

Asian Markets

MUMBAI	▼	5.33%
		12,402.84
TOKYO	▼	1.26%
		11,743.61
SINGAPORE	▼	2.08%
		2,361.34
SHANGHAI		Closed

Currencies

	Buy Tk	Sell Tk
USD	67.95	68.95
EUR	97.03	101.52
GBP	122.60	127.74
JPY	0.63	0.67

SOURCE: STANDARD CHARTERED

Commodities

Gold	▼	\$872.43 (per ounce)
Oil	▼	\$100.25 (per barrel)

SOURCE: AFP
(Midday London Trade)

More News

Aziz sees no effect of US turmoil on local economy

Finance and Planning Adviser Mirza Azizul Islam yesterday said the country's economy, having no major stress at present, is unlikely to be affected largely due to the near recession in the United States and elsewhere.

BSTI resumes special anti-adulteration drive

Bangladesh Standard and Testing Institution (BSTI) is set to kick off a special drive across the country to check the sales of adulterated food and other commodities that caused serious public health concern. The decision was taken at a meeting at the industries ministry Monday, chaired by Mahbub Jamil, special assistant to the chief adviser.

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International

Crisis slams European banks



A 700-billion-dollar deal to save the US economy awaited approval Monday but the global crisis swept on regardless, hitting European banks, slamming stocks and freezing money markets. Several European banks were being rescued or were under stock market attack Monday, with Belgian-French bank Dexia the latest in line after Fortis and Bradford & Bingley.

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Asian stocks tumble despite US bailout deal

Asian stocks tumbled Monday despite a deal being reached in Washington on a massive bailout plan for the US finance market and as the global credit crisis spread to Europe.

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Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Tourism takes root in Eid

SAYEDA AKTER

Guesthouses and hotels in tourist spots have almost been booked out due to pressure from local tourists seeking to spend long Eid holidays with their loved ones.

Industry people said the tourist flow would double this year as the Eid and Durga Puja, the two major festivals, will be observed in a space of a week. The increased flow is fed by a growing habit of the urban middleclass to travel inside the country at affordable prices.

Ninety percent of the hotels and resorts in Cox's Bazar, the country's main tourist spot, have recorded full early bookings, said industry people.

Motel Shoibal, the biggest motel of Bangladesh Parjatan Corporation in Cox's Bazar, has been booked in advance early this month for a week after the Eid.

"Usually, the tourism season starts in mid-October but this year it will start at the beginning of the month due to the Eid and Durga Puja," said Sujit Barua, general manager of the motel.

He said the habit of urban middleclass to travel inside the country during festivals has developed much in the past five years, and 30 percent of the total income comes during this period.

Shoibal has five exclusive cottages, 62 rooms and a dormitory with an accommodation capacity of 300 guests, Barua said.



ZOBAER HOSSAIN SIKDER

A scenic view of Cox's Bazar beach. Guesthouses and hotels in most attractive tourist spots have almost been booked out ahead of Eid holidays.

The tourist flow will continue through the next 15 days after the Eid day, but the flow will peak a week after the vacation.

There are around 65 hotels and motels in Cox's Bazar with a combination of plush five-star hotel and low-end hotels and motels.

Seagull, a five-star hotel in Cox's Bazar, has registered around 95 percent booking, said Masoom Iqbal, managing director of the hotel. The rest of the occupancy is reserved for government officials.

He said the bookings made are mainly for the next week after Eid and most of the tourists

are local people from across the country.

Mid-end hotels in Cox's Bazar, such as Albatross, have also been fully booked for five days after Eid, said Faysal Tito, manager of the hotel.

Besides Cox's Bazar, other tourist spots such as Rangamati, Kuakata, Bandarban and St Martin's island are also popular to the domestic tourists and are getting good response.

Nazrul Islam, project head of BPC's newly established Mirinja Tourist Complex at Bandarban, said they have registered around 65 percent advance bookings. "We will

take booking until Eid."

