

## Govt doing its best to keep the economy robust: PM

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday said her government has been trying its best to keep the country's economy vibrant even though the world is going through an economic recession.

"When the whole world is passing through a recession caused by the Covid-19 pandemic, the Ukraine war and other issues, our effort is to keep our economy vibrant. We're trying our best to do so," she said.

The premier was addressing a commemorative discussion on the death of her former political adviser Dr SA Malek through a virtual platform from her official residence Gono Bhaban.

Bangabandhu Parishad arranged the discussion in the city's Kalabagan area to commemorate its president Dr Malek, who died on December 6, 2022.

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## UN VOTING ON UKRAINE It missed key issues

Foreign ministry clarifies reason for abstention

DIPLOMATIC CORRESPONDENT

As the issue of diplomacy between Ukraine and Russia was missing in the UN resolution, Bangladesh abstained from voting on it, said a foreign ministry spokesperson.

"While the ultimate objective of the resolution is to seek comprehensive, just and lasting peace in Ukraine, we believe any meaningful and sustainable solution to the current conflict will need intensive diplomatic engagement and dialogue between the parties involved in the conflict," Seheli Sabrin, foreign ministry spokeswoman, told reporters at the ministry yesterday.

"In our opinion, this important

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Prime Minister Sheikh Hasina, standing alongside BOA president and Army chief General SM Shafiuddin and State Minister for Youth and Sports Zahid Hasan Rassel, claps as 'Babui Pakhi', the mascot of the Sheikh Kamal 2nd Bangladesh Youth Games, passes by at the Army Stadium in Dhaka yesterday.

PHOTO: PID



## Russia battling for survival

Says Putin accusing West of trying to disband his country as Ukraine war grinds on

AGENCIES

President Vladimir Putin has cast the confrontation with the West over the Ukraine war as an existential battle for the survival of Russia and the Russian people.

Putin has also accused Nato members of taking part in the Ukraine conflict by donating arms to the country and said the West planned to break up Russia.

A year since ordering the invasion of Ukraine, Putin is increasingly presenting the war as a make-or-break moment in Russian history - and saying that he believes the very future of Russia and its people is in peril.

"They have one goal: to disband the former Soviet Union and its fundamental part - the Russian Federation," Putin told Rossiya-1 state television in an interview recorded on Wednesday but released yesterday.

"Only then will they maybe accept us in the so-called family of civilised peoples

but only separately, every part separately." Nato and the West dismiss such a narrative, saying their objective is to help Ukraine defend itself against an unprovoked attack.

Putin said the West wanted to divide up Russia and then control the world's biggest producer of raw materials, a step, he said, that could well lead to the destruction of many of the peoples of Russia including the ethnic Russian majority.

He said the West's plans had been put to paper, though did not specify where.

The United States has denied that it wants to destroy Russia, while President Joe Biden has warned that a conflict between Russia and Nato could trigger World War Three, though he has also said Putin should not remain in power.

Putin said the tens of billions of dollars'

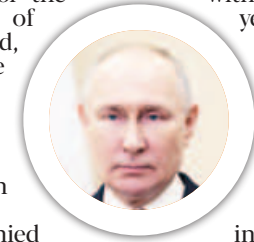
worth of US and European military assistance to Ukraine showed that Russia was now facing off Nato itself.

"They are sending tens of billions of dollars in weapons to Ukraine. This really is participation," Putin said in an interview with the Rossiya-1 channel aired yesterday.

"This means that they are taking part, albeit indirectly, in the crimes being carried out by the Kyiv regime," Putin said.

Ukraine says it will not rest until every last Russian soldier is ejected from Ukraine, including from Crimea which Russia annexed in 2014.

Putin's existential framing of the war allows the 70-year-old Kremlin chief to gird the Russian people for a much deeper conflict while it also allows him much greater freedom in the types of weapons he could one day use.



## Bangladesh to pay through the nose

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based on the export deal it struck with Bangladesh.

And once the plant comes into commercial operation next month, Bangladesh will start paying Adani reference tariffs based on taxes it does not even pay. In other words, the agreement has a unique design: Adani saves costs but charges Bangladesh the same amount, in turn raking more profits.

It is estimated that Adani Power will save over \$1 billion on the Clean Energy Cess (a form of carbon tax) alone over the 25 years of the contract by virtue of becoming a Special Economic Zone (SEZ), according to an investigation by the Washington Post.

That's just the reduction from one type of tax. Adani enjoys myriad other tax benefits and significant cost cuts for becoming an export-oriented plant through the deal with Bangladesh.

"So, the total savings for Adani will be way over \$1 billion. For example, Adani also saves around \$100 to \$200 million on import duties of their equipment from China but it'll charge Bangladesh for the import duties. Its profits will be hefty - to put it lightly," Buckley said.

The Indian conglomerate, however, saw no evil. When contacted, a spokesperson from Adani on February 23 said, "The tax assumptions were uncertain when the deal was signed, and we took a risk fixing the costs. So, the SEZ tax exemption is our savings, in a lump sum contract - it is business."

