

Bangladesh aims to be world's 'first solar nation'



BANGLAR CHOKH

Solar power is being used for irrigation in Gaibandha. With financial assistance from the World Bank and other development partners, the government plans to generate 220 megawatts of electricity for around six million households by 2017 through a solar home system programme.

REUTERS, Dhaka

RESIDENTS of Islampur, a remote village in the northern Bangladeshi district of Naogaon, were stunned one night last summer when the darkness was suddenly illuminated by electric lights coming from a village home. Why the surprise? The community has no connection to the country's power grid.

The owner of the house, Rafiqul Islam, is one of around 15 million Bangladeshis whose homes are now powered by solar home systems, or SHS, under a government scheme to provide clean power to communities with no access to grid electricity.

The Bangladeshi government aims to provide electricity to all of the country's households by 2021. With financial assistance from the World Bank and other development partners, it plans to generate 220 megawatts of electricity for around 6 million households by 2017 through the solar home system programme.

Each solar home system uses a solar panel installed on the roof of an individual home. A 250 watt panel can produce up to 1 kilowatt of power a day.

Following Islam's example, many villagers in Islampur have installed solar home systems, whether to light their homes or to run irrigation pumps.

"We are more than happy, because we don't have power cuts in our system. But for those who are connected with the national grid, blackouts are regular," Islam said.

Children are as pleased as their parents. A few years ago, accessing entertainment such as cartoons meant renting a television and a DVD player along with a battery, which most people could afford to do at most twice a year.

"Now children can have their own fun time every day," Islam said. His daughter said she also can study until late into the evening thanks to the electric light.

According to the government-owned Infrastructure Development Company Limited (IDCOL), which began the solar

home system project in 2003, 3.5 million households – about 10 percent of the country's total – had installed SHS by the end of 2014.

"Every month, 50,000-60,000 Bangladeshi households are connected with a solar home system. In May 2014, more than 80,000 connections were made," said Mahmood Malik, head of IDCOL. The company runs the scheme with 47 partners, including nongovernmental organisations and businesses.

Dipal C Barua, a solar home system pioneer in Bangladesh and president of the Bangladesh Solar and Renewable Energy Association, said that when the technology was introduced in 1996, it faced a range of barriers, such as the high cost of solar panels and a shortage of expertise for installation.

But 18 years on, both barriers have eased and solar home systems save the country 200,000 tonnes of kerosene annually, worth about \$180 million, Barua said.

"My dream is to empower 75 million Bangladeshis through renewable energy

by 2020 and make Bangladesh the first comprehensive solar nation of the world," he said.

The government is providing low-interest loans to private companies to import and install solar panels for SHS, while businesses offer households or end-users low down-payments and the option to repay the cost of a solar home system over a period of one to three years. A 100 watt panel costs around 50,000 Bangladeshi taka (\$640).

In addition to the SHS scheme, the government has constructed a 100 kilowatt solar power plant in Sandwip Island, in the Bay of Bengal, which began operating in 2010. There are plans to create 50 more so-called mini solar grids around the country by 2017, with the combined capacity to run more than 1,500 irrigation pumps.

The government is encouraging domestic and foreign investment in the plants by offering grants and low-interest loans to investors. "We are very much in the process of creating a green Bangladesh," said IDCOL's Malik.

German business confidence up as outlook brightens

AFP, Frankfurt

GERMAN businesses are confident about the outlook for Europe's biggest economy, a new poll showed Monday, as a weaker euro and falling oil prices are set to boost the country's exporters.

Nevertheless, it was too early to predict the impact on German confidence of the elections in Greece, where the victory of a radical left anti-austerity party could reignite concerns of a euro break-up, analysts cautioned.

The Ifo institute's closely watched business climate index rose to 106.7 in January month from 105.5 points in December, the think tank said in a statement.

It was the third monthly rise in a row and was slightly higher than analysts' expectations.

"Companies were far more satisfied with their current business situation and the majority were also optimistic about the business outlook," said Ifo president Hans-Werner Sinn. "The German economy has gotten off to a good start to the year."

