

JS committee chief defends power deals without bidding

STAR BUSINESS REPORT

The government's decision to go for rental power contracts with two companies without bidding was meant to mitigate an acute power crisis immediately, said a parliamentary standing committee chairman yesterday.

Shubid Ali Bhuiyan, chief of the parliamentary standing committee on power, energy and mineral resources ministry, was responding to criticism on the issue from Shamsuzzaman Dudu, an adviser to the BNP chairperson.

"Attaining energy security is the government's priority. And for that we went for two rental power contracts without bidding. This was done only to provide power at the quickest possible time," Bhuiyan said.

"We are trying hard to produce more power using both conventional and unconventional methods, such as suspending fertiliser production to

save electricity. Also, we have moved toward solar power," he added.

Bhuiyan was speaking at a seminar "Fossil Fuel, Independent Economy and National Budget 2010-11", organised by the Equity and Justice Working Group, Bangladesh at the National Press Club in Dhaka.

The government had signed contracts with British Aggreko to install 200MW power units in Khulna and Ashuganj, and with local Desh Energy to build a 100MW unit in Siddhirganj by August.

Bhuiyan said the new steps to build power plants and import electricity from neighbouring countries would take more time to get results. "We will get positive results by next year."

He also stressed the need to go for alternative energy sources, including solar power.

Quazi Kholiqzaman Ahmad, chairman of Palli Karma-Sahayak Foundation, said it is not immediately

possible to solve the power crisis.

"The country's major target is to attain food security and water security, but it cannot be achieved unless we have energy security," he said.

He emphasised the need to develop a holistic energy policy by integrating all potential energy sources, including renewable ones.

In his keynote paper, Syed Aminul Hoque, researcher of Equity and Justice, said the country lacks an integrated energy policy, which holds back the energy sector.

"Foreign investments in the country have come down 48 percent in the July-December period of current fiscal year, due the severe energy shortage," he said. "Now it's time for the government to look for other sources, such as renewable energy."

He suggested the government go for a massive campaign to create awareness on a rational use of energy.

Supro suggests implementation of district-wise budget

STAR BUSINESS REPORT

The government should start framing and implementing district-wise budget with the objective of ensuring decentralisation and peoples' participation, speakers at a discussion said yesterday.

They said the budget preparation process is centralised and is dominated by bureaucrats, which bars effective participation of people and their representatives.

"Decentralisation is needed for framing and implementing budget. For decentralisation, the government's desire and commitment is required," said MM Akash, a professor of Department of Economics at the University of Dhaka, at a pre-budget discussion at the Cirdap auditorium.

Motahar Hossain, state minister for primary and mass education, Shawkat Momen Shahjahan, chairman of the parliamentary standing committee on agriculture ministry, Mirza Fakhru Islam Alamgir, BNP's senior joint secretary general, Mahmudur Rahman Manna, former organising secretary of Awami League, and Mahmudur

Rahman Manna, and AKM Jahangir Hossain, former state minister for textiles, also spoke on the occasion.

The discussants suggested increased budgetary allocation for local government bodies.

They observed that expenditure performances of the grassroots level bodies such as upazila are better than government institutions.

Sushasoneer Jonny Procharabhanjan-Supro (Campaign for Good Governance) organised the programme.

Supro demanded that the government prepare the budget for the fiscal year 2010-11 with higher allocation in education, health and agriculture sectors.

It expressed concern over gradual privatisation of education system, which limits the rights of poor and marginalised groups to education.

It suggested the government take steps to keep prices of education materials within the purchasing capacity of poor families. The organisation also demanded investment of at least 6 percent of GDP in education in line with government promises.

Focusing on health sector, Supro said it remains neglected with manpower shortage crippling the sector.

Stressing a national consensus on economic and national issues, Fakhru Islam Alamgir said public expenditure should be increased in education, health and agriculture sectors.

"Once there was perception that public expenditure should be kept lower. Today, it is quite clear that public investment should be enhanced to facilitate development," he said.

Alamgir said agriculture should receive higher subsidy to ensure food security. The senior leader also emphasised technical and vocational education to develop human resources.

But, he said, budget should be framed based on a long-term development perspective instead of short-term goal.

AKM Jahangir Hossain said an increased participation of lawmakers in budget preparation process is needed.

"The role of lawmakers in budget preparation is limited."



AB Mirza Md Azizul Islam, former caretaker government finance adviser, speaks at a pre-budget discussion, organised by the daily Prothom Alo, at its office in Dhaka yesterday. From left, Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies, Syed Manzur Elahi, also a former finance adviser, and Mustafizur Rahman, executive director of Centre for Policy Dialogue, are also seen.

Roundtable identifies power crunch as main problem

STAR BUSINESS REPORT

A roundtable in Dhaka yesterday identified the energy crunch as the country's main problem.

The speakers pointed to the fact that the industrial units go without power for 10 hours every day, impacting negatively the export sector.

The discussion on 'what budget we want: economic situation and the role of media' was organised by the daily Prothom Alo at its office.

A suggestion came that the next budget should award special privilege to the industrial units having their own power plants.

The participants also pointed to the human resource development issue, which remains in a sorry state.

They think this is also turning acute after the energy shortage.

Dr AB Mirza Azizul Islam, former

finance adviser to a caretaker government, Syed Manzur Elahi, a businessman and also a former adviser to a caretaker government, Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies, Mustafizur Rahman, executive director of Centre for Policy Dialogue, Matiur Rahman, editor of the Prothom Alo, and Abdul Quayum, joint editor of the newspaper, took part in the discussion.

Shawkat Hossain, the daily's joint news and business editor, moderated the meeting.

