Most CEPZ factories don't use central ETP

MINHAJ UDDIN, Chittagong

Only 79 of the 214 factories in Chittagong Export Processing Zone are now using the services of the central effluent treatment plant (ETP) because of high service charges.

The plant authorities have blamed non-cooperation by the Bangladesh Export Processing Zones Authority (Bepza) for this situation.

They said the Bepza is not asking the EPZ factories to use the services of the central ETP.

A factory has to pay an additional 40 percent of the total cost to take service from the central ETP, said Hasibul Islam, managing director of the central ETP.

Instead of giving subsidy, the Bepza is taking profits from the plant, said Zafar Alam, director of the Department of Environment (DoE) in Chittagong.

However, SM Abdur Rashid, general manager of CEPZ, said, "We are asking all the EPZ factories to subscribe to the ETP services, and they are joining gradually."

All the 'red category' factories have subscribed to the services, he said. "We cannot force those who already have ETPs of their own."

However, factories that have their own ETPs often dump wastes without treating, to minimise cost, said Harunur Rashid, an inspector of the DoE.

The DoE has fined some enterprises for discharging toxic wastes despite having ETPs of their own.

Effluents of CEPZ can go through two channels: one at the northwest corner at sector-7/a and the other at the southeast corner at sector-8 in the zone area.

The central ETP is situated at sector-7/a at the northwest corner where the main canal joins the sea.

Hasibul Islam said effluents from around 26 factories of sector-8 and 4/a can discharge their wastes through the latter without going through the central ETP.

The CEPZ authorities admitted that effluents of around five factories avoid the central ETP.

The central ETP has a capacity of treating around 45,000 tonnes of liquid wastes. Currently, it is treating around 35,000 tonnes of waste.

In a recent visit to the embankment where the effluents are passed to the Bay, this correspondent found that locals were using the water in their vegetable garden for irrigation.

Babul Hossain, a resident who has been living in the area for 14 years, said formerly the water discharged from the EPZ was coloured and stinky such that they could get the bad odour even hundred yards off the canal.

Dead fish fries were found aplenty in the canal before, said Md Ilias, a local fisherman.

The situation improved when the central ETP was set up in August 2012, locals said.

The plant not only neutralises

ANURUP KANTI DAS

The workers of Karnaphuli Shoe Industries Ltd at Korean Export Processing Zone in Chittagong yesterday clashed with police over payments of wages and vandalised four of its units. *Clockwise from top left*, a firefighter tries to douse a fire set up by the workers; a man shows the burnt-out offices of the factory; another fireman at work and policemen take a look at fire extinguishers after the clashes that left one worker dead and 15 injured. Story on page 20

STANDARD BANK

Md Nazmus Salehin, managing director of Standard Bank, and Md Fayekuzzaman, managing director of ICB, attend the signing of an agreement for issuance of Tier-II subordinated debt bond at the head office of Standard Bank in Dhaka recently.

PRIME BANK

Md Shahadat Hossain, chairman of Prime Bank Foundation, attends a programme to distribute blankets to the cold-stricken students and other distressed people at the VIP Shahadat Hossain College premises at Balachowra Haat in Rangpur recently. Dilwar Bakht, divisional commissioner of Rangpur, was also present.

Hopes for short-term rally push stocks up

STAR BUSINESS REPORT

The benchmark general index of the Dhaka Stock Exchange yesterday crossed 4,400 points after a break of two months, as investors went on a buying spree in anticipation of a short-term rally.

DSEX, the market gauge of the DSE, closed the day at 4,407.83 points, after gaining 16.55 points or 0.37 percent.

The market remained in the grip of the bulls for the third consecutive trading session, breaking through the level of 4,440 points, LankaBangla Securities said in its regular market analysis. "Currently, declining inter-bank rate and increasing investment in government savings instruments are stemming the private sector investment, indicating lower demand for credit."

The market remained upbeat as possible increase in private sector credit growth is supposed to facilitate the corporate profitability of listed companies, the stockbroker said.

Investors remained buoyant over power sector for the third straight days and pushed it to be the top gaining sector, said IDLC Investments in its daily market analysis. Turnover, the most important indicator of the market, declined 4.10 percent to Tk 517 crore, compared to the previous day.

Of the 290 issues that traded on the DSE floor, 167 advanced, 85 declined and 38 remained unchanged. A total of 1.16 lakh trades were executed with 11.03 crore shares and mutual fund units changing hands on the Dhaka bourse.

