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P11 'Messi keen on rejoining Barca'



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Inflation hits 11-year high

ZINA TASREEN and SHAHEEN MOLLAH

If there is one indicator that epitomises the government's mismanagement of the economy in recent times, it is inflation – which raced to an 11 year high of 9.94 percent in May.

May's figure takes the average inflation so far this fiscal year to 8.95 percent, way above the budgetary target of 5.6 percent.

The government pinned the blame for the elevated inflation levels entirely on the Ukraine war that began in February last year.

"If inflation was 100 percent imported, why did it not rise elsewhere?" said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

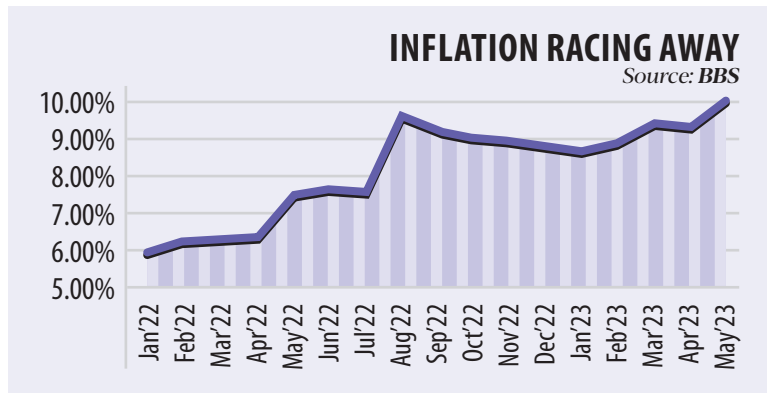
In reality, inflation is on the decline all around the world.

In May, Eurozone inflation fell to its lowest level since Russia's invasion of Ukraine to 6.1 percent. Inflation in Germany and France fell to 6.3 percent and 6 percent respectively.

Even the runaway inflation in Turkey hit its lowest level since 2021 in May. Thailand's inflation hit a 16 month low, while China's consumer price index was the lowest in more than two years. In Vietnam, inflation was 2.43 percent, the lowest level in 14 months.

Although the inflation data for the US and India are yet to be released for May, April's data give a good indication: it eased to 4.9 percent in the UK and 4.7 percent in the neighbouring country, which is an 18-month low.

The initial spiral in price level could be blamed on the war taking place 5,800 kilometres away.



"But that is not the case in the last six months," Hussain said. What it can be blamed on is the government's lack of measures to cool down demand.

"Of course, there is supply-side pressure stemming from the dollar crunch. But the government's measures fuelled inflation further."

One such misadventure of the government is the excessive bank borrowing to fund the budget deficit arising out of sluggish revenue collection from the decelerating economy, thanks, again, to the dollar crunch, according to Hussain.

Between July 1 last year and May 24, the government took loans to the tune of Tk 85,024 crore from the banking system. Of the sum, Tk 69,208 crore came from the Bangladesh Bank.

Thanks to the borrowing from the central bank, the volume of notes and coins in circulation is increasing manifold. In Bangladesh, this money can multiply by as much as five times. So, the Tk 69,208 crore may end up being Tk 346,040 crore.

This extra money in the hands of people is creating additional demand for goods and services, which, in turn, is driving up the prices.

Then the government's abandonment of the austerity stance taken at the beginning of the fiscal year nine months in also fanned the inflationary flames.

"The prime minister said the economic situation is okay now," Shamsul Alam, the state minister for planning, told reporters as he emerged from the meeting of the National Economic Council presided over by Sheikh Hasina on March 1.

Less than a fortnight later, most of the austerity measures were withdrawn. For instance, the ban on purchase of vehicles, aircraft, helicopters, boats, ships and barges, which was the centrepiece of the austerity measure, was lifted, while low-priority projects were given funds.

Amid dwindling dollar stockpile and inflationary pressure, what was the need to lift the bar on such expenditure?

May's inflation data also reflects the knock-on effect of the hike in

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Customers check out rechargeable fans at a shop in the capital's Baitul Mukarram market yesterday. With the city experiencing frequent power cuts amid the searing heat, demand for rechargeable fans has surged, leading to rise in their prices by at least Tk 100 each.

PHOTO: AMRAN HOSSAIN



Next nat'l election a challenge PM to AL leaders

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday said the upcoming general election is a challenge.

