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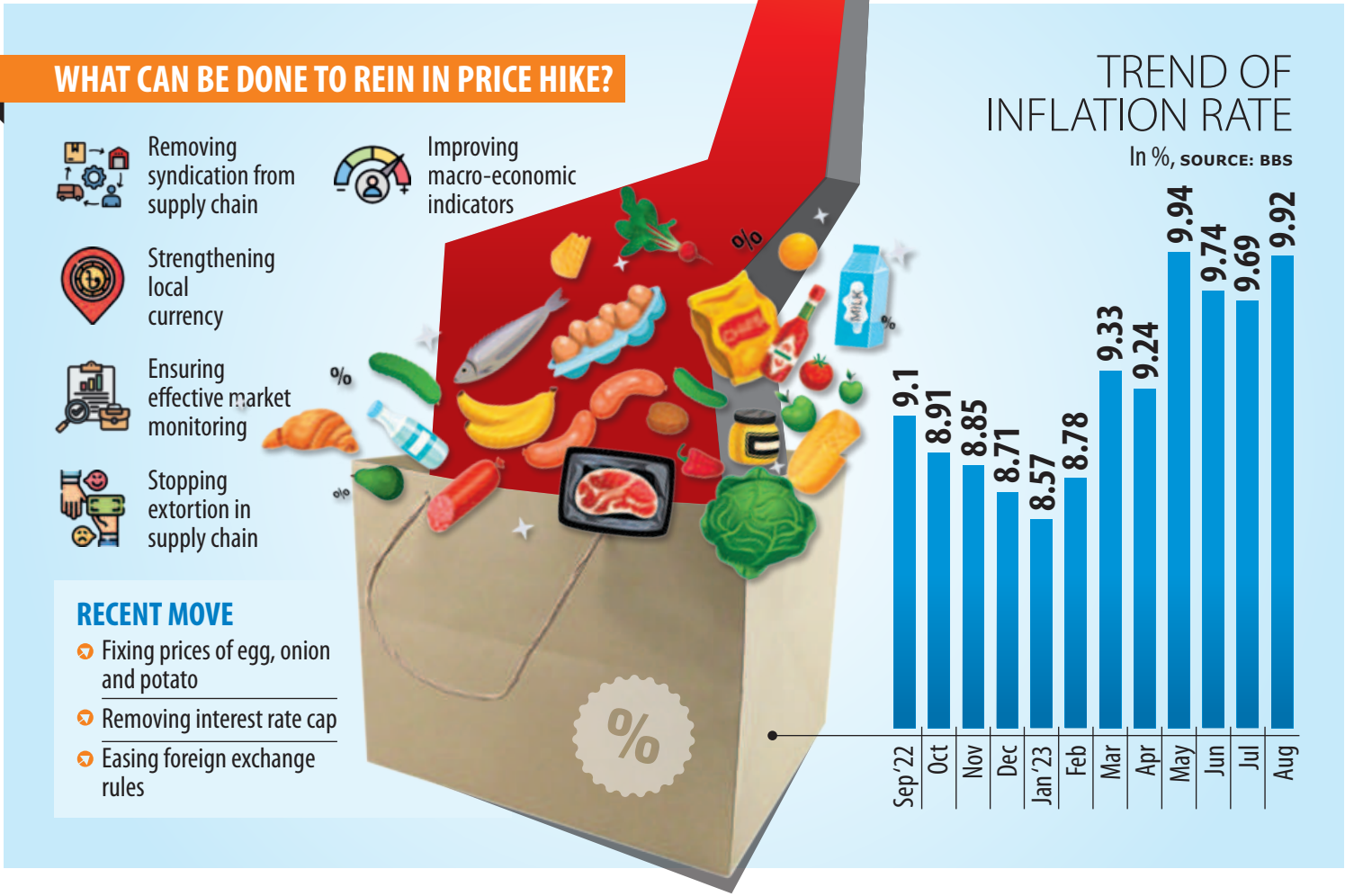


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Potatoes, eggs, onions still not being sold at govt-fixed prices

SUKANTA HALDER and MOHAMMAD SUMAN

Potatoes, eggs and onions are not being sold at the price fixed by the government at the retail level despite government agencies conducting raids. Traders and economists say the prices of potatoes and onions are not falling due to a non-reduction in prices in the wholesale market and because supply has not increased. In addition, it was not possible to control the market only by conducting raids. Those who are in the value chain should be held accountable, the economists said. Although the price of eggs has decreased at the wholesale level, its impact has not been felt at the



In a first, the government on September 14 fixed the prices of eggs, onions and potatoes in a bid to contain runaway food inflation

retail level so far. In a first, the government on September 14 fixed the prices of eggs, onions and potatoes in a bid to contain runaway food inflation, which hit a 12-year high last month. Since the announcement, government agencies have been conducting raids. The retail price of an egg, which shot up to Tk 15 a piece last month, has been fixed at Tk 12. Onions, the price of which spiralled following India's announcement last month to impose a 40 percent export duty on the vegetable, was fixed at Tk 64-65 per kilogramme. The price of potatoes, a staple, has been fixed at Tk 35-36 per kg. Nurul Alam Shikder, a retailer in the Pallabi area of Mirpur in the capital, said that he was selling eggs at Tk 150 per dozen, potatoes at Tk 50 per kg and local onions at Tk 85 per kg. The businessman said he bought potatoes for Tk 43 per kg, onions for Tk 72 per kg and a dozen eggs for Tk 144.

