

## An unusual contest in Subarnachar

Political novice pitted against 3-time chairman

SIRAJUL ISLAM RUBEL and ANWARUL HAIDER from Subarnachar

The upazila chairman election in Noakhali's Subarnachar today is going to be a battle of ballots between a veteran Awami League leader and a young one.

Incumbent upazila Chairman AHM Khairul Anam Chowdhury Salim, also three-time president of Noakhali district AL, is seeking another term. He will fight against 26-year-old Atahar Ishraq Sabab Chowdhury, son of Noakhali-4 (Sadar-Subarnachar) lawmaker Ekramul Karim Chowdhury.

The leaders and activists of Noakhali district AL and its affiliated organisations have virtually beendivided into two groups over the election.

The district AL leaders have been campaigning for Khairul, aged about 75, while the supporters of Ekramul, including five AL-backed union parishad chairmen in eight unions of Subarnachar upazila, are backing Sabab, said party sources.

In June 2018, Shabab was allegedly involved in a hit-and-run incident near the capital's Mohakhali flyover where a man was run over and killed by the SUV he was driving, according to witnesses.

In 2020, he rammed a police patrol van with his car in Chattogram city's Lalkhan Bazar area.

Ekramul is desperate to get his son elected as he is worried that he may lose the grip on the local AL politics if his son is defeated, say locals.

However, the district AL is desperate to make Khairul victorious as they want to break the 16-year absolute dominance of the lawmaker in local politics, party leaders said.

A total of 2,25,188 voters are eligible to cast their ballots in today's polls in Subarnachar upazila.



Israeli military vehicles operate in the Gaza side of Rafah Crossing in the southern Gaza Strip in this handout image released yesterday. Story on page 12

PHOTO: REUTERS

## Raise more funds for Rohingyas

PM urges IOM

BSS, Dhaka

Prime Minister Sheikh Hasina yesterday urged the International Organization for Migration (IOM) to raise more funds from newer sources for assistance of the Rohingyas sheltered in Bangladesh

"As the fund for the assistance of Rohingya [in Bangladesh] decreased, the IOM should find new partners to raise more funds to help the displaced Myanmar nationals," PM's Speech Writer M Nazrul Islam quoted her as telling the organisation's Director General Amy

Pope.

The IOM DG paid a courtesy call to the prime minister at Gono Bhaban.



healthcare services, and employment. Around 30,000 Rohingyas have so far been relocated to the Bhasan Char.

## Sounds of blasts in Myanmar heard in Teknaf

MOKAMMEL SHUVO, Cox's Bazar

People of Cox's Bazar's Teknaf upazila have been hearing loud sounds of explosions in Myanmar's Rakhine state over the last two days.

Locals living along the Naf river, which flows between the two countries, fear for their safety as the fighting between the Myanmar junta and the Arakan Army rages on across the border.

Nurul Alam, Teknaf upazila parishad chairman, said the sounds of explosions have been intensifying, making people feel insecure. The loud sounds of blasting mortar shells and bombs are heard in Teknaf.

Thick smoke could be seen on the horizon from Teknaf municipality on Monday, but it was not visible yesterday, he added.

He added that the fighting was going on in Maungdaw township and its adjacent areas, opposite Teknaf.

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## Teacher attacked for protesting stalking

OUR CORRESPONDENT, Noakhali

A teacher came under attack during which both of his hands were broken for protesting the stalking of a sixth-grade female student of his madrasa in Companiganj upazila of Noakhali.

Md Hasan, 34, a teacher of Jamia Sharafia Islamia Fazil Madrasa in Muchapur union, is currently undergoing treatment at Japan Bangladesh Hospital in the district town.

Japan Bangladesh Hospital's Orthopedic doctor Abdur Rahman said, "One of the victim's hands has been operated on and a splint has been placed. The other hand has been plastered. Both his hands are broken."

The attack took place at Madina Bazar around 5:00pm on Sunday when Hasan was returning home from his madrasa. A group of seven to eight youths led by Md Raju, 24, and Abu Noman, 25, a student of the madrasa, attacked him.

