

Summit plans big for power

Company posts 73pc rise in profit

STAR BUSINESS REPORT

Summit Power Ltd, a leading power generator, aims to win orders from the government to generate at least 1,400 megawatts of power.

Aziz Khan, chairman of Summit Power Ltd, unveiled the company's mission at a press meet where it disclosed its half-yearly un-audited financial report.

Summit's target for power falls in line with the government's mega-plan for generating 9,426 megawatts by 2015.

According to the financial report, Summit posted a 73.55 percent rise in

profit to Tk 55.97 crore in the first half of 2010, compared to the same period a year ago.

The earnings per share of the company almost doubled to Tk 20.03 in the first half of 2010, compared to the same year-earlier period.

Summit added 110 megawatts of power to the national grid through its subsidiary companies Summit Uttaranchal Power Company Ltd and Summit Purbanchal Power Company Ltd.

Recently, Summit Group has signed a contract with the government and started work to deliver another 102 megawatts of power through its Summit

Narayanganj Power Company Ltd.

According to the chairman of the company, Summit has recently signed a deal with General Electric (GE) of Austria to participate in the government's mega power plan. GE will bring financial and technical support to implement Summit's future projects.

Summit Power also plans to raise more than Tk 300 crore from capital market by issuing fully convertible preference shares to build additional capacity to implement the new power projects.

Summit Power Managing Director Tauhidul Islam and Finance Director Ayesha Aziz Khan were also present.



Raihan Shamsi, second from left, deputy chief executive officer of Grameenphone, speaks to the press about the company's record high addition of 2.6 million new subscriptions in the second quarter, at a programme in Dhaka yesterday. (Story on B1)

Timely ADP implementation crucial to growth: ICCB

STAR BUSINESS DESK

The development priorities of the government are in the right direction but all will depend on how much resources are available and what percentage of the annual development programme (ADP) is implemented, a leading chamber said yesterday.

According to an editorial of a news bulletin by International Chamber of Commerce-Bangladesh (ICCB) released yesterday, the ADP for fiscal 2011 includes 21.2 percent for over all agriculture, 15.78 percent for power and energy, 15 percent for communications and 24.2 percent for human resources.

The ADP for fiscal 2010 was revised to Tk 285,000 million from Tk 305,000 million. Only 68 percent of the total sum was disbursed in the first 11 months, ICCB said.

The implementation of ADP was only 61 percent in the last three fiscal years. The finance minister, in his post-budget press conference, said the government would ensure full implementation of this year's ADP. This is very unlikely, the chamber said, quoting experts.

The energy sector roadmap aims at importing liquefied natural gas (LNG) within the next two years by building two LNG terminals to handle the import of 500 million cubic feet (MMCFD) a day. Investment worth at least \$1 billion with a time frame of 4-5 years would be required for this, according to experts.

Will the import of 500 MMCFD of gas justify such a costly investment, when Chevron alone just now is ready to increase gas supply by 300 MMCFD if transmission facilities are available? Besides, the country's existing gas fields Titus, Habiganj and Bakhrabad can also add 500 MMCFD, if developed to full potential, the ICCB editorial said.

The plan also includes setting up two 1,300MW capacity power plants with imported coal at Khulna and Chittagong. Experts feel these will also be difficult and time consuming as Bangladesh does not have the port facilities to receive ocean going coal carriers and store huge coal, the ICCB statement added.

To diversify energy sources, Vietnam is going to set up a 600 MW coal fired power plant at a cost of \$1.2 billion with Japanese aid, which will be completed in 2014. So why does Bangladesh not do the same by immediate exploration of coal through open pit system for power plants, as suggested by experts during the ICC Conference on Energy for Growth held in Dhaka on April 13, according to the statement.

Development of infrastructure like highways, Padma bridge, elevated expressway for Dhaka, railway reforms and expansion, enhancing waterways navigability and capacity enhancement of Chittagong and Mongla Port are crucial for sustained growth. According to analysts, GDP growth will depend largely on how soon communication projects, for which 15 percent is earmarked in the ADP, are implemented, according to the editorial.

Bangladesh being a riverine country has the unique opportunity to develop better and efficient water transport systems, to ease traffic congestion not only in Dhaka, but also reduce the pressure on the highways. Unfortunately, successive governments have failed to develop an appropriate waterway system, the statement said.

The budget deficit for fiscal 2011 is around 5 percent of GDP -- 2 percent will be met from external sources and three percent from domestic sources. The government plans to borrow two percent of GDP from banking sources,

indicating a possible liquidity shortage of the commercial banks for the private sector, the statement added.

Market capitalisation, when the present daily trading is more than Tk 2 billion, rose to 34.2 percent of GDP in April and the number of beneficiary accounts increased to more than 2.5 million.

According to experts, the capital market could be an alternate source for the government to reduce the deficit and raise the funds required for infrastructure projects. Immediate divesting of shares of major state owned enterprises, including banks, Biman, Jamuna Bridge, Railway, and Padma Bridge must be done. The proposed Bangladesh Infrastructure Finance Fund could also raise necessary capital to finance all infrastructure projects, the editorial said.

According to a recent study by Buet Professor Ijaz Hossain, the energy crunch causes loss of around \$16.6 billion a year, which is about 16.6 percent of the \$100 billion GDP and higher than total yearly exports. The figure would probably double, if the loss due to existing traffic jams were added, the editorial added.

