

Le Méridien leveraging Bangladesh's growth momentum

The hotel hoping to see spike in occupancy for infrastructure boom

JAGARAN CHAKMA

Le Méridien Dhaka began its journey a little over four years ago but the upscale hotel has already been able to win the hearts of both travellers and locals alike.

"It has been a very, very successful four years -- the hotel has gone from strength to strength," said Constantinos S Gavriel, general manager of the upscale hotel, in an interview with The Daily Star recently.

And one of the reasons being its location, which, at Nikunja 2, is a stone's throw away from the Hazrat Shahjalal International Airport and the diplomatic enclave, where most of the foreign companies are based at.

It is also a safe distance from Ashulia, Savar and Gazipur, where Bangladesh's famed garment industry is based.

So, it was no surprise to learn that the property's occupancy rate in 2019 was more than 75 percent.

Owned by Dhaka-based Best Holdings, Le Méridien Dhaka has 304 rooms, including 25 suites; six restaurants catering Turkish, Iranian, Italian, subcontinental, English and global cuisines; lobby lounge; spa; banquet halls and an infinity pool overlooking Dhaka city.

In short, it is ideal for both business and leisure, but corporate guests are its core patrons.

"We have a lot of corporate accounts. Obviously, the government sector is a big sector here, but we have people from fast-moving consumer goods, IT and banking sectors," said Gavriel, who has 24 years of experience in the hospitality industry.

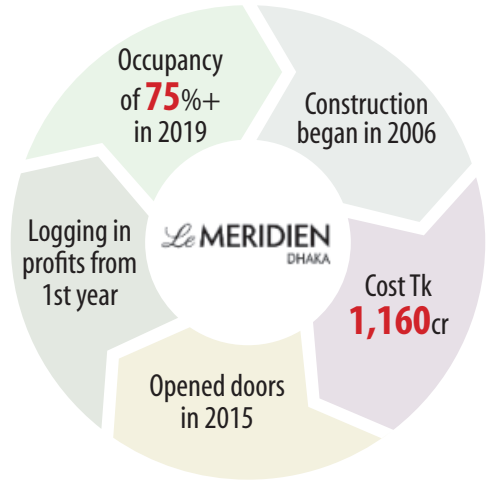
The hotel -- which is part of Marriott International, the third largest hotel chain in the world -- also gets steady business from a host of major airlines, whose crew are put up at the property whenever they fly into Dhaka.

Foreigners, particularly Indian nationals, have been the hotel's main guests in the last

four years.

"But we are seeing an increase of Chinese travellers along with British, German and American ones," said Gavriel, who started his career at the Kensington Hilton in London.

Pure tourists account for less than one percent of the guests at the hotel, but the British national thinks Bangladesh's tourism sector would take off in the next five to 10 years.



"This is an untapped market and very few people have been to Bangladesh," he said, adding that Bangladesh is now at the stage of where Vietnam and Thailand were 30 years ago.

Gavriel, who was the general manager of The Renaissance Aktau Hotel in Kazakhstan before moving to Dhaka in 2017, believes that Bangladesh will be a beneficiary of the growing interest in South Asia for tourism purpose.

"People are always looking for new experiences and new destinations and obviously the market is in South Asia. Bangladesh will be one of the upcoming destinations."



Constantinos S Gavriel

But for the development of the tourism sector, infrastructure focusing on tourism is needed, said Gavriel, who was previously posted in Riyadh, Abu Dhabi and Russia.

Best Holdings though is definitively sanguine about the outlook of Bangladesh's hospitality sector. So much that it has signed two new contracts with Marriott International to set up a business hotel and resort in Bangladesh.

The resort, which will be under The Luxury Collection brand, would be named The Muslim. It would be situated in Bhaluka, an upazila in Mymensingh.

The Luxury Collection is a collection of hotels and resorts that are unique and

cherished expressions of their locations and portals to the destination's indigenous charms and treasures, according to Marriott.

The hotel would be a Courtyard by Marriott, which is a mid-priced brand in the American hospitality company's expansive portfolio designed for business travellers, in Mawna.

Mawna is in the Sreepur upazila of Gazipur, where a cluster of garment factories can be found.

Both the properties would have more than 200 rooms and are expected to open their doors to guests within the next two years.

As for Le Méridien, it is looking to build on the success of the last four years.

"We are anticipating some growth as there is a lot of infrastructure projects going on and the airport extension project will start next year, which will be a good advantage for us."

