

Southeast Asia feels the burn as virus keeps Chinese tourists at home

AFP, Luang Prabang

Elephant parks unvisited, curios at markets unsold as tuk-tuks sit idle: Southeast Asia is facing billions of dollars in losses from a collapse in Chinese tourism since the outbreak of a deadly new coronavirus.

From Luang Prabang in northern Laos to Pattaya in Thailand, Hoi An in Vietnam and the Cambodian casino town of Sihanoukville, takings have plummeted as Chinese travellers find themselves subject to a host of restrictions at home and abroad.

"We haven't had any Chinese for 10 days since they closed the road from Yunnan," says Ong Tau, 47, from behind her stall of fruit shakes in the temple-studded Laotian colonial town of Luang Prabang.

"Business is down 20-30 percent... it will get worse." Tour guides, mall workers and restaurant staff are all feeling the burn as Chinese -- the world's biggest travellers -- stay at home in the middle of a global health crisis.

"My friend has lost four or five big tour groups... they would have paid for his low season," said Tee, a guide in Luang Prabang, giving only one name in the tightly-controlled communist country, a mass of tuk-tuks standing idle behind him.

But in one of Southeast Asia's least well-resourced countries, there may be one bright side to the sudden



Speedboats waiting for tourists on a beach in Pattaya, Thailand on Feb 12.

economic pain.

"We don't know how to protect ourselves," he added. "The government doesn't tell people anything... so maybe less Chinese is a good thing for now." - Loans and job losses - The slump is being felt sharply in Thailand, where tourism authorities say arrivals from China -- usually close to one million a month -- have plunged by 90 percent so far this February.

At the Chang Siam Elephant Park in Pattaya, a few hours south of Bangkok, owner Nantakorn Phatnamrob fears he will soon be

pressed into debt to float a business which has lost nearly \$65,000 since the outbreak.

"People are afraid to visit," he told AFP. "If it stays like this, I will have to get a loan from the bank." Crocodile farms and tiger sanctuaries -- controversial tourist beacons where visitors can pet the animals -- are also deserted, leaving owners to feed expensive star attractions.

The outbreak has also spooked western tourists at the height of peak season in what has already been a tough period for Thai tourism thanks to a strong baht.

Thailand anticipates shedding five million tourists this year, taking with them "250 billion baht (over \$8 billion) in revenue", according to Don Nakornthab, director of economic policy at Bank of Thailand.

"Our hopes that the economy will do better than last year are very low... it's possible it could grow below 2 percent," he added.

That will spell bad news for the untold number of Thais working in the tourism sector.

Ma Mya, 22, who sells trinkets in Pattaya, says she may soon have to return to her home in northern Thailand. "There's no more profit -- everything has gone bad." - Things can only get better - With so much riding on the seasonal influx, some Mekong countries are desperate not to deter those Chinese still travelling.

Thailand offers visa on arrival for Chinese tourists despite having one of the highest numbers of confirmed infections -- 34 -- outside of the mainland. At least two of those cases were Thais who contracted the virus after driving infected Chinese passengers, raising fears that the economy was taking priority over tackling the health crisis.

For staunch Beijing ally Cambodia, where only one case of the virus has been confirmed so far despite a large Chinese presence, strongman leader Hun Sen has repeatedly played down the risk to his country.



Shahjadi Begum, chairperson of the Serve the People, holds a copy of its annual report for 2018-2019 at its 29th annual general meeting in a Dhaka hotel last Friday.

Top of Mind celebrates 12th anniversary

STAR BUSINESS REPORT

Advertisement agency Top of Mind organised a Mezban, a traditional feast of white rice and beef, at its Gulshan headquarters in Dhaka on Saturday marking its 12th anniversary.

Cakes were cut while there were fortune-telling birds, candy floss, balloon shooting games and photo booths for guests, says a press release.

Chairman and CEO Ziauddin Adil, also the honorary consul general of the Democratic Republic of Congo in Bangladesh, CFO Salma Adil and Media Director Syeda Jhumur, Rashedul Mazid Mamun, director of Masthead PR, Ripa Khan, head of media of Starcom, and Mahbub Rahim Uday, CEO of Brandcart, and corporate leaders and media personalities were present.