The Daily Star obtained several video images of the attack.

According to the witnesses, on Sunday morning, Raju harassed a female student from the madrasa on campus. Noman and some other youths accompanied him at that time.

When a madrasa teacher, Md Shaheed Ullah, informed Hasan about the matter, he confronted the harassers, prompting Noman and his cohorts to leave the campus.

Hasan's father-in-law, Md Sahab Uddin, said Hasan was attacked as he stood up to the harassers.

Contacted, Noakhali Superintendent of Police Muhammad Asaduzzaman said, "Legal action will be taken after receiving a written complaint."

## Village courts to get more empowered

STAFF CORRESPONDENT

The "Village Courts (Amendment) Bill, 2024" was passed in the parliament yesterday, empowering the rural courts to levy a fine of up to Tk 3 lakh on offenders.

LGRD Minister Tazul Islam placed the bill which was passed by voice vote.

As per the bill, a village court comprises five members, including the union parishad chairman.

In 2013, by amending the Village Court Act, the government strengthened the court allowing it to impose fines up to Tk 75,000.

According to the objective of the bill, Village Courts Ordinance, 1976 was enacted to ensure speedy and easy settlement of minor disputes of local people in rural areas.

Later, the Village Courts Act, 2006 was enacted by repealing the Ordinance and some sections of the act were amended in 2013.

## Australian PM calls China warplane conduct 'unacceptable'

AFP, Sydney

Australia yesterday chastised China over its "unacceptable" behaviour in international airspace, accusing a Chinese warplane of firing flares in the path of one of its navy helicopters.

A Chinese fighter jet "intercepted" the Seahawk helicopter as it flew a UN sanctions surveillance mission above the Yellow Sea on May 4, Australian defence officials said.

The jet detonated flares across the helicopter's flight path, officials added, in an "unsafe manoeuvre" that put the aircraft and its crew at risk.

"We have made very strong representations at every level to China about this incident," Australian Prime Minister Anthony Albanese told reporters yesterday.

"I can't speak to the motivation of what's occurred here. I can say, though, that it's unprofessional and unacceptable."

The Australian helicopter had been despatched from the HMAS Hobart destroyer, which was sailing through the region as part of United Nations efforts to target North Korean smugglers.

"Australian Defence Force personnel were going about their job in international waters and international skies," Albanese said.

## Donald Lu

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Masud Bin Momen, and call on Foreign Minister Hasan Mahmud and PM's Private Industry and Investment Affairs Adviser Salman F Rahman.

The US assistant secretary of state is also likely to hold meetings with the civil society groups and labour leaders.

The US, had been very vocal about free and fair elections ahead of the parliamentary polls in Bangladesh this year. It also announced a visa policy last year, nearly two years after imposing a sanction against Rab and some of its officials.

Though Washington termed the January 7 polls not free and fair, it promised to work with Bangladesh in the areas of economic development, promoting democracy, human rights, climate change, Rohingya, and security.

## Bangladesh to seek over 36b yuan in Chinese loans

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trade in Chinese yuan to cut excessive dependence on the dollar

The government wants to support the businesspeople in importing raw materials as the Bangladesh Bank's decision to slash the volume of the Export Development Fund (EDF) has put them in a tight spot.

The central bank brought down the EDF volume to around \$2 billion from about \$7 billion in mid-2022 when reserves came under pressure following a surge in imports.

BB also raised the interest rate on EDF loans to 4.5 percent from 4 percent in April last year.

According to a BB circular on

April 9, 2023, an exporter can take loans of \$10 million but a member of Bangladesh Garment Manufacturers and Exporters Association can get as much as \$20 million.

According to the rules for the EDF loan, the borrower has to repay within 180 days but in some cases 210 days is allowed.

The sources said Bangladesh, during the loan negotiations, will ask for flexible terms so that the money can be used for trade with other countries alongside China.