Billions of dollars are being spent for the expansion of the airport and setting up the Elevated Expressway and the Metro Rail, all with the view to upgrading the city's transport network.

"For us, it would be beneficial because people will be coming to the city whether as project managers or teams of engineers or architects working on the new projects."

Gavriel, who has held various positions within Marriott since 2011, feels the supply side for food and beverage makes running a world-class luxury hotel in Bangladesh quite the trial.

Getting quality produce and seafood and drinks is always a challenge in Bangladesh.

Gavriel, who holds a bachelor's degree in international hotel management from the University of North London, suggested young professionals in the hospitality sector to work hard, keep learning, be prepared always and dream big.

"Without a big dream, the hotel industry will not thrive and it is a global industry," he said, adding that someone working at the hotel can easily go outside of the country and work in India, Thailand, Sydney or any city in the world.

But the hotel industry in Bangladesh is still in its infancy. More hotels need to be built and the country needs more luxury hotels.

The increase in flights by airlines in recent times points to the rise of business travel to Bangladesh, he said.

Businesses and the growth of the country will support the industry and open new avenues for growth.

"We have a lot of faith and trust and we believe that there are huge opportunities for hotel investors in Bangladesh."

Pabna sugar mill saw no profit since inception

Authorities suggest product diversification

AHMED HUMAYUN KABIR TOPLU, Pabna

STATE-OWNED Pabna Sugar Mill, which has yet to see profits since its establishment in the mid-90s, started this season's production last month with a debt of Tk 575 crore.

Sugarcane cultivation centring the mill in Dashuria in Pabna's Ishwardi upazila alongside the mill's production decreased at least 50

percent in the past decade, say sources.

Farmers say they cut back for alleged inadequate support from the mill, delays in payment and corruption. The mill authorities refute these, instead saying that curbing losses required product diversification.

This year the management plans to process 82,000 tonnes of sugarcane. They expect the recovery rate to be no more than 8 percent, meaning 6,560 tonnes of sugar

will be produced.

"We targeted running the mill for 60 to 65 days if sugarcane is available," the mill's managing director, Md Abdus Selim, told The Daily Star.

The mill's daily crushing capacity is some 1,500 tonnes, meaning in 100 days about 15,000 tonnes of sugar can be produced, he said.

The Bangladesh Sugar and Food Industries Corporation's annual report for fiscal 2017-18, which was published in the mid-October last year, states that the country's 15 state-run sugar mills crushed 11,88,573 tonnes of sugarcane.

This generated 68,562.50 tonnes of sugar, which meant that the recovery rate was 5.77 percent. However, their production capacity is 210,440 tonnes.

In May last year, the US Department of Agriculture estimated Bangladesh's sugar consumption at 26.95 lakh tonnes in fiscal 2017-18.

This means the deficit was met through imports. According to the Bangladesh Bureau of Statistics, the import of raw sugar rose 20 percent year-on-year to 26.15 lakh tonnes in fiscal 2017-18.

On the lack of support and delayed payments, one farmer spoke of being forced to opt for cultivating other crops.

"A few years ago I used to cultivate sugarcane on 30 to 32 bighas (around 12 acres) of land every year for supplying to Pabna Sugar Mill," said Md Azmal Hossain of Varuimari village.

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The country is nearly completely dependent on sugar imports. Its 15 state-run sugar mills produced 68,562.50 tonnes of sugar in 2017-2018 whereas 26.95 lakh tonnes were consumed.

Strengthen institutions for sustainable growth

Former BB chief economist Biru Paksha Paul suggests in his book

STAR BUSINESS REPORT

Economic growth based only on mega projects will never be sustainable; rather, a conducive environment should be created for investment to flow in, economists said yesterday.

Moreover, the present growth momentum will not carry on if the institutions are not strengthened, they said.

If institutions remain weak despite continuous growth of the economy, then questions will be raised on whether the development will sustain or not, said eminent economist Wahiduddin Mahmud.

Institutional accountability is a must and they should also enjoy the right to take decisions independently for the sake of the economy's sustainable growth.

The efficiency of the institutions will increase if accountability is ensured, he added.

Mahmud's comments came at the launch of a book titled "Empowering economic growth for Bangladesh: Institutions, macro policies, and investment strategies", authored by Biru Paksha Paul, former chief economist of the Bangladesh Bank.

