

Economic growth hinges on capacity building

PKSF chairman says while revealing findings of a project on food security

STAR BUSINESS DESK

Economic growth requires capacity building and skills development, Palli Karma-Sahayak Foundation (PKSF) Chairman Qazi Kholiquzzaman Ahmad said.

He spoke at the closing ceremony of its "Food Security 2012 Bangladesh-Ujjibito" project and presentation of the findings of its final evaluation report, at PKSF Bhaban in Dhaka on Sunday.

The project was funded by the European Union and was jointly implemented by PKSF and Local Government Engineering Department (LGED) from November 2013 to April 2019.

Under the project, LGED implemented activities on cash for work and PKSF implemented activities for skills, capacity development and awareness raising of project participants.

Ahmad said Ujjibito has addressed the multidimensional needs of the poor.

"I will call it a significantly successful story and promise to ensure the sustainability of the interventions by Ujjibito for our country's development," he said.

One part of the project, "Ultra Poor Programme (UPP)-Ujjibito", aims at sustainably reducing hunger and poverty in 1,724 unions, including those of Barishal, Khulna and Rajshahi divisions and coastal ones of Lakshimpur, Noakhali, Chattogram and Cox's Bazar, according to a statement.

Various initiatives were taken through 26 partner organisations, helping 183,000



Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation, speaks at the closing ceremony and a presentation of findings of a final evaluation of Ujjibito project at PKSF Bhaban in Dhaka on Sunday.

households to graduate from extreme poverty, according to the evaluation report.

Another 142,000 extreme poor households, comprising women and disadvantaged members, acquired sustainable and decent means of living, sustainable development of health and nutrition and increased social empowerment.

Other programmes of the project include a "1,000-day special health and nutrition

service" for children, an "Ujjibito Adolescent Club" to increase health and social awareness and an "Alor Karkhana" for community-based knowledge sharing.

There was also a disabled-friendly "mobile training system", an "Ujjibito primary and secondary school forum" and an "Ujjibito nutrition village" to raise health and social awareness for children and adolescents.

Samsung launches 'R Series' smart TV

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Samsung Electronics Bangladesh has recently launched an R Series smart television which serves as a personal computer, music system, home cloud and livecast.

"With Samsung's commitment to deliver

the best in class products, we are proud to deliver our most innovative and immersive lineup to date, and to give users more than they ever thought was possible before," said Shahriar Bin Lutfur, head of business, consumer electronics.

Prices vary according to size, ranging from around Tk 57,000 to Tk 4.5 lakh.

Pre- and post-IPO earnings raise questions

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A top official of the Bangladesh Securities and Exchange Commission (BSEC) said they are following disclosure-based IPO, which ensures that companies will reveal all their data.

"It is the responsibility of the auditor and issue manager to check the veracity of the data."

The company may fall into losses after getting listed and the BSEC can do nothing about that, he added.

Ahmed recommended the BSEC take some cases for re-audit to find out whether the sponsors are manipulating and ensuring higher stakes for sponsors.

"When the sponsors sell off their major

shares their interest in the company wanes."

Meanwhile, AB Mirza Azizul Islam, a former chairman of BSEC, yesterday said the real picture of a company's earnings is not reflected during its IPO.

As a result, prices of the stocks remain high after the listing but start to decline within a few years and even fall below the face value, he said at a meeting with Finance Minister AHM Mustafa Kamal at NEC auditorium in the capital where all stakeholders were present.

To prevent this, BSEC, Financial Reporting Council, and the Institute of Chartered Accountants of Bangladesh should work together, he added.

Onion OMS from today

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Onion prices rose 2.4 percent to Tk 58-Tk 70 a kg yesterday from Tk 55-Tk 70 a day earlier, according to market price data compiled by the TCB. Prices of locally grown onion was higher than the imported onion.

Narayan Saha, a wholesaler at Shyambazar, one of the main wholesale markets for onions, said the prices of locally produced onions declined Tk 5 each kilogramme yesterday to Tk 54-55. Prices of imported tuber also fell.

Telcos' data revenue surges

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Alam said the market can definitely grow further, but in order to reap the maximum potential, certain challenges have to be addressed.

A huge challenge for the industry is stemming from the frequent cuts to fibre optic cable connectivity.

"Fibre network is the lifeline of data connectivity and we are prohibited from building this network," Alam told The Daily Star. Three public and two private companies have established the network.

Alam says Robi has the largest 4G network in Bangladesh. It has invested a huge amount after merging with Airtel and already covered all the upazilas with the 4G network.

Low smartphone penetration poses another challenge to data usage growth. About 38 percent of the total mobile

users use smartphones.

"The penetration rate is lower compared to our network coverage growth," he said.

Defying the challenges, a subscriber of Robi used about 1,826 megabytes of data every month in the second quarter, up from 949MB in the same quarter a year ago. Of the 4.79 crore active connections of Robi, 62.8 percent used mobile data in June.

