

# Tears, cheers greet China's new economic zone

AFP, Xiongan, China

Business owner Hu Weibing weeps at the prospect of losing everything, including his home, after China's surprise announcement to transform a rural spot outside Beijing into a modern metropolis nearly three times the size of New York City.

Hu's family-run clothing factory in the northern province of Hebei could close at the expense of a new special economic zone similar to those in Shanghai and Shenzhen.

The planned Xiongan New Area currently measures 2,000 square kilometres (772 square miles) and has less than one percent of Beijing's economic output, but last weekend's announcement sparked a real estate speculation frenzy as out-of-town home buyers from across the country descended on the previously unknown area.

"It's certainly good for Hebei and the regional economy, but it's a disaster for mid- and small-sized business like ours," said Hu, staring at the bare concrete walls of the four-storey dream home he began building last year but will never be able to finish.

Though authorities have not yet told him what is next, he is bracing for

things to progress in the fashion that has become typical for government mega-projects: forced relocation and modest monetary compensation.

The changes will scatter his 40 local employees, each painstakingly trained for two years to produce the winter jackets that Hu's Yuhua Clothing Manufacturing sells to clients in Moscow.

And land prices elsewhere are guaranteed to be out of his reach.

"To build another factory or another villa like ours will be impossible. It's a terrible shame," he said quietly, unable to stop tears sliding down his face after devoting decades of his life to the business.

"There will be no way to ever compensate us, but this is a huge national issue, so whatever comes we must support it."

There are some 19 national-level "New Areas" scattered across China, 13 of which have been established since 2014.

But Xiongan stands out: President Xi Jinping personally designated its location during a February trip to the fields just outside Hu's village of Dawang, according to Xinhua News.

Following the announcement, housing prices doubled in a single

day, as speculators queued outside real estate offices, clogging the streets with luxury vehicles as they battled to snap up properties for cash.

Shocked by the chaos, local authorities quickly imposed strict bans on home sales and ordered brokers to close up shop.

By mid-week, offices across the area were closed, their metal gates pulled down and crosses of white tape over them for good measure.

But individuals with properties for sale were still willing to approach potential buyers with prices that had gone up 300 percent in three days, they told AFP.

An investor surnamed Wang had come to check out opportunities from Beijing, 100 kilometres away, but declined an offer to buy at a rate higher than the average cost of a home in the bustling port city of Tianjin.

"I could've accepted some 13 or 14,000 yuan (\$2,000) per square metre, but 30,000 is simply too much for an investment of at least ten years where you don't even know how things will turn out in the end," he said.

"It's crazy -- they're still planting crops here! What if Old Xi steps down and they never build anything here at all?"



Sayed H Chowdhury, chairman of ONE Bank, and M Fakhru Alam, managing director, pose with the recipients of scholarships given by the bank, at Jessore on April 15.

# Modern life intrudes on Ethiopia's ancient salt trade

AFP, Lake Asale, Ethiopia

Every morning, hundreds of men converge on a dry lakebed in a remote corner of Ethiopia, where they cleave the ground open with handaxes to extract salt, just as their fathers and grandfathers once did.

They toil under the gaze of a caravan of camels who will carry their salt bricks to market, in a trek that historians estimate has gone on since the 6th century.

But with the Ethiopian government opening the isolated northern region to investors and tourists by cutting new roads through surrounding mountains, the labourers, traders and caravan drivers that make up the industry say their traditional way of life could soon be lost.

"If it continues like this, it will stop our work," miner Musa Idris said as he stood on the cracked earth that fringes Lake Asale, where the miners work amid temperatures that can reach 50 degrees C (122 degrees F), making it one of the world's hottest places.

Salt mining was once so vital to the economy of the depression that the seven-kilogramme chunks of salt Idris and his colleagues hack from the ground were used as currency.

While the trade is still important, it is no longer the only game in town.

