

# Experts say low-cost airlines don't mean low safety

AFP, Paris

The budget airlines that have won a major share of the European aviation market are subject to the same safety and maintenance requirements, experts said Tuesday, and have rarely been involved in accidents.

The crash Tuesday in the French Alps of an Airbus 320 operated by Germanwings, the low-cost unit of Lufthansa, killing all 150 on board, was only the second accident involving a budget airline in Europe.

A Boeing 737 operated by the Cypriot company Helios crashed in Greece in 2005, following a breakdown in the oxygen supply, killing all 121 on board.

Following the deregulation of the European air travel in the early 1990s, budget airlines have swooped up 30 to 40 percent of the market in medium-range flights, according to Bertrand Mouly-Aigrot, an air transport specialist at Archery Strategy Consulting.

Low-cost pioneer Ryanair, with its fleet of 300 Boeing 737s, has become one of the major players in Europe, operating 1,600 flights daily serving

186 airports in 30 countries.

Its British rival EasyJet, which will soon have 226 Airbus A320s, operates an average of 1,400 flights each day.

These two companies, and more recent emulators such as Air Berlin, Vueling, Norwegian and Wizz Air, have forced traditional airlines to adapt or face being squeezed out of the medium-haul market.

Lufthansa shifted its European flights to Germanwings except for those serving its two biggest domestic hubs Frankfurt and Munich, including the flight from Barcelona to Duesseldorf that crashed on Tuesday.

IAG, which owns British Airways and Iberia, has snapped up Spanish-based Vueling.

Air France-KLM has been trying to expand a low-cost subsidiary, Transavia, although pilots unions have slowed its development.

Before the Germanwings crash, the reasons for which are not yet clear, European budget airlines had prided themselves on their safety record, and had even used it as a selling point.

Ryanair and Easyjet also boasted about how the planes in their fleets are new, which is part of their business

strategy, noted Xavier Tytelman, an air safety specialist.

New aircraft are more efficient, giving airlines who use them a major cost advantage as fuel can account for a quarter to half of operating costs.

But new planes can also mean lower maintenance costs. Each four or five years passenger jets require an extensive overhaul, which is both costly in itself and requires taking the plane out of service for weeks.

"Low-cost airlines don't have any incentive to invest in such maintenance and just before planes arrive at that age they sell them," Tytelman told AFP.

However the Germanwings A320, which had earlier served in Lufthansa's fleet, was 24 years old.

That makes it "relatively old, and probably in its final years of commercial service," said Mouly-Aigrot.

"But pulling the oldest planes out of commercial use is a question of economics ... not a question of safety," he said. "Old aircraft cost more to operate and are less efficient."

Whether they belong to low-cost or traditional airlines, aircraft are subject to the same maintenance rules.

## Banks to remain open this weekend for city polls

STAR BUSINESS REPORT

All branches of the scheduled banks in Dhaka and Chittagong cities will remain open on this weekend—Friday and Saturday—to help the city polls' mayoral and councillor candidates make security money deposits that are necessary to file for candidacy.

Elections for Chittagong metropolitan and the two halves of Dhaka city (north and south) are expected to be held simultaneously on April 28.

March 29 is the deadline for the aspirants running for the polls to submit their nomination papers, Bangladesh Bank said in a statement.



LEADS  
**Romina Dewan, executive director of LEADS, an environmental organisation, poses with the teachers of 17 leading schools in the capital as part of an environment awareness campaign--Our Environment Our Resource--organised by LEADS at a hotel in Dhanmondi, Dhaka on Tuesday. IDLC sponsored the programme.**

