, but officials said some 500 of them may have entered Bangladesh from India over the last one month. "We are heavily burdened with

the Rohingyas and any sort of illegal entry is a matter of serious concern. It should be stopped immediately," said a top government official engaged in the Rohingya repatriation process in Cox's Bazar, where over one million Rohingyas live in several



refugee camps.

On Tuesday, Foreign Minister AK Abdul Moment voiced similar concerns.

"Unfortunately, many Rohingyas are coming to Bangladesh from India," he told reporters, adding that

he would take up the matter with his Indian counterpart.

Bangladesh has been facing episodic influxes of Rohingyas fleeing violence in Myanmar for decades, with the largest exodus from Rakhine State taking place in August 2017. They joined the 300,000 of their compatriots already there from previous waves of displacement, causing significant economic and strategic challenges for Bangladesh.

Rohingyas who entered Bangladesh illegally from India told Bangladesh law enforcers that they had to spend around 15,000 Indian rupees to cross the border, sources said.

Take the example of Selim. In 2012, Selim went to Jammu from Maungdaw and had since been sheltered in a refugee camp with

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## Raising power, gas prices would be suicidal Say businesspeople

STAFF CORRESPONDENT

Hiking the prices of electricity and gas will be suicidal because it will significantly raise production costs, making it impossible for export-oriented businesses to compete with the other countries, said the Federation of Bangladesh Chambers of Commerce and Industries.

If the prices rise, the production costs will nearly double, inflation will be even higher, and forex reserves will be affected, impeding the development of the country, FBCCI President Jashim Uddin told a press conference at the capital's Federation Bhaban yesterday.

Those proposing the price hikes lack understanding and they may put the government in trouble, he said, adding that the decision should be political, not bureaucratic.

The economic impact of costlier power and

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## Bank borrowing may hamper recovery

REJAUL KARIM BYRON and ZINA TASREEN

When thinking outside the box was needed, the government opted for the tried-and-tested method.

At a time when foreign currency reserves are under strain and the economy is staging a recovery from the pandemic trough, a spot of creative thinking would have pointed the government in the direction of foreign borrowing in financing fiscal 2022-23's budget deficit of Tk 244,864 crore.

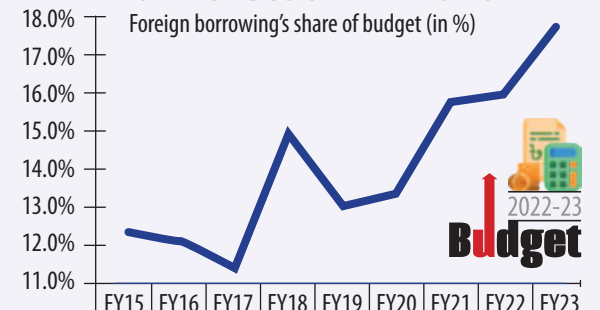
The interest rate on foreign loans is never more than 3 percent and the repayment period is as lengthy as 30 years. Then there is the bonus of a much-needed gush of foreign currency to the Bangladesh Bank's vault, which is now at an 18-month low.

But the government is being conservative with foreign borrowing, choosing instead to bump up its domestic borrowing, which comes at a higher interest rate of at least 8 percent and a shorter repayment period.

The government's bank borrowing target for the next fiscal year has been set at Tk 101,818 crore, up 33.2 percent from this year's original budget.

This will create a hurdle for recovery, according to

### FOREIGN BORROWING USED MORE AND MORE FOR BUDGET FINANCING



Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

The reason being it will simply crowd out private investment when it is looking up.

In March, private sector credit growth stood at 11.29 percent, the highest in three years.

Besides, there appears to be a liquidity shortage in the economy as demonstrated by the high call money and treasury bill rates, Hussain said.

And one of the reasons for the liquidity shortage is the Bangladesh Bank's sales of dollars to prop up the exchange rate of taka, which is at Tk 87.50 a dollar is its lowest in a decade.

For every dollar injected by the central bank into the open market, an equivalent amount of taka was withdrawn from the economy.

Besides, the demand for trade credit is on the rise for the surge in imports, according to Hussain.

On this path that the government has taken, it also does not have the option of borrowing from the central bank, which entails creating new money and fuelling inflation.

"Inflation is another worry," Hussain said.

In April, inflation hit an 18-month high of 6.29 percent.

The only option it has is to increase borrowing through national savings certificates.

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