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## Stocks

DGEN ▼ 0.16%  
2,931.86

CSCX ▼ 2.08%  
6,504.17

## Asian Markets

MUMBAI ▲ 0.37%  
16,183.55

TOKYO ▼ 0.78%  
10,312.14

SINGAPORE ▼ 0.39%  
2,650.48

SHANGHAI ▲ 0.54%  
2,946.26

## Currencies

	Buy Tk	Sell Tk
USD	68.42	69.42
EUR	97.48	102.46
GBP	111.12	116.56
JPY	0.73	0.81

SOURCE: STANDARD CHARTERED BANK

## Commodities

**Gold** ▼  
\$996.95  
(per ounce)

**Oil** ▲  
\$71.22  
(per barrel)

SOURCE: AFP  
(Midday Trade)

## News in Brief

### Marriott plans 21 new Asian hotels

AFP, Hong Kong

Hotel group Marriott International announced Wednesday it was planning 21 new hotels in Asia, despite the impact of the global economic slowdown on travel and demand.

The company already has 37 hotels under construction across the region, meaning that it will have built 58 new hotels by 2013, creating an estimated 24,000 jobs.

"We are excited by these spectacular, architecturally interesting additions to our already dynamic Asia-Pacific pipeline especially since this growth is occurring in the context of the difficult global economy and tight credit markets," said Ed Fuller, president of international lodging.

### Dollar falls, gold near \$1,000

AFP, London

The dollar languished close to its 2009 low against the euro on Wednesday, weighed down by increased risk taking and speculation about its future role in global trade, analysts said.

Dollar weakness kept the price of gold near 1,000 dollars an ounce.

In late morning trade here, the European single currency climbed to 1.4497 dollars from 1.4480 dollars in New York late on Tuesday. Earlier Tuesday, the euro had reached 1.4535 dollars, the highest level since December 18.

On Wednesday, the dollar rose to 92.53 yen from 92.31 yen on Tuesday.

## 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)

# Bangladesh moves down ranks despite reforms

## Says Doing Business 2010 report

STAR BUSINESS REPORT

Bangladesh fell four notches to the 119th position in a survey of 183 nations, mainly because of slower reforms, said the Doing Business 2010 report released globally yesterday.

The slip came despite three major reforms undertaken in the reported period (June 2008 to May 2009), it said.

"Despite successful reforms in the three areas, the country slipped a few places in the global ranking. This is because these reforms were not aggressive enough," said Syed Akhtar Mahood, senior programme manager of Bangladesh Investment Climate Fund, managed by International Finance Corporation (IFC), at the launch of the report.

The World Bank explains that Bangladesh has reformed in three areas, but other countries have done more.

This is the seventh 'Doing Business' report published jointly by the WB and IFC. The report helps both local and foreign businesses understand business regulations in a country.

Among South Asian nations, Pakistan tops the list with the 85th position, followed by the Maldives at 87, Sri Lanka at 105, Nepal at 123, Bhutan at 126, India at 133 and Afghanistan at 160.

Of the 183 countries considered for this year's report, a record 133 nations carried out over 200 reforms.

The report covers 10 indicators affecting businesses -- dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.

### DOING BUSINESS REPORT: SOUTH ASIA

Position	Country	Area of Reforms
85	Pakistan	Starting a business
87	The Maldives	Employing workers
105	Sri Lanka	Getting credit, dealing with construction permits
119	Bangladesh	Starting a business, paying Taxes, trading across borders
123	Nepal	Registering property
126	Bhutan	No major reform was recorded
133	India	Closing a business
160	Afghanistan	Starting a business, registering property and getting credit

Bangladesh has been recognised as the most active reformer in South Asia, implementing three reforms -- introduction of an online company registration system, corporate income tax cuts and expedited cross-border trade by automating customs clearance systems.

The report said Bangladesh has simplified business start-up by implementing an online company registration system, reducing the time required from 35 days to just a day.

Bangladesh also reduced the corporate income tax rate from 40 percent to 37.5 percent, while increasing the capital gains tax rate from 5 percent to 15 percent.

