

Govt gives go-ahead to private ICD proposal

NAZMUL AHSAN

In a bid to reduce cost of businesses, the government in principle has approved a proposal to set up inland container depots (ICDs) under private initiatives across the country.

Sources at the Prime Minister's Office said the prime minister endorsed the proposal on May 20 for establishing the ICDs on built-operate-and-transfer (BOT) basis.

Local businessmen had been pursuing the proposal, as the current ICDs are unable to cope with the present volume of trade. At present, two ICDs, one in Dhaka and the other in Chittagong, owned by the government, are operating.

Earlier, on April 4 representatives from the private sector at a meeting with the National Committee on Export, which was chaired by Prime Minister Khaleda Zia, sought permission for private sector ICDs.

According to the decision of the prime minister, the private sector will be able to establish ICDs in Gazipur or any other places near industrial areas.

Under the BOT, the investors will have to hand over the ICDs to the government after a stipulated time, which will be detailed out later, sources said.

Shipping and Commerce ministries will formulate details of the BOT shortly, added the sources.

The sources also said the government is expected to allocate land for establishing ICD at free of cost.

Poor services at both the ICDs have been taking toll on the businesses. Exporters are losing competitiveness in the international market due to the low capacity of the ICDs, industry people said.

Moreover, in absence of any approach road leading to ICD at Kamalapur in Dhaka, exporters and importers often face difficulties in transporting their goods, said a leading exporter.

Earlier, Ministry of Shipping had conducted a feasibility study at Khanpur and Pangaon in Narayanganj as probable sites for establishing ICD.

Leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said the county's readymade garment exporters will be benefited when ICDs are built in private sector.

'Five-star' Seagull set to spread wings in Cox's Bazar

M ABDUR RAHIM

A 'five-star' hotel is set to welcome guests in the resort town of Cox's Bazar by the end of this year.

Seagull Hotel, overlooking the world's longest natural sea beach, will be the first 'five-star' accommodation in Chittagong division, investors said.

Only 25 yards off the beach of the Bay of Bengal, the hotel will woo huge number of tourists both from home and abroad, said Masoom Iqbal, managing director of Seagull Hotels Ltd, which owns the resort.

"Although a five-star accommodation involves huge investment and impending risk, we have embarked on this venture to tap immense tourism potential in Cox's Bazar," said Iqbal.

He also said Cox's Bazar fails to lure foreign tourists due to absence of luxury hotels and other facilities.

"Cox's Bazar does not offer beach-based sports. The only thing tourists can do is to loiter in the

sands and take baths in the water. So tourists are turning back," he explained.

The Seagull Hotel will have its own sprawling beach where guests will be enjoying jet skiing, hot balloon ride, power glider, yachting and other beach sports, Iqbal said.

There will be a 200-foot long and 50-foot wide wooden deck at the hotel beach compound from where guests will watch the panoramic view of the Bay.

Most of the staff have been recruited from the Middle East where they worked with five-star hotels for 10-20 years.

"In fact, the hotel started its operation with facilities equivalent to a three-star hotel in December last year. Swimming pool, health club, business centre and tennis court of the hotel will be completed soon," said Iqbal, who is also the proprietor of White House Hotel in Dhaka.

The hotel has 182 rooms including 120 regular rooms, 41 deluxe rooms, 20 suites and a presidential

suite.

Seagull Hotel, sprawling on over seven acres of land, will have five restaurants including coffee shops to offer Bengali, Thai, Chinese, Indian and Italian cuisine. Mahua, the bar, will serve a variety of foreign liquors.

The hotel has three conference halls, Parabar for 750 people, Baridhi for 500 and Samabesh for 30.

Seagull Hotel will also have health club, steam and sauna and massage service in addition to beauty parlour, shopping arcade, money exchange, travel desk, and billiard and card room.

Asked about business in off-season, the managing director of the hotel said there will be no off-season for guests. "We will arrange musical soirees, traditional festivals, dance parties, food festivals, cultural programmes and special packages to attract tourists during lean period."

80pc traffic chip in with 40pc railway revenue

UNB, Dhaka

Passenger traffic accounts for 80 per cent of the traffic units of Bangladesh Railway, but it contributes only 40 per cent to the total revenue of the state-run operator, said a World Bank-sponsored study.

Ninety-eight per cent of passenger trips are in second class where the average fare is only Tk 34 per 100 km, which is highly unprofitable, said the draft of the country framework report for private participation in infrastructure.

The WB and Public-Private Infrastructure Advisory Facility study said freight traffic is generating an operating profit but found Tk 1.3 billion total operating loss in 2000 due to losses incurred in passenger traffic. It had revenue of Tk 3.4 billion but its expenditure was

Tk 4.7 billion.

The largest single expenditure was on staffing, accounting for 48 per cent of the total revenue. "BR does not have a balance sheet and does not show depreciation of its assets," it said.

However, it detected that over the past five years alone the accumulated government investment in the railway, including BR's operating losses plus capital expenditure, has been Tk 30 billion.

The study said BR has a monopoly on the inland movement of loaded containers. "Even so BR transports less than 30 per cent of this traffic since most containers are stuffed or de-stuffed at the port in Chittagong and goods shipped inland in eight-ton trucks.

"BR has not yet faced competition from modern high-capacity

trucks but this is only a matter of time," it said adding that BR is, however, facing competition from modern buses and it is not doing well, especially in upper class passenger services.

Upper class passenger traffic is decreasing for the state-run rail service and now accounts for only six per cent of total passenger revenue. Traffic carried in 2001-2002 was approximately 4,100 million passenger-kilometers and 900 million ton-kilometers.

