

TOLL OF PANDEMIC

# Amusement parks turn into ghost towns

*Absence of visitors continues to ail the industry*

KONGKON KARMAKER and ABRAR HOSSAIN

The amusement park industry in Bangladesh was dealt a huge blow by the coronavirus pandemic as the ongoing public health crisis has led to an alarming decline in the number of visitors, according to insiders.

Besides, the locals who were either directly or indirectly involved with the business have also been affected by the lack of customers and thousands like them may now lose their jobs, they said.

Many recreational sites have been operating in various districts of the country's northern regions since the late 90s.

Millions of people from both home and abroad visit these attractions every year where the months between November and April are considered as the peak season, when different organisations and private entities hold winter events.

In 2020, around 6.5 million people visited these tourist spots with Swapnopuri of Dingajpur's Nawabganj upazila and Vinnya Jagat of Rangpur Sadar upazila accounting for about 4 million of them.

Swapnopuri and Vinnya Jagat are considered two of the country's largest artificial entertainment parks while many other small scale sites have been built over the years in Thakurgaon, Joypurhat and Naogaon.

However, things took a turn after the outbreak began in March as the government was forced to impose social distancing guidelines alongside other measures to curb the spread of Covid-19.

This includes a two-month 'general holiday' that began on March 26, when all economic activities were shut down across the country.

As a result, the number of daily visitors dropped by as much as 80 per cent compared to pre-pandemic levels.

During a recent visit to several of these locations, they were found to be almost completely deserted.

Vinnya Jagat was established on 165 acres of land in Gonjipur village of Rangpur Sadar Upazila in 2002.

"Around 2 million people visited the spot last year, earning the park around Tk 3 crore," said Md Rafayet Hossain, deputy general manager of Vinnya Jagat.

But as the number of visitors dropped drastically due to Covid-19, the business has been badly affected.

"Just 30,000 people have visited the spot as of December last year," Hossain added.

The site employs about 100 people for maintenance but their weekly payments have become irregular amid the ongoing crisis,

various staffers said.

Similarly, the people who run numerous small businesses surrounding Vinnya Jagat have been counting losses.

Golam Rabbani, a peanut vendor, said his sales have dropped alarmingly due to the absence of visitors to the park.

Likewise, there were no picnic buses found at the Singra National Forest or Ramsagar Ecological Park in Dinajpur.

Delwar Hossain, the owner of Swapnopuri, said he never witnessed such an impact since establishing the artificial entertainment park on 155 acres at Aftabganj village in Nawabganj upazila of Dinajpur in 1989.

"This place used to be crowded from morning to evening but it now wears a deserted look," he said.

Last year, around 2.2 million people visited the spot.

"The pandemic has not only affected our business, but also the hundreds of informal traders in the area," Hossain said, adding that he hopes the situation will improve with the arrival of a vaccine.

Elsewhere, other major amusement parks in Dhaka and Chattogram are suffering a similar fate.

"We saw the flow of visitors begin to increase in October but it started declining just the next month amid fears of a second wave of infections," said Anup Sarker, executive director of Concord Group, owner of the biggest amusement park chain in Bangladesh.

The conglomerate had decided to reopen its parks at half capacity in September, roughly seven months since they were shut down after the country's first Covid-19 case was detected in March. Concord operates five locations, including Fantasy Kingdom, Water Kingdom and Foy's Lake.

The daily average number of visitors to all five parks has dipped below 500 while it was 5,000 during the pre-pandemic era.

"We are giving a lot of offers and discounts but still, the number of visitors is low and has led to huge and irrecoverable losses," Sarker said.

Amid the low turnout, the park operators still have to bear operational expenses, including salaries, utility bills and maintenance costs.

Bangladesh has around 100 amusement parks, nearly half of which are privately run.

"Both small and large parks are facing the same problem now," he said while urging the government to reduce value added tax and provide low cost loans so that the industry can survive the crisis.

If the Covid-19 situation does not worsen further, then the industry could begin its recovery from March onwards, he added.



Devoid of crowds for social distancing needs amidst the pandemic, *clockwise from top*, amusement parks Swapnopuri in Dingajpur's Nawabganj upazila and Vinnya Jagat in Rangpur Sadar upazila, and Ramsagar Ecological Park in Dinajpur beckon better times ahead.

KONGKON KARMAKER

GLOBAL BUSINESS

## India proposes stricter regulations for large shadow banks

REUTERS, Mumbai

The Reserve Bank of India has proposed tighter, bank-like regulation of the so-called shadow banking sector to prevent the turmoil caused by the collapse of an infrastructure financing firm in 2018.

