

Domestic tourism to feed on long holidays

SAYEDA AKTER

FOR most of Ramadan, Khurshid Alam Suman has been planning a trip to Srimangal with family and friends for the long holidays.

"If people want to get away from the humdrum of everyday lives, it is economical to travel within the country," Suman said, adding that he and his wife try to save up enough to fund a trip every year.

This year, he booked two cottages -- at Tk 1,700 and Tk 1,000 per night -- at the Nishorgo Eco Resort for four nights.

Suman, a merchandiser at a multinational company, how-

ever, is not alone in seeking a quiet getaway during Eid, the country's biggest religious festival, with the number of domestic tourists during this period growing every year.

This year, people will get a vacation stretching 10 days -- ideal for a mini break outside the city. And all the hotels, motels, resorts, guesthouses are fully prepared to handle the rush of visitors.

Thanks to its beach and hill-ocks, Cox's Bazar looks to be the destination of choice once again, with most of its hotels and resorts having been fully booked in advance, according to industry insiders.

Motel Shoibal, the biggest

motel of Bangladesh Parjatan Corporation in Cox's Bazar, is completely booked for the four days following Eid.

"We are fully booked because of the long Eid holiday. Many of our guests will enjoy their Eid here, but the majority of occupants will reach after the Eid day," said Sujit Barua, general manager of the motel.

The tourist flow, mainly 'family vacationers' like Suman, will continue for 8-10 days after Eid, according to Barua.

However, he mentioned rough weather, which may spoil the holidays for beach lovers to some extent.

There are around 200 hotels, motels and guesthouses in Cox's

Bazar, ranging from five-star to budget accommodation.

Seagull, a five-star hotel in Cox's Bazar, is fully booked for the entire week after Eid, said Masud Rabbani, the hotel's manager-in-charge.

Besides Cox's Bazar, Tangail, Sylhet, Rangamati, Kuakata, Bandarban and St Martin's Island are also popular among the domestic travellers.

For travellers wanting to be near the city and still have a quiet time-off, there are resorts near Tangail.

ANM Shahjahan, project manager of the Jamuna Resort near Tangail, said the occupancy at the 110-room resort is full until August 25, with the bulk of the crowd arriving after the Eid day.

"We provide accommodations with leisure activities such as swimming, football, cricket, tennis, boating, cinema and picnics," he said.

A two day-one night stay at the resort costs Tk 4,200, and Tk 7,500 for three days-two nights, said Shahjahan.

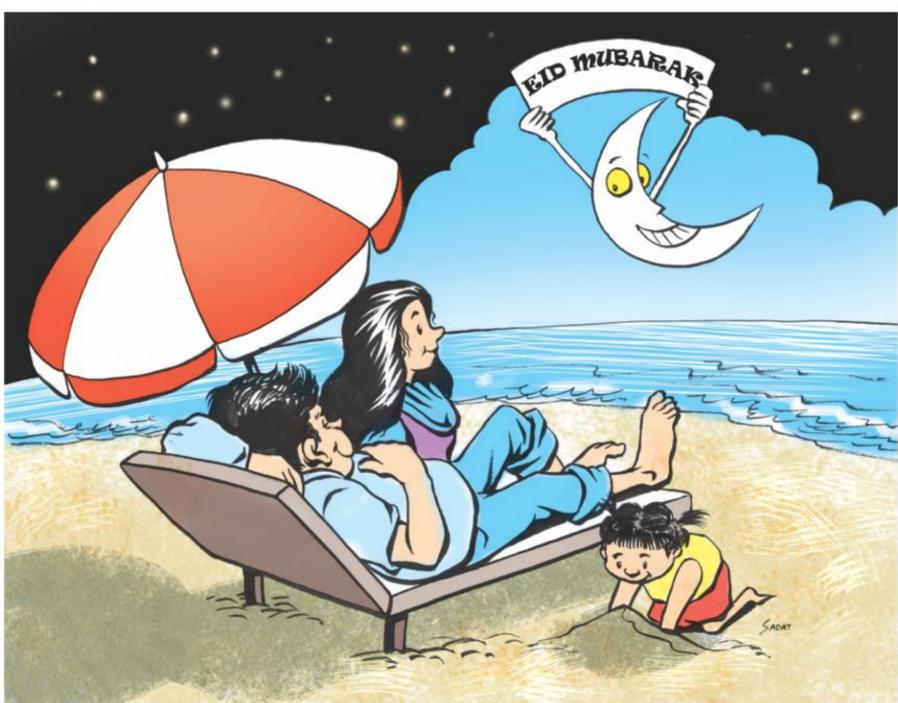
The package includes a welcome drink, mineral water at room, fruit basket, buffet breakfast, lunch and dinner, swimming pool use, entry to Riverside Park and Ananda Park.

