

Street protests erupt across Bangladesh over fuel price hikes

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Unprecedented fuel price increases announced on August 5—the highest in Bangladeshi history—have triggered nationwide protests by workers, students and the poor against the Awami League-led government. The price of petrol was increased by nearly 52 percent per litre, from 86 taka (\$US 91 cents) to 130 taka (\$US1.37), with diesel and kerosene prices rising by 42.5 percent.

The price hikes, like those in many other countries, are a direct result of the US-NATO proxy war in Ukraine and the impact of the ongoing COVID-19 pandemic as workers and the poor are already struggling to deal with declining living conditions.

According to media reports, protests erupted in Dhaka, the national capital, and other major cities, beginning the day after the price rises. Motorbike users and transport workers staged street demonstrations, chanting slogans against Prime Minister Sheik Hasina and demanding her government lower the prices.

Mohammad Nurul Islam, a truck driver who transports vegetables, spoke to the BBC while queuing for petrol. “When I go to the market, I can’t buy enough food for my family. If the price of fuel keeps increasing like this, I won’t be able to look after my parents or send my children to school. If I lose my job, I might have to start begging in the street,” he said.

One protester, Homammed Shajahan, who hires vans for a living, told Al Jazeera: “No one is renting our vans now because it costs more. It is really hard on us. See all the drivers are sitting idle. We cannot understand what the government is doing,” he said.

The fuel price increases have driven up the cost of other essentials as well as bus and other transport fares.

The *New Indian Express* reported on August 13 spiralling prices for 25 out of 26 basic items. Over the past month, the cost of rice has risen by 22 percent,

farm-grown chickens 45 percent, onions 43 percent, eggs 20 percent and fish by 10 percent.

Mamunur Rashid, an office janitor in Dhaka and with a family of six, told the newspaper that he was previously able to eat fish three times a week, but “now I only eat it once.”

Fearful of the rising mass opposition, the Workers Party of Bangladesh, a member of the ruling 14-party alliance, warned that the government’s decision to drive up fuel prices was suicidal.

Student organisations and various Stalinist parties have called protests against the price hikes.

The Communist Party of Bangladesh and the Left Democratic Alliance—an alliance of eight political parties (including various Stalinist cliques)—demonstrated in Dhaka on August 6 to demand withdrawal of the fuel price increases.

On August 7, the police baton-charged student demonstrators at the Shahbagh intersection, a major neighbourhood in Dhaka, then filed charges against dozens of student leaders and activists. Four days later on August 11, students protested to demanding their release.

Seeking to exploit the mass anger, the right-wing Bangladesh Nationalist Party (BNP), the country’s main opposition party, demonstrated on August 11 in Naya Paltan, a Dhaka neighborhood, over the price increases. The BNP, like Hasina’s Awami League-led government, attacked the social rights of the working class and the poor when it was in power.

This month’s fuel price increases follow previous rises in the price of essential food items and natural gas. Mass protests erupted throughout Dhaka, bringing parts of the city to a halt for hours on June 4, following a 23 percent rise in the cost of natural gas price. Natural gas provides over 60 percent of the country’s energy needs.

Thousands of apparel workers from Snowtex Apparels, MBM Garment, Vision Garment, IDS Group, Kolka Garment and Dmox staged a four-day strike at Mirpur, in Dhaka, to demand price reductions or for compensation through increases in their salaries. Striking Snowtex Apparels worker Mamunur Rahman told the media that garment workers had no other option. “Our salaries have not been increased for a long time while the prices of essential commodities are soaring,” he said.

According to the Bangladesh Bureau of Statistics the overall annual inflation rate in June was 7.56 percent, the highest in nine years. Food inflation was even higher at 8.37 percent.

The rising cost of commodities on the world market is impacting on Bangladesh, *bdnews24.com* reports, leading to the worst balance of payment deficit crisis in the country’s history and a sharp reduction in its foreign exchange reserves.

As of July 27, Bangladeshi foreign exchange reserves stood at \$39.48 billion, down from \$45.7 billion a year ago. While this is reportedly sufficient to pay for five months of imports, the government fears that further increases in the price of oil and other basic commodities will lead to a more rapid decline of reserves.

To offset this, the government has sought a \$4.5 billion loan from the International Monetary Fund (IMF) and another \$2 billion from the World Bank and the Asian Development Bank.

The IMF reports that Bangladesh had total foreign debts of \$62 billion in 2021 while the Centre for Policy Dialogue has warned that the grace period for the servicing of several foreign loans will expire in 2024–25 fiscal year. In the past ten years, however, from May 2012 to May 2022, the Bangladeshi taka has devalued by 63 percent against the US dollar.

Foreign and domestic political commentators are raising concerns about whether Bangladesh will spiral into the same sort of acute political crisis as in Sri Lanka.

Protests beginning in April in Sri Lanka over rampant inflation, power cuts and widespread shortages of fuel, food and medicines, developed into a popular uprising and general strikes against the Rajapakse government, forcing it to resign and President Gotabaya Rajapakse to flee the country on July 13.

A recent article in the Dhaka-based *Star* Development Program economist Nazeen Ahmed warned that “Bangladesh may be on its way to facing a similar eventuality [as Sri Lanka.]”

The Hasina government and the World Bank, citing growth rates of 7 percent and 8.15 percent in 2015-16 and 2018-19 respectively, previously claimed that Bangladesh would become an upper middle-income country by 2031. This myth has been shattered by rising commodity prices and the global economic crisis.

The mass protests that have erupted in Bangladesh are part of class struggles sweeping across the world against rising inflation and job and wage cuts. The Hasina government’s response to this crisis has been to further drive up the cost of fuel and other essentials while mobilising the police and unleash state repression, measures that will further increase mass opposition.



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