

Rice price soars 14pc in one year: TCB

Paddy selling at Tk 400 per maund

MONJUR MAHMUD

Rice prices hit as high as 14 percent in last one year in the retail market.

Prices of coarse rice ranged between Tk 14 and Tk 15 per kg a year back, which is now selling between Tk 16 and Tk 17 per kg, clocking a 13.79 percent rise, according to market review of the Trading Corporation of Bangladesh (TCB).

On the other hand, prices of medium quality rice had been between Tk 16 and Tk 18 per kg one year ago while its prices are now between Tk 18 and Tk 20, marking an 11.76 percent increase.

Fine quality rice prices ranged between Tk 19 and Tk 21 one year before, but it is now selling between Tk 21 and Tk 24 per kg, up by 12.5 percent.

However, minimum price of coarse rice was Tk 17 per kg and fine rice (miniket) Tk 25 per kg in different city markets yesterday, according to traders at Mirpur, Karwan Bazar.

"Immediately after the harvest, the price of coarse rice was Tk 14 and fine quality Tk 18 per kg last year," said Anwar Ali, a rice seller at the city's Mirpur-6 kitchen market, yesterday.

Considering the present trend, the commerce ministry recently recommended for increasing the stock of rice, edible oil, garlic, and powdered milk to keep prices within the reach of commoners.

Flour price went up by 12.12 percent in just one year, garlic 42.18 percent and sugar 11.29 percent, according to the TCB review. Milk

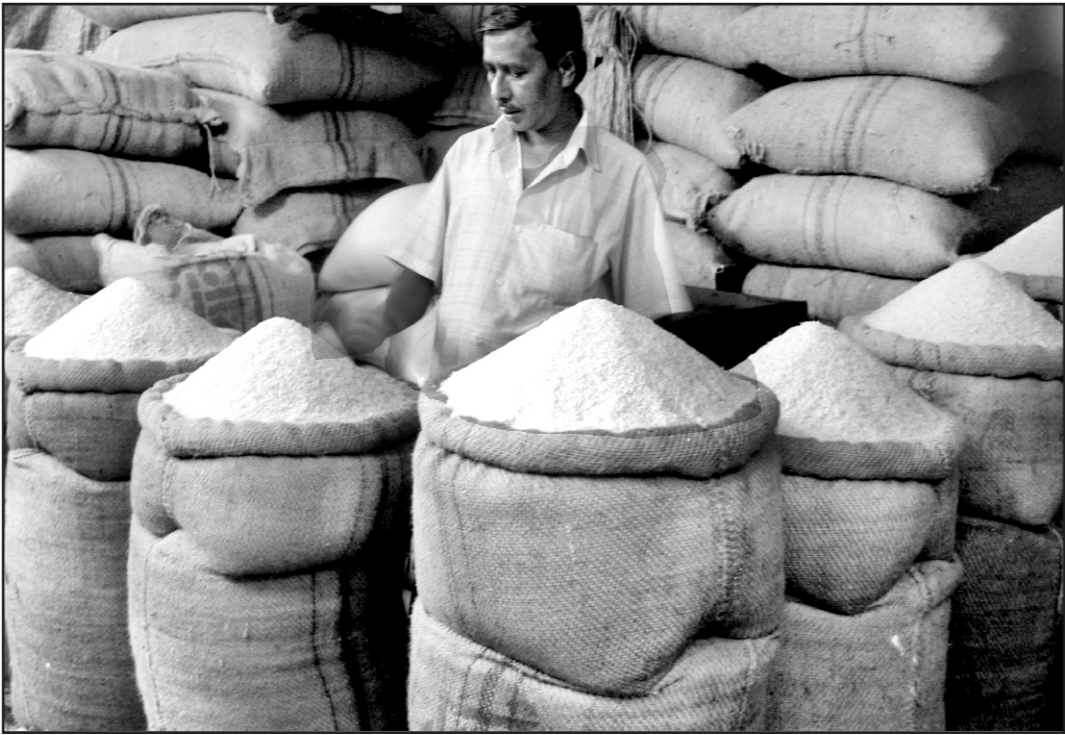


PHOTO: SHAWKAT JAMIL

A rice seller at Karwan Bazar kitchen market in Dhaka yesterday.

