

Overview

Over the last week, Bangladesh's capital Dhaka was **brought to a standstill by major protests**. The protests escalated on 4 August, with **groups linked to the ruling Awami League and the police attacking protesters**.

Reports indicate the members of the Bangladesh Chhatra League (BCL), a student organisation linked to the ruling Awami League party, and Awami Juba League, the Awami League's youth wing, took part in counter-protests and attacked the student demonstrators. Four students were killed, and 115 injured in attacks.

US officials report that **armed men attacked a convoy carrying the US Ambassador to Bangladesh** in the Mohammadpur district of Dhaka. The US embassy stated that the vehicle was attacked by a 'group of armed men', indicating that the attack was unlikely to be instigated by the student protesters.

Despite a police crackdown, student protests continued. AKE's sources indicate at least a temporary calm on 7 August.

The security situation in Dhaka remains tense. Areas that are most likely to be affected by continued clashes include Dhanmondi and Bashundhara Residential Area. Areas around universities may also be targeted. Police continue to use excessive force. The government crackdown also highlights the risk to journalists in Bangladesh.

The Awami League's response to the protest **highlights its increased authoritarianism**. It is plausible that the Awami League government **will use the disruption and violence of the last week to justify a further crack down on the opposition**.

Despite continued concerns over political stability, Bangladesh's economy **is forecast to remain relatively strong**.

Background

Between 29 July and 6 August, Bangladesh's capital Dhaka was brought to a standstill by major protests. The protests escalated on 4 August, with groups linked to the ruling Awami League and the police attacking protesters.

Protests started following the deaths of two schoolchildren in a traffic accident involving a bus in Dhaka on 29 July. Reports indicate that the bus driver lost control while speeding to pick up passengers. Drivers of private buses tend to be paid based on the number of passengers that they pick up. The incident highlighted the poor standard of road traffic in the capital and went viral on social media. Activists used the incident to galvanise a student-led protest demanding changes to improve driving conditions. The protests blocked roads and intersections, and protesters are

reported to have stopped thousands of trucks, buses and cars, to both check licences and ensure that vehicles were safe to drive.

Protesters reportedly attacked and vandalised vehicles. Eight buses were set on fire and hundreds of vehicles reported vandalised. Most of the initial incidents occurred in the Shanir Akhra, Mirpur and Uttara areas of Dhaka.

There were other reports of sporadic violence during the student protests. Demonstrators clashed with protesters on 31 July, resulting in at least 20 injuries.

The government alleged that the protests were organised by the main opposition Bangladesh Nationalist Party (BNP). The

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BNP has denied these accusations, and there is little substantiating evidence for this accusation.

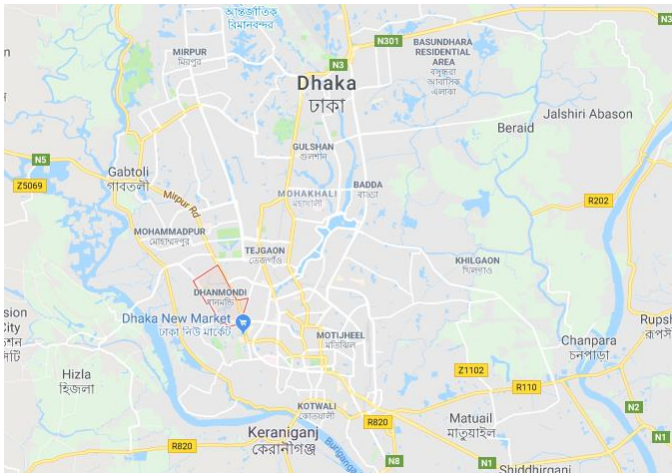
The protests are notable as they do not appear to be driven by the main opposition BNP. The protests instead largely appear to be an organic movement.

Escalation

On 4 August violence escalated. Reports indicate the members of the Bangladesh Chhatra League (BCL), a student organisation linked to the ruling Awami League party, and Awami Juba League, the Awami League's youth wing, took part in counter-protests and attacked student demonstrators. Four students were killed, and 115 injured in attacks. There are unconfirmed reports of sexual assaults on female protesters.

The police are reported to have supported the assailants, or at the very least failed to protect demonstrators from them. The police allegedly fired tear gas and rubber bullets at students and have continued to adopt disproportionate uses of force to dispel protests.

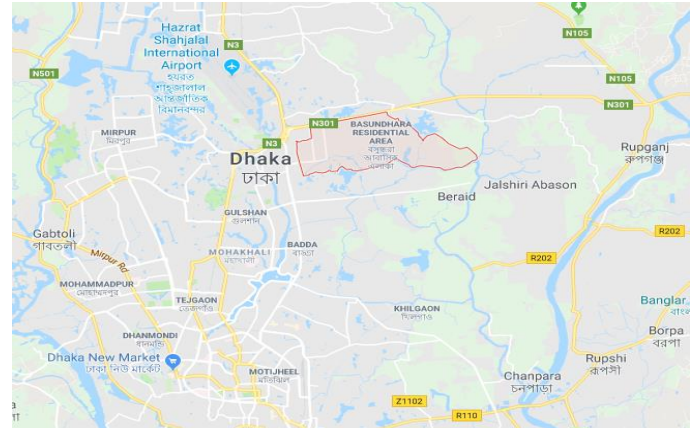
The attacks predominantly occurred in Dhanmondi Road-3, in the Dhanmondi area of Dhaka.