The time required to acquire a bonded warehouse was reduced by three months, while the time needed to register property dropped by

nearly 200 days. Trade was expedited by an automation of customs clearance at the Chittagong Port as it condensed the time required to clear goods, the report mentioned.

However, the report suggests Bangladesh needs to adopt a more strategic and institutionalised approach to regulatory reforms to keep up with an increasingly competitive global environment where other countries are reforming fast.

"To ensure the country retains its competitive edge, Bangladesh needs to spread its reforms across more regulatory areas," said Mahmood in a videoconference from Nepal.

He said the reforms need to be deeper and implementation faster.

"So it is vital for Bangladesh to strengthen the Regulatory Reform Commission," he added.

Of the other South Asian nations, India improved its score on the 'closing a business' indicator by taking steps to ease resolution of insolvency cases.

Nepal lowered property transfer costs. Pakistan eased business start-up procedures by introducing an e-service registration system, while Sri Lanka improved its access to finance indicator.

For the first time, a Sub-Saharan African economy, Rwanda, led the world in 'Doing Business' reforms in seven out of 10 indicators. The Arab Republic of Egypt, Liberia, Moldova, the Kyrgyz Republic and Tajikistan joined Rwanda on the list of global top reformers.

Singapore topped the list for the fourth consecutive time, followed by New Zealand in the second and Hong Kong in the third position.

# Fresh air blows in tourism

## Prime minister heads National Tourism Council



The much-ignored tourism sector is expected to get a boost in the days to come, as the government has formed a high-powered national body led by the prime minister. Two other committees have also been put in place to coordinate development efforts in the sector.

MD HASAN and SAYEDA AKTER

The government has moved to give a breath of fresh air to the ignored tourism sector by forming a high-powered national body, headed by the prime minister.

The government issued a gazette on the formation of the council on August 31. A similar body was formed in 1992 but was not functional.

The new 11-member council will approve all national and regional plans for tourism development and infrastructure development decisions and deal with tourism laws.

For the first time, the government is going to offer financial support to private sector tourism entrepreneurs via the 'National Tourism Council-2009'.

The ministries of finance, home, local government, land, civil aviation and tourism, foreign, environment and forest, cultural affairs and CHT affairs have been included in the council.

According to the gazette, the related ministries will be compelled to execute the decisions

taken by the council. In addition to the council, another high-profile committee headed by the finance minister and the national advisory council for tourism have been formed to coordinate development efforts in the sector.

"These three bodies will work simultaneously to coordinate and monitor development that will be assigned by the different ministries," GM Quader, civil aviation and tourism minister.

These bodies will take prompt decisions to gear the tourism sector, which has been ignored despite having the potential to contribute greatly to the national economy, he said.

To facilitate private stakeholders, the minister said, "Duty exemptions on the import of tourism equipment and lower bank rates for tourism developers will be offered."

The minister said private stakeholders will be included in the national advisory council, to receive feedback.

Bangladesh's tourism sector is hanging by the thread, despite

having some of the most exclusive sites in the world.

Tourism in neighbouring India, Nepal and Bhutan is flourishing by the day due to combined inactivities taken by both the private and public sectors, and contributing significantly to their economies.

According to the 'Tourism 2020 Vision' forecast by the World Tourism Organisation (WTO), international arrivals are expected to reach over 1.56 billion by the year 2020, of which, 1.2 billion will be intra-regional and 0.4 billion will be long-haul travellers.

The total tourist arrivals by region shows that by 2020, the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and the Americas (282 million), followed by Africa, the Middle East and South Asia.

East Asia and the Pacific, South Asia, the Middle East and Africa are forecasted to record growth at rates of over 5 percent a year, compared to the world average of 4.1 percent.

According to civil aviation and tourism ministry statistics, a total

of 4.67 lakh foreign tourists visited Bangladesh by 2008-end, which was a sharp rise from 2.65 lakh in 2007, two lakh in 2006 and 2.07 lakh in 2005.

The government earned Tk 612 crore from the tourism sector in 2008. However, the sector has performed below its potential. Political uncertainty and a lack of security at the tourist spots mainly hinder growth of the sector.

