

Coal-fired plants to resolve power crisis

Roundtable stresses



Participants are seen at a roundtable on 'Power Sector: Problems and Prospects' jointly organised by the Buet Alumni Association and the daily Prothom Alo in Dhaka yesterday.

STAR BUSINESS REPORT

Energy experts said yesterday the government should immediately establish coal-fired power plants, even if it means that coal has to be imported, as it would take some time to extract local coal reserves to solve the power crisis in Dhaka.

The experts spoke at a roundtable, organised by the Buet Alumni Association (BUETAA) and the daily Prothom Alo. They also suggested an increase in energy generation from different sources, such as renewable, biomass, hydro and installing nuclear power plants to solve the crisis.

The speakers also urged authorities to raise the selling price of power, saying that instead of giving subsidy to the 40 per cent people under the power net, the government should subsidise the poor and those farmers who irrigate farmlands with high priced diesel and do not have access to electricity.

"The government might not install gas based power plants in the near future and as setting up nuclear power plants is political, the government should use the coal reserves of the country to solve the power

crisis," said Faisal Mobin Chowdhury, chairman of Pendekal Energy.

He also informed the function that the price of power plant equipment has increased significantly in the global market in the last few years. And as massive power plants are being set up in the Middle East and a limited number of companies are involved in producing power plant equipment, it would take four years from the onset of construction to set up a power plant.

To solve the power crisis, the government has to install coal-run power plants and if it takes time to use local coal reserves or if locally extracted coal becomes costlier, authorities should import coal from other countries, said Matin Patwari, former vice chancellor of Buet.

"In case of power reserves we have to keep all options open and we should not be indecisive," said Patwari, presently the vice chancellor of the University of Asia Pacific.

Prof Shahidul Islam Khan, director of Centre for Energy Studies at Buet, said the shortage of gas decreased power generation of the country from 650 to 700-megawatt.

Additionally, according to

the Power Development Board (PDB) statistics on August 17, total power production of the country was 3,411 MW, while demand stood at 4,350 MW and load shedding was 803 MW at the time. Around 1,400 MW of power is produced through captive generation, he said.

The domestic demand for electricity will stand at 9,000 MW in 2015 and 14,000 MW in 2021, he told the function, adding that nuclear energy may be the only option to solve the power crisis.

Speaking at the function, Professor M Tamim, special assistant to the chief adviser on power and energy, said political instability and non-continuity of plans were the main causes of the present powerscenario.

He also felt the need for big financiers to invest in the power projects, which involves huge amount of money.

Terming the present per unit selling price of power as low, Tamim said though it is the obligation of the government to provide power to the citizens, they should not subsidise power for households to run air conditioners for the purposes of luxury.

Brigadier General (ret'd) MA Malek, special assistant to the

chief adviser for social welfare and post and telecommunications ministries, suggested a reduction in duties and subsidy in the energy saving lamps in an attempt to save power.

Power Secretary Faizul Kabir Khan said during the tenure of the present caretaker government, a total of 250 MW power was added to the national grid and another 1,000 MW would be added by next January.

Annissul Huq, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said instead of long talks what the business-men need is power.

Criticising the bureaucrats, he said, "After retirement bureaucrats give long speeches but most of them have done nothing when they were in office."

Moderated by Serajul Majid Mamoon, vice president of BUETAA, Prothom Alo Editor Matin Rahman, its deputy editor Anisul Hoque, Executive Director of SUMMIT Tariqur Rashid, former PDB chairman Khijir Khan, Grameen Energy Managing Director Dipal C Barua, among other power experts and former government officials of the power sector, participated in the function.

CA opens fish resource uplift campaign in Sunamganj

UNB, Sunamganj

Chief Adviser Dr Fakhruddin Ahmed yesterday formally inaugurated the eight-day Fish Resource Development Campaign 2008 through releasing fish fries in the river Surma.

He released indigenous fishes, including Ruhi, Mrigel, Katol, Chitol and Foli, from the Surma Ghat adjacent to Government Jubilee High School in the town at around 10:10 am.

About 15,000 fish fries were released on the occasion. Later, a munajat was also offered.

This year the theme of the campaign is - 'Machher Bangsha Rakha Pele, Khadyo Ortho Dui-e Mele' (If fish resources are protected, food and money are guaranteed).

Special Assistant to CA for Fisheries and Livestock Ministry Manik Lal Samaddar and other high officials were present on the occasion.

Earlier, the Chief Adviser cut red tape to inaugurate the campaign.

Islami Bank introduces mobile banking services

STAR BUSINESS DESK

Islami Bank Bangladesh Ltd (IBBL) and SSL Wireless have entered an agreement to provide Mobile Banking Services, according to a press release.

