

## Stocks

DGEN	0.91%
2,997.75	
CSCX	1.35%
5,031.74	

## Currencies

	Buy TK.	Sell TK.
USD	68.30	69.30
EUR	103.88	108.59
GBP	133.71	138.86
JPY	0.68	0.71

SOURCE: STANDARD CHARTERED

## Commodities

	Buy TK.	Sell TK.
Gold	\$925.75	\$101.84
Oil	(per ounce)	(per barrel)

SOURCE: AFP (As of Friday)

## More News

### Country has now business-friendly environment

A business-friendly environment has been created in the country now, which needs proper management of land and efficient manpower to become an economically solvent nation, observed a leader of the country's business community.

### Raw jute export thru Mongla port resumes

Raw jute export through Mongla port has resumed after more than one year. MV Banglar Mukh, a seagoing vessel of Bangladesh Shipping Corporation (BSC) with 10,036 tonnes of raw jute, left Mongla port on Wednesday for Karachi.

## International



An Iraqi woman talks on her mobile phone as she walks on campus at Baghdad's Al-Mustansiriyah University recently. Saddam Hussein deemed Iraqis could live without modern technology such as mobile phones and the Internet. Now that his regime has been swept away, they are finding they just can't get enough of it.

### India, No 1 remittance receiving country

In a real turn up for the books, the World Bank's latest report released here has stated that India received the largest amount of remittances from migrants in 2007—all of US\$27 billion—followed by China, Mexico, the Philippines and France.

## Bangla Biz Lexicon

Chander Gari—a locally assembled vehicle with a chassis of old jeep. It is a popular form of transport in the hilly regions particularly in Chittagong.

## Contact Us

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# No taka-dollar adjustment by Biman in 10 months

## Passengers, shippers incur loss

JASIM UDDIN KHAN

Biman's inaction to adjust taka's exchange rate against dollar over the past ten months have caused a huge amount of financial loss to air passengers and air shippers to and from Bangladesh, industry people said.

Biman Bangladesh Airlines fixed dollar's rate at Tk 69.50 in May 10, 2007 and since then it has been charging at that rate, although during the 10-month period the greenback's monthly average rate was Tk 68.66, according to a Bangladesh Bank figure.

According to the International Air Transport Association (IATA) guideline, the national flag carrier in each country fixes local currency's exchange rate against dollar and the other airlines follow the rate.

The national carriers in other countries frequently adjust the rate in line with fluctuations.

Industry sources said around 35 lakh inbound and outbound passengers in Bangladesh annually contribute tariffs of around Tk 5,000 crore, and around 15,000 tons of cargoes are transported to and from Bangladesh, generating Tk 1,200 crore.

## MONTHLY AVERAGE OF TAKA'S EXCHANGE RATE AGAINST US DOLLAR

MONTH	MONTH AVERAGE
June '07	68.94
July '07	68.64
August '07	68.60
September '07	68.70
October '07	68.70
November '07	68.62
December '07	68.58
January '08	68.58
February '08	68.58

SOURCE: Bangladesh Bank

According to the industry people, out of the total market size Biman's market share in terms of passenger is 30 percent and it is 20 to 25 percent in terms of cargoes.

Saudia, Emirates, Singapore, Thai and Gulf airlines are the other big players carrying passengers and freights to and from Bangladesh.

Nurul Amin, MD of Tower Freight Logistics, said due to Biman's inaction to adjust the exchange rates freight forwarding industry lost around Tk 90 crore during the period.

He said the exchange rates ranged between Tk 66.50 and Tk 67.50 during the period.

When contacted, Biman's Director (Marketing and Sales) AMM Mosaddeq Hossain said Biman fixes the exchange rate based on the selling price of dollar at Sonali Bank, not on its buying price.

He said the exchange rate did not fluctuate significantly during the past ten months.

Mosaddeq said Sunday's (yesterday) selling price of Sonali Bank was Tk 69.40. But as per IATA guidelines the

national flag carriers should follow the banks' buying prices, said Nurul Amin.

Ehsanul Karim, a vegetable exporter who exports to the UK by Biman, said he is making a huge loss due to the Biman's inaction.

"I am the worst sufferer as the profit margin is reducing as Biman is not adjusting the exchange rate," Ehsanul added.

