Star BUSINESS

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Tour operators hope to benefit from boom in Indian, Chinese tourists

Travel and tourism fair '07 kicks off tomorrow

JASIM UDDIN KHAN

Bangladeshi tour operators are hoping to benefit from the explosion in tourists from China and India, with the sector designing a new strategy to attract visitors from the two neighbouring countries.

The World Tourism Organisation has predicted that by 2012, India and China will provide the most foreign tourists in the world, and that 73 percent of these will visit other Asian countries.

In order to win an increasing share of this lucrative business, the Tour Operators Association of Bangladesh (Toab) has adopted a new strategy to encourage visits to the country, said Hasan Mansur, president of Toab.

"We will launch several promotional drives to attract tourists and we have sought government support to promote the county's tourist potential, " Mansur told The Daily Star after a press conference at the Dhaka Sheraton Hotel yesterday. The press briefing was arranged to announce the schedule of a three-day tourism fair beginning tomorrow in the capital.

Toab is organising the show titled 'Banglalink Bangladesh Travel and Tourism Fair 2007' at Bangladesh-China Friendship Conference Centre in order to attract foreign tourists and promote the industry.

Cell phone company Banglalink is sponsoring the fair, which will be open to visitors from 10am to 9pm. The entry fee has been fixed at Tk 20 a person.

Various business organisations linked with the tourism industry including tour operators, travel agents, hotels, airlines and travel magazines are participating in the fair.

Mansur said public-private partnerships are needed to expand the country's tourism industry. This meant improving tourist infrastructure and creating policies favourable to the industry.

Mansur urged the government to establish an effective tourism board in order to lead the industry. He said the present Bangladesh Parjatan Corporation (BPC) lacks capacity.

He also sought government action to resolve the flight crisis surrounding the national flag carrier, Biman Bangladesh Airlines Ltd.

Toab sources said the country received 255,000 foreign tourists in 2006, 208,000 in 2005, 271,000 in 2004 and 244,000 in 2003.

The country earned $ 82 million in 2006 from the sector compared to $78 million in 2005, $ 67 million in 2004 and $ 57 million in 2003.

According to the World Tourism Organisation statistics, the global tourism industry is worth around $ 700 billion with 900 million annual visitors.

Solaiman Alam, senior manager PR and communications of Banglalink, and Adviser of Toab Hakim Ali also attended the press conference.

PHOTO: STAR

Hasan Mansur (2-R), president of Tour Operators Association of Bangladesh, speaks at a press conference in the capital yesterday.

$10.84m RMG factory to be set up at Adamjee EPZ

A joint venture project between Canada and Bangladesh will set up a composite textile unit for knitwear manufacturing at the Adamjee Export Processing Zone, says a press release.

The plant, under the name M/S Rashid Composite Textile Ltd, will invest some 10.841 million US dollars to manufacture 3.75 lakh dozens of ready-to-wear knit garments.

An agreement was signed to this effect between Bangladesh Export Processing Zones Authority (Bepza) and Rashid Composite Textile Ltd on Sunday.

Bepza Member Prasanta Bhushan Barua and Rashid Composite Textile Managing Director Ali Bakhtiar Mahmud signed the deal in presence of Bepza Executive Chairman Brig Gen Ashraf Abdullah Yussuf.

The project is expected to create employment opportunities for over 500 Bangladeshi workers.

New Gillette razor launched

STAR BUSINESS REPORT

International Brands Limited, a sister concern of MGH Group and the sole distributor of Gillette brand razor in Bangladesh, yesterday introduced a new brand razor in local market.

M Gaziul Haque, chairman of MGH Group, formally launched the razor at a function in Dhaka.

The new razor, Vector Plus, will be available in the local market from the next week at a concessional rate of Tk 59 for the time being, Haque said.

The original price of the razor with one cartridge is Tk 90, he said, adding that the razor has a smart look with twin platinum blades and an attractive handle.

Two extra blades of the razor will cost Tk 49, while a razor with four blades will be sold at Tk 89.

Thailand's credit rating stable

ANN/THE NATION

Fitch Ratings, while opining that Thailand is among "the most vulnerable countries in Asia" to a decline in global economic growth, said yesterday the kingdom's rating could be upgraded if the election really promises political stability.

