



**PHILIPS**  
sense and simplicity  
Home Theatre System  
Model No.: HTS 3357  
TRANSCOM ELECTRONICS 8855366-8, 01712-665463

**Stocks**

DGEN	2.01%
2,972.08	
CSCX	3.39%
5,209.89	

(Tuesday closings)

**Asian Markets**

MUMBAI	0.81
16,086.83	
TOKYO	0.30
12,706.63	
SINGAPORE	0.17
2,995.22	
SHANGHAI	0.63%
3,606.86	

**Commodities**

Oil	\$101.83 (per barrel)
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SOURCE: AFP

**More News**

**Rangpur potato export to increase this year**  
Potato export from Rangpur region will be increased this year, thanks to bumper potato production and lower prices. The exporters expect they would export around 2,000 tonnes of potato especially to Malaysia and Singapore.

**First-ever REHAB polls Saturday**  
The first-ever election to the executive committee of Real Estate and Housing Association of Bangladesh (REHAB) for a one-year term (2008-09) is going to be held on March 29.

## Robust growth in tourism forecast on port entry visa

JASIM UDDIN KHAN

Tour operators, travel agents and guesthouse owners see a tremendous growth in tourism sector if the government allows tourists visas on arrival at airports.

"If the government lifts visa restrictions for visitors from Europe, USA and other western countries, around 20 lakh foreign tourists will come to Bangladesh in a couple of years," AKM Bari, managing director of MB Travels Ltd and general secretary of Association of Travel Agents Bangladesh (ATAB), said, pointing to the fact that it requires 15 to 20 days now for a Bangladeshi visa even for an European citizen.

He wondered in such a situation how foreigners feel encouraged to tour of Bangladesh.

"But if the government allows them arrival visas many tourists who visit Tajmahal in India will come and stay in Bangladesh," Bari said, adding that as it will reduce cost the foreigners will add a new country to their tourism diary.

Hafizul Islam, an international tour operator in Bangladesh, identified the present strict visa policy as one of the main reasons behind the foreign tourists' unwillingness to visit Bangladesh.

The government can introduce an online visa tracking

system by bringing all the land ports and airports connecting through internal network and can monitor visitor's entry and exit date and time automatically, Islam suggested.

Sadique Ahsan, president of Bangladesh Hotel and Guest House Owners Association and owner of the Hotel de Crystal Garden, said if the government formulates a tourism-friendly policy, the private sector will go for infrastructural development. According to unofficial statistics, in 2007 arrivals of foreign tourists in Bangladesh grew by 35 percent over the corresponding year, but the actual growth in the last five years is almost nil.

In the year 2007, 2 lakh 70 thousand tourists visited Bangladesh, while the number was 2 lakh in 2006. However, the number of visitors was 2 lakh 80 thousand in 2003.

Tour operators and Bangladesh Parjatan Corporation (BPC) officials said the visit by foreigners to the country increased last year as many donors' representative and climate change volunteers came here to see the destruction of cyclone Sidr.

They said a sudden surge in arrivals by garment buyers also helped increase the number of tourists in the year.

When asked, Bangladesh Parjatan Corporation Chairman (BPC) Shafique Alam Mehedi said the BPC will



SYED ZAKIR HOSSAIN

A file photo shows a group New Zealanders trekking through Jaamtola of Katka island in the Sundarbans on February 19, 2008. Tour operators see robust growth in tourism if the government allows tourists visas on arrival.

submit a proposal with regard to arrival visa for tourists to the Ministry of Tourism and Civil Aviation.

The government recently decided to turn BPC into National Tourism Authority soon for better exploitation of the potentials of the country's tourism sector.

According to tour operators, Bangladesh has many attractions that still remain unknown to many tourists. It has mountains, large coastline, mangroves and rain forests, marshland and island. This diversity makes Bangladesh fairly rich in flora and fauna.

According to official sources, around Tk57 crore, which is 2.1 percent of the total government

expenditure, has been earmarked in the national budget of the current fiscal (2007-08) for the tourism sector.

The National Tourism Authority will be set up through the enactment of Tourism Act as the government now looks forward to complete privatisation of the prospective sector.

Two committees comprising representatives from the government and the BPC have already been formed in this regard.

The government is carrying out a survey to find out the country's unexplored tourist spots side by side modernising the existing natural areas, the BPC chairman said.

### ARRIVAL OF FOREIGN TOURISTS IN BANGLADESH

2003	2.80 lakh
2004	2.10 lakh
2005	2.30 lakh
2006	2 lakh
2007	2.70 lakh

Meanwhile, worldwide tourists movement reached 898 million in 2007, according to the World Tourism Organisation.