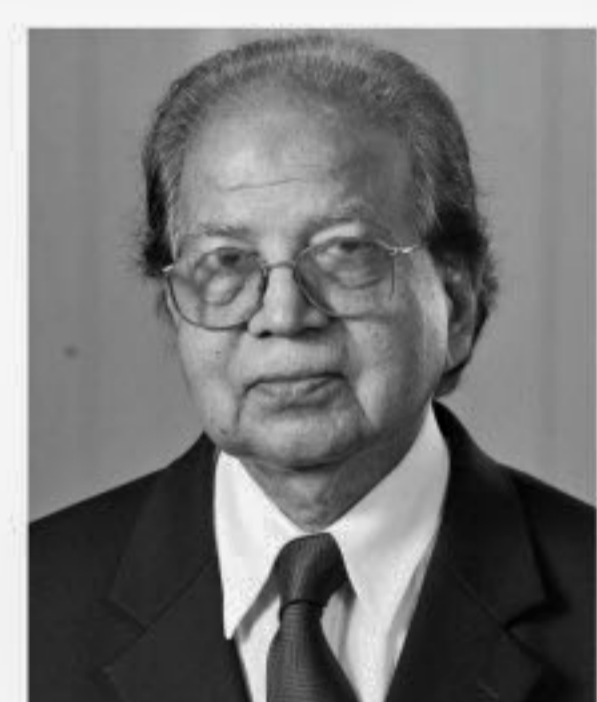


CHEWY JUNIOR  
**Kevin Wong, managing director of Chewy Junior (International); Md Jobayer Hossain, managing director of Chewy Junior, Bangladesh; and Tanveer A Mishuk, managing director of Tasia Bangladesh, exchange documents of a franchise agreement signed in Dhaka yesterday. Chewy Junior's first local outlet will open in Gulshan, Dhaka in April.**



LANKABANGLA  
**Kutubuddin Ahmed, chairman of Envoy Textiles, and SAR Md Muinul Islam, chief executive of LankaBangla Information System, sign an agreement for i-frame services, at a programme in Dhaka yesterday to establish a more efficient investor relationship platform for the textile maker.**

## New chair, vice chair for Green Delta Insurance



**Abdul Hafiz Choudhury**



**Kamran Idris Chowdhury**

STAR BUSINESS DESK

Abdul Hafiz Choudhury and Kamran Idris Chowdhury have recently been elected as chairman and vice chairman of Green Delta Insurance Company.

Prior to taking the charges, both of them have been serving the company as independent directors, the bank said in a statement yesterday.

Abdul Hafiz Choudhury currently serves ICB Islamic Bank as an independent director and is the chairman of the bank's risk management committee and internal control and compliance committee, according to the statement.

Choudhury is a former senior partner of Rahman Rahman Huq Chartered Accountants. He is a graduate of Dhaka University and is a chartered accountant from the Institute of Chartered Accountants in England and Wales.

Kamran Idris Chowdhury is a fellow member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Bangladesh.

He has previously worked for Touche Ross in London and later at A Qasem and Co Chartered Accountants, a member firm of Ernst and Young International in Bangladesh, according to the statement.

## Private sugar refiners irked by curbs on imports

FROM PAGE B1

City Sugar Mills, the country's largest sugar refiner, set up a second unit with capacity of 3,000 tonnes a day, promising to export at least 50 percent of the output. In reality, it could not export, which oversupplied the local market, industry insiders said.

"We had exported last year, but this year we cannot because of falling prices in international markets," said Biswajit Saha, general manager of City Sugar. Global sugar prices in March neared six-year lows owing to robust supplies in Brazil, whose struggling currency was also dragging down the market.

Global production in the year ending September 30 will exceed demand by 620,000 tonnes, leaving record stockpiles of 79.89 million tonnes, or almost enough to supply the world's top seven consuming countries, according to a Bloomberg report.

India, the second-largest producer, will have the biggest harvest in three years at 26 million tonnes, a Bloomberg survey

showed. A Thai industry group estimated cane output rose 6.1 percent this season.

Amid the situation in Bangladesh, private refiners sat at an emergency meeting on Tuesday to discuss their next course of action.

A letter will be sent to the industries ministry, urging it to reconsider its decision on import restriction, Saiful Alam, president of Bangladesh Sugar Refiners' Association, told The Daily Star after the meeting.

The government cannot impose this embargo in an open market economy, Alam, also the chairman and managing director of S Alam Group, said.

Asked, Mosharrif Hossain Bhuiyan, secretary of the industries ministry, said restriction on imports was taken in consultation with the refiners.

It is a temporary decision to discourage imports, he said. The decision will help state-owned mills sell its stock of 1.5 lakh tonnes sugar, which, he said, was not being sold despite its better quality.

## Sylhet Metro Securities gets more time to settle investors' claims

FROM PAGE B1

The CSE, as instructed by the regulator, also reported on the repayment twice, and BSEC found that the stockbroker had failed to settle the claims of the investors, who had lodged written complaints with the market regulator.

