

IDCOL to install 1.5 lakh biogas plants

Biogas week begins with a call for clean fuel

STAR BUSINESS REPORT

The Infrastructure Development Company Ltd (IDCOL) will set up 1.5 lakh biogas plants by 2016 to supply clean fuel across the rural homestead of Bangladesh, said a senior official of the company yesterday.

Around 20,000 plants have so far been set up, said SM Formanul Islam, director (legal) of the company.

The country has a prospect to install around 20 lakh biogas plants thanks to the availability of cow dung and favourable

weather, he added.

Islam spoke at a press conference on Biogas Week 2011 at Dhaka Reporters Unity to highlight the significance of the week.

The non-bank financial company will install the biogas plants though its partner organisations under the National Domestic Biogas and Manure Programme, he said.

Only 3 percent of the population, primarily based in urban area, uses natural gas delivered by pipeline for cooking. But 70 percent of the rural population does not have access to piped

gas, said Islam.

Biogas plant can fulfill this gap as a substitute fuel as the plant does not need to use expensive kerosene, firewood and straw for cooking, said Nazmul Haque Faisal, senior programme manager.

He said the plant requires cow dung and chicken excrement to produce energy. A typical biogas plant can be used for more than 30 years and requires only 200 square feet area.

A homestead biogas plant costs around Tk 30,000 to Tk 35,000 where IDCOL provides Tk 9,000 as

a start-up subsidy, Faisal added.

With progress, IDCOL lends around Tk 14,000 to Tk 16,000 to its partner organisations, and the plant owner can pay the cost of the plant in instalments at Tk 1,100 per month, he said.

A regular sized biogas plant requires 30 kg cow dung a day, said Islam.

The biogas residue can also be used as organic fertiliser, as it is a high category manure and good for cultivable lands and fish-growing ponds, said Islam.

A plant can produce around six tonnes of organic fertiliser in

a year, he added.

The state-owned company is currently running a nationwide weeklong programme to raise awareness about the benefits of manure as fertiliser and alternative sources of clean fuel.

At present, 30 non-government organisations are working with IDCOL to set up and popularise biogas across the country. International NGO SNV-Netherlands Development Organisation and the German government's development agency KfW are jointly financing the project.



Md Abdul Jalil, chairman of Mercantile Bank, inaugurates the 70th branch of the bank at Zaman Complex in Sunamganj recently. AKM Shahidul Haque, managing director, was also present.



Mohammed Farashuddin, former governor of Bangladesh Bank, and Rashed Maqsood, managing director and Citi country officer, Bangladesh, Citibank, hand a dummy cheque for \$3,000 to a team of Institute of Business Administration of Dhaka University, as the team won the fourth Citi Financial Quiz Competition, in the capital on Saturday. Citibank in collaboration with Independent University Bangladesh organised the competition.

Microcredit lifts tsunami-hit Japan firms

AFP, Tokyo

The world's third largest economy might not seem the obvious place to find the need for microfinancing, but for businesses in tsunami-ravaged northeast Japan, it could be the key to revival.

Music Securities, a brokerage more used to raising cash for struggling musicians, has turned its expertise to building bridges between small businesses in the disaster zone and people with cash who want to help.

The model is based on that developed by Grameen Bank in Bangladesh, where small loans on easy terms are offered to the nation's poor, with an emphasis on growth potential rather than creditworthiness.

The programme and its founder Muhammad Yunus won the 2006 Nobel Peace Prize for the scheme, which allowed individuals to work for their living to regain their dignity.

In Japan, investors with as little as 10,000 yen (\$77) to spare are helping to rebuild enterprises as diverse as cafes, seafood producers and a 200-year-old soy sauce factory.

Alongside household names such as Toyota which suffered when the March 11 tsunami shattered their supply chains or knocked out their factories, hundreds of family-run businesses were also badly hit.

But unlike multinational car companies, these small businesses have neither deep enough pockets nor the available

lines of credit to get back on their feet.

"This is an area where public assistance has been insufficient, and where it is difficult for existing financial institutions to enter," said Masami Komatsu, chief executive of Tokyo-based Music Securities.

"But there is a desperate need for capital in the region. There are so many good businesses out there who could use help," he told AFP.

Some of those who ran businesses in the Tohoku region of Japan lost almost everything -- houses, factories, inventory and even their skilled workers -- when the monster waves roared ashore, claiming 20,000 lives.

With existing debts and nothing to offer as fresh collateral, even farmers with generations of success behind them have found it all but impossible to secure bank loans.

But with the skills and a solid business plan to rebuild and to expand, all that is needed is capital to renew factories, to purchase freezers and to build greenhouses.

Under the scheme, investors offer cash in increments of 10,000 yen, with 5,000 yen an investment and the remainder a donation that will not be returned.

Music Securities lets investors choose from an expanding catalogue of small businesses in Tohoku.

Those businesses promise to return the investment in a decade or less in addition to extra financial returns if they have commercial success.

As of early December, 28 enterprises

had collectively asked for more than 900 million yen (\$11.6 million) through Music Securities, and raised around 455 million yen from more than 13,500 investors.

Among them is farmer Seiichi Seto, 62, who lost family members, his house and many of his fields to the tsunami.

He has joined forces with two friends to raise 40 million yen to start a hydroponic vegetable farm in Sendai.

"Unless I do something I cannot put food on the table. Financial institutions and farmers' cooperatives don't lend us money," said Seto, who has already persuaded major restaurant chains to buy his vegetables once his new farm becomes operational.

"I want to create stable jobs and provide a stable income," he said.

