

No let-up in reserves slide

MD MEHEDI HASAN

Bangladesh's foreign exchange reserves have been falling since September 2021 despite a series of government initiatives to reverse the trend.

As of Wednesday, the gross international reserves (GIR) was \$18.42 billion, just enough to pay for imports over three and a half months.

The period barely meets the International Monetary Fund's minimum benchmark for countries to clear import payments.

According to Bangladesh Bank data, Bangladesh's monthly import bill is around \$5 billion.

The country's net international reserves (NIR) -- the amount after deduction of foreign currency liabilities from gross reserves -- would be \$13 billion, which covers two and half months of import.

The government can use the NIR at an instant, central bank officials say.

For imports, the central bank last week paid \$1.63 billion through the Asian Clearing Union, an arrangement of 10 countries, including India, one of the largest trading partners of Bangladesh, for settling transactions. This caused the reserves to sink a little further.

Against this backdrop, the IMF in its latest review of Bangladesh's performance regarding the conditions for the \$4.7 billion loan lowered the NIR target to \$14.76 billion for June.

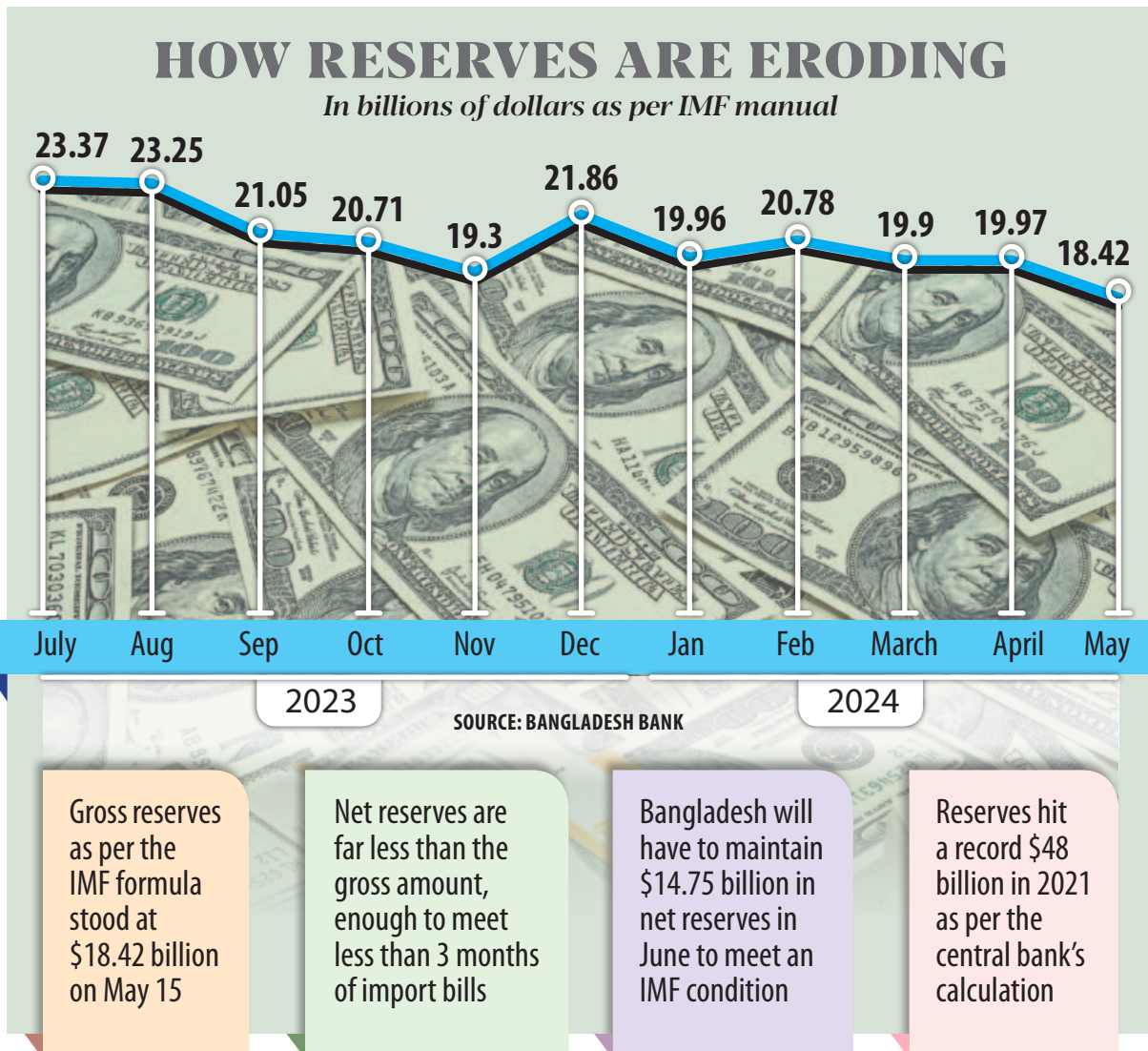
WHY ARE THE RESERVES FALLING?