Padma Resort on the banks the Padma river, where a night's stay at one of the 16 cottages cost Tk 3,500, has had an 100 percent advance booking as well.

"The occupancy is full for four days after the Eid day," said Mohammad Ali, owner of the resort.

Apart from the sea and riverside getaways, hilly Sylhet, too, has also been attracting a good number of tourists, like Suman and his loved ones.

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YUNUS CENTRE

Nobel Laureate Muhammad Yunus; Sun Yat-sen University President Xi Sheng; Director of Time Weekly Institute at SYSBS Gao Zhan; Shao Zhibao of Postal Savings Bank of China; Grandview Group Vice Chairman Xie Meng; and Chairman of Southern Press Wang Guike launch Yunus Centre for Microcredit and Social Business at Sun Yat-sen University in Guang Zhou in China yesterday.

Chinese university sets up social business centre

STAR BUSINESS REPORT

SUN Yat-sen University in Guangzhou, a 112-year old Chinese educational institute, has set up a Yunus Centre for Microcredit and Social Business to promote poverty focused social businesses.

The new centre at the university will be managed through a partnership between Sun Yat-sen University and Nobel Laureate Professor Muhammad Yunus, who pioneers both microcredit and social business ideas.

It was announced at the inauguration of the International Forum of Microcredit and Social Business organised by the business school of the university and The Time Weekly media group attended by nearly 2,000 faculty and staff members.

The centre will set up sustainable microfinance programmes for the poor in China, and introduce social business in the communities in

Guang Dong province initially, later to be expanded in other provinces, Yunus Centre in Dhaka said in a statement.

Academic courses will be offered through the business school of the university. A team from Yunus Centre and Grameen Trust is working with the faculty and management of the university along with The Time Weekly media group to set up these programmes based on experiences in Bangladesh and elsewhere.

Professor Yunus was chief guest at the forum.

Since 1994, Grameen Trust has been implementing 17 microfinance projects in 10 provinces of China including Hebei, Henan, Yunnan, Inner Mongolia and Sichuan.

During his tour of China, the founder of Grameen Bank addressed business forums in Hong Kong, Beijing and Taipei attended by government representatives, business leaders and students. Each event attracted around 3,000 participants.

StanChart expects to keep New York licence

AFP, New Delhi

Standard Chartered has said it does not believe it will lose its New York banking licence over charges it violated US sanctions against Iran but is preparing for "all possible outcomes".

In an interview published Tuesday, the British lender -- which has a strong presence in Asia, the Middle East and Africa -- has denied US allegations it hid \$250 billion in transactions with Iranian banks for almost a decade.

"We hope we do not lose our licence, we don't believe we should lose our licence and we don't believe we will," Standard Chartered's chief executive Peter Sands told India's Business Standard newspaper in an emailed interview.

Being stripped of its New York licence would effectively deprive the British lender of direct access to the US banking market, analysts say.

"We do not know how this situation will be resolved or when but, as you would expect, we are planning for all possible outcomes," Sands added.

The interview came a day after Britain's Daily Telegraph reported Sands had flown to New York in a last-ditch bid to secure a settlement and avoid a public showdown with US regulators over Iranian money laundering charges.

New York regulators have set Wednesday for a hearing at which the bank must persuade them to allow it to keep its licence to operate in the state.

The New York State Department of Financial Services last week accused the bank of systematically disguising foreign exchange deals with Iran that potentially opened the US banking system to terrorists and criminals.

The transactions mainly involved US dollar transfers for state-owned Iranian banks, including the central bank, that fell under US controls aimed at undermining Tehran's alleged nuclear weapons programme.

Sands said the bank realised when it undertook a review of its "historical compliance" with US sanctions between 2001 and 2007 that "relatively few" transactions "did not comply with US rules."

But "these were good faith mistakes, not malfeasance or an attempt to undermine sanctions", he told the Business Standard in India, where the bank is planning to step up investment.

Standard Chartered seeks "to comply at all times with the relevant laws", Sands added.

The accusations of violating US anti-money laundering rules have hammered the bank's stock market value.

India July inflation near three-year low

AFP, New Delhi

INDIA'S inflation rate hit a near three-year low in July, data showed Tuesday, but analysts said the drop may not be enough to prompt the hawkish central bank to cut interest rates.

The 6.87 percent annual inflation reading in July was down from June's 7.25 percent level and significantly undershot market forecasts as food and fuel prices eased.

