Jewellery expo begins on March 17

STAR BUSINESS REPORT

The Bangladesh Jewellers Association (BAJUS) is going to host a three-day "Jewellery Expo-2022" from March 17 for the first time.

The event will be held at the International Convention City Bashundhara to celebrate the birth centenary of Bangabandhu Sheikh Mujibur Rahman and the golden jubilee of Bangladesh's independence. The event also aims to expand the local gold market at home and abroad.

Uttam Banik, treasurer of BAJUS, made the announcement during a press briefing at the BAJUS office in Dhaka yesterday.

Around 70 stalls will be set up and over 2 lakh people are expected to visit the event

"This event will be an exhibition for our local products for both local and foreign traders and we have taken all the preparations to welcome them," he said.

"Around 70 stalls will be set up and we expect that over 2 lakh people will visit the event," Banik added.

He went on to say that this expo will enrich the local jewellery industry as well as contribute to the country's export of gold products after meeting domestic demand.

The association of local jewellery makers made this announcement on Tuesday, a day after raising notice to the growing gold and silver prices considering the international situation.

As per the new rates set by BAJUS, the price of 22-carat gold is Tk 6,800 per gram while 21-carat gold costs Tk 6,490 per gram and 18-carat gold is Tk 5,570 per gram.

According to foreign media sources, the price of gold rose to more than $2,000 per ounce in Asian markets on Monday over fears about the impact of Russia's war on Ukraine on the global economy.

The precious metal hit a peak of $2,000.86 per ounce that day, its highest level since September 2020.

Lorries are waiting to be loaded with hard-rock mined by Maddhapara Granite Mining Company Limited in Parbatipur upazila of Dinajpur. Dealers of the state-run company are charging higher rates for the construction material despite being contractually obligated to do otherwise.

PHOTO: KONGKON KARMAKER

MADDHAPARA GRANITE MINING COMPANY

Hard-rock dealers violating contract

Charging higher rate than that set by the state-run company

KONGKON KARMAKER

The hard-rock mined by Maddhapara Granite Mining Company Limited (MGMCL) in Parbatipur upazila of Dinajpur is getting costlier for end-users as dealers are charging higher rates than that of the state-run company.

MGMCL, which commenced commercial hard-rock mining in May 2007, belongs to Petrobangla, another state-run company that manages mineral resources, oil and gas in the country.

The objective of setting up this company was to meet the demand for hard-rock at the lowest cost.

But this goal remains a distant dream due to unabated syndicating of the company's contracted hard-rock dealers, according to various sources.

Dealers are allegedly charging Tk 1,000 higher against the actual rate.

There is high demand for the hard-rock mined in Parbatipur for its quality and durability. The rock is first choice for government projects as well as private sectors' initiatives.

As such, various organisations such as Bangladesh Railway, Bangladesh Water Development Board, the Public Works Department, local governments and the engineering department use the key construction material.

In addition, the rock being mined by MGMCL is being used for many mega development projects, including the Rooppur Nuclear Power Plant and 3rd terminal of the Hazrat Shahjalal International Airport in Dhaka.

Hard-rock is also imported from countries such as India and Bhutan to meet the annual domestic demand.

MGMCL sells its rocks through appointed dealers.

Sources say MGMCL signed contracts with 93 dealers from different districts to sell the hard-rock procured in Parbatipur. Under their contracts, the dealers are supposed to sell the stone as per the rates set by MGMCL.

The dealers get 3 per cent commission against their sale.

But in violation of contract rules, the dealers are selling hard-rock to end-users at higher rates by forming syndicates. Besides, the authorities remain indifferent to the issue despite being informed.

Germania Trest Consortium (GTC) was contracted by MGMCL to mine the rocks as well as develop and maintain the mine.

The company has been producing around one lakh tonne of hard-rock every month, and the produced rock is sold to customers through all 93 dealers with equal distribution.

MGMCL offers there six sizes of rock for sale at different prices. The mine authorities recently raised the price of the construction material by $2-3 per tonne.

Among the six sizes, 5/20 is the most demanded for construction purposes.

The stone previously sold for $32 per tonne, but its new rate was set at $35 following the price hike.

If a dealer wants to buy hard-rock from MGMCL, they need to pay the associated value to assigned banks alongside a Tk 60 per tonne loading charge.

Including all expenses, the price of each tonne hard-rock is about Tk 3,065.

However, dealers have been found to be selling the stone at higher prices.

This correspondent recently spoke with several dealers by posing as a buyer, and found that they are rampantly selling the hard-rock at much higher prices than that set by MGMCL authorities.

Most dealers were found charging as much as Tk 4,000 per tonne, almost Tk 1,000 higher than the given rate. The average monthly sale of a dealer is 500 to 600 tonnes.

"This means the dealers are earning an extra Tk 5-6 lakhs per month," said Rubel Ahmed, the manager of a construction company. He alleged that all dealers are charging similar rates as they have formed syndicates.

"We, the construction companies, are almost hostage to them," he said, adding that MGMCL authorities know of the matter but hardly take any action against dealers who violate their contracts.

