

Focus more on renewable energy: analysts

STAR BUSINESS REPORT

Bangladesh should leverage its vast renewable energy potential, including solar power, to deal with its energy crisis, experts said yesterday.

The observations came at a seminar, "The Untapped Mine: How can we fight climate change, revitalise the economy and gain energy independence for Bangladesh" organised by Bangladesh Poribesh Andolon, an environmental body, in the capital.

Around 53 percent of Bangladesh's population have access to grid electricity, with the rest depending on the costly kerosene and solar power.

The total solar energy absorbed by earth's atmosphere, oceans and land masses in one hour is more than the world's demand for energy a year, said Sajed Kamal, adjunct lecturer of Sustainable International Development Programme at USA's Brandeis University, while pre-

senting the keynote paper.

"But it is untapped. We are mostly using the solar energy in a natural way," said Kamal, also the author of The Renewable Revolution, adding that Bangladesh's exposure to high solar radiation presents great opportunities.

Prof Dr Saiful Huque, coordinator of Dhaka University's Renewable Energy Research Centre, said Bangladesh's attitude towards solar energy is that of an afterthought.

"People who control the fossil fuel are also in charge of solar energy, and they do not take the matter of renewable energy seriously. The government should form a dedicated body for it," he said.

Huque, also the secretary of Bangladesh Solar Energy Society, said the country's energy demand is actually growing annually at 14 percent, and not as per government's estimation of 7 percent.

"The renewable energy can bridge this gap," he said, adding

that Bangladesh would have to develop local infrastructure and not rely on costly imports to effectively harness the solar energy.

Huque also criticised the government for not ensuring proper installations of solar panels on rooftops.

"People responsible for monitoring are not doing their jobs properly. As a result, new buildings have mushroomed with low-quality products."

The professor said policymakers should think in terms of kilowatts rather than megawatts when conceiving energy for rural areas.

"A solar panel with a capacity of about three kilowatt is sufficient to light two bulbs and charge a mobile phone, facilitating electricity provision to the masses."

Huque also urged the government to lower import duties on solar energy products.

"Unfortunately, the import duties are higher for energy-

efficient products."

Anu Muhammad, a professor of economics at the Jahangirnagar University, said the government talks on solar energy seem insincere: "There is an organised plan to downplay its significance and potential."

He said the renewable energy has not been given much weight by the government, despite it, and not fossil fuel, being the future source of energy.

"But we will not get an optimum solution if the actions are governed by profit maximisation."

Muhammad, also a leader of the National Committee to Protect Oil, Gas, Mineral Resources, Power, and Ports, said coal-based power plants, taking into account the social and environmental costs, come out to be costlier than renewable energy solutions.

"We should have clear objectives for developing the technology. If we treat it like a project we will not progress far. And in future a day might come when

we will have to buy sunlight from others," he said.

Khursheed-Ul-Islam, senior adviser on Sustainable Energy for Development for GTZ, said the solar energy is an untapped mine for Bangladesh.

"But it has to be made affordable for people," he said, adding that Bangladesh has already made a good impression with its installations of over 1.5 million solar home systems in off-grid areas.

"Although we have not had much success yet in generating wind energy, increasing the tower height can improve our chances," Islam said.

He also suggested exports of the biogas emitted from Bangladesh's over 1 lakh poultry farms.

BAPA President M Shahjahan chaired the seminar, and Md Habibur Rahman, associate professor of Department of Applied Physics, Electronics and Communication Engineering, at the University of Dhaka, also spoke on the occasion.



MEENA BAZAR
KSF Co-operative and Meena Bazar have organised a programme -- Farmers Day -- at Dhanmondi in Dhaka recently. The programme acquainted organic vegetable producers of KSF with the process of bringing their produce to customers from manufacturing sites.

Surprise industrial slump adds to India's economic woes

REUTERS, New Delhi

India's industrial output fell for the third time in four months in June, adding to pressure on new Finance Minister Palaniappan Chidambaram to move quickly and pull Asia's third-largest economy from its worst slowdown in almost a decade.

The manufacturing-led slump provided further ammunition to the slew of private economists who downgraded their growth outlook for India this week, citing the impact of a worsening drought on farming and political hurdles to economic reform.

