

Tourism growth hinges on private sector: minister

Faruk Khan speaks at a roundtable to mark World Tourism Day

STAR BUSINESS REPORT

Civil Aviation and Tourism Minister Faruk Khan yesterday urged the private sector to come forward to develop the tourism industry and make Bangladesh a popular tourism destination.

"The tourism industry can flourish through the private sector, not the government. The government will only provide policy support," he said.

Khan spoke at a roundtable on "Tourism and sustainable energy: powering sustainable development", organised by Bangladesh Tourism Board (BTB) as part of World Tourism Day that was celebrated in Bangladesh yesterday, along with the rest of the world.

He said the government will set up a 60MW wind power project with 30 wind turbines on a pilot basis in Cox's Bazar soon. "Each of the turbines will be capable to produce 2MW power."

The energy ministry will place a proposal at the cabinet to this effect soon, Khan said.

The government has withdrawn taxes on solar equipment to encourage entrepreneurs to set up eco-friendly resorts, and also arranged green funding facilities through banks.

"How many of your [private sector] resorts are eco-friendly, and how many of you took the facilities?"

Requesting the private sector to set up eco-friendly resorts, he said the government will award them who will establish eco-friendly resorts. The minister said a government committee is working to modernise the present tourism law.

The government does not need to invest in the tourism sector, said Hasan Mansur, president of Tour Operators Association of Bangladesh.

"The private sector will invest

wherever it needs -- in infrastructure or in energy," Mansur said.

Financing will be a problem, but it can be solved easily if the government cuts interest rates for loans to the sector, he said.

Infrastructure is one of the major problems for flourishing the tourism industry, speakers said, adding that the government should highly concentrate on infrastructure development, especially communication services.

This year's theme aims at highlighting tourism's role in a brighter energy future where the world's entire population enjoys access to modern, efficient and affordable energy services, said Kazi Wahidul Alam, editor of the Bangladesh Monitor, a fortnightly magazine, while presenting a keynote paper.

Alam said the tourism economy represents 5 percent of the world GDP, while it contributes 6-

7 percent of total employment.

Tourism is one of the top five export earners in over 150 countries and the number one export earner in 60 countries, he said. "It is the main source of foreign exchange to one-third of the developing countries and half of the least developing countries."

Around 980 million people travelled internationally in 2011, a 4 percent increase over 2010, and this is expected to reach 1.5 billion by 2020, he said.

Akhtaruzzaman Khan Kabir, chief executive officer of BTB, moderated the roundtable.

On Wednesday, Bangladesh Tourism Foundation, a not-for-profit organisation, awarded 10 organisations and four individuals, for their contributions to the tourism and hospitality sector. The awards were given in 14 categories at Fars Hotel and Resort in Dhaka to mark World Tourism Day.

Canada keen to help Bangladesh realise its economic potential

STAR BUSINESS REPORT

Canada is eager to extend support to Bangladesh's economy and boost the country's foreign direct investment receipts, Heather Cruden, the Canadian high commissioner to Bangladesh, said yesterday.

"Canada joins the world in applauding Bangladesh's impressive economic growth of 6 percent in the last five years," said Cruden at the luncheon programme of the Foreign Investors' Chamber of Commerce and Industry at the capital's Westin Hotel.

Bangladesh is one of the frontier five countries according to JPMorgan's projection, and, as per Moody's, have a stable economic outlook -- and Canada would like to help in carrying on the momentum.

"Canada's investment in Bangladesh is over \$350 million and is growing. But we need more trade, more investment and more strategic partners to get businesses moving."

She said the government of Canada granted quota- and duty-free access to almost all but three Bangladeshi products in January 1, 2003.

"This has led to a significant increase in Bangladesh's exports to Canada. The bilateral trade between Canada and Bangladesh reached more than \$1.6 billion in 2011 and it is still growing."

In 2011, Canadian exports to Bangladesh were worth \$555 million, while Bangladesh's exports stood at \$1.07 billion, she said.

"Our current trade level is quite modest. We are confident that we will be seeing new opportunities across a number of sectors in the future," said the Canadian envoy.

She, however, emphasized the need for political stability and continuity of democratic process, in attracting new investments.

Banks open tomorrow as tax deadline looms

STAR BUSINESS REPORT

Banks will remain open tomorrow to help people pay their taxes, according to a Bangladesh Bank circular issued yesterday.

