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BUSINESS

DHAKA WEDNESDAY NOVEMBER 13, 2013, e-mail:business@thedailystar.net

Tourists cancel trips as political unrest lingers

SUMAN SAHA

Local tour operators are passing through a slump with foreign visitors calling off their trips in droves for fear of getting caught in political turbulence.

"We have been badly hit by this volatile political situation," Taufiq Uddin Ahmed, president of Tour Operators Association of Bangladesh (TOAB), said.

Bengal Tours, a leading inbound tour operator, had around 100 visitors from Europe and Japan due in between October and the first week of November but all of them abandoned their planned trips, according to Masud Hossain, the company's executive director.

Similarly, Galaxy Holidays, another inbound tour operator, had bookings from around 60 tourists from France, Germany, China, Taiwan and Japan in November, all of which were cancelled, said Syed G Qadir, the company's general manager.

BY THE NUMBERS

- Travel and tourism sector is forecast to grow by **7.7pc** in 2013
- In 2012, the sector registered **Tk 3,730cr** investment, **1.6pc** of total investment for the year
- Around **95%** of bookings with hotels, motels and guesthouses in Cox's Bazar have been cancelled
- Hotels, motels and guesthouses have laid off almost **5,000** employees in Cox's Bazar due to sluggish business this year

"And the ones who braved it, it was a wasted trip for them," said Hossain, while citing the case of a group of 15 tourists who recently arrived in Bangladesh on a 23-day tour to be struck with 17 days of country-wide and district-level shutdowns.

The company has bookings for upwards of 100 tourists towards the end of this month, but Hossain expects them to be cancelled as well.

The recent spate of cancellations, he says, has cost the company around \$50,000. "And it will get worse in the coming days."

Hossain is not alone—the other tour operators, too, share his gloomy outlook.

A large number of foreign and domestic tourists usually go to the Sundarbans at this time of the year for the 'Ras Mela festival', one of the biggest traditional festivals for the Hindus, said Mohiuddin Helal, director of Green



Fed up with hartals, small businesses open their shops at Eastern Plaza in Dhaka yesterday. Shop owners see a slump in their earnings amid poor customer turnout.

No plan to revise down growth target: Muhith

REJAUL KARIM BYRON

The government has no plan now to revise down its GDP growth and revenue earning targets though many fear the ongoing political unrest will dent the economy.

Finance Minister AMA Muhith said this at a meeting of fiscal coordination council yesterday, according to officials who were present at the meeting.

The finance minister sat with the officials of the finance division, planning ministry, commerce ministry, the central bank and National Board of Revenue to review the budget implementation and macro-economic situation in the first quarter of the current fiscal year.

At the meeting, NBR officials proposed revising the revenue collection target, saying the target would not be fulfilled due to shutdowns.

The meeting also discussed the GDP (gross domestic product) growth target, which was set at 7.2 percent for the current fiscal year. The World Bank, International Monetary Fund and Asian Development Bank have already forecast Bangladesh's GDP growth would be below 6 percent.

