

Chittagong tourism marred by violence

MINHAJ UDDIN, Chittagong

Successive hartals and blockades have left the tourist sites in Chittagong largely deserted this winter, in what is usually the peak business time for the tourism industry.

This year, the number of tourists is thin.

"It is now difficult to earn even a mere Tk 500 a day, as compared to my average daily earnings of Tk 15,000 to Tk 20,000 in previous years," said Mohammed Lokman, president of Patenga Sea Beach Shop Owners' Cooperative Association and owner of Sea Bird Restaurant.

The Patenga beach is one of the most popular attractions in Chittagong city, usually packed with tens of thousands of tourists and hundreds of picnic buses from across the country, especially during November-February.

In the previous peak season, thousands visited the Patenga beach a day, with their numbers reaching up to one lakh on weekends, Lokman said.

The usual daily sales of around Tk



Shops remain closed on an empty beach in Patenga, while a man takes a nap in his boat due to a thin presence of tourists amid the ongoing blockades.



ANURUP KANTI DAS

10,000 in the peak season have dwindled down to Tk 200, even though the main earnings season is already half gone, said Ayub Ali, who owns a souvenir shop in the area.

The beach lay bereft of tourists this

weekend, with empty boats floating in the water. Freelance photographers and horse owners were sitting idle with no customers. They are facing the worst possible time.

Foy's Lake Amusement World,

Concord Group's theme park, has counted only 6,000 visitors so far this season, compared with 90,000 visitors recorded in the previous season, said Bishwajit Ghosh, assistant marketing manager of the park.

"All the school and corporate picnic groups that were supposed to visit the site from across the country are not coming due to political violence. The few corporate picnic bookings we received were also postponed later," he said.

The park is built on around 320 acres of land by the picturesque Foy's Lake in Pahartali of Chittagong, and is another popular tourist destination.

All residential hotels in the city are facing low customer turnout, while bookings from foreign clients are also getting cancelled.

The occupancy rate of the 101-room Hotel Agrabad has fallen to 50 percent—a trend that has continued over the past couple of months—from its usual 80 percent, said Shahin Mohammed Nowshad, the hotel's senior manager for sales and marketing.

Bookings have dried up at the 47-room City Orchid Business Hotel since October, when the nation went deeper into political turbulence, said Abdullah Al Mamun, sales and marketing manager of the hotel.

"In the last two months, many foreign guests cancelled their bookings."

City Orchid was counting on good business from full occupancy in the previous peak season: November-February, he said.



BANGLALINK

Officials pose for photographs as Banglalink received the "Best Brand Campaign Award" at the World Communication Awards 2013 in London recently.



AB BANK

Mohammed Ishaque Chowdhury, AB Bank's regional relationship manager for Chittagong, inaugurates the bank's 87th branch at Anowara in the port city on Thursday. Syed Aminul Islam, senior executive vice president, was also present.

News Corp buys 'social news' agency Storyful

AFP, New York

Rupert Murdoch's publishing group News Corp. said Friday it had acquired the "social news agency" Storyful, which seeks to merge journalism with social media.

US-based News Corp. will pay \$25 million for the Irish-based start-up, according to a statement.

The firm acquires and distributes video and user-generated content to its partners, and provides social media dashboards, analytics and other tools to news organizations to help improve their news and advertising efforts online and on mobile platforms.

Storyful, which has been a partner with the News Corp.-owned Wall Street Journal, will continue to operate as a stand alone unit from its Dublin headquarters and work with media clients.

"Storyful has become the village square for valuable video, using journalistic sensibility, integrity and creativity to find, authenticate and commercialize user-generated content," said Robert Thomson, chief executive of News Corp.

"Through this acquisition, we can extend the village square across borders, languages and platforms."

Mark Little, founder and CEO of Storyful, said the tie-up will be beneficial for both firms.

"By joining forces with News Corp, Storyful can quickly transform its vision into a global reality," said Little.