Reliance Finance gets new MD



STAR BUSINESS REPORT

A new managing director has taken office at Reliance Finance recently.

Md Abdul Jabbar was previously serving as deputy managing director for retail investment at Islami Bank Bangladesh, where he started his career as a probationary officer in 1984, says a press release.

He attained a master's degree in finance from the Institute of Business Administration and another in accounting from the business studies faculty at the University of Dhaka.

Vodafone assesses payment to India in dispute over dues

REUTERS, New Delhi

Vodafone Idea Ltd said on Saturday it was assessing how much it would pay the Indian government as part of dues owed and said it proposed making a payment in the next few days.

India ordered mobile carriers on Friday to immediately pay billions of dollars in dues after the Supreme Court threatened the companies and officials with contempt proceedings for failing to implement an earlier ruling.

Soaring post office deposits to come crashing down

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"The interest rate on banks' savings has been cut by force. Now, the interest rate on deposits in post offices has also been reduced. Such an action affecting the market mechanism will not bring any good to the economy," he said.

The government's total outstanding liability stood at Tk 289,267 crore as of June 2019. Of the amount, ordinary accounts and fixed deposit accounts in post offices were 13.97 per cent, according to DNS data.



Rajesh Surana, CEO of LafargeHolcim Bangladesh, and Vishal Gupta, managing director of Refakitt Benckiser Bangladesh, signed an agreement at the former's Dhaka corporate office last Thursday for the latter to avail professional waste management services of Geocyle, a project of LafargeHolcim.

Rebuffed by UK, US pitches 'big tent' for Huawei rivals in Europe

REUTERS, Munich

The United States is seeking to rally European support for competitors to Huawei Technologies following disappointment in Washington over Britain's decision to use 5G equipment made by the Chinese company.

U.S. officials at a global security conference in Germany this week urged governments and business leaders to build an ecosystem of "industry champions" that can provide

alternatives to Huawei, the world's biggest maker of mobile networking equipment.

Previous U.S. efforts to convince allies to bar the Chinese company from their networks have primarily focused on warnings that its equipment could be used by China for spying. Huawei has repeatedly and vehemently denied the espionage allegations. Chinese Foreign Minister Wang Yi told Reuters on Friday there was no credible evidence that Huawei was a threat to US security.

Interest rate cuts for postal savings accounts only

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Depositors can withdraw profits from their postal savings after six months. In such case, the interest rate would be 4 per cent for one-year schemes, 4.50 per cent for two-year schemes and 5 per cent for three-year schemes, according to the circular.

Previously, the rates were 9 per cent, 9.50 per cent and 10 per cent respectively.

However, those who opened postal savings account before February 13 would get their profits based on previous interest rates, a finance ministry official said.

The government has tightened the rules for savings instruments from this current fiscal year with the view to getting savers

to move back to banks for the purpose of parking their funds.

For example, depositors must have tax identification number (TIN) and bank accounts for opening postal savings accounts. Besides, the government has slapped additional 5 per cent tax on their profits.

These measures have led to a outright decline in the sale of government savings instruments. People bought savings instruments worth Tk 5,433 crore between the months of July and December last year. The amount was Tk 24,993 crore a year earlier.

However, the 12 per cent interest rate on savings certificates of three- and five-year durations have remained unchanged.

Time for 'Made in Bangladesh' tag to shine bright

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In just two and a half years the 'Made in Bangladesh' has been fully established in the market. But even a few years ago, did anyone think that a mobile plant in Bangladesh would be churning out the world's most advanced smartphones? Not just that, the locally assembled handsets are much better in terms of quality and more competitive in terms of price than the imported devices.

Once this realisation dawned in, at least a couple of companies have stopped their device imports entirely and are now serving the market for their own plants. So far, nine plants have been set up in the country and the list includes world-renowned brands like Samsung, Chinese brands itel, Techno, Vivo and Oppo. Brands like Huawei and Motorola are also gearing up.

Samsung has promised that from the first quarter of 2021 it will manufacture its top of the line 'Note' series smartphones from its factory in in Narsingdi. Already it is assembling Note 10+ and Note 10 Lite at the plant.

