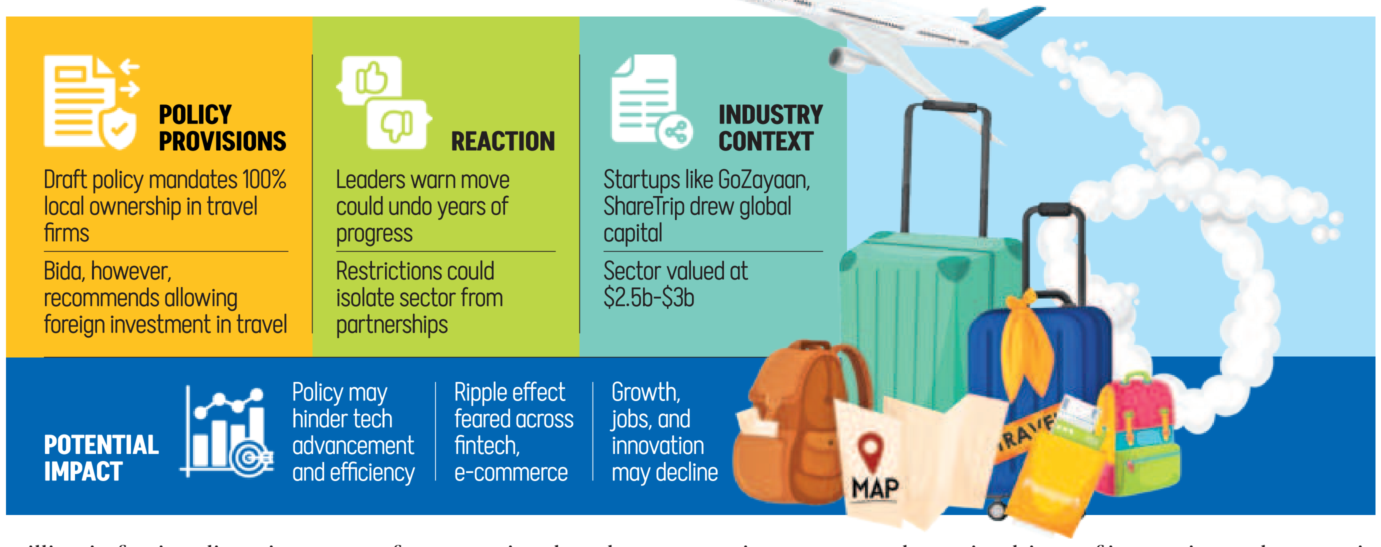
No licence for travel agencies without full local ownership

Tourism ministry proposes in draft amendment as Bida calls move not justifiable

STAR BUSINESS REPORT



The government has proposed that travel agencies must have 100 percent local ownership to get a licence.

The draft amendment to the Bangladesh Travel Agency Registration and Control Ordinance says that the changes are needed "to prevent customer harassment on online and offline platforms" and "to ensure good governance in air travel".

The Ministry of Civil Aviation and Tourism has published the draft online and allowed seven days for public feedback.

The ministry says the proposals have been prepared in line with opinions received at discussions of the relevant committee and by reviewing laws in other countries.

But, the Bangladesh Investment Development Authority (Bida) argued in its recommendation to the draft that "it is difficult to justify the draft" as the existing 2013 law already covers relevant matters.

Under current rules, an applicant for a travel agency licence must be a Bangladeshi citizen.

Bida, which operates under the Chief Adviser's Office, said this Bangladeshi citizen requirement discourages foreign and joint venture investment in the travel industry, which in turn deprives customers of competitive services.

Rather than insisting on full local ownership, it recommended removing the citizenship requirement and replacing it with a condition that the company must be registered in Bangladesh.

Meanwhile, leading travel agencies with foreign investment have also criticised the proposed draft.

"Restricting foreign participation now would roll back progress and dampen innovation across multiple sectors related to tourism," said Ridwan Hafiz, managing director of GoZayaan Ltd, a travel tech firm.

He said startups such as GoZayaan and ShareTrip have attracted more than $20 million in foreign direct investment from Singapore, Japan, the United States and the United Kingdom so far.

This funding brought capital, global expertise, innovation and jobs, he said, adding that foreign investment helped modernise the travel industry and enabled local firms to compete globally.

"Now, if foreign ownership is banned and industries suffer under restrictive rules, can Bangladesh truly expect foreign investment to return, or are we closing the doors to our own future growth?" he questioned.

Sadia Haque, co-founder and chief executive officer of ShareTrip, also opposed the draft, calling it a setback for Bangladesh's vision of a technology-driven and globally competitive economy.

She said the draft goes against national goals to attract investment and support innovation.

"The travel industry is far from a small, cottage sector," she said. "This is a $2.5 billion to $3 billion industry that significantly contributes to national revenue, employment, and global connectivity."

Haque said the sector is not listed as a protected industry under Bangladeshi law and cited Bida recommendation to encourage rather than restrict foreign investment.

