

Biman gets \$356m to buy two aircraft

Govt approves the hard-term loans from foreign sources

REJAUL KARIM BYRON and SHARIFUL ISLAM

The government yesterday approved a total of \$356 million hard-term loans for Biman Bangladesh Airlines to help the loss making national flag carrier buy two wide-bodied aircraft by March.

A loan committee of the government at a meeting with Finance Minister AMA Muhith gave a go-ahead to the loan of which \$290 million will be taken on guarantee from US-based Ex-Im Bank.

Another \$66 million will come from Standard Chartered Bank, officials of the finance ministry and Biman said.

"The amount approved is the total cost," Biman Managing Director and CEO Kevin John Steele told The Daily Star.

The carrier has been asked to prepare a 10-year business plan to



LOANS IN NUMBERS

Ex-Im to give \$ **290**m at LIBOR+ **0.35**%, to be repaid in 12 years

Standard Chartered to provide \$ **66**m at LIBOR+ **5.5**%, to be repaid in 5 years

\$ **28**m of the total loans will be paid in advance

become a profitable venture, the finance minister told reporters after the meeting.

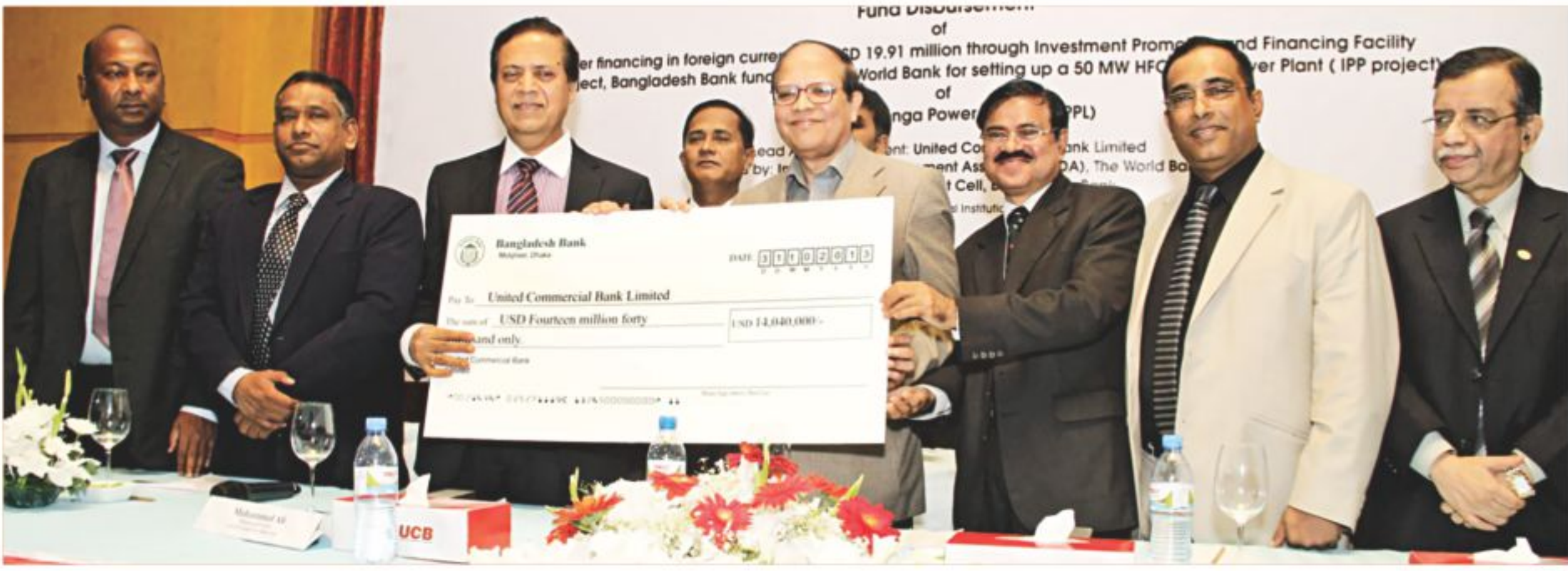
"Biman has been a worthless organisation since its inception but it is not solely responsible for its dismal condition; the government also did not provide it with necessary support," Muhith said.

The interest on Ex-Im Bank loans would be three months' LIBOR (London Interbank Offered Rate) plus 0.35 percent. The loans will have to be repaid in 12 years, officials said.

LIBOR is the rate at what banks charge each other for short-term loans in the London interbank market. It also serves as a global benchmark for short-term interest rates. The LIBOR will be followed as the loans will be given in foreign currency.

However, a finance ministry official said around \$28 million will be paid in advance.

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UCB

Fourth from right, Atiur Rahman, governor of Bangladesh Bank, hands over a cheque to Muhammed Ali, managing director of United Commercial Bank, at the Westin hotel in Dhaka yesterday. UCB and Trust Bank will disburse about \$20 million loans to a power plant in Chittagong.

\$20m for Patenga power plant

STAR BUSINESS REPORT

Bangladesh Bank yesterday disbursed about \$20 million loan for Baraka Patenga Power Ltd to set up a 50-megawatt power plant in Chittagong.

The fund, first of its kind in the power sector, is part of the Investment Promotion and Financing Facility funded by the World Bank and managed by BB.

Baraka Patenga Power will receive the loans from United Commercial

Bank and Trust Bank, UCB Managing Director Muhammed Ali told The Daily Star. The loans carry a 4 percent interest rate.

"Power is a vital sector to accelerate economic growth and investment. Such a fund will help the country generate more electricity," BB Governor Atiur Rahman said at a programme at Westin Hotel in Dhaka.