Economy poised to slow: MCCI

The chamber says political unrest will take a toll on all indicators

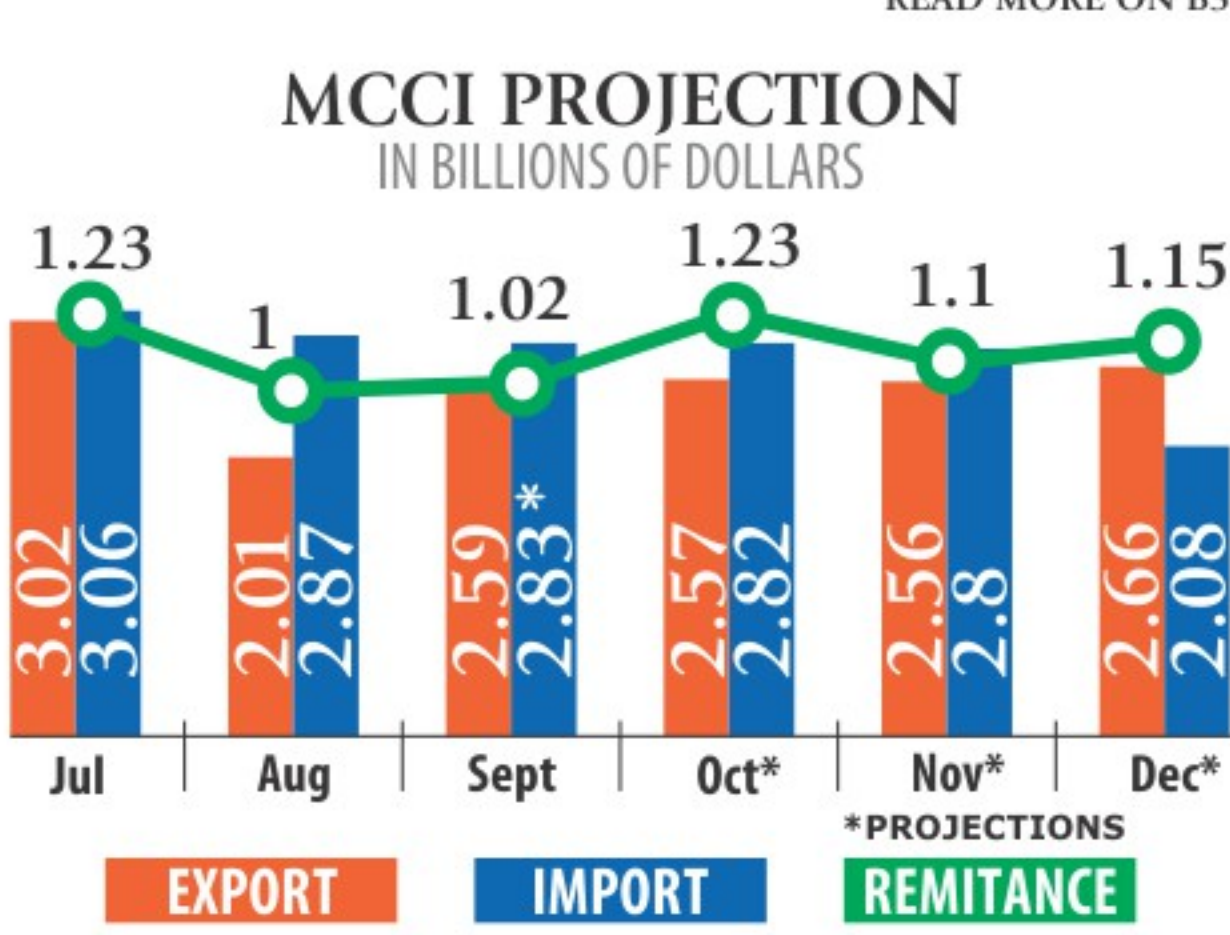
STAR BUSINESS REPORT

Economy is likely to witness a slowdown in October-December quarter on account of uncertain political environment in the run-up to elections and high costs of bank loans, the Metropolitan Chamber of Commerce and Industry (MCCI) said in a report yesterday.

The chamber also predicts that inflation, too, may go up because of disruptions in supply chain.

"A slower change in all indicators is anticipated in the next quarter (October-December) because of the uncertain political environment," said the report, which was based on Bangladesh's economic review for July-September quarter.

However, the leading chamber observed that despite an uneasy political situation, the economy remained resilient in the first three months (July-September) of the current fiscal year.



Govt misses boro purchase target

STAR BUSINESS REPORT

The government fell short of its target of procuring 10 lakh tonnes of *boro* rice by 1.5 lakh tonnes, Food Minister Muhammad Abdur Razzaque said yesterday.

The minister spoke at a press briefing at the secretariat to project the government's progress in ensuring food security in the last five years.

Farmers are not getting fair prices for their produce and total acreage under *boro* production has also been shrunk in the recent years, which are the two main reasons behind the low cultivation of *boro* last season, Razzaque said.

The minister said food stocks fell, but there is no reason to worry as they will begin *aman* procurement soon, which will push stocks up again.

At present, the country has 11.5 lakh tonnes of food in stocks, much higher than the same period last fiscal year.

The minister said the government's timely steps to increase food production and its stock in the last five years helped bring down the percentage of population under extreme poverty to 16.8 percent in 2012.

The food stock capacity was 14 lakh tonnes in 2009, which now has reached 19 lakh tonnes and will be 21 lakh tonnes by 2015, he said.

Prime Minister Sheikh Hasina will inaugurate a silo complex with a capacity of 50,000 tonnes at Mongla today, Razzaque said.

The complex will have a 250-metre jetty to facilitate offloading of food grains from the silo.

Besides, 14 modern grain silos with assistance of the World Bank with a capacity of 10 lakh tonnes will be built, he said.

Loan negotiations involving Tk 2,160 crore with WB have been completed and the bank board will soon approve the loan, he said.

BTRC won't allow WiMax firms to give voice services

ABDULLAH MAMUN

WiMax operators that have received the long-term evolution (LTE) licences will not be able to provide exclusive voice services like mobile operators, the telecom regulator said yesterday.

The WiMax operators working with broadband wireless access (BWA) are responsible for data services, not voice, said Sunil Kanti Bose, chairman of Bangladesh Telecommunication Regulatory Commission.

"The BWA and cellular licences are meant for different services and have different courses of action," he said.

The WiMax operators are allowed to offer their services through laptops or personal computers, not through mobiles, he said.

But if they set up LTE equipment, they will be able to offer internet protocol calls such as Skype or Viber with the mobility facility, he added.

Recently, the government amended the BWA licensing guideline offering LTE services for the WiMax operators.

The government also gave a new licence to Bangladesh Internet Exchange Ltd (BIEL) that operates as an internet service provider under the brand name of OLLO.

However, the mobile operators raised concerns about the amendment, as WiMax operators would get the opportunity to provide voice services as well.

The Association of Mobile Telecom Operators of Bangladesh also wrote to the government and the regulator on the matter.

"It will be noted that OLLO won't be able to provide cellular voice services," Bose said.

BTRC has already asked OLLO to deposit its license and spectrum fee.

After paying 50 percent of the total spectrum charge of Tk 245 crore, OLLO will get its licence, Bose said.

Last month, BTRC permitted two existing BWA licensees—Banglalion and Qubee—to roll out their network with LTE technology.

BTRC allowed the BWA licensees to upgrade their network with LTE technology as the WiMax technology is going to become extinct in the next few years.

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