Seitoku Iwai is trying to re-establish his shop selling sake -- rice wine -- and porcelain in hard-hit Rikuzentakata, a city that was largely destroyed by the tsunami.

He hopes to raise 12 million yen to restart the family store, which has a history going back to the early 1800s.

"We don't sell life's necessities, like food. We are not makers of the goods we sell," he said.

"I thought about quitting. But customers have asked when our store will reopen.

"So I wondered if maybe what we do really is important. Many people are waiting for the very original products that we select and sell. They are small goods, but they fill voids in our hearts," he said.

Yagisawa Shouten, a 200-year-old soy sauce maker, is hoping for 100 million yen

through the scheme, while Yamamoto Strawberry Farm, which was formed when three family businesses merged, wants 21 million yen to modernise farms and expand distribution networks in a bid to double pre-quake sales.

The risks for investors are high. Not all of these businesses will succeed in a country where the economy has been largely moribund for much of the past 20 years.

But those contributing cash have an emotional as well as a financial investment in the companies they support and can watch as lives are rebuilt.

Tokyo businessman Kazushige Honda, 58, says he gave 10,000 yen each to two seafood producers, despite not having any connections to the Tohoku region.

He said he felt compelled to help and thought this kind of seed money was the best way to do it.

"So many people have volunteered in the region to help clear debris or to prepare meals. It's difficult for me to do that. But I can offer investment," he said.

Music Securities plans to continue the microfinancing scheme for as long as necessary.

But, says Komatsu, his long-term hope is for the tsunami-hit businesses to become stable and viable enough to get back into mainstream financing.

"It is best if things become easier for banks to issue loans to these good companies," he said. "We hope that our programme will help them show a track record of successes under the current difficult conditions."



SIBL Social Islami Bank's Managing Director Muhammad Ali presents a bouquet to the newly elected chairman of the bank, Md Anisul Hoque, at a programme in the capital recently.

Stocks open the week flat

STAR BUSINESS REPORT

Dhaka stocks opened the week almost flat with the key index of the premier bourse declining marginally.

At the end of the day, the benchmark general index of the Dhaka Stock Exchange, DGEN, stood at 4,996 points -- registering a fall of 0.07 percent or 3 points.

"Dhaka market ended flat as the buyers and sellers both were oscillated following the forthcoming year-end declaration and the ongoing economic crisis," LankaBangla Securities, a leading stockbroker, said in its regular market analysis.

"It shows a sign of consolidation where buyers and sellers are going through the indecision," the stockbroker said.

Green Delta Securities, another stockbroker, said the market continued a slow manner yesterday, as the investors were cautiously monitoring the market.

Activities declined on the prime bourse where turnover, volume and trade were down by 2.92 percent, 1.88 percent and 8.29 percent respectively.

A total of 0.70 lakh transactions were executed in yesterday's trading session generating a turnover of Tk 210 crore with 4.55 crore shares and mutual units of trading volume.

On the DSE, 118 shares gained, while 118 declined. A total of 18 shares remained unchanged.

Among the major sectors, telecom lost 0.89 percent, non-bank financial institutions 0.44 percent, power 0.36 percent and pharmaceuticals 0.32 percent, while banks advanced 0.36 percent.

Chittagong stocks, however, rose slightly with the Selective Categories Index of the Chittagong Stock Exchange increasing 2.91 points to 9,074.

Losers beat gainers 96 to 63, with 16 securities remaining unchanged on the port city bourse, which traded more than 60.54 lakh shares and mutual fund units on a value of Tk 27.09 crore.

Christmas not escaping belt-tightening in crisis-hit Europe

AFP, Paris

Europeans are tightening their belts and spending less on Christmas gifts this year as they struggle with incomes hit by austerity measures or fear the economy could worsen in 2012.

Mother Nature is helping retailers in many countries this year as there have been no snow storms keeping consumers home and playing havoc with deliveries.

However sharp spending cuts and tax hikes due to the debt crisis in countries such as Britain, Italy, Greece and Spain, along with fears of a recession next year, are leading many consumers to restrain their spending despite a flurry of promotions.

"Many shoppers this year find they need to consider their spending more astutely, reduce the number of people on their Christmas lists and turn to more practical and useful presents when gift giving," said Deloitte in its annual Christmas spendings survey.

The consulting firm estimated in September that overall Europeans would trim their spending on Christmas gifts, food and entertainment this year by an average of 0.8 percent to 587 euros, although the results vary considerably by country.

With the deepening of the crisis in the past two months the belt-tightening is likely to be even greater.

This is something that many Chinese manufacturers who were left with piles of unsold toys and decorations discovered first hand.

Jean-Emile Rosenblum, a cofounder and vice president of the Pixmania electronics and photo publishing website that operates in 26 countries, estimates a five to seven percent drop in the average sale amount as customers cut back.

"There has been a crisis effect, cheaper products are selling, consumers are looking for the cheapest prices," he said.

"There are countries where things are getting tougher and tougher," added Rosenblum, citing in particular southern European countries.



KOHINOOR CHEMICAL
Mohammad Obaidul Karim, chairman of Kohinoor Chemical Company (BD) Ltd, presides over the company's 24th annual general meeting at Officers' Club in Dhaka yesterday. The company approved 40 percent cash dividends for its shareholders. Md Rezaul Karim, managing director, was also present.



AGORA
Chain supermarket Agora organised a month-long festival for traditional cakes, Pitha Mela, in one of its outlets in the capital on Saturday. The fair will be held at all Agora outlets in the country.



NCC BANK
NCC Bank Chairman Md Nurul Newaz Salim opens the 86th branch of the bank at Srimangal in Moulvibazar yesterday. Managing Director Mohammed Nurul Amin was also present.