"We believe that journalism in the age of social media needs to be open, innovative and collaborative, and so does the business model that will sustain it. News Corp is a natural fit for a company which wants to help reinvent the news industry."

Little added in a blog post: "Our global team of journalists will continue to cover real-time news 24/7. Our technology teams will continue to build tools to power the newsrooms of the future."

"We will continue to serve the world's leading news organizations (with more resources and focus). And we will work with brands, advertisers, non-profits and other organizations to help them realize the full potential of verified video and other online content," Little added.

News Corp. is the publishing and newspaper segment of the Murdoch's recently split media empire, a breakup which created 21st Century Fox for its fast-growing TV and film operations.

Murdoch remains in control of both firms, and is chairman of News Corp., which includes The Wall Street Journal and New York Post newspapers in the United States, The Sunday Times of London and The Sun in Britain, and The Australian in the country of the tycoon's birth.

Oracle to buy cloud firm for \$1.5b

AFP, New York

Business software giant Oracle announced plans Friday to boost its cloud services with a \$1.5 billion acquisition of Responsys.

Responsys, which like Oracle is based in California, was formed in 1998 to provide software that would enable marketers to design, execute and manage email campaigns.

The group claims more than 450 clients in a range of sectors and had 2012 revenues of \$163 million.

Oracle said in a statement the deal "creates the world's largest modern marketing cloud."

The deal, approved by both boards, calls for Oracle to pay \$27 a share -- about 38 percent higher than the previous closing price for Responsys.

Oracle will combine the new acquisition with Eloqua, which it bought a year ago for \$871 million.

Banks burdened with bad loans

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The findings of the study were presented at a programme at BIBM auditorium in the capital yesterday.

Siddique said most of the 25 respondent banks in the study opined that more than 80 percent cases related to non-performing loans can be settled out of court.

The introduction of a stringent loan classification system in 2012 is another reason behind the increase in NPL, he said.

One noticeable aspect is the significant difference in NPL across different categories of banks. The percentage of NPL in state-owned and specialised banks is higher than that in private and foreign banks.

As of September, the NPL rate was 28.76 percent in state-owned banks, 29.39 percent in specialised banks, 7.30 percent in private banks and 6.02 percent in foreign banks, it said.

Usually non-performing loans are of three categories -- substandard, doubtful and bad/loss, all of which are calculated on the basis of uniform criteria prescribed by Bangladesh Bank.

But, according to the latest notice of the central bank, only 'doubtful' and 'bad' categories are treated as default loans.

All banks have written off Tk 21,300 crore as bad debt during 2004-2012. The BB introduced a write-off policy in 2003 to allow the banks to clean their balance sheet and strengthen the bad loan recovery procedure.

The existing legal framework for recovery of loans encompasses The Money Loan Court Act-1993, The Public Demands Recovery Act-1913, The Bankruptcy Act-1997 and some others.

The study found that about 73 percent cases out of total suit filed have been settled under Money Loan Court in 2012. But the percentage of settled amount out

of total suit amount and percentage of recovered amount out of settled amount are only 37.2 percent and 50.8 percent respectively.

The state-owned banks had the highest recovery rate of 62.73 percent in 2012 although the recovery rate decreased significantly from the year 2007 when it was 85.66 percent, the study said.

The recovery rate of specialised banks was the lowest in 2012 with a level of 40.59 percent. However the specialised banks have recorded its recovery rate from a very low level of 20.46 percent in 2007 to 40.59 percent.

The study surveyed various non-legal measures that include negotiation and persuasion with the borrower, motivating credit collection staff, recovery campaign, appointment of recovery agents, and debt restructuring.

The banks should also appoint loan recovery agents, he said.

Md Abdul Quasem, chairman of the executive committee of the BIBM and deputy governor of the central bank, said banks will face challenges in collecting loans in the days to come due to the ongoing political unrest.

Nurul Amin, chairman of Association of Bankers-Bangladesh, a platform of banks' chief executives, said bankers will have to increase their negotiation skills to speed up loan recovery.

