

New deals to fight power crisis

STAR BUSINESS REPORT

The government is set to sign 18 deals for 4,000 megawatts (MW) of electricity by the year-end to meet an additional 5,000MW demand for the next five years, said Bangladesh Power Development Board Chairman ASM Alamgir Kabir yesterday.

The chairman said government already signed 33 contracts for generating 3,000 MW elec-

tricity, while addressing the inaugural session of Korea-Bangladesh technical seminar at Sonargaon Hotel in Dhaka.

Korea Electric Power Corporation (KEPCO), Korea Trade Investment Promotion Agency, Korea Electrical Manufacturers Association and KNASH Engineers Ltd (KEL) jointly organised the seminar.

Korean Ambassador to Dhaka Taiyoung Cho was the special guest in the event.

The ambassador said Korea is interested to give technical support in the power sector of the country. "Bangladesh has a huge power crisis where our cooperation can improve the situation and contribute to the development," he added.

Cho also stressed upon the infrastructure development to improve the economic condition of the country. Bilateral relations of two countries are growing up

after a recent visit of Prime Minister Sheikh Hasina to South Korea, he said.

Jong-Keun Park, vice president of KEPCO, a Korean government power company, said it is ready to sign three contracts with the country for power development.

The 15-member delegation led by KEPCO vice president will also attend one to one business meeting with the local companies today.



Models parade at a fashion show yesterday at the closing ceremony of the apparel fair CAFEXPO, organised by Bangladesh Garment Manufacturers and Exporters Association, in Chittagong yesterday.

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Rokia Afzal Rahman, chairman of Midas Financing, has inaugurated an SME branch of the company in Keraniganj recently. M Hafizuddin Khan, director, was also present.

RCCI faces notice for forged voter list

STAFF CORRESPONDENT, Rajshahi

The commerce ministry last week served notice on Rajshahi Chamber of Commerce and Industry (RCCI) for listing members of different nonexistent and inactive business groups as voters.

The notice reached Rajshahi on Thursday and it demanded response from RCCI within seven days.

It asked why the ministry would postpone the upcoming RCCI election on February 2 and why an administrator would not be appointed at RCCI to enquire about the enlisted fake voters.

RCCI officials said the notice was issued following complaints about fake voter list, filed by former executive members of RCCI -- Ziaul Haque, Asaduzzaman Asad and Ramjan Ali.

The ministry investigated the matter through the deputy commissioner of Rajshahi who reported some nonexistent groups became members of RCCI, such as Rajshahi Jute Traders, Wholesale Rice Traders, Cement Traders, Silk Traders, Poba and Durgapur upazila Shilpa and Banik Samity.

Abu Bakkar Ali, president of RCCI, confirmed the show cause notice and said, "We will answer in time."

Thin fund flow restricts LDCs' development

STAR BUSINESS REPORT

The development activities of the least developed countries are not taking place at the expected rate for thin flow of aid from the developed countries, said a top government official yesterday.

Principal Secretary to the Prime Minister Abdul Karim said the developed countries were supposed to release funds at 0.7 percent of their total gross domestic product for the development of the LDCs.

Since the 1980s, only some Nordic countries and The Netherlands have been releasing the committed fund through the Overseas Development Assistance, Karim said.

He was speaking as a lead discussant at the concluding day's discussion on 'Making development work without forgetting poor people: rethinking aid and philanthropy for impact' at Bangabandhu International Conference Centre in Dhaka.

"The developed countries have been releasing 0.2 percent of their GDPs on average, which is not enough to implement the development activities of LDCs. Aid is a necessary element for development," he said.

Chittagong-based Asian University for Women (AUW) organised the three-day symposium titled "Imagining Another Future for Asia: Ideas and Pathways for Change".

Ellen Goldstein, World Bank country director, said a wealth of empirical studies attempting to link aid directly to positive development outcomes, especially to economic growth, are inconclusive.

