

star BUSINESS

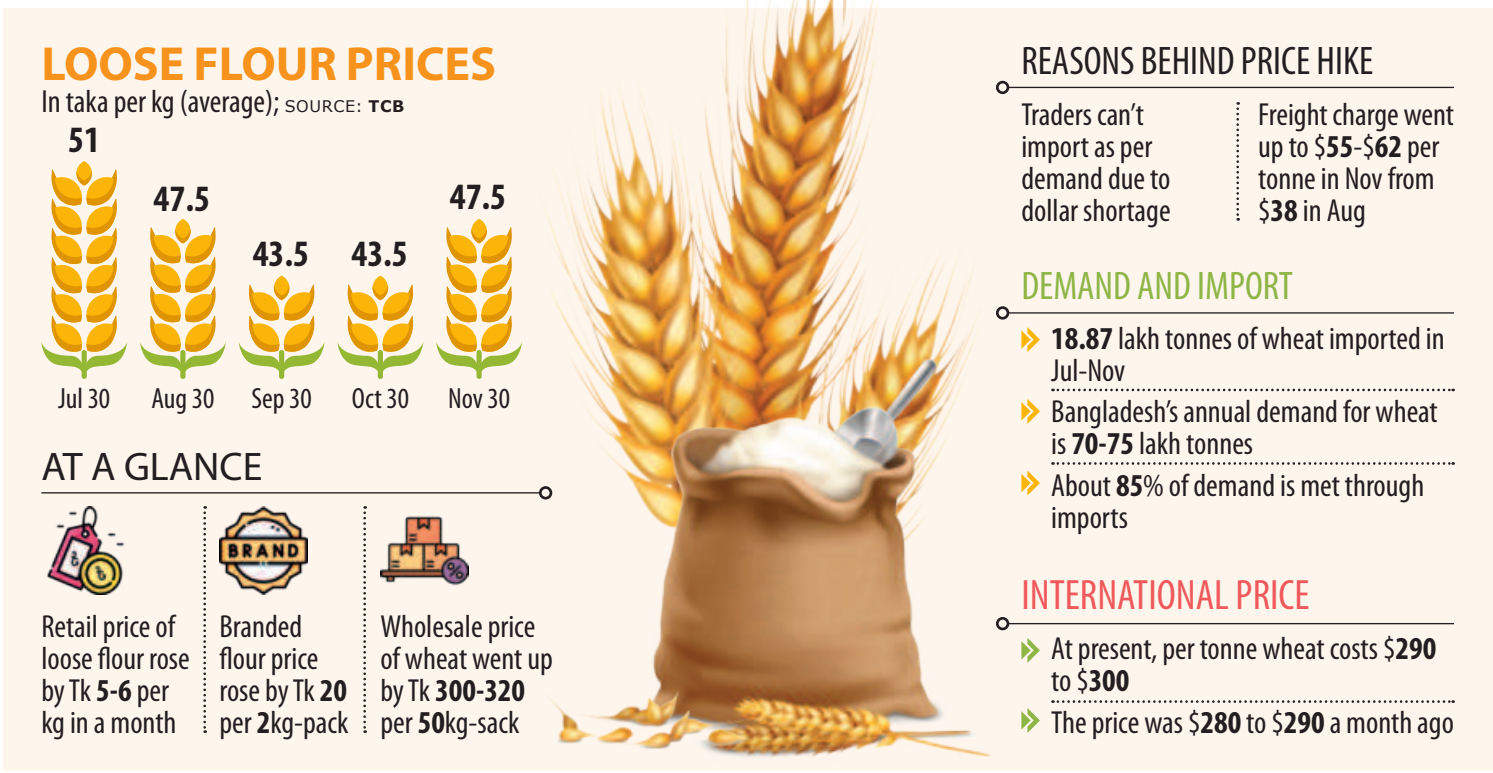
Imports through land ports declined by more than 13 percent year-on-year in fiscal 2022-23

Story on B4



Wheat prices climb after forex shock

Compounding consumers' woes as rice prices also tick up



SUKANTA HALDER and MOHAMMAD SUMAN

Consumers are facing a double whammy as prices of wheat began to rise due to the soaring price of US dollars as well as an increase in its price in the international market at a time when rice prices are also trending upwards.

Rice and grain are essential commodities, so the increasing price of both may have a pronounced impact on consumers.

According to the Trading Corporation of Bangladesh, rice prices have increased by 2 percent to 5.61 percent over the past month while the price of wheat, the second most-consumed grain in the nation, saw prices per kilogramme (kg) increase by 9.20 percent to 14.29 percent in the same period.

While Bangladesh can meet the lion's share of its demand for rice locally, the nation has to depend largely on the global market to meet its domestic requirements for wheat. Bangladesh's annual demand for wheat is 70-75 lakh tonnes, 85 per cent of which is met through imports, according to industry insiders.

