

Renewables overtake coal as Germany's main energy source



REUTERS/FILE

Wind turbines are pictured in RWE Offshore-Windpark Nordsee Ost in the North sea, 30 km from Helgoland, Germany.

REUTERS, Frankfurt

Renewables overtook coal as Germany's main source of energy for the first time last year, accounting for just over 40 percent of electricity production, research showed on Thursday.

The shift marks progress as Europe's biggest economy aims for renewables to provide 65 percent of its energy by 2030 in a costly transition as it abandons nuclear power by 2022 and is devising plans for an orderly long-term exit from coal.

The research from the Fraunhofer organisa-

tion of applied science showed that output of solar, wind, biomass and hydroelectric generation units rose 4.3 percent last year to produce 219 terawatt hours (TWh) of electricity. That was out of a total national power production of 542 TWh derived from both green and fossil fuels, of which coal burning accounted for 38 percent.

Green energy's share of Germany's power production has risen from 38.2 percent in 2017 and just 19.1 percent in 2010. Bruno Burger, author of the Fraunhofer study, said it was set to stay above 40 percent this year.

"We will not fall below the 40 percent in 2019 because more renewable installations are being built and weather patterns will not change that dramatically," he said.

Green power sceptics say that output merely reflects favourable weather patterns and does not prove the sector's contribution to secure energy supplies.

Solar power increased by 16 percent to 45.7 TWh due to a prolonged hot summer, while installed capacity expanded by 3.2 gigawatts (GW) to 45.5 GW last year, according to the Fraunhofer data.

The wind power industry produced 111 TWh from combined onshore and offshore capacity of just under 60 GW, constituting 20.4 percent of total German power output.

Wind power was the biggest source of energy after domestically mined brown coal power which accounted for 24.1 percent.

Coal plants run on imported hard coal contributed 75.7 TWh, or 13.9 percent of the total.

Hydropower only accounted for 3.2 percent of power production at 17 TWh, as extreme summer heat dried out rivers and was accompanied by low rainfall. Biomass output contributed 8.3 percent.

Gas-to-power plants accounted for 7.4 percent of the total; nuclear energy for 13.3 percent; with the remainder coming from oil and waste burning.

Germany was a net exporter of 45.6 TWh of power in 2018, mostly to the Netherlands, while importing big volumes from France.

Johnson & Johnson's India sales dip 3pc in 2017-18

REUTERS, New Delhi

Johnson & Johnson's sales in India dipped 3 percent in the year to March 2018, a regulatory filing showed on Thursday, as the US drugmaker grappled with the country's stringent medical device pricing policies.

The company, currently mired in a controversy surrounding the safety of its baby talcum powder, reported overall sales of 58.28 billion rupees (\$829 million) in India for the year, its filing with the country's Ministry of Corporate Affairs shows.

But its after-tax profit for the period rose 18 percent to \$98 million on other income, including foreign exchange gains.

J&J's medical device sales in India have been hit following the federal government's move in 2017 to cap prices of devices such as orthopaedic knee implants to help poor patients.

The restrictions were part of a broader push by India to end what it called "illegal

profiteering" by companies.

The company has recently been in the news after a Reuters investigation found J&J knew for decades that cancer-causing asbestos lurked in its baby powder. The report prompted drug inspectors across India to collect talc samples from J&J facilities for testing.

J&J has said the Reuters article was "one-sided, false and inflammatory", adding that its Baby Powder was "safe and asbestos free".

J&J's Baby Powder is one of the most recognised foreign brands in India. The company leads sales in the Indian baby and child toiletries market, which Euromonitor International estimates was worth \$178 million last year.

J&J's consumer segment in India, which includes baby care products such as soap and talc, recorded sales of 31 billion rupees in the year to March 2018, marginally lower than the previous year, the company's India filing showed.

Indian banks may recover bad loans of Rs 700b by March-end

REUTERS, New Delhi

India's Finance Minister Arun Jaitley said on Thursday commercial banks were likely to recover 700 billion rupees (\$9.95 billion) of bad loans by the end of March, helped by resolution of 12 large cases.

