

Star BUSINESS

Shipping lines are showing interest in expanding services to directly connect and quickly transport cargo between Chattogram port and those in China



Story on B4

Review foreign finance carefully: CPD

STAR BUSINESS REPORT

Multilateral development finance (MDF) sometimes brings risk for the receiving countries, for which there should be meticulous reviews for facing the challenges, according to experts.

"MDF is undergoing a significant number of challenges due to policy crisis, geopolitical shifts and ongoing global financial architecture reforms," said Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD).

She was addressing a webinar titled "Launching of the Multilateral Development Finance 2024 Report", jointly organised by the CPD and Organisation for Economic Co-operation and Development (OECD) yesterday.

The report was released globally on September 5.

Multilateral development finance is undergoing challenges due to policy crisis, geopolitical shifts and global financial architecture reforms, said an expert

The OECD data shows that the MDF's share in official development finance has grown from 45 percent in 2012 to 61 percent in 2022, said Fahmida.

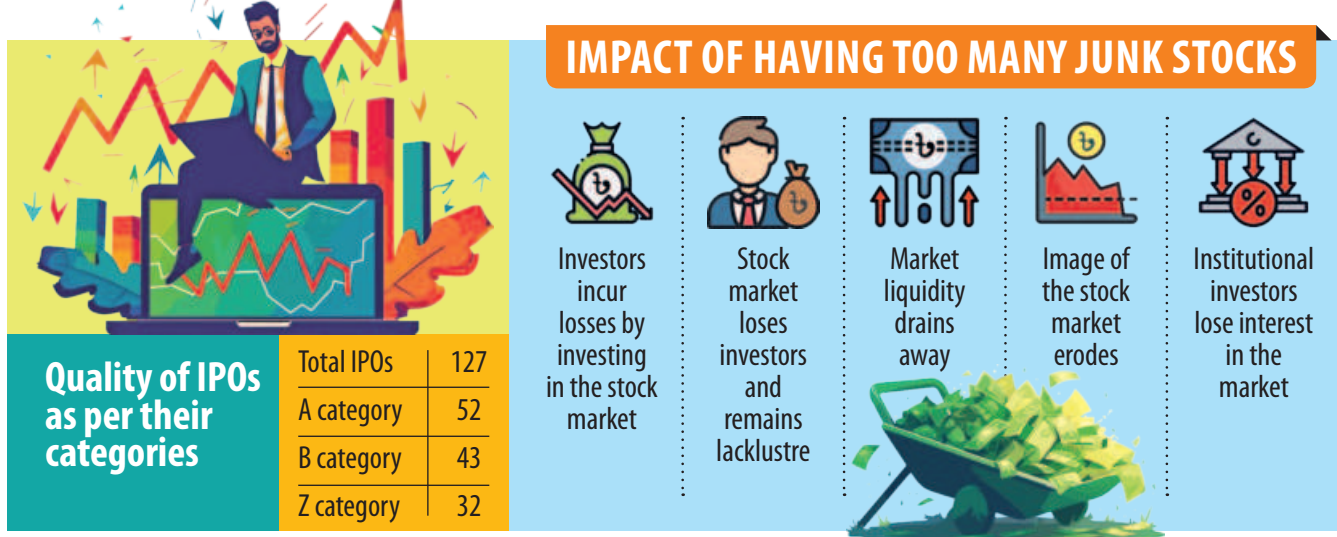
With increasing demand, capabilities of the MDF system and multilateral development banks need to be enhanced, she said.

Donors influence and shape the system's priorities through their allocations, bringing risks for the receiving countries, said Abdoulaye Fabregas, economist, architecture and analysis unit, OECD development co-operation directorate, in a presentation.

He suggested prioritising high impact funding mechanisms and emerging

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IPO approval turned into a recipe for market mischief



AHSAN HABIB

The stock market regulator approved 127 firms for listing in the past 14 years, allowing their transition from private to public companies. However, the subsequent outcomes are disheartening as most of these companies showed declined performance rather than growth.

A significant number of the enlisted firms – roughly one-fourth of the total companies at the bourses – became junk after going public.

This left share market experts to conclude that many of the companies listed during the last 14 years through initial public offerings (IPOs) were actually underperforming.

Of the 127 companies approved in the last 14 years, only 52 remained in the 'A' category, while 43 were downgraded to 'B' and 32 to 'Z'.

In other words, 40 percent of companies maintained their A category status after listing while 60 percent experienced a decline in their categories.

A company paying less than 10 percent annual dividends is classified as 'B' while 'A' category companies must pay at least

10 percent.

A company is downgraded to 'Z' if it fails to declare dividends for two consecutive years.