Rezaul Raihan, general manager of Blue Marine resort in St Martin's island, also said occupancy rates remain high during Eid and the festival plays a big role for encouraging domestic tourism even beyond the peak season from mid-October to March.

Along with the country's major tourist belt in the southern region, tourists will also flock to different other resorts, and early bookings are high there.

There are around 20 resorts in the country -- all built in private initiatives, and among them at least 12 resorts are open to the public.

The resorts such as Jamuna and Elenga close to Jamuna Bridge, Royal Resort in Tangail, Blue Marine in St Martin's, Zastate and Nazim Garh in Sylhet have already been booked.

ANM Shahjahan, project manager of Jamuna Resort, said the resort with 110 rooms has been booked out for five days after Eid.

"We have already registered 70 percent reservation even for the Eid day and it's quite common in recent years to gain 100 percent occupancy in times of festivals," he said.

The tourism trend has driven many tour operators to offer holiday packages to different tourist spots in the country.

Different tour operators such as the Guide Tours, River and Green, and Unique Tours Bangladesh are offering tour packages for Eid.

Complaints linger.

Many tourists claimed that most hotels and motels in Cox's Bazar are overcharging for advance booking.

But the hotel owners and management denied the complaints.

Shafique Alam Mehdi, chairman of BPC, said the changed lifestyle has been a major reason for the domestic tourism boost.

"This year Cox's Bazar will attract more tourists, as it battles to win the top position of the New Seven Natural Wonders of the world," he said. [sayeda@thedailystar.net](mailto:sayed@thedailystar.net)

BB set to make bank services less costly

REJAUL KARIM BYRON And SAJJADUR RAHMAN

Customers will be able to take balance confirmation certificates from banks for free twice a year, according to a decision of Bangladesh Bank (BB).

Also, the banks will be allowed to charge only Tk 100 for a certificate to be used to open a beneficiary owner account, down from a rate that ranges between Tk 200 and Tk 500 now.

"The BB has taken the decision in consultation with the Bankers Association of Bangladesh (BAB) and Association of Banks, Bangladesh (ABB)," a senior official with the central bank told The Daily Star yesterday.

A circular is expected to come out today.

The central bank's directives asked all scheduled banks to rationalise its charges, fees and commissions, which businessmen say are too high.

Different banks charge customers for 51 categories of service in transactions, which, according to the BB, increases the prices of both export products and local consumer items.

BB officials said the banks take 25 types of charges and commissions for import-related transactions and 14 types for export transactions. In addition, 12 types of fees are charged for local transactions.

The new BB directives said the banks must issue balance confirmation certificates for free twice a year. "If anyone asks for a statement more than twice a year, they may be charged a maximum of Tk 200," the BB said.

The central bank lifted

charges on foreign correspondence (local part) and cancellation of letters of credit (LCs) or expired LCs.

Costs of mailing, courier, telex and SWIFT must be on the basis of actual expenditure for LC transmission, amendment, confirmation, cancellation and foreign correspondence charge, according to the BB instructions.

The central bank also reset the quarterly commission for LC opening at 0.50 percent.

LC advising charges may be a maximum of Tk 1,000 and the charges for LC acceptance will be 0.40 percent on a quarterly basis. The charges for issuing back-to-back LCs, C&F certificates and certificates for realisation of export prices have been set at Tk 500.

"Banks will be asked to send in a list of the charges and fees on a half yearly basis -- in July and January," the draft of the circular said.

In case of any change in charges and fees, banks have to inform the related division about it and post information on banks' websites.

The BB could further rationalise the charges in consultation with banks, it said.

Although the BB cut some charges, it did not take any move on "high charges" for closing a bank account, customers said.

Earlier in a report, the central bank said a government-owned bank did not charge clients for account closure while private commercial banks charge from Tk 300 to Tk 500. Foreign commercial banks took as high as Tk 1,000.