Abirul Islam Faysal, a senior executive of a leading foreign airline, said Biman did not bring any adjustment in exchange rate but the fluctuation was not so significant.

He also said once Biman also did not bring changes when the rate crossed above Tk 69.50.

MA Muhaimin Saleh, president of Association of the Travel Agents Bangladesh (ATAB), said Biman did not adjust the rate to maximise its revenue, as it gets additional money against each dollar, apparently failing to realise that this is causing loss to its passengers and shippers.

Civil aviation ministry sources said the government is considering revision of the exchange rate and has already asked Biman to review the matters soon.

## Child labour policy next month

STAR BUSINESS REPORT

The government is to announce 'Child Labour Policy 2008' by second week of next month, the labour and employment adviser said yesterday.

"The government has already finalised the policy draft and we are going to announce it publicly within the next three weeks," said Anwarul Iqbal, adding that the three weeks' time is required to make amendments in few sections of the new rule.

He said the policy aims to form a legal framework and a long-term work plan to eliminate child labour from the country.

A nine-member sub-committee - comprising government officials, representatives from non-governmental organisations, employers' federations and labour organisations - was also formed yesterday to finalise the draft policy.

"With the main features of the Millennium Development Goal (MDG) and the Poverty Reduction Strategy Papers (PRSP) in mind, a timely and modern policy has been prepared," he said.

The adviser was speaking at a workshop on finalising the draft of national policy on child labour, jointly organised by the Ministry of Labour and Employment and Save the Children, Sweden-Denmark, at Dhaka Sheraton hotel.

# Excess cash, peg to weak dollar fuel Gulf inflation

AFP, Manama

Abundant liquidity, triggered by sharply higher oil revenues, and the effect of currencies pegged to a weakening dollar are fueling inflation in the Gulf region, economists say.

And the situation is so serious that Gulf business leaders will meet in Bahrain on Monday to get advice from the International Monetary Fund (IMF) and the European Union on how to tackle the problem.

"The growth of money supply in Gulf countries has in some cases exceeded 20 percent," leading Bahraini economist Ahmed al-Yusha told AFP this week. "This reflects in (higher) demand, and consequently affects prices."

Gulf Cooperation Council members Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates have been enjoying a windfall of oil revenues on the back of record crude prices.

But the surge in revenues, which have injected GCC economies with a shot of energy reflected in impressive economic growth, has also left countries awash in cash.

The IMF expects overall GCC inflation to rise to six percent in 2008, with consumer prices in some member states rising at much higher

rates. The UAE and Qatar registered 9.3 percent and 11.8 percent, respectively, in 2006. Most final inflation figures for 2007 have not been released, but inflation is estimated to have hit 11 percent in the UAE and 12 percent in Qatar.

Saudi Arabia, which traditionally had a fairly low inflation rate, reported a 4.1 percent rise in its consumer price index in 2007.

A key element in higher prices is the sharply higher cost of housing. Even though the region is experiencing a frenzy of construction, there is still a bottleneck in supply.

The increase in the cost of goods that are imported from non-dollar zones is also blamed.

A December study by the Federation of GCC Chambers blamed inflation mainly on the huge money supply and the peg of all GCC currencies -- except the Kuwaiti dinar -- to the deteriorating dollar.

"Available liquidity that is accompanied by a fixed supply of goods and services... and the drop in the value of local currencies due to the weakening of the dollar" are the two main reasons for inflation, said the Saudi-based federation, which groups the region's chambers of commerce, industry and agriculture.

## Afghanistan to privatise nat'l telephone firm

AFP, Kabul

Afghanistan said Sunday it planned to sell up to 80 percent of its telecommunications arm in one of the most ambitious parts of the country's ongoing privatisation programme.

Bidders must register their interest in purchasing part of Afghan Telecom by April 4 and the tender process was expected to be completed in three months, Telecommunications Minister Amirzai Sangin told reporters.

The fixed line and wireless system had about 100,000 clients, he said.

This compares to about five million for the booming mobile phone sector, which includes four providers and had investment of nearly one billion dollars, Sangin said.

Afghan Telecom would be worth about 190 million dollars after a network of fibre optic cables is put in place, an improvement which is due by year's end, his ministry said.

