

Prudent budget planning is essential

CPD’s pre-budget talks emphasise the need to focus on macroeconomic stability

In a number of pre-budget discussions in the capital on Sunday, economists rightly stressed the need for designing a national budget for the upcoming fiscal year in a way that prioritises macroeconomic stability. They also emphasised the need for tax policy revision and tariff reforms in line with the World Trade Organization (WTO) regulations to aid in Bangladesh’s preparation for graduating from the Least Developed Country (LDC) bracket in November 2026. Given the the country’s ongoing economic challenges, we believe these recommendations are timely and should be considered.

In its discussions, the Centre for Policy Dialogue (CPD) said targeted interventions are required to address the economic challenges, and these should be incorporated into the new budget to ensure fiscal prudence—maximising the use of our scarce resources. At the same time, as Bangladesh transitions into a developing economy, it must phase out direct export incentives to meet WTO standards and employ alternative WTO-compliant measures. Revision of agricultural trade policies, elimination of minimum import prices on certain goods, and adjustment of tariff structures to keep custom duties aligned with the bound tariff commitments that Bangladesh made under the WTO agreements are also necessary for maintaining compliance in the post-LDC graduation scenario.

Ensuring WTO compliance is of utmost importance as Bangladesh is set to lose the perks and waivers that come with the LDC status. CPD also advised the government to plan for legal counselling, in depth trade policy analysis, and proper dispute resolution mechanisms—steps we think are essential for securing a favourable position in trade relations with other nations.

Meanwhile, at another discussion with the government, the CPD chief suggested formulating strict legislation to prevent tax evasion, track wealthy tax dodgers, and increase revenue through direct taxation. Bangladesh has long had one of the lowest tax GDP ratios in the world. It’s high time this was corrected, and to do so, the authorities must ensure that all eligible taxpayers, including influential individuals, are held accountable. Moreover, the recent increase in VAT and supplementary duties should be reconsidered—something that we have also stressed for quite some time—as raising revenue through indirect taxes is placing undue burdens on ordinary and poor citizens already struggling with high inflation.

These are all recommendations worth serious consideration. As the next fiscal year is going to be a crucial one amid all the uncertainties caused by the July uprising, the national budget must reflect prudent and strategic thinking on the government’s part. Long-term policies to address persistent and potential setbacks should be integrated into budget preparations to ensure Bangladesh is adequately prepared for the challenges that lie ahead.

Equip highway police properly

They must be able to prevent crimes on the highways

We are concerned about the challenges Highway Police have been facing in performing their duties. Reportedly, this special unit of the police—established nearly two decades ago to ensure public safety on the highways—is struggling to prevent frequent robberies and other crimes due to insufficient manpower, inadequate logistical support, and the absence of a modern, technology-driven policing system. Headquartered in a rented house in Uttara, it faces an acute shortage of personnel and vehicles, making highway patrolling difficult. Without such basic support, how are they expected to prevent crimes?

Over the past few months, highway robberies have increased alarmingly, with armed gangs frequently ambushing buses, trucks, and private vehicles, especially at night. Regional roads have become particularly vulnerable after dark, with returning expatriates, businessmen, and goods-laden trucks being the most frequent targets of these criminal gangs. According to data from the Police Headquarters, 171 robbery cases were recorded in January and 153 in February, marking a significant rise from this period last year. For instance, on February 17, there was a major incident in which a gang hijacked a bus near Mirzapur, Tangail, assaulting passengers and looting valuables. On February 21, armed criminals robbed passengers and drivers on the Dhaka Sylhet highway. Many similar incidents have been reported in the media of late. Unfortunately, the Highway Police failed to play the role expected of them in preventing such incidents.