Experts have also expressed doubts over the effectiveness of the changes that will follow formation of the new council.

"I don't see any new hope with forming the council," said Hasan Mansur, tourism expert and managing director of The Guide Tours.

He said such a body was formed previously in 1992, but they sat for a meeting only once in 17 years, which naturally frustrated the initiative.

However, the new government has voiced plans to develop the tourism sector as one of the major earners. [hasan@thedailystar.net](mailto:hasan@thedailystar.net) [sayeda@thedailystar.net](mailto:sayeda@thedailystar.net)



Credit Agricole Chairman René Carron presents a framed French cartoon of the 19th century to Nobel laureate Muhammad Yunus at the end of a meeting of Grameen Credit Agricole Microfinance Foundation, in Dhaka recently. The first cartoon (L) depicts money-lenders in rural France preying on farmers. A second cartoon depicts the arrival of Credit Agricole to intervene to save them.

# ADP still in slow pace

REJAUL KARIM BYRON

Though the government took an ambitious development programme this fiscal year, it could spend only 2 percent or Tk 482 crore of allocation in the first month.

The implementation rate was below the expectation in consideration of a bigger annual development programme (ADP).

An ADP of Tk 30,500 crore was taken for the current fiscal year. The ADP size was between Tk 25,000 crore and Tk 26,000 crore in the last three fiscal years and later in the revised budget it was cut by Tk 3,000 crore-Tk 4,000 crore.

But the government failed to implement ADP to the tune of Tk 20,000 crore.

Though 2 percent was implemented in the first month this year, the rate was one percent in the same month of the last three fiscal years.

However, in the first month of the current fiscal year 7 percent or Tk 1205 crore has been released. Of the total expenditure, local component implementation was one percent or Tk 232 crore and project aid implementation was 2 percent or Tk 250 crore.

Of the 48 ministries and departments, 24 failed to spend a single taka in the first month, said Implementation, Monitoring and Evaluation Division (IMED).

# SEC to probe Navana CNG share trade

SARWAR A CHOWDHURY

The Securities and Exchange Commission yesterday formed a probe committee to investigate 'unusual' share trading of Navana CNG, which received a bonanza from the market through offloading shares directly within a record low time.



The stock market regulator also asked the committee to submit the probe report within October 8.

The two-member body, headed by SEC Executive Director ATM Tariquzaman, was formed after the market watchdog observed unusual trade of the company's shares in the stock exchanges through designated brokers into the first five trading days of listing.

The other committee member is SEC Director Mohammad Rezaul Karim.

ICB Securities Trading Company and Sharp Securities were the designated selling agents for Navana CNG.

"The commission formed the probe committee to find out whether there were any irregularities or manipulation," said an SEC high official.

Navana CNG Ltd, a sister concern of Navana Group, debuted on the stock exchanges on August 30 under direct listing method and it offloaded a major portion at high prices in the first five trading days.

It sold half of its shares, or 1.81 crore ordinary shares of Tk 10 each, within just seven trading days.

On the first day, the price of a Navana CNG share rose as high as Tk 270 before closing at Tk 190.48.

The average price of the shares was between Tk 200 and Tk 205 in the first five days.

The CNG (compressed natural gas) conversion and refuelling company received a bonanza of around Tk 360 crore against Tk 18 crore shares.

The hefty gains made by the private company also prompted Dhaka Stock Exchange to decide against allowing any other private company to join the bourses under direct listing system.

The DSE at a board meeting on Tuesday decided that no companies except the government-owned ones will be listed directly on the stock exchanges.

Earlier, two other private sector companies -- Shinepukur Ceramics and ACI Formulations -- also made hefty business by offloading shares under direct listing system.

To protect such an unusual flight of capital from the market, a special committee formed by the SEC had recommended some amendments to the existing direct listing rules.

But neither the SEC nor the DSE took initiatives to bring changes in the direct listing method based on the recommendation. Besides the three private companies, five government entities -- Desco, Power Grid, Jamuna Oil, Meghna Petroleum and Titas Gas -- were listed directly on the bourses. [sarwar@thedailystar.net](mailto:sarwar@thedailystar.net)

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