IDCOL finances 2m solar home systems

Project planned for one million improved cooking stoves

STAR BUSINESS DESK

INFRASTRUCTURE Development Company Ltd, a non-bank financial institution owned by the government, is celebrating installation of two million solar home systems at a programme in Dhaka today.

Prime Minister Sheikh Hasina will inaugurate the event at Ruposhi Bangla hotel, said a statement.

The company will also launch a project to install one million improved cooking stoves.

So far, more than two million SHSs have been installed under its SHS programme. The company has a target to finance four million SHSs by 2015.

The event will be followed by a three-day renewable energy technology fair -- IDCOL Green Energy Expo-2013 -- at the Winter Garden of the hotel.

The expo will house 45 stalls and provide several presentations on the best practices of renewable energy technologies.

AMA Muhith, finance minister, Tawfiq-E-Elahi Chowdhury, energy affairs adviser to the prime minister, Muhammad Enamul Huq, state minister for the power and energy ministry, Md Abul Kalam Azad, secretary to the Economic Relations Division and chairman of IDCOL, and Mahmood Malik, chief executive of IDCOL, will also be present.

Supported by the World Bank and Global Environment Facility, IDCOL started financing of SHS in January 2003. The initial target was to finance 50,000 SHSs by June 2008, which was achieved three years ahead of the schedule and $2 million below the project cost.

The SHS project is now considered to be one of the fastest growing and least expensive renewable energy programmes in the world, Mahmood Malik said at a press conference at the save venue yesterday.

IDCOL

From left, Md Alauddin, deputy secretary of power, energy and mineral resources; Mahmood Malik, chief executive of IDCOL; Arastu Khan, additional secretary of Economic Relations Division; Anwar Hossain, deputy secretary of ERD, and SM Formanul Islam, deputy chief executive officer of IDCOL, attend a press conference at Rupashi Bangla hotel in Dhaka yesterday.

The two million SHSs are generating 100mw of electricity in the off-grid areas, where electricity may not reach in the near future. As a result, more than 10 million people are getting benefits of solar electricity for their lights, TV sets, mobile chargers and other low load appliances.

At present, more than 60,000 SHSs are being installed each month. At the current pace, the target of four million SHSs is expected to be achieved ahead of the schedule.

Recently, IDCOL has undertaken a project to finance installation of one million ICS by 2017 with financial support from the World Bank. The ICSs are energy efficient, saving more than 35-50 percent of the bio-mass/firewood used for cooking purposes. The ICS keeps the kitchen smoke free and prevents women and children from exposure to hazardous smoke and fumes.

An ICS may cost between Tk 1,000 and Tk 1,500, depending on design, and the cost may be recovered by one month's saving of firewood, officials said.

IDCOL considers the one-million-ICS project as a pilot against a potential of about 30 million ICS in the country.

Arastu Khan, additional secretary, and Anwar Hossain, deputy secretary to Economic Relations Division, and Md Alauddin, deputy secretary to the power and energy ministry, also spoke.

SAVAR TRAGEDY

Retailers are pressed on safety at factories

STEVEN GREENHOUSE, *New York Times*

A wide spectrum of government officials, investors and religious groups are warning major retailers like Walmart, Benetton and Gap that they could face financial repercussions from consumers, damage to their stock value or sustained public protests if they do not adopt stricter garment manufacturing standards.

With the death toll rising above 1,000 two weeks after a nine-storey factory building collapsed in Bangladesh, organisations and officials say they have been growing impatient with American and European retailers and apparel brands because only two companies -- PVH, the parent company of Calvin Klein and Tommy Hilfiger; and Tchibo, a German retailer -- have signed onto a binding agreement on safety standards for factories. That agreement would commit companies to allow independent inspections of the apparel factories they use, to terminate business at factories that do not quickly correct violations and to underwrite needed safety improvements. For example, many garment factories in Bangladesh lack basic means for workers to flee in case of fire -- specifically fire escapes and smokeproof enclosed staircases.

Avaaz, a human rights group, has collected 875,000 signatures on a petition urging Gap and H&M to sign on to the plan to commit to fire safety improvements at Bangladesh factories.

New York City's comptroller, John C Liu, who oversees city pension funds owning more than five million Walmart shares, is warning the company that it risks damage to its public image unless it does more on factory safety in Bangladesh.