Restaurants and hotels have sprung up in the area, also known as the Danakil depression, to cater to tourists who come from across the globe to visit the uniquely desolate landscape formed by the intersection of three tectonic plates.

The region has also attracted foreign firms that want to mine potash and send it to Asia. The presence of salt in the area has not escaped the attention of mining companies.

A handful of kilometres away from where Idris and his colleagues gather, an Ethiopian company has built a plant that sucks water from the lake into evaporation ponds, creating salt the miners say is of a better quality but costs more than the square blocks they mine from the lakebed.

"The traditional way is quite different from ours. That one takes more toil and time," evaporation plant manager Maheri Asgedew said of the manual way of mining.

Asgedew predicts that his plant, which only recently went into operation, would one day be the main supplier of salt in the area.

Perhaps no development has impacted the traditional salt industry like the new roads. Ethiopia is Africa's

second most populous country and one of the continent's best-performing economies, with growth reaching nearly 10 percent in 2015.

The government has made projects such as dams and road-building a priority as part of its strategy to end the poverty that afflicts around one in three of its citizens. Getting the salt-laden camels from Lake Asale to the nearest city Mekele used to be a four-day trek down rock-strewn gullies.

Now, the caravans terminate in Berhale, the region's main salt trading outpost which road builders connected to Mekele by tarmac about five years ago.

The journey takes only three days, an improvement that some of the camel drivers and labourers who help offload the salt bricks have welcomed, but which others worry is a sign that technology will soon put them all out of business.

About 5,000 blocks of salt arrive each day at a trading post situated on a dry riverbed at the edge of Berhale, from which they are loaded onto trucks that take them as far away as neighbouring Kenya, said Ahmed Ali Ahmed, the deputy of an association of salt miners.

"The road has brought a lot of change, because we can easily transport salt to Mekele," Ahmed told AFP.



Media personality Sara Zaker speaks at the Health and Wellness Fair 2017, organised by Sajida Foundation and Purnava Ltd, at Brac Centre Inn in Dhaka on April 15.

# Stocks continue to fall

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"Now the market is in correction. There is nothing to be worried about, as the market is creating space for future rally," added Rizvi, also a former president of DSE.

Yesterday's fall of 53 points or 0.94 percent was the highest single day decline in the last 49 trading sessions.

"A strong sell pressure precipitated a steep decline in the market," IDLC Investments, a merchant bank, said in its regular analysis.

However, turnover, an important indicator of the market, rose 21.6 percent to stand at Tk 724.22 crore yesterday, with 23.57 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 90 advanced and 196 declined with 40 securities closing unchanged on the premier bourse.

LankaBangla Finance dominated the turnover chart with 78.07 lakh shares worth Tk 46.65 crore changing hands, followed by City Bank, Evince Textiles, Paramount Textile, and Beximco.

All major sectors declined in market capitalisation: non-bank financial institutions took the biggest hit of 2.71 percent, followed by banks that slid 1.49 percent, food and allied 1.22 percent, engineering 1.05 percent, pharmaceuticals 0.49 percent, telecom 0.44 percent and fuel and power 0.23 percent.

Central Pharmaceuticals was the day's best performer with 9.12 percent in gains, while Standard Bank was the worst loser, shedding 11.02 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 92.15 points or 0.87 percent to finish the day at 10,501.56 points.

Losers beat gainers as 140 declined and 68 advanced, while 29 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.98 crore shares and mutual fund units worth Tk 47.2 crore in turnover.

# Private sector can play a crucial role in connectivity

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Suraj Vaidya, president of Saarc CCI, said more than 95 percent people of the South Asian countries want the success of Saarc.

A negligible number of people may have links with terrorism and for them, the whole region is suffering from insecurity and low trade among the nations, he added.

Despite having potential, trade among the Saarc nations is low for poor connectivity in roads, railways and waterways, he said.

Most of the barriers to trade are manmade in this region and those can be resolved through discussion, said Salman F Rahman, former Saarc CCI president and adviser to the prime minister for private sector and

business. The Saarc nations have been performing well as individual nations, he added.