Some of the big cases such as Bhushan

Power and Steel Ltd and Essar Steel India Ltd are in advanced stages of resolution, and are likely to be resolved in this financial year, Jaitley said in a blog post on Facebook.

Lenders have so far recovered 800 billion rupees from the resolution of 66 cases, he added.

Exports rise but fall short of target

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The factory owners in Bangladesh spent over \$3 billion in the last five years for the remediation work to strengthen the workplace safety after the devastating Rana Plaza building collapse in April 2013.

"We are also taking efforts to raise productivity to be more competitive worldwide with the installation of state-of-the-art machinery in factories."

He, however, said the Chattogram port needs to perform better to boost exports.

"Now we have the capacity to produce any quantity of garment items as we have expanded our operations over the years."

He stressed on the need for improving the condition of the roads and highways for smooth transportation of goods.

Apart from garment, shipments of agricultural products like vegetables, tobacco, fruits, spices and dry food, rose by 66.8 percent to \$517.64 million in the period.

Ceramics shipment grew significantly by 157.98 percent to \$50.77 million while furniture export grew by 40.56 percent to \$33.72 million. Also, exports of frozen and

live fish grew by 0.73 percent to \$314.73 million, according to the EPB data.

In the period, businesses sent an increased amount of pharmaceuticals, plastic goods, handicrafts and cotton and cotton products. Exports of man-made filaments and staple fibre, carpets, specialised textiles like terry towel, special woven and knitwear fabrics, home textile, wigs or human hair, headgear or cap and engineering products also increased.

However, leather and leather products' shipment fell by 14.18 percent to \$532.3 million while jute and jute goods' export dropped by 26.66 percent to \$421.02 million. The shipment of leather and leather goods fell as a majority of the tanneries, which have recently been relocated to an estate in Savar, are yet to start operations in full swing, industry insiders said.

Shipments of bed, kitchen and toilet lines fell 4.86 percent to \$265.37 million while footwear shipment also dropped 2.2 percent to \$127.19 million.



PRIME BANK

Md Touhidul Alam Khan, deputy managing director of Prime Bank, and Md Jahangir Alam Khan, managing director of JK Group, attend the signing of an agreement on "Payment Solution through BEFTN". JK Group will be using Bangladesh Electronic Fund Transfer Network (BEFTN) to ensure timely payments to suppliers.

Loan rescheduling soars 30pc

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Trust Bank has rescheduled the default loans as part of the management of its non-performing loans, said Faruq Mainuddin Ahmed, its managing director.

Some businesses who take large loans from banks sometimes fail to pay instalments on time, he said.

"If we do not offer them rescheduling facility they will enter the default zone despite having a good attitude when it comes to business operation," he added.

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GM sold 200,000 electric vehicles in US by 2018

REUTERS, Washington

General Motors Co hit 200,000 total electric vehicles sold in the United States by the end of 2018, reaching a threshold that triggers a phase-out of a \$7,500 federal tax credit over the next 15 months, a person briefed on the matter said Wednesday.

The largest US automaker reached the figure in the fourth quarter of 2018, which means the credit will fall to \$3,750 in April, and then drop to \$1,875 in October for six months. The credit will completely disappear by April 2020. The 200,000 figure covers GM's cumulative EV sales since 2010.

The tax credit is aimed at defraying the cost of electric vehicles that are more expensive than similarly sized internal combustion engine vehicles. In 2009, Congress set the phase-out threshold at 200,000 vehicles per manufacturer.

GM, which said previously it expected to reach the 200,000 sales figure before the end of 2018, declined to comment ahead of the release of its quarterly sales results on Thursday.

GM and Tesla Inc, which hit the 200,000 figure in July 2018, have both lobbied Congress to lift the cap or extend the existing tax credit. Tesla's EV tax credit fell to \$3,750 on Tuesday and Tesla said it was cutting prices on its EVs by \$2,000 to partially offset the lower tax credit.

