

Protracted war to make imported items costlier

STAR BUSINESS REPORT

Bangladesh's apex trade body yesterday warned a prolonged war in Iraq will increase price of imported goods.

If the war continues for several days it will have very little impact but if it lingers for months, it would have a negative impact on all imported items, the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) leaders felt.

They were speaking at a discussion on "Imports, Supply, Distribution of Essentials, Prices of Commodities in the Country on Present Global Context". The meeting was organised by the FBCCI at its conference room yesterday.

The meeting decided to form a cell within a day or two to monitor the market and identify reasons behind such hikes.

"Considering the Iraq war, it is a very crucial time for all of us. We are going to form the monitoring cell to protect the interest of the consumers and the businessmen in an adverse situation," FBCCI

President Yussuf Abdullah Harun told a meeting of different associations, importers, wholesalers and retailers at its conference room.

It is very important to ensure whether there are genuine reasons behind any sort of price hike and at the same time the government should not take any step for which the businessmen may suffer, Harun added.

But different city market association leaders, importers, wholesalers and retailers blamed one another for price hike of essential items.

A wholesale trader said truck fare has gone up by Tk 1000 within a few weeks for carrying essential items from Rangpur to Dhaka.

Prices of rice, pulses, sugar, kerosene, onion and vegetable items went up a bit in the past few days but prices of edible oil and garlic are steady, traders told the meeting.

A leader of Moulvibazar traders' association said if prices at the wholesale market go up, it has a chain effect on consumers. Edible oil price is now stable and in some

cases price go down by Tk 30 to Tk 40 for each 40kg.

A leader of New Market Kanchabazar Association mentioned prices of essentials have not gone up because of the Iraq war.

"Citing war a reason, price hike of essential items will not be accepted in the short run. If any trader tries to make the war an excuse for price hike we will take action."

As importers, wholesalers and retailers claimed that they are facing loss in many cases, Harun said if their claims are genuine how is it possible for them to survive in business over the years.

He said he visited Rajshahi few days ago where onion was selling at Tk 11 to Tk 12 per kg but in Dhaka it was selling at Tk 16 to Tk 18 which was quite high and price should not be so high even after adding the carrying cost.

There are specific allegations against some people responsible for unusual price hike and FBCCI will take necessary action against them after the monitoring cell starts working, the FBCCI president added.

Forex dealers violate BB instruction

BSS, Dhaka

Despite the central bank's instruction, most foreign exchange dealers of commercial banks did not provide two-way quotation in their inter-bank foreign exchange trading Tuesday dealers of leading banks said.

The Bangladesh Bank (BB) Governor Dr Fakhruddin Ahmed asked the commercial bankers Monday to provide two-day quotation-selling rate and buying rate-in case of foreign currency dealing.

The Bangladesh Bank governor also advised the commercial banks to separate the functions of back office and front offices and adjust their nostro accounts within May 30, 2003.

"Today many banks did not follow the instruction of the central bank. Because it needs delegation of power which many banks authority shy to provide," dealer of a foreign bank said.

One dealer of a US-based bank said he had exchanged market talked with foreign exchange dealers of about 10 commercial banks. "But every body provided one-way quotation-not two-day," he said.

According to international foreign currency dealing practice, dealer must give two-way quotation in case of buying or selling any foreign currency. But most local commercial banks do not follow this practice since long.

"Presently, dealers of local banks quote selling price of any

currency or buying price of the same and does not follow code of conducts of international foreign exchange dealings like one two-day quotation," dealers of some foreign banks said.

Due to absence of this practice, they said, potential foreign exchange dealers face difficulties in case of buying or selling foreign currencies at market prices.

"Only foreign commercial banks operating in the country provide two-way quotation of foreign currencies," dealers said.

Introduction of two-way quotation was a long ailing demand of professional foreign exchange dealers as it will help the local foreign exchange market to grow further and attract foreign buyers and investors, dealers of a leading foreign banks said.

Absence of technical know-how among the officials involved in the foreign currency trading, necessary logistic supports like a financial screen and lack of co-ordination between back-office and front office of the bank are some main factors that hinder the growth of a healthy foreign exchange market in the country, money market experts said.

