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16 PAGES PLUS SHOUT: Tk 15.00



P7 Tory leadership race: It's Sunak vs Truss



P8 We need to talk about the World Bank



P10 The human cost of progress



B1 \$58b merchandise export target set

Electricity crisis may worsen

Furnace oil stock depleting, Barapukuria plant could shut for coal crisis; PMO meet orders steps to cut costs, consumption

PARTHA PRATIM BHATTACHARJEE and ASIFUR RAHMAN

The government's plan for one to two hours of daily power cuts is failing, especially in the north, and the signs are that the electricity crisis may worsen across the country in the coming days.

The north is already seeing three to four hours of load shedding a day with Rangpur being the worst affected.

The government on Sunday announced a schedule for area-based power cuts to mitigate the electricity crisis.

Experts have warned that with the dwindling fuel stocks, the duration of power outages would surely increase in the days ahead. They also pointed fingers at underutilised coal-fired plants and inadequate transmission lines.

With the crisis deepening, the government yesterday came up with some new measures to cut power usage. It directed the public offices to cut consumption by 25 percent. Officials have been asked to avoid, as much as possible, having in-person meetings to reduce fuel

- Govt offices to reduce power consumption by 25pc
- Ministries to review procurement plan to cut expenditure
- Officials to avoid in-person meetings unless absolutely necessary
- Officials are to avoid foreign trips unless absolutely essential
- Govt looking for alternative sources of Urea

and electricity consumption.

Bangladesh Power Development Board has been generating 500MW a day more from coal-based plants compared to what it produced on June 29, when the load shedding began.

But the Barapukuria Power Station in Dinajpur has been gobbling up its stocks

SEE PAGE 2 COL 2



EC's dialogue hits a snag as BNP skips it

MOHIUDDIN ALAMGIR

The BNP yesterday skipped Election Commission's dialogue seeking recommendations of political parties on how to hold a free and fair general election.

BNP leaders said they shunned the talks because it was impossible for the EC to hold a free and fair election under the incumbent government.

Election commissioners yesterday said they would "wait" for the BNP until the election and they might contact the opposition parties "time and again".

Late last month, the BNP and several other parties skipped the EC's views-exchange programmes on electronic voting machines.

BNP Standing Committee Member Khandakar Mosharrar Hossain said, "Our decision is that we will not join an election under the current government. We have not joined the process of forming this Election Commission, have not given them recognition, and have not taken part in any activities of the commission. We have not changed our stance and that is why we did not join the talks."

While talking to reporters at the EC office, Chief Election Commissioner (CEC) Kazi Habibul Awal said he would not comment on whether the commission will take any special measures to bring the BNP to the dialogue.

Election Commissioner Md Alamgir

SEE PAGE 2 COL 1

IMF'S \$4.5B LOAN

Govt now has cold feet

REJAUL KARIM BYRON

The government is stalling on taking the \$4.5 billion loan from the International Monetary Fund to ease the pressure on the foreign currency reserves after seeing the conditions that would be attached.

"At this moment, we will not take it," Finance Minister AMH Mustafa Kamal told the media yesterday after a meeting of the cabinet committee on purchase.

A delegation from the IMF is in the capital on a nine-day tour and has held talks with the National Board of Revenue and the finance division's teams on subsidy and debt management among others regarding the loan.

The mission would be wrapping up its agenda today with a meeting with the Bangladesh Bank and Kamal.

"Neither did we get a formal offer, nor did we place a formal proposal for the loan. If there is a need, we will take the loan, and we will take it in a way that safeguards our interests," he said.

One of the conditions that would be attached to the loan is the withdrawal of subsidies on fuel, electricity and fertilisers. In the budget for this fiscal year, Tk 82,745 crore has been earmarked for subsidy, which is 23.8 percent more than what was spent on the overhead in the just-concluded fiscal year. This is the highest amount that the government would be spending on subsidies yet.

Achieving fiscal balance would be tricky if such levels of subsidy are extended, the IMF mission said.

Subsidy benefits all regardless of their income status, so the IMF instead recommended targeted aid for the poor and the middle-income people.

While the government is willing to adjust the prices for fuel and electricity, it is not willing to withdraw the subsidy on fertilisers, whose prices in the global market have escalated for the Russia-Ukraine war.

The elevated price level in Bangladesh is thanks to rising food prices and taking the subsidy on fertilisers would send the food prices through the roof.

In June, inflation raced to a nine-year high of 7.56 percent; food inflation was a staggering 8.37 percent and in rural areas, 8.93 percent.

"We will never take up any deal that will not be in the best interests of our countrymen," Kamal said.

The government is hopeful that the raft of austerity measures taken in recent weeks would ease the pressure on the country's strained foreign exchange reserves.

As of July 13, foreign reserves stood at \$39.8 billion, sufficient to cover import bills for just about five months.

The IMF mission has been briefed on the measures and they endorsed the move, said a finance ministry official involved with the proceedings on the condition of anonymity.

"We have taken those measures thinking six months ahead. The situation is comfortable for us at present."

However, given the protracted nature of Russia-Ukraine was taken on, there is bound to be more volatility in the global economy and further pressure on Bangladesh's foreign currency reserves.

So the IMF mission has said that there might be a need for budget support of the sort the Washington-based multilateral lender is offering: \$1.5 billion interest-free and \$3 billion at less than 2 percent interest.

SEE PAGE 2 COL 5

Road crash claims six more lives

Woman, her 18-month-old child among the dead

OUR CORRESPONDENT, Barishal

A toddler, her mother, and aunt were among six people who died after a bus rammed into an auto rickshaw in Bakerganj, Barishal, yesterday afternoon.

One-and-a-half-year-old Farhana died at Sher-E-Bangla Medical College Hospital, her mother Shathi, 22, died on the way to the facility and aunt Tanjila, 30, died at the scene, police said, adding that the family is from Gaurnadi upazila of Barishal.

The other deceased are Bakerganj residents Sohag Shikder, 21, Hasib Khan, 25, and Amir Chowdhury, 50.

Two others injured in the crash are being treated at the hospital with serious injuries.

The bus of Bangladesh Road Transport Corporation, going towards Barishal from Kuakata, was on the wrong side of the road when it collided with the auto-rickshaw coming from the opposite direction.

The crash happened in front of a fire service office, said Bakerganj Upazila

SEE PAGE 2 COL 1

Rajapaksa ally elected Lanka president

Wickremesinghe calls for unity in face of challenges; protesters vow to fight on

AGENCIES

Six-time prime minister Ranil Wickremesinghe was elected as crisis-racked Sri Lanka's new president yesterday, with the backing of the party of the ex-leader -- who fled abroad after his palace was stormed by protesters.

Official results showed Wickremesinghe garnered 134 votes in the 225-member parliament, with his main opponent Dullas Alahapperuma getting 82 and leftist Anura Dissanayake just three, giving him an absolute majority on first preferences.

"Our country is facing massive challenges and we have to work on a new strategy to fulfill the aspirations of the people," the 73-year-old leader said after his victory. "Now everyone must come together."

He will be sworn in this morning and will appoint a new prime minister within the course of the day, officials from the President's Office told Xinhua.

He is expected to name public administration minister Dinesh Gunawardena, 73, his schoolmate and a strong Rajapaksa loyalist, as the new prime minister.

Wickremesinghe takes charge of a bankrupt nation that is in bailout talks with the IMF, with its 22 million people enduring severe shortages of food, fuel and medicine.

But he was backed by the Rajapaksa's SLPP party -- still the largest in parliament -- and is despised as a proxy

SEE PAGE 2 COL 5



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