

DHAKA WEDNESDAY SEPTEMBER 3, 2008

Stocks

DGEN Δ 0.37% 2,831.40

CSCX Δ 0.43% 5,702.56

Asian Markets

MUMBAI Δ 3.8% 15,049.86

TOKYO Δ 1.75% 12,609.47

SINGAPORE Δ 1.66% 2,758.94

SHANGHAI Δ 0.87% 2,304.89

Currencies

Buy Tk Sell Tk

USD 68.15 69.15

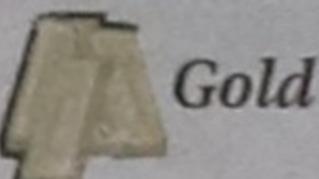
EUR 97.81 102.31

GBP 120.31 125.42

JPY 0.63 0.66

SOURCE: STANDARD CHARTERED

Commodities



Gold

Δ \$804.85 (per ounce)

Oil Δ \$105.46 (per barrel)

SOURCE: AFP (Midday London Trade)

More News

The taming of the price-horse



Ramadan comes, prices of essentials soar. It is no exception this time also. With the advent of the holy month yesterday, the price-horse started running at a pace that consumers, irrespective of classes in the society, can hardly cope with.

B-4

Bearing the brunt of inflation

Any distant onlooker would have thought that she was garnishing her cooked meal. That was far from true. Nurjahan puts the last remaining amount of rice into the steaming pot of water, the only staple food available for her family of four. Failing to get coarse rice, she bought one kilogram of medium quality rice at Tk 40 a kg, half of which she paid and the remaining on credit, due by today.

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International

India gets new central bank chief as inflation soars

India has appointed a new central bank chief to replace Yaga Venugopal Reddy, who retires later this week with Asia's third-largest economy battling high inflation. Finance Secretary Duvvuri Subbarao will succeed Reddy as governor of the Reserve Bank of India (RBI).

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If you have views on Star Business or news about business in Bangladesh, please email us at business@thecitizenstar.net

Price shock marks Ramadan

Govt agencies, business leaders fail to keep basic commodities within easy reach

STAR BUSINESS REPORT

Basic commodities were selling at higher prices in the city markets yesterday, on the onset of the month of Ramadan, although businesspeople had committed earlier that they would keep the prices at tolerable level.

Market operators said the prices could not be contained due to weak performance of some state-owned agencies that were meant to ensure fair prices of commodities.

After visits to Karwan Bazar and New Market, the city's two main kitchen markets, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Annisul Huq said the price gap between wholesale and retail levels widened.

Earlier, FBCCI held a series of meetings with importers, wholesalers, leaders of wholesale and retail markets and refiners where the businessmen of almost all levels committed to keeping the prices of essentials under control.

In a news briefing after the visit to the kitchen markets, Huq said the price of a kilogram of green chilli at the Karwan Bazar wholesale market ranged between Tk 60-Tk

70, while at the retail market of Karwan Bazar, a market of walking distance, green chilli sold at Tk 100-Tk 110 per kg.

"During our visit we found the prices of potato declined, rice prices were stable, but the prices of onion, ginger, brinjal, garlic and some other widely consumed commodities increased," Huq said.

He said he would continue such visits to the city markets during Ramadan to check the abnormal price hike of essentials.

Huq also urged the Dhaka City Corporation and the members of law-enforcement agencies to check the voucher forgery incidents and hang price lists on the board in markets regularly for the convenience of consumers.

During the visit, almost all the retailers of both Karwan Bazar and New Market failed to show valid vouchers of commodities sold. There was no price list on the board although it is mandatory for the city markets.

When the wholesalers and retailers of Karwan Bazar were asked about the higher price gap between the wholesale and retail prices, they blamed each other.

The price gap between wholesale and retail levels at

New Market was also high. Mohammad Mostafa, a retailer in New Market, said the price gap of essential commodities between wholesale and retail levels is high mainly due to higher rental cost of shops, weighing manipulation at wholesale level, perishing of some items and some other risks to retail business.

The Trading Corporation of Bangladesh (TCB) started selling four items from yesterday at a limited scale, as the state-owned corporation failed to import some selected items in time due to higher prices of those items in the international market.

The TCB sells sugar at Tk 30 per kg, gram at Tk 50 per kg, onion at Tk 20 per kg, two litres of bottled edible oil at Tk 216, five-litre oil at Tk 540 and eight litres of bottled edible oil at Tk 864.

"We are not selling lentil this year as we could not procure the item due to its higher price on the international market," said TCB Chairman Ziaul Islam.

Talking to The Daily Star, Ziaul Islam said the TCB is selling the items through eight mobile outlets in Dhaka. The corporation is also selling the items in Khulna, Rajshahi and Chittagong, he added.

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Market

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at Tk 50-Tk 60 per kg at the retail level, tomato at Tk 70-Tk 80, onion at Tk 32-Tk 36, ginger at Tk 90-Tk 100, dates at Tk 90-Tk 140, snake gourd at Tk 30-Tk 32, bitter gourd at Tk 30-Tk 36 and sugar at Tk

36 per kg.

Five litres of bottled edible oil of different brands were selling at Tk 585-Tk 590, while loose edible oil was selling at Tk 86-Tk 88 per kg, traders said.

"We have enough stock of the commodities to continue our sales drive during the whole month of Ramadan," the TCB chairman claimed.

