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# Star BUSINESS

DHAKA WEDNESDAY FEBRUARY 22, 2017, FALGUN 10, 1423 BS

## Industrial units setting up solar panels on rooftops

SOHEL PARVEZ

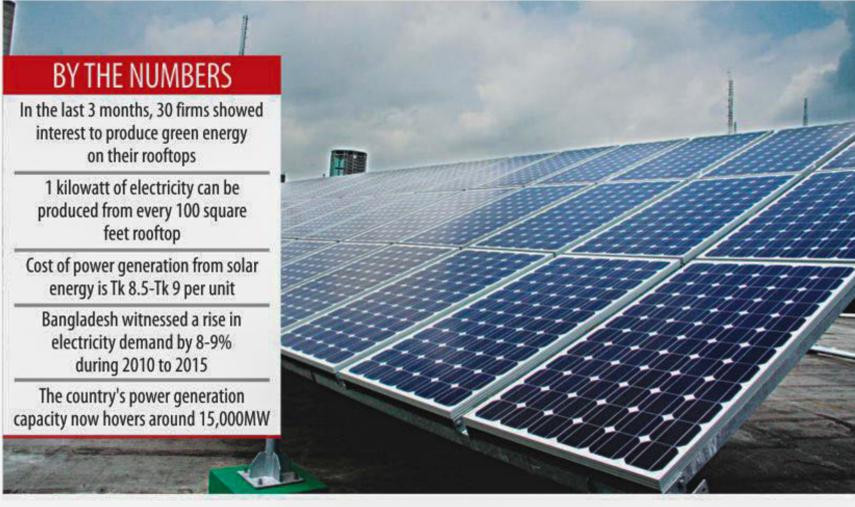
Entrepreneurs are making the best of the rooftops at their industrial units by installing solar panels to meet part of their energy demand and cut reliance on the national power grid.

In the last three months, 30 companies showed interest in setting up solar panels on their factory rooftops, said a senior official of Infrastructure Development Company Ltd (IDCOL).

"We are planning to finance these projects, considering the potential. There are many factories where more than 2MW of electricity can be produced by utilising the rooftop space," said Md Enamul Karim Pavel, head of renewable energy of the non-bank financial institution that bank-rolls renewable energy projects in Bangladesh.

Designer Fashion Ltd, a unit of Bengal Group of Industries, has already started installing a 300 kWp solar panel at its woven garment factory in Savar, said Md Raziur Rahman, who is in charge of activity coordination at the factory.

"We have to suffer from load shedding on a regular basis. The solar power will provide partial back up when there is a power cut," he said.



**BY THE NUMBERS**

- In the last 3 months, 30 firms showed interest to produce green energy on their rooftops
- 1 kilowatt of electricity can be produced from every 100 square feet rooftop
- Cost of power generation from solar energy is Tk 8.5-Tk 9 per unit
- Bangladesh witnessed a rise in electricity demand by 8-9% during 2010 to 2015
- The country's power generation capacity now hovers around 15,000MW

"We will use solar electricity for the emergency lights at the fire exits, staircases and street lights, to ensure workers' safety and security."

Rahman said the company wants to meet 14 percent of its electricity demand through rooftop solar energy.

Industrialists eye green energy at a time when the demand for electricity is growing to meet the requirements of Bangladesh's \$220 billion economy, expanding by more than 6 percent a year.

The country witnessed a rise in peak electricity demand by 8-9 percent from fiscal 2009-2010 to 2014-15 due to an increase in population, urbanisation and expansion of economic activities, according to the draft Energy Security Study by the power division.

The power generation capacity also grew fast in recent years, hitting 15,351MW. But industrialists demand uninterrupted supplies of electricity to run production smoothly and protect the

machines from damages caused by sudden power outages.

The rising electricity tariff has also become a matter of concern.

IDCOL's Pavel said 1 kilowatt of electricity can be produced from every 100 square feet of rooftop space. So, a factory that has 1 lakh square feet of space will be able to produce 1 megawatt of electricity.

He said per unit cost of electricity generation from solar will be Tk 8.5-Tk 9, which is equivalent to

the cost of electricity bought from the state-run utility service providers.

Solar energy will be cheaper if the possibility of future power tariff hike is taken into consideration, said Pavel, adding that entrepreneurs would also be able to sell the electricity to the government.

"We are planning to finance some of these projects within the next three months, so they can start power generation this year," he said.

