

CAB sceptical about stable price after Eid

MD FAZLUR RAHMAN

An independent market watchdog yesterday expressed doubt whether the government would be able to keep the prices of basic commodities stable after Eid, as it was experienced during Ramadan.

Unlike the prior year, the market this time witnessed no abnormal hike in the prices of essentials, claim both the government and businesspeople.

However, the Consumers Association of Bangladesh, a non-profit organisation, said it is yet to check whether the commodity market would not be a major concern for the hard-earned consumers.

"The price stability in Ramadan is an exceptional phenomenon," said Quazi Faruque, the CAB president.

He said this happened because the government in a pre-Ramadan appeal to the business community to keep the market stable, at least for this month.

"Strong monitoring by the commerce ministry, mobile courts and the FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) surveillance also paid dividend," he told The Daily Star.

Faruque however doubted such stability in the post-Eid period. "It's not a matter of joy even if businessmen have listened to the government's request. We have to look at whether it is going to be a permanent solution or not."

The CAB chief suggested the government bring the business community under a workable legal framework through enacting competition policy and laws to make them accountable and keep the market stable most of the time.

"The prices were stable this time compared to previous years," said Commerce Secretary M Ghulam Hussain. "We have not seen any abnormal hike this time, which was not seen in the past."

The secretary also credited government policies and strict monitoring, cooperation from businessmen, a positive role played by the media and the restrained attitude of consumers, which have helped the authorities prevent the market from volatility.

He explained: "The government was very serious about the issue. We got support from the business community. People did not rush to make large stocks. And finally, the media played a very positive role that forestalled buying panic."

Hussain hopes the prices for basic commodities would remain stable even after Eid. "We're working seriously on the issue to ensure that," he told The Daily Star.

Business leaders also said the public-private cooperation in containing prices has worked well during Ramadan, which would continue even after Eid. "For some commodities, prices have risen by one or two

taka only as opposed to prices we had committed to offer, but we have not witnessed any abnormal price hike this time," said AK Azad, the FBCCI president.

"We have instructed the businessmen not to increase prices of basic commodities, particularly sugar and edible oil the items that historically witnessed price hike before September 20," he said.

The head of the country's apex trade body also said they would sit again before September 20 to adjust prices of basic commodities in accordance with international price hike, if any.

Azad said they are now planning to prepare a database of traders for an easier monitoring, and to make them more accountable.

M Hafizuddin Khan, a former caretaker government adviser, said the government should do more to rein in skyrocketing prices.

"The market is not as stable as the government claims. The upward trend is still showing."

"For example, prices of rice are not being controlled at all. This, may be, because of inadequate steps by the government or for any other reason," said Khan, also the chairman of Transparency International Bangladesh, the local chapter of the global organisation that fights against corruption.

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STAR The market did not witness any abnormal hike in the prices of essentials like the prior year, the government and businesspeople claimed. Now questions surface on whether the prices will remain stable in the post-Eid period.



STAR CNG-run vehicles have to line up for hours for refuelling since the government enforced a partial shutdown of CNG stations on August 16 to ensure a smooth gas supply to power stations and households during Ramadan.

CNG pump owners urge Eid reprieve

UNB, Dhaka

CNG station owners yesterday demanded the government withdraw the shutdown order for their stations in an effort to ease Eid passengers' hassles.

"We're urging the government to reverse the decision," said Zakir Hossain Nayan, secretary general of Bangladesh CNG Filling Stations and Conversion Workshop Owners Association.

In compliance with the government order, the CNG (compressed natural gas) stations in Dhaka and Chittagong have been kept closed from 3pm to 9pm since August 16.

The government on August 12 ordered CNG refueling stations to do so to help increase the gas supply to household consumers and power stations.

About 1,000 such pumps operate across the country -- mostly in Dhaka and Chittagong.

More than one lakh motor vehicles were converted into CNG-run vehicles as part of a government initiative to keep the environment free from pollution.

The latest decision to close CNG stations frustrates those who have already converted their vehicles to run on CNG.

ADB raises assistance to improve clean energy access

BSS, Dhaka

The Asian Development Bank (ADB) has boosted its technical assistance to scale up projects for better access to modern and reliable sources of clean energy.

An estimated 80 crore people in developing Asia have no access to basic electricity services and some 180 crore people must rely on traditional biomass fuels to meet their cooking and heating needs.

"Access to modern and reliable energy services is essential for sustainable development," ADB Vice-President Ursula Schaefer-Preuss said after the bank's Board of Directors approved \$2 million in technical assistance recently.

The assistance will be used to develop and implement access to clean energy projects, an ADB spokesman said.

Jiwan Acharya, a climate change spe-

cialist with ADB's Regional and Sustainable Development Department, said the new technical assistance will initially focus on a few high-impact countries including Bangladesh.