The Highway Police has an estimated 90 vehicles and around 3,000 personnel to cover over 3,000 kilometres of highways across Bangladesh, while they actually need at least 250 vehicles and 6,000 officers. Many police stations or outposts do not even have a single patrol vehicle, forcing officers to patrol on foot or in rented vehicles. Moreover, a shortage of arms and ammunition has further weakened them. Additionally, the force’s wireless communication system has a range of just two kilometres, severely hindering coordination among units. These are some of the major challenges facing officers and contributing to the deteriorating safety situation on the highways.

We, therefore, urge the government to strengthen this unit by addressing all the challenges urgently so that they can do their job properly. The recent incidents of robberies have left citizens extremely worried. Only a well-organised and properly equipped police force can ensure the safety of our highways.

THIS DAY IN HISTORY

Chen Shui-bian elected president of Taiwan

On this day in 2000, Chen Shui-bian, leader of the pro-independence movement that sought statehood for the Republic of China (Taiwan), was elected president of Taiwan, breaking the Nationalist Party’s 55-year rule.

How parties can reach a consensus on reforms and elections



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In a previous article published in this daily, “Towards a common minimum reform programme,” I argued that Bangladesh’s deep-rooted political and economic crises demand a consensus-based approach to reform. The interim government’s ongoing dialogue with political parties presents a critical opportunity to forge such a consensus. Prolonged uncertainty or a rigid “reform first, elections later” or “my way or the highway” stance will only deepen the crisis. Instead, political parties can thrash out a common minimum reform programme (CMRP)—a set of core reforms based on the max-min principle, where the maximum number of parties agree on a minimum set of urgent measures.

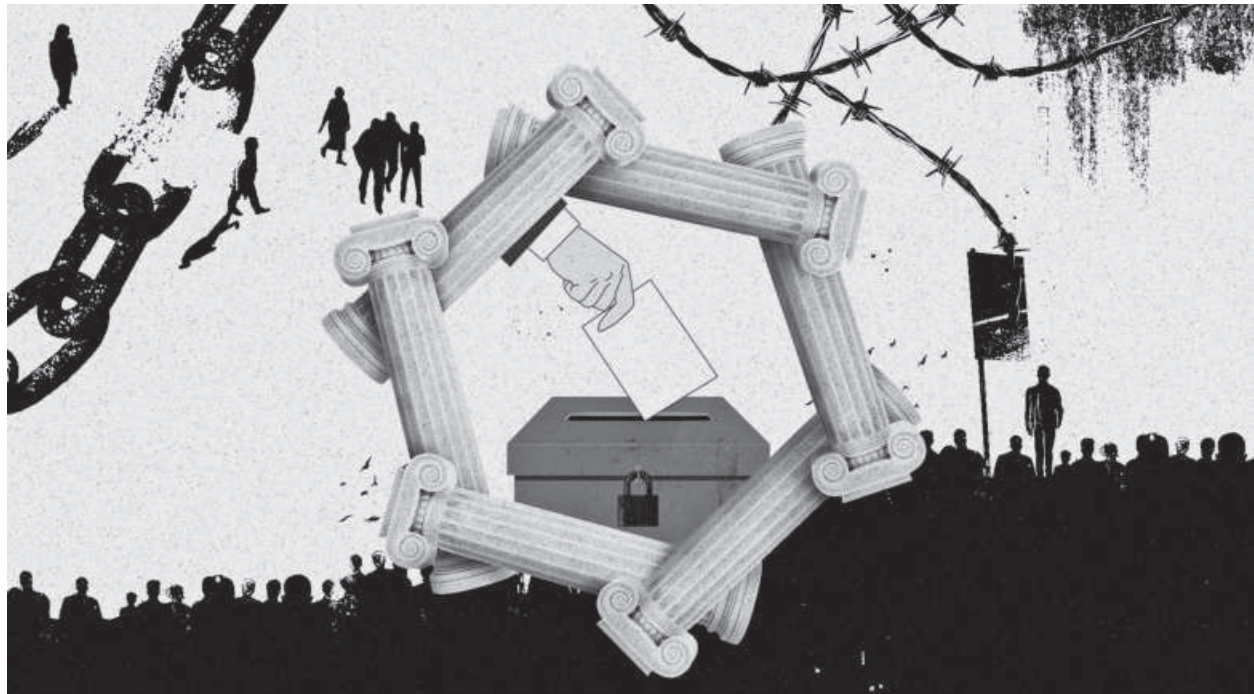
The CMRP is not a panacea, rather a necessary first step towards restoring stability, ensuring democratic governance, and unleashing the economic recovery. At its heart, the CMRP could focus on three core issues: peaceful transition of power, free and fair elections, and representational public order. These are not just political ideals but urgent necessities for Bangladesh’s progress. The July 2024 uprising was a clear rejection of the status quo—a demand for a new social contract based on equity, democratic accountability, and economic justice. Fortunately, the recommendations of reform commissions covering elections, public administration, the judiciary, anti-corruption measures, and police activities provide a foundation for engagements and building consensus. Here is an outline of specific areas where political parties could engage in conversation to find common ground.