And the Rev Seamus P Finn, representing shareholders from the Catholic organisation Missionary Oblates of Mary Immaculate, has been circulating a letter among religious organisations -- groups that control more than $100 billion in assets -- to express displeasure with the nation's retailers. He says the retailers have not done nearly enough to improve workplace safety for the more than three million garment workers in Bangladesh.

"What happened in Bangladesh is a game-changer because of the gravity of the situation and the tremendous loss of life," Father Finn said. "People are really coming to life about this and saying, 'We need to do something.' "

Not just Western retailers are encountering more pressure after the April 24 collapse of the Rana Plaza building outside Dhaka, the Bangladeshi capital. The nation's government -- known for lax building code enforcement -- has suddenly grown tougher, closing 18 factories for safety violations. Three of those factories were run by the Nassa Group, the country's largest clothing exporter, which counts Walmart and Sears among its customers. Last weekend, the government also announced it would hire hundreds of additional factory inspectors.

READ MORE ON B3

Primark to use NGO scale to pay Bangladesh victims

REUTERS, *London*

BRITISH retailer Primark said it would pay compensation to the victims of the Bangladesh factory collapse in line with a framework recognised by aid organisations, unions and trade associations.

The death toll from the collapse of a Bangladesh garment factory 17 days ago has reached more than 1,000.

Clothes were made in the building for Western retailers including Primark, which is owned by Associated British Foods. The British company said last week it would compensate workers who had been making its clothes and their families.

An existing framework, which calculates payouts using criteria such as loss of earnings, the ability of victims to work and the vulnerability of those affected, would be used to assess the levels of compensation, Primark said on Friday.

"This framework has been accepted by leading NGOs (non-governmental organisations)," it said.

"This means that compensation will be paid according to this pre-existing formula which is grounded in international insurance standards and local law."

NGOs have said major western clothing retailers need to shoulder some responsibility for tragedies like the factory collapse because of the pressure they put on Asian suppliers to undercut rivals, compounding concerns about workers' safety and low wages in Bangladesh.

Primark said on Friday that it was finalising a further comprehensive programme covering the immediate and long-term needs of the survivors and the dependents of the deceased.

G7 tackles growth, debt balance

AFP

Finance ministers and central bank governors from the Group of Seven pose for photos on the sidelines of their meeting in England on Friday.

AFP, *Aylesbury, UK*

THE Group of Seven top world economies wraps up talks Saturday aimed at striking a balance between supporting fragile economic recovery and slashing government debts, as the United States pressures Europe to scale back deep austerity measures.

The two-day meeting in Britain comes amid renewed market focus on currency wars after the yen on Friday hit its lowest point against the dollar for more than four years.

The talks in Aylesbury, northwest of London, were attended by finance ministers and central bank governors from G7 states as well as top representatives from the European Union and International Monetary Fund.

The G7 -- Britain, Canada, France, Germany, Italy, Japan and the United States -- is building on last month's wider Group of 20 meeting, while looking ahead to next month's G8 summit in Northern Ireland.

Britain, this year's president of the G8 -- the G7 plus Russia -- is using the platform to also push for greater multilateral cooperation in tackling tax evasion.

The G7 meeting is followed Saturday by a series of press conferences involving ministers.

"Our task is to nurture the recovery," British finance minister George Osborne said Friday as he opened the gathering amid pressure on Britain and other indebted European nations to scale back deep cuts to state spending.

The IMF, while welcoming government efforts to reduce spending, has urged Britain to lessen the pace of its austerity programme to support the country's fragile economic recovery.

IMF head Christine Lagarde said on her arrival Friday that she was "looking forward to... good discussions on (economic) recovery".

And US Treasury Secretary Jacob Lew said the world's biggest economy feels "strongly there needs to be the right balance between austerity and growth".

"We've seen in the United States that scheduling the deficit reduction to come a little bit later has left us with a stronger economy," he told CNBC.

He added: "We're not arguing over whether or not we all have to get our fiscal house in order. We all need to get our fiscal houses in order.

"I think the question is when and how... having European economies grow means they need to get the right balance."

The G7 meeting is taking place after US and Frankfurt stock markets raced to record highs this week following positive economic data out of the United States and Germany.