The technical assistance will contribute to the ongoing work of the 'Energy for All Initiative', established in 2008 to increase ADB investment in access to energy.

It will also support the ADB's regional platform, 'Energy for All Partnership', which brings together financial institutions, the private sector, civil society and governments with the target of bringing power to 10 crore people in Asia and the Pacific by 2015.

Last year, ADB projects worth \$418 million translated to around 243,600 new households connected to modern energy compared to the average of 169,200 between 2003 and 2008.

Labour leaders demand full arrears before Eid

STAR BUSINESS REPORT

Leaders of garment workers yesterday demanded full payment of all arrears to workers by September 7 to help them celebrate Eid-ul-Fitr.

The leaders of Garment Sramik Sangram Parishad, an alliance of 11 garment workers' associations, placed the demand at a press conference at the central office of Bangladesh Samajtantrik Dal in Dhaka.

Reading out a written statement, Mahmudur Rahman, coordinator of Biplobi Garment Sramik Shanghati, claimed that at least 5,000 workers have already been sacked from different garment factories so that owners can avoid paying bonuses to the workers ahead of the Eid.

"The government has asked law enforcers

to take stern action against any worker resorting to demonstrations, but nothing has been said about how it would deal with the tyrant owners," Rahman said.

Firing the workers is still going on at some factories, he said. The owners will be responsible if the workers take to the streets in protest against 'widespread maltreatment', he warned.

Rahman said a few factory owners have paid their workers meagre amounts in Eid bonuses while others are trying to avoid payment and seeking help from the government in doing so.

Some workers have been deprived of the festival bonus on the plea that they have not worked for a full year to claim the same, but the labour law says workers will enjoy all benefits after six months in service, he explained.

G20 members agree economic recovery to continue

REUTERS, GWANGJU, South Korea

G20 delegates agreed on Saturday global economic recovery would endure although the speed of expansion may slow, a South Korean official said.

Kim Jae-chun, deputy governor of South Korea's central bank who co-chaired the meeting of G20 finance and central bank deputies, also told reporters they thought market reaction to concerns about economic slowdown was overblown.

"There was an agreement that the (global) recovery will continue even though the speed may

slow from the level we thought of two to three months ago," Kim said after their meeting in the country's southwestern city of Gwangju.

Another official from a member country, who spoke on condition of anonymity, said there was discussion about the issue of readjusting representation on the International Monetary Fund's executive board but declined to elaborate.

John Lipsky, the IMF's first deputy managing director, declined to comment when asked if the issue would be resolved soon.

The G20 members have pledged to reach an agreement on the issue by the leaders' summit in Seoul in November but Europe has been reluctant to accept the proposals as it would diminish its voting rights on the board.

"Everybody is working very hard on it," said Jean-Pierre Landau, deputy governor of the Bank of France.

A European Union diplomat said on Friday that EU finance ministers would hold substantive talks on a U.S. push to cut Europe's representation at the IMF at an informal meeting at the

end of this month.

The United States, frustrated at Europe's refusal to share more IMF power with emerging economies, took unprecedented action last month to block plans that would have kept Europe's long-running dominance over the 24-member board.

The officials from the Group of 20 developed and major emerging economies and from international organisations will meet again on Sunday to discuss issues including reform in the global financial regulatory framework.



BATA Jorge Carbajal, president of Bata Emerging Markets for Asia and Africa, visits the wholesale outlet of Bata Shoe Company (Bangladesh) Ltd at Chawkbazar in Dhaka on Thursday. Rajeev Gopalakrishnan, managing director of the company, is also seen.

Supply surge to dampen Indian hotels' profits

REUTERS, Mumbai

An expected surge in supply of premium hotel rooms may take the sheen off Indian hotel firms' plans to raise tariffs and revive profitability, though analysts expect the second half to fare better than the first.

Hotel chains such as Indian Hotels Co Ltd, EIH Ltd and Royal Orchid Hotels Ltd are increasing capacity and plans to raise tariffs by 8-15 percent as tourism demand revives in Asia's third largest economy.

But competition has been hotting up in the Indian hospitality sector with global majors such as Starwood Hotels & Resorts, Marriot International and Hyatt Hotels, also keen on tapping the market.

Due to this, Indian hotels are also losing their edge to effect any substantial rise in room rates, which in effect is putting a squeeze on EBITDA margins.

"Because of the huge supply coming in, hoteliers are not able to increase the room rates to the extent they would have liked to and they are also below the pre-crisis levels of 2008," said Sridhar Chandrashekar, head of research at Crisil Ltd.



NESTLE BANGLADESH Laurent Therond, managing director Nestle Bangladesh Ltd, flags off the company's first consignment of Nido-brand dairy products to Nepal, from its factory at Sreepur on Thursday.