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20 PAGES : Tk 15.00



P6
23,000 flee violence in northeast India



P12
Why Sampadak Parishad opposes DSA



P13
Prantik a winner in defeat



B1
Export of IT to Japan surges

BUYING AIRBUS PLANES

Biman's move puzzling

Experts say purchase of freighters, operation of mixed fleet will hurt flag carrier

RASHIDUL HASAN

Biman last year carried a little over 28,000 tonnes of freight in the cargo hold of planes making international flights when it had the capacity to transport over 4.98 lakh tonnes.

This is about 6 percent utilisation of the capacity, and yet Biman is planning to buy two new Airbus freighters.

An audit by the Civil Aviation Authority of Bangladesh (CAAB) also shows that in the same year, Biman carried 20.58 lakh passengers on international flights and had around 7 lakh seats vacant, which is just under 76 percent utilisation.

This happened after the national flag carrier bought 12 Boeing planes spending around Tk 19,000 crore between 2011 and 2019. The aircraft purchased include multiple huge Boeing 777-300ERs, efficient Boeing 787-8s and -9s, and workhorse Boeing 737-800s.

But the planes are not properly utilised largely due to shortages of pilots and cabin crew members, and poor planning and management, experts have said. Biman failed to launch adequate number of new routes for the planes' best use, they added.

They questioned why the Biman Board of Directors on May 3 approved in principle the purchase of 10 Airbus planes, including the two freighters.

Biman's top management believes the company will make money ferrying cargo in the freighters and the new Airbus planes will help Biman expand its reach.

An aviation expert, however, says buying the freighters will not be



An airline can bargain better with the manufacturer if it buys planes from both companies. In the case of carriers with large fleets, you can enjoy some advantages. But from the point of view of operations, if you have aircraft of both plane makers, the disadvantages are so many.

AVIATION EXPERT **ATM NAZRUL ISLAM**

economically viable at all.

"First of all, airfreight is a seasonal business in Bangladesh. For five or six months of the year, there is almost no demand," aviation expert Kazi Wahidul Alam told The Daily Star.

The season is dependent on garment products and vegetable exports.

Secondly, most outbound freight goes to the West, and the items Bangladesh imports largely come from China, Hong Kong and Japan. So, the inbound cargo flights from the West and the outbound flights to the East would be virtually empty, he said.

"Therefore, we can say that the cargo business here is mainly one-way. You can never survive doing one-way cargo business," said Alam, the editor of Bangladesh Monitor, an aviation and tourism magazine.

He said some foreign carriers operate cargo flights in Bangladesh but they operate flights only when there is demand in the peak season.

For example, since Dhaka has no inbound demand, Emirates Skycargo planes usually fly first to Bangkok or Singapore carrying goods and then make a stopover in Dhaka during the return flight to Dubai to pick up freight that they deliver to the West, he said.

"The large carriers operate this way to be able to carry cargo both ways. But we won't be able to do that as we never made the strategic plan," he said.

A cargo division official of Biman said, "We couldn't even utilise the full capacity of our cargo hold in passenger flights. Then What is the point of buying brand new freighters without proper marketing and planning?"

Airlines do not often buy brand new freighters. They usually buy old and used freighters because new ones are rarely commercially viable, he said, requesting anonymity.

SEE PAGE 2 COL 1



A burning heap of discarded cables emitting toxic fumes into the heavily polluted Dhaka air. Once the insulation is burnt off, the copper from inside the cables are then sold. The photo was taken at the capital's Kamrangir Char yesterday.

PHOTO: RASHED SHUMON

Forex reserves, revenue measures lacking

Finds IMF staff mission on conclusion of 13-day tour

REJAUL KARIM BYRON

The International Monetary Fund staff mission yesterday expressed reservations about the likelihood of Bangladesh meeting the minimum reserve requirements for the second tranche of the \$4.7 billion loan.

As per the terms agreed with the Washington-based multilateral lender for the loan programme, the country would maintain a minimum net international reserves (NIR) of \$22.95 billion at the end of March and \$24.46 billion at June's end.