Ifo calculates its headline index on the basis of companies' assessments of current business and the outlook for the next six months.

The sub-index measuring current business rose to 111.7 points, the highest level since July 2014, and the outlook sub-index increased by 0.7 point to 102.0 points, the institute said.

Nevertheless, the survey was conducted before the Greek elections, and the victory of the anti-austerity party Syriza there could soon begin to sour the recovery prospects once again, analysts warned.

"Substantial market turbulence or long, drawn-out discussions about the risk of a possible 'Grexit' (or Greek exit from the euro) could dampen sentiment again in the coming months," said BayernLB economist Stefan Kipar.

"It remains to be seen what effect the outcome of the Greek elections will have."

Berenberg Bank economist Christian Schulz also saw the Greek issue as an uncertainty factor.

"The renewed political risks in Greece probably prevented a stronger improvement" in Ifo's expectations sub-index, he said. "That supports our short-term caution for Germany's economy until the Greek risk is resolved one way or another."

Natixis economist Johannes Gareis was more confident. "There are several fundamental factors that support Germany's economic recovery, after it has lost speed in the course of 2014," he said.

"For 2015, Germany -- and the eurozone -- surely can lock in a positive growth stimulus from the massive drop in oil prices, a lower euro exchange rate and substantial monetary loosening by the European Central Bank," he said.

Japan trade deficit swells to record in 2014



A boat of Tokyo custom office cruises in front of the international cargo terminal at Tokyo's port yesterday. Japan's trade deficit swelled to a record \$109 billion in 2014.

AFP, Tokyo

JAPAN'S trade deficit swelled to a record \$109 billion in 2014, data showed Monday, mostly because of huge post-Fukushima energy bills, but analysts said a recent drop in oil prices would shrink the yawning gap.

The shortfall of 12.78 trillion yen, Japan's fourth-consecutive annual deficit, was 11.4 percent wider than 2013 and was the worst since records began in 1979, according to the finance ministry.

Fuel costs have weighed heavily on Japan as the resource-poor country struggles to plug a huge energy gap after the 2011 atomic crisis forced the shutdown of nuclear reactors that once supplied more than a quarter of its power.

That problem has been exacerbated by a sharp fall in the yen, which hiked the cost of energy imports purchased in foreign

currencies. In December alone, however, Japan's trade deficit almost halved over the previous year to 660.7 billion yen, largely thanks to falling oil prices.

The trade balance last month was also helped by a better-than-expected 12.9 percent jump in exports.

Japan's trade deficit "is set to narrow further as lower energy prices are still not fully reflected in import costs", Capital Economics said in note after the figures were published.

"The key development for the trade balance in coming months... remains the plunge in the price of crude oil since last summer. So far, this is only partly reflected in the cost of imported petroleum."

"Lower energy prices may briefly return the trade balance to surplus in coming months, before a weaker yen and a rebound in the oil prices push it back into deficit," it said.

End of the road for Nepal's Himalayan caravans

AFP, Simikot, Nepal

FOR generations, traders and their colourful herds of mules and yaks were a lifeline for remote communities in the heart of Nepal's formidable and often dangerous Himalayas.

The traders bravely plied an ancient trail, ferrying salt, grains and other goods between neighbouring China's vast Tibetan plateau and Nepal's middle hills, a profession that endured for centuries.

But the Nepal government's plan to build a road through the isolated border region means the traders' livelihood and their traditional way of life will almost certainly be lost.

The road will allow cars and trucks for the first time to transport goods that have been borne almost exclusively by the traders' teams of animals known as caravans.

"We don't go where there are roads, only to places which have no road access. We can't even begin to compete with trucks," trader Rachhe Kami told AFP as he loaded up his mules in Simikot town, some 3,000 metres (9,840 feet) above sea level.

"When the road is built, I am going to have a big problem. No work will come my way," he said of selling his goods to communities in Humla and neighbouring districts, in Nepal's top northwest corner.