Chidambaram called the numbers "disappointing," and said there was a need to remove supply bottlenecks and raise production across the economy.

"We intend to find practical solutions to the problems that impede higher production or output in the coal, mining, petroleum, power, road transport, railway and port sectors," Chidambaram said in a statement responding to the data.

Industrial output shrank 1.8 percent, dragged down by a deep dip in manufacturing, the data released on Thursday showed. The number was lower than a forecast of 1 percent growth in a Reuters poll and sharply lower than 9.5 percent growth a year earlier.

DSE: Asia's worst loser in July

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A low rate of LC (letter of credit) opening, declining loan disbursement and a rise in non-performing loans would hamper the profitability of the banks and investors, Riadh said.

He also said the finance minister's repeated comments trivialising the stockmarket have also frustrated the investors.

Finally, the World Bank's cancellation of the Padma bridge loan has added weight to the drowning sentiment of the investors, he said.

According to Riadh, the recent decline in the inflation rates over the past couple of months is encouraging and if the trend continues, the banking regulator is expected to adopt flexible monetary policy by cutting interest to boost liquidity.

The benchmark index of the Dhaka bourse, DGEN, fell 26 percent last year, while the value and volume dropped by 74 percent and 59 percent respectively.

Bangladesh moving slowly up in ICT

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He said the overall ICT environment in Bangladesh is good but the regulatory regimes are weak.

The country's telecom tariff is satisfactory but businesses or individuals could not make the best use of low tariff. Businesses and stakeholders should work further on it, he added.

"Political commitment of the government to build an ICT-based society is good, but still there are deficiencies in the regulatory framework and infrastructure development to implement the vision of 'Digital Bangladesh'."

The Networked Readiness Index (NRI) has three components: the environment for ICT offered by a given country or community (market, political, regulatory, infrastructure environment), the readiness of the community's key stakeholders (individuals, businesses, and governments) to use ICT, and finally the use of ICT among these stakeholders.

The NRI measures the propensity for countries to exploit the opportunities offered by information and communications technology. The index, published annually, seeks to better comprehend the impact of ICT on the competitiveness of nations.

Sweden topped the list, followed by Singapore. The other countries on the top 10 list are Finland, Denmark, Switzerland, the Netherlands, Norway, the United States, Canada and the United Kingdom.

On the list, Bangladesh's position is with the low ranking sub-Saharan countries.

The report said ICT readiness in sub-Saharan Africa is still low, with most countries showing significant lags in connectivity due to insufficient development of ICT infrastructure, which remains too costly. The region also displays poor skill levels that do not allow for an efficient use of the available technology.

Even in those countries where ICT infrastructure has been improved, ICT-driven impacts on competitiveness and well-being trail behind, resulting in a new digital divide.

Though Bangladesh is among the low-profile countries in the overall ranking, its position is in top in some cases. Mobile tariff in Bangladesh is one of the lowest in the world, and the country stands second followed by Hong Kong.

The index has increased its focus on the impacts of ICT to better align with areas of public policy. It has added new, relevant indicators such as mobile broadband subscriptions, and dropped other outdated indicators.

But Bangladesh has not yet introduced mobile broadband and the country's internet penetration



Farzana Chowdhury, additional managing director and group chief financial officer of Green Delta Insurance Company (GDIC), and Shamim Murshed, head of retail banking at IFIC Bank, sign a deal at the insurer's head office at Mohakhali in Dhaka recently. The salary accountholders of the bank will now enjoy "Peoples Personal Accident Policy" of GDIC.



M Hafizuddin Khan, chairman of Midas Financing Ltd, attends the company's ninth extraordinary general meeting at Dhanmondi in Dhaka recently. Two rights shares against every three were approved to raise capital to Tk 100 crore from existing Tk 60 crore. Shafique-ul-Azam, managing director, was also present.

Stocks return to black amid optimism

STAR BUSINESS REPORT

Stocks returned to the black last week, as anticipation of a bull run after Ramadan sent investors on a buying spree.

DGEN, the tracking index of the Dhaka Stock Exchange, finished the week with 4,142.24 points, after dropping 43.54 points, or 1.06 percent.

Investors are injecting fresh funds into the market to gear up a bull run after Ramadan, market analysts said.

