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BUSINESS

The demand for jewellery has plummeted due to record high prices of gold, ongoing political uncertainty and rising living costs.

Story on B4



Tourism hit hard by blockade

SUKANTA HALDER, LALTANLIAN PANGKHUA and SOHRAB HOSSAIN

The tourism industry of Bangladesh has been hit hard by the ongoing political unrest as people are unwilling to travel for fear of violence amid strikes and blockades across the country, according to businesspeople.

As a result, despite offering heavy discounts and various facilities, the industry is not getting the expected number of tourists though the peak travel season has just started.

As such, hotels, resorts, restaurants and other allied industries of the tourism sector are now devoid of customers, and if the situation continues, their losses will widen in the days ahead.

The Bangladesh Nationalist Party observed a three-day countrywide blockade from October 31 to protest the killing and arrest of party activists and leaders. It continued on Sunday and Monday as well.

The BNP and other opposition parties have announced blockade for Wednesday and Thursday.

Despite offering heavy discounts and various facilities, the industry is not getting the expected number of tourists

The latest blockade comes as an effort to push home their demand for the resignation of the Awami League government and holding the upcoming general election under a neutral interim government.

Tourism in Bangladesh usually peaks during the cold months from November to mid-April.

Cox's Bazar is the country's top tourist spot with about 500 hotels, motels and resorts as well as more than 2,000 eateries.

Md Imam-Al-Razi, manager for corporate sales and marketing at Praasad Paradise Hotel and Resorts in Cox's Bazar, said they are facing a major setback at the start of the season due to political unrest.

"Guests are unwilling to visit amid the blockade even though we are offering numerous discounts and facilities as they are afraid to travel following torching of buses in the past week."

Praasad Paradise has more than 100 rooms, including cottages, but about 85 percent of the bookings for last Friday and Saturday were cancelled.

With this backdrop, he said it will be difficult to pay salaries and other costs if the situation prolongs.

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The hanging bridge in Rangamati sadar upazila is almost devoid of tourists as the countrywide blockade in the last two days prevented travel. The situation was similar in other parts of the country, leading to concerns of losses among hospitality and other service providers related to tourism.

PHOTO: LALTANLIAN PANGKHUA

Pressure on external sector, inflation to ease after polls

Says Bangladesh Bank governor

STAR BUSINESS REPORT

The pressure on the external sector and inflation will start to peter out from the third quarter of the current fiscal year, particularly after the parliamentary elections, said the Bangladesh Bank governor yesterday.

"There is nothing to worry about. We have already reached the bottom and we can see the light at the end of the tunnel," said Abdur Rouf Talukder.

"We will bounce back by June."

He made the comments during a meeting with a delegation of the Economic Reporters' Forum (ERF) at his office in the capital.

Finance Secretary Md Khairuzzaman Mozumder, Financial Institution Division Secretary Sheikh Mohammad Salim Ullah, deputy governors

and senior officials of the central bank were present.

According to the governor, the central bank will not make any investment from the foreign exchange reserve. "Rather, it looks to increase the level of forex reserves over time."

In March 2021, the government approved to use 524.56 million euros from the reserves for a development project for the dredging of

a channel for Payra Port, a seaport in Patuakhali.

The BB forecasts that the reserves will increase to \$24 billion in June as per the balance of payment manual of the International Monetary Fund (IMF).

Talukder said the BB has imposed limits on loan rescheduling to four to curb loan defaults. "Thanks to the limits, the loan rescheduling has gone down."



The governor shared the observation as he expects that the flow of foreign direct investment and the release of foreign loans by multilateral lenders will increase after the general election, scheduled to take place in January.

Besides, as the Federal Reserve, the central bank of the United States, has kept its benchmark interest rate unchanged, the flow of short-term foreign credit and trade credits is expected to recover from March, leading to an improvement in the financial account, he said.

