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# Dollar passes Tk 100-mark

Forex market braces for further volatility  
amid shortage of greenback

AKM ZAMIR UDDIN

Volatility in the country's foreign exchange market has deepened further amid a shortage of the greenback, as importers had to pay up to Tk 104 for each dollar yesterday.

This was the first time the exchange rate of the taka crossed the Tk 100-mark against the dollar, said bankers.

Importers paid Tk 101-104 a dollar to settle import bills, up from Tk 98-99 before the Eid-ul-Azha though Bangladesh Bank injected \$575 million into the forex market this fiscal year to stabilise it.

In the previous fiscal year, the central bank supplied a record \$7.62 billion to the market, shows BB data.

Seeking anonymity, officials at several banks said many banks bought greenback from foreign exchange houses by offering Tk 102 per dollar yesterday, compared to

Tk 98-99 per dollar before the Eid.

They further said banks are now offering exporters Tk 98-99 for a dollar.

However, trade at the inter-bank platform, largely controlled by the BB, didn't reflect the existing volatility in the market.

The inter-bank exchange rate of the taka yesterday stood at Tk 93.95 each dollar, much lower than the rates quoted by banks.

Over the last one year, the taka lost 10.79 percent value against the dollar in the inter-bank platform.

The central bank had earlier announced allowing the exchange rate to float, meaning the rate is determined by the demand and the supply of the dollar in the market. It, however, backtracked from the stance later.

As per the BB's instructions, banks are allowed to sell the greenback to



importers by adding a maximum of Tk 1 to the inter-bank rate.

Similarly, they can purchase dollars from exporters by deducting a maximum of Tk 1 from the inter-bank rate. But the rules have become ineffective due to the ongoing volatility.

Talking to The Daily Star, a number of economists said the BB apparently has no control over the foreign exchange market as its inter-bank rate appears to be ineffective.

They suggested that the central bank follow the floating exchange rate to ensure transparency in the market.

Besides, the BB didn't take time-befitting measures while announcing its monetary policy on June 30 this year.

The BB should withdraw the interest rate cap of 9 percent on loans to reduce the flow of credit to the private sector, they pointed out.

The Russia-Ukraine war earlier gave an indication that the country's foreign exchange market would face more difficulties due to higher import payments amid the rise in commodity prices in the international market. But the BB didn't take proper policy measures to offset the crisis, according to them.

## WHAT BANKERS SAY

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the remittance inflow dropped significantly for the last few days due to post-Eid hangover, leaving an adverse impact on the foreign exchange market.

The country has been seeing a drop in remittance over the last several months. It fell 15 percent year-on-year to \$21.03 billion in fiscal 2021-22.

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**A RARE SIGHT...** The Mirpur road is almost devoid of traffic in the capital's Kalyanpur area. Although offices have reopened following the Eid vacation, many of the city dwellers have apparently not returned from their home districts. The photo was taken around 11:00am yesterday.

PHOTO: PALASH KHAN

## 'MP did not assault me'

**Says college principal  
in presence of the  
lawmaker; eminent  
citizens demand probe**

STAFF CORRESPONDENT

Sitting next to lawmaker Omor Faruk Chowdhury, college principal Salim Reza yesterday told reporters that he was not assaulted by the MP on July 7.

Omor then asked journalists to give him back the reputation he had lost because of the assault allegations.

During the press conference at a packed room in Omor Theme Plaza, a property owned by the MP, the principal of Rajbari Degree College read out a statement.

"The allegation against MP Omor Faruk Chowdhury was fabricated to tarnish his image and [reduce his] popularity ahead of the [ruling] party's council on July 15... We, the principals, had an

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# Rajapaksa resigns by email

**Says official as the disgraced leader lands in  
Singapore; curfew imposed in Colombo**

AFP, Colombo

Sri Lanka's president submitted his resignation yesterday shortly after reaching Singapore, the parliamentary speaker's office said, days after the head of state fled protests triggered by his country's worst-ever economic crisis.