The country's central bank has gradually moved towards tighter norms for the sector ever since one of its biggest firms, Infrastructure Leasing & Financial Services, collapsed in late 2018 amid fraud allegations. The following year Dewan Housing Finance Corp and Altico Capital defaulted on payments.

"Higher risk appetite of NBFCs (non-banking financial companies) has contributed to their size, complexity and interconnectedness making some of the entities systemically significant, posing potential threat to financial stability," the RBI said in a discussion paper released on Friday.

The RBI has proposed introducing a four-tiered structure for better regulation of NBFCs with about 25-30 of the nine thousand plus firms falling under the upper or second layer of the strictest regulations. The top layer will remain empty for now, RBI said.

The proposed regulatory and compliance guidelines will bring these 25-30 large shadow banks almost to parity with the state-owned and other private commercial banks in the country. New regulations have been proposed for mid to smaller NBFCs, but they are likely to be less stringent.

"The scale-based supervision provides an opportunity for large NBFCs to break the mold that they are under a light touch regulation and this will help them in increasing market credibility and grow their business," said Gagan Banga, Vice Chairman and Managing Director, Indiabulls Housing Finance.

The RBI has also proposed that



REUTERS/FILE

A Reserve Bank of India logo is seen at the entrance gate of its headquarters in Mumbai.

the entry-level 'net owned funds' required for registering as a shadow bank be raised to 200 million rupees (\$2.74 million) from the existing 20 million, a move that will make it difficult for individuals to own these institutions.

The large shadow banks are also expected to have a Common Equity Tier 1 capital of 9 per cent and to be subject to a differential provisioning requirement on their exposure, in line with banks.

The paper proposes that large NBFCs must list on stock exchanges within a specified time to promote greater disclosure.

"In the past we have seen that the shadow banks have resorted to aggressive lending in the absence of such regulatory measures," said

Avneesh Sukhija, senior analyst at BNP Paribas.

"To curb aggressive lending and avoid any systemic risk (seen in 2018), additional regulatory measures in a phased manner is the right way forward," he added.

The size of the balance sheet of shadow banks including housing finance companies has more than doubled to 49.22 trillion rupees in 2020 from 20.72 trillion rupees in 2015, the RBI said.

"Cost of compliance to rules and regulations should be perceived as an investment as any inadequacy in this regard will prove to be detrimental," RBI Governor Shaktikanta Das had said in a speech last Saturday referring to increased regulation in recent years for banks and shadow lenders.

## Double-dip Europe recession 'increasingly inevitable': PMI

AFP, Brussels

A slowdown in eurozone business activity accelerated in January, making a new recession almost certain as the Covid-19 pandemic continues to batter the economy, a key survey showed Friday.

The closely watched PMI index compiled by IHS Markit is considered the earliest indicator of the state of the economy and the latest reading confirmed fears that the year-old virus crisis is still going strong. "A double-dip recession for the eurozone economy is looking increasingly inevitable as tighter Covid-19 restrictions took a further toll on businesses in January," Chris Williamson, chief business economist at IHS Markit, said.

This meant that the economies of the 19 countries that use the single currency, dominated by Germany and France, would sink back into recession after only a very short recovery over the European summer.

The firm's closely watched PMI index fell from 49.1 points in December to 47.5 points this month, further away from the 50-point level which indicates growth.

Williamson noted however that the bad start to 2021 would be less damaging than the economic collapse seen in the first wave of the pandemic last year.

This was due to the "ongoing relative resilience of manufacturing, rising demand for exported goods and the lockdown measures having been less stringent on average than last year," he said.

The difference between France and Germany was notable. German exports managed to keep the country narrowly on a growth trajectory, while French business activity sank.

The situation for the rest of the eurozone, accounting for a little more than half of the bloc's economy, was

even worse.

Worryingly, employment across the eurozone fell for an eleventh consecutive month, albeit with modest increases in France and Germany, IHS Markit said.

The bleak picture confirmed a warning by European Central Bank chief Christine Lagarde who saw "serious risks" still looming over the eurozone economy. Much hope has been put in the distribution of vaccinations to reopen the economy but the campaign in the EU is going at a slower pace than hoped.

The rollout of vaccines had instilled "a strong degree of confidence" but "the recent rise in virus case numbers has caused some pull-back in optimism," Williamson said.

IHS Markit on Friday also posted an alarming survey result for Britain, where activity collapsed from a modest expansion in December to a low 40.6 points in January. The country, which left the EU's single market on January 1, has seen a series of damaging lockdowns due to the spread of a more contagious strain of the virus.



REUTERS/FILE

Workers wear protective masks at the Volkswagen assembly line in Wolfsburg, Germany.