The financial account, a key component of a country's balance of payments, had been in the positive territory until 2021-22 as the inflow of funds through foreign investment, medium and long-term loans, trade credit, net aid flows,

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Blockade disrupts delivery of imports from Ctg port, ICDs

DWAIPAYAN BARUA, Chattogram

The delivery of import cargo from Chattogram port as well as private off docks has been sharply impacted by a countrywide two-day blockade that ended yesterday.

Daily deliveries dropped by over 32 percent on the first day of the blockade.

Meanwhile, container handling, meaning loading and unloading of import and export-laden containers onto and from ships in port jetties, also fell significantly.

Deliveries were expected to pick up a bit by yesterday afternoon as the port officials informed that a good number of vehicles had entered the port to take deliveries since yesterday morning.

Loading and unloading of import and export-laden containers onto and from ships in port jetties also fell significantly

Port users said most importers based in Dhaka and other parts of the country preferred to refrain from taking away their imported cargo on Sunday, the first day of the blockade, apprehending obstacles on highways.

There was also a scarcity of transport, leading to a plunge in daily deliveries.

According to data from the traffic department of Chittagong Port Authority (CPA), 1,434 TEUs (twenty-foot equivalent units) of import-laden containers were delivered from different port yards in 24 hours since 8:00am on Sunday.

In contrast it was 2,134 TEUs a day before, which was a weekend.

On Thursday last week, when a three-day blockade ended, it stood at 4,859 TEUs.

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| STOCKS | | |
|--------|----------|-----------|
| | DSEX ▲ | CASPI ▲ |
| | 0.04% | 0.17% |
| | 6,277.63 | 18,604.46 |

| COMMODITIES | | |
|-------------|-------------|--------------|
| | Gold ▼ | Oil ▲ |
| | \$1,986.87 | \$81.74 |
| | (per ounce) | (per barrel) |

| ASIAN MARKETS | | | | |
|---------------|-----------|-----------|-----------|----------|
| | MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| | ▲ 0.92% | ▲ 2.37% | ▲ 1.17% | ▲ 0.91% |
| | 64,958.01 | 32,708.48 | 3,180.53 | 3,058.41 |



Workers arrange household materials made out of baked clay on a boat destined for Dhaka. Each boat can carry anywhere from Tk 3 lakh to Tk 7 lakh worth of products. The photo was taken at Maheshpur village in Barishal's Bakerganj upazila recently.

PHOTO: TITU DAS

Poor governance hampers economic growth

Analysts say about India, Pakistan and Bangladesh

STAR BUSINESS REPORT

The socioeconomic development of India, Pakistan and Bangladesh is being hampered by the prevalence of poor governance and institutional weakness, according to analysts.

"All three are suffering from poor governance and institutional weakness but their civil services are not playing a pro-people role," said Ishrat Husain, former governor of the State Bank of Pakistan.

"This is because they consider themselves as lords," he added.

Husain yesterday made these comments at a launching ceremony for a book, titled "Development Pathways – India, Pakistan and Bangladesh, 1947-2022".

The event was organised by the Policy Research Institute (PRI) of Bangladesh at its office in Dhaka.

The book written by Husain brings together the insights and experiences of socioeconomic development in India, Pakistan and Bangladesh since their independence from British rule in 1947.

"Bureaucrats should change their attitudes and actually serve the people rather than think themselves as lords," he said.

Husain also said Pakistan had fantastic institutionalisation, such as its planning

commission, industrial development corporation and agriculture development corporation, which created a base for developing infrastructure.

"But the country's institutional confidence started declining from 1990," he added.

"All three are suffering from poor governance and institutional weakness but their civil services are not playing a pro-people role," said Ishrat Husain, former governor of the State Bank of Pakistan.

Professor Rehman Sobhan, chairman of the Centre for Policy Dialogue, said like inequality in income, inequality in politics is growing and leading to de-democratisation in the three countries.

In fact, the terms and conditions for participating in politics and establishing leading positions in the field are becoming highly unequal, he added.

Sobhan also said that politics has become a self-perpetuating system for one to increase their wealth.

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