

Forex reserve slides from record after ACU payment

UNB, Dhaka

Country's foreign exchange reserve dropped to US\$3.34 billion yesterday, four days after hitting highest \$3.61 billion on Sunday, following a regular bimonthly payment to Asian Clearing Union (ACU).

Bangladesh Bank settled the ACU payment of US\$352.42 million Wednesday, pulling down the official international reserve, a senior Bangladesh Bank official told the news agency.

Recently the reserve maintained an upward trend rising to US\$3.605 billion on strong remittance and export earnings, according to Bangladesh Bank figures.

The central bank official, however, expected the up-trend to continue "due to robust exports and remittances against restrained imports."

The reserve was around US\$3 billion at the end of June 1995, but started to plunge below \$1 billion in 2001. The reserve was hovering just over US\$3 billion during the fiscal 2005-06.

AKTEL's PCO subscribers to get security money back

STAR BUSINESS REPORT

Cellphone operator AKTEL's Public Call Office (PCO) subscribers now will get their security money back with interest after three years from Prime Bank.

AKTEL yesterday signed a memorandum of understanding to this effect with the bank in Dhaka.

Asif Iqbal, head of marketing of AKTEL, and Jasim Uddin, executive vice president of Prime Bank, signed the MoU at a simple ceremony on behalf of their organisations.

The security money for each PCO subscription is Tk 3,000.

Prime Bank's Managing Director Shahjahan Bhuiyan, and AKTEL's Head of Corporate Affairs Javed Tareq were also present at the signing ceremony.

AKTEL officials said there are some 20,000 PCO subscribers.

CPD lectures on Bangladesh economy concludes

The four-day course on Advanced Lectures on Bangladesh Economy, organised by the Centre for Policy Dialogue (CPD), concluded yesterday.

A total of 28 students from private and public universities participated in the second CPD Advanced Lectures series who were enrolled on a competitive basis, said a press release.

CPD initiated the programme in 2005 with an objective to orient the economics graduates to the dynamics of Bangladesh economy in response to macroeconomics, regionalisation and globalisation.

CPD Executive Director Dr Debapriya Bhattacharya, Research Director Professor Mustafizur Rahman, Senior Research Fellows Dr Fahmida Khatun, Dr Uttam Kumar Deb, Dr Khondaker Golam Moazzem, and Additional Director (Dialogue and Communication) Anisatul Fatema Yousuf were the resource persons of the course.

M Syeduzzaman, member of the CPD Board of Trustees, distributed certificates of achievement among the participants.

Oil prices up

AP, London

Oil prices regained some ground Thursday, a day after falling to a five-month low, while the market waited for the latest data on U.S. supplies.

Light, sweet crude for October delivery rose 17 cents to \$67.67 a barrel in electronic trading on the New York Mercantile Exchange by midday in Europe. The contract had fallen more than \$1 Wednesday to settle at \$67.50 a barrel the lowest closing price for front-month futures since April 7.

PRICE HIKE IN RAMADAN

Importers, wholesalers blame rent seeking

Keep prices tolerable: FBCCI

STAR BUSINESS REPORT

City's wholesalers and importers of essential commodities yesterday identified 'rent-seeking' by different government personnel like tax officials and law enforcers as one of the major reasons for the hike in prices of essentials during the Ramadan.

The traders were speaking at a meeting organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka.

FBCCI President Mir Nasir Hossain chaired the meeting.

The retailers came under fire at the meeting for the sky-rocketing prices of essentials.

Md Shamsul Alam of Shambazar Bebsayee Malik Samity said although commerce minister and finance minister admitted the existence of syndication behind controlling the commodity prices, the government has taken no immediate initiative.

"Averting any action against the syndication, the initiative of reducing tax on 11 items on the eve of the

Ramadan will not be effective in cutting the prices of essentials," he opined.

He also blamed the action of the law enforcers and mobile, which, he said, contributed to increasing the price during the Ramadan.

"Most of the businessmen in the city fall victim to the secret extortion by some law enforcers during the time, which results in a rise in commodity prices by over 10 percent," he added.

"It is very simple that commodity prices will not increase if there is adequate supply of commodities in the market. But all the decisions the government has taken so far are not timely," said Golam Mawla, general secretary of Moulvi Bazar Bebsayi Samity.

It is not possible to keep prices low by merely reducing tax, he observed, suggesting adequate supply of essentials and immediate halt to extortion on roads and highways and rent seeking.

Emdad Hossain Malek, research officer of the Consumers Association of Bangladesh (CAB),

said at this moment, there is no appropriate law with the government to control the market price. So, the traders take this opportunity and sell their products at a price of their choice.

Mohammad Mohsin Uddin, general secretary of Shambazar Krishi Babsayee Banik Samity, blamed the retailers for raising prices of essentials in the city market.