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Oil prices tumble below 105 dollars

AFP, London

Oil prices dived under 105 dollars on Tuesday, reaching 4-month lows, after Hurricane Gustav apparently spared key US energy facilities and Iran said Opec must tackle excess production by members.

New York's main contract, light sweet crude for October, dropped as much as 10 dollars to 105.46 dollars a barrel from its closing level on Friday.

New York crude then rallied a little to stand at 105.96 dollars, down 9.50 dollars from Friday. US markets were closed on Monday for the Labor Day holiday.

Brent North Sea crude for October fell to 104.14 dollars at one stage, hitting levels last seen on April 4. It later recovered to stand at 104.86 dollars, a fall of 4.55 dollars from Monday's close.

Hurricane Gustav was downgraded to a Category One storm on Monday, easing fears that it could be as bad as the Hurricane Katrina disaster of 2005, which damaged major offshore oil installations in the Gulf of Mexico.

Meanwhile on Tuesday, Iran called for the Organisation of Petroleum Exporting Countries to discuss quota-busting by some members at its meeting in Vienna on September 9.

"The oil supply should be proportionate to demand and control of excess supply is an issue which should be addressed at the upcoming Opec meeting." Oil Minister Gholam Hossein Nozari told the official IRNA news agency.

STAR BUSINESS REPORT

The telecom regulator has decided to open up Wi-Fi, a wireless networking system, for both commercial and non-commercial use.

Wi-Fi, which stands for wireless fidelity, is used across the globe in public spots such as airport, bus station, shopping mall and stock market to provide wireless internet access.

Computers with Wi-Fi cards can connect wirelessly to a router. Any user within 200 feet or so of the access point can log on to the internet.

In Bangladesh, some internet service providers developed Wi-Fi in some hotspots of Dhaka city, but

the telecom regulator banned the use of technology for a period of time as there was no guideline.

Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday posted a guideline to its website for prospective Wi-Fi users.

The guideline says any government, private, educational, corporate body can establish Wi-Fi network on non-commercial basis. Non-commercial private and household users do not need permission from the BTRC to use Wi-Fi.

However, all commercial Wi-Fi hotspot operators must come under ISP equivalent licence. The existing operators having such

licences will be eligible to establish a Wi-Fi network. An area blanketed in wireless access is often called a wireless hotspot.

In line with the guideline, the BTRC has allocated industrial, scientific and medical (ISM) band in 2.400-2.483.5GHz (Gigahertz) and 5.725-5.875GHz for Wi-Fi use. However, spectrum will be allocated on a shared basis.

"Wi-Fi is very popular technology globally. Introduction of this technology will help increase commercial activities and internet use as well across the country," said MA Salam, president of Internet Service Providers Association of Bangladesh.

BTRC rolls out Wi-Fi guideline

STAR BUSINESS REPORT

Bangladesh targets doubling its natural rubber production to 60,000 tonnes a year by 2020 to tap the growing potentials in its export market on meeting domestic demand, industry people said.

Currently, the country has a capacity to produce about 30,000 tonnes of rubber a year, but some 10,000 tonnes were produced in 2007 because of the limited market demand. The production target has been set at 16,000 tonnes for 2008. There are 1,300 rubber gardens across the country.

"We need to ensure quality to export the item to the developed market where the use of rubber is growing rapidly," said Motahar Billah Chowdhury, vice president of Bangladesh Rubber Garden Owners' Association.

He blamed negligence of the successive governments for not yet entering into the multi-billion dollars export market.

However, Commerce Adviser Dr

Hossain Zillur Rahman said on Monday

that Bangladesh had opened up rubber trade with Turkey, which is trying to get certificate for Bangladesh's rubber from renowned Japanese tyre maker Bridgestone.

"Bridgestone's certification may take the Bangladeshi rubber industry to a new height," Hossain Zillur Rahman said.

Bangladeshi rubber is less costly than the imported one. One kilogram of locally produced rubber costs Tk 110-120, while it is Tk 200 for the imported rubber.

Natural rubber is an elastic hydrocarbon polymer. It is used extensively in many applications and products. It can also be synthesized. The scientific name of the rubber tree is *Hevea brasiliensis*.

Around 25 million tonnes of rubber were produced in 2007, according to global statistics. Of which, around 42 percent was natural. The bulk of the rubber produced is the synthetic variety, which is derived from petroleum. Asia is the main source of natural rubber today, accounting for around 94 percent of output in 2005. The three largest producing countries are: Indonesia,

Malaysia and Thailand -- together account for around 72 percent of all natural rubber production.

Rubber garden owners said they are producing the item traditionally with layman farmers. They said the government has not done anything to develop the industry despite repeated requests.

"Government has neither set up any administrative wing to help the sector, nor formulated any policy for the industry," Motahar Chowdhury said.

Garden owners have been pressing the government to formulate a policy since 1995. Rubber production in the private sector was allowed since 1980-81.

Still the government owned forest department is the leading rubber producer in the country with annual production of over 3,500 tonnes on more than 32,000 acres of land.

According to industry people, as many as 10 people are employed in every 25 acres of rubber land.

sajjad@thecitizenstar.net



This photo shows a garden of rubber trees. Bangladesh has set a target to double its natural rubber production to 60,000 tonnes a year by 2020.