

# The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

## Fresh Rohingya influx quite alarming

### This may only exacerbate the refugee crisis

It's alarming to learn that renewed violence in Myanmar has forced around 80,000 more Rohingyas to take shelter in Bangladesh since August last year, adding to the staggering 1.2 million already residing here. This has been revealed by a study conducted by the Bonn International Centre for Conflict Studies (BICC) and the Refugee and Migratory Movements Research Unit (RMMRU). It goes without saying that the fresh influx puts Bangladesh in a particularly tight spot, as it finds itself scrambling to not just address the challenges festering within the overcrowded camps but also to handle the pressure of new arrivals amid renewed concerns over funding sparked by the policy shift under the new president of the United States—the largest donor for the Rohingya refugees.

Funding shortages have been a persistent issue since nearly a million refugees entered Bangladesh in 2017, with each passing year widening the gap between funding requirements and provisions. For example, the total funding requirement in 2024 was \$852.4 million, but donors provided only \$548.9 million. Since 2017, the US has provided nearly \$2 billion in humanitarian assistance. However, with the recent suspension of US funding for development projects in Bangladesh for at least three months, there is uncertainty over how this will affect Rohingya funding and whether previous commitments will be honoured. The declining donor support in recent years speaks volumes about the international community's waning attention to the crisis, leaving critical services underfunded. The World Food Programme, for instance, has had to repeatedly cut rations due to funding shortfalls, pushing refugees further into desperation.

With such uncertainties around, the state of the camps is likely to worsen. The RMMRU study paints a grim picture of living conditions, gender-based violence, and security concerns in the camps. With each refugee receiving a meagre allowance of Tk 16 per day, many have been forced into informal labour or criminal activities. The crisis is further underscored by escalating gender-based violence, with physical assault, sexual abuse, forced marriages, and severe psychological trauma becoming commonplace. There have also been reports of increasing militarisation with armed groups, including ARSA, RSO, and the Arakan Army, forcibly conscripting young men. One estimate suggests that between 3,000 and 5,000 were recruited in the first half of 2024 alone.

This is not a burden that Bangladesh should be expected to bear alone. Bangladesh has repeatedly urged the international community to take meaningful action to resolve the Rohingya crisis so that these displaced individuals can return to their homeland. Their safe repatriation to Myanmar remains the only sustainable solution. We, therefore, urge the world leaders to step up efforts to resolve the crisis, and increase funding while diplomatic efforts are underway. At the same time, Bangladesh does have a responsibility to ensure that Rohingya refugees within our borders are protected. It must work to improve conditions in the camps. It also must take decisive action to address the reality of new arrivals.

## Curb exorbitant airfares

### It is migrant workers who are bearing the brunt

We are concerned about the soaring airfares on various routes, particularly those to Middle Eastern countries, which are the primary destinations for our migrant workers. Reportedly, ticket prices on these routes have surged two to three times due to an artificial crisis created by an unregulated market system and inadequate government oversight. According to data from the Association of Travel Agents of Bangladesh (ATAB), the cost of flying to Saudi Arabia has jumped from Tk 45,000–50,000 to around Tk 1.90 lakh, which is staggering and unjustifiable. While the high ticket prices are affecting all outbound passengers on these routes, it is our migrant workers who are suffering the most.

A key driver of this surge is the unethical practice of some airlines blocking group seats months in advance through email bookings—without requiring passenger names, passports, visas, or work permits. In other words, they create PNRs (Passenger Name Records) without providing any details of passengers, allowing certain agencies to hoard tickets and create artificial demand. Reports indicate that as many as 60,000 seats on Saudi-bound flights of 11 airlines—including Fly Dubai, Jazeera Airways, Gulf Air, and Salam Air—have been blocked in this manner.

Unfortunately, this is not the first time such malpractice has been reported. Last year, Malaysia-bound migrant workers faced a similar crisis when a syndicate comprising Biman officials and high-ups artificially inflated ticket prices. As a result, thousands of workers failed to reach Malaysia before the May 31 deadline, when the labour market there closed for Bangladeshis. Our migrant workers already have to bear high migration costs, and these excessive airfares only worsen their struggles.

We, therefore, urge the Civil Aviation Authority of Bangladesh (CAAB) to take immediate action to stop these unfair practices. The syndicate of travel agencies hoarding tickets must be dismantled, and a task force—including representatives from relevant ministries and CAAB—should be formed to hold unethical travel agents and airline staff accountable. Airlines must also impose a maximum sales limit per agency to prevent hoarding and price manipulation. Furthermore, a reasonable minimum and maximum fare should be set for different routes. To ensure transparency, tickets for migrant workers and Umrah pilgrims must clearly specify fare and agency details. Without such measures, illegal practices will persist, making air travel increasingly unaffordable for those who need it most.

### THIS DAY IN HISTORY

## Auschwitz is liberated

On this day in 1945, Soviet troops entered Auschwitz, Poland, freeing the survivors of the network of concentration camps—and finally revealing to the world the depth of the horrors perpetrated there.

# Unlocking Bangladesh's trade and investment potentials

### MACRO MIRROR

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Views expressed in this article are the author's own.