Businesses, therefore, strongly suggest immediate open pit coal mining with setting up power plants and modernisation of the existing power plants. With timely implementation of major infrastructure projects, Bangladesh could easily achieve eight percent plus GDP in 2012, as mentioned by the finance minister, the ICCB said.

As time is running out fast, there is need for more action and less talks and thinking to capitalise on the bright prospect of attracting both local and FDIs, the statement said.



A Rouf Chowdhury, chairman of Bank Asia, speaks at the bank's half-yearly conference at Lake Shore Hotel in Dhaka on Saturday. Erfanuddin Ahmed, president and managing director, is also seen.

Brunei investor eyes \$1b bid for Club Med

REUTERS, London

Brunei investment firm BMB Group is considering a bid for Club Med that would value the French-listed holiday firm at about 800 million euros (\$1 billion), the Sunday Times reported.

BMB Group, an investment office that manages money for the Sultan of Brunei's family, has the support of three of Club Med's four major shareholders, the newspaper said, citing unnamed sources close to the situation.

Talks with the fourth and largest shareholder, Fipar, are expected to finalise this week, it added.

Neither BMB Group nor Club Med could immediately be reached for comment.

GDF working on \$9.8b bid for Int'l Power

REUTERS, London

French energy giant GDF Suez is working on a 6.4-billion-pound (\$9.8 billion) cash bid for Britain's International Power in the latest twist in a long-running courtship, the Mail on Sunday said.

The newspaper, citing unnamed sources, said GDF had met advisers NM Rothschild, Goldman Sachs and BNP Paribas over the move and that it also had the backing of the French government, its 35-percent shareholder.

Talks between the two groups over the 420-pence-a-share proposal were at an initial stage after discussions that lasted several months broken down in January, the Mail on Sunday added.



ICB gets new MD

STAR BUSINESS DESK

Md Fayekuzzaman has joined Investment Corporation of Bangladesh (ICB) as managing director, effective from July 11, it said in a statement yesterday.

Prior to the new assignment, he was the deputy managing director of state-owned Agrani Bank.

Fayekuzzaman, a post-graduate in commerce from Rajshahi University and development finance from Bradford University UK, started his career with the then Bangladesh Development Centre in 1980.

He had served Agrani Bank in credit, treasury, fund management, international banking, ICT, administration and other capacities since 2007.

Govt to set up 225MW plant in Ctg

STAR BUSINESS REPORT

The government has undertaken a project to set up a 225-megawatt (MW) dual-fuel power plant at Shikabaha in Chittagong within the next three years.

Power Development Board (PDB) will implement the gas- and furnace oil-run combined cycle power plant at a cost of \$282.81 million within 2013.

Of the total amount, \$206 million will come as foreign assistance, while the government will contribute the rest \$76.81 million, said a statement from the Economic Relations Division (ERD) yesterday.

The Kuwait Fund for Arab Economic Development (KFAED) has agreed to provide 15 million Kuwaiti dinars (\$53 million) for the project, said the statement.

A KFAED delegation has already visited different departments and agencies including power division, energy division, PDB, Bangladesh Petroleum Corporation, Power Grid Company of Bangladesh, Petrobangla and the project site in Chittagong.

After a round of discussions with the government high-ups, the delegation has signed a draft loan agreement for the project.

ATM Mustafa Kamal, a joint secretary, and Nawaf Al Dabbous, an adviser to the KFAED, signed the deal.

The ERD has been in talks with development partners including Opec Fund for International Development (OFID), Saudi Fund for Development (SFD) and Abudhabi Fund for Development to get the remaining \$153 million fund, said the statement.



Toufiq M Siraj, managing director of Sheltech, and Kwanchai Phalajivin, chief executive of Kuppss Collaboration, pose after signing a deal in Dhaka recently. Kuppss, a Thai company, will help Sheltech design its hospitality and other services.

Syngenta launches campaign on safe pesticide handling

STAR BUSINESS DESK

Syngenta Bangladesh Ltd yesterday launched a campaign on the safe handling of pesticides, at Syngenta Learning and Development Centre in Bogra yesterday.

The multinational company, engaged in crop protection and seed business, also launched a colourful festoon on a safe use of pesticides as part of the programme, the company said in a statement.

Alex Yau, head of product safety and stewardship, and Dr Loke Peter, regional medical adviser for Syngenta Asia Pacific Region, and Sarwar Ahmed, managing director of Syngenta Bangladesh, attended the programme.

Sayed Ali, director general of the Department of Agricultural Extension (DAE), was the chief guest, while Md Abdul

Hannan, director for its plant protection wing, was the special guest.

Sarwar Ahmed said Syngenta would provide full support and co-operation to DAE officials in promoting safe and judicious use of crop protection products.

"At the Bogra learning centre, Syngenta provides training to different stakeholders on modern agricultural cultivation, pest management, safe handling of pesticides by experienced in-house and external trainers."

Ahmed also highlighted the importance of pesticide use to protect crop from different harmful pests and achieve yield potential to ensure food security.

Alex Yau said, as a part of stewardship programme, Syngenta is working with medical communities in different countries to reduce health hazards from pesticide mis-handling.



Govindarajan Shivakumar, vice president of Junior Chamber International (JCI), attends a new member induction programme, organised by JCI Bangladesh in Dhaka on July 13.



Khalilur Rahman, chairman of KDS Group, inaugurates a branch of Al-Arafah Islami Bank's brokerage house in Chittagong recently. MA Samad Sheikh, managing director, is also seen.