

Master plan for sustainable tourism development

STAR BUSINESS REPORT

The government is working to prepare a detailed master plan to ensure sustainable development of the local tourism industry.

"If properly implemented, the master plan will help increase the sector's contribution to the gross domestic product to 10 per cent, from just over 2 percent now," said Md Mohibul Haque, senior civil aviation and tourism secretary.

He spoke at an event in the capital's Cirdap Auditorium yesterday when the Bangladesh Tourism Board announced the official kick-off of the process to prepare the master plan.

IPE Global, an India-based international development consulting firm, has already been awarded the work and it would be supported

by Horwath HTL, an international hotel, tourism and leisure consultant and two Bangladeshi consultancy companies BETS Consulting Services and At Earth Bangladesh.

Short-, mid- and long-term strategies have already been taken to materialise the plan by June 30, 2021, said Md Mahbub Ali, state minister for civil aviation and tourism.

The move will brighten the image of the numerous natural and cultural heritage sites, which Bangladesh has failed to develop as global brands, he added. At the event, Benjamin Carey, team leader of the project, shed light on how the plan will be executed in three phases.

In the first phase, there will be a situation analysis of the tourism sector and evaluate the potential of tourism products in all 64 districts of

the country, he said.

"We will hold meetings, focus group discussions, invitation workshops and online surveys with public and private sectors stakeholders at national, divisional and districts levels to study the existing state of tourism."

The next phase will identify different areas or products which need special focus to boost destination planning and ensure overall development of the sector, he said.

Identification of suitable areas for various tourism development activities and intervention will be completed in the last phase.

"Once implemented, the master plan will help tourism become the third largest foreign currency earner of Bangladesh after apparel and remittance."

Bhubon Chandra Biswas, CEO of the board, also spoke.



Md Mahbub Ali, state minister for civil aviation and tourism, speaks at an event at Cirdap Auditorium yesterday when Bangladesh Tourism Board announced the official kick-off of the process to prepare a master plan for tourism development.



UTTARA BANK

Mohammed Rabiul Hossain, CEO of Uttara Bank, opens the relocated branch of the bank on NS Road in Kushtia yesterday.

UK's Javid aims to double UK growth after Brexit

REUTERS, London

Finance minister Sajid Javid is aiming to roughly double Britain's underlying rate of economic growth after it leaves the European Union, but will not champion big manufacturing sectors that want to stick to EU rules.

In an interview with the Financial Times before he travels to meet business leaders in Davos, Switzerland, Javid said Britain would not commit to sticking to EU rules in post-Brexit trade talks - something many businesses want to ease cross-border checks.

"There will not be alignment, we will not be a rule taker, we will not be in the single market and we will not be in the customs union - and we will do this by the end of the year," he said.

The British Chambers of Commerce (BCC) said businesses were willing to be pragmatic about this approach to Brexit but added that the government

needed to be clear about its plans.

"Uncertainty around the extent of divergence risks firms moving their production elsewhere," BCC co-executive director Claire Walker said.

The opposition Labour Party said Javid's plans amounted to right-wing ideology overriding common sense and that jobs in the motor industry and manufacturing were under threat.

Prime Minister Boris Johnson has said there will be no extension to

an 11-month window in which he hopes to negotiate a long-term trade agreement with the EU after Britain leaves on Jan. 31, despite the EU saying this is unrealistic.

The Financial Times reported that Javid wanted to boost annual economic growth rates to the 2.75 percent level seen in the second half of the 20th century through greater investment in skills training and physical infrastructure.

Britain's economy probably grew about 1.3 percent last year, and the Bank of England estimates it will struggle to grow much faster over the long run due to reduced immigration and greater trade friction after Brexit.

Javid will present his first budget on March 11, and said it would focus on "people and place", part of the Conservative government's efforts to reward traditionally Labour-supporting areas that backed it due to Brexit in Dec. 12's election.



Britain's Chancellor of the Exchequer Sajid Javid

'We are a nation in a hurry'

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Because, he considers procrastination more damaging.

"A day lost can never be recovered. A taka lost today can be recovered by working double shifts later on, but the time lost is gone forever."

This, encapsulates Mannan as a planning minister: philosophical and yet pragmatic.

He is aware of the sub-par implementation of development projects and is somewhat resigned to the reasons behind it.

"Implementation has been a longstanding problem. We are not as devoted to work as a nation as the others. Our people are work shy -- they are reluctant to report back to work on time from their leaves," he told The Daily Star in a freewheeling chat.

Even in case of daily attendance they are slacking: they do not maintain the universal 9-5 work schedule. They come at 11am and leave by 3pm. They come up with various excuses to not work, he told The Daily Star in an interview earlier this month.

"We as a nation do not take work as seriously, as responsibly as the Japanese, as the Germans, as the Western nations. It is a matter of culture."

