

# It's time for regional power grid: analysts

STAR BUSINESS REPORT

Saarc countries should establish a regional grid for power as a number of nations are now actively engaged in electricity trade, speakers at a seminar said yesterday.

Their comments came at the concluding ceremony of a two-day regional seminar on infrastructure at Sonargaon Hotel in Dhaka.

Bangladesh Energy Regulatory Commission (BERC), the country's energy watchdog, organised the event, "Energy security and regional cooperation: role of regulators" in association with the World Bank and

the South Asia Forum for Infrastructure Regulation (SAFIR).

Pramod Deo, chairperson of SAFIR, said India has active relations with Bhutan when it comes to electricity. It also sells electricity to Nepal.

"Pakistan has requested India to help it solve the power crisis. Bangladesh and India are also working on electricity cooperation."

"I think now is the right time to look into a regional grid. We need to work more on the issue," Deo said.

Syed Abdus Samad, executive chairman of the Board of Investment, who chaired the concluding session, said regionalism has

not flourished in South Asia due to an inward-looking approach among Saarc countries.

Samad said there is huge potential for regional cooperation, especially in the energy sector. "But they have been unutilised, as regional spirits are not growing in South Asia."

He criticised the culture of rhetoric in the region. "Rhetoric goes very far here."

Samad said a win-win formula has to be created so that every party in a transaction reaps benefit.

"Under regional cooperation, some countries have to be prepared to surrender some of their policies and programmes. The

rigidity must be changed."

Abul Kalam Azad, secretary of the power division, said regional grid can make the bridge for sharing resources. "The Saarc grid can be one area where we can look into."

He called for strong regulation for better power trade among Saarc countries. "Only strong political will of the governments can implement this idea."

Syed Yusuf Hossain, chairman of BERC, said a regional framework is needed in energy, especially in the power sector. "We always talk about globalisation, but nothing will happen if we cannot act at sub-regional level."

Earlier at a technical session, PK Mishra, chairperson of Gujarat Electricity Regulatory Commission, India, also said there is a need for cooperation among all South Asian countries to address challenges in the areas of energy.

"There is a scope for regional cooperation. If happens, every country will learn from experience of other countries," he said.

Mashiur Rahman, adviser to the prime minister on economic affairs, also spoke.

About 40 experts from India, Pakistan, Sri Lanka, Nepal, Bhutan, Vietnam, Myanmar, Malaysia and host Bangladesh took part in the event.

## New DMD for Dhaka Bank

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Emranul Huq has recently been promoted as the deputy managing director of Dhaka Bank, the bank said in a statement yesterday.

Prior to the promotion, he was the bank's senior executive vice president and head of corporate banking.

Huq started his career with Bank of Credit and Commerce International in Dhaka as a management trainee in 1986.

He also worked at Eastern Bank, Dhaka and Credit



## US envoy stresses friendly environment for shrimp growers

STAR BUSINESS DESK

US Ambassador to Bangladesh Dan W. Mozena called upon Bangladeshi shrimp exporters to work with labour as a partner rather than as an adversary.

Mozena spoke while addressing a dinner reception hosted by Bangladesh Frozen Foods Exporters Association (BFFEA), Khulna Branch during his visit to Khulna on Wednesday.

The envoy urged the shrimp growers to adopt improved technology like Thailand which helped the country harvest 20 times more shrimp per acre than in Bangladesh, according to a statement of the association yesterday.

Emphasising shrimp industry's growth, Mozena said USA seeks quality product, fair treatment of labour and respect for the environment.

Kazi Shahnewaz, president of BFFEA; Sk Md Abdul Baki, vice president, and Richard Greene, country



ROBI

Colonel Md Nazrul Islam Sarker, director for communications of Border Guards Bangladesh, and Michael Kuehner, managing director of Robi, exchange documents after signing an infrastructure sharing agreement at the corporate head office of Robi at Gulshan in the city recently.



CITI

Ziaul Hoque Khan, deputy managing director and chief financial officer of IDLC Finance Ltd, attends a programme recently where IDLC authorised its first payments through Bangladesh Electronic Fund Transfer Network using CitiDirect, an electronic banking platform of Citi.

## Bangladesh set for slower growth

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Real growth rate is calculated by constant price where inflationary pressure is not counted. On the other hand, nominal growth rate is based on current price that includes inflationary impact.

At present, balancing between the growth and inflation rates would be the key challenge for the government to keep up the growth momentum, Mujeri said.

With growth slowing down, inflation in the Asia-Pacific region is forecast to moderate from 6.1 percent in 2011 to 4.8 percent in 2012, according to the survey, an annual check-up on the region's progress.

The report has also identified the debt default in the eurozone as the greatest threat to the Asia-Pacific region that may result in a renewed global financial crisis.