"We need to implement the Safta immediately. We should not spend another 30 or 40 years or even 100 years to make this platform effective for more trade," said Jalaluddin Saeed, a businessman from Afghanistan.

M Tamim, a former adviser to the caretaker government, said the energy trade is vital among the Saarc nations; if this trade is left to the governments, it will not work well.

"If India can do energy trade with Nepal, why not Bangladesh?" he said. Megawatts has been importing 600 megawatts of electricity from India, he said, adding that energy trade is taking place bilaterally.

"We are considering a regional electricity market and a regional grid," Tamim said. The chamber leaders can negotiate with the governments to help the plan materialise, he added.

Sanjeev Nandwani, former additional director general of Foreign Trade and Development Commissioner of India, called for stable tariff rates for trade among the Saarc region.

Kithmina Hewage, research officer of Institute of Policy Studies of Sri Lanka, said more than 90 percent trade takes place through India in the Saarc region. So India should play an important role in making the Saarc an effective trade platform, he said.

Shafquat Haider, executive committee member of Saarc CCI, moderated the programme.

# Bangladesh's GDP to grow 6.4pc next year

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Given its weight in the region, India sets the pace for South Asia as a whole. Its GDP growth is expected to accelerate to 7.2 percent in 2018, after expanding by a slightly lower than expected 6.8 percent in 2016, with a temporary disruption from the withdrawal of large denomination bank notes.

Based on tangible improvements in security, Pakistan continues its upward trend and growth is expected to accelerate to over 5 percent this year.

Nepal and Maldives are bouncing back from economic shocks.

Analysis of different hypothetical trade scenarios finds that South Asia stands to benefit from the stall of large regional trade agreements such as the Trans-Pacific Partnership (TPP).

It would also gain in the hypothetical scenario of greater protectionism against major exporting countries such as China and Mexico. The research finds that South Asian growth is highly responsive to higher growth in advanced economies,

which could offset potential losses from changes in trade policy.

"To make the most of this export opportunity, countries in the region should continue to focus on policies that promote economic growth," said Martin Rama, chief economist of the WB for South Asia.

"A survey of South Asian experts conducted for this report reveals a strong consensus on the need to promote human capital accumulation, investments in infrastructure, and a more business-friendly environment."

# Prime Bank writes off Bismillah Group loans

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Speaking about the bank's activities since its inception, the CEO said consumer banking has been at the heart of Prime Bank.

He said this is the best time for the investors to invest in home or automobile as Prime Bank has reduced the interest rate to affordable levels. According to Chowdhury, the default loan rate at the bank is high as it has lent more in the consumer banking segment.

Moreover, the central bank circular on loan classification issued in 2013 widened the default loan rate across the sector, he said.

The central bank amended the loan classification rules to bring them in line with global standards.

The default loan of Prime bank was 6.36 percent last year against the sector's average of 9.23 percent, according to Bangladesh Bank data.

The banking sector's average default loan may rise in the January-March quarter as BB has instructed banks to show the loans which have still remained unclassified thanks to stay order from courts as classified, according to Chowdhury.

Prime Bank, one of the largest private commercial banks in the country, started its journey with a paid-up capital of Tk 10 crore, which stood at Tk 1,029 crore in 2016.

Total deposit stood at Tk 19,793 crore and assets Tk 25,660 crore at the end of last year. The bank has 145 branches and 168 ATM booths.

Chowdhury said the bank is now focusing more on fast-growing online banking.

"We are planning to offer more web-based products for the customers," he said, adding that the bank is expanding its footprint in rural areas as well.



Ahmed Kamal Khan Chowdhury, managing director of Prime Bank, speaks at a press briefing at Hotel Purbani in Dhaka yesterday to mark the 22nd anniversary of the bank. Story on B1



Officials of Myorganicbd cut a cake to launch the operations of the company on Elephant Road in Dhaka yesterday.

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