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CORPORATE SECTOR Profits eaten up by currency depreciation

The sector's liabilities rise by
around Tk 100,000 crore, says
Ahsan H Mansur at BIDS event

STAFF CORRESPONDENT

The corporate sector's profitability was severely impacted by the sudden currency depreciation, said Ahsan H Mansur, executive director of the Policy Research Institute.

The sudden currency depreciation of more than 32 percent has increased the liabilities of the corporate sector by almost Tk 100,000 crore, he said at a session of the three-day Annual BIDS Conference on Development yesterday.

"In a stroke of a pen, the liability of the corporate sector in Bangladesh, particularly for the big ones, increased by Tk 100,000 crore."

As the private sector lost its interest in foreign borrowing, inflows stopped, and outward payments pressure increased, leading to a loss of reserves and accumulation of unsettled foreign payments, he said.

"The improvement in the current account balance, primarily through import compression, is important but it could not reverse the loss of reserves," he said, adding that the outstanding \$12 billion of short-term debt is a sword hanging over Bangladesh.

The policy of fixed exchange rates in an environment of ultra-low interest rates globally created incentives for

- High inflation negatively impacting standard of living of most households
- Difficulty in balance of payments deepening with declining foreign exchange reserves
- Strong reform strategy needed because business as usual is not an option

domestic firms to borrow in foreign currency without regard to the potential exchange rate risk.

"The surge in private sector foreign debt to almost \$26 billion was a manifestation of this phenomenon," Mansur said.

Inflation is running high and people, particularly at the fixed- and lower-income levels, are suffering as a result.

Interest rates around the world were hiked from historically low levels to a record high.

"But we kept our interest rate fixed. And that is a major element of departure from standard macro-management. And the cost has been very high."

The problem Bangladesh is facing did not happen suddenly or because of the Ukraine-Russia war but because of poor choices.

"In particular, our macro management has been unnecessarily complicated by a number of domestic economic policies, such as the fixed exchange rate regime, fixed interest rate regime for quite a number of years. And that was kept fixed, despite the changing global economic and financial environment."

Maintaining a virtually fixed exchange rate regime for more than a decade, despite relatively high inflation compared to the trading partners and competitors,

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Dhaka South City Corporation is excavating this old channel of the Buriganga in the city's Kamrangirchar area to restore the river's navigability. It will later carry out some beautification work along the banks.

PHOTO: RASHED SHUMON

HC denies Fakhrul bail Asks state to explain why he should not be granted bail

STAFF CORRESPONDENT

The High Court yesterday denied bail to BNP Secretary General Mirza Fakhrul Islam Alamgir in a case filed over the vandalism of the chief justice's residence on October 28.

However, it issued a rule asking the state to explain in seven days why bail should not be granted to Fakhrul.

The HC bench of Justice Md Salim and Justice Shahed Nuruddin issued the rule after rejecting the bail petition filed by Fakhrul, who has been in jail for 41 days.

During the hearing, the BNP leader's lawyer Zainul Abedin told the HC that his client was not in any way involved in the vandalism of the chief justice's residence.

"Mirza Fakhrul Islam Alamgir is an elderly person and has been suffering from different ailments, including heart



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'JP wants no AL candidates in 70 seats'

Requests ruling party at meeting on seat-sharing; sources; both sides deny

RASHIDUL HASAN

Jatiya Party, the main opposition party in parliament, has demanded the ruling Awami League withdraw its candidates from around 70 constituencies to pave the way for the JP nominees' easy win in the January 7 polls.

A high-profile JP delegation made the demand during a meeting with an AL team at a house in Dhaka city's Gulshan on Wednesday night, a JP co-chairman told The Daily Star.

However, the two parties yesterday officially denied that they discussed seat-sharing.

Wishing anonymity, the JP co-chairman said the AL delegation, led by General Secretary Obaidul Quader, told the JP leaders that they would inform the opposition party about seat-sharing after discussing the matter with Prime Minister Sheikh Hasina.

The JP leader also said the two parties will hold more informal meetings on sharing seats.

The JP high-ups have designated party Chairman GM Quader, Senior Co-chairman Anisul Islam Mahmud and Secretary General Mujibul Haque Chunnun to deal with seat-sharing, party insiders said.

JP nominees, especially its top leaders, are worried over winning polls as the AL is yet to reach a consensus with it over sharing seats.

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Momen writes to UN secretary general's office Complains about 'undue, vested political pressure' ahead of election

DIPLOMATIC CORRESPONDENT

Bangladesh has urged the UN to play a constructive role in its political progress in the context of the "undue, unwarranted and vested political pressure" the country is facing from different corners ahead of the election.

The call was made by Foreign Minister AK Abdul Momen in a letter to Earle Courtenay Rattray, the chef de cabinet to the UN secretary-general, in a letter last month.

The letter was handed over to the executive office of the UN secretary-general Antonio Guterres by the permanent mission of Bangladesh to the UN.

Momen confirmed to The Daily Star about sending the letter to Rattray after he struck a rapport with him during the United Nations General Assembly in September.

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AL leaders can run as independent candidates Says Quader

STAFF CORRESPONDENT

Reiterating the Awami League's stance on allowing its leaders to run as independents in the upcoming election, AL General Secretary Obaidul Quader yesterday said the party has no objection to independents running.

"The prime minister has said those who want to contest the elections as independents can do so. We as a party have not taken a different stance," he told reporters at a press briefing at the AL chief's political office in Dhaka city's Dhanmondi.

"We believe anyone can win in a fair competition. What's the problem in it? Doesn't anyone have the right to win if he runs as an independent?"

Stating that the party comes first to the AL, Quader said his party would

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The locomotive and a carriage of Titas Commuter train derailed under the Dhaka Elevated Expressway near Tejgaon Railway Station yesterday evening after the train hit a crane being used in the construction of the expressway as the latter was crossing the rail track. The accident snapped rail communication between Dhaka and the rest of the country for five hours from 5:00pm.

PHOTO: PRABIR DAS

Another 29 BNP men jailed over political violence

COURT CORRESPONDENT

Twenty-nine more leaders and activists of the BNP and its front organisations were sentenced to jail in different terms yesterday in two cases filed five to six years ago over political violence in the capital.

They were convicted on charges of illegal gathering on the street, rioting, and damaging properties.

With this, at least 546 leaders and activists of BNP and Jamaat have been jailed since November 7 this year in 28 cases filed between January 2012 and November 2018 over political violence in Dhaka.

In a case filed with Shahjahanpur Police Station in October 2017, a total of 20 leaders and activists of the BNP and its front organisations were each given three years' imprisonment by a Dhaka court yesterday.

BNP's Dhaka South City Member Secretary Rafique Alam Majnu, Jubo Dal's President Sultan Salahuddin Tuku, and Swetchasebak Dal's General Secretary Abdul Kader Bhuiyan Jewel are among the convicts.

No convicts were present in the courtroom when Dhaka Metropolitan Magistrate Rajesh Chowdhury delivered the verdict.

The magistrate also acquitted 44 others from the case, as the charges against them were not proven. Of them, Abul Hashem and Shamsur Rahman have passed away.

Four prosecution witnesses testified before the court during the trial.

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