Passenger traffic reached its peak in 1991 declining by 22 per cent since then, while the railway's share of the passenger market has declined to 13 per cent from 30 per cent in 1975.

Sylhet airport earnings cross target

UNB, Sylhet

Customs office in Sylhet Osmani International Airport realised Tk 74.27 lakh in revenue in the current fiscal year, surpassing its target.

Officials said their revenue collection target was Tk 72.0 lakh for the current financial year. The customs officials, however, said they cannot work properly for lack of logistic support.

Customs officials said they need a modern scanning machine, metal detector, walkie-talkies and other necessary equipment to infuse dynamism in their activities, and thus boost up revenue collection.

Pak trade surplus hits \$82.37m

REUTERS, Islamabad

Pakistan recorded a trade surplus of \$82.37 million in May, compared with a deficit of \$77.75 million in April and a deficit of \$273.2 million a year earlier, the Federal Bureau of Statistics said on Thursday.

In a statement, the bureau said the cumulative trade deficit for the period from July to May was \$1.17 billion, against a deficit of \$1.19 billion in the year-earlier period.

Exports rose 5.63 per cent to a provisional \$1.046 billion in May, from \$990 million the previous month, and by 23.62 per cent from \$846 million in May 2002.

Imports fell 9.78 per cent to \$963.55 million in May from \$1.068 billion in April. Imports were down 13.92 per cent against \$1.119 billion in May 2002.

In June last year, Pakistan set an export target of \$10.4 billion for the fiscal year to June 2003, while it projected imports of around \$11.1 billion.

Exports in 2001/02 were \$9.1 billion and imports \$10.3 billion.

Workshop calls for JS discussion on PRSP

STAR BUSINESS REPORT

Prior to framing final Poverty Reduction Strategy Paper (PRSP) it should be discussed in the parliament to ensure transparency, said speakers at a workshop.

To incorporate grassroots level proposals, they also urged the government, International Monetary Fund (IMF) and World Bank to arrange a national debate with civil society members.

The speakers who were speaking at a two-day workshop on 'Poverty Reduction Strategy' also appealed to the government not to incorporate all recipes of donors in the paper.

Economists, academics and representatives from NGOs participated in the June 4-5 workshop organised by Actionaid at BRAC Centre in Dhaka. At a press conference yesterday in Dhaka, Actionaid released the recommendations made at the workshop.

About the draft Interim Poverty Reduction Strategy Paper (I-PRSP), they said there are few recommendations in the I-PRSP that would address the key to development and employment-generation.

Criticising the interim paper, which was endorsed by donors in the recently held Bangladesh Development Forum in Dhaka, speakers said the government is compromising national interest for the sake of aid.

The interim paper, which will earn over \$2 billion aid in a three-year period, also overlooks rural infrastructure and human development, they said.

They said there is no development programme for the indigenous people in the paper.

Speakers at the first session of the workshop, chaired by Prof Muzaffar Ahmed, said the paper recommends for wholesale privatisation bypassing related problems.

They said the strategy paper

will only serve interests of multinational companies.

Addressing the session, Prof CP Chandrashekhar said an effective PRSP must incorporate opinions of the civil society members.

Prof MM Akash of Economics Department of Dhaka University said if Bangladesh can achieve a GDP growth of seven per cent and its poverty can be reduced at a rate of 3.3 per cent till 2015, the current poverty level should be halved. But as for the last couple of years the GDP growth hovers around only five per cent, PRSP is unlikely to meet its poverty reduction target.

In the second day of the workshop on June 5, eminent economist Dr Hossain Zillur Rahman presided over a session on "Next Steps after PRSP: Responsibilities of the Civil Society".

Speakers at the session demanded a 'watchdog' involving experts and civil society members

to oversee progress of the PRSP, which will be finalised in December, 2004.

They urged stakeholders to press the government to include their opinions in the PRSP.

They called upon the government to find out reasons of poverty to uproot the curse for good from the society.

Citing examples of India and Vietnam who did not bow to donors' suggestions to adopt PRSP, they said if the two countries could succeed in reducing poverty level without drafting strategy paper why Bangladesh should take donor recipes.

Dr Anisur Rahman, Dr Salimullah Khan, Rashed Al Mahmud Titumir, Nasrin Haque, country director of Actionaid, S Parasurmon, policy director of Actionaid-Asia, Farhad Mazhar, Mausumi Manpatra of Actionaid, Reraul Karim of Supra and representatives of various organisations also spoke at the workshop.

India mulls merger of 22 bourses

AFP, New Delhi

India's stock market regulator said Thursday it wants to merge around 22 regional bourses into a single separate exchange as part of ongoing capital market reforms.

Alternatively, they could join either of the two largest bourses, the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE), said G.N. Bajpai, chairman of the Securities and Exchange Board of India (SEBI).

The proposal has been mooted because many of the small regional bourses have turned unprofitable after corporations have delisted their shares.

Instead, they have listed their shares only with BSE and NSE which account for the maximum volume of trading in India.

One single exchange merging all the regional bourses would also help stock market regulation, SEBI officials say.

The small regional bourses in different Indian states used to have active trading when brokers had to physically buy and sell shares from each other.

However, their trading volumes dropped about 10 years ago once the BSE and NSE computerised their operations, allowing brokers to trade online from any location. Most of the small bourses do not have online trading.

A file photo shows the inland container depot (ICD) at Kamalapur in Dhaka in the background. At present, two ICDs -- one in Dhaka and the other in Chittagong owned by the government -- are unable to cope with the present volume of trade. The government recently approved a proposal to set up ICDs in private sector.

PHOTO: STAR