



P6

Two decades in showbiz for Sajal



P7

Elizabeth's 70 years on the throne



P11

Neymar closes in on Pele record



B1

Export slows down in May

Edible oil prices may drop soon

Says Tipu Munshi
STAFF CORRESPONDENT

The edible oil price may come down soon in the local market as its price in the international market has started to decline, said Commerce Minister Tipu Munshi yesterday.

Within the next six or seven days the commerce ministry will assess the data on edible oil import, the prices in the local and international markets, May's supply and stock and fix a new price, he told reporters at his office in the secretariat.

The price of cooking oil in Bangladesh is dependent on the vagaries of price movements in the global markets as up to 90 percent of the annual demand of 20 lakh tonnes is met through imports.

Last month, the price of bottled edible oil was raised by Tk 38 a litre to Tk 198 on the back of a jump in price in the

SEE PAGE 2 COL 7

MARKET FORCES TO DETERMINE EXCHANGE RATE



IMPACTS

- Export earnings will go up
- Soaring import payments, which have created a large trade deficit this fiscal year, will be contained
- Remittance will increase
- Forex reserves will become stable
- Inflation may be fueled up

EXPERTS SUGGEST

- Fiscal measures should be taken to protect commoners from price hike
- 2.5pc subsidy on remittance should be lifted

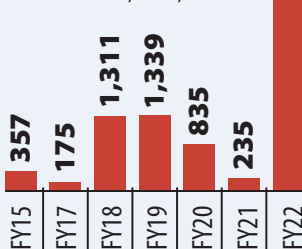
TRADE DEFICIT

The gap between exports and imports hit a record **\$27.56b** in the first 10 months of this fiscal year



SALE OF DOLLAR BY BB

In millions of \$; till June 2
No sale in FY13, FY14, FY16



"The interbank market was becoming totally dysfunctional over the last few days because of the artificially fixed exchange rate at which no one wanted to trade. The central bank felt it as remitters lost interest in sending money through formal channels at the official buying rate."

ZAHID HUSSAIN
A former lead economist of World Bank's Dhaka office

"The latest move will help contain the soaring import payments and subsequently shield the reserves from declining further."

MD HABIBUR RAHMAN
Chief economist of Bangladesh Bank

BB lets taka float against US dollar

Move, first in a decade, aims to stabilise forex market, rein in import, bolster remittance and export

AKM ZAMIR UDDIN

In an effort to stabilise the forex market, Bangladesh Bank has decided to allow the exchange rates of the taka to float against the US dollar for the first time in a decade.

Economists and bankers have welcomed the move as it will help boost remittance inflow and exports, and also put the brakes on the slide in foreign exchange reserves due to hefty import payments. It, however, could fuel inflation resulting from higher costs of import.

The local currency lost its value by 1 percent against the greenback to Tk 89.90 from Tk 89 per dollar soon after the BB decided to follow the floating exchange rates, which means the market forces, not the central bank, will determine the exchange rates.

The country's import payments have shot up since the end of the last year because of the rise in prices of commodities in the global market.

The local currency has recently come under immense pressure amid a US dollar crunch in the domestic market.

Since the second week of last month, the BB took measures to stabilise the forex market but the majority of the banks ignored its instructions on the exchange rates.

On Sunday, it asked banks to set the selling rate of bills for collection at which lenders sell greenback to importers at Tk 89.15 per dollar. But most of the banks fixed the rate at Tk 94-95, resulting in indiscipline in the foreign exchange market.

The central bank also injected a record \$6.20 billion into the forex market between July 1 and June 2 this fiscal year.

The dollar crunch has already compelled the BB to depreciate the local currency eight times this year to keep control on the forex market.

But the steps failed to ease the crisis, and the central bank yesterday decided to go for the demand-supply method followed by many developed nations for fixing the exchange rates of the local currency against the US dollar.

WHY SUCH A MOVE?

Bangladesh's forex market has been facing a shortage of the US dollar over the last couple of months mainly due to soaring import payments and lower than expected remittance inflow.

Between July and April this fiscal year, imports went up by 41 percent to \$68.66 billion, while exports grew 35 percent to \$41.10 billion.

This has resulted in a record trade deficit -- the gap between exports and imports -- of \$27.56 billion, up 53 percent year-on-year.

Moreover, remittance inflow fell 15.95 percent year-on-year to \$19.19 billion in the first 11 months of this fiscal year.

"The BB decision will give a respite to banks from the ongoing dollar crunch."

Selim RF Hussain, chairman of the Association of Bankers, Bangladesh.

Malaysia to pick recruiting agents

STAFF CORRESPONDENT

The Malaysian government will decide which Bangladeshi recruiting agencies it will pick for hiring workers from the country, Expatriates' Welfare Minister Imran Ahmad said yesterday.

The two countries yesterday had their first Joint Working Group (JWG) meeting on the implementation of the memorandum of understanding (MoU) on recruitment signed in December last year.

