

Illegal connections deepen energy crisis

Says chief of parliamentary standing committee

STAR BUSINESS REPORT

The chairman of the parliamentary standing committee on energy and power ministry yesterday expressed deep frustration as illegal gas and electricity connections are being given out. Tajul Islam said it seems that there is anarchy in the country the way gas and electricity connections are being given.

"It seems that there is no rule of law in the country. I am really shocked," he said. "I have talked about it several times, but nothing has changed. We have to act in this area."

The ruling party lawmaker spoke at a seminar organised at Petrobangla in the capital on the occasion of National Energy Security Day.

The government declared August 9 National Energy Security Day in 2010, as on this day in 1975 Bangabandhu Sheikh Mujibur Rahman bought five gas fields from Shell Oil Company at only £4.4 million.

The decision of buying the gas fields is largely credited for meeting the country's energy needs over the last four decades.

The theme of this year's event was encouraging people to conserve energy for a prosperous planet.

There are about 200 kilometres of illegal lines taken from Titas, according to Petrobangla.

The illegal connection spree began in May 2013 after the government had lifted a three-year ban and announced legalising illegal lines.

More than one lakh illegal gas lines have been legalised so far. There are also illegal power connections, but their numbers are hard to find.

Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister, said a change in habit can save a lot of energy.

About 543 million cubic feet of gas, which is one-fifth of the current gas production, could be saved through an efficient use of the scarce energy at industrial boilers, captive generators and fertiliser plants, said Md Quamruzzaman, a director of Petrobangla, in his presentation.

He said the country's energy mix is in imbalance to some extent as natural gas accounts for 75 percent of electricity supply.

"We will have to increase the use of LNG [liquefied natural gas] and produce more electricity from coal and renewable energy to meet the rising demand," he said.

Bangladesh is sitting on a coal reserve of more than three billion tonnes, whose heat generation capacity is equivalent to 37 trillion cubic feet of gas, according to official statistics. Only 2 percent of the total electricity comes from

coal.

The government has more than doubled power generation since 2009. Still, more than 40 percent of the population in Bangladesh does not have access to grid electricity.

Nasrul Hamid, state minister for power and energy, called for adjustment of gas and electricity prices as establishing infrastructure for power generation requires a lot of investment.

He also said if the gas now consumed by households, CNG-run vehicles and captive generators—which account for one-third of the total gas consumption—are diverted to power plants, the country would be able to produce more electricity.

Istiaque Ahmad, chairman of Petrobangla, said raising efficiency in energy production and usage has become inevitable.

AR Khan, chairman of Bangladesh Energy Regulatory Commission, said about 30 percent of gas can be saved through efficient uses.

He also said the commission set up a gas fund to strengthen Bangladesh Petroleum Exploration and Production Company Ltd (Bapex), but Petrobangla is not being able to live up to the expectation although Tk 4,000 crore is

available through the fund.

Nazim Uddin Chowdhury, acting secretary for the energy and mineral resources division, said the government is planning to initiate awards to recognise innovations and development in the energy sector.

He said there is inefficiency in energy management, which has to be improved. The efficiency of Bangladesh Petroleum Corporation (BPC), the lone importer of petroleum products in the country, has to be improved, he said.

AM Badrudduja, chairman of BPC, said although the task of the state-run organisation has widened five times since its establishment, its workforce has trimmed instead of going up.

Thanks to the low oil prices in international markets, BPC started to make profits in January last year, which came after 14 years of continuing losses, he said.

As BPC had to buy oil at higher prices and sell it at lower rates, Tk 29,000 crore piled up as loans and other debts.

Since global fuel prices have started to fall in mid-2014 and more than halved, domestic fuel prices have not been adjusted.

Fuel subsidies have effectively turned negative, and the authorities have not indicated any plans to



Agriculture Secretary Shyamal Kanti Ghosh speaks at a workshop on preparation and implementation of development projects, organised by Bangladesh Agricultural Development Corporation recently. BADC Chairman Shafiqul Islam Laskar was also present.

Board of Trustees' meeting of CPD held

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The 45th meeting of the Board of Trustees of the Centre for Policy Dialogue was held at the CPD Dialogue Room in the capital yesterday.

