

# Catalonia independence push sparks tourism slump

AFP, Madrid  
Catalonia's independence push is taking its toll on the region's tourism industry, with revenues and hotel bookings down since a banned October 1 secession referendum that was marred by violence.  
"The tourism sector is one of the most strongly affected by the instability," Prime Minister Mariano Rajoy told parliament last week as he defended his government's handling of the Catalan crisis.  
Catalonia, with its capital Barcelona and Costa Brava beaches, is the Spanish region that most attracts foreign visitors.  
More than 18 million visitors went in 2016, or a quarter of all foreigners who came to Spain.  
But images of police beating would-be voters as they tried to stop the independence referendum and the massive street demonstrations in Barcelona that followed the vote had dampened visitors' enthusiasm.  
Catalonia's tourism activity slumped by around 15 percent during the first two weeks of October compared to the same time last year, according to industry

lobby group Exceltur.  
Barcelona's emblematic Las Ramblas boulevard was still packed with locals and tourists on Tuesday, who sat in the sun on outdoor terraces or drove by on open-top buses.  
But local shop owners complain of a slump in activity.  
"You feel it, there are less tourists since October 1. Our sales have dropped by about 25 percent, it's very worrying," Susana Garcia, 44, who runs a confectionery stand on the boulevard, told AFP.  
"If you watch TV, and you see Barcelona and police hitting people, and people saying there is no democracy, would you go there?"  
Jose Luis Morais has noticed a similar drop in business at his nearby newspaper stand, but he thinks it has "more to do" with the jihadists attacks in Barcelona and the nearby resort of Cambrils in August that killed 16 people "than because of the political situation".  
Catalonia's tourism activity dropped by around five percent in September in the wake of the attacks, according to Exceltur.  
Just before the referendum several countries, including Germany, France and the United States,

warned their citizens to be careful if they travelled to Catalonia.  
Spanish airline Iberia and American Airlines allowed their passengers on flights to Barcelona to change their tickets for another destination if they wished for free.  
A cruise ship which was due to dock in Barcelona on October 1, the day of the referendum, cancelled its stop in the city, a spokeswoman for the port of Barcelona said. Another cruise ship delayed its stop in the city by a few days, she added.  
Barcelona is one of the most popular stops for cruise ships in Europe. More than 800 cruise ships dock in the city every year.  
With Catalan president Carles Puigdemont threatening to declare independence following the referendum, the impact on the tourism sector is likely to continue in the coming months.  
Barcelona is a popular destination for French tourists when schools close for an annual holiday at the end of October but reservations for the period are down by 5-10 percent, a spokesman for travel firm eDreams Odigeo said.  
Reservations by all nationalities at hotels in Catalonia are down by

around 20 percent until the end of the year, according to Exceltur.  
It predicts the drop could reach up to 30 percent if the crisis continues, which would cost Catalonia 1.8 billion euros (\$2.1 billion) in lost revenues.  
Tourism sector companies have also "seriously put the brakes" on all investments in Catalonia until the end of 2017, Exceltur vice president Jose Luis Zoreda told a news conference on Tuesday.  
Tourism accounts for 12 percent of Catalonia's economic output and employs just over 400,000 people.  
Exceltur warned the crisis could have "strong" effect on jobs if it continues.  
The rest of Spain has not recorded a fall in reservations but the slowdown in Catalonia risks putting the brakes on a sector which has been booming and is key for the Spanish economy.  
Spain's government announced Monday it was cutting its forecast from 2.6 percent to 2.3 percent economic growth next year, saying the political crisis in Catalonia was creating uncertainty.



Marcia Bernicat, US ambassador to Bangladesh, meets Md Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at the latter's office in Dhaka yesterday. They discussed the overall situation in the garment sector. Mohammed Nasir, vice president (finance) of BGMEA, was also present.