This affiliated body of the United Nations forecast that by 2010, international tourist arrivals will reach 1 billion annually.

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## Bangladesh Parjatan Corporation chairman says the government is carrying out a survey to find out the country's unexplored tourist spots side by side modernising the existing natural areas

## United Airways to fly beyond border soon

REFAYET ULLAH MIRDHA, back from Sylhet

Local private airline United Airways is going to operate on international routes from the middle of this year, said Chairman and Managing Director of the carrier Captain Tasbirul Ahmed Choudhury yesterday.

Ahmed was talking to a group of journalists at the Osmani International Airport in Sylhet after inaugurating a flight on Dhaka-Sylhet route with the carrier's own 37-seated second Airbus.

Bangladesh government has given go-ahead to the airline, a venture of non-resident Bangladeshis (NRBs), to fly on six international routes including Kolkata, Kathmandu, Bahrain, Kuala Lumpur and Dubai, according to Ahmed.

"I am hopeful that my company will be able to buy some new Airbus soon to fly on international routes," he added.

The airline will at first launch flights from Dhaka to Kolkata and Kathmandu, the chairman of the carrier said.

United Airways started its maiden journey in July 10 last year with a Canadian Dash 8-100 Airbus, which was purchased at around Tk35 crore.

"As the country's air passenger business is booming, we are going to expand both



domestic and international operations gradually," he said.

Experts said bulk of foreign currency has been drained out of the economy due to failure of national carrier Biman, which has been losing out its market share to foreign carriers that enjoy about 90 percent of total volume of passengers from Dhaka.

United Airways, the first-ever public limited company in aviation sector, is now operating three flights on Dhaka-Chittagong, two flights on Dhaka-Sylhet, one flight on Dhaka-Jessore routes 7 days a week and three flights on Dhaka-Cox's Bazar route a week.

Presently, there are some 600 shareholders of the airline, most of whom are NRBs living in the UK.

With an authorised capital of Tk 100 crore, the company has plans to invest Tk 2000 crore over the next five years in the business, chairman the airline said recently.

Besides state-run Biman, four private airlines are currently in operations on domestic routes. These are GMG Airlines, United Airways, Best Aviation and Aviana Airways.

## Govt needs to push private banks for more farm loans

### Says Prime Bank MD

SAJJADUR RAHMAN

The government needs to push private commercial banks to disburse more agriculture credit, which remains a less preferred area for the banks, to spur rural economy, a top banker has said.

"The government should also give incentives to banks for disbursing increased farm loans," M Shahjahan Bhuiyan, managing director of Prime Bank, said on Monday.

Bangladesh's agriculture sector will not develop unless private commercial banks expand their activities in rural areas, Bhuiyan added.

Banking sector people say the private banks have a huge amount of idle money.

Bhuiyan said the banking sector in Bangladesh has about Tk 15,000 crore idle money despite the fact that farmers borrow at 50 percent interest rate from traditional money-lenders to meet their financial needs during peak farming seasons.

"If the commercial banks give the farmers' credit at 12 percent interest rate, the farm production will rise significantly," he said adding that in many areas arable land remains underutilised because of fund crisis.

Disbursement of agricultural loan was Tk 5,293 crore in fiscal 2006-07, according to the central bank report. Of the disbursed loan in fiscal 2006-07, Bangladesh Krishi Bank alone disbursed 51.86 percent of total loans followed by 19.42 percent by the nationalised commercial banks.

The Bangladesh Bank report however said the private banks' lending to agricultural sector in fiscal 2006-07 increased significantly to Tk 1,117 crore. However, the BB report said private banks' lending to the farm sector is still low.

The central bank can set farm credit target for banks and reduce tax for the banks that disbursing more farm loans to promote rural economy.

Bangladesh has been struggling to deal with food grains crisis for a couple of years due to shortage in domestic production and price hike in international markets. The country needs about three crore tonnes of food grains a year. Twin floods and a deadly cyclone damaged crops badly last year.

The agriculture sector achieved a moderate growth of 3.2 percent in fiscal 2006-07 against 4.9 percent in the previous fiscal year.

"Lower disbursement of agricultural loan than that of

the previous year was also imperative in this regard," a central bank report said.

Bhuiyan said, "Currently, Prime Bank finances most of its agricultural credits through NGOs."

The managing director also spoke on the bank's product diversification, corporate social responsibility, Islamic banking, and the role of directors in the private banking sector.