It was later found that the stockbroker had committed irregularities as it sold and transferred clients' shares without their consent.

The regulator had also fined Shamim Ahmed, executive director of SMCS, Tk 50 lakh, on charges of swindling money from client portfolios.

The regulator also blocked all his benefi-

ciary owner's accounts until further notice, and he was barred from involvement in any profession related to the stockmarket.

In another development, BSEC approved the conversion prospectus of a closed-ended fund into an open-ended one.

As per the conversion, ICB AMCL Islamic Mutual Fund will turn into a Tk 20 crore open-ended mutual fund.

The existing net asset value of the fund is Tk 17.87 crore, meaning Tk 2.13 crore will be raised through public subscriptions.

The tenure of the ICB AMCL Islamic Mutual Fund has been extended by another two months until May 31.

## 90pc of cyclone-hit people now above poverty line: survey

FROM PAGE B1

In addition, the project has provided agricultural support to farmers with improved seeds, agricultural tools, livestock, fish fingerlings, household silos and hands-on training on the use of such technology.

The project is also supporting the preparation of the first phase of a 15-year government programme for disaster risk reduction.

ECRRP has already constructed 136 new multipurpose disaster shelters that double up as primary schools during non-emergency situations. Construction of 65 new shelters will be completed by June.

The target is to construct 330 new shelters by 2017. The project has completed renovating 241 existing shelters, out of a target of 460 shelters to be repaired by 2017. Another 81 will be renovated by June this year. Repair works for 260km coastal embankments have been completed out of a total target of 460km.

The World Bank has so far supported ECRRP with \$324 million. In addition to WB financing, the Global Facility for Disaster Reduction and Recovery (\$2.96 million), the Bangladesh Climate Change Resilience Fund (\$25 million) have contributed to the project.