Requesting anonymity for fear of reprisal, the lawyer who reviewed the power purchase agreement for this paper begged to differ. "In a fair deal favouring both sides, Adani's cut in costs from tax benefits would mean Bangladesh also gets shares of them or at least, a portion of them."

However, in another interview on February 24, another spokesperson for Adani, said, "Since the Godda project is at a designated SEZ, power consumers of Bangladesh will not have to pay for the customs duty, taxes and cess, as applicable per current norms."

Taxes and tariffs apart, Bangladesh is liable to pay roughly \$450 million a year in capacity charges, even if it doesn't buy electricity from Adani due to any reason, as stated in the original terms of the contract, Buckley said.

A strong voice for the protection of natural resources, Professor Anu Muhammad thinks that it is not a

deal but a gift to Adani, who is seen as the closest ally of Indian Prime Minister Narendra Modi.

"As far as unfair deals go, the Adani contract is record-breaking," he told The Daily Star.

### ADANI'S POSSIBLE BREACH OF CONTRACT

When signing the deal in 2017, Adani Power included a bevy of tax assumptions into the reference tariffs that Bangladesh will have to pay. These include 12 percent excise duties, 15 percent service tax, VAT, and income tax payable in India among others.

In February 2019, Adani's Godda Power Plant became a Special Economic Zone, following amendments to guidelines that previously did not allow a stand-alone power plant to receive such benefits.

Only on the grounds of exporting electricity to Bangladesh, Adani's Godda Power Plant was declared an SEZ, according to the official documents of the Indian Ministry of Commerce and Industry.

To interpret it simply, had it not been for Bangladesh, Adani would not have received the exemption from the corporate taxes. Most of Adani's expenditure in excise duties, state goods and services tax, have been nullified by the SEZ declaration, along with a 100 percent deduction in income tax for the first five years.

A clause in the agreement, 13.d (i) stipulates that Adani must officially inform the BPDB of the change in tax assumptions within 30 days. Another clause later in the document purports to allow the BPDB to recover the redundant tax charges, but that too has legal barriers.

Almost four years after the SEZ declaration, Adani has not officially (in writing) informed the BPDB of their exact savings, said a BPDB official, seeking anonymity for sharing what is seen as "sensitive information".

As per the Contract Act 1872 of Bangladesh, Adani's concealment of information constitutes a breach of contract and renders the agreement legally void.

A previous analysis by the AdaniWatch - a non-profit project of the Bob Brown Foundation that keeps an eye on the Adani Group's misdeeds across the planet - showed the violation and questioned whether the agreement is legally void. In standard agreements, the innocent party, which is the BPDB in this case, would have two options: ask for compensation or terminate the agreement altogether.

But the contract is not legally void; an unusual clause in the agreement prevents the BPDB from rescinding it.

Section 4.2 (L) states that the BPDB may give a notice of default, in the case of, "any material breach...by the company of this agreement [Adani], having a material and adverse effect on the company's ability to perform its obligations under the agreement, that is not remedied within sixty [60] days."

This clause was not used in the power purchase agreements with Payra and Rampal, according to the documents.

Put another way, only when a breach of contract "adversely affects" Adani, the BPDB has legal grounds to leave. Hiding the amount of money it is saving from taxes does not hinder

### KEY EVENTS

**August 11, 2015** — MoU signed between BPDB and Adani Power Limited to set up a 1,600 MW power plant to supply electricity to Bangladesh.

**November 5, 2017** — Bangladesh signs a 25-year deal to import 1,496 MW of electricity from Adani.

**February 25, 2019** — Adani Godda Power Plant is declared a Special Economic Zone (SEZ) for exporting electricity to Bangladesh.

Adani's ability to produce. As such, the BPDB has no grounds to opt out of the 25-year binding contract.

Adani did inform the BPDB of the change in taxes, the Adani spokesperson told this paper. The spokesperson was requested to provide proof with the written documentation sent to the BPDB.

Adani spokesperson declined, stating the document is "business confidential". The spokesperson said, "Ask the BPDB for the list of notifications we sent during the last 5 years. If they have compiled correctly, it should be there."

"When we place the invoice, it will be clear what the cost per unit is. In our calculation, it will be the lowest in Bangladesh," claimed the Adani spokesperson.

### ADANI PROFITS BY NOT SHARING TAX BENEFITS

At each turn of the deal, page after page, Gautam Adani rakes in profits - on the Carmichael coalmine (Adani's Australian mine that produces high

ash, low energy coal), coal port, railway line, the power plant in Godda, and part of the transmission line that he owns.

The agreement is "cost plus plus," said Buckley. It has been designed in a manner that ensures Adani profits more and more, and Bangladesh doesn't get a piece of that cake.

Each time Adani dangled a carrot in front of the BPDB, the very next instance, it took it away.

For example, a clause in the agreement purports to reduce the capacity price when the taxes change. Clause 13.(d) (iv) states, "Following the commercial operations date, a change in assumptions resulting in a one-time charge or expenditure (or a one-time increase or decrease in a charge or expenditure) shall cause an adjustment in the Reference Capacity Price." Sounds fair?

