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Fuel price hike was AVOIDABLE

CPD says BPC could have used profits for subsidy, asks govt to tell where the money went

STAFF CORRESPONDENT

Bangladesh Petroleum Corporation could have used the Tk 46,858 crore profit it made since 2015 to continue the subsidy on fuel and thus prevent the price hike, the Centre for Policy Dialogue said yesterday.

The BPC could also have offset the losses it has been incurring over the last six months, said the think-tank, asking the government to disclose what happened to the BPC's profits.

"It was earlier said that the profits were spent on or invested in various development works but we found it to be a delusional claim," said CPD Research Director Khondaker Golam Moazzem at a media briefing and discussion titled, "Record Fuel Price Hike in Bangladesh: Could It Be Avoided?"

The BPC earned at least Tk 46,000 crore, according to the government, since 2015 and spent only Tk 9,214 crore on 11 self-funded development projects, he said.

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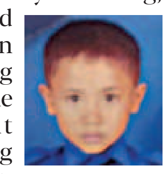
Walkways on the riverbanks around the capital were built to prevent encroachment and also to beautify the riverside. But boats like these, being unloaded at Ramchandrapur near Mohammadpur, are not only a nuisance to the pedestrians but also a threat to the walkways as they slam against the structures when they moor. The photo was taken recently. PHOTO: RASHED SHUMON

Child killed as school gate falls on him

A CORRESPONDENT, *Rangamati*

When five-year-old Shraban walked to school holding his mother's hand yesterday morning, his mind must've been brimming with the excitement of learning new things and meeting his friends.



Shraban Dewan

However, the school's gate was as far as he could get.

Basana Chakma stood helpless as she watched the large steel gate of Khabangporia Government Primary School collapse on her son, resulting in his death.

Shraban, son of Basana and Pranay Dewan, was a pre-primary level student of the school in Khagrachhari town.

Family members and locals alleged the accident occurred due to the negligence of the school authorities.

Quoting locals, Rabiul Islam, education officer in Khagrachhari Sadar upazila, said, "The gate collapsed on Shraban when he and his mother were entering the school around 9:00am."

He was rushed to Khagrachhari General Hospital in critical condition. When they reached, on-duty doctors declared him dead, he added.

"I was informed by the

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BPC may now profit Tk 205cr a month

UNB, *Dhaka*

After the latest fuel price hike, Bangladesh Petroleum Corporation will make a profit of Tk 205 crore a month if the dollar exchange rate of the month of July continues.

But if the dollar rate goes higher, the BPC will incur a loss of Tk 47 crore per month.

BPC Chairman ABM Azad came up with the estimate at a press briefing at the organisation's Dhaka office yesterday.

"We have calculated that after the rise in fuel prices, the BPC will make a profit of Tk 205 crore per month if dollar price does not rise [from the exchange rate of July] ," he told reporters.

Currently, the BPC's overall loss is Tk 6 per litre of

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Forex pressure may ease by Dec

But inflation will sustain, forecasts finance ministry

REJAUL KARIM BYRON

The record fuel price hike last week has thrown a spanner in the works to the finance division's projection of bringing the twin problems of inflation and delicate foreign currency reserves under control by December.

As things stand, foreign currency reserves might shore up by the end of the year thanks to inflows from multilateral lenders and the steps taken by the government to curb imports, finance ministry officials told The Daily Star on the condition of anonymity.

But the fuel price hike would be escalating inflation, which in July stood well above the budgetary target of 5.6 percent for the fiscal year.

"When the fuel price increases, the prices of goods increase, affecting the poor. Naturally, inflation also increases," said Finance Minister AHM Mustafa Kamal to a group of journalists yesterday at his office.

Typically, the impact of a fuel price hike is neutralised in nine months, as per the finance division's earlier studies.

"Given the enormity of the hike, it would take longer for the neutralising effect to kick in," said a finance ministry official on the condition of anonymity.

The prices of petrol were hiked by 51.1 percent, octane by 51.7 percent, and diesel and kerosene by 42.5 percent -- all of which are the biggest increases yet.

The government though is working on a programme to cushion the poor and the low-income people from the impacts of the spiralling prices of goods, according to Kamal.

"Of course, there will be help for the poor," he said, adding that the mechanisms for the programme are in the works.

The aid package for the poor and the low-income people would come from the Tk 5,000 crore block allocation in this fiscal year's budget as well as the loans currently being negotiated with development partners.

For instance, the government is currently negotiating a $1 billion

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