

Form an agency for renewable energy

Service providers urge govt

STAR BUSINESS REPORT

Renewable energy service providers yesterday urged the government to form a body to implement the renewable energy policy to develop the green energy resources and meet 10 percent of the national demand for power by 2020.

"The government has framed a renewable energy policy and fixed some specific targets. But it is yet to plan its implementation. We want the government to form an agency," said Muhammad Zamir, chairman of Bangladesh Renewable Energy Society (BRES).

Zamir was speaking at a press conference at the National Press Club after the government pledged duty and tax benefits to promote renewable energy in the proposed budget for the fiscal 2009-10. Solar home systems do not generate more than 15MW of electricity across the country.

In his budget speech, Finance Minister AMA Muhiith proposed to lift the custom duty on the import of solar panels from the existing 3 percent. VAT at all stages of import, domestic production and supply has also been waived.

BRES, however, said the National

Board of Revenue, the central tax authority, did not mention anything about solar trade in its statutory regulatory order (SRO).

The lobby group also demanded exemption of all sorts of taxes on other accessories, such as batteries and charge controllers, to promote renewable energy and enable rural people to enjoy solar home systems at low costs.

The issues over renewable energy development comes to the fore as the supply of non-renewable energy sources, such as gas, is depleting and threatening the future energy security of the country.

"To face such challenges, we must develop renewable energy sources," said Zamir, lamenting the delays in establishing a body to implement the objectives set in the renewable energy policy, which was announced by the government in December 2008.

The policy envisions meeting 5 percent of the total power demand by 2015 and 10 percent by 2020, by developing renewable energy sources, such as solar, biogas, biomass, wind and hydropower.

Under the policy, the Sustainable Energy Development Agency (SEDA) institution is supposed to be estab-

lished as a focal point for development and promotion of sustainable energy.

"Renewable energy is now the new frontier of science. An implementation agency is essential to set up short and long term plans to reach the goal," said Zamir.

Dipal C Barua, managing director of Grameen Shakti, a leading organisation installing solar home system in off-grid areas, said nearly 8 crore people do not have access to electricity and the solar home system now helps thousands of rural people light their homes.

"We are providing clean power to 230,000 rural families from 7,000 biogas plants," he said. "Proper implementation of the pledges made by the finance minister will enable them to extend the technology to more people in the days ahead."

Munawar Misbah Moin, managing director of Rahimafrooz Renewable Energy Ltd, said opportunities for carbon trading are growing due to growth of clean technologies in the country.

Ali Asgar, professor of Bangladesh University of Engineering and Technology (Buet), Dr Khurshed-Ul-Islam of GTZ (German Technical Cooperation), also spoke.



New MD for Southeast Bank

STAR BUSINESS DESK

Southeast Bank Ltd has recently appointed Mahbubul Alam as its managing director, says a press release.

Prior to joining the Southeast Bank, Alam was the additional managing director of Prime Bank Ltd.

Alam, with more than 40 years of banking experience, started his career with the then State Bank of Pakistan in 1968.

E-governance a centrepiece in digitalisation

Says Prof Muzaffer

STAR BUSINESS REPORT

The government needs to ensure e-governance in all sectors for a 'Digital Bangladesh', said economist Prof Muzaffer Ahmad yesterday.

"The government can only fulfil the goals of creating a 'Digital Bangladesh', when it will be able to ensure e-governance in all sectors of the country," Ahmad said. "E-governance is a set of technology-based processes that would change both the delivery of public services and the broader interaction between citizens and the government."

"To achieve digitalisation, the government must go forward step by step and take some essential measures, such as the use of computers in all sectors and software development."

Ahmad was speaking at a roundtable on 'National Budget for 2009-10, Problems and Gaps: Any Room for Further Improvement', organised by Dhansiri Communication Ltd in Dhaka.

The economist suggested the government encourage software development that would ultimately help the national economy grow.

He said the government should provide incentives such as access to technologies, like the internet for the young generation, to modernise the country.

Ahmad stressed the need to ensure IT education and providing a sufficient number of computers at all educational institutes, including rural schools and colleges.

Hasanul Haq Inu, chairman of the Parliamentary

Standing Committee on Post and Telecommunication Ministry, said the government should immediately withdraw additional taxes and VAT that have been imposed on mobile handsets and SIM cards in the national budget for 2009-10.

He proposed withdrawal of the Tk 800 tax on SIM cards, reduction of international call routing charge from 4 cents to 3 cents, zero duty on import of mobile phone sets valued up to Tk 3,000 and fixing the monthly internet charge at Tk 300 for home users.

The committee also submitted a proposal to reduce the import duty on telecom equipment from the existing 10-65 percent to 10-25 percent, and also on fixed phone equipment from the existing 45 percent to 25 percent.

Milk Vita to supply 3.5 lakh litres liquid milk in Ramadan

UNB, Dhaka

Milk Vita on an average will supply 3.5 lakh litres of liquid milk in the market for meeting its growing demand during the holy month of Ramadan.