The order for all major branches of banks at districts and divisional cities came following a request from the National Board of Revenue.

The revenue authority will also keep tax offices open to give taxpayers one more day to submit their returns.

The move comes as the deadline for tax return submission ends on Sunday, while many taxpayers are yet to submit returns facing difficulties in finding their respective tax circles.

Taxpayers faced troubles after the NBR expanded its tax circles to 649 from 303 by increasing its zones to drive more people into the tax net.

The tax offices will remain open from 9am to 5pm tomorrow. The offices will also stay open until Sunday evening.

WORLD TOURISM DAY 14 GET AWARDS

STAR BUSINESS REPORT

Bangladesh Tourism Foundation awarded 10 organisations and four individuals for their significant contributions to the tourism and hospitality sector.

DEPARTMENT OF TOURISM AND HOSPITALITY MANAGEMENT, DU

Offering BBA and MBA in the hospitality sector since November 2007.

A INTRACO BANGLADESH LTD

First tour operator based in Dhaka. Provides travel solutions for tourists

BANGLADESH WONDERS PROMOTION FOUNDATION

Carried out campaigns such as free voting, roundtable and art competition to promote Sundarbans as one of the seven wonders in the world.

PANIGRAM RESORT IN JESSORE

The first foreign investment resort. It is one of eco-friendly resorts that protect natural and cultural heritages.

GALAXY TRAVEL INTERNATIONAL

Promotes medical tourism. Directly linked with Singapore General Hospital

GREEN DELTA HOUSING

Builds hotels, motels and resorts.

NIROB-NISORGO ECO COTTAGE

Located on the outskirts of Lawachhara National Park in Srimongol. It promotes rural tourism

TUKTUL ECO-VILLAGE IN RANGAMATI

Promotes regional tourism.

ARUNIMA GOLF RESORT

The only eco, agro, river and sports-based tourism resort. Located in Narail.

ZASTATE HOLIDAY RESORT

Promotes regional tourism in Sylhet.

Bangladesh Tourism Foundation also awarded four persons for promoting tourism.

M Zamiul Ahmed was awarded as a tourism writer. He wrote two books and over 70 articles on tour and travel.

Dr Sufi Mustafizur Rahman was awarded for writing books and articles on archaeology.

A Danish expatriate, Majbritt Magnussen, who lived and travel in Bangladesh from 2007-2010, got the award for promoting Bangladeshi tourism in the global arena.

Dhruba Jyoti Ghosh Mukul won an award for adventure tourism.



BANK ASIA

Md Mehmood Husain, president and managing director of Bank Asia, poses with the participants of a training course at the bank's training institute on Panthapath in the capital yesterday. Asif Ainul Hoque, senior vice president, and Sujit Kumer Sen, assistant vice president, were also present.



DHL

A volunteer of DHL, a logistics service provider, helps a visually-impaired girl to have lunch at a programme to mark World Volunteer Day 2012, in the capital on September 15. One hundred employees of DHL Worldwide Express and DHL Global Forwarding, Bangladesh, part of Deutsche Post DHL, took part in the event.

IMF irked as major loan conditions unfulfilled

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The central bank can only dismiss the higher management and board members of the private commercial banks, but in case of state banks, the BB has no such power.

In such cases, the central bank can only advise the government. But when any irregularity takes place in the public sector banks, the BB has to shoulder the blame.

The IMF recommended amendment to this law to increase the central bank's power.

The IMF told the government that they will not release the loan on time if the VAT law and the banking company act do not get passage in parliament by November incorporating the recommendations, according to the official.

The government will request the lender to waive a condition about the exposure limit of commercial banks in the stockmarket.

Earlier the IMF asked the government to keep such an exposure limit of a bank at 25 percent of its total capital.

But the government wants the exposure limit to be at 40 percent of a bank's total capital. The existing exposure limit of a bank is 10 percent of its deposits.

The official said the IMF did not give any consent to the government's request, but if the overall reform programme remains satisfactory the lender may entertain the request.

Before getting each of the six equal instalments, the government will have to fulfil a set of conditions of the Washington-based lender.

The government by this December has to meet 11 more conditions.

The IMF imposed another condition that the government cannot make hard-term borrowing beyond \$1 billion. The government will not need to cross the limit by December. But the government's various requirements next year may need around \$3 billion.

The finance ministry official said the government plans to issue \$750 million worth of sovereign bonds in the international market.