"The latest BB move is towards a developed foreign exchange market and all banks should come forward with positive attitudes," one senior foreign exchange dealer said noting that Bangladesh Foreign Exchange Association (BAFEDA) should take necessary action in this regard.



PHOTO: GP

Officials of GrameenPhone and British Airways sign an agreement in Dhaka recently. Under the deal, British Airways has become GP's corporate client.



PHOTO: BATA

B Rhodes, managing director of Bata Shoe Company (Bangladesh) Ltd, inaugurates a new Bata DSP (Dealers Support Programme) store at Concept Tower, Green Road in Dhaka yesterday. Hafiz Sikander, WCSM manager, and Habibur Rahman, wholesale services manager, were also present.

BA becomes GP's corporate client

British Airways (BA), a leading international airline, has recently signed an agreement with GrameenPhone Limited (GP) under its corporate sales package initiative, says a press release.

Jill R Errington, country manager for British Airways, and Mehboob Chowdhury, director of sales and marketing of GrameenPhone Ltd, signed the agreement on behalf of their organisations.

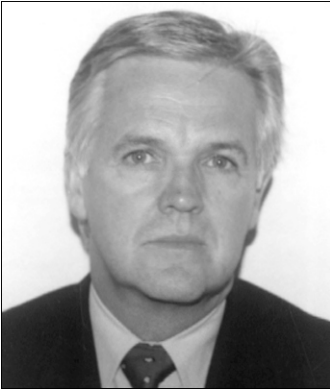
Md Iqbal Khan, finance and administration manager, Md Sayfuddin Shafique, commercial manager of British Airways in Bangladesh, and Kafil H S Mueyed, general manager of Sales and Marketing, and Hassan Md Zahid, Head of Corporate Sales of GrameenPhone Ltd, were present at the signing ceremony.

Other senior officials of both organisations were also present.

Under the agreement, British Airways has been provided with GP subscriptions for their Bangladeshi operations. It will be using these mobiles to facilitate their communication throughout Dhaka, Chittagong and other zones of their operations. It will be provided with data services to have online facilities within their network. British Airways will also benefit from GP International Roaming facility.

Subscription to the GP Corporate package will also significantly reduce its inter-district communication cost and many of its services will become more efficient.

New GM of Sheraton



Trevor MacDonald has joined Dhaka Sheraton Hotel as its general manager, says a press release.

Prior to his joining the present position, he was the general manager of the Westin Chosun Beach in Pusan of South Korea for two years.

MacDonald possesses a wealth of hotel and travel industry experience having more than 35 years in both the commercial aviation and hospitality industry.

He held many important responsibilities in Australia, New Zealand and China.

Born in Australia, MacDonald began his career with the New Zealand airline, Air New Zealand before moving to the ITT Sheraton Hotel chain as Director of Sales and Marketing of Sheraton Auckland Hotel & Towers in 1991.

MacDonald has received his degree on hotel management from Bond University in Australia.



PHOTO: DSE

Dhaka Stock Exchange recently elected four new councillors for a period of three years. The councillors -- Saiful Islam, Md Feroz Khan, Mujibur Rahman and Md Rafiqul Islam -- pose for a photograph.

City Bank's 20th anniversary tomorrow

BSS, Dhaka

The City Bank Limited has organised a function at 7 pm at Dhaka Sheraton Hotel on Thursday to celebrate its 20th anniversary in banking.

The bank will also launch its online real time banking at the function, says a press release.

Abbas Uddin Ahmed, managing director of the bank, will deliver welcome address at the function.

Deen Mohammad, chairman of the Board of Directors of the bank,

Qatar Airways services normal

Doha International Airport remains open and Qatar Airways is continuing with its normal flight schedule despite war in Iraq, says a press release.

Akbar Al Baker, chief executive officer of the airline said, "Qatar Airways is continuing with its normal schedule of flights to Europe, the Middle East, the Indian sub-continent and the Far East."

Qatar Airways is operating normally to Kuwait, where its flights were suspended only for a day, the release said.

Al Baker also said Qatar Airways will use air routes that are

8x3

6x3

8x3