Speaking after the meeting at the expatriates' welfare ministry, Imran said he had earlier sent a list of 1,520 valid recruiting agencies to Malaysia and Bangladeshi workers would be recruited through those agencies.

The Malaysian government will select the agencies as per the MoU, he said.

"You [media] talk about 25, 50 or 100 individuals [agents] to be selected by Malaysia]. However, it is nowhere in the MoU and such figures were also absent in today's record of discussion," he added.

Visiting Malaysian Human Resources Minister M Saravanan also said that picking recruiting agencies from Bangladesh will be his country's decision.

"It will depend on Malaysia ... usually the receiving country will decide," he said, responding to a query.

Saravanan added that the selection process would be conducted according to the decision of his country's cabinet.

SEE PAGE 2 COL 1

HIKE IN RICE PRICES

Anti-hoarding drives yet to make any difference

STAR REPORT

Rice prices continue to rise despite the countrywide drives against illegal hoarding and overcharging.

The prices of both fine and coarse rice increased by Tk 4 per kg on June 1, the day the food ministry launched the drives, said the Trading Corporation of Bangladesh (TCB).

Consumers have witnessed the spike twice in one week as the prices of both varieties rose by Tk 2-6 on May 29.

The prices of other essentials too have increased over the last couple of days.

TCB documents show the prices of potato, flour, lentil and sugar have increased by Tk 2-5 per kg in the retail and wholesale markets.

In Mirpur and Karwan Bazar, our correspondent found many wholesalers have been slowing down procurement from millers.

Helal Hossain, manager of Mimi Rice Agency in Mirpur, said he used to bring one truck of rice every day from mills in Sherpur, Dinajpur and Chapainawabganj but due to the drive, he has

brought down the volume of procurement.

"I've not bought rice for the last three days ... If the mobile court finds illegal stockpiles, I may be punished."

Mobile courts yesterday levied a fine of Tk 10.16 lakh on rice millers and traders of five divisions -- Dhaka, Khulna, Chattogram, Rangpur and Rajshahi -- for violations such as illegal stockpiling and overcharging.

The courts did not find any such irregularities in Sylhet, Barishal and Mymensingh, according to the food ministry's public relations office.

A mobile court led by Nahidur Rahman, Savar upazila's Assistant Commissioner (Land), fined Noor Traders Tk 10,000 and Al-Amin Traders Tk 20,000 for overcharging.

Another court shut down Northern Agro-Industry Company Limited in Rangpur Sadar upazila's Uttar Baniapara village for illegally stockpiling 800 tonnes of paddy and fined it Tk 2 lakh.

SEE PAGE 6 COL 5



PADMA BRIDGE

Work on lights almost done

SAJJAD HOSSAIN, Munshiganj

Work is underway on the Padma Bridge to connect the lamps that have already been installed on the country's longest bridge to the power grid.

Project authorities have completed installation of 415 lampposts on the 6.15km bridge and 200 lampposts on the approach roads.

The work to connect the lamps to the electricity grid will be completed in the next two to three days, if the weather and other conditions are favourable, said Padma Bridge Assistant Engineer (Electrical) Saddam Hossain.

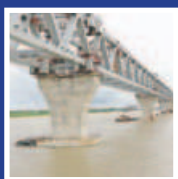
There are some posts on the Mawa and Jazira ends of the bridge that are yet to be connected to the substations.

An engineer, wishing to remain anonymous, said lights may be lit on the bridge on a trial basis between June 10 and June 15.

Prime Minister Sheikh Hasina will inaugurate the bridge on June 25.

There are 415 lampposts. Of these, 328 lampposts have been set up on the main bridge, 46 on the viaduct on the Jazira side and 41 on the viaduct on the Mawa side.

On the approach road at the Mawa end, 103 lampposts have been set up, while 97 lampposts have been set up at the Jazira end.



PADMA BRIDGE inauguration 22 DAYS TO GO



Electricians installing wires to connect one of the 415 lamp posts on the Padma Bridge to the power grid. Work to connect all the lights on the bridge and the approach road could be completed in the next two-three days, and lights on the country's longest bridge may be lit for a trial run by the middle of the month.

PHOTO: SAJJAD HOSSAIN

Shakib named Test captain

STAFF CORRESPONDENT

Star all-rounder Shakib Al Hasan was made captain of Bangladesh's Test side for the third time and wicketkeeper-batter Liton Das was named his deputy following yesterday's meeting between Bangladesh Cricket Board officials at the BCB headquarters in Mirpur.

The decision to hand over the Test captaincy came on Tuesday after Mominul Haque announced his intention to step down from the role to focus more on his batting after an extended lean patch with the bat.

Shakib's first assignment as Test skipper will be the upcoming tour of the West Indies, which features two Tests, three ODIs and three T20Is. Coincidentally, the first time the all-rounder was put in charge of the Test

SEE PAGE 2 COL 3