Gotabaya Rajapaksa resigned by email, the speaker's spokesman said hours after he landed in the city-state, after protesters overran his palace on the weekend.

Rajapaksa fled to the Maldives on Wednesday, and left there for Singapore a day later.

"The authenticity and the legality of the e-mail will have to be checked out" before being formally accepted, Indunil Yapa told AFP, adding a formal announcement was expected today.

Rajapaksa would be the first president to resign since Sri Lanka

adopted a presidential system of government in 1978.

As president, Rajapaksa enjoyed immunity from arrest, and he is believed to have wanted to go abroad before stepping down to avoid the possibility of being detained.

Under Sri Lanka's constitution, Prime Minister Ranil Wickremesinghe — whose resignation is also being demanded by protesters — would automatically become acting president until parliament can appoint a successor.

Rajapaksa, his wife Ioma and their two bodyguards arrived in Singapore from Male on board a Saudia airline flight.

Singapore's foreign ministry confirmed Rajapaksa had been allowed to enter the city-state for a "private visit", adding: "He has not asked for asylum and neither has he been granted any asylum."

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## \$81M HEIST Philippines court bins defamation case against BB

STAFF CORRESPONDENT

A court in the Philippines scrapped a defamation suit filed by Rizal Commercial Banking Corporation against Bangladesh Bank.

RCBC filed the case with the Regional Trial Court in Makati City of Manila on March 6, 2019, accusing BB of wrongly linking it to a \$81-million heist committed three years earlier.

The court determined that it didn't have jurisdiction over the defendant, said Bangladesh Bank (BB) spokesperson Md Serajul Islam, quoting the verdict released on Monday.

BB was informed of the verdict on Wednesday, he added.

In February 2019, BB filed a case with a US court, accusing Rizal Commercial Banking Corporation (RCBC) of being involved in a heist in which hackers stole about \$81million from the BB's account with the Federal Reserve Bank of New York.

The heist happened in 2016. The money slipped into RCBC of the Philippines before

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**A view of the Padma Bridge rail link over the Dhaleshwari river in Munshiganj. A span was recently installed on the under-construction rail bridge. Under the project, a 169-kilometre rail route will be built from the capital, through the Padma Bridge, to Jashore. The photo was taken recently.**

PHOTO: ANISUR RAHMAN

# China looks to invest more in BR

**Proposes 10 projects**

TUHIN SHUBHRA ADHIKARY

After high-speed rail and the research and development center of Bangladesh Railway (BR), China now wants to invest for building new rail lines connected to several economic zones, Chittagong Sea Port and new Teesta and Hardinge bridges.

China Energy Engineering Corporation Ltd or Energy China (CEEC), a Chinese state-owned conglomerate, also expressed interest to construct and modernize railway workshops and build accessories factory here.

The company, with a partnership with another state-owned Chinese company, intended to invest in total 10 projects under the Government-to-Government-Public Private Partnership (PPP) framework, documents show.

Zhang Deliang, vice president of China Energy International Group Company Ltd, a subsidiary of CEEC, has sent two separate proposals to the Railways Minister Nurul Islam Sujan on May 22.

The Railways Ministry last month wrote to BR's Director General Dharendra Nath Mazumder to give opinion over the proposals upon scrutinizing those, BR sources said.

Under the G2G-PPP arrangement, Bangladesh may request other governments to provide financial support and select state-owned or private entities to act as the investors.

The company will build, maintenance and operate the structure for a certain period and get money following the terms mentioned in the agreement.

No project under the G2G-PPP arrangement has yet to be implemented in Bangladesh. Discussions with several countries, including Japan and South Korea, have been going on to implement some projects under this model.

The Chinese proposal comes at a time when BR is implementing its biggest yet ever project -- Padma Bridge Rail Link -- with Tk 39,246 crore in Chinese loan.

Two more rail projects were expected to be implemented with Chinese loans. Beijing had even selected two Chinese contractors for these projects, but both projects are now uncertain as China pulled out funding from one while the selected Chinese contractor declined to work for another project in a decreased price.

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