Vita (packet) has now become 14.12 percent and Diploma (packet) 12.55 percent dearer than a year before.

Meanwhile, paddy price is still high at Tk 350 a maund for coarse quality and Tk 400 for finer quality.

"Usually, prices come down after harvest to around Tk 200 to Tk 220 a maund. This year, it is not the case so much," according to the latest

edition of Agro, a regular publication of Syngenta Bangladesh Limited.

"The affluent farmers are clinging on to their stocks apprehending further price hike. Millers are also actively buying from medium and small farmers. So the demand is quite high," said Agro, prepared based on field reports.

Farmers got around 50 to 60 maunds of paddy from each acre,

which is encouraging, it mentioned.

However, farmers had to bear a lot of costs for harvesting this year. They had to spend between Tk 800 and Tk 1,000 for cultivating each bigha of land due to labour crisis, it said adding that they spent between Tk 550 and Tk 600 a year before. So the high price will make up for their high cost.

Dhaka, Doha to operate daily flights

UNB, Dhaka

Bangladesh and Qatar have agreed to operate daily flights between Dhaka and Doha, increasing the current frequencies in the two-way traffic, Foreign Minister M Morshed Khan said here Thursday night.

The agreement was reached during a meeting between Prime Minister Khaleda Zia and Emir of Qatar Sheikh Hamad bin Khalifa Al-Thani on the sidelines of the second South Summit in Doha.

Qatar airlines will operate the daily flight soon while Biman Bangladesh will reciprocate after procuring new aircraft.

HSBC, Alico sign deal

The Hongkong Shanghai Banking Corporation (HSBC) Ltd, Bangladesh has recently signed a depositors insurance agreement with American Life Insurance Company (Alico), Bangladesh in Dhaka for the bank's "Peace of Mind" (POM) savings plans under its Personal Financial Services products.

Under the deal, Alico will provide accidental insurance of Tk 100,000 to depositors of Tk 10,000 (POM unit) and Tk 150,000 to depositors of Tk 50,000 (POM unit) as free benefit to HSBC customers.

Mamoon M Shah, manager (Personal Financial Services) of HSBC, and Rumi Ahmed, deputy director (Business Development) of Alico, signed the deal on behalf of their organisations, says a press release.

Japan banks planning IC cards to fight fraud

ANN/THE DAILY YOMIURI

Barely more than one-third of the nation's banks have adopted or plan to introduce cash cards with integrated circuit chips embedded in them to combat illegal deposit withdrawals with stolen or forged cards, according to a Financial Services Agency report released Thursday.

According to the report, as of the end of April, of the 135 domestic and foreign banks in the nation, 52, or 38 percent, had taken or planned the measure.

Six banks--Bank of Tokyo-Mitsubishi, Mizuho Bank, UFJ Bank, Mitsui Sumitomo Bank, Hiroshima Bank and ShinGinko Tokyo--have already introduced IC cards, while 18 banks said they would introduce them this year. Twenty-eight banks said they would do so after 2006.

Of the 129 banks with automated teller machines, only two--BTM and Hiroshima--have introduced a biometric system to identify users by finger or palm print. Twenty banks said they planned to introduce it.

The FSA said the small number of financial institutions taking such measures reflected the high cost of such technology, especially for regional banks.

Govt in a fix over fixing Tata electricity tariffs

UNB, Dhaka

Government authorities are still in a fix over the fixing of tariffs of electricity to be purchased from the proposed power plant of Tata, although the Indian industrial giant has been invited to start second-round negotiations on its investment in Bangladesh.

The company has proposed to develop a 1000-megawatt power plant of two separate units, each having 500-MW capacity.