The central bank has undertaken many innovative steps so that entrepreneurs have access to the foreign currency

loan at low interest rates, he said.

Trust Bank Managing Director Ishtiaque Ahmed Chowdhury and Baraka Patenga Power Chairman Faisal Ahmed Chowdhury were also present.

BB, with the financial assistance of the World Bank, is implementing the IPFF to finance nine areas: power, ports, environment and solid waste management, highways and express ways, airports and terminal, water supply, economic development, social sector and information technology.

Cox's Bazar sees return of tourists

SARWAR A CHOWDHURY and MOHAMMAD ALI JINNAT

Tourists have again started visiting Cox's Bazar after a pause induced by political turmoil since October 26.

Hotel occupancy rate, which had dropped to almost zero over the last couple of months forcing many to shut business indefinitely, rose to 10-15 percent now after BNP on January 15 announced a recess in shutdowns and blockades.

Ferry services between Teknaf and St Martin's island, which had been on hold for the past four months due to political turmoil, resumed on January 16.

"Tourists have started coming again," said Mohammed Imran

Humayun Khan, manager of sales and marketing of Long Beach Hotel, adding that people have been making queries as well for the past few days.

Sayed Alamgir, public relations officer of Ocean Paradise, said a number of tourists placed bookings in the last four days.

But Mosharef Hossain, general manager of Hotel Media International, said it was too early to say that normalcy has returned to the beach town.

"It is a good sign that the hotel occupancy rate is increasing and many people are booking rooms for the next month."

Domestic tour operators are also getting busy arranging and rearranging corporate and individual group

programmes in Cox's Bazar.

Corporate houses and individuals who had postponed their programmes are rescheduling their plans now, said Borhan Uddin, chief executive officer of Green Holiday Tours, a Cox's Bazar-based tour operator.

Hotel booking rate has already rose to 60-70 percent for the month of February and the occupancy rate in March may be 90 percent, he said.

Around two lakh tourists come to Cox's Bazar a day during the peak season of November through February, with spikes recorded in the weekends. But this time, up to December last year, the number hardly crossed 10,000 a day.

READ MORE ON B3

FAR Chemical wins approval for IPO

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday gave the green light to FAR Chemical Industries to raise Tk 12 crore from the public, the regulator said in a statement.

The company is set to float 1.2 crore ordinary shares worth of 10 each through initial public offering (IPO).

The textile chemical producer will use the fund to buy capital machinery and increase the current capacity.

The company's basic earnings per share as of June 2013 stood at Tk 5.01 with a net asset value per share of Tk 15.55.

After listing, FAR Chemical will be the 25th company in the pharmaceuticals and chemicals sector in the stockmarket.

At yesterday's meeting, the BSEC imposed Tk 1 lakh fine on Barakatullah Elector Dynamics, as it failed to comply with a regulatory requirement of minimum shareholding by sponsors and directors.

As per the regulatory requirement, each sponsor and director must hold 2 percent shares in his or her own company.

The stockmarket regulator also warned 16 other listed firms, as they did not inform the commission about minimum shareholding in time.

South Asia's informal labour helps keep employment stable

MD FAZLUR RAHMAN

South Asia's largely informal jobs and agriculture sector helped keep global employment growth stable in 2013 in spite of the feeble economic recovery which failed to improve labour markets, the International Labour Organisation said in a new report yesterday.

Global employment grew by a mere 1.4 percent in 2013—broadly unchanged from 2012, but lower than in any year of the pre-crisis decade. Employment growth deteriorated in every geographic region, except South Asia and North Africa.

"Indeed, it was the strong acceleration of employment growth in South Asia that helped keep global employment growth stable in 2013 compared to 2012," the UN agency said in its Global Employment Trends 2014 report.

The report said unemployment in all age groups across the world was up 5 million to 202 million in 2013, an unchanged rate of 6 percent.

The total unemployment rate in South Asia is estimated to be just 4 percent in 2013 compared to 3.9 percent the previous year.

However, the unemployment rate is not the best indicator of the South Asian labour markets, given the high prevalence of informal employment and working poverty.

In most countries in South Asia, informality, in all its forms, persists as the norm. The proportion of wage and salaried workers continues to be low, with only 22.5 percent of workers in the region receiving a wage in 2013, the

lowest percentage of all regions.

Self-employment continues to be common for people in South Asia; in 2013, 59 percent were own-account workers.

On the basis of current macroeconomic projections, the ILO expects little improvement in the global labour market in 2014, with the global unemployment rate ticking up to 6.1 percent and the number of unemployed rising by a further 4.2 million.

Even the UN agency said the global unemployment rate would remain broadly constant over the next five years.

The current slowdown and domestic challenges facing economies in South Asia imply that the goal of creating decent work will continue to be difficult in 2014 and the near future.

However, some of the fundamentals are in place for countries to return or shift to higher growth paths, namely the large youth population and increased investment in infrastructure and skills development that has been taking place.

Nonetheless, many countries face considerable political uncertainty and security threats (Afghanistan, the Maldives, Nepal and Pakistan), while all countries need to enhance efforts to ensure that growth translates into more decent employment, especially for the young men and women entering the labour market in the coming years.

Guy Ryder, the ILO's director-general, also highlighted rising inequality as wages fail to pick up, long-term unemployment problems intensify and progress stalls on cutting working

Unilever reports 11pc profit rise

AFP, The Hague

Dutch food and cosmetics group Unilever reported an 11.0-percent rise in net profit for 2013 on Tuesday despite a 3.0-percent fall in sales.

Net profit amounted to 4.84 billion euros (\$6.56 billion).

Sales totalled 49.8 billion euros, undermined mainly by unfavourable exchange rates and also by the effect of asset sales.

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