Fitch announced that Thailand's credit rating had remained unchanged but said it would monitor the new government's policy on public financing as a key factor for future upgrading.

The ratings agency has maintained Thailand's BBB+ rating following steady fundamentals while considering external factors.

To upgrade the country's rating, James McCormack, senior director and head of Asia Sovereigns of Fitch Ratings Hong Kong, said it would have to wait and see the new government's policy towards public finance, government spending and infrastructure financial planning.

He said a return to a more stable political environment was critical to ensuring economic recovery, given several external factors that hurt the economy.

"The growth of domestic demand is extremely low and net trade is largely responsible for headline GDP growth. In this context, Thailand is among the most vulnerable countries in Asia to a reduction in global economic growth," McCormack said.

However, Thailand's sovereign creditworthiness remains sound and there is no immediate pressure on its sovereign ratings, he said.

McCormack commented on the Bank of Thailand's 30-per cent withholding tax measure announced on Dec 18 last year, saying that from the rating agencies' point of view, the measure did not favour the market. However, McCormack was more concerned about policy uncertainty.

"The introduction and then the removal of the measure resulted in a policy blunder. Also, the revision and amendments of the Foreign Business Act increased the uncertainty as it has taken too much time to finalise a conclusion," said McCormack at the annual seminar held by Fitch Ratings.

Strikes, too many unions worry Cambodian RMG makers

AFP, Phnom Penh

Cambodian garment makers Tuesday urged the government to better regulate labour unions, saying illegal strikes and power struggles among more than 1,000 workers' groups threaten the key textile trade.

With an average of four unions per factory, managers spend more than half of their time negotiating often conflicting demands while productivity plummets, said Van Sou leng of the Garment Manufacturers Association of Cambodia (GMAC).

"In short, there are too many unions," he told a meeting between the private sector and government officials.

"The factory is becoming a place where unions fight for popularity as they seek to win members, and this is to the detriment ... of the workers," he said.

Illegal strikes -- sometimes as many as two a day -- and repercussions against workers who do not walk off the job are also endemic, he said.

"The frequency of these occurrences ... is becoming alarming, and if left unattended and unresolved, they will destroy Cambodia's reputation for attracting and maintaining investors," he said.

The garment sector remains a key pillar of impoverished Cambodia's economy, employing some 350,000 people and accounting for 80 percent of the country's export earnings.

But the industry is increasingly vulnerable to foreign competition, and manufacturers fear labour upheavals could drive future investors away, sinking the sector.

Union officials have accused factory owners of refusing to negotiate disputes, while forced overtime and clashes between Cambodian workers and foreign managers continue to disrupt output.

Union leaders would rather not strike, but are often forced to do so in the absence of collective bargaining agreements, said Nang Sothy, who headed a working group on industrial relations earlier this year.

"Illegal strikes will decrease by 95 percent if the factory owner and union discuss together to make the collective bargaining agreement," he said.

PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Ali Bakhtiar Mahmud, managing director of Rashid Composite Textile Ltd, exchange documents after signing an agreement on Sunday. Bepza Executive Chairman Brig Gen Ashraf Abdullah Yussuf is also seen.

Companies to form global energy giant

AP, New York

Suez SA and state-owned Gaz de France plan to form a global energy giant that they say will be better placed to compete against players such as Russia's OAO Gazprom.

The outlines of the new company, to be called GDF Suez after the deal is expected to be completed in 2008, was approved by Suez and GDF boards late Sunday after active brokering by President Nicolas Sarkozy.

With a combined market value of $123.3 billion and revenue of $98.7 billion, it will be one of the top three listed utilities worldwide, Gaz de France and Suez said Monday in a joint statement. The deal includes a spin-off of Suez' environment activities which have North American water interests, and would leave the French state as the new company's largest shareholder with a 35 percent stake.

GDF Suez "will play an essential role in the consolidation of the energy market in Europe," Suez CEO Gerard Mestrallet, who will head the new group, said in joint news conference Monday.

Gaz de France Chief Executive Jean-Francois Cirelli, who will become the new company's No. 2, spoke about "strong growth prospects" of the group, to be based in Paris.