The very facade of fairness Adani shows in clause (iv) is quickly counteracted by clause (v) that follows. It states, "The parties expressly agree that no adjustment shall be applied or paid due to a change in assumption resulting from any change in taxes... until the plant has been commissioned." This provision further shows that the adjustment will not be done when it favours the BPDB, which is the perfect example of "discrimination," said the lawyer who reviewed the agreement.

Mehedi Hasan, member secretary of the Bangladesh Working Group on External Debt (BGWED), gives an idea about logical re-adjustment in pricing. "Adani's tax cuts should've decreased the capacity price by 12-15 percent. If we take the current exchange rate, we will pay billions of dollars in 25 years when our foreign currency reserves are depleting."

Prof Anu Muhammad agrees: "There was clearly no negotiation here. Adani dictated these terms and Bangladesh went along with it for political gains."

The lawyer said, "The misrepresentation aspect of the agreement is that Adani has created a clause that will not allow the BPDB to get any tax holiday or rebate, so they can basically overcharge the capacity price."

Adani spokesperson said, "We have to factor in our savings in a business deal. We made the power plant in Jharkhand to reduce our total cost as the value of land price was lower."

"The design of the agreement is such that if there are additional taxes imposed by the Indian government, those will not be imposed on Bangladesh. The Indian government

## 2 siblings killed, 1 hurt in machete attack

OUR CORRESPONDENT, Narayanganj

Two brothers were killed and another was injured as their cousins attacked them with machete over a land-related dispute in Narayanganj's Sonargaon yesterday.

Aslam Sunny, 50, and his younger brother Shafiqul Islam Rony, 30, were killed while their brother Rafikul Islam, 40, was injured, said Mahbub Alam, officer in charge of Sonargaon Police Station.

Rafikul was admitted to Dhaka Medical College Hospital in critical condition, he added.

Mostafa, 40, Mamun, 35, Mofizul, 25, and Maruf, 18, attacked the victims around 1:30pm yesterday following an altercation. They had a long-standing feud over a piece of land, he added.

Aslam and Shafiqul breathed their last before reaching DMCH, said Inspector Bacchu Mia, in-charge of DMCH Police Outpost.

No case was filed in this connection until this report was filed. Police were trying to arrest the attackers, he added.

## CU admission tests to begin on May 16

STAFF CORRESPONDENT, Ctg

The admission test to first year (honours) courses for 2022-23 academic sessions at Chattoagram University will begin on May 16 and continue till May 25.

The decision was made at a meeting of CU's committee on admissions yesterday.

SM Akbar Hossain, deputy register of CU Academic Section, and member secretary of the admission test committee, confirmed this to The Daily Star.

Like previous year, the admission test will be held under four units A, B, C, D and two sub units, he said.

The details of the admission process will be available soon on CU website, he added.

## One killed, seven hurt in road accident

STAR REPORT

A man was killed and seven others were injured in a road accident on Dhaka-Khulna highway in Gopalganj's Kashiani yesterday.

Selim Ullah Badsha, 41, of Moheshkhali in Cox's Bazar, died on the spot, said Sirajul Islam, sub-inspector of Bhatiapara Highway Police Station.

"The accident took place when a microbus driver lost control over his vehicle and hit a roadside tree. The injured were taken to Kashiani Upazila Health Complex," he added.

At least 17 people, including four women and two children, were in the microbus. They were going to visit the Sundarbans from Moheshkhali, he further said.

resources, responded to a phone call on February 25 but did not respond to specific questions.

As per his request, The Daily Star sent him further questions over WhatsApp but he was yet to respond to those when this report was published.

### IS THERE A WAY OUT?

Regarding ways out, Section 19.4 of the power purchase agreement states that any dispute that is not resolved shall finally be settled in accordance with the Rules of Arbitration of the Singapore International Arbitration Centre, 2016, 6th Edition.

The BPDB could ideally take the agreement to arbitration in Singapore for termination, the lawyer told The Daily Star.

Anu Muhammad said, "The public will bear the cost of this expensive contract. We can argue against the deal for it being agreed upon without considering the public interest of Bangladesh."

## US papers drop 'Dilbert' after creator's racist remarks

AFP, Washington

Multiple US newspapers have said they will stop publishing the popular "Dilbert" comic strip after its creator posted a video calling Black people a "hate group."

Scott Adams, who rose to fame in the 1990s with his satirical take on white-collar office life, has increasingly stoked controversy with his views on social issues.

But a video posted on Wednesday - in which Adams referred to Black people as a "hate group" - proved to be the last straw for many "Dilbert" publishers.

"That's a hate group and I don't want anything to do with them," he said.

"Based on the current way things are going, the best advice I would give to white people is to get the hell away from Black people."

His rant was prompted by a recent poll by conservative-leaning Rasmussen Reports, whose results he said showed a slim majority of Black respondents agreed with the statement "It's okay to be white."

The USA TODAY Network, which operates hundreds of papers across the United States, said Friday it "will no longer publish the Dilbert comic due to recent discriminatory comments by its creator."