Potential travellers are seen collecting brochures from a stall of the Bangladesh Travel and Tourism Fair-2023 at the Bangabandhu International Conference Center in Dhaka yesterday. Travel agents and tour operators from various countries are participating in the fair, which aims to boost the tourism industry. PHOTO: PALASH KHAN

# Tourism to help build Smart Bangladesh

## Says state minister as fair kicks off

STAR BUSINESS REPORT

The tourism industry will play a supporting role in building "Smart Bangladesh", according to Mahbub Ali, the state minister for civil aviation and tourism.

He made this comment while addressing the opening ceremony of the Bangladesh Travel and Tourism Fair-2023, organised by the Tour Operators Association of Bangladesh at the Bangabandhu International Conference Center in Dhaka yesterday.

The three-day fair will remain open for visitors from 10:00am to 8:00pm each day while the entrance fee is Tk 30. However, students will be allowed to enter free of charge.

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Tourism related associations and organisations from various countries, including tour operators and travel agents from India, Nepal, the Maldives, Sri Lanka, the UAE, Vietnam, Japan and Turkey, are participating in the event through 146 stalls and 14 pavilions.

In his speech, Ali said effective development of tourism will play an important role in building a developing Bangladesh by 2024, and a developed and Smart Bangladesh by 2041.

"The present government is working on the expansion of this industry on a priority basis after realising the importance of tourism," he added.

Ali then said a masterplan for ensuring sustainable development of the tourism industry is being formulated.

"This will ensure planned and coordinated development of tourism," the state minister added.

# Oil prices down 1.5% on recession jitters

REUTERS, *New York*

Oil prices steadied on Friday, but fell for the week on a stronger US dollar and fears that an economic slowdown would weaken crude demand.

Brent crude futures settled at $96.72 a barrel, gaining 13 cents. US West Texas Intermediate crude ended 27 cents higher at $90.77. Both benchmarks fell about 1.5 per cent on the week.

Oil briefly jumped in volatile trade on comments by Richmond Federal Reserve President Thomas Barkin who said the drive to raise rates also needs to be balanced with the impact rate hikes are having on the economy. But crude pared gains as investor concerns about upcoming rate hikes settled back in. Strength in the US dollar hit a five-week high, which also capped crude's gains as it makes oil more expensive for buyers in other currencies.

"Although the oil complex has been able to shrug off a strong dollar on any given session, extended strong dollar trends will pose a major headwind against sustainable oil price gains," Jim Ritterbusch, of oil trading advisory firm Ritterbusch and Associates, said in a note.

INDIAN LINE OF CREDIT

# Govt plans to buy 100 electric double-deckers

JAGARAN CHAKMA

The government is planning to procure 100 electric air-conditioned double-decker buses for Bangladesh Road Transport Corporation (BRTC) under an Indian line of credit.

The Road Transport and Highways Division (RTHD) sent a letter to Economic Relations Division (ERD) last month informing of the intent.

The letter said a detailed project report has been prepared following discussions with the High Commission of India in Dhaka.

The report puts the cost at an estimated Tk 1,153.83 crore and the purchase to be made by June 2024.

Of the amount, Tk 854.69 crore will come from the Indian line of credit and the rest from the government exchequer.

The letter said associated proposals were also being prepared which would be sent to the Planning Commission and the ERD within a short of period of time.

Manindra Kishore Majumder, joint secretary to the RTHD, confirmed to The Daily Star of having sent the letter to the ERD. "From our side, we are keen to complete all the processes," he said.

A senior ERD official, requesting anonymity, acknowledged that the ERD had received the letter.

The associated proposals will be needed to start negotiations with the Indian authorities and finalising the negotiations will require approval of the Executive Committee of National Economic Council, he said.

Overall, it is a matter of procurement and usually only Indian companies can take part in biddings concerning any Indian line of credit, he said.

Therefore, it should not take much time, unlike physical infrastructure and public works related projects, said the official.