Inflation to cool in later part of FY24

Forecasts ADB

REJAUL KARIM BYRON and MAHMUDUL HASAN

Although higher consumer prices have persisted in the first few months of the current fiscal year, inflation in Bangladesh is going to cool in the later part of 2023-24 thanks to one external and two domestic factors, the Asian Development Bank (ADB) forecast yesterday. Inflation is projected to ease from 9 percent in 2022-23 to 6.6 percent in FY2024, said the Manila-based lender in its "Asian Development Outlook (ADO) September 2023" released yesterday. "Though high inflation may persist in the first months of the fiscal year, it is expected that it will come down with some fall in global non-fuel commodity prices, expected higher agricultural production, and the initial tightening of monetary policy under the new framework." The ADB said the monetary policy is expected to be tightened in FY2024 and will feature a transition from a monetary aggregate targeting framework to an interest rate targeting framework. The Bangladesh Bank has increased the policy interest rate from 6 percent to 6.5 percent, accompanied by a symmetric corridor of 200 basis points for the standing loan and deposit facilities. It also replaced the lending rate cap with a market-driven lending rate for bank loans based on a reference lending rate called SMART (6-month moving average rate of treasury bills). The ADB projection comes as the inflation advanced 23 basis points in August to 9.92 percent propelled by food inflation, which hit a 12-year-high to 12.54 percent.



Two more banks get to trade in rupee

MD MEHEDI HASAN

Standard Chartered Bangladesh (SCB) and Islami Bank Bangladesh PLC have received approval from Bangladesh Bank to conduct bilateral trade with India using the rupee. Up until now, Sonali Bank PLC, Eastern Bank PLC and the State Bank of India were doing the same under a landmark cross-border trade settlement mechanism rolled out by Bangladesh and India on July 11. Under the mechanism, meant to reduce dependency on the US dollar for transactions, Indian exports and imports, which amount to about \$16 billion, can be invoiced, paid for and settled in the rupee. This is being done through the lenders' nostro accounts, which are essentially bank accounts held in another country by domestic banks, denominated in the currency of the overseas country. Bangladeshi exporters are receiving their proceeds in rupee in those accounts and that balance is being used to pay for the imports from India. In short, import bills equivalent to the export proceeds can be settled under the mechanism. The exchange rate used would be market-determined. The banking regulator gave the permission to the SCB and Islami Bank Bangladesh PLC last month, a senior central bank official, seeking anonymity, told The Daily Star. The banks opened nostro accounts with their counterparts in the neighbouring country, he said. Similar applications are being scrutinised of six more banks - Trust Bank Ltd, Social Islami Bank Ltd, AB Bank Limited, NCC Bank Limited, Prime Bank Limited and Premier Bank Limited.



People gather around a vendor in Mohammadpur's Krishi Market selling products at greatly reduced prices to make up for a portion of losses incurred in a fire last Friday that blazed through over 300 shops. The photo was taken yesterday.

Negotiations for EPA with Japan to begin this year

Commerce secretary says

REFAYET ULLAH MIRDHA

Both Bangladesh and Japan want to start formal negotiations within this year for signing an Economic Partnership Agreement (EPA), with the finalisation of guidelines for negotiations set for this week, a government official said. Senior Commerce Secretary Tapan Kanti Ghosh is flying to Japan today to finalise the document for the start of negotiations for the EPA, which is expected to come into effect before 2026, the year that Bangladesh is set to graduate out of the group of least developed countries. The countries will finalise a joint study of the EPA after vetting by both sides, Ghosh said. In the joint study, Bangladesh focused mainly on market access to Japan and Japanese investment in high-tech industries in Bangladesh. The senior secretary is also scheduled to hold meetings with senior officials of the ministry of economy, trade and industry, the ministry of foreign affairs, Japan International Cooperation Agency (JICA) and Japan External Trade Organisation (JETRO) in this regard, Ghosh also said. In April this year, Dhaka and Tokyo signed a

Firms get nod to export 3,950 tonnes hilsa to India

STAR BUSINESS REPORT

The government has allowed 79 traders to export a total of 3,950 tonnes of hilsa fish to India. The permission will remain in place until October 30. Each firm has been allowed to ship 50 tonnes of the popular fish, according to a notice from the commerce ministry yesterday. The notice came after the firms applied to the ministry to export the fish to the neighbouring country on the occasion of the Durga Puja when the demand rises. According to the export policy order, the export of hilsa from Bangladesh is banned. However, every year before the religious festival, a large number of exporters seek approval from the commerce ministry to send hilsa to India. Last year, the ministry granted permission to ship 2,900 tonnes of hilsa to India. Traders, however, exported 1,352 tonnes of the fish, according to an official of the ministry.

STOCKS	
DSEX	CASPI ▲
Flat 6,310.62	0.04% 18,672.11

COMMODITIES	
Gold ▲	Oil ▼
\$1,931.81 (per ounce)	\$89.86 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.18% 66,800.84	▼ 0.66% 33,023.78	▲ 0.04% 3,242.00	▼ 0.52% 3,108.57

WB to give \$102m for navigability of Jamuna

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World Bank will provide Bangladesh a loan of \$102 million to improve navigability of the Jamuna river and protect the river bank. Navigation channels will be improved by ensuring adequate depth to accommodate large cargo vessels year-round, reviving inland water transport, boosting regional connectivity and trade and spurring new economic opportunities. The improved navigation channels will benefit about 100,000 people by providing better safety and cheaper transportation for those switching from buses to passenger ferries, the global lender said in a press release yesterday. Moreover, about 2,500 hectares of land will be protected from riverbank