FAHMIDA KHATUN

Trade and investment are interlinked, and they can reinforce each other, fostering economic growth, creating employment opportunities, and driving social progress. They also act as critical components of economic framework by generating higher revenues, which can be channelled into developmental initiatives and social protection programmes for underprivileged communities. Therefore, countries must design and implement robust policy measures to create conducive environments, that encourage increased trade and investment.

Bangladesh has transitioned from an aid dependent economy to a trade-dependent economy over the past decades. The share of foreign aid has declined to less than two percent at present while the shares of export and import are 13.1 percent and 15.7 percent, respectively. However, the opportunities for higher trade remain largely untapped. On the other hand, despite claims of high economic growth by the previous government, investment levels have stagnated over the last decade.

In the fiscal year (FY) 2023-24, private investment constituted 23.5 percent of GDP—lower than the 23.7 percent in FY 2015-16. Public investment showed a modest increase from 6.5 percent of GDP in FY 2015-16 to 7.5 percent in FY 2023-24. Foreign direct investment (FDI) remains a critical concern, as it has consistently accounted for less than 1 percent of GDP since FY 2015-16. In FY 2023-24, FDI was little over 0.3 percent of GDP. These figures highlight the need for urgent actions to unlock the full potential of trade and investment in Bangladesh.

A broad spectrum of factors, that determine export competitiveness and economic attractiveness for investors, influence Bangladesh's trade and investment climate. These factors include the soundness of macroeconomic policies, the strength of economic and political institutions, the functioning of the legal and regulatory framework, the quality of infrastructure and services, the skill sets of human resources, and the level of technological adoption.

The lack of sound macroeconomic policies, a cornerstone for creating a stable and conducive environment for trade and investment, has weakened Bangladesh's macroeconomic stability

over the years. It is currently reflected in the country's fiscal and monetary policies, exchange rate, financial and debt situation, affecting growth performance. Governments stimulate aggregate demand and economic activity through a well-managed fiscal policy; for instance, generating employment and enhancing logistics through public infrastructure projects, thus contributing to overall economic efficiency. However, in Bangladesh, the effectiveness of fiscal policy has eroded because of the abysmally low tax collection and mostly questionable, inefficient government spending.

Monetary policy is another vital component. Effective management



FILE VISUAL: REHNUMA PROSHOON

of money supply and interest rates is crucial for controlling inflation and promoting sustainable economic growth. However, the previous governor of the Bangladesh Bank did not use monetary policy tools to control inflation. He decided to keep the interest rate fixed even when the inflation rate was high to benefit a certain group of businesses and express loyalty to them by sacrificing professional duty. Additionally, exchange rate policies by the Bangladesh Bank during the ousted government's regime were wrong and inadequate, which significantly impacted trade competitiveness and foreign investment. Stable currency management, particularly through a market-driven exchange rate, is crucial to reduce uncertainties, bolster investor confidence and increase exports.

Financial stability is indispensable for macroeconomic resilience. But Bangladesh's financial sector,

dominated by banks, has been grappling with various inefficiencies and poor governance. It is reflected in the sector's overall poor performance and high non-performing loans. Currently, the banking sector is undergoing various reforms, but it will take several years to overcome the challenges of the sector. Besides, there is also a lack of diverse financing options and products, including venture capital and credit for small businesses, which can enable economic participation across all sectors.

Moreover, prudent debt management is critical for Bangladesh as its domestic and external debt are increasing. Megaprojects implementation through foreign loans has not followed the rationale spending path, but has instead led to high corruption, and wastage. As a result, projects became much more expensive than in other comparable countries and the economic return is costly.

All these impact economic growth, which was illogically inflated by the previous government, leading to the weakening of the macro fundamentals,

reflected in the lower growth of gross domestic product (GDP). The World Bank has projected Bangladesh's growth to be 4.1 percent in FY 2024-25. Sustained economic growth is essential for job creation and poverty reduction. Therefore, without addressing these issues, Bangladesh's macroeconomic foundation will continue to erode, hampering its trade, investment and development.

Bangladesh also faces significant institutional weaknesses that hinder trade and investment. Institutions such as the Bangladesh Bank and the National Board of Revenue, the Bangladesh Investment Development Authority, the Bangladesh Securities and Exchange Commission severely suffered from political interference all these years, reducing their efficiency and independence. Political institutions captured these economic institutions preventing any meaningful reforms. Besides, overlapping regulations, bureaucratic

delays, high compliance costs and a complex, multi-layered legal system deter new businesses and foreign investors and cause inefficiencies.

There are also issues of policy consistency and alignment. Unified and coordinated policies are needed to improve the trade and investment climate. Existing trade and investment policies should be revisited to address gaps and redundancies. There is an anti-export bias in Bangladesh which is reflected through high tariffs. On the other hand, the National Industrial Policy 2022 protects the import-competing industries through various tax exemptions and tax holidays—facilities that are provided even to inefficient sectors. This policy should be reviewed for proper trade promotion.