The detailed project report said the buses would ensure reliable and comfortable intracity public transport, replace old buses, usher in the latest technological advancements, reduce traffic and air pollution and create jobs.

Electric vehicles produce no emission, require little maintenance and are economical and environmentally friendly, it said.

Diesel and CNG-run buses will be phased out globally by 2030 and after 2035, automobile manufacturers will no longer manufacture diesel engine vehicles, it said.

The report urged taking necessary steps for setting up associated infrastructure such as electric charging stations, suitable worksheds and washing facilities and for creating skilled manpower such as technicians and drivers.

At present, the BRTC has 1,350 buses operational, of which the economic life of 800 is up to 2025, it said.

# Olympic Industries to buy land for expansion

STAR BUSINESS REPORT

Biscuits and bakery products manufacturer Olympic Industries has decided to buy a piece of land measuring 86 decimals keeping its future expansion in mind.

The listed company would purchase the land at a total cost of Tk 2.75 crore located at Lolati of Sonargaon upazila in Narayanganj -- just behind the biscuit and confectionery unit of the company.

The company will have to spend Tk 28.89 lakh also as registration charges and other miscellaneous expenses, including fees for obtaining the certified copy of purchase deed. A mid-level official of the company, preferring anonymity, said the company will buy the land mainly for future expansion, not for keeping it idle.

However, the company does not still have any concrete plan for expansion, he added.

Stocks of Olympic Industries dropped 1.87 per cent to Tk 147 yesterday.

# No limit on loans

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The IPPs will first take loans in the form of the local currency, after which they will convert those to dollars to import fuel oil from abroad, he said.

For this reason, the central bank relaxed the single borrower exposure limit to facilitate the IPPs.

Among the IPPs, Orion Power will require $197.10 million, Summit Power $159.86 million, Doreen Power $102.80 million, Confidence Power $97.50 million, Acorn Power $73.59 million and Baraka Power $68.32 million.

The letter also mentioned the names of some other IPPs that would require a hefty amount of dollars in the four months to June this year.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the country's financial sector was now facing a dollar shortage.

The demand for US dollars placed by the IPPs has indicated that the stress will continue to prevail in the coming days, he said.

Global rating agency Moody's downgraded its outlook of Bangladesh's banking system from stable to negative on March 1, which may exacerbate the ongoing problem, he said.

Banks in Bangladesh may face difficulties in mobilising foreign loans in the form of supplier's and buyer's credit from abroad due to the downgrading of the rating for the banking sector, Mansur said.

# Govt mulls reopening

FROM PAGE B1

Regular operations were once conducted at the five STOL airports but due to various problems and a shortage of passengers, flights were gradually suspended over the years.

The state minister said Bangladesh's aviation sector has been changing gradually through consistent development.

The current growth of the country's aviation sector is already the highest in the region but is expected to triple in the next 15 years.

"The country's socioeconomic status will be developed, and huge employment will be generated if we can tap this potential," he added.

Air Vice Marshal M Mafidur Rahman, chairman of the Civil Aviation Authority of Bangladesh, said they are planning to take measures to reopen the country's STOL airports as the people's economic status has improved.

He also highlighted the government's ongoing activities to upgrade the country's different airports and runways to make Bangladesh a regional aviation hub.

Mafizur Rahman, managing director of Novoair, stressed the need for having a parallel runway at the Hazrat Shahjalal International Airport to tap the potential of the additional passenger handling capacity offered by the third terminal.

Kazi Wahidul Alam, an expert on aviation, conducted the seminar.

# Adani gets $1.87b investment

FROM PAGE B1

It also bought shares in Adani Ports and Special Economic Zone, Adani Green Energy and Adani Transmission.

"We believe that the long-term growth prospects for these companies are substantial," said Rajiv Jain, GQC's chairman and chief investment officer.

The investment comes as Adani has sought to calm investors, including by holding a fixed-income roadshow in Singapore and Hong Kong. The group, sources have said, has told creditors it has secured a $3 billion loan from a sovereign wealth fund.