Grameenphone has 3.98 crore data users and they use 1,538MB per month on an average, up from 986MB a month in the second quarter last year.

Banglalink's subscribers used 1,250MB per month at the end of June, double from what they consumed every month in the second quarter last year, according to the operator's quarterly report. Teletalk has never published information about its customers' data

consumption. It has 4G service only in a few big cities and the coverage is still at a very minimum level.

Alam pointed out policy inconsistency and uncertain regulatory regime which is discouraging investment. As a result, data usage is not increasing as expected.

As for example, the Quality of Service Guideline has made it mandatory for operators to provide 7Mbps of speed to 4G subscribers, he said. "But in case of video streaming or other 4G services, a speed of 3Mbps is sufficient for the users to enjoy the services. If we have to ensure 7Mbps speed, each operator will need an additional 10MHz of spectrum every year."

"If the current situation persists, digitalisation will come to a halt and data consumption will not grow further," Alam added.

India's current account under threat if oil surge continues: RBI

REUTERS, Mumbai

India's current account and fiscal deficit could take a hit if oil prices continue to rise after an attack on Saudi Arabian oil facilities over the weekend, the central bank chief said on Monday.

"We should allow a few more days to see how the situation plays out before taking a final view... depending on how long it persists it will have some impact on the current account deficit and further perhaps on the fiscal deficit if it lasts longer," Governor Shaktikanta Das told the CNBC-TV18 news channel.

Das said it was important to see whether alternative sources of supply come up and how soon the installations take to resume operation.

US officials blamed Iran for the attack, which damaged the world's biggest crude oil processing plant and led to a 19 percent surge in oil prices. Iran denied blame and said it was ready for "full-fledged war".

A jump in oil prices is a negative for emerging markets such as India, which is the world's third-biggest importer of oil.

The country's current account deficit in the March quarter narrowed



A policeman stands guard in front of the Reserve Bank of India head office in Mumbai.

on the back of the merchandise trade deficit contraction but a surge in crude prices could balloon the deficit and wreck havoc with the currency.

The partially convertible rupee dropped nearly 1 percent on Monday to 71.60 per dollar versus its previous close of 70.92.

India is also likely to miss its fiscal deficit target for the current financial

year, despite receiving an additional dividend from the central bank, five government officials and advisers told Reuters earlier this month, as tax collections have sunk amid a sharp economic slowdown.

Das said the monetary policy committee would continue to focus on growth with inflation expected to stay within the medium term target.

Special committee to heal stock ills

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"Our prime minister is firm and serious about the listing of the public companies. So, there is none within the government who can change the prime minister's decisions."

Another reason for the market slump is over valuation of some stocks at the time of listing.

"We will work on a fair price for the stocks because if a stock is overpriced it is bound to crash and investors will suffer. The committee will work on

this ground."

The government will remove all the hurdles and challenges to ensure that good companies come to the market, he added.

A lack of good governance in the stock market is another reason for low investor confidence.

"I can assure you that we will maintain good governance and you will not blame us. We will take action against those who commit any offence following the rules and regulations."

The government will win back investor confidence by establishing the rule of law in the stock market.

M Khairul Hossain, chairman of the BSEC; Fazle Kabir, Bangladesh Bank governor; CQK Mustaq Ahmed, chairman of FRC; Md Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue; Md Shafiqur Rahman Patwary, chairman of the Insurance Development and Regulatory Authority, were present at the meeting.

Volkswagen agrees to Australian settlement over diesel cheating

REUTERS, Sydney

Volkswagen said on Monday it had agreed to pay up to \$127 million (\$87.3 million) to settle lawsuits brought on behalf of thousands of Australian customers caught up in its global diesel emissions cheating scandal.

The German automaker said it would pay about \$1,400 each to owners of affected Volkswagen, Audi and Skoda EA189 diesel vehicles who opted into the lawsuit.

"This is a significant step toward fully resolving the diesel lawsuits in Australia," a Sydney-based Volkswagen spokesman said in an emailed statement.

As part of the settlement, which was agreed on a "no-admissions basis", Volkswagen will pay the legal costs of the claimants who filed several class-action lawsuits.

"This is an important step in providing a measure of justice and redress to the thousands of Australian motorists who claim they were financially impacted by the diesel emissions issue," principal lawyer at Maurice Blackburn, Julian Schimmel said.

Rod prices fall on low demand, scrap price slump

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He assumed that the government is not making payments to contractors, who are not buying rods for the development projects as a result.

"We assumed the sale will go up this year like in the last year as the implementation of mega projects is going on in full swing," said Shahidullah, also the managing director of Metrocem Steel. According to him, millers sold 5 lakh tonnes of rod per month last year, but it declined to 4 lakh tonnes so far this year.

