

All quiet on the eastern front: B'desh unrest grinds Petrapole business to a halt

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Ganesh Datta cremated his wife on Monday and is now heading back home to Bangladesh. She had been battling cancer.

Since earlier this week, Bangladesh has been in the throes of a political crisis — a student agitation has cost Prime Minister Sheikh Hasina her seat of power, a new government led by Nobel laureate Muhammed Yunus has been sworn in, and there is hope for a return to normalcy.

To Datta, however, these developments pale in comparison to his personal loss.

“My wife is dead. I am in great pain,” he said, burdened by grief as he made his way toward the passenger terminal at the Petrapole or Haridaspur land check post, one of the entry points for people travelling from Bangladesh into India (Benapole is the land port on the other side of the border).

Among the thousands who come to India from Bangladesh daily for medical treatment, Datta’s wife was one. But the movement of people has dwindled over the past few days due to the unrest in the neighbouring country.

The effect? Haridaspur, which accounts for the third-highest



Around 149 trucks had gone to Bangladesh from Petrapole on Thursday — less than half the usual number

PHOTO: ISHITA AYAN DUTT

percentage of foreign tourist arrivals after Delhi and Mumbai, has fallen quiet. The long queues

have disappeared; those currently crossing the border mostly have pressing reasons.

Caught off-guard

Namita Sarkar, who has relatives on the Indian side, had come on a pilgrimage. She is now hurrying back. “The situation in Bangladesh is very bad. My son and daughter are there. I have to go back.”

For Ramola Majumdar, the unrest in Bangladesh came as a rude shock. She landed in the neighbouring country for a short trip with her daughter, only to be caught in the middle of civil unrest. “We could not go anywhere. We are just happy to be back.”

Shehla and Zakir Ahmed also cut short their trip to Bangladesh. “We went to meet our relatives.

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But we are not sure what will happen next and thought it best to return,” Shehla said.

She also pointed out that bus operations were not running smoothly. “Direct buses are not running. Only transit buses are operating.”

Apurba Kumar Seal, visiting India with relatives, has already

overstayed. “We are also out of money now.” But the 30-year-old schoolteacher is not harbouring hope for a change in Bangladesh.

Indian visa application centres in Bangladesh have been closed “till further notice” due to the “unstable situation.”

The total passenger movement in FY24 was 2.3 million. The under-construction modern structure that will house the new passenger terminal underscores the growing passenger movement.

According to locals, daily crossings range between 6,000-7,000 people, but it is now down to a tenth of that.

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Das talks of India's robust macroeconomic fundamentals

Das said this was due to updated information on certain high-frequency indicators showing lower than anticipated corporate profitability, general government expenditure and core industry output. On the downgrade revision of the Q1 GDP growth figures (from 7.3 per cent to 7.1 per cent) on account of weak high-frequency indicators, Nomura's Varma said this was "a surprise, since the RBI has so far been raising its growth forecasts, so it is acknowledging softer numbers incrementally". The rate-easing cycle is expected to begin from October with a 25-bp cut, "as both inflation and growth surprise on the downside", she added. The next review of the monetary policy is scheduled for October 7-9.

The HDFC Bank note said a pivot in the December policy was not completely off the table. "If indeed, monsoon progress remains healthy and food inflation shocks are contained and are not

persistent, space might open up for some policy accommodation by the RBI," it said.

On the recent volatility in the financial market, Das reminded market participants of the strength of India's macroeconomic fundamentals, "which remain robust".

"India has built strong buffers that impart resilience to the domestic economy from such global spillovers. The RBI remains committed to ensuring orderly evolution of financial markets in its regulatory domain," Das said.

While the monetary policy decisions were on expected lines, Das drew banks' and non-banking financial companies' attention to financial-stability issues. Observing that banks were taking greater recourse to short-term non-retail deposits to fund credit, he said this might potentially expose the banking system to structural liquidity issues.