



IMF STAFF MISSION Concern raised over inflation, reserves, bad loans

REJAUL KARIM BYRON

The International Monetary Fund staff mission yesterday raised four burning issues in their meetings with the Bangladesh Bank and the finance ministry: foreign currency reserves, inflation, banking sector and revenue collection.

During the meetings, the IMF mission, led by its chief Rahul Anand, presented reports in which they highlighted the government's progress under the \$4.7 billion loan programme and also the country's recent economic development, The Daily Star has learnt from officials informed about the development.

At the meetings, the IMF team wanted to know the reasons behind Bangladesh's high inflation rate when many countries around the world managed to bring down their price levels.

While all banking sector reforms have been fulfilled, the IMF mission raised concerns over Bangladesh's high rate of default loans.

In the first three months of the fiscal year, inflation averaged 9.75 percent, according to data from the Bangladesh Bureau of Statistics (BBS).

The finance ministry officials, led by Finance Secretary Khairuzzaman Mozumder, pinned the blame for prolonged high inflation on the steep currency devaluation, import controls and high commodity prices in the international market.

But to tame inflation, the government has introduced market-based interest rates and raised the policy rate in July.

In response, the IMF officials said many countries have raised their interest rates much earlier while calling for further rate rises.

Coincidentally, a few hours after the meeting with the IMF mission, the central bank hiked the policy rate by 75 basis points to 7.25 percent.

The IMF mission also wanted to know the reasons behind Bangladesh's failure to keep the stipulated minimum net international reserves of \$24.46 billion on June 30, a mandatory requirement to get the second tranche of the loan authorised.

In response, the finance ministry officials said the reserves had

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Captains of the 10 participating teams pose for a photograph during the Captains' Day event at the Narendra Modi Stadium, the world's biggest cricket stadium, in Ahmedabad yesterday, the eve of the 2023 ICC men's cricket World Cup opener.

PHOTO: ICC

EC not worried about 'legitimacy' of next polls: CEC

STAFF CORRESPONDENT

Chief Election Commissioner Kazi Habibur Awal has said the Election Commission will not bother about the "legitimacy" of the next general election, but will try to hold a lawful election.

"Even if one percent of the electorates cast their votes, the election would be legal. But questions may arise about its legitimacy," he said.

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Ex-ACC official dies in police custody

Family alleges he was not given medicine for heart condition

STAFF CORRESPONDENT, Ctg

A former Anti-Corruption Commission official died in police custody in Chattogram on Tuesday night after cops allegedly did not let his family members give the 65-year-old man medicines needed for his heart condition.

Police refuted the allegation and said that officers took Sayed Mohammad Shahidullah, a retired deputy director of the ACC, to a hospital after he fell sick.

Shahidullah was arrested in front of his house on Tuesday night in Bahaddarhat area on charges of torturing a woman who used to work at his house as a domestic help, said Khairul Islam, officer-in-charge

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The cricket CARNIVAL begins

STAFF CORRESPONDENT

Four years after delivering the most memorable final in World Cup history, England and New Zealand will face off once again in cricket's grandest stage in the opening match of the ICC ODI World Cup 2023 today.

The match at the Narendra Modi Stadium in Ahmedabad will kick-start the 46-day cricketing extravaganza where 10 teams will fight it out in 48 matches in 10 venues across India for the right to be called the best ODI team in the world.

With the match, the 50-over World Cup will return to the sub-continent after 2011, when India, Bangladesh and Sri Lanka jointly hosted the event.

In that edition, the tournament kicked off with a glitzy opening ceremony

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SEE A SPECIAL FOUR-PAGE PULLOUT OF THE ICC WORLD CUP.

BUSINESS

BB raises policy rate

Amid criticisms over the delay in squeezing money supply, Bangladesh Bank yesterday made borrowing costlier as it hiked the policy rate by 75 basis points to 7.25 percent to step up its fight against inflation.

This is the sharpest pace of rate increase in at least a decade, said a central banker.

STORY ON B1



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