It is easy to see why this might be so: a great deal of aid is used for things other than development outcomes--such as military, political or humanitarian goals, she added.

"Many aid programmes have been swept away by conflict, war and instability. Many programmes are poorly designed or poorly executed or both," Goldstein said.

She said scarce aid resources can be used more strategically if three things are done: first, ensuring the country is in the lead and aid is fully aligned with country priorities; second, enhancing the capacity and will of the policymakers to adopt growth-oriented policies and third, supporting implementation of policies that leverage the big drivers of growth, including trade, investment and human capital information.

Executive Director of Population Foundation of India Poonam Muttreja said the society could be served through raising fund under philanthropy-capitalism system. The system has many challenges, but it has potentials to serve the society, she added.

She said reduction of economic gap means increasing the philanthropic activities. In India, she added, 40 percent of wealth is possessed by five percent rich Indians.

In another discussion on 'How business can lead social change' at the sideline of the symposium, Sir Mark Moody Stuart, former chairman of the Shell Group said businessmen do not want business for social changes, but business is for meeting the demands of society.

Grameenphone Chief Executive Officer Oddvar Hesjedal said business and social development go hand in hand. Syamal Gupta, former chairman of TATA International, and Charles Raymond, partner, Hudson

Take long-term steps against price shocks: analysts

STAR BUSINESS REPORT

South Asian countries should take up long-term and sound policy measures instead of short-term steps popular among political parties to counter food price shocks, experts said yesterday.

The observations came at the launch of the book "Managing Food Price Inflation in South Asia" at Policy Research Institute of Bangladesh (PRI) in the city.

PRI Vice Chairman Sadiq Ahmed and World Bank Senior Agriculture Economist Hans GP Jansen wrote the book.

Mashur Rahman, economic adviser to the prime minister, said the government's response in the past, irrespective of parties in power, was to address only immediate problems.

"One of the reasons was that the government's resources were not only limited in terms of money but also in knowledge to take long-term policies or programmes. Secondly, any political government is receptive to immediate problems, as it can

consider implementing a policy only if it can win the next polls."

"Elections being very unpredictable sometimes, one tends to work towards shaping election results to suit own aspirations rather than working to achieve long-term results pertaining to the economic policies," he said.

Rahman said the government has introduced open-market sales of staples on a large scale and food ration to government employees to help them absorb the price shocks.

The policymaker urged the development partners to provide assistance where it is required. "Our major donors have turned away from providing adequate resources for irrigation, water resources management, agriculture and power," he said.

"The government has been lobbying for a long time with the donors for providing adequate resources in the critical sectors. Unless investment resources go down to where they should go you are unlikely to help the development of the

country," the adviser said.

PRI Chairman Zaidi Sattar, while presiding over the event, said prices of essentials are showing signs of resurgence, as has been evident in 2007-08 in Bangladesh. "Prices of commodities from food grains to petroleum to industrial raw materials have since gone up 20-25 percent."

"This will create an adverse impact on the region, as South Asia has one of the biggest concentrations of poor people."

He cautioned the government against price hikes, which could be critical in the next few months and that sound policies will be required to address the situation.

Former finance minister M Syeduzzaman said programmes to address the food crisis should be country-specific. He also lambasted development partners for failing to honour words of promises they made to help the poor countries.

Sadiq Ahmed said food price inflation is not a one-off phenomenon rather it has been a long-term challenge. "But most

South Asian countries have resorted to short-term solutions to face food crisis challenges like reducing burden on the poor for immediate political gains."

"They did not take steps to address the issue as a fundamental challenge. They took the challenge as a one-off event and tended to relax when food prices eased down globally."

"But these are recurrent factors, which have to be met through long-term policies," said Ahmed.

Jansen said most food prices have not returned to the 2006 levels, especially in the domestic market of any country. "Most South Asian countries are facing higher surge in prices of commodities due to price hike in global market coupled with serious droughts in countries such as Afghanistan."