Sarwar Hossain Shaheen, deputy general manager of Paragon Group, a well-known name in the poultry industry, said the global prices of solar panels have come down substantially in the last two years, making investments in solar panels financially viable in Bangladesh.

It plans to install solar panels to produce 735 kWp at the Paragon Poultry farm in Gazipur - it will use 350 kWp to meet the electricity demand at the farm at daytime and the rest will be supplied to a feed mill under the group, added Shaheen.

The farm pays more than Tk 8 for per unit of electricity coming from a state-run utility service provider. "We will be able to save a lot if we generate solar electricity on our own."

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## Proposal on postal bank awaits PM's nod

MUHAMMAD ZAHIDUL ISLAM

The Posts and Telecommunications Division has sought approval from the prime minister to open a postal bank in order to take basic banking services to the remote areas of the country.

If the government goes ahead with the proposal already sent to the premier, the postal department will become the country's largest bank with 9,866 offices across Bangladesh.

The postal department has set out a plan to restructure its service and targeted banking and e-commerce to generate revenues, said Tarana Halim, state minister for the Posts and Telecommunications Division, last week.

"Post offices can ensure the government's presence in the remotest part of the country. They will also be able to provide digital services as traditional postal services are going to be obsolete gradually," she said.

A few months ago the telecom division sought approval from the finance ministry to roll out the services under Bangladesh Post Office.

"The ministry raised some queries and we have responded to them. In the meantime we have sought the prime minister's approval to speed up the process," Tarana added.

Senior officials of the division said they are interested to set up a bank like Shimanto Bank, owned by Border Guard Bangladesh, which is a services bank but offers commercial products.

Tarana said the banking services can give a boost to the postal department financially, help the government's social safety net programmes and make savings instruments popular especially in the rural areas.

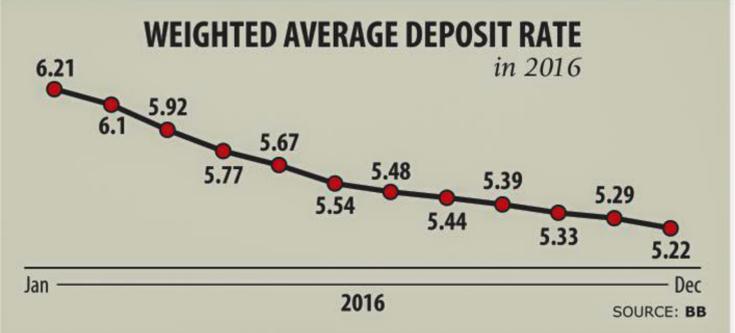
"We think there is a scope to serve the people living in the remote areas through the post offices."

The telecom division has also applied to the Bank and Financial Institutions Division. If the approval process delays for a lengthy period the division will try to explore agent banking service under a commercial bank.

The paid-up capital that will be needed to roll out the banking services has not been finalised yet.

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## Slump in interest rate on deposits worries BB



REJAUL KARIM BYRON

The interest rate on banks' deposit fell drastically, much to the central bank's concern.

Now, the rate of interest on savings deposit ranges from zero to 4 percent; most of the banks are giving 2 to 3 percent interest, according to central bank statistics.

If the advance income tax, excise duty and banks' service charge are taken into account, the depositors' profitability falls further. And if inflation adjustment is made, depositors do not get any profit; rather, it becomes negative.

For depositors without taxpayer identification numbers, a 15 percent tax on the interest income is deducted; otherwise, the income tax rate is 10 percent.

If the deposit amount is over Tk 25,000, Tk 345 is deducted as excise duty and VAT, with the amount increasing progressively.

The service charge varies from bank to bank. For instance, if a depositor has over Tk 20,000 with Agrani Bank, Tk 150 will be deducted as service charge. If the deposit amount is between Tk 1 lakh and Tk 10 lakh the service charge will be Tk 500.

If anybody has Tk 1 lakh as savings deposit with Agrani, the depositor will get Tk 900 a year after deducting taxes and all charges. If inflation is taken into account there would be no profit, said a manager of the state-owned bank on condition of anonymity.

If the amount is withdrawn without notice there would be no interest earning for the depositor, he said.

Meanwhile, the interest rate on fixed deposit and deposit pension schemes in many banks has come down to below 6 percent, which has prompted many to rush to buy government savings instruments.

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## Large firms investing in tea plantation

SAJJADUR RAHMAN

Large corporate groups have started investing in tea plantation in recent years, riding on the wave of demand from local consumers -- a development that has been welcomed by seasoned producers.