All the major sectors ended in the black except banks and telecoms, which lost 0.02 percent and 0.79 percent.

Pharma gained 1.19 percent, power 1.18 percent and non-bank financial institutions 0.01 percent.

Golden Son saw the highest liquidity with 30.47 lakh shares worth Tk 21 crore changing hands followed by Meghna Petroleum, LankaBangla Finance, Summit Purbanchol Power Company and BD Building.

Paramount Textile was the day's highest gainer, posting a rise of 6.37 percent, while Modern Dyeing and Screen Printing was the worst loser, slumping by 7.60 percent.

The Chittagong Stock Exchange also closed marginally higher, as its selective categories index, CSCX, gained 47.50 points to close the day at 8,663.44 points.

Gainers beat losers 106 to 94, with 25 issues remaining unchanged at the port city bourse that traded 1.33 crore shares and mutual fund units with Tk 53 crore in turnover.

New Singapore-Indian airline to get Airbus A320s

AFP, Mumbai

Singapore Airlines has decided to lease 20 Airbus A320s for the launch of its Indian carrier, a joint venture with the giant Tata Group, the new company confirmed on Thursday.

Singapore Airlines chose the A320s over Boeing's 737s and will source the 20 planes from leasing companies rather than buying direct from Airbus, a Tata SIA Airlines spokesman told AFP.

"It's going to be an Airbus A320 fleet. The aircraft will be on lease," spokesman Sanjay Singh said in an emailed statement.

Singh did not disclose the cost of the lease arrangements, which were sealed some 10 days ago, but media reports put the deal at $1.8 billion.

The new airline will likely start flying around July after it gains regulatory approval in India, the spokesman said.

Indian tea-to-steel conglomerate Tata will hold a 51 percent stake and Singapore Airlines Ltd 49 percent in the new venture, announced in September, as they seek to exploit one of the world's fastest-growing aviation markets.

The airline, which will have an initial combined investment of $100 million from the two stakeholders, marks the third foreign direct investment in the Indian sector since the government declared last year that international airlines could buy as much as 49 percent of local carriers.

The Tata Group is setting up another airline venture in India with Malaysia-based budget carrier AirAsia, which is expected to start operations early this year.

In November, India's Jet Airways said it had completed the sale of a 24-percent stake to Abu Dhabi's Etihad.

India's aviation sector was once celebrated

Hotels in deep trouble

FROM PAGE B1

He said many hotel and resort owners would be bankrupt if the current situation lingers, as most of them have constructed their businesses on loans from banks.

Reza himself borrowed Tk 1.39 crore from a state-run bank in 2004 to set up his 56-room hotel, Albatross Resort, in Kolatoli. He has so far repaid Tk 1.50 crore with Tk 1.30 crore still unpaid.

He said he cannot pay electricity bills as there is no business. He closed down his restaurant three months ago, with 27 staffers losing job, after incurring losses for several months.

"The economic activities in the beach city are in disarray as its economy is completely dependent on tourism."

The town's 400 hotels and resorts, which had 20,000 regular staff members and 50,000 irregular ones, now employ only 2,000, said Abul Kasem Sikder, the association's general secretary.

"These workers are going through tough times, since many of them had been employed in the sector for years and do not excel in other trades," he said.

The situation is completely opposite to what the largely untapped hospitality and tourism sector witnessed a few years ago.

The hospitality sector has seen substantial investments in recent years, thanks to Bangladesh's steady economic growth over a decade and rise in per capita income.

The thriving economy brought in international brands such as Radisson and Westin as industry people say the country is underserved in terms of quality hotel accommodation.

A number of international hotels have also started operations in the tourist destinations such as Chittagong, Cox's Bazar, Sylhet and Khulna.

Analysts said internal tourism has grown tremendously keeping pace with the rising income of people. As the number of foreign tourists is also going up, tour operators are developing packages for them.

Rubina H Farouq, managing director of Dhaka-based Institute of Hotel Management and Hospitality, said Bangladesh had been doing well in all aspects of tourism, with new hotels and cottages sprouting across the country to cater for the growing demand.

But suddenly, everything has changed.

The unprecedented political violence and blockades have jolted the services sector, which includes the tourism and hospitality sector and accounts for 54 percent of the economy.

Officials of a number of international hotels said they have failed to reach their revenue target for 2013 due to a low presence of business travellers from around the world. They, however, declined to give any financial figures.