The board reviewed its research, dialogue and publication activities during the January-July period of 2015 and expressed satisfaction over CPD's performance in the period.

The board took note of CPD's growing engagement at various important global platforms, the private think-tank said in a statement.

The two major global initiatives that CPD is hosting—Southern Voice on Post-MDG International Development Goals, and LDC IV Monitor—was discussed in the meeting.

In this connection, the board particularly appreciated CPD's contribution towards

shaping of the post-2015 development agenda.

It endorsed CPD's plan for research, dialogue, publication and outreach-related activities for the August-December, 2015.

The board was also briefed about CPD's research plan on ongoing restructuring in the garments sector, regional cooperation in South Asia, and connectivity and trade links in the sub-region, connectivity with China and green growth.

It approved CPD's audit report for 2014, the half-yearly accounts and the revised budget for 2015 and took the decision to invite Rasheda K Choudhury, former adviser to the caretaker government and executive director of CAMPE, to join the Board of Trustees.

Professor Rehman Sobhan, chairman of CPD, presided over meeting.



Sayed Talat Kamal, head of external communications at Grameenphone, speaks at a press conference at a city hotel yesterday to announce Telenor Youth Forum 2015, which is now open for entries in Bangladesh. The competition aims to connect young opinion leaders around a platform for digital transformation of the society.



Officials of Runner Automobiles pose at the opening of an exclusive showroom of the company at Chandana Chowrasta in Gazipur yesterday.

Runner Automobiles opens fifth showroom in Gazipur

OUR CORRESPONDENT, Gazipur

Local motorbikes maker Runner Automobiles opened its fifth showroom at Chandana Chowrasta in Gazipur yesterday.

Shakib Al Hasan, a national cricketer and Runner's brand ambassador, opened the showroom. Hafizur Rahman Khan, chairman of Runner Group, Md Moazzam Hossain, vice chairman, and Shafiquzzaman, managing director, were also present. "I would like to remain with Runner brand motorbikes as it is a local brand and it gives me great pride and joy to stay with it," he said.

The new showroom intends to take Runner's products as close to users as possible, Hafizur Rahman Khan, chairman of Runner Group, said.

"This new showroom will play significant role in enriching overall experience of our customers including the youth who proudly ride Runner brand motorbikes," Khan said.

"Runner is firmly determined to maintain quality of its products and make customers experience better, and more accessible."

Firms honoured for better productivity

FROM PAGE B1

Overtime, the industrial sector's share of annual GDP increased, while that of the agriculture sector fell. Manufacturing now accounts for a fifth of Bangladesh's more than \$200 billion economy that is growing by 6 percent a year.

The manufacturing sector accounted for 16.13 percent of the economy a decade ago, according to BBS.

Handing over trophies and certificates to the firms for 2013, the NPO also invited applications for the award for 2015. Firms will have until September 15 to submit applications, according to a notice by NPO.

Some 18 awards will be given in six categories -- large, medium, small, micro, cottage and nationalised, Islam said.

However, tax or loan defaulting organisations, as well as those convicted by court or are in conflict with foreign buyers will be ineligible to apply, according to the notice.

Islam said the NPO received about 150 applications for the 2013 award; the authority selected 17 firms as the rest failed to get at least 50 percent marks.

The government also declared October 2 as National Productivity Day to spread awareness, he added.

The industries ministry also recognises businesspersons as commercially important persons. The ministry, for the first time, is going to recognise 12 firms by giving President's Industrial Development Award.

Fifth edition of Commward gets record nominations

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The fifth edition of Commward has received the record number of 367 nominations from 36 advertising agencies and creative departments of various organisations, Bangladesh Brand Forum said in a statement yesterday.

Commward is an initiative of the Forum and this year the event will be powered by The Daily Star, according to the statement.

This year Commward has included 21 categories, up from 19 last year, to choose the winners from.

The new categories are: Art Direction and Campaign for Women. A new recognition "Agency of the Year" will be given to the agency earning the highest score on its total win of grand prix, gold and silver.

An event to announce the winners will take place at Pan Pacific Sonargaon Hotel in Dhaka on August 29.

Commward recognises and inspires creative communication in business and marketing since 2009 through recognition of best ad campaigns produced and run in the country every year.