## Toma gets contract for Uttara apartment project

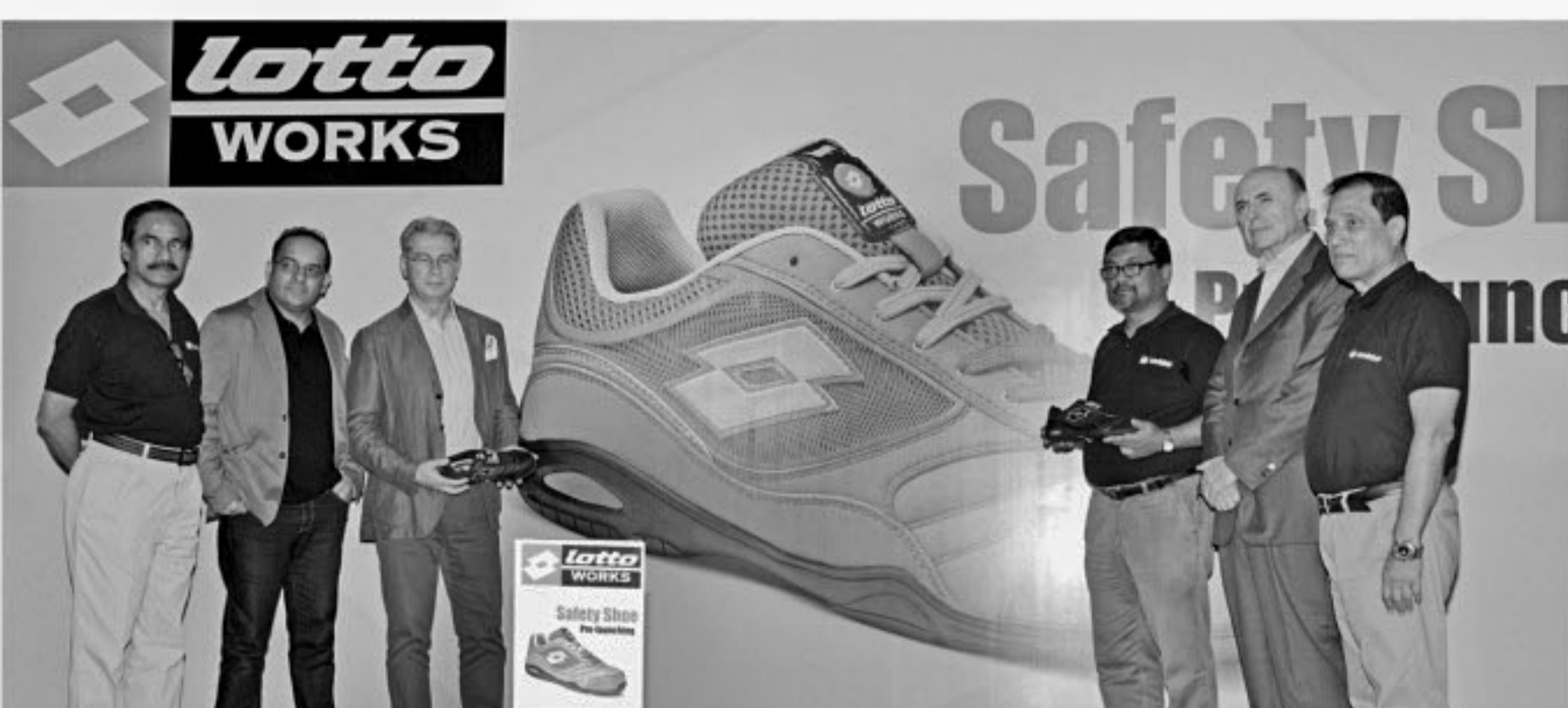
FROM PAGE B1

The government will have to pay 15 percent of the price of the commodities to Belarus in advance and the remaining 85 percent can be paid in 11 years, including a three-year grace period.

Alongside, the Belarus government will provide two years' warranty on the imported equipment; all maintenance cost during the period will be borne by the Belarusian exporter.

The exporter will also send engineers and mechanics to Bangladesh at its own expense to train the workers how to use the machineries. After the expiry of the warranty period, the exporter will supply the necessary spare parts at factory price. It will also set up a service centre for providing services in this regard.

The purchase committee also approved a proposal from the Directorate General of Food, allowing Dubai-based Phoenix Commodities to supply 50,000 tonnes of wheat at \$243.69 a tonne to Bangladesh.



LOTTO  
**Mario Palma, Italian ambassador, poses at the launch of a new safety shoe--Lotto Works--at a programme at Gold Water Convention Centre in Bashundhara City, Dhaka on Wednesday. Kazi Jamil Islam, managing director of Lotto Bangladesh, was also present.**

**ESSENTIAL DRUGS COMPANY LIMITED**  
395-397, Tejgaon Industrial Area  
Dhaka-1208

**LOCAL RE-TENDER NOTICE**

**Tender Ref.: EDCL/PUR/LOCAL TENDER/2015/269**

**Dated: 25/03/2015**

Well reputed Company are invited for submission of the best competitive price offer for **Supply, Installation, Testing and Commissioning of Brand New IP Surveillance (CCTV) system including operation, trouble-shooting, maintenance and servicing for EDCL, Dhaka Factory** as per Tender schedule.

Name of Item	Qty.	Earnest Money	Cost of Tender Schedule
<b>Supply, Installation, Testing and Commissioning of Brand New IP Surveillance (CCTV) system including operation, trouble-shooting, maintenance and servicing for EDCL, Dhaka Factory</b> (Details as per Technical Specification & Tender Schedule).	42 Nos.	Tk. 2.5% of quoted amount	Tk. 1,250.00/set (Non refundable)

Tender schedule will be sold from the Accounts Department of **Essential Drugs Company Limited, Dhaka** on payment as stated above during office hours on all working days (except Friday, Saturday and Govt. Holidays). No tender schedule will be sold on the opening date of the tender.

The tender will be accompanied by an amount of Earnest Money as mentioned above in the form of Bank Draft / Pay Order / Bank Guarantee from any Schedule Bank of Bangladesh in favour of **"Essential Drugs Company Ltd."** without which the tender will be considered as non-responsive.

The tenderers may drop their offer alongwith detailed specification (as per tender schedule) in the tender Box kept at the Purchase Departments, EDCL, Dhaka office till 12.00 Noon on **30/04/2015** which will be opened on **30/04/2015** at 12.15 PM in presence of the tenderers / their representatives (if any).

Interested bidders are advised to visit the site (where CC TV system will be installed) prior to bid. EDCL authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.

**Deputy General Manager**  
Planning & Procurement  
For : Managing Director.