The interest rate and the repayment term would be finalised at that time, according to a top official at the commerce ministry.

## A welcome step but will it be enough to boost reserves?

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an independent country in 1971, Bangladesh managed currency volatility through a series of fixed exchange rates.

Now it has to make a painful choice.

The crawling peg, a system of exchange rate adjustments, falls between two extremes: the fixed rate and the floating or market-based rate. The key difference is that a crawling peg allows for limited fluctuations within a predefined range, while a fixed exchange rate has almost no flexibility.

The new system is primed to bring more flexibility to the exchange rate regime by loosening the central bank's grip on the taka, a key prescription from the International Monetary Fund. Still, a question remains: will the central bank bring the new exchange corridor closer to the informal market rate to curb opaque currency flows?

"The crawling peg is just a formula. If the dollar-taka exchange rate based on the crawling peg comes close to the informal market rate, it may yield some benefits because that will discourage dollar flows into the informal market," said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

"But if the gap between the formal and informal markets is as wide as ever even after the introduction of the new system, it won't make much of a difference," he said.

Hussain's observation reflects wider concerns over the deterioration in external buffers with official reserves slipping below \$20 billion, less than

half their historic peak in 2021.

Since mid-2022, the taka has been depreciating against the dollar, a trend primarily attributed to a balance of payments deficit leading to a significant reduction in reserves. The weakening of the taka has fuelled domestic inflation as the cost of imports has risen. In response to these challenges, Bangladesh Bank charted a gradual shift towards a market-based exchange rate system. And the crawling peg is a transition to a more flexible exchange rate and a way to prevent further depletion of foreign exchange reserves.

The crawling peg is not without a virtue. It will go some way toward rebuilding resilience and adaptability to external shocks, especially as Bangladesh graduates from the LDC category in 2026 and becomes more closely integrated into the global financial system. That means Bangladesh is on course to adopt a "more modernised and forward-looking monetary policy framework." It will also augment the central bank's freedom in monetary policy.

"While the authorities have appropriately accelerated reforms to allow greater exchange rate flexibility, managing transition risks remains crucial. Policy actions to restore external resilience need to be well-calibrated and carefully sequenced to facilitate a non-disruptive transition toward greater exchange rate flexibility," the IMF said in a report in December 2023.

The crawling peg system would be linked to a carefully selected set of currencies and operate within a predefined exchange rate band.

State Minister for Commerce Ahasanul Islam Titu brought up the loan issue during bilateral talks with his Chinese counterpart on the sidelines of the 13th Ministerial Conference of World Trade Organisation in Abu Dhabi between February 26 and March 2.

After the conference, the state minister wrote to the Chinese minister thanking him and mentioned their discussion on the loan. In response, the Chinese minister said his government in principle agreed to it and asked Ahasanul to proceed.

The commerce ministry then asked the Finance Division and the Economic Relations Division to get the PMO's nod.

This strategy is aimed at tempering unusual fluctuations in the currency's value.

"The central bank would establish a stable benchmark while retaining the flexibility to intervene in the market as necessary to maintain the currency within the designated boundaries," Bangladesh Bank said in January.

Before the buzz over the crawling peg was in the air, the central bank in July 2023 introduced the market-based exchange rate. That was only on paper. In practice, however, the exchange rate is fixed by the Bangladesh Foreign Exchange Dealers' Association and the Association of Bankers on unofficial instructions from the central bank.

According to an IMF assessment, the exchange rate not being market-based was the reason behind the deficit in the financial account, which widened to \$8.36 billion in the July-February period from \$2.32 billion a year earlier. As a result, much of the export proceeds did not return home to Bangladesh, while remittances were still flowing through unofficial channels.

Bangladesh is navigating a combination of risks – elevated inflation and slowing economic growth. So, greater exchange rate flexibility may help the nation stem losses of forex reserves and eventually ease depreciation pressure on the taka, triggered initially by the worsening terms of trade and later by the reversal in the financial account.

The crawling peg system, if introduced, will hopefully bring cheers to exporters and remitters.

