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Weak taka makes imports costlier, lives miserable

SAJJADUR RAHMAN

For nearly one year, the taka has been losing ground against the dollar. The exchange rate, which for six years had hovered between Tk 68 and Tk 70, came crashing down since the second half of 2011 and reached Tk 85 yesterday.

Analysts said, despite the temporary reprieves to exporters and remitters, an import-dependent nation like Bangladesh has a number of challenges to cope with any time its currency sheds value.

Real sector operators and consumers, who spoke with The Daily Star, said the devaluation could worsen their plight amid a soaring

inflationary pressure.

Not only luxury goods and fruits, Bangladesh imports a lot of essentials -- from edible oil to sugar, onion, baby food and baby care products, spices and office stationery -- to meet its demand. The prices of these goods have directly been impacted by the 16-17 percent devaluation of the local currency against the green-back and the extra cost has been passed on to the consumers.

Though apparel manufacturers benefit from the devaluation, they are paying more for import of raw materials, such as cotton, yarn and chemicals. Even the government is counting more -- nearly Tk 1,500 crore more for every \$1 billion

worth of oil imports.

"The taka depreciated by 10 percent only in December (last month). This depreciation has impacted our business and the cost has been passed on to the consumers," said Nestle Bangladesh, a major player in baby milk and formula, in a statement explaining the reason for a sharp rise in its products' prices in recent months.

A 400-gram Lactogen 2 (a baby milk brand), which was sold at Tk 400 several months ago, is being sold now at Tk 500 by pasting an additional price sticker on the box. A couple of months back the price of this brand was hiked to Tk 445 a tin (box) from Tk 400.

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New deputy governors for BB

Nazneen Sultana becomes the first woman for the post



Nazneen Sultana

STAR BUSINESS REPORT

Bangladesh Bank yesterday announced appointments of three deputy governors, with Nazneen Sultana becoming the first woman to hold the post in the history of the central bank.

Abu Hena Mohd Razee Hassan and



Razee Hassan

Shitangshu Kumar Sur Chowdhury are the two other deputy governors, the central bank said in a statement.

Prior to the contractual appointment for a three-year term, they were the executive directors of BB.

The appointment of Sultana shows consistency with its new gender policy, BB said.



SK Sur Chowdhury

The new officials along with two senior advisers and the most senior deputy governor, Md Abul Quasem, will form the governor's senior management team.

Nazrul Huda, Ziaul Hassan Siddiqui and Murshid Kuli were the previous deputy governors who completed their tenures in December.

State-run telco owes regulator Tk 1,280cr

ABDULLAH MAMUN

The telecom regulator says state-owned mobile operator BTCL has failed to pay Tk 1,280.88 crore in revenue that the company was supposed to share with the government in the last three years.

According to Bangladesh Telecommunication Regulatory Commission (BTRC), the company did not pay the money even after several reminders.

BTRC Chairman Zia Ahmed said the operator, Bangladesh Telecommunications Company Ltd (BTCL), is not paying the dues that now stand at more than Tk 1,200 crore.

"They (BTCL) are getting interest keeping the money in several banks," Ahmed said, adding that other private operators are paying their revenue sharing money regularly.

An official of BTRC said they gave reminders to the state-owned operator through letters on several occasions but it did not respond.

The official said the dues are basically revenue sharing money from the income of the operator's international gateway (IGW), inter connection exchange (ICX) and international internet gateway (IIG) charges from the third quarter of 2008.

The company also has to share its revenue with the government as a telecom operator.

Sunil Kanti Bose, telecom secretary and also the chairman of BTCL, said: "It's true that there is a huge amount of dues but the amount may differ from the regulator's claim."

BTCL has paid some amount in the last few years and it will make a payment this year too, Bose said.

He said the BTCL officials could not collect huge outstanding money from international careers who terminate international calls from one operator to another and work as a medium.

The BTCL board has given three

months' time to its officials to collect the money, otherwise it will file case against the careers, said the chairman.

Md Azizul Islam, acting managing director and also a member of planning and development of the telecom operator, said a committee has been formed to work out the exact dues.

The committee will examine the company's call records and will inform the regulator of the amount it finds, Islam said.

He also said BTCL has deposited Tk 700 crore to the regulator in the last three years as revenue sharing money. However, according to the regulator's claim, the total amount to be paid for three years would be Tk 1,980 crore.

BTCL is trying to collect its payment from the international careers, Islam said.

"We are continuously reminding them about paying the money," said the acting MD.

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- Economics & Business Lecturer at Woodhouse College August 2004 - May 2010
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- Senior Vice President at HSBC 1992 - 1999
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