In the last few years, Square Group, a giant in consumer products, textile and pharmaceuticals; Ha-Meem Group, an apparel manufacturer and exporter; and Orion Group, an industrial conglomerate, entered the fray.

Three other consumer and industrial giants -- Akij, TK and City -- followed soon after.

"We have a plan to market our own brand," said Biswajit Saha, general manager of City Group that has bought three tea gardens in recent years.

City Group purchased one of the latest gardens in the country, located in Chittagong, from Brac for about Tk 120 crore in 2015.

Akij Group has also bought a garden, but it has no immediate plan to retail its own brand in the local market.

"Maybe, in long-term we will market our own brand," said Sheikh Bashir Uddin, managing director of Akij Group.

Another big corporate house Orion Group bought a tea garden in Jaflong in 2005.

After over a decade in operation, the group has decided to build and



A tea garden at Jaflong in Sylhet. Some conglomerates have started investing in tea plantation amid rising demand from local consumers.

market its own brand, to be called 'Jaflong Cha'.

Jaflong Cha will be launched in April, according to Ibrahim Khalil, who looks after Orion's tea business. "Our focus will be on green tea," he added.

The entry of big corporate groups into the tea farming business has been helping the country produce

more tea, industry insiders said.

Also, there will be a positive impact on the quality of tea, they added.

In 2016, more than 8.5 crore kilograms of tea were produced, up 26 percent year-on-year, according to data from the government.

Rising local consumption has also been cutting into Bangladesh's

tea exports every year.

A decade ago, exports accounted for almost one-fifth of the sector's receipts; now, it has come down to less than 10 percent, according to data from the Bangladesh Tea Board.

However, the sector needs investment to flourish further.

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## Bangladesh connected with second undersea cable

STAR BUSINESS REPORT

Bangladesh Submarine Cable Company Ltd has been connected with the country's second undersea cable up to the landing station in Kuakata, said the state-run company yesterday.

Md Abdus Salam Khan, acting managing director of the company, said the cable was officially launched during a management meeting of the SEA-ME-WE 5 in Istanbul yesterday.

"However, it will take some more time to reap the benefits from it as the backhaul link from Kuakata to Dhaka is not ready yet," he said.

Experts said activating a submarine cable without simultaneously putting in place the onshore transmission link is like inaugurating a

seaport that does not have a road or rail linkage. So it will not have a positive impact unless the backlinkage is ready.

"This could have been a historic day for us, but unfortunately it didn't happen," said a top official of BSCCL.

Once the backhaul connectivity is established, an alternative connectivity will be ensured. As a result, bandwidth imports will reduce and the internet speed will go up.

At present, the total bandwidth consumption of the country is about 400 Gbps, with 280 Gbps being imported from India.

On January 16 this year, the contractor of the SEA-ME-WE 5 celebrated the cable's installation that was laid from South East Asia to Western

Europe via the Middle East, said Khan. "At that time, some consortium members started receiving the service."

An official of state-owned Bangladesh Telecommunications Company Ltd, which is establishing the connectivity, said it will take some more time to establish the inland link.

"The inland link will be completed within the shortest possible time. Then there will be a commercial launch. The prime minister will inaugurate the operation," said Khan.

Initially, the cable will provide 200 Gbps of bandwidth, which can ultimately go up to 1,500 Gbps, said Parvez M Ashraf, project director of the second submarine cable landing station.

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## Apparel summit in Dhaka on Saturday

STAR BUSINESS REPORT

The second Dhaka Apparel Summit will be held in the capital on Saturday to discuss the future roadmap of the country's main export earning sector.

Speakers from home and abroad will talk about business policy and the environment, responsible sourcing and the apparel sector's transformation at the daylong summit at Sonargaon Hotel.

Prime Minister Sheikh Hasina is expected to inaugurate the event.

The event will also highlight the achievements the sector has made in the last three and a half decades, said Siddiqui Rahman, president of Bangladesh Garment

Manufacturers and Exporters Association.

Bangladesh made foray into the apparel business in January 1980 with the first shipment of just 1.2 lakh pieces of boy's shirts to German company MNR.

Currently, Bangladesh holds nearly 6 percent of the \$450 billion global garment trade, standing just behind China in the export earnings rankings. In 2015-16, Bangladesh shipped clothing items worth \$28.09 billion, up 10.42 percent year-on-year.

Rahman said the summit will also highlight the progress on factory inspection and the overall improvement in case of workplace safety since the Rana Plaza building collapse in 2013.

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