The dollar vaulted past the key 100-yen barrier for the first time in more than four years, as Tokyo's aggressive stimulus efforts to lift the Japanese economy continue to depress its currency, helping to boost demand for Japanese exports.

The dollar raced as high as 101.98 yen on Friday, touching a level last seen in October 2008.

"We are not manipulating the foreign exchange market but trying to come out of deflation," Japan's Finance Minister Taro Aso insisted on Friday.

EU Economic Affairs commissioner Olli Rehn said the G7 talks would focus on boosting economic growth rather than currency concerns.

"It is important that in line with previous (G20 and IMF) decisions... there is no talk about currency wars, (but) there is discussion about how to better coordinate our economic and monetary policies to support growth," he told reporters on his arrival at the gathering in the English countryside.

His comments come as central banks around the world were again cutting interest rates in a bid to lift growth.

Federal Reserve Chairman Ben Bernanke, who is not attending the G7, sounded a note of caution Friday about the recent record-setting rise in the US stock market as the Fed holds its near-zero key interest rate and pumps $85 billion a month into bond purchases to support a weak economic recovery.

"In light of the current low interest rate environment, we are watching particularly closely... forms of excessive risk-taking," he told a Chicago Fed conference.

Hit by rising costs, China RMG retailers look to Bangladesh

STAR BUSINESS REPORT

TWELVE Chinese retailers imported $100 million of garments from here in the last nine months in signs of the Asian giant's growing dependence on Bangladesh even as China remains the largest apparel supplier worldwide.

A 14-member team of Chinese buyers visited nine garment factories over the last two and a half days in Dhaka and its adjacent areas to place more orders for the retailers, said Feng Dehu, vice-president of China National Garment Association (CNGA).

The cost of production in China has increased and the Chinese garment makers are now depending on Bangladesh to cater to domestic consumers, Dehu told reporters at Bangladesh Garment Manufacturers and Exporters Association in Dhaka.

The 12 retailers' annual turnover is more than $3.5 billion while the Chinese domestic market is $310 billion annually and China exports $160 billion garments a year.

The retailers visited Bangladesh in August last year and placed orders in factories in Bangladesh. "We are in Bangladesh due to lower prices and good quality garment. We are here also for good commitment," Dehu said.

Some of the retailers are Zhejiang Emf Cosplay Culture Industry, Raidyboer Fashion Garment, Wandz (China) Textile Technology, Dongguan Souyute Fashion, Hunan Kingeagle Apparel and Textile Group, Liaoning Huaxian Group, Hunan Oriental Fashion Company, Fushen Group, Guangdong Quanhao Clothing and Fujian Baode Group.

Regarding recent accidents in the garment sector, Dehu said China also faced same kinds of tragedies a few years ago and now Bangladesh is facing the same, which will improve soon.

Another team of 29 garments businessmen will arrive in Dhaka today to explore bilateral trade.

Both BGMEA and CNGA have signed a memorandum of understanding to strengthen garment trade between the two countries, said Atiqul Islam, president of BGMEA.

Shafiul Islam Mohiuddin, the immediate past president of BGMEA, said the Chinese textile minister is scheduled to visit Bangladesh in November.

Bangladesh imported goods worth more than $5.5 billion and exported goods worth $300 million from China in fiscal 2010-11, according to BGMEA data.

Refinancing plan boosts stocks: week ends in black

STAR BUSINESS REPORT

STOCKS returned to the black in the last week, breaking a three-week losing streak, powered by an investors' buying spree egged on by a government plan to refinance merchant banks and stockbrokers.

DSEX, the benchmark general index of Dhaka Stock Exchange, closed the week at 3,559.25 points, after surging 91.07 points or 2.63 percent.

The government has decided to extend a refinancing scheme of around Tk 1,266 crore to merchant banks and stockbrokers to bolster the troubled stockmarket.

The market witnessed five trading sessions as usual. Among them, four sessions gained marginally, while one session lost slightly.

"Recent favourable liquidity and macro-economic data along with prevailing anticipations about some favourable governmental moves like refinancing scheme for brokers and merchant banks for the betterment of the capital market seem to have driven the indices," LankaBangla Securities said.

"Though it was a slow start, the market made considerable leap on Tuesday with the news of foreign reserves hitting an all-time high of $15.06 billion."

Investors' participation in trade was higher last week as well even though turnover hit a 16-week low on Monday.