

# IMF charts path out of farm subsidy

REJAUL KARIM BYRON and AM JAHID

The International Monetary Fund has suggested an alternative to reducing agricultural subsidies — raising fertiliser prices and providing cash or vouchers for certain farm inputs to support poor farmers.

The global lender also recommended removing incentives for remittance and gradually reducing subsidy on electricity.

The IMF made the suggestions in its programme document as the lender approved \$1.15 billion in the third tranche of the \$4.7 billion loan to Bangladesh on Monday.

The government has assured the IMF of progressively reducing the subsidy on power by hiking the prices four times a year, but it did not say anything about cutting or withdrawing the subsidies on remittance and agriculture.

"Increases in fertiliser prices could be coupled with cash transfers or vouchers for a range of agricultural inputs (including fertiliser) targeted at small or poor farmers," the IMF said.

It said several options can be considered to lessen the fertiliser subsidy bill.

Raising domestic production of fertiliser by increasing the natural gas supply to existing fertiliser factories could also help cut the reliance on expensive imports. The impact of a reduction in gas supply to other sectors would need to be carefully considered, the IMF said.

In April 2023, the World Bank provided Bangladesh \$500 million for agricultural and rural transformation. With the funding, the government will build a comprehensive database of farmers and experiment with e-vouchers for fertilisers and other agricultural inputs.

The IMF said the new database and the findings are expected to yield valuable information that the authorities can use for a rethink of the agricultural subsidy system and put current budget allocations for fertiliser subsidies to more productive uses.

It said the current fixed price system — under which farmers purchase fertiliser at a set price irrespective of quantity procured or farmer characteristics — provides a universal and untargeted subsidy that favours the use of fertiliser over other agricultural inputs.

"As a result, farmers may overuse fertilisers while underinvesting in other inputs such as high-yielding seed varieties and precision irrigation systems."

Better agricultural extension services could help lower dependence on fertilisers and achieve the same agricultural output with a smaller amount of fertiliser inputs, the global lender said.

A sharp rise in global prices of these commodities since 2021 has led to a significant increase in subsidy claims in recent years. This is

SEE PAGE 2 COL 5

Govt's arrear bills for power, fertiliser stand at Tk 52,000cr

It plans to clear the arrears in the next 5yrs

Govt issued special bonds of Tk 26,200cr for repayment of subsidies

IMF suggests govt discontinue subsidy payment via bond

IMF also recommends removing incentives for remittance

Govt plans to hike power prices four times a year



An excavator knocks down an illegal structure of Sadeeq Agro, set up occupying a part of the Ramchandrapur canal in the capital's Mohammadpur. The Dhaka North City Corporation yesterday afternoon conducted a drive to recover illegally occupied land.

PHOTO: RASHED SHUMON

## DNCC tears down parts of Sadeeq Agro

SAJJAD HOSSAIN

Dhaka North City Corporation yesterday knocked down a portion of the farm built illegally by Sadeeq Agro on the land of Ramchandrapur canal in the capital's Mohammadpur.

The city corporation also demolished another structure of the farm near Nabinagar Housing in the same area for illegally occupying nearly one bigha of road space.

Sadeeq Agro, owned by Imran Hossain, president of the Bangladesh Dairy Farmers' Association (BDEFA), has been the subject of a controversy since it reportedly sold a goat for Tk 12 lakh to Mushfiqur Rahman Ift, son of former National Board of Revenue member Matjur Rahman, before

SEE PAGE 2 COL 1

## Court orders seizure of NBR official's assets

COURT CORRESPONDENT

A Dhaka court yesterday ordered the authorities concerned to confiscate all moveable and immoveable properties of Quazi Abu Mahmud Faisal, first secretary (taxes and legal enforcement) of the National Board of Revenue, his wife Afsana Jasmin, and some of his close relatives over graft allegations.

Judge Mohammad Ash-Shams Joglul Hossain of Dhaka Metropolitan Senior Special Judge's Court passed the order after Md Mostafiz, assistant director of the Anti-Corruption Commission, also the inquiry team head, appealed for this.