Mohd Shamsul Haque, deputy managing director and head of operations wing of IBBL, and Sayeeful Islam, managing director of SSL Wireless, signed the agreement on behalf of their respective organisations at a ceremony yesterday at the Board Room of the Islami Bank Tower.

Under the agreement, IBBL clients can get any information regarding their accounts by sending a SMS to the number 6969 from any mobile operator.

Officials of IBBL, M Fariduddin Ahmad, managing director, Md Habibur Rahman, deputy managing director and head of international banking wing, and other high officials of both organisations were also present.

Japan's economic package to reach \$73b

AFP, Tokyo

Japan is set to unveil a stimulus package worth eight trillion yen (73 billion dollars) in a bid to shore up the economy, a report said on Saturday.

Economic fiscal policy minister Kaoru Yosano delivered a draft of the planned measures to Prime Minister Yasuo Fukuda and Finance Minister Bunmei Ibuki on Friday, the Yomiuri Shimbun newspaper said.

In early August, Fukuda ordered Yosano to draw up a package to boost economic growth and support small businesses as well as farmers and fishermen hit by soaring oil prices.

The measures are also designed to discount expressway tolls, support young job seekers and expand the nation's medicare services for the elderly, the mass circulation daily said.

The latest stimulus is still smaller than a reform programme worth 14.8 trillion yen announced by then prime minister Junichiro Koizumi in December 2002.

The finance ministry is largely expected to submit an extra budget to parliament to finance the package, but Ibuki has said the government was not expecting to issue new bonds to finance it.

The government faces calls from some lawmakers within the ruling coalition for a big injection of public money to boost Asia's largest economy, which contracted in the second quarter, moving closer to recession.

Realtors propose arbitration tribunal to address customers' complaints

UNB, Dhaka

Realtors at a seminar on the capital's housing affairs yesterday decried government move to promulgate an ordinance for regulating the country's fast-growing housing-sector business.

They proposed that the government should set up an arbitration tribunal to address the complaints of the customers in the real-estate sector.

Speakers at the meet urged the government to review the draft Private Sector Housing Ordinance, as they think the law in the making would neither protect the interest of the buyers nor bring discipline in the property business.

Rather, they observed, the proposed new law might create obstacle to the growth of the real-estate sector that is now being moved forward mainly by the private sector.

"If the government really wants a vibrant but disciplined real-estate sector, they should move to adopt a time-befitting law through discussion with the sector's stakeholders," said Real Estate and Housing Association of Bangladesh

(REHAB) President Tanveerul Haque Probal.

In this context, he proposed the formation of an arbitration tribunal for complaint settlement, as the ordinance's focus is on removing alleged irregularities as complained by many an apartment buyer and landowner, among other things.

The Right to Shelter, Bangladesh and housing sector's magazine Gharbari jointly organised the seminar at the National Press Club with Daily Naya Diganta Editor Alamgir Mohiuddin in the chair.

Gharbari Editor Ershad Majumder conducted the seminar.

The council of advisers of the caretaker government has approved an ordinance that provides non-bailable imprisonment for the property developers on different grounds.

American International University, Bangladesh (AIUB) Vice Chancellor Professor Anwar Hossain deplored that housing in the capital city is in a mess as there is no planning to be followed in this important sphere of civic life.

Incidentally, there is no proper urban land-tenure

policy or ceiling either, especially for the capital city.

The government should decentralize urbanization and provide infrastructure so that there could be satellite townships at district level to reduce the urbanisation pressure on Dhaka city.

National Housing Authority Chairman and Additional Secretary Abdul Quyum noted that a sharp rise in the prices of land and construction materials might hinder the growth of the housing sector.

FBCCI Director Kamal Uddin Ahmed said if the government "imposed" an ordinance "arbitrarily" without consultation with stakeholders, it would not work effectively.

"Instead, it will give a scope for litigation like other controversial ordinances," he said.

Asset Development's Managing Director FR Khan said the proposed ordinance would create scope for corruption as it would control the developers rather than regulate them.

"It needs fine tuning to make it a time-befitting law," he added.



Mohd Shamsul Haque, deputy managing director and head of the operations wing of Islami Bank Bangladesh Ltd (IBBL), and Sayeeful Islam, managing director of SSL Wireless, exchange documents after signing an agreement yesterday. Under this agreement, IBBL clients can get any information regarding their accounts by sending a SMS to the number 6969 from any mobile operator.