Besides, the country's equipment is dated, so thanks to depreciation their productivity has come down. "We never had the foresight to upgrade our equipment like the Western nations and Japan -- it was always an afterthought for us."

Then there is the matter of funds, said Mannan, who previously served as the state minister for finance.

"We never get funding as per our planning. We start projects with great optimism that we would get the funds but more often than not our hopes are dashed. I can plan all I want but the reality is different."

When his attention was brought to the fact that Bangladesh's projects end up costing more than other countries', he instantaneously blamed it on the cost of land.

Bangladesh's land costs way more than in India and China, he said, adding that one-third of the project cost goes towards land.

"Another reason is our habit. When the project is under way we come to realise that the plan has to be modified. We revise it mid-way, so the costs go up."

Corruption and wastefulness are also to blame.

"There is corruption everywhere in the world, more or less. Corruption in our country was at a moderate level before, but our values have changed over the years."

Before, people used to feel embarrassed about stealing.

"But now they do not -- they think it is something normal," he said, adding that the Awami League government led by Prime

Minister Sheikh Hasina has a zero-tolerance policy towards corruption.

He went to cite the formation of the Anti-Corruption Commission, which was previously a bureau, and the Police Bureau of Investigation and amendment of various laws as examples.

"Still, there is corruption. Taking risks have become people's habit. Seeing that only 2-3 are penalised out of 100, they think they will get away too, so they take risks."

In absolute terms, corruption is less in comparison to the size of the economy, he thinks. But the number of incidents has risen.

When asked about some of the gratuitous expenditure that takes place in the name of project implementation, he seemed to have resigned himself to public officials' lifelong habit.

The format for development project proposal, which was prepared with inputs from foreign experts, is well laid out and stipulates a detailed breakdown of all costs.

"I do get a breakdown, but when I start scrutinising the form they become impatient. They don't give me the time. And, I also don't have the patience to go through them all, so they get passed. Later, we read in the newspaper that a pillow was bought for Tk 10,000."

But these are classic problems and they happen everywhere.

"In England, MPs put pressure. In the US, there is an expression called pork barrel. Congressmen lobby the federal government to get grants to their constituencies."

He, however, is all for foreign travel in the name of knowledge gathering for engineers, doctors, microbiologists, economists as Bangladesh does not have the level of research of, say, Germany. The problem is when the training is for an engineer but an accountant goes.

"It is not possible for me to keep tabs on hundreds of officials spread across the country. We cannot keep tab on everything."

But for 70-80 per cent of the cases the choice is right; the rest is favour.

"We are all human beings here -- friends do that for one another. These are human failures -- we cannot stop these."

He also has a philosophy on waste, too.

"What is my waste maybe it is your gain. I am a citizen of Bangladesh and you are a citizen of Bangladesh too. When our outputs are added it becomes part of Bangladesh's GDP. If I lose a taka here, you gain a taka there."

The net balance is the same.

"I am not justifying wrongdoing. Arithmetically, the two is the same."

He also is not willing to lay the blame on the Implementation, Monitoring and Evaluation Division, which has been tasked with overseeing project matters.

"It is not well-equipped. The number of

personnel is too low -- and it is absurd for them to do both supervising and monitoring."

And they are not trained for the work they are assigned for. So, they go to project sites as a team, leaving one official at the office in Dhaka, and look at the work on a surface level.

"They can't go deep," he said, adding that empowering the IMED is one of his two missions as the planning minister.

He plans to set up IMED offices in 8 divisions within this year and already has the PM's approval in principle.

"If I survive here, or if the government gets time, I'd like that we go to the district level and sit and work there."

He went on to let rip at the project directors for their lackadaisical attitude, which is why the implementation is always slow.

"They are the weakest link in the chain. They have the highest responsibility and they have the least commitment in most cases. They are the project's father and they delegate the work to their number 2 or 3 and call in on the project site every now and then."

But, all mega projects are on time save for the Padma bridge, he said. Mannan's other mission as the planning minister would be to strengthen the Bangladesh Bureau of Statistics.

"I am working on raising its credibility," he said, adding that he plans to set up an institute on training and research on statistics.

The plan will be taken to the PM for her approval in principle.

"People should be able to trust it. It's essential as we do planning based on this. The World Bank, the International Monetary Fund use our statistics now, which they did not before."

He also said that funding is not a problem for Bangladesh at this stage.

"People come every day to my office offering me easy loans as they have nowhere to spend. And they don't get any returns on deposits. In England, you don't get interest. Rather, they subtract money for service charge."

But, it is always good to spend one's own money, he said.

"I would rather spend my own money than accept so-called aid. They have many conditionalities, which end up being expensive for us. So, 4 percent interest is better than 1 percent if I have the freedom to spend the amount as I wish."

As the planning minister, Mannan hopes to improve the implementation level and quality, reduce waste and fight corruption, all of which will improve Bangladesh's inhospitable business climate.