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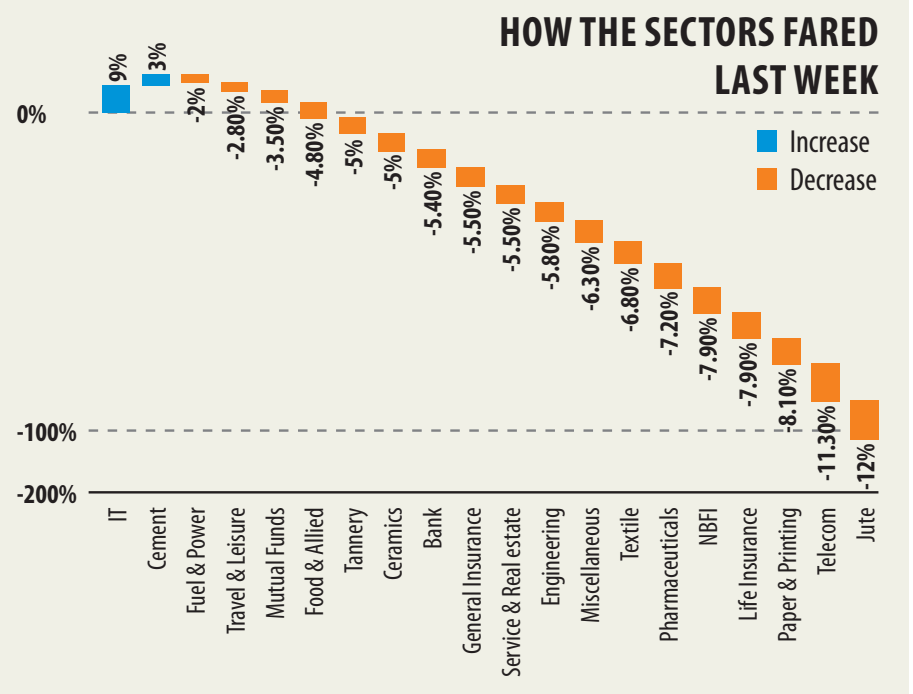
Planning Minister MA Mannan, third from left; eminent economist Wahiduddin Mahmud, third from right; and former Bangladesh Bank chief economist Biru Paksha Paul, second from left, launch a book titled "Empowering economic growth for Bangladesh: Institutions, macro policies, and investment strategies" written by Paul, at Unnayan Shamannay in Dhaka yesterday.

GP DRAGS DOWN DSEX

DSEX slid in every trading session last week, dragging stocks down to 4,197.39 points, its lowest level since May 2, 2016. The latest run-in of Grameenphone with telecom watchdog had a substantial role to play in the slide.



SOURCE: AMARSTOCK.COM



Boeing's ousted CEO departs with \$62m

REUTERS

BOEING Co's ousted chief executive officer, Dennis Muilenburg, is leaving the company with \$62 million in compensation and pension benefits but will receive no severance pay in the wake of the 737 MAX crisis.

Muilenburg was fired from the job in December as Boeing failed to contain the fallout from a pair of fatal crashes that halted output of the company's bestselling 737 MAX jetliner and tarnished its reputation with airlines and regulators.

The compensation figures were disclosed in a regulatory filing late on Friday during a difficult week for Boeing when it also released hundreds of internal messages -- two major issues hanging over the company before new CEO David Calhoun starts on Monday.

The messages contained harshly critical comments about the development of the 737 MAX, including one that said the plane was "designed by clowns who in turn are supervised by monkeys." The 737 MAX has been grounded since March

following the second of two crashes that together killed 346 people within a span of five months. Lawmakers blasted Boeing on Friday. "346 people died. And yet, Dennis Muilenburg pressured regulators and put profits ahead of the safety of passengers, pilots, and flight attendants. He'll walk away with an additional \$62.2 million. This is corruption, plain and simple," U.S. Senator Elizabeth Warren said on Twitter.

US Representative Peter DeFazio, who chairs the House Transportation Committee, said minutes of a June 2013 meeting showed that Boeing sought to avoid expensive training and simulator requirements by misleading regulators about an anti-stall system called MCAS that was later tied to the two crashes that killed 346 people. The MAX has been grounded since the second crash in March.

Speculation that Muilenburg would be fired had been circulating in the industry for months, intensifying in October when the board stripped him of his chairman's title - although he had also twice won expressions of confidence from Calhoun, Boeing's board chairman.