## Dollar edges up

REUTERS, London  
The dollar edged higher on Wednesday, as markets awaited further news on the possible appointment of a hawk as Fed chair and progress on US tax reforms.  
The dollar index .DXY rose 0.1 percent to 93.58, extending a rebound from Friday's 2 1/2-week low of 92.749. It rose as high as 93.729 on Tuesday.  
"The overnight news of progress in negotiations over the new US tax plan seems to be dollar-positive but we have to see some strong economic data before the dollar

breaks higher," said Jane Foley, senior FX strategist at Rabobank.  
US Senate Republicans on Monday gained crucial support for a vote on a budget resolution that is vital to President Donald Trump's hopes of signing tax reform legislation into law before January.  
Morgan Stanley strategists noted the reforms may come at a time when the US has used up all its spare capacity.  
Investors will also focus on US Beige Book data later in the day, with some likely to be wary of buying dollars aggressively after disappointing US inflation data.



SM Abu Mohsin, a director and chairman of the executive committee of NCC Bank, cuts a ribbon to open a new ATM booth of the bank at Chittagong Seniors' Club Ltd in the port city. Mosleh Uddin Ahmed, CEO of the bank, was also present.



Elesh Mridha, managing director of Pran Group, and Wolfgang Pfeiffer, director for research and development of HarvestPlus, exchange signed documents of a deal at the former's head office in Dhaka yesterday. Pran will market high-zinc rice collected from farmers who are supported by HarvestPlus.

## DHL Global Forwarding Asia Pacific CEO visits Bangladesh

STAR BUSINESS DESK  
Kelvin Leung, CEO of DHL Global Forwarding Asia Pacific, came to Dhaka on Tuesday on a two-day visit.  
The visit covered country-focused business reviews as well as meetings with key stakeholders and employees, and served to recognise Bangladesh's status as a rising economy and emerging market for DHL Global Forwarding.  
Leung was accompanied by Thomas Tieber, CEO for DHL Global Forwarding Asean and South Asia, the logistics company said in a press release yesterday.



Leung is currently in charge of chartering the business growth of DHL Global Forwarding, the leading international provider of air, sea and road freight services, for the Asia Pacific region.  
He first joined Danzas AEI, now known as DHL Global Forwarding, in 2002 as managing director for Hong Kong, South China and Macau. Leung has a Master's degree in general engineering science from the University of Cambridge.  
DHL Global Forwarding Bangladesh is led by Country Manager Nooruddin Chowdhury.

## Make 4G guidelines more investment friendly

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Pierre Boutros Obeid, chief technology officer of Banglalink, said technologically it is possible to offer 1Gbps speed in 4G, but it will require huge investment.  
"We look forward to launching 4G services as we continue to transform our network to make it affordable for our customers and help bridge digital divide."  
He said Banglalink is committed to offering the best in 4G to ensure digital inclusion of everyone.  
Aas said mobile operators are already burdened with some of the highest taxes in the world and higher fees which have made it challenging for them to expand the existing network and roll out future technology.  
He said the current tax policy in Bangladesh is really an impediment to the growth of the telecom industry with unpredictable and uncertain financial regulations.  
"If regulatory requirements rise because of the guidelines, it will practically be impossible for us to convince our shareholders to invest further in Bangladesh."  
Aas said, right now there has not been a viable business for 4G in Bangladesh and the high costs and an unfavourable regulatory environment will further deteriorate business case.  
Only 5 percent people in Bangladesh

use 4G-enabled handsets, he said.  
When the third-generation technology was introduced in Bangladesh in 2013, the penetration of 3G-supported handsets was very low. But now it stands at 35 percent, while mobile operators have brought 65 percent of the entire country under their 3G network, according to the GSMA, which represents the interests of mobile operators worldwide.  
Aas said the 3G service still cannot be termed as a successful business case. Four years ago, spectrum price was too high. As a result, operators were not able to mobilise enough funds to buy spectrum.  
Total investment for 3G was Tk 32,000 crore whereas the return has been only Tk 6,000 crore so far.  
When asked about the future of 2G and 3G after the launch of 4G services, Aas said developed countries are switching off 2G networks because of cost efficiency.  
"But here the industry is looking forward to technology neutrality as it will allow them to offer any service in any band, which will lead to reduction of cost of doing business and improve service quality," Aas said.  
"Although, the technology neutrality fees have been slightly revised, I believe there should be no fee for technology neutrality. There are several countries where there is no such conversion fee."

