

Worldwide shortage of rice sends prices soaring

ANN/ THE STRAITS TIMES

As the price of rice climbs across South Asia, farmers and millers in Thailand are sitting on stocks and waiting for it to rise even further, said a top rice exporter in Bangkok.

The exporter, who requested anonymity, told The Straits Times: "In my 25 years of trading, I have never seen such a bad position."

There is a rice shortage in Bangladesh and China too, among other countries, while there is a wheat shortage in Afghanistan.

In local markets in Pakistan, the price of rice has gone up over the past month by more than 60 per cent year on year.

India recently contributed to soaring world prices when it imposed a ban on rice exports-related only partially to allow some supplies to Madagascar, Mauritius, the Comoros Islands and cyclone-hit Bangladesh.

China has banned rice exports to ensure enough is available for domestic demand.

From Kansas to Kabul, high rice and wheat prices are worrying officials and economists, and beginning to hit consumers—especially tens of millions of poor people—harder than many can remember.

In Singapore, while rice importers and supermarkets have no problems getting the staple grain, prices have escalated.

In the past three months, prices have risen sharply by 30 per cent to 40 per cent, said a spokesman for rice importer Tong Seng Produce.

FairPrice, which has diversified its rice import—with supplies coming from Australia, Thailand, Viet Nam and India—has been able to secure its regular supply.

While prices of imported rice have spiked, its spokesman said the supermarket chain would try to hold prices steady for as long as it could.

Singapore imports rice from more than 20 countries, including Thailand, Viet Nam, Burma, China, Pakistan, the United States, Egypt and Australia.

The causes of the shortages and high prices are diverse, and vary from country to country.

They include natural disasters or adverse weather; high fuel prices, which add to transport costs; hoarding and smuggling of rice and wheat to take advantage of higher prices across national borders; and, in Pakistan, a shortage of electricity that is reportedly hampering mills from functioning at full capacity.

In South-east Asia, rice traders are waiting for the results of the rice harvest in another major producing country in the region—Viet Nam.

In the meantime, Thailand is one of the few countries where rice is still available in large quantities. But it is not helping.

This year, rice prices are up 50 per cent over last year—their highest level in 20 years, by some estimates.

But Thailand's rice exporters—numbering between 150 and 200, but with the top 10 controlling up to 70 per cent of the export trade—are finding rice hard to come by because of stockpiling by farmers and millers.

They have also been hit by the rising export.

"Exporters are finding it tough, and so are consumers of rice," said the exporter who spoke to The Straits Times.

"Even non-rice traders have gotten into hoarding rice here, so exporters have not got it. The government's procurement price for paddy is 6,700 baht (\$211 per tonne), but the real price is up to close to 9,000 baht (\$284 per tonne)."

While the Thai government has been releasing rice from its stocks, the volume has not been enough to alleviate the situation, he said.

Worldwide, economists are worried that the diversion of agricultural land and certain crops to biofuel production is cutting into grain and cereal production for human consumption.

The prices of rice and wheat are linked. India's ban was not as much in response to a shortage of rice as worries over the coming wheat harvest.

Indian officials are waiting for the results of the March-April wheat harvest as well as the rice harvest from south India to gain a fuller picture of their stocks.

In the United States, wheat futures in Kansas City, Chicago and Minneapolis have surged to record highs on forecasts of tighter supplies and continued strong demand at home and abroad.

A recent food price survey by the Farm Bureau in the American state of Missouri found that in the fourth quarter of last year, the retail price of a 20 ounce loaf of bread had already risen 30 US cents from the previous quarter to US\$2.

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Corporate Agreement Signing for Apollo Hospitals Dhaka. PHOTO: APOLLO HOSPITALS DHAKA

Apollo Hospitals Dhaka and Aamra Networks Ltd have recently entered into a corporate agreement under which the hospital will provide medical services at special rates and other corporate benefits for the members and staff of Aamra. Zahur Syed Bakht, Group CEO of Aamra Networks, and Malka Shamrose, director (Business Development) of the hospital, signed the deal.



Badruzzaman Quoreshi, NRB Director of Nandan Group, inaugurated the month-long celebrations on the occasion of fifth anniversary of Nandan Mega Shop at its new branch in Uttara on Thursday. Chairman and CEO of Nandan Group Mashroor Chowdhury and General Manager of Nandan Food and Beverage Industry Samsul Haque Chowdhury are also seen.

CURRENCY

Following is Monday's (February 18, 2008) forex trading statement by Standard Chartered Bank

Table with columns: Major currency exchange rates, Exchange rate of some currencies, Per USD, BDT per Currency. Includes rows for US dollar, Euro, Indian rupee, etc.

Local interbank FX market was active as the international markets opened after the weekend break. Liquidity improved slightly, but the BDT remained almost unchanged against the USD. There was ample supply in the inter-bank market.

Money market was active on Monday. The call money market eased a little and most deals ranged between 8.00 and 9.00 per cent similar to that of Sunday.



BRAC Bank Ltd has opened a branch at Dohar in Dhaka recently. Director of the bank Muhammad A. (Rumeel) Ali inaugurated the branch, while acting Managing Director and CEO Kaiser Tamiz Amin and other senior officials were present.

S'pore export sees 2.8pc rise

AFP, Singapore

Singapore exports reversed two straight months of decline to rise an annual 2.8 percent in January led by strong shipments of petrochemicals and disk drives, the government said Monday.

The rise in non-oil domestic exports (NODX) to 15.41 billion Singapore dollars (10.9 billion US) was unexpected, with six economists polled expecting another decline.

NODX, an important barometer of the health of Singapore's open, trade-reliant economy, contracted 3.4 percent in November and 4.5 percent in December, government data showed.

STOCK

TRADED ISSUES February 18, 2008

Large table with columns: Company, FV/ML, Price, Turnover, Last AGM, EPS, DPS, etc. Includes sections for BANK, DSE, CSE, and Other Info.

Turnover Leaders

Table with columns: Company, Turnover (Vol, M, T, %), BigLot. Lists top performing companies.

Market Highlights February 18, 2008

Table with columns: DSE, CSE, Indices, Market Cap, etc. Provides summary of market performance.

Capital Gainers

Table with columns: Company, Price Chn, Close, Turnover. Lists top-performing stocks.

Capital Losers

Table with columns: Company, Price Chn, Close, Turnover. Lists underperforming stocks.

Non Traded Issues

Table with columns: Company, FV/ML, LCP, DSE, LFD, CSE, LFD, Last AGM, EPS, DPS. Lists companies with non-traded issues.

Extensive financial data and market analysis, including company names, prices, and market trends. Includes a 'Book Closes/AGM/Dividend/IPO' section.