So far, the government has failed to meet the floor set for March, which was meant to give an indication of how the authorities are faring with the programme objectives. The NIR was less than \$22 billion.

While March's target is not mandatory for the release of the second instalment of about \$476.27 million, June's target is. In fact, it is one of the three mandatory conditions.

Instead of building a buffer, the reserves continue to drain from the Bangladesh Bank's

coffers despite the strict import control measures taken, said the IMF staff mission. The Daily Star has learnt from officials involved with the proceedings.

The 13-day staff visit, led by Bangladesh Mission Chief Rahul Anand, to discuss recent macroeconomic developments and implementation of the IMF-supported programme wrapped up yesterday.

"However, persistent inflationary pressures, elevated volatility of global financial conditions and slowdown in major advanced trading partners continue to weigh on growth, foreign currency reserves and the Taka," Anand said in a statement.

When the 42-month loan programme was approved by the IMF executive board, the official gross reserves, as per BB's methodology, stood at \$32.2 billion. On May 2, it was \$30.99 billion.

After the \$1.12 billion payment to the Asian Clearing Union today for import for the months of March and April from the South Asia region,

SEE PAGE 11 COL 3

We too want fair polls like in the UK

PM tells British foreign minister; asks C'wealth secy gen for diverse group of polls observers

AGENCIES

Prime Minister Sheikh Hasina has said the Awami League government wants the national polls to be free and fair like they are in the UK.

She made the comment when UK Foreign Minister James Cleverly along with his wife Susannah Sparks called on her at the Claridge's Hotel in London on Saturday (local time), reports BSS.

"We also want fair elections. My party always maintains democracy in the country. We have given the country's democracy a strong footing," Momen quoted her as saying while briefing reporters after the meeting.

Meanwhile, Hasina has requested the Commonwealth to send diverse election observers from member countries for the upcoming general election in Bangladesh during a meeting with the Commonwealth secretary general.

Momen said the UK foreign minister has talked about

PHOTOS ON PAGE 2, 3

SEE PAGE 2 COL 4



GAZIPUR CITY POLLS

Zahangir challenges cancellation of candidacy

Files petition with HC

STAFF CORRESPONDENT

Suspended Gazipur mayor Zahangir Alam yesterday filed a writ petition with the High Court challenging the legality of the authorities' decision to cancel his candidacy in the city corporation election later this month.

In the petition, he sought the court's order to reinstate his candidacy, Zahangir told The Daily Star.

Hearing on the writ petition, submitted by his lawyer Naqib Shariful Islam, may take place today.

On Thursday, Dhaka Divisional Commissioner Sabirul Islam rejected Zahangir's appeal for reinstatement of his candidacy.

A returning officer

SEE PAGE 11 COL 3



Patients of Dhaka Medical College Hospital, along with other pedestrians, struggle to enter the hospital as the pavement in front of the emergency gate is occupied by countless small shops set up by hawkers. The photo was taken yesterday.

PHOTO: PALASH KHAN

NATIONAL ELECTION EU monitoring team likely to visit in July

The development comes following EC's written invitation

PORIMOL PALMA

The European Union will send an exploratory election monitoring mission in July as the Bangladesh Election Commission has welcomed it in a written invitation.

EU Ambassador to Bangladesh Charles Whiteley confirmed the development to The Daily Star in an exclusive interview yesterday.

"I am very pleased to say that we now have a written invitation. They [the EC] have confirmed that the observers will be welcome."

He said he recently called on Chief Election Commissioner Kazi Habibur Awal and had a positive conversation.

"I welcome the Bangladesh government's stance of welcoming the international observers. It [the written invitation] has made it very clear."

Earlier in February, the EU mission in Dhaka had written to the foreign ministry, seeking written confirmation that Bangladesh would welcome EU election observers.

While meeting the government ministers and opposition leaders in the recent months, Whiteley said that while they would send observers, the election has to be participatory.

SEE PAGE 2 COL 5