In addition, the complexity of tax laws should be reduced, so that their predictability would attract long-term investments. Also, Bangladesh should now transition towards a market-based exchange rate system to boost trade competitiveness. Access to finance should be enhanced by diversifying financial products and ensuring affordable interest rates to support both domestic and foreign investors. The infrastructure deficits must be met by increasing energy availability, improving port operations, and upgrading road networks to reduce logistical challenges. As Bangladesh is set to graduate from the least developed country category in 2026, preparation for a smooth graduation should be expedited. The National Tariff Policy 2023 should be implemented to streamline tariff structures and rationalise tariffs.

The export sector should be strengthened through compliance improvements, green transitions, and continued support. The stabilisation of law and order and protection of both domestic and export-oriented industries are urgently needed. Investment in education and skills development is required to overcome the shortage of skilled labour. E-governance through digitalisation should be enhanced in public services and logistics to reduce costs and improve efficiency. It is also important to establish clarity, consistency and continuity of policies to build investor confidence.

Finally, businesses do not start and cannot thrive in an environment lacking sound regulation and market-supporting laws, that are implemented fairly. These are essential "public goods"—which the government must provide to enable trade and business. Corruption, which has become all-encompassing, must be eradicated. Public offices should not be used for private gain—rather they should enable a conducive business environment and meet the needs of the economy and people.

# Who will save our villages from plastic pollution?

### Parvez Uddin Chowdhury

is a development worker and climate enthusiast.



PARVEZ UDDIN CHOWDHURY

Plastic pollution is one of the rapidly growing major environmental concerns worldwide. In our country, it has become a serious environmental challenge as well. We are one of the top countries in the world that mismanages plastic waste. Reports show that Bangladesh generates around 3,000 tonnes of plastic waste every day and around 14 million polybags are used daily in Dhaka.

According to a study by the Environment and Social Development Organization (ESDO), a family in Dhaka city uses five polythene bags on average per day. In a recent roundtable discussion hosted by UNOPS Bangladesh, an estimated five times more plastics will end up being in the Bay of Bengal in 2025 than in 2010.

Single-use plastics and polybags alarmingly keep polluting our cities, towns, countryside, rivers, and canals. Newspapers frequently publish reports focusing on plastic pollution in urban and city areas, but there is almost no discussion about the growing plastic pollution in the countryside.

However, it is evident that plastic pollution is no longer an urban problem alone. Slowly, our villages are dying because of plastic litter. It is affecting the rural environment, people's health, and the sustainability of rural communities.

There is no provision for waste collection and management services in the bazaars and small towns in rural areas. There is no designated dumping area. People simply throw away plastic wherever they finish using it. The sustainable, natural lifestyles often associated with rural communities are no longer there.

In rural areas and bazaars, the small grocery shops are often obscured by hanging packets of chips, *dalbhaba*, *jhalhuri*, and other items. The shop owners, consumers, and companies profiting from these products all seem oblivious to the environmental costs of the plastic packaging.

Once in the villages, people used to go to weekly bazaars with a basket made of cane or bamboo, but now carrying that basket is out of fashion,

and people go shopping every day and carry things in single-use polythene bags as these have become the only comfortable and presentable means.

While the situation in urban areas is also concerning, there are at least some mitigating factors. Urban areas have cleaners who sweep the roads every morning, shops equipped with garbage bins, and growing public awareness about the importance of proper waste disposal. But none of these exist in rural areas.

Our villages are silently suffering due to plastic pollution, which is causing our lands to lose fertility. It has made our bazaars and surrounding places dirty and unhealthy. During the rainy season, plastic waste blocks drainage and sewage systems as well as rivers, leading to severe waterlogging, deadly flooding, and the increased spread of diseases. This issue is not just limited to visible pollution; some recent studies have detected microplastics in human blood, indicating the pervasive and insidious nature of plastic contamination.

Plastics have become an inseparable part of our lives, both in cities and villages. Plastic pollution is not a problem in our country alone. Globally, we produce around 400 million tonnes of plastic waste each year. Modern life is unthinkable without the use of plastic. But the silent disaster this is causing is unimaginable, especially in developing countries like ours where civic sense is yet to grow in people.

We were the first country to

ban polythene bags and single-use plastics in 2002. However, the law was poorly implemented and failed to bring about significant change. Last year, the interim government, once again, decided to enforce the ban on single-use plastics, starting with plastic grocery bags. Unfortunately, this initiative also seems to be ineffective. Plastic manufacturers have urged the government to delay the implementation of these measures until after 2030, citing the lack of practical alternatives currently available in the market.

Practical solutions to this problem are required rather than just implementing bans. We need to stop this slow disaster, but this is not an overnight task. Better management of plastic waste and public awareness should be prioritised. We need a comprehensive awareness campaign across the country to increase plastic literacy among people.

Companies that profit from cheap plastic packaging should be held accountable and contribute to public awareness-raising campaigns in the villages. Non-governmental organisations can also play a crucial role in supporting these efforts. Schools and colleges in rural areas can carry out cleanup initiatives with their students to build awareness. If we all become responsible plastic users and dispose of garbage in designated places, much of this problem can be mitigated, and we can keep our surroundings clean and green.