

New policy for renewable sources of energy on cards: minister



State Minister for Power and Energy Nasrul Hamid speaks at a roundtable on "Bangladesh Energy Regulatory Commission (Tariff for Rooftop Solar PV Electricity) Regulations, 2016 (Draft)" at The Daily Star Centre in Dhaka yesterday. The Asia Foundation organised the event.

STAR BUSINESS REPORT

The government plans to adopt a new policy and regulation for renewable sources to ensure energy security and cut carbon emission, State Minister for Power and Energy Nasrul Hamid said yesterday.

The government relies on conventional sources—coal-fired, hydro-electric and nuclear for base grid—of energy, as its renewable sources are unstable, the minister said.

He spoke at a roundtable on "Bangladesh Energy Regulatory Commission (Tariff for Rooftop Solar PV Electricity) Regulations, 2016 (Draft)" at The Daily Star Centre in Dhaka. The Asia Foundation organised the event.

The government is purchasing lands to install solar panels, as part of its efforts to add 1,000 MW of electricity to the national grid, he said.

"Then we'll invite big companies to invest and set solar panel on the lands."

Solar panels as well as renewable energy are costly, although they are environment friendly, Hamid said.

"But we'll also have to think whether people will choose the costly sources of energy," Salim Mahmud, chairman of BERC

Arbitration Tribunal, urged the government to finalise the regulation soon.

Ijaz Hossain, professor of the chemical engineering department of Bangladesh University of Engineering and Technology, gave a presentation on the tariff for rooftop solar PV electricity.

He discussed how the developed countries, including the USA and the Europe, use the solar panels.

Siddique Zobair, member of the Sustainable and Renewable Energy Development Authority, suggested solar panels should be installed on the rooftops of tall buildings like textile mills.

New chairman, vice chairman for Reliance Insurance

STAR BUSINESS DESK

Rajiv Prasad Shaha has recently been elected as the chairman of Reliance Insurance, the company said in a statement.

The company also elected Shamsur Rahman as its vice chairman, according to the statement.

The election took place at the 29th annual general meeting of the company—presided over by Shahnaz Rahman, the outgoing chairman of the company—at Lakeshore Hotel in Dhaka.

Shaha has been the managing director of Kumudini



Rajiv Prasad Shaha

Welfare Trust of Bengal (BD) Ltd and Kumudini Pharma Ltd since 2000. He is also a sponsor director of Reliance Insurance.

Shamsur Rahman is a director of Bangladesh Lamps Ltd, Transcom Electronics Ltd,



Shamsur Rahman

Mediastar Ltd, Mediaworld Ltd, ABC Radio, Marina Tea Co Ltd, Monipur Tea Co Ltd and M Rahman Tea Co Ltd.

He is also a sponsor director of Reliance Insurance, according to the statement.

Pubali Bank re-elects top brass

STAR BUSINESS DESK

Habibur Rahman has been re-elected as chairman Pubali Bank, the bank said in a statement yesterday.

The bank also re-elected Fahim Ahmed Faruk Chowdhury and Azizur Rahman as vice chairmen, according to the statement.

Habibur Rahman is a sponsor director of Green Delta Insurance, Delta Hospital and Delta Medical Centre, the bank said.

Faruk Chowdhury is the managing direc-



Habibur Rahman

tor of Chittagong Electric Manufacturing Company Ltd and Rangs FC Properties. He is a former director of Chittagong Chamber of Commerce and Industry and a director of Uro Petro Product Ltd, Delta Medical College and Hospital, Surgiscope Hospital Private Ltd. He holds an MSc degree in business economics.

Azizur Rahman is a director of National Ceramic Industries Ltd and Dressmen Fashionwear Ltd, the bank said.

VAT rate cut likely: Muhith

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He went on to term the phenomenon 'jobless growth'.

"It means that quality investment is not taking place. This is happening because of the non-representative character of the government."

In response, Mannan said the government has taken various reform measures to reduce the cost of doing business and encourage investment.

He said inflation is on the decline, while the supply of commodities has remained stable.

"There is no question of deterioration in the standards of living," Mannan added.

Muhith said the country has made a lot of progress since 2006, the last time that a BNP-led government was in charge.

"How can a person deny that fact? I do not understand," he said, while citing the rural-urban integration as one of the major transformations in the last one decade.

"Now, the rural-urban divide does not prevail," he said, adding that the integration is taking the economy to a new level of development.

Chowdhury said the reforms programmes carried out by the past

BNP-led government were the main factor behind the private sector-led economic growth.

About the mega projects taken up by the present government, he said the costs of the projects have been shown to be higher than in China and Europe.

He alleged that there is a lack of accountability in the government.

The BNP leader said huge sums of funds are siphoned off abroad, and when the names of persons behind the capital flight are searched for, some politicians' names surface.

He also raised the issue of loan scam at banks.

Chowdhury also touched upon the reserve heist at the central bank and said the probe report is yet to be made public despite repeated promises by the finance minister.

At one point, Muhith said it is a matter of regret that politics have taken over the discussion regarding economics.

In reply, Chowdhury said politics and economics go hand in hand.

Muhith, pointing to Chowdhury, said: "Your speech has politics, not economics. Your comments do not reflect reality."

Chowdhury said he used the fig-

ures of the government agencies. "Did I manufacture data?"

Later, Mannan pointing towards Chowdhury said: "You did not have any development philosophy and vision. We have given that to the nation."