This was disclosed at a meeting of Local Government Division with State Minister for LGRD and Cooperatives Jahangir Kabir Nanak in the chair yesterday.

The meeting was informed that a three-member committee has been formed for bringing dynamism into the activities of Milk Vita and expansion of its marketing system.

The committee has been asked to submit its report by next 10 workings days.

Workers back to work in 500 textile mills in Narsingdi

UNB, Narsingdi

Some 18,000 workers of over 500 textiles mills who went on work abstention on Friday joined their work yesterday.

Production in the textile mills remained suspended for four days as workers of the mills went on an indefinite work stoppage in protest against alleged torture of their fellowmen by a mill owner.

The mill workers joined their work following Narsingdi Municipality Mayor Lokman Hossain's assurance to investigate the matter in a meeting held with the workers' leaders on Monday evening.

On June 15, the workers of Ilyas Textiles lodged a complaint with the Owners' Association following an incident of torture on a worker by their owner.

As their demand went unheeded, some 18,000 workers of over 500 mills in the town and nearby Hajipur union went on work abstention on Friday.

On Sunday, the workers locked into a clash with police as they tried to put Ilyas Textiles under lock and key.

Association sources said the work stoppage hampered production of 1.5 lakh yards of cloths in the last four days.



World Bank Country Director Xian Zhu calls on Prime Minister Sheikh Hasina at her office in Dhaka yesterday.

BGMEA to get its share of stimulus

Says commerce minister

UNB, Dhaka

Commerce Minister Faruk Khan yesterday admitted that Bangladesh, especially its export industries, started feeling the prick of global financial meltdown and pledged all-out support to the affected sectors.

Khan made the remarks while talking to reporters after a meeting with BGMEA leaders at the secretariat.

The minister said the garment sector is facing hard competition on price, and global orders have sharply decreased in recent months due to the global financial downswing.

Responding to a set of recommendations placed by the apparel-industry leaders, the minister said all of their demands are logical and the government is sincere enough about fulfilling their demands.

"I hope you will get specific announcement from the finance minister regarding your demands on the day of budget approval," he said.

Khan said the government would support the BGMEA to get a land in the city to build Fashion Technology University.

"Your recommendations and demands are mostly attainable and the government would work on it as this is a business-friendly government," the minister told the delegation.

Regarding budget, Khan said the government has just proposed a budget for countrymen and it would be approved by incorporating people's recommendations properly. He urged all to work together to implement the budget.

Earlier, BGMEA President Abdus Salam Murshedy said they were taking a hit from a 20 percent to 25 percent price fall that made their survival difficult.

He apprehended that the situation might worsen in the months ahead, specially in July and August, and sought policy support from the government.

"I believe stimulus package is not enough to face the global financial crisis."

"We could convince both the commerce and the finance minister that we're affected by the global financial meltdown and we'll meet the finance minister Saturday for our final-round negotiations with the government to overcome the

crisis." The business tycoon of the country's main export industry demanded immediate government step to form a special force -- Industrial Police -- as garment factories are affected by sporadic spells of unrest let loose by malcontent workers.

They also placed a pack of demands that also include 5 percent subsidy on bank interest for garment sector, Tk 10 subsidy on per-litre diesel until improvement of power situation, continuation of tax holiday until 2015, allocation for technological upgrading fund and manpower development, resetting public holiday keeping Friday as working day, and allocation for two hospitals in Dhaka and Chittagong.

Later, BKMEA leaders led by its President Fazlul Hoque met the commerce minister on the same issue facing the other half of the export-oriented apparel industry, knitwear.

After the meeting, Hoque told the reporters that they want a specific announcement through discussion to cushion them from the fallout of the global financial flu.

Detroit lifts quality, Toyota still king

AP, New York

There's a message for Detroit's automakers in the new J.D. Power and Associates rankings: Good work. Now go back and do it again.

The marketing and consulting company's closely watched annual study of vehicle quality found Monday that Ford, General Motors and Chrysler made strides last year but still lag behind their foreign competitors.

At a time when Detroit is desperate to start turning out cars and trucks that people want to buy, the top two brands in the J.D. Power study were foreign cars: Lexus, Toyota's luxury line, and the Porsche. GM's Cadillac finished third.

The survey measures mechanical and design problems that show up in the first 90 days of ownership. The 2009 models turned out by the Detroit Three improved by an average of 10 percent, compared with an industry average of 8 percent.

Toyota, which overtook GM last year as the world's biggest automaker, dominated the J.D. Power honors. It swept awards in 10 vehicle categories, and its plant in Japan that builds the Lexus SC 430 and Toyota Corolla took the award for top plant.

For GM, only two brands performed above average: Cadillac and Chevrolet. The four brands it is purging in bankruptcy protection Pontiac, Saturn, Hummer and Saab were also its worst rated.