Besides, the government's guarantee for the private sector power producers will require about \$2 billion next year.

The official said the government has requested the IMF to increase the limit of hard-term borrowing for next year. The IMF has hinted that the limit could be raised to \$1.5 billion.

10 young entrepreneurs to intern in US

STAR BUSINESS REPORT

Ten Bangladeshi young entrepreneurs are due in the USA in October as part of an exchange programme supported by the US Department of State, to gain practical knowledge on Bangladesh's growth industries.

The participants will stay in the US for five weeks and spend most of the time interning at a business organisation in Oklahoma City.

The programme is coordinated by the Gaylord College of Journalism and Mass Communication of University of Oklahoma and BRAC University's Centre for Entrepreneurship Development (CED).

In order to solicit nominations for the programme, CED notified the country's six chambers of com-

merce and industry and several foundations such as SME foundation and MIDAS Financing Ltd.

CED identified compressed natural gas (CNG) distribution and conversion industry, readymade garments, plastic, leather processing, as the country's thrust sectors.

Other promising sectors include fisheries, fashion accessories, floral industry, advertising and publication relations, audio recording industry, event management, recycling, furniture fabrication and manufacturing, handicrafts and rural enterprises.

This first phase of the programme took place during March-June 2012, where 10 Bangladeshi young entrepreneurs visited the US.

PM urges US businessmen to invest in Bangladesh

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"In addition, we are establishing six special economic zones in different areas with all facilities for FDI," she said.

She mentioned that 160 million people in Bangladesh and a total of 3 billion people in the region are also growing in purchasing power and consumption.

Bangladesh is a lucrative destination for foreign investment, she said.

"Our FDI (foreign direct investment) policies offer among the friendliest fiscal and financial

incentives with a stable regulatory framework," she said.

The premier said the FDI policy equally treats local and foreign investors, provides legal protection against nationalisation and expropriation, guarantees repatriation of capital and dividend, corporate tax holidays from five to seven years, concessionary duty on the import of machinery, export incentives, allows 100 percent foreign equity, and unrestricted exit policy.

ACC to probe 'money laundering' by big 10

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The SEC will also take actions against them as they bought high-priced and newly listed stocks on credit in omnibus accounts by violating rules.

According to the SEC rules, these types of stocks were not allowed to be purchased with bank loans.

Earlier, an SEC inquiry committee found irregularities in trading by these big investors and institutions through omnibus accounts that involve even hundreds or thousands of investors.

An account manager holds investments of various clients in one such account. A merchant bank acts as a portfolio manager of the accounts and deals with share transaction with only one beneficiary owner's account.

The government's probe committee on stockmarket debacle in 2011 had stated in its report that it found unusual buy-sell and deposit withdrawal in shadow accounts under omnibus accounts, and cited 19 such accounts.

The committee had also advised the government to do further investigation into the shadow accounts under such accounts.

After that, the finance ministry in May last year instructed the SEC to conduct an

investigation into the 19 accounts and submit a report to it.

The SEC later formed a two-member inquiry panel, which submitted a report to the commission in December last year.

The SEC committee examined the transaction ledgers of the 19 accounts in the period between January 1, 2010 and June 15, 2011 and detected violations of securities rules.

The committee found that the individual and institutional investors violated the rules in 2010 when the stockmarket was on an abnormal rise and many securities were overpriced and many new companies were overlisted on the bourses.

The probe body detected the irregularities after an investigation into 19 shadow accounts under omnibus accounts with three merchant banks, also the loan providers.

According to the investigation report, all the 10 big players, from political leaders to general investors, took credit or margin facilities against high-priced and non-marginable securities from merchant banks.

Since the opening of their accounts, they took out around Tk 450 crore from the market till June 15 last year, the probe report said.

Banks pledge to aid in stockmarket stability

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"But any aggressive sell-offs [by the institutions] may destabilise the market again," he said.

Nurul Amin, president of the ABB, a platform of chief executives of commercial banks, said they sat with the premier bourse to find out ways to make the secondary market more stable.

"We are not traders. We are long-term investors and we are maintaining our investment in the secondary market in line with the regulatory limit," said Amin, also the managing director of NCC Bank.

The ABB chief also suggested the Dhaka Stock Exchange (DSE) take steps to activate the bond market.

The DSE president urged the retail investors to take investment decision wisely, instead of emotionally.

"Only those who have knowledge and ability should come to the market," he said.