

Resorts reeling under pandemic woes

MAHMUDUL HASAN

It is natural to assume that whenever disasters strike, a country's hospitality industry is usually the first to feel its effects but is the last to recover, since expenses here are deemed non-essential.

True to that tune, the Covid-19 fallout has left Bangladesh's hospitality sector grappling for survival over the past six months even though the cogs of the economy have started to turn again.

Although most people are back on the streets as the economy is slowly returning to normalcy, empty hotel rooms, deserted resorts and a sharp decline in both international and domestic travel have left the sector in a position from which recovery remains unforeseeable.

As a result, the hotels and resorts located in the north-eastern division of Sylhet are suffering from capital shortages.

"Our business has been severely affected by the pandemic," said Arifur Rahman, managing director of The Palace Luxury Resort.

The resort, located in a remote village in Habiganj district, was shut down for more than four months due to the coronavirus pandemic as people opted to stay at home rather than risk infection.

Its doors were finally reopened in early August with consent from the authorities and now the average occupancy rate stands at just 20 per cent compared to 56 per cent in the pre-pandemic time.

"People are bored staying at home for a long time and are now coming out but the pace is slow because they are still cautious," Rahman said.

Built on 150 acres of land, the resort boasts 100 rooms and 32 villas and employs about 390 people. It is one of the largest retreats in the country as is famous for being at the heart of breathtaking natural beauty.

However, the size of the operation and its location has cost it dearly amid the pandemic.

On the other hand, the owners of hotels and resorts located in the city can close down their business for certain periods of time without additional anxiety as most of their operations can be maintained with minimal efforts.

"But, to take care of a vast area like The Palace, a big workforce is needed," the managing director said.



Hotels and resorts located in the north-eastern division of Sylhet are suffering from capital shortages as their occupancy rates have flatlined at the lowest possible levels.

PHOTO: COLLECTED

If not maintained regularly, the entire area becomes a jungle of bushes and shrubs. Besides, various wildlife such as monkeys begin to wreak havoc on the resort when the place lacks human presence.

As a result, maintenance costs have gone up a lot, he added.

Buoyed by a renewed interest from the country's burgeoning middle-class to holiday at Habiganj, Moulvibazar and Sunamganj where dozens of tourist spots are located, the resort business got a shot in the arm as

more than a dozen such establishments have been built across these locations in less than a decade

Most of these establishments were developed using bank loans and this made paying the associated monthly instalments amid the shutdown one of the biggest worries for hotel owners.

However, the situation is improving day by day and provided guests follow the health guidelines while vacationing, everything is expected to change for the better.



Ctg customs to auction off abandoned food items, chemicals

Beirut blast prompts authorities to take action

MOHAMMAD SUMAN, Ctg

Taking note of last month's catastrophic blast in Beirut port, customs authorities in Bangladesh have started auctioning off around 278 tonnes of chemicals and food items lying unclaimed at the Chattogram port since 2008.

The explosion on August 4 that ripped through the Lebanese city killed about 190 people. The authorities said it was caused by about 2,750 tonnes of ammonium

nitrate, defaulting on which results in those being set aside for auction.

Goods might be left unclaimed for a fall in prices in local markets, absence of original shipment documents, clearances and permits and refusal to pay fines, Faisal Bin Rahman, assistant commissioner at Chattogram Customs House, told The Daily Star.

Chattogram Customs House started accepting bids from last Monday. Over 50 bidders have responded since then.



FILE PHOTO

A customs employee is preparing a list of goods to be auctioned off.

nitrate that had been stacked in unsafe conditions in a port warehouse for years.

This has prompted the Chattogram port and trade bodies in Bangladesh to write to customs seeking removal of all hazardous goods left unclaimed at the port.

The goods now up for sale include artificial wax which is derived from petroleum, antiseptic hand sanitiser which contains flammable alcohol, disinfectant liquids and phosphoric acid.

Customs law stipulates taking delivery of goods within 45 days of those reaching

"There is good response from bidders as the quality of the goods were in good condition.

After the end of the auction process, we would be able to publish names of the top bidders and hand over the goods within a short time," said Rahman.

Chattogram port data shows around 8,699 containers filled with over 100 types of goods have been lying abandoned and awaiting auction since January 2015 up to July this year.

READ MORE ON B3

Investors misjudge BSEC steps, still running after junk shares

STAR BUSINESS REPORT

Junk stocks sold like hot cakes at the country's bourses yesterday as investors are hopeful of seeing returns due to an ongoing effort from the Bangladesh Securities and Exchange Commission (BSEC) to bring corrections to underperforming shares.

