

Total aims to take solar lamps to a million

SUMAN SAHA

French oil giant Total aims to take affordable lights to one million people in Bangladesh with plans to sell 200,000 solar lamps in the next five years.

"We want to provide an alternative energy solution for the low-income households in the country, mostly outside the electricity grid's coverage," said Catherine Enck, vice president for social business and societal at Total SA.

The plan is part of the company's global access to energy initiative, Awango by Total, in Bangladesh, Enck said in an interview with The Daily Star in Dhaka on Saturday.

Awango by Total has been launched in eight countries with plans to debut in eight more this year, added Enck. She was here to attend the launch of the Bangladesh programme.

It set a target to give five million low-income people access to solar lights globally by 2015 as part of Total Group's commitment during Rio World Summit in 2010.

"Our primary focus is the bottom of the pyramid, consisting of four billion people living on less than \$10 a day and whose access to energy generally relies on costly and inefficient solutions," she said.

Around 17 million households are now outside the conventional grid connection and nearly 15 million households with grid electricity are underserved in Bangladesh, according to the company.

Awango by Total, a subsidiary of Total Group, was created in 2010 with a mission to market accessible energy solutions, said Enck.

"We believe our target to reach out to one million Bangladeshi people with solar lamps is achievable," said B Vijay Kumar, chairman of Totalgaz Bangladesh.

The solar lamps will benefit the poor in many ways such as studying in the evenings, for both children and adults, boosting income generation such as sewing, weaving, basket making, and operating shops in the evening, he added.

Most importantly, women can avoid exposure to harmful emissions of kerosene or indigenous fuel and the country can save a huge amount of foreign currency by reducing oil imports, said Kumar, also vice president for



TOTALGAZ BANGLADESH

Left, Catherine Enck, vice president for social business and societal at Total SA, and B Vijay Kumar, chairman of Totalgaz Bangladesh, sit for an interview with The Daily Star at the Bangladesh office of Totalgaz in Gulshan on Saturday.

marketing and services (South Asia).

Bangladesh now spends \$360 million on kerosene for lighting a year, according to the company's estimate.

By the end of June 2013, the company sold some 310,000 solar lamps in eight countries—Cameroon, Kenya, Burkina Faso, Senegal, Uganda, Indonesia, Cambodia and Haiti.

Awango is a line photovoltaic solar lighting solution that can be used for a range of options like charging mobile phones to portable solar lamps.

When exposed to sunlight, the panel stores the energy in a battery that lights the lamp for at least 4 hours on full charge.

The company offers two solar lights d.light S20 at a retail price of Tk 1,100 and d.light S300 at Tk 3,000.

The lights come with a two-year free replacement warranty from Totalgaz outlets across the country. These solar lights will be available at selected dealers and distributors outlets.

Dealers should come with some innovative

financing plan so that the lower income groups are encouraged to buy solar lamps in the country, said Kumar.

The price of a solar lamp is slightly higher as there is a 31.5 percent duty on solar lamp imports, whereas the duty is only 5 percent on solar home systems, said Kazi Samiur Rahman, managing director of Totalgaz Bangladesh.

Totalgaz Bangladesh has been in operation since 2002. It has a network of over 250 distributors and over 3,000 dealers servicing over 500,000 customers nationwide.

Total branded lubricants are marketed through strategic tie-ups with Padma Oil Company through the local distributor: Trade Services International. Total holds a 6 percent market share in the branded category.

Total Group ranked the 10th largest global company by Fortune Magazine last year, having operations in more than 130 countries, employing 97,126 people. The group's sale was worth more than €200 billion in 2012.

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Cattle traders fear losses

HELEMUL ALAM

Eid-ul-Azha is just eight days away, but fears of losses like last year have discouraged many traders to bring sacrificial animals to markets in Dhaka.

The number of customers is still small—a letdown for the traders. They are bringing fewer animals to markets than last year.

The sellers counted huge losses last year due to early purchases by buyers and late availability of cattle.

Numerous cattle markets sprang up in different districts, especially in border areas this year, bringing down the prices of the animals, traders said.

Abdur Razzak, a cattle trader who brought 33 cows from Kushtia to Gabtoli, said he bought one for Tk 40,000, down from about Tk 50,000 last year.

"I faced a loss of Tk 12 lakh last year, as I had to take the unsold 23 cows back to my village."

"I brought them back to the Gabtoli market to sell after Eid," Razzak said.

Azizur Rahman, a resident of Mirpur, said he bought a goat from the Gabtoli market at Tk 9,500 yesterday, which is Tk 1,000 less than last year. Another trader, Nur Mohammad of Manikganj, brought a camel at the Gabtoli market and added a price tag of Tk 14 lakh with the animal.

"I brought it to the market last year also, but did not get satisfactory offers then."

This year, the two parts of the City Corporation—South and North—are going to set up 19 makeshift cattle markets, which will start functioning four days before the Eid.