It is organised in association with Cannes Lions Festival of Creative Communication, the largest international event on creative communication since 1954.

Advertising, PR firms, production houses and creative departments of local and multinational companies nominate the most creative and effective ad campaigns run in press, electronic and online media.

Mobile phone operators seek fair tax regime

FROM PAGE B1

"Corporate and other taxes are higher for us than other industries, but to build a digitised country we want suitable tax regulations."

Growth in foreign direct investment fell drastically in the telecom sector in 2014 compared to the previous year, according to a presentation by Amtob.

"To improve investor confidence immediately, we need swift action and amendment to some relevant policies," Kabir added.

Tarana acknowledged the existence of some problems in the sector, and said she wants to make the ministry corruption-free.

"If you have any complaints, please let me know

and assist me towards building a corruption-free ministry," she added.

Operators sought the state minister's intervention in various issues such as SIM tax, technology neutrality, competitive atmosphere, and over-regulation.

The minister said she would take initiatives after consultation with sector stakeholders.

Telecom Secretary M Faizur Rahman Chowdhury, BTRC Chairman Sunil Kanti Bose, AMTOB Chairman and Banglalink CEO Ziad Shatara, Grameenphone CEO Rajeev Sethi, Robi Managing Director and CEO Supun Weerasinghe, and representatives of Airtel, Citycell and Teletalk attended the meeting.

Bandwidth export to India begins next month

FROM PAGE B1

Bangladesh has a 200 gbps capacity, but only 33 gbps is consumed locally; consumption may rise to 90 gbps by 2016, according to an estimate by the company.

"Even then a good amount will remain unutilised, so we have decided to export it," Hossain said.

Submarine Cable Company will export the bandwidth to India at \$10 per mbps, which is higher than the local market price, and will earn \$1.2 million or Tk 9.6 crore a year, Hossain said.

The agreement for the bandwidth export was signed in June and will remain valid for one year initially. The deal can be extended for two more years, Hossain said, adding that India may increase import to 40 gbps soon.

The bandwidth prices will come down, by up to 43 percent in different slabs, mainly to increase usage in the country. International gateway operators and internet service providers will primarily be benefitted from the price cut.

BB expands efforts to curb money laundering

FROM PAGE B1

"Information on high-risk clients must be renewed once a year, and once every two years for others," said the central bank.

The BB said the circular has been issued in consultation with the Real Estate Housing Association of Bangladesh, Bangladesh Jewellers Association, Institute of Chartered Accountants of Bangladesh and Dhaka Taxes Bar Association.

BB warns state banks as risks mount

FROM PAGE B1

He said the picture of the financial condition in banks is not pleasing at all. Default loans and capital deficits are the major problems facing the banks.

The other problems include high-operating costs; poor efficiency; and weakness in corporate governance, risk management, internal audit and asset, and liability management.

The governor said assets would continue to erode until their quality improves.

"It is unfortunate that many of you are not properly following the prudential regulations of Bangladesh Bank. As a result, new risks are appearing. But remember that we are getting tougher in deal-

ing with breaches of laws."

Rahman asked the boards to take the necessary steps so that the audit committees can work fearlessly.

In response, the banks said typically many branches' losses increase in the first quarter but by the end of the year they pull themselves into the green.

The banks also notified the governor about the problems they are facing. One of their problems is state-run Bangladesh Petroleum Corporation, which owes thousands of crores to state banks.

In the past, they gave huge amounts of loans to BPC at low interest rates. Now that the financial condition of the country's sole oil

importer is good, it can start repaying the loans but is not doing so, sources said.

Thanks to record low prices of oil, the BPC has been making profits since last January. It however has loans and other debts totalling Tk 29,000 crore, as it had to sell oil at subsidised rates.

One of the banks also said the interest rates for the loans under the large loan restructuring facility should be at least 10 percent.

Besides, banks should be allowed to take instalments against the loans soon after the restructuring facility takes effect.

Under the restructuring facility, the central bank has set one year as the grace period.

Mohammad Ismail, chairman of Bangladesh Krishi Bank, speaks at an annual conference of the bank at the Institute of Diploma Engineers, Bangladesh in the capital yesterday. MA Yousoof, managing director, was also present.