As per the proposal, the government has to purchase entire electricity from one unit while the Tata will consume electricity of the other unit. Now, the authorities appeared to be rambling round the moot question as to what the rate of tariffs of the electricity from the Tata-sponsored project would be and on what basis that should be fixed.

The existing "Private Sector Power Generation Policy" declared in 1996 provides a guideline for deciding price of electricity generated by private plants, and that's through bidding process.

The same policy, however, allows accepting unsolicited offer but does not stipulate anything for fixation of power tariffs for such unsolicited plants.

Of late, the government has formulated another policy entitled "Bangladesh Private Sector

Infrastructure Guidelines" to deal with private investment proposals.

But neither of the policies does provide any specific guideline for rating electricity prices of unsolicited projects. Instead, both the guidelines provide for resolving any government procurement proposal through international bidding.

Such an opaque position left the government negotiators in a dilemma as to how they would determine the electricity tariffs for the Tata project.

An official who is a member of the government negotiation committee admitted to their getting caught in a quandary over determining the electricity tariffs.

"We are really in an odd position since we don't have any specific guideline or any experience of dealing with unsolicited project," he told the news agency on condition of anonymity.

In the past, the government used to purchase electricity from any private project through bidding process. So far, seven private operators, known as independent power producers (IPPs), have installed their plants through participating in such competitive bidding.

In the process, the government would pick and choose the IPPs offering the lowest tariff rate among their competitors. The IPP tariffs do not tally--they vary from one

another. But since the project of Tata is considered unsolicited, there is no scope for competition.

Initial study reveals that the government has to purchase electricity worth between Tk 30,000 crore and Tk 35,000 crore from the gigantic Tata project in 25 years' tenure even if the rate is fixed as the lowest ever -- 2.73 US cents per unit -- offered for the 360-MW Haripur plant. US-based company AES has set up the plant.

"If the tariff is fixed at a higher rate, then the government has to spend a bigger amount to buy electricity from Tata plant," said the official.

Sources said the Board of Investment (BoI) on Tuesday sent an invitation letter to the Indian Tata Group for initiating "conclusive negotiations" from July 2 on a \$2.5 billion investment deal to set up steel, power and fertiliser industries.

About the fixation of electricity tariffs, BoI Executive Chairman Mahmudur Rahman, however, said there would be no problem in settling the issue.

He said the tariffs for under-construction 250-MW Barapukuria coal-fired power project could be an option on the basis of which the rate for Tata power could be determined since both are coal-based.

Banglalink mobile mela draws huge crowd

STAR BUSINESS REPORT

As a cellphone fair titled 'Mobile Mela 2005' organised by Banglalink began in Dhaka yesterday, hundreds of visitors, mostly youths, thronged the five-day show on level seven of Bashundhara City shopping mall.

Banglalink SIM cards apart, visitors' interests had been on new handsets and in taking part in different events, including game competition in the fair.

The mobile phone operator earlier announced that its distributors will sell SIM (subscriber identity module) cards from their stock they had before the imposition of the statutory regulatory order. And handsets will be sold at a reduced price as per the new reduced tax of Tk 300 per set.

Banglalink postponed the fair for a day and later shifted from its earlier announcement and was forced to include the tax of Tk 1,200 on its SIM cards.

Lars P Reichelt, chief executive officer of Banglalink, inaugurated the exposition.

The fair having 43 stalls is open for public everyday from 10 am to 9 pm with an entry fee of Tk 10 until June 21.

In less than four months, Banglalink's subscriber-base has reached over 400,000. Its coverage has also expanded to 32 districts from nine districts throughout the country in this period.



PHOTO: STAR

Hundreds of people, mostly youths, thronged the five-day 'Mobile Mela 2005' organised by Banglalink on level seven of Bashundhara City shopping mall in Dhaka yesterday.

DHL launches USA Express in Bangladesh

DHL, a leading express and logistics company, has announced the launch of 'USA Express' in Bangladesh to help exporters send their documents and packages to the United States, a top trading partner of Bangladesh.

DHL customers will now have the convenience of the shortest transit time for their shipments to the US, with most of the shipments reaching their destinations in two days, says a press release.