The 'Z' classification also includes failure to hold regular annual general meetings, production suspension for six months or having a negative retained earnings balance exceeding the company's paid-up capital.



Besides, a company is downgraded to 'Z' if it fails to pay at least 80 percent of the announced dividends.

According to official data, 'Z' category shares in 2011 amounted to around 8 percent of the total issuances while it spiralled to over 10 percent in 2024.

Minhaz Mannan Emon, a former director of the Dhaka Stock Exchange (DSE), said the premier bourse of the country rejected nearly 70 percent of IPO proposals after analysing their

financials, but the Bangladesh Securities and Exchange Commission (BSEC) disregarded these recommendations when granting approvals.

According to Emon, while stock exchanges worldwide usually list companies without any major involvement from market regulators, the BSEC deviated from this norm by taking a more active role in the listing process in Bangladesh.

Many of the companies listed during the past 14 years had relatively insignificant performance, he said. To facilitate their IPOs, these companies often provided undue benefits to top officials of several government agencies.

For example, Matiur Rahman, a former top tax official who made headlines for the extravagant purchase of a sacrificial animal and subsequent job loss, obtained placement shares in several companies without paying a single penny, Emon mentioned referencing multiple media reports.

"This must have negatively impacted these companies," he said.

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Unmet demands fuel labour unrest Say union leaders

STAR BUSINESS REPORT

Holding unmet demands responsible for the latest spell of worker agitation in garment manufacturing belts, labour leaders have called for an immediate implementation of the 18-point demand agreed on at a tripartite meeting last week.

While meeting Labour and Employment Ministry Secretary AHM Shafiquzzaman at the Secretariat yesterday, the union leaders also underscored issues like withdrawing cases against workers over factory vandalism and stopping worker abuses over involvement in agitation for bringing full calm to the local apparel sector.

At the meeting, the labour secretary said most of the demands by the union leaders can be met by December, but some points may take time.

After weeks of labour unrest severely hurting Bangladesh's apparel manufacturing, a tripartite committee comprising factory owners, the government and workers adopted the 18-point demand on September 24.

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Govt revises taskforce on recovering laundered money

STAR BUSINESS REPORT

The interim government yesterday restructured an inter-agency taskforce meant to bring back money that has been illegally taken abroad.

Headed by the Bangladesh Bank governor, the nine-member task force has become operational with immediate effect, said the finance ministry in a notification.

The previous taskforce was headed by the attorney general and formed by the immediate past Awami League government.

The amount of money illegally sent abroad is believed to be over Tk 100,000 crore, said a press statement issued by the office of the chief adviser

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SCULPTING THE FUTURE OF

BANGLADESH



SYNDICATED BLENDED CREDIT FACILITY OF BDT 5,580,000,000

Borrower



Lead Arranger and Agent



Participants















ACI Motors launches Yamaha FZS version 4.0

STAR BUSINESS DESK

ACI Motors Limited, a technical collaboration partner of Yamaha, recently launched a new bike model, the Yamaha FZS version 4.0, in the Bangladesh market at a price of Tk 299,500.

Initially, the bike will be available in six colours and can be purchased with attractive discounts through online pre-booking.

Eishin Chihana, chairman of Yamaha Motor India Group, inaugurated the new bike model at the International Convention City Bashundhara in Dhaka, the automobile company said in a press release.

FH Ansarey, managing director of ACI Motors, and Subrata Ranjan Das, executive director, were present at the launching ceremony.

Powered by a 150cc FI engine, the Yamaha FZS version 4.0 boasts class D headlights with position lamps, an LCD metre, LED flashers and the Yamaha Motorcycle Connect App (Bluetooth connectivity app).

The bike comes with two advanced safety features -- a single-channel ABS braking system and a traction control system, typically seen in sports or higher cubic capacity (cc) motorcycles.

Both features are crucial for ensuring the rider's safety, particularly in Bangladesh's riding conditions.

In 2008, the FZS version 1 was launched in the country, earning widespread popularity due to its stylish design and innovative features. The success of this model led to the release of more bikes in the FZ series, continuing to captivate riders.

Last year, Yamaha Bangladesh introduced the FZS version 3.0 deluxe, which was a huge success.

Since its partnership with ACI Motors in 2016, Yamaha has gained even more popularity among both young and experienced Bangladeshi bikers.

Other high officials from ACI Motors and Yamaha were also present at the inauguration ceremony.