The current political volatility is the biggest challenge for the banking industry to recover their loans, said Amin, also the chief executive of NCC Bank.

"As a result, most banks will see a fall in their profits."

Sonargaon Hotel gears up for Christmas and New Year

STAR BUSINESS DESK

Sonargaon Hotel in Dhaka is all set to celebrate Christmas and New Year with a line up of special programmes with eventful festivity, the hotel said in a statement yesterday.

Guests can enjoy 22,000 sqft of lush greenery, glitter, fun rides, magic shows and such at an exciting Kid's Pool Party at the hotel's poolside on Christmas Day from 9am to 4:30pm.

At the Balcony Bar, there will be a live band music performance from 8pm onwards on the Christmas and New Year eve.

In addition, the chef will serve prime rib on the menu on Christmas eve and a special five-course dinner on 31st night in the premiere Café Bazar restaurant of the hotel.

There will also be a BBQ night on the 31st night amidst the oasis and swimming pool surrounding.

The guests can also participate in a raffle draw on the 31st night, and special Christmas cookies of a variety of flavours and shapes will be available on sale at the lobby outlet.

Tickets for the events are available at the hotel lobby.

ICAB awards best financial reports

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Uddipan, one of the leading non-governmental organisations, grabbed the top position in the NGOs category while BRAC, the world's largest development organisation, finished second. Buro Bangladesh was third.

Islami Bank Bangladesh also grabbed the top position in the Saarc Anniversary Award in corporate governance, whereas IDLC Finance and Prime Bank emerged as second and third.

State-run Investment Corporation of Bangladesh received the first prize in the public sector entities.

Accounting standards in the country are moving forward very well, Muhiith said. "There might be some problems, but we can overcome them," the finance minister said, speaking as the chief guest.

Muhiith said the award winners' responsibility in ensuring accountability and transparency has been enhanced through this recognition. "I hope they will keep up their performance."

Commerce Secretary Mahbub Ahmed termed chartered accountants as physicians of the corporate entities, and said they could play a major role in establishing good governance and transparency.

He urged the ICAB to produce more chartered accountants without compromising quality as the country has only 1,500 professional accountants against the demand for 20,000.

ICAB President Md Abdus Salam said the award aims to raise the awareness on corporate management accountability, ensuring the highest standards of knowledge, technical skills, professional competence and ethical issues.

"The disclosure of information in time will ultimately establish transparency and accountability in the corporate world and ensure the efficient use of resources," he said.

The ICAB, the national professional accounting body, has been giving the awards since 2001 in recognition of best practices in corporate governance and the best presented annual reports.

Abbas Uddin Khan, chairman of the review committee for published accounts and reports of the ICAB, also spoke.

BSEC upgraded to A-category

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With this recognition, the BSEC will now be able to take part in IOSCO's policymaking process and election.

"We can also seek assistance from other member agencies on regulatory enforcement actions and vice versa," he said.

It took four years to achieve the status. "We applied for it in 2009, and during the period we have brought many changes to our rules and regulations as per the requirements of the IOSCO," Hossain said.

Presently, there are 98 A-category regulators, including those from neighbouring India, Pakistan and Sri Lanka.

The MoU, which sets an international benchmark for cross-border cooperation, provides securities regulators with the tools for combating cross-border fraud and misconduct that can weaken global markets and undermine investor confidence.

The MoU represents a common understanding among its signatories of how they should consult, cooperate, and exchange information for the purpose of regulatory enforcement regarding securities markets.



STANDARD BANK

Mohammad Shamsul Alam, chairman of the executive committee of Standard Bank, inaugurates the bank's Patherhat branch in Noapara, Chittagong recently. Md Nazmus Salehin, managing director, was also present.



Shah A Sarwar, managing director of IFIC Bank, and Ziad Shatara, managing director of Banglalink Digital Communications, attend the signing of an agreement to provide IFIC mobile banking services to Banglalink customers at the mobile operator's corporate head office in Dhaka recently.