The deal gives France a second global player in the politically sensitive energy market, along with Electricite de France, Europe's largest power generator. It comes at a time when Europe is seeking to lessen its dependence on Russian gas and protect energy security.

The new company will be the second-largest electricity producer in France, and the largest gas importer and buyer in Europe, they say.

Jostling for a bigger share of the world's oil and gas resources is increasing as energy prices soar. Research by investment bank Goldman Sachs suggests four countries Brazil, Russia, India and China, or the so-called BRIC countries are grabbing the most market share.

The BRIC's share of the industry's market value has grown from virtually nothing 15 years ago to more than one-third today.

Moscow sent alarm bells ringing across Europe in 2006 when it cut off gas supplies to Ukraine in a price war, curtailing supplies to the European Union that were only reinstated after pressure from western Europe.

The French Finance Ministry noted in a statement that the deal "will boost the energy supply security, notably in gas, of France and furthermore of Europe."

Mestrallet will be chairman and chief executive of the new entity, while Cirelli will become vice chairman and president. The board will be composed of around 20 members, balanced between both companies, Mestrallet said.

Cirelli said representatives of the French state will occupy one-third of the seats on GDF Suez's board.

The new company will seek to grow its businesses outside of Europe, particularly in fast-growing markets, Mestrallet said.

GDF Suez will enjoy synergies of at least 1 billion euros ($1.37 billion) per year by 2013.

The new entity will have an EBITDA or earnings before interest taxes, depreciation and amortization of more than 11 billion euros ($15 billion), Mestrallet said.

With 35 percent of the combined entity, the French government will be the largest shareholder. Prime Minister Francois Fillon hailed the deal and said the state would "keep control" of the new group.

After earlier casting doubt on the combination, President Nicolas Sarkozy gave it new life last week. The project has been mired in political, legal and financial problems since it was arranged by the previous government 18 months ago.

Sarkozy had said as finance minister in 2004 not to privatize GDF. The government will reduce its stake from 79.8 percent.

French unions oppose the deal both the original and updated versions because it requires privatizing GDF.

China, India lead surge in mobile subscribers

AP, Geneva

Asia's booming economic powerhouses of China and India are leading a fresh surge in mobile phone use with nearly 200 million new subscribers between them in the first quarter of 2007, the United Nations telecommunications agency said on Tuesday.

China added 87 million new subscribers in the period and India about 110 million, the International Telecommunications Union said in a report.

Some 61 percent of the world's mobile subscribers are in developing countries, with emerging economic powers China, India, Brazil and Russia at the forefront, the ITU said.

"Growth in the ICT (information and communication technology) sector has been nothing short of buoyant in the past year," the agency said.

By the end of 2006, there were a total of nearly 4 billion mobile and fixed line subscribers and over 1 billion internet users worldwide," it added in the report on prgress towards "next generation" phone and computer networks.

It cautioned however that the world's least developed countries (LDCs) are lagging behind both in terms of mobile phone penetration and high-speed internet connections such as broadband.

AB Bank okays 30pc dividend

Arab Bangladesh Bank (AB) Ltd yesterday declared a 30 percent dividend, according to a press release.

The announcement came at the bank's 25th annual general meeting (AGM) held in the capital.

Presided over by Vice Chairman Sajedur Seraj, the AGM was attended by President and Managing Director Kaiser A Chowdhury and other directors. The bank is celebrating its silver jubilee this year.

PHOTO: AB BANK

AB Bank Vice Chairman Sajedur Seraj speaks at the 25th annual general meeting of the bank held in Dhaka yesterday.

Delhi meet on ADB's strategic framework begins today

UNB, Dhaka

The regional consultation on the review of Asian Development Bank's Long-term Strategic Framework (LTSF) begins in the Indian capital New Delhi today.

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mir Nasir Hossain will attend the meeting.

ADB's developing member countries -- Bangladesh, Bhutan, the Maldives, Nepal and Sri Lanka -- are taking part in the two-day consultation, said a press release.

The FBCCI chief is expected to highlight the activities of ADB's Long-term Country Programme in Bangladesh for private sector development strategies.