They said the rough patch in business, which intensified in October and continued through December, would bleed the business even in January.

The situation has worsened so much that the Bangladesh International Hotel Association has called for a meeting in Dhaka on Sunday to find out ways to overcome the biggest ever fall in the business.

Hakim Ali, the president of the association, said the hotel business has gone from bad to worse in the last two months.

"Everybody around the world is watching the situation in Bangladesh. If they do not get positive news they will not fly to the country," he said.

"If the current situation continues, the country's tourism sector will collapse completely."

Zahid Hussain, lead economist at World Bank's Dhaka office, said Bangladesh had the potential to develop tourism like Malaysia, Thailand and Singapore riding on the destinations such as the Sundarbans and Cox's Bazar.

"If we can overcome the situation quickly, the sector would be able to offset the losses incurred so far," he said.

The economist also said Bangladesh would not be able to have a permanent tourism sector if political disturbance recurs every four to five years, as such repetitions would make the situation hard for investors to recoup investment.

Rubina said new investment would not come to the sector if investors do not get assurance. However, the picture is not entirely gloomy.

Jamuna Builders, a real estate concern of Jamuna Group, is going ahead with its construction work to set up the largest hotel in South Asia on time, said Mohammed Alamgir Alam, director of Jamuna Group for marketing, sales and operations.

He said the 709-room JW Marriott Dhaka, with US luxury hospitality chain Marriott International as management operator, would open at least one year ahead of its schedule of June 2017.

"We think the current political impasse will be short-term, and we will be able to overcome it very soon," he said.

The travel and tourism sector raked in Tk 19,300 crore, or 2.1 percent of the GDP, in 2012, and was forecasted to improve on the figure by 7.7 percent in 2013, a study by World Travel and Tourism Council found.

Standard Chartered bank says finance chief to leave

AFP, London

Standard Chartered, the Asia-focused emerging markets bank, announced on Thursday that its finance chief will leave later this year under a wide overhaul of the group.

Finance director Richard Meddings will step down from the board at the end of June after seven years in the post, the London-based lender announced in a statement. His successor was not announced.

Standard Chartered added that it would integrate its wholesale banking and consumer banking businesses from the start of April, and has appointed Mike Rees as deputy chief executive to run the combined division.

Exports soar to record high

FROM PAGE B1

"Currently, the garment sector is under a mountain of problems due to the political unrest and the continued general strike and blockades," he said, adding that around Tk 5,000 crore worth of goods needed to be sent via the expensive air shipment in December alone.

He urged the political parties for a quick and peaceful solution to the deadlock. "The government should think about the sector seriously, as the current situation is not good for us at all. We are losing our competitiveness by the day for the political unrest."

The country earned $2.73 billion in December, up 10.54 percent year-on-year and 4.06 percent over the target.

The export performance during the July-December period stayed 3.08 percent above the target, according to Bose.

Dhaka trade fair begins tomorrow

FROM PAGE B1

Prime Minister Sheikh Hasina will inaugurate the show at Bangabandhu International Conference Centre.

Of the total 480 stalls and pavilions, 27 have been allotted to companies from 12 foreign countries this year, Bose said. Last year there were 497 stalls and pavilions.

The participating countries include India, Pakistan, the UAE, Singapore, Thailand, the USA and Turkey.

SBAC BANK

Md Rafiqul Islam, managing director of South Bangla Agricultural and Commerce Bank, attends the bank's first managers' conference on Wednesday. M Amzad Hossain, chairman of the executive committee, was also present.

Qantas struggles as Moody's downgrades airline to 'junk'

AFP, Sydney

Australian carrier Qantas said it was facing some of its toughest-ever challenges on Thursday as Moody's downgraded its credit rating to junk, with the airline battling intense competition and spiralling costs.

Moody's cited "a sharp deterioration in the company's core domestic business" following the airline's shock profit warning and announcement of job cuts in December, which had already prompted Standard and Poor's to assign it junk status.

Qantas is now rated Ba2 by Moody's and BB+ by Standard and Poor's, meaning it is considered a "junk" product by professional investors.

It will increase the cost of financing for the carrier and restrict access for investors that do not put their money in lower-rated companies, deepening woes for the cash-strapped airline.

"They are in a complete freeze, worrying about paying interest rather than spending capex on where it should be going -- a new fleet, upgrading facilities, etc," said IG Markets analyst Evan Lucas.