## Noman Group's production hit by gas crisis in Tongi

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But for a large scale exporter like Zaber, the production shortfall means he will have to make the expensive air shipments to maintain the strict lead time set by the international retailers.  
Even with air shipments, there is a problem of space as many airlines have either slashed their capacity or stopped carrying cargo from Bangladesh after Hazrat Shahjalal International Airport was announced a red zone by the European Union in June.  
The airlines have also increased the fares for carrying cargo due to the need for re-screening in a third country airport, he said. "And if we ship from the Chittagong port, we have to face other challenges. Two gantry cranes were damaged in June, so shipment is slow-moving," Zaber said.  
The group counts retail giants like Ikea, H&M, Kmart, Walmart and Carrefour as its major customers. It hit the milestone of \$1 billion export receipts in fiscal 2012-13 and has maintained the figure ever since. "Our target is to grow our exports 30 percent in the next three years."  
For that end, the group is set to establish seven new units for Tk 1,300 crore, including a textile chemical unit.  
At present, Noman Group has 36 units, including spinning, home textile and garment, where 72,000 workers are employed. The total number of workers will cross one lakh if the proposed expansion plans are executed properly over the next two years, Zaber said.  
The group is also planning to expand its operations in Nice Denim as the demand for denim garment items is on the rise worldwide. Currently, Nice Denim produces three million yards of denim fabrics a month.

## Dhaka stocks flat

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Aamra Networks was the most traded share with a turnover of Tk 17.55 crore. Wata Chemicals was the highest gainer posting 10 percent return.  
Meanwhile, Quasem Drycells Ltd announced 18 percent stock dividend for the year that ended on June 30, 2017.  
The company also announced its business expansion plan to establish a line to manufacture food and beverage can and expand capacity of its existing battery manufacturing plant this fiscal year. The company has also taken a decision to rename itself "Quasem Industries Limited" from "Quasem Drycells Limited".

## More rice on way from India, Thailand

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The total project cost is Tk 1,391 crore, of which the Chinese government will provide Tk 999 crore as loan.  
The six TV stations will be set up in Khulna, Rajshahi, Rangpur, Sylhet, Barisal and Mymensingh, and the total cost has been estimated to be Tk 1,391 crore. China will provide 72 percent of the sum as buyer's credit.  
After a detailed discussion, BTV and the Chinese company have prepared the draft commercial contract, said an information ministry official. It will be activated after the financial agreement is signed.  
Last year, during the Chinese president's Bangladesh visit, China committed to give loans to 27 projects, one of which is the one for TV stations.

## Chittagong Stock Exchange's Shariah index revised

STAR BUSINESS DESK  
Chittagong Stock Exchange's (CSE) Shariah Index has been revised on the basis of the performance of the bourse listed companies.  
The new index will be effective from

October 29, CSE said in a statement yesterday, adding that 31 new companies have been included in the list.  
A total of 128 companies are now in the list of CSE Shariah Index after the revision. CSE Shariah Index is reviewed once a year.

## Biman: a popular airline among Nepalese

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Shakil Meraj, general manager of Biman for public relations, said the number of passengers using the Dhaka-Kathmandu-Dhaka route is increasing. Currently, a good number of businesspeople and Nepalese students are travelling on Biman apart from tourists.  
"Besides, many Nepalese workers use Dhaka as a transit on their way to different countries in the Middle East and South East Asia and they travel by Biman," he added.  
He also said Biman's Bangladesh Airlines Training Centre has made remarkable contribution in increasing the technical skill of the staff of Royal Nepal Airlines.  
Razib Hasan, Biman's country manager to Nepal, presided over the ceremony, which was attended by representatives from the Nepal Civil Aviation, Royal Nepal Airlines, computer reservations system Galileo, the Nepal-Bangladesh Chamber, and local travel agents.



Khurshed Alam, head for retail finance of LankaBangla Finance Ltd (LBFL), and Mahboob Alam, general manager of Cross World, owning company of Hotel Grand Park Barisal, attend an agreement signing ceremony. LBFL card members will get discounts of up to 50 percent at the hotel.