The sell-off is one of "the most ambitious privatisation projects in Afghanistan to date," it said in a statement on its website.

Asked about Taliban attacks on mobile phone towers, Sangin dismissed the insurgents' claims that cell phones were being used by the military to pinpoint their hideouts.

The Taliban extremist movement warned nearly a month ago it would target mobile antennae that were not switched off at night because they were being used to trace their bases.

About a dozen have been attacked since then, most of them in the volatile south where the insurgency is most active.

Troops had other means at their disposal to tackle the Taliban besides the mobile phone system, the minister said.

# Hybrid rice cultivation doubles this year

## Farmers to be dependent on market for seeds: Environmentalists

SOHEL PARVEZ

Hybrid rice cultivation has almost doubled this year amid hectic efforts from government and seed suppliers to motivate farmers to grow more rice to ensure food security.

According to official sources, the lands that have been brought under the cultivation of hybrid rice are more than 150 percent over the lands cultivated the previous season. The lands cultivable for such rice this boro season are over 10 lakh hectares, which were 3.90 lakh hectares the previous season.

However private seed growers and suppliers contradicted the government figure saying that the cultivable land for hybrid seeds would not be over 7 lakh hectares this season.

They made the estimation in accordance with the sales of hybrid rice seeds. They said they sold around 8,000-9,000 tonnes of such seeds.

The sellers said about 15 kg of seeds are required for cultivation on a hectare of land.

Meanwhile, environmentalists are opposed to bringing more lands under hybrid seeds cultivation on the plea that this move would make farmers dependant on the market for seeds.

"The demand for hybrid seeds is growing every year. We have sold some 8,000-9,000 tonnes of seed this year. It is almost double the last year's total sales," said FR Malik, president of Bangladesh Seed Growers, Dealers & Merchants Association.

Malik, also the owner of Mollika Seed Company, said they sold 4,500-5,000 tonnes of hybrid rice seeds in the last boro season.

At present, growers and importers are marketing various types of hybrid rice seeds such as Hira, Aloron, Jagoron,

Sonar Bangla and Moina, which are said to be about 20-30 percent higher yielding than the high yielding variety (HYV) of rice seeds.

The government initiated the move to encourage farmers to grow hybrid rice after the twin flood and cyclone Sidr damaged country's main food item rice in the Aman season.

The soaring prices of rice in the global market have also prompted the government to motivate farmers to produce more hybrids to narrow the risk of food insecurity.

"Necessity knows no law. We have focused on the increased cultivation of hybrid rice to recover the losses incurred on floods and cyclone Sidr," said Dr Shahidul Islam, director Field Service Wing of the Department of Agricultural Extension.

To recover such losses, the government targeted to produce hybrid crops on 12 lakh hectares of land out of 45 lakh hectares, the total targeted area for boro cultivation.

Out of the total land, hybrid rice has been cultivated on over 10 lakh hectares of land, Dr Islam said.

The DAE official expected this cultivation would help produce additional 10 lakh tonnes of rice.

"Its demand is rising because farmers are getting higher profits," said Mokfor Uddin, managing director of the biggest seed supplier firm, Supreme Seed Company. Supreme has sold about 3,500 tonnes of hybrid seeds.

Sudhir Chandra Nath of Agro-marketing Division of BRAC that grows hybrid seeds, said farmers are now encouraged by hybrid seeds' higher yield.

"Cultivation of hybrid rice requires the same extent of fertiliser, pesticides and irrigation as needed for the cultivation of HYV crops. But it gives higher yield than the HYV," he said, adding that BRAC's continued motivational campaign has also encouraged farmers to grow hybrid.



A file photo shows paddy farmers carrying their harvest home. The government has initiated a move to encourage farmers to grow hybrid rice after floods and cyclone Sidr damaged the country's staple.

Farida Akhter of Nayakrishni

Andolon, which works for ecological agriculture, said it would increase farmers' vulnerability to market.

"We oppose the hybrid because it makes farmers dependent on the market and

discourages them to preserve seeds for cultivation in the next season," Farida said. "It's a laboratory based seed, not the seeds from a farmer's own field."

She also pointed to the fact

that increased cultivation of hybrid seeds that requires increased use of fertiliser and pesticides will affect the land fertility and biodiversity.

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