Companies in the high-tech industry, and especially the textile industry, form the majority of the target groups of customers of USA Express. Items commonly exported by the industries include samples, finished products and return warranty parts.

Country Manager of DHL Express Bangladesh Desmond Quiah said, "We aim to inform our customers about our emphasis on the US market and provide them with fast and efficient air express service."

Bangladeshi tourists to S'pore up by 50pc

STAR BUSINESS REPORT

The number of Bangladeshi tourists in Singapore was up by 50 percent in the first quarter of 2005 compared with the same period last year.

"The number of Bangladeshi visitors to Singapore can be further increased if more promotions are done here to attract them," Dayne Lim, regional director of Singapore Tourism Board (STB) told newsmen in Dhaka recently.

After meeting with different travel trade personalities here, he felt that

Bangladesh could soon become one of the top ten tourist generating countries for Singapore.

Singapore Airlines is also offering several lucrative offers to travellers from Bangladesh to Singapore, Lim added.

He said although there was no impact of tsunami on tourist arrivals to the island state, the STB has taken up different marketing campaigns to attract still more tourists.

Besides, various attractions have been introduced to the major

tourist spots and additional events are being held everyday," Lim said.

In 2004, arrivals of Bangladeshi tourists in Singapore also witnessed a up by 50 over 2003.

During his visit, Lim held meetings with Cheang Kok Ming, general manager (Bangladesh) of Singapore Airlines, and top travel agents and tour operators of the country. He also met with officials of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI).

Oil prices shoot above \$57

AFP, New York

Oil prices jumped above 57 dollars per barrel on Friday and were fast approaching record high points on concerns that shortages in refinery capacity could mean strong demand for distillates not being met during the fourth quarter,

analysts said.

New York's main contract, light sweet crude for delivery in July, rose 62 cents to 57.20 dollars per barrel in electronic deals after reaching an intra-day high of 57.25 dollars.

In London, the price of Brent North Sea crude oil for delivery in

August climbed 79 cents to 57.01 dollars per barrel after peaking at 57.08 dollars Friday.

Prices have risen for three days in a row to reach the highest levels since April 4 when they struck historic levels of 58.28 dollars per barrel in New York and 57.65 dollars in London.

US terms tri-nation gas pipeline "mistake"

PALLAB BHATTACHARYA, New Delhi

The United States has termed as a "mistake" the proposed multi-billion-dollar pipeline project that will transport natural gas from Iran to India via Pakistan and said it could entail American sanctions.

"We think it would be a mistake to proceed with the construction of such a pipeline. It would provide oil revenue to Iran that could be the basis of funding for weapons of mass destruction", visiting Assistant Secretary of State for Arms Control Stephen G Rademaker told reporters here on Thursday.

He said the US has for long discouraged oil development in Iran. "We have in place a legislation in the US that threatens sanction against particular projects that will develop oil resources in Iran.... And we continue to discourage construction such as this proposed pipeline."

During Indian Petroleum Minister Mani Shankar Aiyar's recent visit to Tehran, India and Iran agreed to form a special joint working group to sort out financial, commercial, technical and legal issues involved in the pipeline project that is likely to take off early next year.

The proposed pipeline issue also figured prominently during Aiyar's talks with Pakistani leadership in Islamabad just before his visit to Iran.

However, US Deputy Chief of Mission in India Robert Blake clarified that his country was yet to take a formal stand on the pipeline project. The US' concern over the Iran-Pakistan-India pipeline was conveyed by Secretary of State Condoleezza Rice when she was in Delhi earlier this year.

Aiyar has however insisted that India will not step back from the pipeline project despite the US opposition and Left parties, which provide crucial support to the present government, have also flayed the US stand on the pipeline issue.

Seeking to prod India into a possible change of heart on the Iran-India gas pipeline project, the US has hinted at initiating moves to take care of the fast-growing energy needs of a burgeoning Indian economy and the two countries have already held talks on energy cooperation, including nuclear power.