# Pharmas saw small profits last year

FROM PAGE B1

The president of BAPI went on to say that one solution for local pharmaceutical companies would be to raise their product prices or request global suppliers to provide raw materials and equipment at lower rates.

He then said that just when the pharmaceutical industry had started recovering from the economic downturn caused by Covid-19, the ongoing Russia-Ukraine war contributed to the hike in raw material prices.

Meanwhile, the rising US dollar price, cost of electricity and fuel have also contributed to higher production costs.

Asked about the recent price hike of certain medication, he said the increase is not much considering the current cost of production.

But despite these tough times, the industry grew by more than 12 per cent last year, Hassan added.

Major General Mohammad Yousuf, director general of the Directorate General of Drug Administration, said the pharma sector is one of the fastest growing industrial sectors of the country.

"Our manufacturers are now exporting world-class medicine to around 157 countries at very affordable prices," he added.

Yousuf then pointed out that many of the export destinations, such as the US, EU, UK, Australia and Japan, have very strict regulatory measures when it comes to medical imports, indicating the quality of locally made products.

Currently, around 200 companies in the country are producing medication following WHO and CGMP guidelines.

Yousuf went on to say that the API Industrial Park in Gazaria upazila of Munshiganj was a major milestone for the local pharmaceutical sector in its bid to boost large-scale production and export.

At present, Bangladesh annually imports more than $1 billion worth of active pharmaceutical ingredients (APIs).

However, this will reduce significantly once full-scale operations begin at the API Industrial Park, he added.

Participants of exhibition are displaying the newest pharmaceutical processing and packaging equipment, biotech lab equipment, API manufacturing processes and machinery, medical formulations and contract manufacturing mercenaries.

Through the expo, domestic and foreign businesspeople will get to know the details of various modern technology, equipment and raw materials related to the pharmaceutical industry, said SM Shafiuzzaman, secretary general of BAPI.

Paresh Jhurmarvala, founder and CEO of GPE EXPO, and Abdul Muktadir, chairman and managing director, also spoke at the event.

# Taka slips further

FROM PAGE B1

$108 million to banks at the new rate in the last two days, said a senior BB official, seeking anonymity.

"We are adjusting the exchange rate gradually."

In the interbank market, the greenback was traded up to Tk 105.42 on average on February 22, up 22.5 per cent from Tk 86 a year ago. The taka has lost the value because of the US dollar shortages.

Banks also hiked the rate on Wednesday to purchase US dollars from exporters by Tk 1 to Tk 104, a move that is expected to give a boost to the competitiveness of exports in the international market.

Like many other countries, the taka has been under pressure against the dollar over the last one year owing to higher import payments than overall receipts from export and remittance.

As a result, the country's foreign exchange reserves have fallen. The reserves stood at $45.99 billion on March 1 last year but it declined to $32.30 billion on the same day this year.

# Export brings $4.63b in February

FROM PAGE B1

Exports from jute and jute goods, one of the few sectors for which raw materials are locally available, plunged 24 per cent to $610 million in the eight months ending in February, according to the EPB.

The sector suffered drops in shipment for the shrinking demand for jute yarn among carpet makers, the main user of jute yarn. The use of alternative yarn following a spiral in prices of jute in Bangladesh has also affected the export performance.

Ahmed said reduced prices of jute would lead to increased use of jute yarn. "So, the situation is expected to improve."

A sharp depreciation of the taka against the US dollar has made exports from Bangladesh attractive in the global markets. The local currency has lost its value by about 25 per cent against the American greenback in the past one year.

"Besides, orders for garments from major markets will shift away from China. So, there is an opportunity to elevate garment shipments," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

He said the prices of cotton, yarn and other items have increased and the latest export earnings figure reflects the price effect of the garment items shipped.

"The growth is price-driven to some extent as the prices of raw materials have increased. Until now, the demand side remains depressed."

The trade expert called for an increased focus on regional markets as demand is growing there.

"At the same time, productivity would have to be raised and the cost of doing business would have to be brought down."