3 mobile operators get extra spectrum

New Spectrum		
Mobile operator	Current spectrum	Previous spectrum
Grameenphone	21.9MH	14.5MH
Banglalink	17.5MH	12.4MH
Aktel	17.8MH	12.8MH
Warid		15MH (unchanged)
Citycell		10MH (unchanged)
Teletalk		15.2MH (unchanged)
Total	97.4MH	79.9MH

STAR BUSINESS REPORT

The telecom regulator yesterday allocated 17.5 MHz additional spectrum to three top mobile operators at a cost of Tk 80 crore per MHz.

The additional spectrum will help relieve the operators from customers' complaints of call dropping and network congestion.

As per the reorganised spectrum, Grameenphone will have 21.9 MHz along with newly allocated 7.4 MHz. Banglalink and AKTEL's spectrum will be 17.5 MHz and 17.8 MHz along with new allocation of 5.1 MHz and 5 MHz respectively.

"We have allocated required spectrum to the three mobile operators. I think with the new allocation, the operators will provide better service," said Maj Gen (ret'd) Manzurul Alam, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), after a meeting with senior officials of the top three operators.

Spectrum is important in wireless communications where it is mathematically related to the wavelength. It is required as per the growth in customers.

The operators who have long been demanding additional spectrum are Grameenphone, Banglalink and AKTEL, having 90 percent of the total mobile market share.

The cellphone companies will have to make 25 percent down payments of the allocated spectrum costs by next month. The rest of the amount can be paid through instalment within a six-month

period.

BTRC will earn Tk 1,400 crore for allocating 17.5 MHz spectrum. It is the first time in Bangladesh that operators are paying for spectrum.

"We agreed with the price. But we urged the regulator to keep the new allocation near our existing spectrum so we can get maximum benefits," said a high official of an operator, who attended the meeting with BTRC.

Meanwhile, the telecom watchdog defended yesterday its drive against irregularities by different mobile phone operators.

BTRC chief told a press meet that his organisation functioned in a way what it should be to ensure compliance in the industry.

"What we did in the last 18 months is completely ratified by the law of the land. Had we been silent over the illegal practices of mobile phone operators, we would have shown negligence to our duty," Major General (ret'd) Manzurul Alam said.

The BTRC chief also hoped that the next political government would facilitate the regulator to go ahead with its drive against any illegal practices, especially international call termination, or VoIP business by the land and mobile phone operators, which it started after a shake-up in the organisation's administration.

The present government made a reshuffle in the BTRC in April 2007, as it came under fire for its silent spectator's role in curbing irregularities in the functions of cell phone operators.

Citigroup to take over Wachovia banking assets

AFP, Washington

Citigroup yesterday agreed to a takeover of Wachovia Bank in a deal backed by regulators and which gives the government a stake in one of the nation's biggest banks.

The takeover marks another shakeup for the troubled US banking sector saddled with heavy losses from the bursting of the real estate bubble.

It came as Wachovia faced a near collapse of its share price and weakening confidence because of its exposure to troubled mortgage assets.

First news of the deal came from the Federal Deposit Insurance Corp. the banking industry regulator, which helped facilitate the takeover.

"Wachovia did not fail; rather, it is to be acquired by Citigroup Inc. on an open bank basis with assistance from the FDIC," the government agency said.

The engineered bailout came a day after President George W. Bush's administration and Congress struck a deal on a landmark 700-billion-dollar bailout of the banking system in a bid to avert a wider economic crisis.

The government will get a stake in Citigroup in exchange for guaranteeing a large portion of the distressed Wachovia assets linked to housing.

Citi will assume up to 42 billion dollars of losses from a pool of 312 billion dollars of loans held by Wachovia; the FDIC will absorb losses beyond that and take a stake in Citigroup for the guarantee.

Citigroup granted the FDIC 12 billion dollars in preferred stock and warrants to compensate the agency for bearing this risk.

Under the agreement, Citigroup will pay 2.1 billion dollars in stock to Wachovia and assume the senior and subordinated debt of Wachovia Corporation, the companies said.

Heartiest Eid Mubarak from AKTEL

Best Service
Best Network