Falling inflation is a positive indication for the stockmarket as the money market will ease further, the analysts said.

Thanks to the new base year of 2005-06 taking effect this fiscal year, inflation in July, which stood at 8.03 percent with the old base year of 1995-96, fell to 5.21 percent.

"The week started with sell-offs due to the impending Eid festival. As the week progressed, investors, expecting a rally after Eid, started to take on fresh positions," IDLC Investments said.

"Market rallied mostly thanks to newly listed IPO stocks. Liquid money market and active participation of general and institutional investors salvaged the mar-

ket from going further down," LankaBangla Securities said.

"The government's injection of fresh funds into the banking system towards the end of previous fiscal year to accelerate budget implementation has boosted the liquidity front," BRAC-EPL said.

Of the 283 issues that traded, 155 advanced, 110 declined and 16 remained unchanged.

The week's average daily turnover stood at Tk 267 crore, a 19.64 percent from the previous week.

Among the major sectors, fuel and power gained the most, 6.06 percent each, followed by pharmaceuticals, 1.10 percent.

Banks, non-bank financial institutions and telecommunications lost 1.62 percent, 1.62 percent and 1.28 percent respectively.

Bangladesh Submarine Cable Company featured in the top traded stocks chart for its transaction of 99.28 lakh shares worth Tk 83.43 crore.

Saiham Cotton Mills was the biggest gainer of the week, posting a rise of 28.56 percent, while MIDAS Financing lost the most, 6.98 percent.

Rain deficit threatens aman output

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The meteorological department forecasts a normal rainfall in August. It also predicts a few lows in the Bay of Bengal during the current month, likely to cause rains.

Mohammad Motaleb, a small farmer of north's Rangpur district, said weeds have grown in many fields where aman has already been transplanted.

"If there is no rainfall in the next two-three weeks, production will be affected," he said.

ASH Shishnabi Mandal, a grower from Dinajpur, said the transplantation of coarse varieties of aman paddy has been completed in his locality. But the transplantation of fine variety is still incomplete.

"The drought appears to be excessive this year. Cracks have developed in many fields," he said.

Mohammad Mokhlesar, a farmer from Bogra, said farmers have transplanted seedlings through deep tube well irrigation.

Najmus Shahadat, a farmer from southwestern district of Bagerhat, said they are waiting for rainfall to transplant the seedlings.

"Heavy downpour is needed to transplant aman. But it has not happened in many places," said Mahabub Hossain, an economist who follows

agriculture and rural economy.

He said transplantation within the second week of August provides a good yield.

"Unless there is a heavy shower in the next two weeks, production will be affected," said Hossain, also executive director of BRAC, a leading development organisation.

"But the extent of production loss appears to be low because farmers have started irrigating fields with tube wells."

Hossain suggested government support for small farmers for supplementary irrigation.

"The government should provide free electricity and reduce diesel prices for the period between mid-August and mid-September," he said.

The economist, however, said a reduced production allows the rice prices to go up.

"That will encourage farmers to grow rice in the coming boro season," said Hossain, "Reduced crop will also not affect food security of the nation. There are enough reserves in the country."

Total rice production increased 1 percent to 33.8 million tonnes in fiscal 2011-12 from 33.54 million tonnes in the previous year, according to Bangladesh Bureau of Statistics.

Kingfisher reports loss of 6.51b rupees

REUTERS, New Delhi

Kingfisher Airlines, which used to be India's second biggest carrier but is now struggling with crushing debt, posted another quarterly loss on Saturday and shed no light on any potential funding lifeline.

Kingfisher, controlled by flamboyant liquor baron Vijay Mallya, is the biggest victim of turbulence in the Indian aviation industry, which has struggled under high state taxes on jet fuel, high airport charges, below-cost fares and an uncertain regulatory environment.

Kingfisher, which has never made a profit since its founding in 2005, lost 6.51 billion rupees in April-June, compared with a loss of 2.64 billion rupees a year earlier.

The fortunes of Kingfisher, saddled



Biru Paksha Paul, assistant professor at the Department of Economics of the State University of New York in Cortland of USA, speaks at a workshop on interaction between fiscal and monetary policies in an emerging economy, organised by the Strategic Planning Unit of the Bangladesh Bank, in Dhaka recently.