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Turmoil batters car importers

More than 6,000 cars stranded at ports

More than 6,000 cars are stranded at ports amid importers' reluctance to take delivery of the vehicles fearing vandalism on way to their final destinations.

"Most of us are afraid of attacks on the highway for the political unrest. That's why, taking delivery of cars from ports have become slow," said Habib Ullah Dawn, president of Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida).

Some of the imported vehicles came under attack at the beginning of the political turmoil, after which importers became cagey about taking the cars out of the ports, Dawn said.

Of the amount, 4,400 are stuck at Mongla port, the seaport that mainly handles reconditioned cars imported from Japan, while the rest are in Chittagong port, according to importers.

Each day, car importers have to pay a total of Tk 27 lakh as overstaying fine to port authorities, Dawn said.

"We would much rather pay the fines than see our cars getting torched. We are suffering for no fault of ours," said the Barvida president.

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Imported cars are stranded at Mongla port as importers are reluctant to take delivery of the vehicles amid fears of vandalism during the blockade on the highways.

Bibiyana 3 power project gets nod

ConocoPhillips, Statoil get approval for oil, gas exploration in deep sea blocks

The economic affairs committee of the cabinet yesterday approved the Bibiyana phase three 450-megawatt power project that remained stalled for the last two years due to problems with its lead bidder.

The committee also approved Petrobangla's signing of production sharing contracts (PSCs) with a US-Norwegian joint venture for oil and gas exploration in three deep sea blocks.

The 450MW gas-fired Bibiyana 3 power project, which would cost \$342 million, was supposed to come into full operation from mid-2015 and provide cheap power to the national grid.

A consortium of Japanese trading company Marubeni and Korean power company Hyundai signed the agreement in December 2012, committing to arrange the finance from Japan Bank of International Cooperation within 45 days.

The consortium could not secure the finance after signing contract, as Hyundai wanted to walk out of the deal and Marubeni became a blacklisted company with all Japanese international financing institutions from March last year for its corrupt practices in Indonesia.

Marubeni's punishment period expired in mid-December. Marubeni won two other Japan-funded large power projects in recent years as a lone bidder.

Instead of cancelling the tender for bidders' failure, the Power Development Board (PDB) that is handling the tender had allowed the company to kill time till its

punishment period expired.

In violation of the public procurement regulation (PPR), the PDB sought government's approval to allow the joint venture to change the consortium's partnership as per a proposal of Marubeni to become the sole bidder of the project.

According to the PPR 2008, the composition or the constitution of a joint venture, consortium, or association once formed shall not be allowed to be altered prior to execution of the contract, but alteration at a date later than execution of the contract may be done subject to the prior approval of the head of the procuring entity.

The cabinet committee nevertheless allowed the change of partnership through yesterday's approval.

US company ConocoPhillips and Norwegian Statoil had jointly proposed to explore deep sea blocks number 12, 16 and 21 in the off-shore block bidding round floated in 2012.

The joint venture had proposed to conduct line seismic survey of between 775 kilometres to 872km and drill at least one exploration well in the first five years of the contract period.

Signing of new PSCs with Statoil and ConocoPhillips would bring back activities to the Bay of Bengal from next winter when the Bay is calm and favourable.

Of these three blocks, block 12 and 21 had structural similarity with Myanmar's offshore Shew gas field that has proven 9 trillion cubic feet gas reserve. ConocoPhillips and Statoil believe these two blocks had lesser exploration risk.

Business leaders to seek remedy from court

Efforts underway to file writ petition

REFAYET ULLAH MIRDHA

The business community will go to court next week, seeking a remedy from the ongoing political impasse that has severely affected day-to-day businesses activities.

"We are losing money, losing business," said Shafiul Islam Mohiuddin, a former president of Bangladesh Garment Manufacturers and Exporters Association.

BGMEA is leading the move to file a writ petition with the High Court, seeking security from arson attacks -- to ensure a smooth transportation of goods vehicles.

The move comes after some trucks and covered vans have been vandalised or burnt in arson attacks.

The garment makers and textile millers are facing challenges in transporting goods between the factories and the port due to the political crisis.

Mohiuddin is a convener of one of the two committees that were formed after the hunger strike observed in Dhaka on February 14. The committee's first meeting was held on Tuesday at the BGMEA office in Dhaka, where it was decided that the businessmen would go to court.

At the meeting, he said there is a misconception that the business community would go to court to stop political parties from calling blockades and strikes.

"That's not true. We will go to court to stop violence and arson attacks on the goods laden vehicles as our exports and imports are being hampered."

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Tk 2,000cr lost in unrest, tour operators say

STAR BUSINESS REPORT

The tourism sector lost around Tk 2,000 crore due to cancellations of planned tours by foreign travellers amid the drawn-out political violence, according to Tour Operators Association of Bangladesh (TOAB).

Tour operators were badly affected by the current political chaos that began on January 06, said Iftakhar Alam Bhuiyan, a director of the association.

Hotels, resorts and tour operators have reported that foreigners have completely cancelled their bookings due to fear of attacks, Bhuiyan said.

Bhuiyan spoke for the 300 members of TOAB at a discussion at the National Press Club in Dhaka yesterday.

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Biman to relaunch domestic flights in early April

STAR BUSINESS REPORT

Biman Bangladesh Airlines is set to resume its domestic flights in the first week of April in an effort to grab a share of the growing pie.

To service the routes, the flag carrier will lease two planes -- Dash8-Q400 -- from Egypt's Smart Aviation for five years.

The aircraft, which come with 74 seats each, will arrive in Dhaka in late March and will jump into commercial service on April 6, Biman said in a statement.

Due to a shortage of planes, Biman suspended operations on four of the seven domestic routes in 2007. The last route -- Dhaka-Cox's Bazar -- was closed in June 2012.

At present, the airline takes passengers to and from Sylhet and Chittagong via its international flights.

The flag carrier's relaunch of domestic operations comes at a time when the local aviation market is heating up with a number of new players.

A new private carrier, US-Bangla Airlines, has already launched domestic flights, with another one, Epic Airways, set to start operations by the end of the year.

Currently, four private local airlines -- United, Regent, Novoair and US-Bangla -- fly mainly on four domestic routes: Dhaka-Chittagong, Dhaka-Cox's Bazar, Dhaka-Sylhet and Dhaka-Jessore.

The Dhaka-Chittagong route draws the highest volume of traffic followed by Dhaka-Jessore.

At present, 50,000-55,000 passengers fly nationally a month, with Dhaka-Chittagong accounting for 70 percent.

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Stocks jittery over political uncertainty

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Stocks closed flat yesterday as investors sold shares and mutual fund units to bag profits amid the political chaos across the country.

DSEX, the benchmark general index of Dhaka Stock Exchange, rose 1.86 points or 0.04 percent, to close at 4,802.27.

DSES, the shariah index of DSE, fell 2.81 points or 0.25 percent, to finish at 1,113.70.

Market saw a zigzag movement and mixed performance, although profit-taking was still on the menu, said LankaBangla Securities.

Investors remained cautious over political and macroeconomic development, IDLC Investments said, adding that they

preferred banking stocks upon expectation of favourable corporate declarations in the coming months.

Banks gained the most yesterday, rising 1.16 percent, followed by general insurance at 0.63 percent, pharmaceuticals 0.47 percent and tannery 0.42 percent. Cement shares lost 1.40 percent, followed by textiles 0.77 percent and information technology 2.10 percent.

Turnover, the most important indicator of the market, advanced 4.3 percent from the previous day to Tk 259 crore.

Of the 301 issues that traded on the DSE floor, 135 advanced, 144 declined and 31 remained unchanged.

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