Dutch-Bangla Bank, Banglalink sign deal to offer SMS banking

Dutch-Bangla Bank Ltd (DBBL) on Monday signed an agreement with mobile phone operator Banglalink to offer SMS banking services to the clients, says a press release.

Banglalink subscribers will soon be able to use this service to pay their post-paid bills, inquire balance, change pin and get mini statements of their accounts all through SMS, the release adds.

DBBL Executive Vice President & Head of Card Division Moyen Uddin Ahmed and Banglalink CEO Rashid Khan were present among other senior officials at the agreement signing ceremony.

WTO talks threatened by 'deepfreeze'

AFP, Brussels

EU Trade Commissioner Peter Mandelson warned on Tuesday that long-deadlocked WTO talks faced a "deep-freeze" if negotiators fail to make a breakthrough in the coming months.

Time is running out for negotiators to make progress as they begin fresh talks this month at the World Trade Organisation's headquarters in Geneva, he said.

"They have to identify the flexibility they can offer and where they can converge," Mandelson told the BBC in an interview from Brussels.

"That means all of us, including the European Union, I'm not exempting us -- so that we can achieve some sort of breakthrough this autumn."

Lanka, Maldives to jointly promote tourism

AFP, Colombo

Sri Lanka has teamed up with the neighbouring island paradise of the Maldives to woo tourists from China, Russia and the Middle East, officials said Tuesday.

The Maldives, South Asia's most exotic holiday destination, hopes the joint effort will help convince well-heeled tourists to stop in Sri Lanka and then visit the Indian Ocean atoll nation.

"The Maldives offer beach tourism while Sri Lanka offers beach, nature and cultural packages to visitors. We see synergies for joint marketing," Maldivian deputy tourism minister Abdul Hameed Zakariyya told reporters here.

The archipelago attracted more than 600,000 visitors last year, mostly celebrities and big spenders from Britain, Germany, Italy and Japan.

Zakariyya hopes to see 690,000 tourist arrivals by year's end.

Tourism accounts for the bulk of the Maldivian economy of just under one billion dollars, making it the richest nation in South Asia with a per capita income of 2,674 dollars.

Sri Lanka, which attracts around 560,000 holidaymakers, has struggled to fill hotel rooms amid an escalation in violence between government troops and Tamil Tiger rebels.

Colombo is planning to offer a series of discount packages to encourage Maldivians to visit Sri Lanka.

"Around 27,000 Maldivians visited Sri Lanka last year and we hope this partnership will bring in more traffic," said Sri Lanka's deputy tourism minister Faizer Musthapha.

Sri Lanka's 26-billion-dollar economy earned nearly 400 million dollars from tourism last year, the fourth largest foreign currency earner behind tea, clothing and remittances from abroad.

China consumers key to ending reliance on Western markets

AFP, Geneva

China's booming export-driven economy remains vulnerable to any changes in Western consumption patterns but its burgeoning domestic market could lessen this risk, the World Economic Forum said on Monday.

China's retail sector is currently growing at a rate of 13 percent and investors are increasingly focusing on the Asian giant as a source of consumers and not just simply cheap labour, the WEF said in a report on the risks to the global economy.

The report comes ahead of a WEF-sponsored meeting in Dalian, China from September 6-8, called the "Inaugural Annual Meeting of New Champions" and featuring over 1,700 Chinese and Western participants.

The world's economy in general remains dependent on its biggest single market, the United States, where consumption has grown by 3.5 percent per year since 1998, it said.

"It is easy to see why many observers fear the dependency on a single source of demand," the report said, especially given the recent fears of a credit crunch sparked by problems in the US housing market.

US consumption has been funded by debt -- both by consumers borrowing against high house prices, and Asian and oil-exporting countries investing in US Treasury bills, the report noted.

China's abundance of cheap labour has been put to work making goods for export to the US and other Western countries and the country is particularly exposed, it added.

"Dependence on the consumption patterns of US and EU consumers... may be the biggest vulnerability of the Chinese economy," the report said.

The WEF said Chinese industry is currently at a "turning point" amid rising wage pressures, and shrinking profits as domestic competition picks up in the manufacturing sector.

PHOTO: MASTHEAD PR

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