Eishin Chihana, chairman of Yamaha Motor India Group, inaugurates the new bike model of Yamaha FZS version 4.0 for local riders at the International Convention City Bashundhara in the capital recently. FH Ansarey, managing director of ACI Motors, and Subrata Ranjan Das, executive director, were present at the launch of the new bike. PHOTO: ACI MOTORS

MA Kashem made Southeast Bank chairman

STAR BUSINESS DESK



MA Kashem was elected as chairman of Southeast Bank PLC at the bank's 743rd board meeting yesterday.

Kashem is the founder chairman and sponsor director of the bank, said a press release.

He is the chairman of Rose Corner (Pvt) Limited and a member of North South University Trust and a founder life member of North South University Foundation.

He is a former president of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), the apex trade body for all business communities in the country.

He was also chairman of the Arbitration Tribunal of the FBCCI.

Additionally, Kashem is the past chairman of the Association of Private Universities of Bangladesh, which represents all private universities of the country.

He was a member of the board of trustees of Hamdard Laboratories (WAQF) Bangladesh, the leading producer of herbal medicines in the sub-continent for over 17 years.

He was president of SAHIC Trust (Society for Assistance to Hearing Impaired Children), the only voluntary organisation rendering healthcare assistance of the ear, nose and throat services to destitute and poor patients.



Ali Reza Iftakhar, managing director and chief executive officer of Eastern Bank PLC, cuts a ribbon to inaugurate a priority banking centre at its Upashahar branch on Shahjalal Upashahar Road at NK Trade Centre in Sylhet town yesterday. PHOTO: EASTERN BANK

Eastern Bank opens priority banking centre in Sylhet

STAR BUSINESS DESK

Eastern Bank PLC yesterday opened a priority banking centre at its Upashahar branch on Shahjalal Upashahar Road at NK Trade Centre in Sylhet town.

This is the 22nd "Priority Centre" of the bank to offer personalised and world-class banking services to its clients, the bank said in a press release.

Ali Reza Iftakhar, managing director and chief executive officer of the bank,

inaugurated the centre.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at the bank, Syed Zulkar Nayen, head of business, Sarmin Atik, head of liability and wealth management, and Tanzeri Hoque, head of priority and women banking, were present.

Abu Rassel Md Masum, branch area head for Sylhet and Narayangonj of the bank, along with local businessmen and priority customers were also present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 29, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	0	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	-1.87 ↓	7.14 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-2.30 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 151-Tk 155	3.03 ↑	-2.86 ↓
Potato (kg)	Tk 55-Tk 60	2.68 ↑	32.18 ↑
Onion (kg)	Tk 105-Tk 110	-6.52 ↓	30.30 ↑
Egg (4 pcs)	Tk 54-Tk 55	5.83 ↑	11.22 ↑

SOURCE: TCB

Government of the People's Republic of Bangladesh
Office of the Project Director (SE), RHD
Panguchi Bridge Construction Project
RHD Tower, Sarak Bhaban Compound, Tejgaon, Dhaka-1208.
Mob: +8801321-168574
E-mail: pdpanguchi@rhd.gov.bd

Memo No. :35.01.PD.Panguchi.31.08.2024-1243 Date: 29 September 2024
IFP NO: PD/Panguchi Bridge/PQ/2024-25/01
Request for Expression of Interest for Pre-qualification

1. Ministry/Division	Ministry of Road Transport and Bridges/ Road Transport and Highways Division	
2. Agency	Roads and Highways Department	
3. Procuring Entity Name	Project Director, Construction of Panguchi Bridge at Morrelganj over the river Panguchi at 17th km of Signboard-Morrelganj-Rayenda-Sharankhola-Bogi Road (R-773) project.	
4. Procuring Entity Code	Not used at present	
5. Procuring Entity District	Dhaka	
6. Invitation for	Pre-qualification of Tenderers for Construction of Panguchi Bridge at Morrelganj over the river Panguchi including Approach Road, Service Road, River Training Works, Toll Plaza, Axle Weigh Station, Electro-Mechanical and Ancillary Works at 17th km of Signboard-Morrelganj-Rayenda-Sharankhola-Bogi Road (R-773).	
7. Invitation Reference No	35.01.PD.Panguchi.31.08.2024-1243	
8. Date	30 September 2024	
KEY INFORMATION		
9. Procurement Method	Open Tendering Method (International Competitive Bidding)	
FUNDING INFORMATION		
10. Budget and Source of Funds	Government of Bangladesh (GoB) and KFAED Loan	
11. Development Partners (If applicable)	Kuwait Fund for Arab Economic Development (KFAED)	
PARTICULAR INFORMATION		
12. Project Name	Construction of Panguchi Bridge at Morrelganj over the river Panguchi at 17th km of Signboard-Morrelganj-Rayenda-Sharankhola-Bogi Road (R-773) project.	
13. Proposed Tender Package No	PW-01	
14. Proposed Tender Package Name	Pre-qualification of Tenderers for Construction of Panguchi Bridge at Morrelganj over the river Panguchi including Approach Road, Service Road, River Training Works, Toll Plaza, Axle Weigh Station, Electro-Mechanical and Ancillary Works at 17th km of Signboard-Morrelganj-Rayenda-Sharankhola-Bogi Road (R-773).	
15. REOI Pre-qualification Publication Date	Date	Time
16. Pre-qualification Document Last Selling date	11 November 2024	17:00 hrs. (Bangladesh Standard Time)
17. PQ Application Submission Closing Date and Time	12 November 2024	15:00 hrs. (Bangladesh Standard Time)
18. PQ Application Opening Date and Time	12 November 2024	15:00 hrs. (Bangladesh Standard Time)
19. Name & Address of the office(s)	Selling of Pre-qualification Document Office of the Project Director Panguchi Bridge Construction Project. Room-401, Level-3, RHD Tower, Sarak Bhaban Compound, Tejgaon, Dhaka-1208, Bangladesh. Mobile No: +8801321-168574 Email: pdpanguchi@gmail.com	
Receiving of Pre-qualification Document	1. Office of the Project Director, Panguchi Bridge Construction Project. Room-401, Level-3, RHD Tower, Sarak Bhaban Compound, Tejgaon, Dhaka-1208 Bangladesh. Mobile No: +8801321-168574 Email: pdpanguchi@gmail.com	

