



Left, A restaurant in Cox's Bazar wears a deserted look due to the ongoing political unrest. Right, Another restaurant on Kalatali Road remains shut amid blockades.



MOHAMMAD ALI JINNAT

Cox's Bazar tourism goes haywire

Many hotels cut jobs and plan to fold business in political turbulence

SARWAR A CHOWDHURY and
MOHAMMAD ALI JINNAT

The ongoing shutdowns and blockades have driven the hospitality industry in Cox's Bazar to the brink of ruin, forcing hoteliers to send many of their employees on leave to minimise losses.

November-February is the peak season for tourists, but the occupancy rate has come down to almost zero now, said hoteliers in the town of the world's longest sea beach.

If the situation does not normalise soon, many will have to close their business, they said.

"We never faced such a situation since we set off in Cox's Bazar in 2002," said Sheikh Imrul Islam Siddique, chief executive officer of Seagull Hotel, which has 181 rooms.

The occupancy rate has come down to 5-7 percent now though the rate should have been around 80-90 percent as it is the peak season, Siddique said.

"A luxury hotel cannot run with such a low occupancy rate," he added.

"We have already sent one-third of our 280 staffs on leave to bring down the losses," he said, adding that they will be forced to close the business if the current

situation continues for another two or three months.

"How many days will we be able to run with such losses?" Siddique said.

The country witnessed 13 days of shutdowns and blockades so far this month, while 12 days in November.

The blockades and political violence have almost cut the capital city off the rest of the districts as the intercity transport, both road and rail, has come to a halt. Let alone the foreign tourists, the domestic travellers cannot go outside Dhaka.

Hotel The Cox Today, which sees nearly 80 percent occupancy during this time of

the year, had guests only in its five rooms on Saturday, out of 276 rooms, said Mohiuddin Khan Khokon, the hotel's director for sales and marketing.

But the operating cost of the luxury hotel is around Tk 1 crore per month. They have sent 50 staff members out of 300 on compulsory leave, he said.

"Only political stability can save us now," Khokon said.

Mosharef Hossain, general manager of Hotel Media International that has 100 rooms, said 30 of their 100 staff members were given leave.

READ MORE ON B3

Australian retailers to release Bangladesh factory details

THE SYDNEY MORNING HERALD

Target Australia and Pacific Brands have promised to publish the location of their supplier factories in Bangladesh, in what human rights groups described as a "watershed moment" for Australian retailers.

Kmart, the first Australian company to pledge full transparency of its supply chain, was to publish the location of every Bangladesh factory on Tuesday.

Oxfam's chief executive, Helen Szoke, said the announcements would encourage transparency.

"Without releasing information about supplier locations, there is no way to independently check with workers that decent conditions and basic rights are being upheld within factories," she said. "We urge other Australian retailers to follow Kmart's lead, by being open about where they source their garments."

Pacific Brands, which owns Bonds, Berlei and Jockey, also committed to signing the international accord on fire and building safety in Bangladesh, becoming the seventh retailer to do so since the Rana Plaza factory collapsed in Bangladesh in April killing more than 1,100 workers.

Pacific Brands' chief executive, John Pollaers, said Bangladesh factories supplied only 1 percent of its garments.

In the eyes of the consumer, it was important that retailers behave ethically, Pollaers said.

In Tuesday's announcement Target pledged to reveal the location of its 45 Bangladeshi supplier factories in the next six to nine months, with locations of Indian and Chinese factories to follow.

Chief executive Stuart Machin said Target was improving conditions for its workers around the world. "We want our customers to be confident that the products they buy from us have been produced in safe, fair and equitable working conditions," he said.

Kmart and Target, both owned by Wesfarmers, were the first Australian companies to sign the Bangladesh Fire and Building Safety Accord, which agrees to independent building inspections, a thorough review of safety standards, and repairs and renovations to unsafe factories.

READ MORE ON B3

Chinese investors to set up \$22m spinning, textile plant

STAR BUSINESS DESK

China is set to invest \$22 million by establishing Asia Spinning and Textile Mills' production plant at Ishwardi Export Processing Zone.

The company under full foreign ownership will create jobs for 1,450 Bangladeshis, Bangladesh Export Processing Zones Authority said in a statement yesterday.

The plant will have production capacity of 19,000 tonnes of yarn and 6,000 yards of fabric.

Sayed Nurul Islam, a member of Bepza, and Li Zhan Bin, managing director of Asia Spinning and Textile Mills, signed the agreement in Dhaka.

Govt not up against Yunus, Grameen Bank: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday played down the US concerns about Grameen Bank, saying the government is doing nothing against the Noble winning microcredit organisation.

"Our intention is to ensure that Grameen Bank does well and runs more efficiently," he told reporters at his office in the secretariat.

His comments came after a meeting with US Ambassador Dan W Mozena on issues ranging from the current political crisis and the garment sector to Grameen Bank.

Muhith alleged that Dr Muhammad Yunus, the founder of Grameen Bank, is trying to destroy the microlender in the name of support-

ing it. The minister also blamed the microcredit pioneer for stalling the process of appointing a full-time managing director for Grameen Bank, which has been led by acting CEOs since Prof Yunus was removed from the organisation in May 2011.

He said the government has barely spoken about Prof Yunus in recent times. "He is a respectable person. We don't want to bother him. We also don't want to be bothered by him. But he is bother-

ing us."

"He is not allowing Grameen Bank to function properly," the minister said.

Muhith also alleged that Prof Yunus has been spreading lies on the amendment to the Grameen Bank Act.

Muhith alleged that Muhammad Yunus, the founder of Grameen Bank, is trying to destroy the microlender in the name of supporting it

Regulator looks to simplify IPO subscription

SARWAR A CHOWDHURY

The stockmarket regulator is set to streamline the subscription process for initial public offerings (IPOs) following demands from stockbrokers and investors.

"After meeting with all stakeholders, we will prepare a draft on simplification of the IPO subscription process and submit it to the commission for consideration," Arif Khan, a member of Bangladesh Securities and Exchange Commission (BSEC), said.

At present, the total IPO process including listing takes over five weeks to complete, whereas it is completed within two days in India. "We are trying to reduce the period as much as possible," he added.

The BSEC plans to completely overhaul the present application system. At present, retail investors need to enclose cheques or cash to the completed IPO application form and hand it in to the designated banks of the issuer, a time-consuming process by and large.

The details that the form asks for are

already available in a BO (beneficiary owner's) account with the Central Depository of Bangladesh Limited (CDBL), so the BSEC is exploring whether the investor's BO account can be linked with the issuer company through depository participant.

Instead of handing in cash or cheques, the stockmarket regulator plans to get the amount in the investor's bank account blocked during the subscription period, he said. The money will be transferred from the investor's account to the issuer company's escrow account if the investor gets share allotment after IPO lottery.

The practice will avert the hassles the investors face in getting refunds in cases of unsuccessful IPO applications. Many refund warrants get missing and the investors do not get back the money on due time.

"The IPO applicants' money will not remain blocked for a long time and it will eliminate the hassles in getting the money back," Khan said, adding that the BSEC will hold a meeting with banks and CDBL this week.

Facebook to launch ad clips

AFP, New York

Facebook plans to launch this week advertising clips on users' news feeds, the Wall Street Journal website reported yesterday. The clips will be triggered automatically on feeds when a profile is consulted on the internet.

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