The persisting liquidity crisis in the banking sector may continue to pose challenge to the sector, he said.

Bangladesh's rod consumption has been growing at a healthy pace in the last couple of years thanks to higher purchasing power of people in the rural areas and an increase in the number of development projects undertaken by the government.

Annual consumption rose by 15 to 20 percent in the last two years from 10 percent per year previously. Bangladesh today consumes about 55 lakh tonnes of rod a year and has an installed production capacity of 70 lakh tonnes to 90 lakh tonnes.

China aluminium output slips in August amid smelter outages

REUTERS, Beijing

China's primary aluminium output in August fell 0.5 percent from the previous month, according to data released by the National Bureau of Statistics (NBS) on Monday, as unexpected outages at two key smelters dented production.

China, the world's top aluminium producer, churned out 2.97 million tonnes of the metal last month, the data showed.

That was down from 2.984 million tonnes in July, the second-highest monthly total on record, and down 0.3 percent from a year earlier, the bureau said.

According to Reuters calculations based on NBS data, output averaged around 95,800 tonnes per day in August, the lowest daily rate since March, and down from about 96,260 tonnes per day in July.

August saw two incidents hit aluminium production at China's top two private-sector smelters. China Hongqiao Group and Xinfu Group, sending Shanghai aluminium prices well above the 14,000 yuan (\$1,978) a tonne mark often considered a break-even for producers.

Hongqiao's smelting premises in eastern China's Shandong province were hit by flooding over the weekend of Aug. 10 to 11 after Typhoon

Lekima tore through the region, with the company ultimately saying its annual production would decrease by 200,000 tonnes to 300,000 tonnes as a result.

Around one week after the Shandong flooding, Xinfu shut down around 500,000 tonnes of annual smelting capacity at a plant in the northwestern Xinjiang region following an explosion.

In the first eight months of 2019, China produced 23.47 million tonnes of aluminium, up 1.4 percent year-on-year.

The current aluminium price provides an incentive for smelters in China to raise production moving into the fourth quarter but new ramps-up, in southern Guangxi and Yunnan, are proving slower than expected, said Jackie Wang, an aluminium analyst at CRU.

Wang does not expect smelters in northern China to be ordered to cut back production this month ahead of 70th anniversary celebrations of the founding of the People's Republic of China in Beijing on Oct. 1 but does envisage some impact on downstream aluminium-processing plants.

"It's really costly and time-consuming for smelters to shut down and re-open," she said.

Meanwhile, China's production of 10 nonferrous metals - including copper, aluminium, lead, zinc and nickel - in August rose 0.3 percent from July to 4.91 million tonnes, its second-highest on record. That was also up 4.4 percent from a year earlier, the bureau said.



An employee checks aluminium rolls at a warehouse in Zouping county, China.

Govt eyes 300MW rooftop solar power

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Using rooftops of factories 1,000 MW of electricity can easily be generated, he said, adding that the state-owned non-bank financial institution was financing projects for rooftop solar PV for 300 MW. Idcol estimates that generation of 300MW of clean energy would reduce 5.5 million tonnes of carbon dioxide emission in 20 years.

Until now, three firms that installed solar PV on rooftops have started operation, according to Md Enamul Karim Pavel, head of renewable energy of Idcol.

Idcol has also approved loan applications for five projects for industrial rooftop solar PV to produce more than 7MW of electricity.

Factories setting up rooftop solar PV will be able to consume the generated electricity to meet its own demand and channel the surplus to the national grid, Pavel said.

"Stations, junctions and workshops of railway offer great potential," he said, citing preliminary estimate that 100 MW of renewable energy could be produced by utilising rooftops of railways.

Sreda Member Zobair said a meeting took place among top officials of railway ministry, power division and other stakeholders on the issue and the railway ministry suggested piloting rooftop solar PV in two stations.

Bangladesh Railway (BR) last week requested German state-owned development bank KfW that finances investments for energy efficiency and renewable energy in Bangladesh to run feasibility study for installation of rooftop solar PV on its infrastructure, officials said.

"We have no problem if electricity is generated by installing solar panels on rooftops keeping our operation uninterrupted," said Mofazzal Hossain, rail secretary.

He said they asked for Idcol and others for piloting at stations in Gopalganj-Kashiani section to assess the potential of solar electricity. "If the pilot project is successful, we can consider it on a large scale."

BR is a big consumer of electricity and it can install solar panels on its own and can supply additional electricity to the grid. Rooftops of major railway stations and junctions have potential to produce 45 MW of electricity. Workshops and small stations have potential to generate the rest, according to Idcol. It may require investment of Tk 700 crore to install rooftop solar PV at railway and Idcol is keen to provide financing, Pavel said. Solar energy accounts for 60 percent of total installed renewable energy of 589 MW, according to Sreda.