Mirza Azizul Islam said though the economic situation is not alarming, it is not optimistic either. He feared GDP growth will not exceed 5.5 percent this fiscal.

On power shortage, he said, "There is scope for improvement in power management."

Although 1,177 megawatt of electricity

was expected to be added to the national grid this fiscal year, many say that increase in demand for power is contributing to the severe load-shedding.

He suggested the government focus more on human resource development. Syed Manzur Elahi identified the power crunch as the major hindrance to investment.

Referring to the BNP's long march threat from Wednesday, he said, "Whatever you do -- long march or any other thing -- please keep the roads open. Hartal and siege programmes send bad signals."

Mustafa K Mujeri said the next budget must be investment-friendly.

Mustafizur Rahman said, "In other countries wealth is redistributed through budget every year, but our country is an exception. Income inequality is increasing, investment is not increasing that much."



Seated from left, Hosne Ara, director for agriculture, Dr Md Kamal Uddin, director general of Bangladesh Jute Research Institute (BJRI), and Shahroz Jalil, acting general manager of Katalyst, pose at a deal signing ceremony in Dhaka recently. Katalyst and BJRI will now work together to disseminate retting technologies to jute farmers.

Bangladesh reluctant to import wheat from India: Official

BSS, Dhaka

India has allowed exports of four lakh tonnes of wheat to Bangladesh, but the government here is reluctant to import Indian wheat due to higher-than-international market prices.

"India has lifted a ban on wheat shipments for some countries including Bangladesh, but we would not buy it as the rate is not similar to prices in other wheat exporting countries such as Russia, Turkey and Ukraine," Director General of Food Ahmed Hossain Khan told the news agency yesterday.

Bangladesh usually buys wheat through international tenders and bidders settle for lower rates.

India exports wheat under FOB (free on board) rate, which is a bit-risky, he said.

"But the CIF (cost, insurance and freight) rate for wheat import is relatively risk-free and cheap."

Under the FOB system, cost and risk are divided between the seller and the buyer at the ship's rail. But the seller pays the costs and freight charges of bringing goods to the port of destination under the CIF system.

In line with the FOB rate, the price of Indian wheat will be over \$300 a tonne, but from Ukraine, Russia and Turkey under CIF rate, it is no more than \$257, Khan said.

India, the world's second-biggest producer of wheat, banned exports of the grain in early 2007 but lifted the restriction for a few days in July 2009 before reimposing it.

On Thursday, India allowed exports of 400,000 tonnes of wheat to Bangladesh by part-lifting a three-year-old ban on overseas shipments.

On April 1, India's wheat stocks soared more than seven times the target to 30.8 million tonnes. India has allowed 50,000 tonnes for export to Nepal in February.

Australian food festival kicks off today

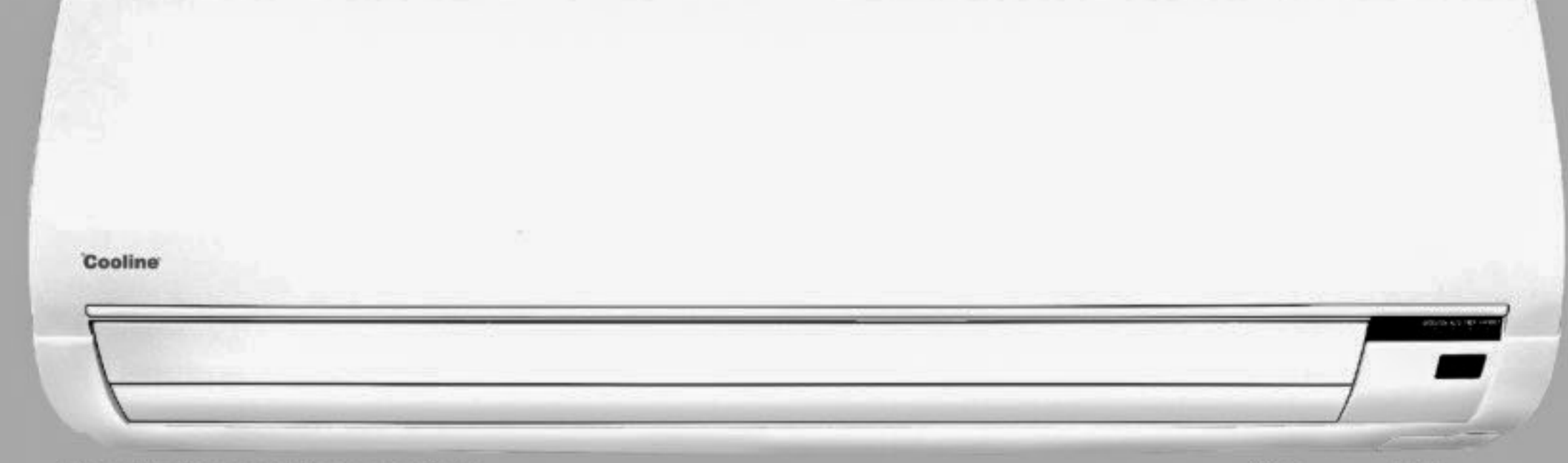
STAR BUSINESS DESK

A five-day Australian Food Festival kicks off at Radisson Water Garden Hotel in Dhaka today, according to a statement from the hotel.

The announcement was made at a press conference at the hotel yesterday, where Andre A Gomez, general manager, Saeed Ahmed, director of sales and marketing, and Kai Uwe Klenz, executive chef of the hotel, were present.

Damien Tansing, a visiting chef from six-star Palazzo Versace Hotel on Australia's Gold Coast, was also present.

"Guests can choose food items from the a la carte," Gomez said. The food festival is open to all until May 20.



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