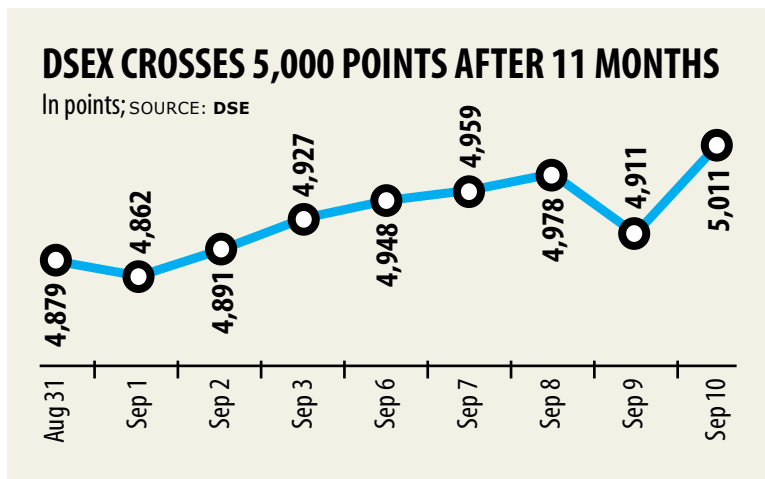
"Many general investors think that junk stocks will become profitable due to the steps taken by the stock market regulator," said a senior official of a leading brokerage firm.

Last week, BSEC upgraded 12 junk stocks and asked 22 companies to share their business plans in order to bring them into accountability.

"But investors are chasing a mirage as this does not mean that the companies will begin to perform well soon," the broker said, adding that share prices have skyrocketed as a result.

Since junk stocks are overpriced, it would be wise to refrain from making major investments in non-performing companies, according to market analysts.

Among yesterday's top five



gainers, three were non-performing companies, as per data from the Dhaka Stock Exchange (DSE).

RN Spinning Mills, one of the non-performers, topped the gainers' list with a 10 per cent increase while Jute Spinners stood second with 9.95 per cent.

The most demanded Z category shares were: Zeal Bangla Sugar Mills, Shyampur Sugar Mills, Golden Son, Imam Button, Meghna Milk, Familytex BD and Meghna Pet Industries.

Of the total 42 junk stocks available, 37 advanced while prices of only two fell and three remained the same.

Investors are misjudging the steps taken by the BSEC, said a top official of a merchant bank.

"The junk companies won't start making profits as soon as the BSEC takes the steps. It takes time for a company to book profits again. Some companies are not even in a position to bounce back at all," he added.

As a result, many of these companies will remain in the red and may face delisting or liquidation.

"BSEC should also investigate whether stock gambling fuelled the rise in share prices," he said.

However, the DSEX, the benchmark index of the DSE, crossed the 5,000 points-mark yesterday after a break of around one year.

The index rose 39.6 points, or 0.79 per cent, to close at 5,011.

Turnover, another important indicator of the stock market, fell 4.92 per cent to Tk 1,024.54 crore.

Of the total stocks, 190 advanced, 117 declined and 49 remained unchanged, according to DSE data.

Beximco Pharmaceuticals topped the DSE's turnover list with trades worth Tk 55.33 crore followed by Beximco Ltd, Brac Bank, Orion Pharmaceuticals and Orion Infusion.

Pragati Life Insurance shed the most -- 9.96 per cent -- followed by LR Global Mutual Fund One, Premier Insurance, United Insurance and NLI First Mutual Fund.

Union leaders tarnishing image of Dragon Sweater, its MD says

STAR BUSINESS REPORT

Dragon Sweater Bangladesh paid wages for three months the factory was kept shut as per government instructions before terminating employees, who were unable to return to work once operations resumed, claimed Managing Director Mostafa Golam Quddus yesterday.

Still, a section of workers and their leaders are trying to tarnish the company's image, both at home and abroad, he told a press conference in the Sonargaon hotel.

The factory suspended operations on March 28 and two-thirds of its nearly 700 employees and staff joined work after it reopened, he said.

Some 140 workers could not return to work and the factory recruited some new workers to replace those absentees as operations had started running in full swing, said Quddus.

The company had paid the absent workers wages for the three months the factory was

Some union leaders have been hanging posters in front of different stores in Europe asking them not to purchase Dragon's products, says Mostafa Golam Quddus

kept shut and there is no scope for any misunderstanding about it, Quddus said in a written statement.

Some union leaders have been hanging

posters in front of different stores in Europe asking not to purchase Dragon's products. Such activities by "a section of anarchists" have been creating doubts in the minds of international buyers, he said.

The claims made by Quddus are not true, said Jolly Talukder, general secretary of Garment Workers Trade Union Centre, a platform for garment workers.

Until now, jobs of some 500 to 600 workers have been terminated and they have not been properly paid, she said.

"Every worker deserves legal payment by the employer. So Quddus should pay his workers and staff properly," Talukder told The Daily Star over phone.

Regarding the posters abroad, she said it was an expression of solidarity by global union leaders. "So it is very simple that the union leaders in European have been expressing solidarity with us," Talukder also said.