ESCAP estimates that such a crisis could lead to a \$390 billion loss in the region over 2012 and 2013.

As a result, the exporting countries, especially the least developed and landlocked developing countries would see export contract by 10 percent, according to the study.

The loss of exports could lead to a reduction of growth of up to 1.3 percentage points in 2012 and hamper poverty reduction efforts in the region.

Renewed political deadlock in Greece and the election of a new French president this week raised the possibility of a renegotiation of a key European Union

deal to cut massive debts, adding further uncertainty to global markets.

Mujeri said Bangladesh may fail to create new economic activities due to declining prices of its manufactured goods, which would depress growth prospects in the long term.

Bangladesh should reduce its reliance on few labour-intensive industries and go for diversification by using modern technology, he said.

Despite the slowdown, the region's growth engines are projected to continue to grow at robust rates, said Syed Nuruzzaman, an economist of ESCAP.

China is forecast to grow at 8.6 percent in 2012 after deceleration from 9.2 percent last year, he said.

India is expected to improve its growth performance from 6.9 percent to 7.5 in 2012 as moderating inflation would allow an unwinding of the cycle of monetary tightening during the year, unleashing growth impulses, he added.

The survey urged governments to prepare for a slew of economic and social challenges that will shape their development.

Speculative inflows of money, over reliance on natural resources, income inequality and high rates of unemployment -- particularly among the youth -- will require careful political attention, it said.

Last year's disasters in Japan, Thailand and Pakistan estimated to have caused \$260 billion losses, which showed that inter-

## Stocks rise as director pulls out of court battle

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The Dhaka Stock Exchange indicator took a U-turn yesterday and gained 3.57 percent yesterday after a sharp fall the previous day because a director withdrew his writ petition in the interest of the market.

The DGEN, the benchmark general index of DSE, gained 175.02 points -- the highest in the last two months -- and finished the week at 5076.63 points.

"I have decided to withdraw the writ against the mandatory shareholding directive of the Securities and Exchange Commission in the interest of the market," said A Quader Chowdhury, director of Phoenix Finance and Investments.

"I have not sold any share in the last 15 years, so the directive is injustice to me as a director," said Chowdhury.

On Tuesday, two directors of Phoenix Finance and Investments filed a writ against the Securities and Exchange Commission (SEC) directive that mandates minimum shareholding. The High Court issued a rule, asking the regulator to explain why minimum

share holding should not be declared illegal.

"News of withdrawal of the writ petition by a director of Phoenix Finance and Investments Ltd against SEC's directive boosted investor confidence," IDLC Investments said in its daily market commentary.

In total, the DGEN lost 600 points because of political tensions and concerns surrounding writ petition from April 16 to Wednesday.

In addition, investors became hopeful in the absence of any fresh schedule for political protests, IDLC said.

Sponsors and directors fresh buying pressures led investors to take their position in stocks, said market analysts.

On November 22 last year, SEC had made it compulsory for sponsors, directors and promoters of listed companies to hold at least 2 percent individually in their own companies.

The commission also made it mandatory for sponsors, directors and promoters of a listed firm to jointly hold a 30 percent stake in the firm.

The SEC set a six-month deadline that ends May 22 for the sponsors,

directors and promoters, who are now jointly holding less than 30 percent and individually 2 percent to acquire the rest of the amount.

The DGEN, which came down to 3,616.29 points on February 6 this year from a record high of 8,918.51 points on December 5, 2010, following severe crashes, recovered up to 5,502 points on April 16. The confidence of the general investors went up as some directors went for buying shares to fulfill the regulatory requirement.

The market started to become stable as it gained 1,022 points in a six-week bull run from mid-March to mid-April.

But the DSE index started to decline amid political tension following back-to-back general strikes enforced by main opposition BNP after disappearance of one of its key leaders Elias Ali.

The market will stabilise soon as the government and the SEC is serious about stabilising the

## High Court now stays purchase review panel's decision on BTCL bidding

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Deputy Attorney General Al Amin confirmed the yesterday's writ petition of the BTCL.

Khasru said, "We went to the court yesterday and informed the court that already there is a judgement in the High Court on the same issue. We will apply to vacate the case. Now, the court will give a decision after hearing."

"The Daily Star published the information about the previous rule but the BTCL did not inform the HC of the fact knowingly or unknowingly," he added.

The state-run company filed the writ petition, saying the review panel has no authority to direct the BTCL to allow any party to participate in the bidding process, according to Khasru.



LINDE BANGLADESH

From left, M Nazmul Hossain, company secretary of Linde Bangladesh; Erphan Shehabul Matin, managing director; Ayub Quadri, chairman; Srikumar Menon, Parveen Mahmud and Desiree Bacher, directors, attend the 39th annual general meeting of the company at Officers' Club in Dhaka yesterday. The company approved a final dividend of 100 percent for shareholders for 2011.