## It's mostly AL affairs

FROM PAGE 1

Election experts have expressed concerns that lawmakers may try to influence the polls, directly and indirectly, as at least 50 relatives of AL MPs are running.

"There are chances that lawmakers will try to influence the polls. They have already established their supremacy in their respective areas. Trying to ensure absolute supremacy, they want their relatives and supporters to win the upazila elections," said Badiul Alam Majumdar, secretary of Sushashoner Jonno Nagorik (Shujan).

There is a serious lack of festive election atmosphere as many voters do not have enough confidence in the Election Commission, he told The Daily Star yesterday.

Badiul said many voters are worried whether they will be able to cast their ballots.

Meanwhile, Chief Election Commissioner Kazi Habibul Awal yesterday said they took all necessary measures to ensure nobody could influence the upazila polls.

"Ministers and MPs have been stopped from influencing the elections. Some steps have been taken in this regard. We have given instructions that no intrusion into the [polling] centres should occur," he told reporters at the EC office in the capital.

Asked whether the commission was facing problems over the participation of the relatives of some lawmakers and ministers in the polls, the CEC said, "There is no question of the EC being in a spot of bother regarding this."

In a meeting with the EC on April 25, field-level administration and police officials expressed concern that ministers and lawmakers were trying to influence the upazila polls which might pose a serious challenge to holding the elections in a free and fair manner.

On May 5, the EC sent a letter to the parliament secretariat urging the Speaker to give special instructions to the lawmakers that they should not take part in the polls campaigns.

**'DON'T GO TO POLLING STATIONS'** BNP yesterday urged people not to go to the polling stations, reports UNB.

"The upazila polls will start tomorrow [today] and the elections will be held in four phases. We call upon all to tell their relatives, brothers and sisters not to go to the polling stations," said BNP Senior Joint Secretary General Ruhul Kabir Rizvi.

He made the comments while distributing leaflets among the pedestrians, vehicle drivers and passengers in the capital's Banani area, containing BNP's call to boycott the elections.

Rizvi said no one should support the "dummy elections" to the

upazila parishads. "It's a farcical and fraudulent voting. People will not participate in the polls."

In Chattogram's Sitakunda upazila, chairman candidate Mohiuddin Ahmed Monju, also an executive member of Chattogram north district AL, yesterday said his polling agents were threatened by the supporters of his rival candidate Ariful Alam Chowdhury.

Asked about the matter, Ariful told The Daily Star that he would talk to the newspaper later. He, however, did not answer further calls.

In Mirsarai upazila of Chattogram, Sheikh Ataur Rahman, general secretary of Chattogram north district AL, alleged that his rival Enayet Hossain Nayan, science and technology affairs secretary of the same AL unit, was trying to influence the upazila polls.

Nayan, however, refuted the allegation.

In Naryanganj Bandar upazila, chairman candidate Ataur Rahman Mukul alleged that he and his supporters came under attacks from the supporters of AL thrice during campaigning.

"Voters are eager to go to the polling centres, but the ruling party men are trying to create a fearful atmosphere in the upazila," he said.

The EC primarily decided to hold elections in 152 upazilas in the first phase. But it withheld the elections in eight upazilas due to High Court stay orders and deaths of candidates.

Besides, there will be no elections in another five upazilas as all the chairman and vice chairman candidates in those upazilas have been elected uncontested.

## Russian plot to kill Zelensky foiled: Kyiv

AFP, Kyiv

Ukraine said yesterday it had unravelled a Russian plot to assassinate senior Ukrainian political and military figures, including President Volodymyr Zelensky.

Two Ukrainian security officials were arrested for their links to the group, which had aimed to carry out high-profile killings ahead of Russian President Vladimir Putin's inauguration yesterday.

"The terrorist attack, which was supposed to be a gift to Putin for his inauguration, was in fact a failure of the Russian secret service," Vasyli Maliuk, head of the Security Service of Ukraine (SBU), said in a statement.