Amid the coronavirus restrictions, import payments, international travels, and outflow of foreign currency for other purposes fell drastically, and at the same time, inflow of remittance increased, taking the reserves to a record \$48 billion in August 2021.

As import payments started to rise and the economy reopened, the reserves began to fall.

In 2022, the country's forex market became more volatile as supply chain disruptions elevated commodity prices globally amid the Russia-Ukraine war.

SEE PAGE 2 COL 1



ILLEGAL RICKSHAWS rule Dhaka streets

Lack of monitoring, regulations lead to their number skyrocketing; battery-run rickshaw drivers, owners being extorted

MD ABBAS

The rising number of illegal rickshaws remains one of the major reasons for the capital's traffic getting worse.

Experts say illegal operation of pedal and battery-powered rickshaws is prompting a section of local hoodlums, ruling party leaders, and law enforcers to extort hundreds of crores of taka.

The High Court in 2014 banned battery-run rickshaws in Dhaka and Chattogram. It had issued another directive on December 15, 2021, prohibiting the import of battery-run rickshaws. The number of such three-wheelers in the capital kept going up despite the orders.

Interestingly, the Dhaka north and south city corporations, responsible for registering to pedal rickshaws, have no data on how many rickshaws are on the city streets.

The Dhaka North City Corporation (DNCC) has 30,162 registered rickshaws, while the figure is 1,90,217 for the Dhaka South City Corporation (DSCC).

A study carried out by the

Bangladesh Institute of Labour Studies (BILS) in 2019 said that Dhaka had over 11 lakh pedal rickshaws, of which only three to

The government can earn good revenue by registering battery-run rickshaws. The money is now pocketed by local politicians, influential people and cops.

ARIFUL ISLAM NADIM
Joint secretary of the Rickshaw Van Easybike Sramik Union

four percent were registered.

Also, there were more than 2 lakh battery-run rickshaws in the city and transforming pedal rickshaws into battery-powered

three-wheelers kept on rising back then, said the report.

It also revealed that a section of ruling party leaders, 25 organisations, and five societies had control of illegal rickshaws.

BILS now puts the number of rickshaws in the capital at more than 15 lakh.

Speaking to The Daily Star, BILS consultant Khandoker Abdus Salam said rickshaw pullers contribute Tk 30,000 crore every year to village economy.

"More than 50 lakh people pull rickshaws across the country to make their living. So, it is very important to bring them under regulation and register them based on zones," he said.

A study by Buet in 2022 found that Dhaka city traffic speed dropped to 4.5km per hour from 21km a decade ago despite the government spending a staggering Tk 28,000 crore to ease congestion.

Visiting different areas in the capital over the last few weeks, The Daily Star found that most of the rickshaws either did not have

SEE PAGE 2 COL 4

Bangladeshis have \$5.9b in tax havens

Finds EU tax observatory

STAFF CORRESPONDENT

Bangladeshis own \$5.91 billion of offshore wealth in tax havens around the world.

Cumulatively, this comes up to 1.3 percent of Bangladesh's Gross Domestic Product.