When this news broke on The Daily Star it created a tremendous buzz. The news was also reported in the international media.

The South Korean electronics giant is now meeting 97 per cent of its local demand for its plant in Bangladesh. It is now planning to manufacture even the

latest gadgets here.

In just one year, the two brands -- Techno and itel -- have fulfilled its demand for five lakh units a month for their local plant and they are planning to go for export within two years.

Walton's local manufacturing journey will soon complete two years; at present it is not importing any sets. As a Bangladeshi this news is making us proud. But it is not too well known that in 2007 Samsung had expressed its interest to set up a factory in Bangladesh.

But it did not get much favourable response, which is why it took its investment plan to Vietnam. Over the last decade, Samsung has set up three factories in the Southeast Asian nation that churned out a staggering 120 million smartphones in 2018.

And when the China-US trade war began, Vietnam gained more momentum in handset manufacturing and now, more than half of Samsung's demand for the entire world is being provided by this country. Thanks to Samsung's groundwork, Apple has recently announced its plan to shift its production from China to Vietnam.

Though we have started well, Vietnam's rapid strides in this arena could be frustrating news for us.

Here my point is, though we have failed to catch our first train a decade ago, we have to look at how we can hit

fourth gear at the earliest.

The first task was done in the last budget, when the import duty for raw materials imports were slashed and the import tax on smartphones was bumped up to 57 per cent. So, everyone is now racing to set up factories. Now, if quality is given a little attention, we could be straddling forward briskly.

We already know that some entrepreneurs are planning to setup factories for mobile-related accessories. In that case, the demand for various backward linkages -- including battery, phone cases, chargers -- may come from the local plants. Perhaps, handsets can share some of the load of exports currently being shouldered largely by the garment industry.

Almost all the handset producers are talking about exporting from their plants. And if some of them can start export within at least a couple of years, this will be a game changer for the industry and the country as a whole.

We can also see glimpses of such potential in the laptop segment, where the 'Made in Bangladesh' tag is creating waves. This digital device is also being added to the export list, albeit a little clumsily. And personally, I look forward to the day when Europe-America will also get a mobile device with the 'Made in Bangladesh' tag like shirts or denim as they do now.

Treat us like something between a telco and a newspaper

Says Facebook's Zuckerberg

REUTERS, Munich

Online content should be regulated with a system somewhere between the existing rules used for the telecoms and media industries, Facebook CEO Mark Zuckerberg told global leaders and security chiefs on Saturday.

Speaking at the Munich Security Conference in Germany, Zuckerberg said Facebook had improved its work countering online election interference, and expanded on his previous calls for regulation of social media firms.

"I do think that there should be regulation on harmful content ... there's a question about which framework you use for this," Zuckerberg said during a question and answer session. "Right now there are two frameworks that I think people have for existing industries - there's like newspapers and existing media, and then there's the telco-type model, which is 'the data just flows through you', but you're not going to hold a telco responsible if someone says something harmful on a phone line."



University of Dhaka Vice-Chancellor Dr Akhteruzzaman attends as chief guest the inauguration of a 15-day cultural programme, "Guardian Life Bhalobashar Matribhasha 2020", on the Teacher-Student Centre and Shoparjito Shadhinota premises on Saturday.

Real time remittance inflow from Malaysia soon

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The service will be introduced within a month or two and the whole transaction channel is highly transparent, Huda said, adding that agreement for the novel cross-border transaction arrangement was signed with the British bank in the third quarter of 2019.

As per the central bank's approval letter provided to Standard Chartered Bangladesh, the lender will have to distribute the remittance by using bKash's platform round-the-clock. Distributed ledger technology, which is a digital system for recording transactions, will have to be used to implement the service.

The whole transaction system will be highly convenient for remitters and the transaction will be settled through banks, said Kamal Quadir, chief executive officer of bKash.

This will also give a boost to the country's remittance, he said. "We will offer the same service for expatriate Bangladeshis living in other countries if bKash gets strong partners to implement the model," he said.

Standard Chartered could not be reached for comment. Remittance stood at \$16.41 billion last fiscal year, up 9.59 per cent year-on-year.