"But most importantly, the projects that go through my machine would be directly beneficial to the rural masses, to the poorer section of our people."

With market at record highs, eyes on reports from chipmakers

REUTERS, New York

Reports from Netflix, Intel and Texas Instruments next week may hint at what is to come in the December quarterly earnings season, with some investors wary of possible danger signs that could knock Wall Street after its latest surge to record highs.

The S&P 500 has gotten off to a strong start in January, up 3 percent so far this year, fueled by a truce in the US-China trade war, low interest rates and signs the economy remains healthy.

Analysts on average expect reports to show S&P 500 earnings per share fell 0.8 percent in the fourth quarter, with technology earnings seen up 0.6 percent, according to IBES data from Refinitiv. Investors are looking beyond fourth-quarter results at what companies may say about outlooks and plans for investment in light of the recently signed Phase 1 trade deal between Washington and Beijing.

Earnings estimates for the fourth quarter have already weakened slightly in the latest week as initial reports from big banks and a smattering of other companies filtered in.

"Most of the rally we had in 2019 was in anticipation of better earnings in 2020," said Willie Delwiche, an investment strategist at Baird in Milwaukee. "Rather than getting caught up in what the Q4 numbers are, the attention will be on what - if any - revisions you get to Q1 and Q2 numbers."

Analyst estimates for quarterly earnings tend to decline as any given quarter approaches, and any hint that estimates for 2020 are bucking that trend would be positive, Delwiche said.

The S&P information technology, which includes such market heavyweights as Apple, Intel and Microsoft, has led Wall Street so far in 2020 with a nearly 6 percent gain. It is up 50 percent over the past year, the strongest performer over that period. The index is now trading at 22 times expected earnings, its highest multiple since around early 2005, according to Refinitiv's Datastream.

The S&P 500 is trading at about 18 times expected earnings, similar to levels it briefly hit two years ago.

"There's going to be heightened attention to guidance to increase comfort levels with valuations, given the strength

we've seen in the last two months in the majority of tech names," said Michael James, managing director of equity trading at Wedbush Securities in Los Angeles.

Because of that, "you're more likely to see slight disappointments punished more severely than positive guidance is rewarded," he added.

Underscoring the importance of results from Intel on Thursday and Apple on Jan. 28, the information technology sector is expected to have accounted for nearly 22 percent of total S&P 500 operating earnings in the last quarter of 2019, according to S&P Dow Jones Indices.

"For a lot of the tech names, they seem to be well positioned for 2020," said Rick Meckler, partner, Cherry Lane Investments, a family investment office in New Vernon, New Jersey. Still, in the market overall, "What has happened is the multiples expanded. And that's really the risk of the market."

Technology earnings growth for 2020 is estimated at 10.4 percent, which is expected to contribute 2.0 percentage points to the S&P 500's expected growth rate of 9.7 percent, according to Refinitiv's data, which would make tech the largest contributor.

Netflix's quarterly report on Tuesday after the bell will show how well the video streaming giant is withstanding a wave of competition led by entertainment heavyweight Walt Disney Co.

Netflix shares stumbled last year on worries over slowing subscriber growth and ballooning costs of high-budget productions such as The Crown and The Irishman. Its shares are down nearly 8 percent since April 2019, when Disney+ was unveiled. Disney's stock has risen 24 percent since then.

Netflix shares tend to be volatile after it reports results, which could be the case again. Netflix options imply a 7.6 percent swing for the shares in either direction by next Friday, Jan. 24. Over the last eight quarters, on average, the shares moved 6 percent after the company reported results, according to Trade Alert.

Seen as the chip industry bellwether, Texas Instruments' report and potential comments from management on Wednesday after the bell will provide evidence of whether a global downturn in semiconductor is bottoming out.

IndustriALL concerned as Sanofi sacks officials

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Following the outcome, IndustriALL's General Secretary Valter Sanches sent a letter to Sanofi's chief executive officer at their headquarters in Paris on January 16. Sanches also proposed the establishment of regular dialogues at a global level between the two bodies.

"A serious case has just been reported to me about four workers receiving immediate dismissal notices from your Bangladeshi management as a reprisal for them establishing a union," the letter read.

"I have confidence that Sanofi is

committed to upholding their reputation as a respectful employer. In that regard, I am sure that you will appreciate my raising these issues with you to enable remedial action from Sanofi's management in Bangladesh," Sanches continued.

"This recent unfair and illegal labour practice has to be remedied immediately with the reinstatement of the aforementioned workers."

Sanches also said that the formation of a dialogue between Sanofi and IndustriALL would be vital in order to avoid misunderstandings.



ORION PHARMA

Mohammad Obaidul Karim, chairman of Orion Group, and Zareen Karim, managing director of Orion Pharma, attend the latter's annual sales and marketing conference for 2019 at Orion Pharma Park Narayanganj on Saturday.