Quoting some wholesale prices, he said while the wholesale price of the ginger is only Tk 35 to Tk 40, the retailers sell it at Tk 60 to Tk 65. The wholesale price of dry chilly is Tk 110, turmeric is Tk 50, but in the retail market, these items are selling at Tk150 and Tk80 respectively.

While talking to The Daily Star, some traders pleaded not guilty for the price hike saying that a strong syndication of some big businessmen, who have government patronisation, is controlling the market price.

"As the government failed to take any legal action against the syndication, prices of commodities will not come down to a tolerable level within a

short time," said a wholesaler.

He said a former commerce minister took an initiative to hang price list in every retail market in the city. But unfortunately, the initiative is not followed by his successors.

"Some laws relating market monitoring also returned from the cabinet without approval. I don't know what is the reason for not passing the law, but I heard some cabinet members disagree to pass the law", said another wholesaler.

He said, "We have made so many suggestions for the government to control the market price. But government does not implement any of them".

The FBCCI president said in the open market economy, there is no chance to increase price of commodities by syndication.

He, however, said, "Big businessmen can maintain the market through their huge capacity of storing commodities."

He urged the wholesalers and importers to keep essential prices at a tolerable level during the Ramadan.



PHOTO: STAR

Mir Nasir Hossain, president of FBCCI (C), addresses a discussion with the importers and wholesalers of essential commodities on the eve of the holy Ramadan at the FBCCI Board Room yesterday. FBCCI Vice President Dewan Sultan Ahmed (1-L) and Director MA Rouf Chowdhury (1-R) are also seen.

China to invest \$38m in West Bengal

ANN/ THE STATESMAN

West Bengal would be the first state in India to taste the flavour of Chinese foreign direct investment (FDI). According to an agreement, China will invest a whopping US\$38 million in the state, said Kumar Shankar Bagchi, managing director of Bengal Peerless Housing Development Company Limited.

The agreement between Bengal Peerless and the Chinese counterparts is to set up a hi-tech zone in Nanzing in China. This would be named "Bengal Peerless Nanzing Hi-tech Zone". The plan envisages a centre of excellence with a hub for numerous information technology companies.

Similarly another such hi-tech zone would be established in Kolkata, which has been named "Nanzing Bengal Peerless Hi-tech Zone" where business process outsourcing (BPO) would be replaced by knowledge process outsourcing (KPO), which is in greater demand these days, Bagchi said.

Tk 300cr Japanese aid to develop EPZs

Bss, Dhaka

The Japanese government will provide Taka 300 crore for infrastructure development of the Bangladesh Export Processing Zone Authority (BEPZA) aiming at turning it into an apex industrial organisation of South Asia.

A high-powered Japanese team led by Japanese Ambassador to Bangladesh Masayuki Inoue said this while visiting the Dhaka Export Processing Zone (DEPZ) here yesterday.

Under a fund titled 'Debt Relief Grant Aid (DRGA),' the total amount will be spent for installation of essential infrastructures, including an effluent treatment plant, three water treatment plants, two electronic substations and dormitories for female workers, at various Export Processing Zones (EPZs).

Executive Chairman of the BEPZA Brig. Gen. Ashraf Abdullah Yussuf briefed the Japanese envoy about the EPZs and various products of Japanese enterprises being

produced in the DEPZ.

The Japanese ambassador expressed satisfaction over the activities of the BEPZA saying that all these manifested the sincerity of the government in foreign investment as the restive situation has been turned into a stable one at the DEPZ in a short span of time.

The executive chairman of the BEPZA said, "We are committed to the welfare of the workers as well as the investors. That is why, we have been able to bring the situation under control through taking adequate security measures at the DEPZ."

Yussuf said the BEPZA authorities have given permission to 31 Japanese units with proposed investments of 466 million US dollar, which will create employment opportunities for 5,800 Bangladeshis.

"Overall exports from all the EPZs in 2005-06 fetched 1,645.59 million US dollar against only 1072.02 million dollar in 2001-02. The sector is contributing enormously to the national economy," he added.



PHOTO: STAR

Officials of cellphone operator AKTEL and Prime Bank sign a memorandum of understanding in Dhaka yesterday.

Bangla-UAE economic ties to grow

Alamgir tells Etihad's inaugural

STAR BUSINESS REPORT

Economic ties between Bangladesh and the United Arab Emirates (UAE) will be stronger with the operation of its national carrier Etihad Airways and Etihad Crystal Cargo in Bangladesh, said State Minister for Civil Aviation and Tourism Mirza Fakhru Islam Alamgir.

"This will add value to the economy of both the countries. Businessmen and working people, especially in the Middle East, will be benefited most by the airline," he said Wednesday at the inaugural ceremony of the airway and cargo service that began its operation in the country in May this year.