Lack of subsidised fertiliser to hurt tobacco leaf exports

Say companies, growers

RAFIQUE SARKER, Rangpur

Tobacco leaf exports worth about \$32 million will be at stake on the government's refusal to give growers subsidised fertilisers, say companies and farmers.

Tobacco farmers in Rangpur region are yet to reach any decision on whether or not to cultivate the crop this year.

British American Tobacco Bangladesh (BATB), the leading tobacco leaf exporter, has not yet assured the growers in Rangpur and Kushdia region of whether it would purchase the crop from them this year in line with an agreement.

Other tobacco leaf exporters like Abul Khair Tobacco, Dhaka Tobacco and Nasir Tobacco also remained undecided.

In previous years, the government supplied fertilisers to the tobacco companies at a subsidised rate for its distribution among the growers the companies had reached contracts with.

Usually, these tobacco growers would get fertiliser on credit from the companies at least one month ahead of cultivation.

A BATB official preferring not to be named told The Daily Star that this year the Ministry of Agriculture asked his company and other tobacco companies to import fertiliser themselves for their growers.

Kamal Sharifuzzaman, deputy director of Department of Agricultural Extension

(DAE) in Rangpur, said: "I am yet to get any official order to cut off allotment of fertilisers for the tobacco farmers. But I know that the ministry has taken such a decision."

"Government's prime objective for giving subsidy to agricultural input is to increase production of food grains in the country. It is the main concern right now," said the DAE official.

Abdus Salam, a tobacco farmer of Douljore village under Additmari upazila in Lalmonirhat district, has been cultivating export quality tobacco since 2004.

He said tobacco is the only crop by which he, like about 2000 small farmers of the area, had become well-off economically.

Another farmer, Dhonanjoy, said the tobacco farmers in Lalmonirhat district would have to face financial hardship if the government finally implemented the plan about fertiliser.

Another BATB official, asking not to be named, said: "Prices of fertiliser in the world market are high. If the tobacco companies import it at the market rate, farmers cannot afford it."

Businessmen fear the prices of tobacco leaf in the country will be three times higher than in other countries. "Bangladesh will lose a great opportunity," one of the businessmen said.

The export trend of tobacco

leaf from Bangladesh has been increasing since 2004. In 2008 Bangladesh earned \$31.15 million by exporting 11 million kilograms of tobacco leaf.

US group buys German subprime casualty

AFP, Berlin

US private equity group Lone Star is to take over IKB, the German bank rescued by state development bank KfW after falling victim to the subprime mortgage meltdown, KfW said Thursday.

The sale price for KfW's 91 percent stake in IKB was not disclosed with KfW saying only that it was a "low three digit million euro amount" -- meaning presumably anything between 100-300 million euros (150-450 million dollars).

IKB, a specialist in loans to small- and medium-sized business, invested heavily in securities tied to high risk subprime mortgages in the United States.

When US homeowners began defaulting on these home loans, these securities plunged in value and cost banks around the world hundreds of billions of dollars as they wrote off their investments.

1.4m more RMG workers needed to meet long-term export target

Swiss-Bangla Business Forum meet told

STAR BUSINESS REPORT

Ready-made garment (RMG) industry will require additional 1.4 million workers as the industry aims to export garment items worth \$25 billion by 2013.

Although the industry has been maintaining an export boom due to recent penetration of new markets and huge demand in the existing markets, it is running 25 percent short of required skilled manpower.

President of Bangladesh Garment Manufacturers and Exporters Association

(BGMEA) Anwar-Ul-Alam Chowdhury Parvez said this at the regular monthly luncheon meeting of the Switzerland-Bangladesh Business Forum (SBBF) in Dhaka yesterday.

Deputy Head of the Mission of the Embassy of Switzerland in Bangladesh Elisabeth Boesch Malinen attended the meeting as the chief guest.

The BGMEA chief said country's RMG sector has 2.4 million workers, which is 40 percent of the total employment in the manufacturing sector. 85 percent of these garment workers are female.