There were some reports indicating that protesters were detained in the Awami League's local offices, although there is limited evidence to justify this claim.

4G and 3G services were suspended on 4 August to reduce the protesters' ability to mobilise.

US officials report that armed men attacked a convoy carrying the US Ambassador to Bangladesh in the Mohammadpur district of Dhaka. There were no injuries reported from the attack. While it is unclear who was responsible for the attack on the Ambassador. The US embassy stated that the vehicle was attacked by a 'group of armed men', indicating that the attack was unlikely to be instigated by the student protesters.



At least eight journalists have been attacked over the last few days. This include – Prothom Alo's staff correspondent Ahmed Deepto, Associated Press (AP) photo-journalist AM Ahad, Daily Banik Barta's Palash and freelancer Rahat Karim. There are other reports of attacks on journalists, including the destruction of phones and cameras. Human Rights Watch around 20 journalists were affected overall. Shahidul Alam, an award-winning photo journalist, was also arrested for making 'provocative comments' in media interviews over the last few days.

Despite a police crackdown, student protests continued. University students, who largely did not take part in the initial demonstrations, launched their own protests.

On 6 August, there were reports of clashes in and around Dhaka's Bashundhara Residential Area. Reports from the area indicate that armed assailants attacked university students and attempted to storm the campus of North South University, East West University, and Independent University of Bangladesh. Police are reported to have become involved, and through tear case and fired rubber bullets at students in the area.



6 August – East West University

Security Risks

AKE's sources on the ground report that the situation calmed down on 7 August, with protests subsiding.

The security situation in Dhaka remains tense. Areas that are most likely to be affected by clashes include Dhanmondi and Bashundhara Residential Area. Areas around universities may also be targeted.

Protests do not tend to target key commercial assets in Bangladesh, but they have highlighted the potential for widespread disruption across the country's key roads and highways. Protests in February over the sentencing of BNP leader and former prime minister Khaleda Zia to five years in jail on embezzlement charges, led to protesters blocking numerous transit links during the protests, including the Dhaka-Rajshahi highway, the Dhaka-Tangail highway and a railway track in Chittagong.

There are serious concerns about the independence of the police forces. The police appear to have used excessive violence against protesters and acted in support of Awami League affiliates.

The government crackdown highlights the risk to journalists in Bangladesh. Free speech will continue to be curtailed, and journalists thought to be antagonistic to the Awami League could face harassment, detainment, or arrest.

With no political party able to effectively challenge the Awami League, students are the only remaining source of dissent aside from the military. As such, Bangladesh's significant student population will remain a highly potent force for expressing discontent. The risk of nationwide disruptive protests and violent clashes will remain high ahead of the 2018 national elections

In the medium term, the continued Awami League crackdown on other political parties could lead disgruntled protesters joining more radical and violent organisation. This could increase the risk of violent protests and even terrorism in Bangladesh.

Political and Credit Risks

The police and Awami league response to the student protest appears to be galvanising opposition towards the government. Moreover, BCL has played a key part in instigating violence by attacking protesters and journalists. The group regularly intervenes to support the government during periods of civil unrest and their intervention in the latest bout of protests has fuelled concerns.

There has been latent discontent with the Awami League over the last few years, partly as a result of continued corruption, a suppression of free speech, and arrest of leading opposition figures, including former prime minister Khaleda Zia. Discontent may now, at least in Dhaka, become more open.

The Awami League has suppressed the opposition over the last few years. Between the end of dictatorship in 1991 and 2007, the Awami League and the Bangladesh Nationalist Party (BNP) have traded power. The Awami League has dominated politics since 2009 and has used its control over the judicial system to target the BNP. The BNP boycotted the violent 2014 election, and organised mass protests in 2015 and 2016. Zia has since been found guilty of corruption and banned from running in December's general election. It is plausible that the Awami League government will use of disruption and violence of the last week to further crack down on the opposition.

The BNP is weakened as a political force but still possesses numerous supporters. Although this enmity is behind much of the organised violence in Bangladesh, a genuine civil war between the two sides is unlikely any time soon.

Despite continued concerns over political stability, Bangladesh's economy is forecast to remain relatively strong. However, past incidents of unrest such as those surrounding the January 2014 national elections have prompted capital outflows and disrupted trade.

The economy is in a stronger position now than it has been for several years. Bangladesh has sufficient foreign reserves, low debt, and room to increase borrowing. Absent a major deteriorating in security, the sovereign should remain stable.