Taslim Shahriar, senior assistant general manager at Meghna Group of Industries, one of the biggest commodity importers and processors, said the price of wheat had been rising due to an increase in the price of US dollars owing to the prevailing forex crisis.

Bangladesh had \$33.4 billion in

its forex reserves at the end of fiscal 2021-22 but saw that figure plummet to \$21.05 billion on October 5, data from the central bank showed. It was about \$40.7 billion in August 2021.

Recent data also shows that the local currency, taka, has depreciated by about 28 percent since January last year due to higher foreign currency outflow and lower inflow.

Yesterday, consumers in Dhaka and Chattogram were paying about Tk 48-50 per kg of wheat compared to Tk 42-45 a month ago, according to data gathered from five kitchen markets across two cities.

"We have to buy it at an increased price, so I am selling it at a higher price. But products are available as per demand. The millers say the price is increasing as there is a shortage of wheat in the market."

Another wholesaler in Chattogram made similar comments.

Apart from that, the price of wheat has also increased in the international market due to the end of the harvesting season and increased shipping costs, Shariar of Meghna Group of Industries added.

He said if imports were not in line with demand, it would have an impact on the market, adding that efforts were being made to import as per demand.

At present, they are buying normal quality wheat from Argentina, Russia and Romania for \$290 to \$300 per tonne, and premium quality wheat from Canada for more than \$360 per tonne, he added.

He said he was buying normal quality wheat at \$280 to \$290 per tonne a month ago, but added that the price of premium quality wheat had come down from \$380 a month ago.

However, these figures could not be independently verified by The Daily Star.

Another importer, on condition of anonymity, said that he was being charged Tk 125 for each US dollar compared to Tk 115 to 116 a month ago due to the prevailing forex reserve crisis.

As of November, gross foreign

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SMART, the benchmark rate, rises at fastest pace

STAR BUSINESS REPORT

The benchmark interest rate known as Six-Month Moving Average Rate of Treasury Bill (SMART) increased 29 basis points in November, the highest since its introduction, as the banking sector tackles a liquidity squeeze amid the central bank's move to make money costlier and reduce inflation.

Last month, the benchmark interest rate rose to 7.72 percent from 7.43 percent in October, according to data from the Bangladesh Bank, which introduced SMART by removing the

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interest rate cap on lending in order to gradually allow market forces to determine the rate and bring down demand-induced inflation.

The latest spiral in the SMART means that loans are going to become costlier.

Following the surge, the maximum lending rate of banks will stand at 11.47 percent for December. Banks can now add 3.75 percentage points to the SMART rate as margin for lending.

Industry insiders said the lending rates of banks continued to go up because of rising interest rates of government treasury bills and policy rate hikes by the central bank.

READ MORE ON B3

The price of wheat has been increasing due to a rise in the price of US dollars amid the prevailing forex crisis

Taslim Shahriar
Senior assistant general manager
Meghna Group of Industries



MCCI elects new office-bearers



Kamran T Rahman



Habibullah N Karim



Simeen Rahman

STAR BUSINESS DESK

Kamran Tanvirur Rahman, chairman and managing director of The Kapna Tea Company Ltd and Pubali Jute Mills Ltd, has been elected president of the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka for a one-year term.

Habibullah N Karim, managing director and CEO of software company Technohaven Company Ltd, and Simeen Rahman, group CEO of Transcom Limited, were elected senior vice-president and vice-president respectively.

The election took place at an annual general meeting of the MCCI, one of the country's prominent business associations, at its Gulshan office yesterday, which was presided over by

Md Saiful Islam, the outgoing MCCI president, said a press release.

Kamran is also the chairman of Bangladesh Tea Association and an independent director of Advanced Chemical Industries Ltd (ACI) and its subsidiary companies.

He served as the MCCI's senior vice-president in 2022 and 2023 and vice-president in 2013.

He was also president of Bangladesh Employers' Federation, a member (employers' group) of the governing body of International Labour Organization (ILO) and regional vice-president of the International Organisation of Employers for the Asia and Pacific region for three consecutive terms (2009-2017).

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NATIONAL POLLS Banks asked to give default loan info of candidates

STAR BUSINESS REPORT

The Bangladesh Bank yesterday asked banks to provide information about the defaulted loans of candidates looking to contest the upcoming national elections to the Bangladesh Election Commission.

The national polls are scheduled to be held on January 7.

The Financial Institutions Division of the finance ministry issued a circular regarding this issue on November 28.

The central bank forwarded the circular to banks yesterday.

A person shall be disqualified for contesting the election if they fail to repay their defaulted loans seven days before the submission of nomination papers as per the article 12 of The Representation of the People Order, 1972.

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