Mustafa Jabbar, president of the Bangladesh Association of Software and Information Services, said Bangladesh got the scope to be connected with submarine cable in 1992 but the then BNP government turned down the opportunity.

Muhith, responding to comments from businesses, said the reduction of oil prices would have helped the economy to grow faster. "It was my failure that I could not reduce the oil prices," he added.

Businesses at the event demanded: cuts in the cost of doing business, incentives for entrepreneurs creating jobs, reduction of tax and other barriers to import environment-friendly technologies, protection to domestic industries, development of human resources and increased allocations for education and health in the budget for fiscal 2017-18.

Fruit farmers don't get fair prices

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The combined annual production of hog plums in the three south-western districts is 10,900 tonnes, one-third of the annual national output of 32,194 tonnes.

Official statistics show that the three districts are rich in guava production, churning out 33,985 tonnes a year, which makes up one-sixth of the total annual output of 2.06 lakh tonnes.

Agriculture activist Shykh Seraj

conducted the discussion as part of his annual Krishi Budget Krishoker Budget programme. Finance Minister AMA Muhith and Industries Minister Amir Hossain Amu attended the programme.

In response, both the ministers said the government would help promote the cause of the farmers and provide policy support so farm-based industries develop in the southwest and make the most of the

fruit production.

Farmers also said they do not get good prices for rice. They demanded that the public food procurement schemes buy paddy and rice directly from the growers, not from middlemen.

The farmers also expressed their worries, saying the arable land is increasingly becoming saline and the natural sweet water reservoirs such as rivers and canals are being silted up.



Finance Minister AMA Muhith speaks at a discussion -- Krishi Budget Krishoker Budget (budget for agriculture and farmers) -- on Baukathi Bindubashini High School ground in Jhalakathi recently. Industries Minister Amir Hossain Amu and agriculture activist Shykh Seraj were also present. Story on B1



Abrar A Anwar, CEO of Standard Chartered Bangladesh; Mahtab Uddin Ahmed, CEO of Robi; Yasir Azman, acting CEO of Grameenphone, and Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink, attend the launch of two mobile phone applications by the bank at the Westin hotel in Dhaka on Sunday.

StanChart rolls out apps to expand banking services

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"New customers are more tech-savvy. So, probably 10 years down the line, many people will not come to the banks."

The banker called upon the telecom operators and banks to work together to make banking services more accessible for clients.

"This is the right time to introduce these applications which have features that will make clients' lives easier," said Aditya Mandloi, head of retail banking of SCB.

He said the Good Life app allows customers to get information about their nearest restaurants and shops.

Through the app, clients can access privileged services at over 3,000 outlets in Bangladesh, Singapore, Hong Kong, Malaysia, Thailand, Brunei, the United Arab Emirates, Sri Lanka, Indonesia and

Vietnam.

Mahtab Uddin Ahmed, chief executive of Robi, said the country is going to be cashless, and no one can imagine right now what will happen by 2020.

"Massive changes are happening in the developed world and it will hit Bangladesh as well. In countries such as Japan and South Korea, no one uses even plastic cards; they use their mobile phones to transfer money and buy products," said Ahmed.

Yasir Azman, acting chief executive of Grameenphone, said, "We, as an industry, should push the regulators to come together to create a common platform so that we can work together."

Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink, said 90 percent of brick-and-mortar branches of banks in

Norway have closed in the last five years as banks have gone digital.

"The same is happening in India."

Anwar of SCB said there has not been significant innovation in the banking sector for the last one century. On the other hand, a lot of innovations have taken place in the telecom sector in the last one decade.

"So, collaboration between the two sectors is essential for innovation of the banking sector."

In 2004, Standard Chartered became the first bank in Bangladesh to introduce online banking. It was also the first bank to launch ATMs, debit cards, credit cards, international debit cards and Shariah-compliant credit cards in the country.

Naser Ezaz Bijoy, head of global banking at SCB, also spoke on the occasion.

Private sector credit growth picks up

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Moreover, banks focused on lending to agriculture and small- and medium-sized enterprises to expand their business activities, which also helped in bumping up private sector credit growth.

Retail banking products such as consumer loan and credit card contributed to the higher credit growth, said Ishitique Ahmed Chowdhury, managing director and CEO of Trust Bank.

The BB recently raised the ceiling for credit card and consumer loan, a move that increased the money movement among the clients, he said.

With the view to stimulating consumption in the economy, the central bank doubled the credit card limit to Tk 10 lakh and extended the personal loan ceiling to Tk 5 lakh from Tk 3 lakh.

On the other hand, government borrowing has remained negative, meaning even if the private sector credit growth overshoots the target it will not put pressure on inflation.

"Domestic credit growth will remain within the projected growth due to the negative public sector borrowing," said a senior economist of the BB.

Public sector credit growth stood at 8.93 percent in the negative in March -- way off the target of 16.10 percent set in the monetary policy for the latter half of the fiscal year.

Domestic credit growth stood at 12.18 percent at the end of March -- far below from the target of 16.40 percent.

The recent spike in the taka-dollar exchange rate contributed to the uptick in credit growth as businessmen are making early payment against their letters of credit forecasting further rise, said Golam Hafiz Ahmed, managing director and CEO of NCC Bank.

He also said the demand for SME loans increased due to the lower interest rates, he said.

As of March, the weighted average lending rate stood at 9.7 percent, down from 10.78 percent a year earlier, according to data from the central bank.