"Is it where we need to be? No," said Jamie Hresko, GM's vice president for global quality. "To have our core brands Cadillac and Chevrolet be on par with Toyota, we have reached a level of quality that will allow us to change perceptions."

The scores come during a tumultuous time for the auto industry, with sales at their worst level in decades and taxpayers stuck paying

for part of the restructuring of General Motors Corp. and Chrysler Group LLC to the tune of billions of dollars.

Although the two automakers have been pummeled by the economic crisis, many analysts have complained that a shortage of high-quality small car offerings has hobbled their performance in an already difficult market.

"There are too many cars and not enough consumers," said Dave Sargent, vice president of automotive research at J.D. Power. "For any vehicle that is lagging in quality ... that's a difficult position for them to be in."

Sargent said the quality of Detroit's passenger cars is now roughly equal to foreign automakers'. And GM has several new, small cars on the way that industry analysts say should help it compete with established offerings from the likes of Toyota and Honda.

GM plans to start building the subcompact Chevrolet Cruze next year and says it will get about 40 mpg. It also plans to sell the Chevrolet Spark minicar in the United States in 2011.

The road may be tougher for Chrysler, which recently emerged from bankruptcy. Cars like the sporty 500 made by its new owner, Italy's Fiat Group SpA, won't make it to the U.S. until late next year.

The company planned to roll out new versions of its popular Jeep Grand Cherokee SUV and Chrysler 300 large sedan by the end of next year, along with a rechargeable electric vehicle, but those will probably be delayed by the bankruptcy process.

"The relatively low number of vehicles they are bringing out that does give them a challenge in maintaining market share," Sargent said.

Chrysler's scores improved from last year, and it claimed five of the 10

most improved vehicles, Sargent said. But all three of its brands Chrysler, Dodge and Jeep were below the industry average.

It did tie for one award: The PT Cruiser shared the top honor in a category called compact activity vehicle with Honda's CR-V. But Chrysler is discontinuing the Cruiser.

The study suggests, "We have some forward momentum," Doug Betts, Chrysler's senior vice president for quality, said in a statement. "We have figured out how to improve vehicles in production and have taken aggressive actions to continue that progress."

Ford Motor Co., the only one of the Detroit Three that has managed to stay out of bankruptcy, improved in the survey with three of its four brands: Ford, Mercury and Volvo. But the Lincoln's score fell, and only Ford and Mercury performed above the industry average.

For the industry as a whole, there were just 108 problems reported for every 100 vehicles, down from 118 last year. J.D. Power several well-received new models that were launched in 2009, including the Hyundai Genesis, Kia Borrego, Toyota Venza and Volkswagen CC.

The rankings are based on questionnaires from more than 80,000 people who bought or leased new 2009 cars and trucks earlier this year. The lengthy questionnaire covers issues from handling and braking to seat comfort and stereo systems.

The rankings are familiarly used in TV ads and closely watched in the industry. Still, some critics question whether they show any real statistical difference between automakers.

Lexus' rating, for example, equates to 0.84 problems per vehicle, and the rating for Mini, which finished last, equals 1.65 problems per vehicle. So on average, less than one problem per vehicle separates the best brand from the worst.



A woman sweeps the floor of a Toyota showroom in Manila recently. Ford, GM, Chrysler make strides in quality, but still lag their overseas competitor Toyota in the US market, says study.



F Garcia, managing director of Bata Emerging Markets (West), and JD Hearn, managing director of Bata Shoe Company (Bangladesh) Ltd, jointly inaugurate a Scholl-branded shoe showroom at Bashundhara City Shopping Complex in Dhaka yesterday. Bata brought Scholl-branded shoes into Bangladesh a few years back.

Eurozone business contraction easing

AFP, Brussels

The business contraction in the 16 countries using the euro was the shallowest for nine months in June, despite a steep decline in the service sector, a survey showed on Tuesday.

The eurozone's purchasing managers' index (PMI), compiled by data and research group Markit, rose to 44.4 points in June from 44.0 points in May, according to a first estimate, fuelling hopes that the recession may be bottoming out.

However the latest figures

remain firmly below the boom-bust line of 50 points - a score below 50 indicates a contraction -- for a 13th consecutive month in the recession-hit eurozone economy.

"The good news is that the survey 'showed overall improvement for a fourth month running,'" said Howard Archer, chief European economist at IHS Global Insight.

"The bad news is that the rate of improvement slowed appreciably in June as the services sector suffered a modest relapse and that the surveys still pointed overall

to significantly contracting activity," he added.

"The figures are consistent with eurozone gross domestic product (GDP) falling by 0.5-0.6 percent in the second quarter," said Chris Williamson, Chief Economist at Markit.

While rising unemployment has hit demand, particularly in the service sector, "prospects remain positive, however, as confidence in the services economy is the most buoyant for almost two years while manufacturers look set to rebuild inventories in coming months," he added.