Breaking the cycle of one-party dominance

The absence of peaceful transitions of power has perpetuated political instability and eroded public trust. There is no denying the need for constitutional safeguards to ensure a neutral body to oversee elections, as was the case under the indigenously crafted caretaker government system. Political parties could also agree on a binding commitment to respect election results and refrain from violence or obstructionism during transitions. These measures would help level the playing field and restore confidence in the democratic process.

Political parties are already talking

about instituting checks and balances on the executives, including the powers of president and prime minister, and their terms of office. There is also an agreement to establish a bicameral parliament. Importantly, there is a consensus on increased participation of women, and political parties could work to ensure such representation in the parliament. Additionally, political parties could agree on campaign finance regulations to limit the



VISUAL: ANWAR SOHEL

influence of money in politics and ensure accountability in campaign funding. Another area of discussion is ensuring inclusive participation in elections by guaranteeing equal opportunities for all political parties, including smaller ones.

Restoring voter confidence

There are proposals to address the flaws in the current electoral system. These include implementing biometric voter verification systems to eliminate ghost voters and ensure the integrity of the voter list. Restructuring of the Election Commission to ensure its independence from political influence enjoys broad public support. Commissioners could be appointed through a transparent, multi-party process. Furthermore, ensuring equal access to state and private media for

authority to investigate corruption cases independently.

Also, power must be devolved to local governments to ensure participatory democracy and reduce centralisation to establish a citizen’s republic. This aligns with a representational public order and could be included in the CMRP. Additionally, the depoliticisation of the police service and ensuring its accountability to the public rather than to the party in power is a basic minimum for a long-drawn process of reforms in civil services. Finally, reorienting police as a part of community is a reform that political parties could support. These reforms are critical for restoring public trust in law enforcement and ensuring a fair and impartial administration of justice.

ensure that the dialogue process is inclusive, transparent, and focused on the national interest. Civil society, media, and academia also have a role to play in holding parties accountable and advocating for reforms that serve the public good.

By agreeing on core reforms, political parties can restore public trust, ensure stability, and create the conditions for free and fair elections. From there, an elected government can undertake the broader reforms—based on the consensus in the dialogue and people’s mandate—needed to address the aspirations of citizens. The people of Bangladesh deserve nothing less than an inclusive, democratic, and prosperous future. Let us seize this moment and chart a new course for our nation.

We must be economical in our energy use



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SHAFIQU ALAM

Bangladesh faces another summer of surging power demand. This year, the irrigation season and Ramadan both coincide with summer, adding to the demand. In the face of this challenge, the Ministry of Power, Energy, and Mineral Resources’s (MPEMR) efforts to enforce energy efficiency among consumers to curb demand growth appear short-sighted.