Zahangir Alam of M/S Alam Traders, a dealer of MGMCL, said he bought a short supply of hard-rock, for which he has been forced to charge higher prices. However, officials seeking anonymity said dealers are not authorised to regulate the price rates.

The annual demand for hard-rock in the country is around 10 million tonnes, of which the stones procured from MGMCL's mine only meet a tiny portion.

READ MORE ON B2

30 e-commerce customers get refunds

STAR BUSINESS REPORT

The Central Digital Commerce Cell (CDCC) yesterday refunded 30 affected customers of Dalal Plus, Ajker Deal and Anander Bazar for the companies' failure to deliver purchased goods on time.

Of the recipients, 10 customers of Dalal Plus received Tk 9.07 lakh collectively while 10 customers of Ajker Deal got refunds of Tk 5.46 lakh and 10 customers of Anander Bazar got Tk 6.05 lakh in total.

AHM Shafiquzzaman, chief of the CDCC, refunded the amount to the affected consumers of each company at a programme at the commerce ministry office in Dhaka.

At the event, Shafiquzzaman said all e-commerce companies will have to start refunding money to affected customers by March 31, otherwise they will have to face stern actions from the government.

The CDCC started refunding money to the customers of different troubled e-commerce companies as those firms had cheated thousands of people by receiving advance payment but failed to deliver the goods on time.

Upon receiving thousands of complaints from customers about the anomalies of rising e-commerce companies, the government installed a payment gateway in Bangladesh Bank on July 1 to monitor payments and prevent any cheating.

Shafiquzzaman also said the government will not give unlimited time to the e-commerce companies to make refunds.

"We have already set March 31 as the deadline, and by this time the companies will have to start the process of refunding. Otherwise, we will send the list of troubled E-commerce companies to the police to take legal action against them," said Shafiquzzaman, also an additional secretary of the commerce ministry.

So far, eight companies have started refunding money to their aggrieved customers, and it is expected that all payments will be completed soon, he added.

US trade deficit hits new record in Jan

AFP, *Washington*

A jump in oil and auto imports in January combined with a sharp drop in exports caused the US trade gap to widen again in January, according to official data released Tuesday.

The trade deficit in the world's largest economy increased by 9.4 per cent compared to December to a record $89.7 billion, the Commerce Department reported.

Exports fell 1.7 per cent to $224.4 billion while imports rose to $314.1 billion, the report said.

US firms have been trying to replenish depleted inventories and bring in parts and materials that have proved hard to find due to the pandemic disruptions that have snarled global supply chains.

"Overall, trade flows are at historic highs," Rubeela Farooqi, of High Frequency Economics said in an analysis, but the "deficit is poised to remain elevated for now on ongoing strong demand for imports."

Exports of services like travel fell, while the deficit in goods trade also hit a record, according to the data.

Imports of autos, parts and engines jumped $1.6 billion, while purchases of crude oil and natural gas rose $1.5 billion, but key semiconductors, needed for everything from cars to cell phones, fell $600 million compared to December.

Oil prices surge as US bans Russian oil imports

AFP, *London*

Crude prices surged Tuesday as the US banned Russian oil imports, while nickel prices rocketed to a record peak on Russian supply fears.

While remaining below Monday's peak of $139.13 per barrel, the main international oil contract, Brent, jumped 6.8 per cent to $131.63.

The main US contract, WTI, rose by 6.7 per cent to $127.44 per barrel.

President Joe Biden announced a ban on US imports of Russian oil while Britain said it will phase them out by the end of the year.

EU nations, which receive roughly 40 per cent of their gas imports and one quarter of their oil from Russia, instead opted to set a goal of cutting their Russian gas imports by two-thirds.

Meanwhile, Moscow warned earlier that in retaliation for sanctions imposed on it for the invasion, it could cut off natural gas supplies to Europe via the Nord Stream 1 pipeline.

While the US does not import large amounts of Russian oil, analysts said the move was nevertheless important.

Market analyst Fawad Razaqzada at ThinkMarkets called it the "launch of an an all-out economic war against Russia" by the United States.

"There will be consequences: high gas prices, even more inflation and retaliation from Russia." Craig Erlam at OANDA said: "It's another step towards the West turning its back on Russia and leaving it isolated in the world."

READ MORE ON B2

A Marathon Oil refinery is seen in Anacortes, Washington on March 8. The US has banned Russian oil imports in response to the continuing invasion of Ukraine.

PHOTO: AFP

Coca-Cola, PepsiCo to halt business in Russia

AFP, *New York*

Coca-Cola and PepsiCo are suspending business in Russia, the soft drink giants announced Tuesday, as corporations and Western governments penalize Moscow for its invasion of Ukraine.

Russia's attack on its neighbor has drawn unprecedented sanctions and international condemnation that has piled up as the military offensive has taken a growing toll on Ukraine.

"Our hearts are with the people who are enduring unconscionable effects from these tragic events in Ukraine," Coca-Cola said in a statement announcing that it was "suspending its business in Russia."

"Given the horrific events occurring in Ukraine we are announcing the suspension of the sale of Pepsi-Cola, and our global beverage brands in Russia, including 7Up and Mirinda," PepsiCo said in a statement.