CATTLE MARKETS TO BE SET UP

DCC South

Armanitola Playground

Meradia Bazar

Sadeque Hossain Khoka Playground

Uttar Shahjahanpur Khilgaon Railgate Bazar

Jigatola-Hajaribagh Ground

Rahmatganj Playground

Adarsha School field and its adjoining open areas in Golapbagh

Dhupkhola East and Club field

Area close to Brothers Union Club

Postogola Crematory's adjoining open spaces

DCC North

Uttara Azampur Govt Primary School field

Areas in Khilkhet Banorupa Residential Project

● Agargaon Slum ● Taltala Mahila Polytechnic

● Banani and Kakoli ● Mirpur Eastern Housing

● Dhaka Polytechnic Playground

● Baridhara J Block ● Uttara Sectors 11 and 13

Inflation slows, but risks loom large

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Price pressures in Bangladesh stem from expected increases in domestic fuel and electricity prices, likely supply disruptions because of national strikes, budget provision for higher public sector wages and expected wage increase in the garment industry once the wage board recommendations are made, the Asian Development Bank said in its Global Outlook released last week.

The monetary policy statement that the central bank released in July mentioned a probable wage increase in both the public and private sector as a risk for increase in inflation.

According to BBS data, both food and non-food inflation fell in September—food inflation decreased by 0.16 percent and stood at 7.93 percent and non-food inflation fell by 0.41 percent to stand at 5.94 percent.

Bangladesh imports both food and non-food items from India, said the WB lead economist. The Bangladesh currency has appreciated much against the Indian currency, which had a positive impact on commodity prices in Bangladesh.

Food grain prices are also stable in international markets with adequate stocks, which helped reduce inflation, Hussain said.

Besides, there is a demand side weakness in the economy that had a cooling effect on inflation, he added.

Rice and wheat prices in September did not increase over the prices in August, according to the Trading Corporation of Bangladesh.

Prices of some commodities such as edible oil and lentils, except onions, went down. Prices of other commodities, except onion, did not increase and rather, remained stable.

Talks with EU on development plan begin

UNB, Dhaka

The European Union yesterday started preparing its next development cooperation programme for 2014-2020.

The EU and the Economic Relations Division organised an inter-ministerial consultation to discuss the proposed intervention.

To align with the development priorities of the government of Bangladesh, the EU has selected three strategic areas from Vision 2021, the Sixth Five-Year Plan and relevant national strategies.

The future programme will support democratic government and human rights, food security and nutrition, and education and skills development programmes.

It aims to contribute to Bangladesh's inclusive growth, poverty reduction and resilience focusing on the poorest and most vulnerable portion of the population, while at the same time promoting people's potential, particularly that of women.

"I'm delighted that we're going to focus our future cooperation with Bangladesh on a few key areas which can make a difference to the lives of people, especially the poorest," said William Hanna, head of the European Union Delegation to Bangladesh.

The EU delegation is also consulting with the civil society, international organisations, private sector, parliament and EU member states to refine its proposed interventions.

Before the end of 2013, the EU will design a multi-annual indicative programme for 2014-2020. In 2014, the programmes' identification and preparation will start.

Permanent market for Bangladeshi traders in Agartala

PALLAB BHATTACHARYA, New Delhi

A permanent market for Bangladeshi traders was inaugurated at a trade centre in Agartala, the capital of the northeastern Indian state of Tripura yesterday.

The market will be a milestone in improving trade relations between India and Bangladesh, Prafullajit Sinha, chairperson of Agartala Municipal Corporation, said after inaugurating the market at Bipani Bitani.

"Relationships are always based on give-and-take. When we welcome Bangladeshi traders to explore markets in our state, we would also be looking for transit through Bangladesh," Sinha said.

A seven-day expo—Bangladesh Expo 2013—started in the market yesterday. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in collaboration with Tripura Industry

and Commerce Department organised the event.

"We were given 18 stalls by the state government where we would showcase Bangladeshi goods and also try to create a proper market for Bangladeshi goods," said Mahbub Islam Runu, chairman of Bangladesh Market Ltd.

Both Bangladesh and India can gain from connectivity, transshipment and transit, which needs to be implemented on a reciprocal basis, said Abul Kashem Ahmed, former vice-president of FBCCI, who led the Bangladesh traders.

"Some political quarters in our country are trying to create confusion that there was a security threat to the country if the north-eastern region of India is allowed transit through Bangladesh, which has no basis," Ahmed said.

"Rather, if transit is given, Bangladesh would get billions of dollars as transit fee."

RMG to remain a key driver of economic growth

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The official of the International Monetary Fund was speaking on Bangladesh's macroeconomic management at the monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at Ruposhi Bangla Hotel in Dhaka.

Cubero also expressed concern over low productivity of Bangladeshi factory workers compared with their peers in other countries.