He directed the authorities concerned to take initiatives so that Faisal and others could not hand over the properties or launder the money.

The judge ordered them to freeze 87 bank accounts of Faisal, his wife, and relatives.

The court also asked the anti graft

body to publish this order in a Bangla national daily and an English one.

ACC Public Prosecutor Mosharraf Hossain Kajol confirmed it to The Daily Star.

The properties are: a five-katha plot bought for Tk 75 lakh from East-West Development (Pvt) Ltd by Afsana, a flat bought for Tk 1 crore from Rupayan Housing Estate Ltd in the city's Ramna area by her father Ahmed Ali, a five-katha plot purchased from Jolshiri Housing Project in Khilgaon by Faisal and Afsana, saving certificates worth Tk 2.55 crore, Tk 6.96 crore deposited in bank and non-banking financial institutions, and other moveable properties worth Tk 6.89 crore. The total amount stands at Tk 16.41 crore.

The inquiry official also alleged that Faisal accumulated around Tk 1,000 crore by taking bribes for transferring income tax officials, intimidating taxpayers and resorting to other irregularities. He also tried to launder

SEE PAGE 2 COL 4



Abu Mahmud Faisal

## Forex reserves near \$22b as funds arrive

STAFF CORRESPONDENT

Bangladesh's foreign currency reserves rose to around \$22 billion after the International Monetary Fund and other lenders disbursed their loans.

Yesterday, the IMF released \$1.15 billion as the third tranche of its \$4.7 billion loan programme.

The country also received around \$900 million from other sources such as South Korea, the World Bank, and the Islamic Development Bank, said Bangladesh Bank spokesperson Md Mezbaul Haque.

"We are yet to finalise the account. We'll get the final figure on the next [working] day."

As per IMF's calculation, the reserves amounted to \$19.47 billion on Wednesday. With the latest injection, the amount stands at \$21.89 billion —

SEE PAGE 6 COL 5

## BOGURA JAILBREAK

# It was long time coming

## Flaws in infrastructure, security lay unaddressed



MOSTAFA SHABUI, Bogura

In the absence of an outer boundary wall, thieves would often break into the prison guard barracks on the jail premises and steal valuable items, Bogura jail prison guards alleged yesterday.

Despite such breaches in the past, no action was taken to reinforce the jail security system.

SEE PAGE 2 COL 1

## Azim sensed danger, tried to leave flat

Says DB report

MOHAMMAD JAMIL KHAN and CHAITANYA CHANDRA HALDER

As soon as Jhenaidah-4 MP Anwarul Azim Anar entered the Sanjeeva Gardens flat in Kolkata's New Town on May 13, he



MP AZIM MURDER

realised that the accused had planned to murder him.

As he tried to leave the flat immediately, accused Foyzal Ali Sahazi pulled him from behind and covered his mouth with a

SEE PAGE 2 COL 5



PHOTO: ANISUR RAHMAN

Heaps of rods hanging unbalanced on the rear of a ramshackle truck. Even the rope that is used to tie the rods together is wearing out. If they slip off, several accidents can occur, including ones that injure people. Unfortunately, such a sight is common in the city, as the authorities concerned remain unbothered. The photo was taken yesterday in the capital's Postogola.

## DREDGING OLD BRAHMAPUTRA

# Tk 2,763cr project crawling along

Only 26pc work completed in 5yrs; deadline for implementation extended till June 2025



PHOTO: PRABIR DAS

AMINUL ISLAM, Mymensingh

For nearly five years, the BIWTA has been dredging the Old Brahmaputra in Mymensingh to improve its navigability under a Tk 2,763 crore project, but only 26 percent of the project has been completed as of early May this year.

Green activists and civil society members say there has been no visible improvement in navigability since the dredging began.

"Navigability has worsened in some areas where dredging is taking place. The river has become narrower in some places," said Nazrul Islam Chunnun, convener of Janaudyog Mymensingh, a civil society platform.

The river is dying, he said.

The project deadline, which is set to expire this month, has already

SEE PAGE 2 COL 2