Parvez, in his keynote paper

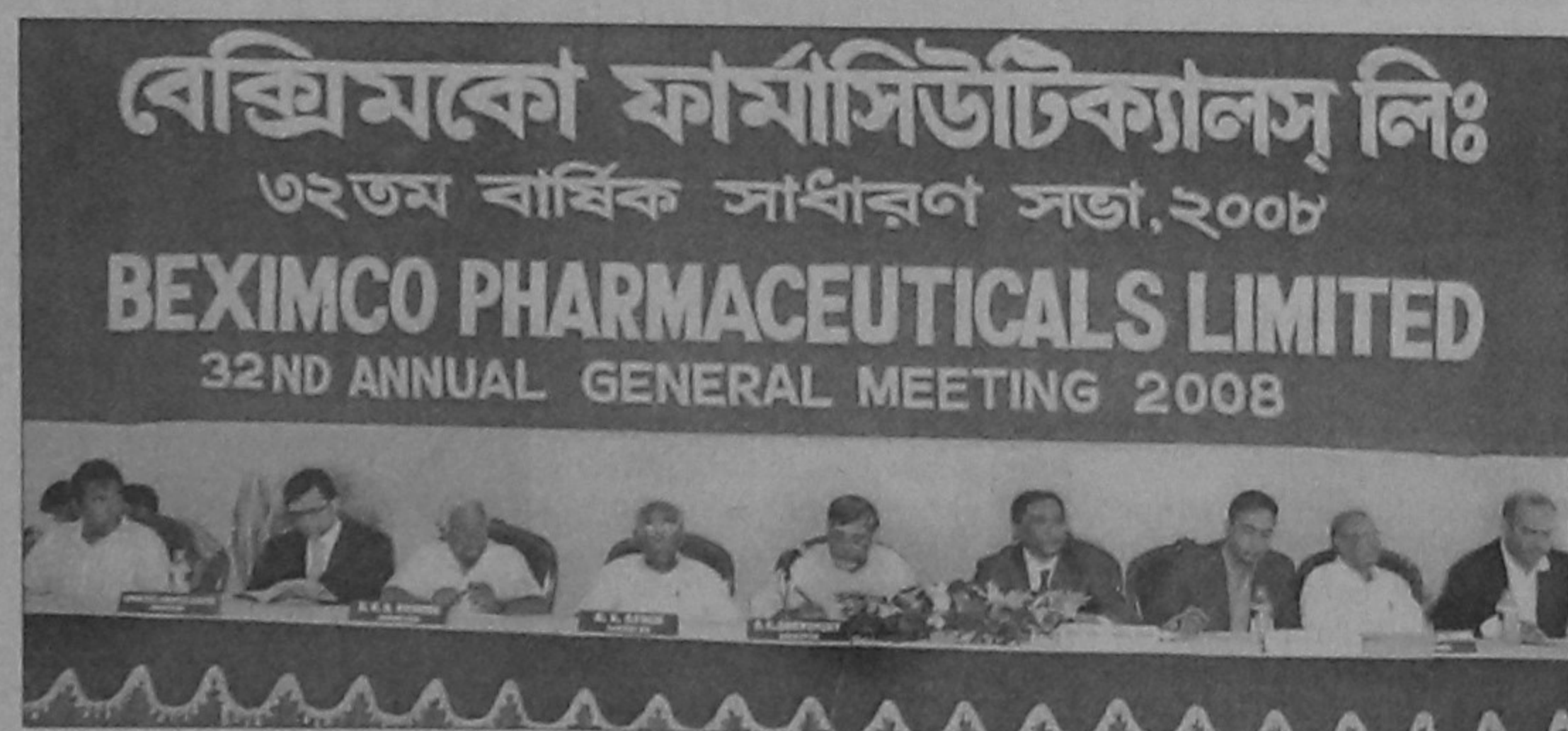
on "Garment and Textile: Its Future and Challenges", said the sector has set \$25 billion as its export target by 2013 as the sector registered 64 percent growth in export over the last three years.

He emphasised building positive image of the nation and industry, developing human resources through training and education, making compliant and eco-friendly garment manufacturing units, financial restructuring and developing infrastructure for achieving the target.

Parvez said every year at least 2000 students are gradu-

ated from the BGMEA Institute of Fashion and Technology (BIFT) and 600 workers from different training centres, operated both by the BGMEA and BKMEA.

Garment manufacturers have already started joint venture projects with the government, BIFT and other development partners to set-up five training institutions at Gaibandha, Kurigram, Lalmonirhat, Bogra and Nilphamari. BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association) will also set up a training centre at Rangpur.



Beximco Pharmaceuticals Ltd (BPL) Director OK Chowdhury chaired the 32nd annual general meeting (AGM) that approved five percent cash and ten percent stock dividend for the year 2007, held at Shahbag recently. Chief Executive Officer Nazmul Hassan, Director of Finance Ali Nawaz and other directors were also present.

Bex Pharma declares 5pc cash dividend

STAR BUSINESS DESK

The shareholders of Beximco Pharmaceuticals Ltd (BPL) approved five percent cash and ten percent stock dividend, as recommended by the board of directors for the year 2007, at the 32nd annual general meeting (AGM), says a press release.

Director OK Chowdhury chaired the event held at Shahbag while Chief Executive Officer Nazmul Hassan, Director of Finance Ali Nawaz, and other directors were also present.