

# Essay on Price Hike and Bangladesh

## Introduction:

In recent times 'price hike' as a much-talked term has raised a sensation in every sector of the world economy. Political stability in many countries is in front of serious threats because of price hikes. A price hike frustrates the usual pace of the financial sector of a country or nation. Again, the economy of the country is at sea because of an unbridled price increase in daily necessities. Such a price hike takes the local currency into a situation when the local currency cannot keep pace with the international currency in the field of value. At this stage, foreign reserves become pressurized and run short sometimes, because the govt. has to meet the current demand of the country through giving subsidies which generally come from foreign reserves. However, the air of price hikes has moved the economy of the countries like ours. Noticeable that the price of food with other daily commodities like fuel oil etc. is crossing the limit in Bangladesh. In comparison with our per capita income price increase in daily necessities is much high.

## Body:

Bangladesh is a poor country. A large number of people in the country live below the poverty line. They can't afford to eat two times with their heart's content daily, let alone three times. In addition, the prices of essential commodities have risen and gone beyond their reach. Causes behind price hike are many which may be as follow.

The brunt of the global recession has badly affected our local market, though formerly it was predicted that the countries like ours would not be harmed by the recession.

From foreign lands mainly developed, Bangladesh imports many

things, especially food and food products, instead of high priced due to recession.

Now Bangladesh fosters nearly 140 million people who are growing gradually, and for the increasing number of people, the country has to import more to meet the growing demand. In this way, import cost is growing too whose direct result is a price increase in local commodities.

Reduction of farmland for housing, industrialization, and river erosion food production has decreased for which price increase is inevitable.

Natural calamities like cyclones, floods, drought, etc. Leave a negative impact on our agriculture, and so the price of daily commodities goes high.

Inflation is another factor of price-hike. The greater the inflation is, the less the value of money is. Such a situation affects the price of goods and services.

Business syndicate is another cause of price-hike. Lt. Colonel Faruque Khan, the then Commerce Minister, did not believe in the existence of syndicate once. But now the present Commerce Minister G.M. Kader is trying to break the syndicate. Yet the result is unchanged; that is, price-hike is at its full pace.

Smuggling is a heinous functionary in the local markets. It works as cancer in the business body, because it creates the shortage of domestic products for which price-hike becomes rampant.

The importers and investors always seek for the safety of their import goods and investment but for the political chaos the question of safety evaporates like camphor and the price becomes reinless.

Lack of govt. policy and law, market monitoring, and proper marketing system— all these are common causes of price-hike in Bangladesh. Yet our govt. has not enacted laws by which marketing system and market monitoring can be accomplished. For some middlemen, there is no direct selling system in the country. As a

result, the producers of food products and food cannot profit much, but the middlemen are gaining much higher for which price-hike is out of control now. Again, in the absence of market monitoring, one good sells at different prices at different markets that results in a price-hike.

Noncooperation among the business communities also makes the market situation worse. Many business magnates are partisan, and they exert power under the banner of their chosen parties for which markets go out of control.

In our country, the condition of roads and streets are not in sound phase, and so communication becomes a matter of many costs. In such a situation, the price of essentials goes high. Again, the effects of price-hike are many.

At first, public discontent spreads all over the country, and at last the country or the govt. has to observe the following things:

Hazardous social picture,  
mess in the political and economic estate,  
Top Strydom in law and order, economic development, and above all social values,  
the gap between the govt. and the people and  
anti-social activities like hijacking, killing, etc.

No doubt, the unreasonable price-hike in Bangladesh is a permanent sore of the economy, and with a diseased economy, no nation can prosper. Hence, price-hike here must be reined, and for this tremendous task govt. should be adventurous. At first, the Finance Minister and the Commerce Minister must take help from the expert economists of the country. Civil society can also be associated with the govt. entrepreneurs. Given the future of our promising land, the think tanks may take the following steps:

The Law and order situation of the state should be ordered.  
Black marketing and smuggling must be stopped.  
Transportation costs should be lessened.  
Duty-free imports should be demanded.  
The overpopulation problem should be solved.  
Syndicate must be broken.  
OMS must be increased.  
Political unrest should be removed.  
Inflation must be thwarted.  
Local production must be increased.  
Market monitoring should be made integral.  
The best use of inland resources must be increased.  
Govt. has to stretch out the hands of friendship to the opposition parties for a sound political environment in the country.

## Conclusion

All the markets in Bangladesh are on fire by illegal price-hike. Most poor people of the rural areas generally do not go to market especially for the burning price of essential commodities. The Labour class of the city areas is in the same fear. Of course, we know that there is a close relation between demand and supply. According to Thomas Malthus, an English economist and social scientist, the greater the supply, the greater the demand, and the greater the demand, the greater the price. Now in our country, the demand is greater than supply, and in such case price-hike here is unnatural. Unnatural, because the price of rice jumped to almost 90% in 2012; now 91%, and in the case of other daily necessities to almost 70%. City dwellers mainly living in hired houses are paying house rent with other bills doubly. After the first and second five-year plan the price of daily essentials became double. Now the situation has gone to worse from bad. Sheikh Hasina, the present head of the govt., promised in her election manifesto that people will be released from

under the steam-roller wheels of price hike. She wanted to set the poor people free from the unbridled price-hike. But the repetition of price increase in edible oil and fuel oil is not the due reflection of her words given to the countrymen. She has been ruling the country for about four years, but her success, in this field, is not so visible. To conclude, in the world market price-hike pre-vails, no doubt, but Bangladesh situation is an exceptional exception. We do not want to see two separate pictures of market prices in the same world of democracy. We do not want to see that the govt capacity in the financial sector is burned with questions.