The workers' productivity is measured by Standard Allowed Minutes (SAM). For example, if 100 minutes is given to complete a task, a Bangladeshi worker is able to use only 35 minutes, to give the country a SAM score of 35 percent, one of the lowest in the world.

In contrast, its competitors in global apparel trade such as China, Vietnam, India and Pakistan score upwards of 80 percent.

Wages are also lower in Bangladesh than what

its competitors offer, which is a major reason behind low productivity, Cubero said.

He also suggested Bangladesh maintain a good currency exchange rate by increasing productivity in the garment sector, as higher productivity can ensure higher profit.

Cubero said political uncertainty in the run-up to the next parliamentary election will slow economic activities.

"Hartal is another reason for slowdown," he said. "We hope the situation will improve and the economy will become stronger after the election."

The deteriorating health of the state banks is another concern for the economy, according to Cubero. Among the external risk factors, he cited the slump in eurozone growth, which he said may curb the flow of garment orders to Bangladesh.

AmCham President Aftab ul Islam moderated the programme.

Japan out of crossroads: Abe

AFP, Nusa Dua, Indonesia

Japan has emerged from the "crossroads" of economic stagnation, with deep reforms and a massive spending package expected to put it back on the growth track, Prime Minister Shinzo Abe said Monday.

Speaking to Asia's top corporate executives at a summit, Abe said that through his three-pronged strategy to revive the Japanese economy, he has succeeded in "breaking through the mentality of economic stagnation that had been permeating Japan".

Businesses demand cuts in lending rates

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There is enough liquidity in the banking sector, while credit demand is comparatively mild, he said.

"But the banks will have to use their funds; otherwise it will have an impact on their balance sheets."

The average interest rate for lending has now come down to 13 percent and that for deposit to 11.5 percent, Rahman said.

"Don't worry. Just keep patience and you will see the interest rates at your expected level."

The BB governor, however, said reducing the interest rates is not the only measure to cut the cost of doing business. "There has to be adequate infrastructure and utility facilities, and a business friendly environment."

He also urged bankers to provide credit cautiously so that they can realise the disbursed amount in time.

"The interest rate is high where the risk is high," he said, adding that it would be difficult to reduce the interest rates if default loans rise.

Finance Minister AMA Muhith said inflation is under control, which is a prerequisite to keep the interest rate low.

"When there is a need, we fix the interest rates," he said, citing that they have recently set a 12 percent rate on credit for onion imports.

However, the minister said, discussions should continue on how the existing interest and deposit rates as well as spread can be

brought down.

Earlier, MA Hashem, chairman of United Commercial Bank, recommended the lending rate be fixed at 11 percent and the deposit rate at 7 percent.

He said 70 percent of the deposits are generated from fixed deposit receipts at 12 percent. "If the deposit rate is not reduced, how will it be possible to cut the interest rate on loans?"

AK Azad, a former president of the FBCCI and chairman of Shahjalal Islami Bank, said the finance ministry and the central bank will have to set the lending rate, spread and the rates on deposit and savings instruments.

Nazrul Islam Mazumder, president of Bangladesh Association of Banks, said it is not possible for businesspeople to pay back loans at the interest rates of 17-18 percent.

"Even I cannot pay the loans back. If I repay the loans, I will not survive."

M Aslam Alam, secretary to the bank and financial institution division under the finance ministry, said it is not possible to fix the interest rates on lending or deposit.

"We are a free-market economy and in such an economy, the interest rates cannot be set by the government or the central bank."

Presenting a keynote paper, Ahsan H Mansur, executive director of Policy Research Institute, said if inflation falls to 5 percent, the entire interest rate structure could be brought down by 2.5 percent to 3 percent over time.



SOUTHEAST BANK

Ragib Ali, vice chairman of Southeast Bank, inaugurates a branch of the bank at Biyani Bazar in Sylhet recently. Ziaus Shams Chowdhury, senior executive vice president and managing director of bank, was also present.



NRB COMMERCIAL

Nuran Nabi, director of NRB Commercial Bank Ltd, opens the fourth branch of the bank at Mawna on Sunday. Engineer Farasath Ali, chairman, and Dewan Mujibur Rahman, managing director, were also present.

No plastic sacks in rice packaging from next year

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Currently, the annual production of jute sacks stands at 43 crore pieces, most of which are exported, according to Bangladesh Jute Mills Association (BJMA).

At present, only the Directorate General of Food uses jute sacks to pack the rice and wheat it procures. But rice millers and traders, the main market players, do not use the environment-friendly product.

The compulsory use of jute bags in packaging food grains, sugar and fertiliser will create a demand for 35 crore pieces in the local market, according to an estimate by the BJMA.

BJMA Chairman Najmul Huq welcomed the move but urged the government to take steps to ensure compliance. "The decision will become useless without implementation."