Prime Bank is one of the leading second generation private banks that started operations in mid 90s. It made an operating profit of Tk 326 crore in 2007, an increase of 52.83 percent from the previous year.

Currently the bank has taken a strategic shift towards developing and expanding the small and medium enterprises and agriculture financing.

The SME investment stood at Tk 102 crore in 2007, a growth of 133.58 percent from the previous year, according to the bank statistics.

The bank opened some 8 rural branches in the last two years. This year it has a plan to open at least 3 branches to boost rural banking, Bhuiyan said.

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## Diverting food products to biofuels leads to hike in global food prices

Says Indian finance minister

AFP, Singapore

Indian Finance Minister P. Chidambaram on Wednesday criticised countries like the US for diverting farm products to produce biofuels, saying this had led to soaring global food prices.

While growing demand was one reason for skyrocketing food prices, the use of agricultural products to make biofuels was another cause, he told a public lecture organised by the Lee Kuan Yew School Public Policy in Singapore.

"It has been estimated that nearly 20 percent of corn grown in the United States is diverted for producing biofuels," he said in his speech to academics, students and diplomats.

"As citizens of the world, we ought to be concerned about the foolishness of growing food and diverting it into fuel."

Chidambaram slammed the "lopsided priorities of certain countries" that produce fuel at a cheaper cost to meet the transport needs of a certain section of their population even if it leads to higher food prices elsewhere.

The price of many food commodities has soared worldwide to record levels over the last year due to booming demand in fast-growing Asian countries as well as the increased use of biofuels.

Present-generation biofuels are derived from food crops such as corn, sugar cane and soybeans.

Biofuels were initially viewed as an environmentally-friendly alternative with no geopolitical risk compared with dirty fossil fuels, but they are now under attack as some unintended consequences

emerge.

Speaking at a forum after his speech, the Indian finance chief said countries producing large quantities of food should sell it to the rest of the world at reasonable prices.

"But a very insular selfish approach encourages them to convert food into fuel. I think it is the most foolish thing that humanity can do," he said.

"There are non-food items that can be produced to make biofuels... To convert corn to fuel... I think it's outrageous and it must be condemned."

Chidambaram, who spoke on the challenge of sustaining economic growth amid global uncertainty, said the relentless rise in food and commodity prices have put an "enormous problem" on developing countries.

The price of oil, for example, has risen from 34 US dollars a barrel in 2004 to more than 110 US dollars a barrel recently, he said.

Urea, a fertilizer, cost only 175 dollars per metric tonne in 2004, rising to 288 dollars in April 2007 and 370 dollars as of January this year, he said, adding that the prices of metals and minerals have also risen sharply.

Palm oil cost 471 dollars per metric tonne in 2004, rising to 1,177 dollars by February 2008, he said.

He said organisations such as the Group of 20 biggest economies and the Group of Seven industrialised countries should get together and agree on a band for oil prices to either rise or fall.

"If we are serious about ending poverty, the place to start is to make food and fuel available at reasonable prices," he said.



M Shahjahan Bhuiyan, managing director of Prime Bank, says Bangladesh's agriculture sector will not develop unless private commercial banks expand their activities in rural areas.

**DISBURSEMENT OF FARM LOAN BY PRIVATE COMMERCIAL BANKS**

Year	Disbursement
2005-06	Tk 334 crore
2006-07	Tk 1,117 crore

SOURCE: BANGLADESH BANK

**DISBURSEMENT OF FARM LOAN BY NCBS AND SPECIALISED STATE-RUN BANKS**

Year	Disbursement Target	Actual Disbursement
2004-05	Tk 5,538 crore	Tk 4,957 crore
2005-06	Tk 5,892 crore	Tk 5,496 crore
2006-07	Tk 6,351 crore	Tk 5,293 crore

SOURCE: BANGLADESH BANK

B-3

### International



This file picture shows the Land Rover and Jaguar car manufacturing plant at Halewood in Liverpool in England. The joint leader of Britain's biggest union, Unite, said Wednesday that India's Tata Motors had clinched a deal to buy British luxury car makers Jaguar and Land Rover from US group Ford.

Japan enjoys brisk exports  
Japanese exports maintained brisk growth in February as strong demand from Asia and Europe offset the impact of falling shipments to the ailing US economy, the government said Wednesday.

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### Bangla Biz Lexicon

Chander Gari a locally assembled vehicle with a chassis of old jeep. It is a popular form of transport in the hilly regions particularly in Chittagong.

### Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)