"The next election is a challenge. Different types of conspiracies and plots are being hatched," she said while exchanging views with the leaders and activists of the ruling Awami League and its associate bodies at her

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BAN ON SINGLE-USE PLASTIC No visible step to enforce HC order

Microplastics enter food chain, put consumers' health at risk

PINAKI ROY

Three and a half years into the High Court order to ban single-use plastic products in the coastal districts, there has been no visible progress towards implementation.

Every day large quantities of single-use plastic items are released into the rivers or dumped along the shorelines, which eventually flow into the Bay of Bengal.

Scientists and environmental activists say that single-use plastic items, when released into the rivers or the sea, affects biodiversity and hurt the fish and mammal populations, and all marine life.

The HC order, issued in January 2020 in response to a writ petition filed by Bangladesh Environment Lawyers Association (BELA), tasked the Department of Environment with enforcing the ban by 2021.

The government department in 2021 launched a three-year project through a gazette notification to phase out single-use plastic

items in 12 coastal districts (Bagerhat, Barguna, Bhola, Chattogram, Cox's Bazar, Feni, Khulna, Lakkhipur, Noakhali, Patuakhali, Pirojpur and Satkhira) and eight areas of Chattogram.

"Apparently the Department of Environment has issued the notification just to avoid being held in contempt of court. But practically nothing has happened in the field," BELA Chief Executive Syeda Rizwana Hasan told The Daily Star.

Controlling the use of single-use plastic and managing the plastic waste properly is the only solution, said Ahmad Kamruzzaman Majumder, dean at the faculty of science, Stamford University Bangladesh.

"The government has to implement the High Court order properly," he said.

If plastic items go into the rivers and the sea, Majumder stressed, they may turn into microplastics, which eventually enter the food chain, putting consumers' health at high risk.

Even if it does not flow into the waters, it will

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ONE-POINT MOVEMENT BNP, Jamaat reconcile

MOHAMMAD AL-MASUM MOLLA

The awkwardness of the BNP-Jamaat relationship that emerged over a year is apparently fading with Jamaat deciding to join the BNP's one-point simultaneous movement to oust the government.

The top leadership of Jamaat has also come up with fresh programmes that go with the BNP's movement.

Senior leaders of both parties have been in talks to bridge the gap between the parties that had enjoyed a tested and trusted relationship.

"We have resumed discussions with the BNP regarding the simultaneous movement. We are restoring the relationship. I can't say anything more right now," Abu Taher, mayeeb-e-ameer of Jamaat, told The Daily Star yesterday.

Jamaat took part in the first two programmes of the BNP's simultaneous movement which began in December last year. After those, the BNP announced programmes without consulting with Jamaat.

Many Jamaat leaders and activists had been arrested but the BNP kept mum about those, which created a distance between the two parties, said sources.

Since then, Jamaat, which is not registered with the Election Commission, has been observing programmes alone and intermittently and the distance between the two parties grew.

But now they are getting organised to take to the street, said the sources.

BNP leaders, however, said that it was yet to be decided whether Jamaat would make an announcement that they would join the BNP's one-point simultaneous movement.

But a few BNP leaders said Jamaat may join the movement without making an official announcement.

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10 political leaders complicit in Tipu murder

Most of them belong to ruling party, one to JP; charges pressed against 33

STAFF CORRESPONDENT

Thirty-three people, including at least nine leaders of different units of the ruling Awami League and its associate bodies, have been charge-sheeted in the murder case of Jahidul Islam Tipu, former general secretary of Motijheel thana AL.



Jahidul Islam Tipu

The Detective Branch of Dhaka Metropolitan Police submitted the charge sheet before a Dhaka court yesterday. Among the 33 accused are a Motijheel Jatiya Party leader and two

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The traffic (north) division of Chattogram Metropolitan Police has drawn on the asphalt where a bus must stop to pick up passengers in the port city's Sholosahar Gate-2 area. People are seen in this photo taken on Sunday getting on a bus that stopped on the middle lane.

PHOTO: RAJIB RAIHAN

The picture doesn't reflect the reality

Rift between 2 brothers widening as Barishal city polls approaching



ASHIK ABDULLAH APU with SUSHANTA GHOSH

The recent photograph of Abul Hasnat Abdulalh hugging his younger brother Abul Khair Abdullah brought some relief to the grassroot Awami League leaders and activists of Barishal as they thought it was an indication of them uniting ahead of the city polls.

But the real picture is different because the AL failed

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