She said the amendments could send discouraging signals to both local and international investors, damage confidence and undermine Bangladesh's reputation as a digital economy.

"Such restrictions could curb growth in the travel and startup sectors," which she said have become major drivers of innovation and economic development.

In the recommendation, Bida also noted that as Bangladesh prepares to graduate from least developed country status in November 2026, sector-specific trade barriers should be lifted and conflicting provisions between local and foreign investment laws should be repealed.

Regarding the draft amendment, The Daily Star approached two senior officials at the tourism ministry. But they did not respond to calls or messages.

The automation paradox

PARVEZ MURSHED

If you walk into a McDonald's in Singapore or Hong Kong, you can place your order through digital touchscreens and make payments through the POS machines attached to them. A few years ago, there were three or four cash counters. Today, most restaurants have only one. At Uniqlo Singapore, you can place your clothes in a basket next to the screen, the system scans the barcodes, displays the total amount due, and you can check out through the POS without speaking to anyone. Grocery stores in Singapore adopted self-checkout counters years ago.

Recently, Swapno introduced self-checkout at selected outlets in Dhaka. In countries like Singapore, South Korea and Japan, where population growth is zero or negative, automation has become the way forward. It addresses labour shortages and reduces costs. In advanced economies, many do not want to do these repetitive jobs, and it is difficult to recruit foreign workers, train them and familiarise them with local culture.

While automation makes sense in many East Asian countries, is it the way forward for us in a country with high unemployment and a growing young population?

We can delay technology adoption, but we cannot stop the inevitable. In our childhood, typists outside the High Court and in offices made a living by typing documents. That profession disappeared with the arrival of word processors and then PCs and laptops. We became our own typists.

Today, with robots able to clean floors, take orders at restaurants and perform security duties, the question is what will happen to the thousands of jobs at the bottom of the pyramid. Even gig economy work, like food delivery, could be taken over by drones. The garment industry is moving towards automation and 3D printing, which could make thousands of jobs redundant and lead to social unrest. Driverless cars could soon make the role of drivers obsolete.

Human nature tends to seek comfort and resist change. We cannot bury our heads in the sand and hope that automation will pass us by. It will affect us in more profound ways than we imagine. We must prepare our current and future workforce for this shift.

First, we need to change the mindset that education ends at graduation. Learning and skills training must continue throughout professional life, whether through self-learning or institutional programmes.

Second, our education curriculum needs a significant transformation, with a greater focus on skills and technology. Students should be prepared for the jobs of the future, which will demand training in areas such as Agentic AI, robotics and cyber security. There will also be high demand for nursing and primary health care due to ageing populations, especially in overseas markets like East Asia.

We must prepare the next generation not just to survive the automation wave but to navigate it wisely and seize opportunities in the new economy. This will promote social justice, support social mobility and help us make full use of the rare population dividend we currently enjoy in Bangladesh.

The writer is former regional head of supply chain finance at Citibank, NA, and former head of product and platform solutions at TASConnect, a Standard Chartered Ventures portfolio company

Gold rebounds from one-week low

REUTERS

Gold prices rose on Wednesday, as bargain hunters stepped in after bullion dropped to a near one-week low in the previous session, while focus was also on the US private payroll data for cues on future interest rate cuts.

Spot gold rose 0.9 percent to $3,966.65 per ounce by 0713 GMT. Bullion fell more than 1.5 percent on Tuesday, hitting its lowest since October 30.

US gold futures for December delivery rose 0.4 percent to $3,975.30 per ounce.

The dollar held just under three-month highs touched in the previous session.

"It's just bargain-buying and broader risk-off sentiment across financial markets supporting safe-haven demand for gold," said Jigar Trivedi, a senior currency analyst at Reliance Securities.

Asian stocks extended an overnight selloff on Wall Street in early trading as investor concerns about stretched valuations sapped confidence.

China bans foreign AI chips from state-funded data centres

REUTERS

The Chinese government has issued guidance requiring new data centre projects that have received any state funds to only use domestically-made artificial intelligence chips, two sources familiar with the matter told Reuters.

In recent weeks, Chinese regulatory authorities have ordered such data centres that are less than 30 percent complete to remove all installed foreign chips, or cancel plans to purchase them, while projects in a more advanced stage will be decided on a case-by-case basis, the sources said.

The move could represent one of China's most aggressive steps yet to eliminate foreign technology from its critical infrastructure amid a pause in trade hostilities between Washington and Beijing, and achieve its quest for AI chip self-sufficiency.

China's access to advanced AI chips, including those made by Nvidia, has been a key point of friction with the US, as the two wrestle for dominance in high-end computing power and AI.

US President Donald Trump said in an interview aired on Sunday following talks with Chinese President Xi Jinping last week that Washington will "let them deal with Nvidia but not in terms of the most advanced" chips.