The ministry’s recent circular restricts private and public sectors from setting air conditioners (ACs) below 25 degrees Celsius. Media reports suggest that the government may even disconnect electricity connections for those running ACs at lower temperatures and implement load shedding if power distribution utilities observe excessive load in an area. Enforcing such measures will be difficult.

In a developing economy like Bangladesh, where disposable incomes and aspirations are growing, consumer awareness about energy efficiency is a key lever to changing behaviour. On the supply side, ensuring the availability of high-quality appliances and displaying energy efficiency standards on such items is critical. Finally, given the high upfront costs of switching to efficient appliances, the government may also want to consider financial incentives

to accelerate the transition.

Bangladesh’s per capita income increased 9.67-fold between 1990 and 2024, resulting in higher disposable incomes. Many can now afford ACs and purchase multiple fans to cope with the summer heat. Additional cooling demand during the summer is estimated to be between 4,000 megawatts (MW) and 5,000 MW, according to ballpark estimates by the Institute for Energy Economics and Financial Analysis (IEEFA), based on the country’s daily power sector data.

There was roughly a 7,000 MW difference between the summer peak demand in 2024 and the winter peak demand from November 2024 to February 2025. The difference between peak summer and winter demand is attributable to cooling and irrigation needs. The power demand for irrigation is around 3,000 MW.

As Ramadan begins in March, people will have more gatherings and activities at home during the evening, adding to the demand for summer cooling. This will require the Bangladesh Power Development Board (BPDB) to generate more power, even as it grapples with weak financial conditions and the ongoing dollar crisis.

Studies show that increasing an AC’s temperature by just one degree

can save up to six percent of energy, a strategy Bangladesh should pursue to reduce energy wastage. However, expecting consumer behaviour to change overnight through strict regulations may prove futile. While monitoring temperatures in public institutions may be feasible, doing so for residential users will increase monitoring costs without delivering the intended results. Moreover, since many people use efficient ACs, their energy consumption—even at 23 degrees Celsius—may be lower than that of inefficient units.

Furthermore, power demand will likely peak during Ramadan prayer times between 8pm and 9:30pm across the country, making it difficult to manage sudden spikes in power demand in different areas.

On the other hand, people sometimes tend to waste resources. Despite buying efficient air conditioners to save energy, some still set the temperature at 20 degrees Celsius due to a lack of understanding of energy efficiency. Likewise, fans in the market range from 35 watts to 120 watts, but without precise information and technical knowledge, consumers often choose a higher-wattage fan to save on upfront costs.

Consumers with sufficient disposable income and entrenched habits often pay their monthly electricity bills without considering the impact on the nation’s energy crisis. Most people are unaware of how electricity reaches their homes. For example, less than 40 percent of the primary energy used in power generation reaches end consumers, considering the average efficiency (42.86 percent) of power plants and transmission and distribution (T&D)

losses (10.06 percent).

Therefore, efforts to promote energy conservation and efficiency may fail without awareness campaigns to change consumer behaviour and impart knowledge on energy-saving practices. A long-term energy efficiency strategy must be devised, incorporating measures to enhance people’s awareness and capacity to make informed decisions when purchasing efficient appliances. The strategy should allocate sufficient funding to the Sustainable and Renewable Energy Development Authority (SREDA) to help organise awareness-raising events over an extended period, transforming Bangladesh into an energy-conscious country.

Additionally, energy efficiency standards and labelling will help consumers choose energy-saving appliances. SREDA should accelerate the establishment of minimum energy performance standards for different appliances. It may assess and recommend financial incentives to reduce the high upfront costs and increase the adoption of energy-efficient appliances. Finally, the strategy should emphasise monitoring the availability of high-quality appliances in the market.

While the installed power generation capacity in 2022 indicated sufficient supply for the country, policymakers struggled to meet demand consistently soon after. Although the government’s focus on enhancing energy conservation is commendable, for a lasting impact on the country’s power sector, it must adopt a long-term strategy to shape consumer behaviour and promote energy consciousness.