Speaking as the chief guest at the ceremony at a city hotel, the state minister regretted that

Bangladesh Biman is in a deep crisis, but expected that it will be able to enhance its capacity soon.

"The world economy is not any more protective... it is becoming more and more open and we should take the advantage of it," he said.

Presently, the airways flies five times per week from Dhaka to Abu Dhabi.

Etihad Airways Bangladesh Area Manager Jill R Errington said days are not very far when Etihad Airways will have flights everyday from Dhaka.

She said the airways is customer-friendly, transparent and equipped with 21st century technology.

Helaluddin Akbar and Vipul Bhalla of Etihad Crystal Cargo also spoke at the ceremony.



PHOTO: STAR

Malaysian High Commissioner to Bangladesh Abdul Malek Bin Abdul Aziz distributes prizes among the winners of 'Pran Mashlay Malaysia', a consumer promotional offer of Pran Group, in Dhaka yesterday.

HELSINKI SUMMIT

Asia, EU leaders to focus on trade

AFP, Brussels

Freeing up trade between the EU and Asia will be in the spotlight when European and Asian leaders meet Sunday and Monday in Helsinki, although the official talks will focus on the environment, energy and security, officials said.

Leaders from 38 Asian and European nations are expected to descend on the Finnish capital for the two-yearly summit of the Asia

Europe Meeting (ASEM).

Amid persistent criticism that the forum is long on talk and short on substance, the heads of state and governments are also due to mark the 10th anniversary of ASEM by inviting new members to future meetings.

"It is true that ASEM is not a process that leads to concrete decisions," acknowledged Finnish Prime Minister Matti Vanhanen, who is hosting the summit in Helsinki.

Raffle draw for shoppers at Bashundhara City held

STAR BUSINESS REPORT

The 'Rainy Season Grand Raffle Draw-2006' for shoppers at Bashundhara City shopping mall was held yesterday.

The customers who purchased products or services worth minimum Tk 200 from June 1 to August 31 were eligible for the lottery.

The winners will get 125 prizes, which include a car, a 125cc motor-cycle, a 80cc motor cycle and a 21-inch colour television set.

M Khalequzzaman, executive director of Bashundhara, was the chief guest at the draw.

Pran promotional offer winners get prizes

STAR BUSINESS REPORT

The prize giving ceremony of a consumer promotional offer of Pran Group was held yesterday.

Malaysian High Commissioner to Bangladesh Abdul Malek Bin Abdul Aziz distributed the prizes among the winners in Dhaka.

Under the offer titled 'Pran Mashlay Malaysia (Buy Pran spices to fly to Malaysia)', four winners received Dhaka-Kuala Lumpur return tickets.

Ahsan Khan Chowdhury, deputy-managing director of Pran Group was also present at the function.

Other prizes of the offer, which ran between May 20 and August 20, include two washing machines, and two microwave ovens, dinner sets, blander machines, and pressure cookers.

CURRENCY

Following is Thursday's (September 7, 2006) forex statement supplied by Standard Chartered Bank

Major Currency Exchange Rates			Exchange rate of some currencies		
	BC Sell	TT Buy	Per USD	BDT per Currency	
US dollar	69.65	68.55	Indian rupee	46.02	1.50
Euro	90.61	86.69	Pak rupee	60.45	1.14
Pound	132.81	127.80	Lankan rupee	102.23	0.68
Australian dollar	54.50	51.76	Thai baht	37.38	1.85
Japanese yen	0.61	0.58	Malaysian ringgit	3.65	18.95
Swiss franc	57.31	54.71	USD forward rate against BDT		
Swedish kroner	10.01	9.08		Buy	Sell
Canadian dollar	63.71	61.39	1 M	68.64	69.75
Hong Kong dollar	8.98	8.79	2 M	68.76	69.96
Singapore dollar	45.42	43.59	3 M	68.91	70.18
UAE dirham	19.12	18.51	6 M	69.34	70.89
Saudi riyal	18.72	18.13			
Danish kroner	12.51	11.30			
Kuwaiti dinar	237.48	235.36			

* All currencies are quoted against BDT

*The forward rates are indicative only and fixed dated

Local Market

FX: Local inter-bank FX market was active on Thursday as the banks prepared to close for the weekend. The demand for USD remained stable and there was a steady volume of cross currency transactions. The USD fell slightly against the Bangladeshi taka.

Money Market

Money market was active on Thursday. Call money rate remained unchanged and ranged between 6.50-7.00 percent. Bangladesh Bank accepted three-day reverse repos worth Tk 12.61 billion (\$182 million) at an interest of 6.50 percent.

International Market

The dollar steadied against the euro and edged up against the yen on Thursday after data the previous day showing a surprisingly big jump in US labour costs

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