Of this amount, \$5 billion are in Asian tax havens, while the rest are in European and American tax havens.

This is according to the Atlas of the Offshore World, produced by the European Union Tax Observatory. The estimates are from 2022.

In 2021, the figure of offshore wealth owned by Bangladeshis in tax havens was \$8,145 billion, the highest since the beginning of the millennium. Of this amount, \$7 billion alone was in Asian tax havens including Singapore, the United Arab Emirates and Hong Kong.

The Atlas estimated that \$0.5 billion was lost in taxes as a result of the stashing of wealth offshore.

It found that the total offshore wealth invested in real estate in tax havens comes up to \$0.66 billion or 0.18 percent of Bangladesh's GDP.

Most of this real estate investment happened in Singapore and Dubai, followed by London and Paris.

"Offshore real estate is real estate that is either ultimately owned by an investor in a different country or is owned by residents through complex offshore structures that can obfuscate the identity of the real owner," it said.

A recent investigation by Organised Crime and Corruption Reporting Project (OCCRP) found that 394 Bangladeshis own 641 residential properties in Dubai, whose estimated value is \$225.35 million. OCCRP took the estimates from 2022.

SEE PAGE 2 COL 6

Govt goes for a slim ADP to fight inflation

Okays Tk 2.65 lakh crore for the next fiscal year

STAFF CORRESPONDENT

The government yesterday approved a Tk 2,65,000 crore Annual Development Programme (ADP) for the next fiscal year to address high inflation.

The National Economic Council (NEC) at a meeting chaired by Prime Minister Sheikh Hasina approved the ADP for the 2024-2025 fiscal year, which shows an increase of only 0.76 percent from the current one.

After the meeting, Senior Secretary of the Planning Division Satyajit Karmaker told reporters that to keep inflation at a tolerable level, the government fund has been reduced in the new ADP, with an aim to ensure coordination between the fiscal and monetary policies.

On the other hand, the foreign fund allocation in the ADP has been increased to a record Tk 1,00,000 crore at a time when the country is under pressure due to the bleeding of reserves.

"Usually, we increase the ADP size by Tk 20,000 crore to Tk 22,000 crore each fiscal year. This time, the increase is only by Tk 2,000 crore," said Satyajit.

SEE PAGE 6 COL 1

It's one-party rule under a democratic framework

Says Prof Wahiduddin Mahmud

STAFF CORRESPONDENT

A one-party authoritarian government system can work well to become a developed nation but at least some areas should be less politicised, said eminent economist Prof Wahiduddin Mahmud.

He said Bangladesh's government system can be described as a one-party authoritarian rule under a democratic framework.

"This type of government does not necessarily hold fair elections and, so its popularity can't be measured. This type of government usually wants economic development because its validity depends on the development of the economy."

Wahiduddin was speaking at an event yesterday marking the launch of the book titled "Bangladesh's Future Development: Agenda for Reform" authored by Prof Mohammed Farashuddin, a former governor of the Bangladesh Bank.



SEE PAGE 7 COL 1



Illegal battery-run rickshaws crowd the road near the Bosila bridge in the capital's Mohammadpur around 1:00pm yesterday. Plying of such three-wheelers on city streets and alleys goes on unabated, worsening congestions. Inset, a battery-run rickshaw in Dhaka University area.

PHOTO: PRABIR DAS, AMRAN HOSSAIN



Probe body recommends removal of Sharifa's Tale

STAFF CORRESPONDENT

A probe committee, formed by the education ministry, has recommended the removal of the story titled "Sharifa's Tale" from the chapter on human resemblance and difference in the seventh-grade history and social science textbook.

The chapter was prepared in light of the new curriculum to create public awareness about transgender people.

The matter came to the fore after an adjunct faculty member of BRAC University tore the pages of the textbook containing the story at an event. The video of the incident went viral on social media.

On January 24, the education ministry formed a five-member probe committee to review "Sharifa's Tale".

A member of the committee, preferring to remain unnamed, told The Daily Star last night that the committee's report was submitted to the education

SEE PAGE 6 COL 6