Not everyone despairs of the new road. Many of Humla's 50,000-odd residents living high in the Himalayas hope tonnes of currently scarce goods will soon be quickly and cheaply delivered.

During trading season, lasting roughly from March until November, when the weather is good, Kami spends every night outdoors on the trail. Herders sleep in shifts, taking turns to tend a fire and watch out for snow leopards, wolves and other predators.

The profession, highlighted in the 1999 Oscar-nominated film "Himalaya", is risky. One of Kami's colleagues fell into a river and drowned last year and the 38-year-old nearly lost his own life when he was caught in a snowstorm near the Nepal-China border in 2012.

"I thought then that I should do



In the photograph taken on November 5, 2014, mountain goats carry goods from the China border along the street in Simikot, headquarters of the Humla district, some 430 kilometers northwest of Kathmandu.

something else for a living but this is the only work I can do," the father of four said.

Many traders struggle to make a decent living in this impoverished corner of the world, with communities now sourcing some goods from neighbouring India and elsewhere.

But 50 years ago, business was brisk, profits were high and the animals decked in bells and colourful bridles ruled the snow-capped mountains.

"The caravans used to be the life force of this region -- supplying every household with rice, grains, salt, whatever they needed," 67-year-old Tondhup Lama told AFP.

Lama was a teenager when he followed his father and grandfather into the business, bartering locally-grown barley for Tibetan salt, which he would then trade for rice from Nepal's middle hills.

The fortnight-long journey to the border revealed a world untouched by modernity.

"There was nothing there - we would negotiate with Tibetan nomads living in tents, who would bring us salt and wool which we

would barter for grain," he said.

"Back then, we were the rich ones." The business suffered its first serious setback when Nepal introduced subsidised supplies of iodised salt from India in 1973, aiming to curb illnesses such as goitre and cretinism.

The market for Tibetan salt took a hit but traders adapted quickly, sourcing cheap clothing from India, which they would sell for cash within Nepal or barter for wool and butter at the China border.

In a good month, Lama's family earned up to 20,000 rupees (\$201) -- enough to keep them going during harsh winters when heavy snowfall blocks key mountain passes. "It was a challenging life but I enjoyed the adventure, the travel," he said.

Less than a decade later, the Nepal government dealt another blow and this time business would not bounce back.

New rules designed to protect forests allowed local residents to charge traders high taxes for use of traditional grazing grounds for their animals.

"Policy planners in Kathmandu never considered what this would mean for us mountain people, they never thought about our needs," former Humla lawmaker Chhakra Bahadur Lama told AFP.

Unable to make ends meet, longtime herders like Tondhup Lama quit the trade, selling his yaks, sheep and horses to take up farming.

Today, the few traders left say they have no other employment options and although they still travel to the China border, the Tibetan nomads have vanished and the trade has changed.

On sale at the border are cheap Chinese clothing, agricultural equipment and liquor.

Most agree that modernity must come to the neglected region, but lament the impending disappearance of the caravans.

"Our way of life is simply too primitive to survive in the modern age," ex-lawmaker Lama said.

"It's not just a question of a traditional economy ending, it's a culture melting away, it's the end of an era and a sad day in many ways."

Pakistan fuel crisis weighing on credit worthiness: Moody's

AFP, Islamabad

PAKISTAN'S ongoing fuel shortage that has led to worsening power blackouts is weighing on its credit worthiness and hindering its ability to meet key reform targets laid out by the IMF, ratings agency Moody's warned Monday.

The country is currently in the grip of one of its worst power crises in years due to a shortfall in imported oil, with the situation exacerbated Sunday by an attack on a key powerline in restive Baluchistan

province. Moody's said that increasing energy imports without addressing structural issues that create so-called circular debt "will further strain Pakistan's budget and balance of payments, a credit negative".

"Fuel shortages also reflect the strained finances of state-owned distribution companies and the fuel importer, Pakistan State Oil corporation, and are a setback to the sector's progress on reforms made so far under Pakistan's financial support program with the International Monetary Fund."