The move could represent one of China's most aggressive steps yet to eliminate foreign technology from its critical infrastructure

The latest move by Beijing, however, would dash Nvidia's hopes of regaining Chinese market share, while giving local rivals, including Huawei, yet another opportunity to secure more chip sales.

It is unclear whether the guidance applies nationwide or only to certain provinces, sources said. The sources did not identify which Chinese regulatory bodies had issued the order. They declined to be named due to the sensitivity of the matter.

Besides Nvidia, other foreign chipmakers that sell data centre chips to China include AMD and Intel.

The Cyberspace Administration of China and the National Development and Reform Commission, two of Beijing's most powerful regulators, did not respond to requests for comment. Nvidia and AMD did not respond, while Intel declined to comment.

AI data centre projects in China have drawn over $100 billion in state funding since 2021, according to a Reuters review of government tenders. Most data centres in China have received some form of state funding to aid their construction, but it is not immediately clear how many projects are subject to the new guidance.

Some projects have already been suspended before breaking ground as a result of the directive, including a facility in a northwestern province that had planned to deploy Nvidia chips, one of the sources said.

The project, being developed by a private technology company that received state funding, has been put on hold, the source said.

Where things stand on China-US trade after Trump and Xi talk

AFP, *Beijing*

China and the United States have lowered the temperature in their spiralling trade war, bringing a precarious end to months of back-and-forth measures between the economic and technological powerhouses.

The detente -- reached at last week's meeting between presidents Donald Trump and Xi Jinping in South Korea -- marks a new phase in a fierce standoff that has rumbled since 2018.

Here are the main issues and where they now stand:

TARIFFS

Trump imposed tariffs on China during his first presidential term, decrying intellectual property theft and other "unfair" trade practices.

His successor, Joe Biden, largely maintained those duties and added to them in strategic technological sectors including electric vehicles and semiconductors.

At last week's meeting with Xi, Trump agreed to cut blanket tariffs on all Chinese goods by 10 percent from November 10 and approve separate one-year exemptions for certain products.

Making the deal official, China said Wednesday it will extend a suspension of its own additional 24 percent tariff on US goods for one year, while also scrapping levies of up to 15 percent on various farm products from the country.

A 10 percent Chinese tariff on all US goods will remain in place, Beijing's finance ministry said.

The new arrangement brings total US tariffs on Chinese goods down to an average of about 45 percent -- still a hefty impediment to trade between the world's two largest economies.

FENTANYL

China is the primary origin of precursor chemicals used to make fentanyl, the highly potent opioid underpinning a deadly drug epidemic in the United States.

Beijing says it cracks down on illicit shipments, but trans-Pacific flows of the chemicals into the United States -- especially through Mexico -- have continued.

The 10 percent reduction in US tariffs, formalised Tuesday in an executive order, is an easing of the 20 percent fentanyl-related penalty imposed by Trump since March.

Trump previously said Xi assured him China will "work very hard to stop the flow".

RARE EARTHS

The presidents reached a tentative agreement for securing supplies of rare earths -- critical for the defence, automotive and consumer electronics sectors.

Their mining and processing are dominated by China.

Beijing's tightening control over their export this year has snarled supply chains and halted production in factories globally.

More sweeping measures introduced last month -- including restrictions on related technologies -- provoked a furious response from Trump, who threatened blanket 100 percent tariffs on China in retaliation.

That move was averted, however.

After last week's meeting, the White House said China will issue export licences for rare earths, as well as gallium, germanium, antimony and graphite.

Confrontation over rare earths this year has spurred Washington and allies including Japan and Australia to shore up domestic production -- but experts say it could take years to reduce reliance on China.

EXPORT CONTROLS

Washington has agreed to suspend for one year its latest expansion of "Entity List" export restrictions on Chinese firms, originally imposed citing national security concerns.

But the United States has steadily expanded other export controls in recent years, particularly in advanced chips and digital infrastructure.

US officials remain concerned over the use of American technology by Chinese firms as competition heats up -- the rivalry likely to continue through coming years.

"The announced outcomes do little to resolve underlying structural issues that are at the heart of (the) bilateral economic tensions," said Wendy Cutler, senior vice president at the Asia Society Policy Institute, in a statement following the leaders' meeting.

SOYBEANS

Beijing has retaliated against the US tariffs with levies on American agricultural products, including soybeans, hurting a key source of Trump's political support: farmers.

More than half of US soybean exports went to China last year, but Beijing halted all orders as the trade dispute deepened.

The White House said China agreed to purchase at least 12 million metric tons of American soybeans in the last two months of 2025

As expected following the meeting between Trump and Xi, Beijing announced Wednesday that it would suspend retaliatory tariffs on various US agricultural products, including soybeans.

But it remains to be seen if US farmers can regain lost market share.

TIKTOK

Washington has sought to wrest TikTok's US operations from Chinese parent company ByteDance, citing national security concerns.

People watch a news programme in Taipei on October 30 showing the meeting of US President Donald Trump and China's President Xi Jinping in South Korea. PHOTO: AFP