"The inflation reading was a positive surprise but it is premature to claim the inflation beast has been tamed. It may be more accurate to say it has been slightly sedated -- but only temporarily," said HSBC economist Leif Eskesen.

While the headline inflation figure had fallen, core inflation -- which strips out price-volatile food items -- rose quite sharply to 5.4 percent from 4.9 percent in June, economists said.

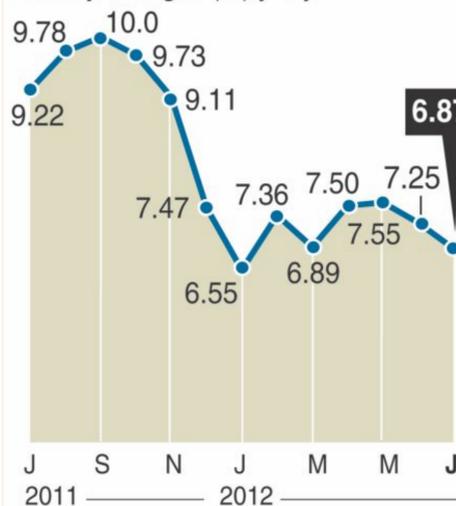
Weak monsoon rains could push food prices back up, they also warned.

"Inflation pressures will continue to remain elevated in the near-term, reducing space for further policy rate cuts," said Goldman Sachs economist Tushar Poddar.

India's Congress-led government, which has its eyes on the 2014 general elections, and business groups have been pressing hard for the central bank to cut interest rates to spur the country's sharply slowing economy.

India inflation

Wholesale price index*
Monthly changes (%) y-o-y



*Provisional government data

AFP

The economy grew by just 5.3 percent between January and March -- its slowest annual quarterly expansion in nine years.

Many analysts forecast full-year growth of five to six percent, far below the near double-digit expansion the economy notched up during much of the last decade.

While that projected growth remains enviable by Western standards it is too slow to fulfil government pledges of significant poverty reduction in the country of 1.2 billion.

But the central bank, which targets inflation of around five percent, has been more worried by rising prices than slumping expansion, unlike its global counterparts which have been easing rates.

"The year-on-year headline inflation figure is quite comforting," said Dariusz Kowalczyk, senior economist at Credit Agricole.

"But what clearly will not be comforting to the central bank is the breakdown of figures which underline that price pressures are still there."

The timing of the next rate cut may depend on whether new finance minister P. Chidambaram starts to push through key economic reforms.

The bank has been insisting the government contain a ballooning fiscal deficit and take "policy actions to encourage investment" which would include removing constraints on foreign direct investment.

"As far as the timing of rate easing, my sense we need it as we need action from the government," Yes Bank chief economist Shubhada Rao said.

Freer fuel price could start Indian chain reaction

JEFF GLEKIN

INDIA'S new finance boss, P Chidambaram, is renowned for his intelligence. Now he has a chance to use it, by producing a good plan to cut the country's mounting fiscal deficit. Last year the budget was in the red by the equivalent of 5.9 percent of GDP, and this year could be even worse. His best bet is to propose deregulation of energy prices. That would give the country a fillip in five ways.

First, freeing up energy prices would lower India's subsidy bill. The

OECD estimates that diesel sops alone costs the government three percent of GDP. The state-owned refiner, Indian Oil Corp, posted its worst ever quarterly loss in the three months ending June. ONGC, the country's largest oil explorer, said discounts it offered to state refiners on crude-oil supplies cut its annual profit in half.

Second, the ability to charge market prices would raise the value of state-owned firms. Coal India sells its output at around 70 percent of international market prices, according to investor The Children's Investment Fund. It

makes \$8.30 of EBITDA per tonne of coal, compared to \$45.70 at China's Shenhua. If Coal India could double EBITDA per tonne that might add \$20 billion to the company's value.

That could lead to another benefit: fatter privatisation revenue if the government continues its programme of divestments. Another 10 percent selloff of Coal India would still leave the state with 80 percent. And a successful part-sale could help Chidambaram build a case for similar moves on diesel.

Fourth, the effect of a market-based pricing system would inevitably lead to

better resource allocation and an increase in supply. This month's power outage, which left half the nation without electricity, demonstrates how critically that's needed.

Finally reform would encourage higher levels of investment as businesses took advantage of higher returns and as foreign capital again got a taste for the India growth story. Achieving that last goal would deliver a huge pay-off to the economy and to the government's own finances - and leave Chidambaram looking clever indeed.

The author is a Reuters Breakingviews columnist.