In March, GM Chief Executive Mary Barra called on Congress to expand the consumer tax credit for electric vehicles as the company boosted production of the EV Bolt in response to consumer demand. She repeated the request last month during a visit to Capitol Hill.

Junk stocks' dominance continues

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"This is a disturbing factor as junk stocks are rising the most," said Faruq Ahmed Siddiqi, a former chairman of the Bangladesh Securities and Exchange Commission.

"It shows gambling is continuing and investors are interested to pour money in these stocks as these give them quick profit," he said, urging investors to be careful about their investment in junk stocks as they are very risky.

The stocks closed broadly higher yesterday on the back of a largely peaceful parliamentary elections, which lifted a cloud of uncertainty that had been weighing on the market.

The DSEX, the benchmark index of the DSE, hit a four-month high. Led by gains by LafargeHolcim Bangladesh, Beximco and United Power Generation.

Chittagong stocks also rose with the bourse's benchmark index, the CSCX, advancing 173.46 points, or 1.70 percent, to finish at 10,367.63.

Gainers beat losers as 237 securities advanced and 26 declined, while 12 finished unchanged on Chittagong Stock Exchange.

The port city bourse traded 1.85 crore shares and mutual fund units worth Tk 32.72 crore.

Pharma and Beximco, the index gained 94.03 points to end the day at 5,590.47.

The DSEX rose 372.46 points in the last 10 days.

Yesterday, Saitam Cotton dominated the turnover chart with 1.22 crore shares worth Tk 33.31 crore changing hands, followed by Beximco, BBS Cables, Paramount Textiles and United Power Generation.

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Textile, finance stocks trading below face value

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The pessimism has spread into the mutual funds sector: Out of the 37 mutual funds, 34 are trading at lower than face value.

It was the textile sector though that traditionally bore the cynicism of investors.

Of the 53 listed textile companies, 11 are trading below face value. The companies are

Alif Manufacturing, C&A Textile, Dacca Dyeing, Delta Spinners, Familytex, Generation Next, Maksons, Moksons Spinning, Metro Spinning, RN Spinning, Tallu Spinning, and

Tung Hai Knitting.

Market insiders said some of the listed textile companies are suffering from lower growth and some of them cursed because of the conditions set by the Accord and the Alliance, the two western buyers' agencies working to improve workplace safety in Bangladesh's garment sector.

Besides, Federal Insurance, Beximco Synthetics, Keya Cosmetics, United Air and BD Service are also trading at lower than Tk 10.

Source tax on exports cut to 0.25pc

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The tax collector will have to log Tk 216,496 crore within the remaining seven months to achieve the collection goal of Tk 296,201 crore of the fiscal year ending in June.

Of the three main sources of tax, collections from income tax grew 10 percent year-on-year to Tk 21,992 crore in July-November of the current fiscal year. Customs logged 6 percent year-

on-year growth in revenue to Tk 26,104 crore in five months to November this fiscal year.

Collection of VAT, the biggest source of revenue from domestic businesses, increased 5 percent year-on-year to Tk 31,635 crore until November of the fiscal year. The July-November collection growth was almost half of the NBR's annual average collection growth, according to NBR data.

The Mongla economic zone is expected to be complete by 2020, according to Chowdhury.

Tanveer Ahmed Mostafa, director of Meghna Group of Industries, and Seth inked the deal on behalf of their respective organisations.



UK services growth drops to two-year low in Brexit 'stasis'

REUTERS, London

Businesses in Britain's dominant services sector reported the slowest sales growth in two years during the final three months of 2018, another sign of a slowing economy ahead of Brexit, the British Chambers of Commerce said on Thursday.

Many retailers had reported difficulties in the run-up to Christmas, but Thursday's findings — from Britain's largest private-sector economic survey — point to a broader slowdown among businesses that rely on consumer spending.

Manufacturers also reported weaker sales growth, and orders slowed across the board before Britain's planned departure from the European Union on March 29.

"The UK economy is in stasis," BCC director general Adam Marshall said. "With little clarity on the trading conditions they'll face in just two months' time, companies are understandably holding back on spending and making big decisions about their futures."