He said the price shock in 2007-08 was driven by factors such as policy failures, financial speculation and supply-side constraints. "In 2010-11, supply-side constraints such as extreme weather conditions are active,

demand growth is outrunning supplies and there are also policy failures evident."

Allocation of public investments and sound policies are essential for increasing farm productivity, said Jansen.

Director General of Bangladesh Institute of Development Studies MK Mujeer said the impact of food price rise is most evident on poor people as they spend most of their earnings on food.

PRI Executive Director Ahsan H Mansur said: "The prices of food items would go up globally whether we like it or not. So the prices at domestic level have to be realigned at national level as well as with global prices."

He urged the policymakers to engage in dialogue with India for ensuring minimum adequate supplies.

Economist Rizwanul Islam said agricultural productivity has to be increased to counter food crisis. "Stocks of food are extremely important, so there must be both local and global efforts for building food stocks for any country."

Etihad, Emirates win awards

STAR BUSINESS REPORT

Frequent flyers have recognised Etihad Airways as the best airline, Emirates the best cargo airline and Kuala Lumpur the most popular destination for tourists.

The awards organised by travel trade publication The Bangladesh Monitor were announced at the Airline of the Year 2009-10 ceremony at The Westin in Dhaka yesterday.

Etihad also won the award for best economy-class and best meal in economy class. Best business class award went to Qatar Airways, best in-flight meal in business class to Malaysia Airlines, best short-haul airline to Thai Airways and most favourite frequent flyer programme (FFP) to Singapore Airlines.

United Airways was adjudged as the best domestic airline of the year, Air Asia as the best low-cost carrier and Virgin Atlantic as the best off-line passenger airline. Emirates also won the best in-flight entertainment and best

long-haul airline awards.

Emirates, Etihad, Saudi Arabian Airline, Singapore Airlines and Thai Airways were voted as most trusted airlines.

GM Quader, civil aviation and tourism minister, was the chief guest on the ceremony while Shafique Alam Mehdi, civil aviation and tourism secretary, was present as the special guest.

"The government is going to promote open-sky policy to benefit the passengers, which will allow more airlines to operate in Bangladesh and will eventually boost services," the minister said.

He said the government has given protection to Biman by not allowing the open sky policy that discourages competition in the sector. The minister also stressed the need to improve the passenger services at airports.

The Bangladesh Monitor introduced the awards in 2007 to judge the airlines' service standards and recognise their products and services to create a healthy competition among them.



Civil Aviation and Tourism Minister GM Quader poses with representatives of airlines and other guests at an awards ceremony at The Westin hotel in Dhaka yesterday.

A total of more than 2,700 frequent fliers voted -- mostly online -- while an independent group of pollsters collected opinions of other corporate

travellers. A jury board scanned the data.

Eastern Bank Ltd was the title sponsor of the awards this year. Kazi Wahidul Alam, editor of

The Bangladesh Monitor and chairman of organising committee, and Mukhlesur Rahman, deputy managing director of Eastern Bank, also spoke.

Govt should stop taking undue charges

Says former commerce minister

OUR CORRESPONDENT, Ctg

The government should not collect any service or utility charges from the ready made garment sector if the services are not given at all, said former commerce minister Amir Khasru Mahmud Chowdhury yesterday.

Taking charges for unused power or gas is a violation of human rights as well as the constitutional rights, said Chowdhury, who is also the president of BNP Chittagong unit.

He was speaking as the chief guest at the closing ceremony of Chittagong Apparel Fabric and Accessories Exposition in the CJKS indoor stadium organised by Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

BGMEA leaders complained that they have to pay huge amount of minimum service charges for gas and power in the garment factories against "ghost bills".

First Vice-president of BGMEA Nasir Uddin Chowdhury urged the main opposition party to keep the political stability in the country. He requested the opposition leaders to keep the garment industry hartal free and avoid it for the greater interest of the country.

The BGMEA President Abdus Salam Mursheddy presided over the closing ceremony.