	2. Kuwait Fund, P.O. Box 2921, Safat, 13030, Kuwait. Email: operations@kuwait-fund.org
Opening of Pre-qualification Document	Office of the Project Director, Panguchi Bridge Construction Project. Room-401, Level-3, RHD Tower, Sarak Bhaban Compound, Tejgaon, Dhaka-1208, Bangladesh Mobile No: +8801321-168574 Email: pdpanguchi@gmail.com
20. Place/Date/Time of Pre-qualification Meeting	Place: Conference Room of the Bridge Management Wing Room-410, Level-4, Part-A Sarak Bhaban, Tejgaon, Dhaka-1208, Bangladesh. Date: 21 October 2024 Time: 14.00 hrs. (BST)
INFORMATION FOR TENDERER	
21. Eligibility of Applicant	Described in details in PQ document, briefly described below- a) Legal status of tenderers like Valid trade license, Tax Identification Number (TIN) with up-to-date Income Tax clearance certificate etc. b) The minimum number of years of general experience of the Applicant in road/highway (combination of road and bridge works or separately bridge works) construction works as Prime Contractor or Management Contractor shall be 10 (Ten) years. c) The minimum specific experience of construction of extra-dosed bridge/cable stayed bridge/suspension bridge at least 1 (one) contact of similar nature over a period of 10 (Ten) years shall be required. d) A satisfactory completion of similar works of at least BDT 8,000.00 million equivalent under a single contract over a period of 10 years shall be required. e) The required average annual construction turnover shall be greater than BDT 8,000.00 million equivalent over the last 5 years. f) The minimum Tender Capacity BDT 10,000.00 million equivalents. g) The minimum amount of liquid assets or working capital or credit lines/facilities of the Applicant shall be BDT 2,500.00 million equivalent.
22. Brief Description of Works	As described in PQ document.
23. Brief Description of Physical Services	None
24. Price of Pre-qualification Document (Non-refundable)	BDT 10,000.00 (Ten Thousand BDT only)
EMPLOYER DETAILS	
25. Name of Official Inviting Application	Md. Shafikul Islam
26. Designation of Official Inviting Application	Project Director (Superintending Engineer, RHD)
27. Address of Official Inviting Application	Panguchi Bridge Construction Project. Room-401, Level-3, RHD Tower, Sarak Bhaban Compound, Tejgaon, Dhaka-1208, Bangladesh.
28. Contact details of Official Inviting Application	Mobile No: +8801321-168574 Email: pdpanguchi@gmail.com
29.	The Procuring Entity reserves the right to reject all the Applications or annul the Application proceeding.

Md. Shafikul Islam
 (ID No. 601938)
 Project Director (SE,CC), RHD
 Panguchi Bridge Construction Project
 RHD Tower, Sarak Bhaban Compound
 Tejgaon, Dhaka-1208.

GD-567



At least 10 shipping lines are currently operating services between Bangladeshi and Chinese ports, either independently or through joint ventures. The photo was taken near Chattogram port recently. PHOTO: RAJIB RAIHAN

Shipping lines getting interested in Bangladesh-China route

DWAIPAYAN BARUA, Ctg

Different shipping lines are showing interest in expanding their services to directly connect and quickly transport cargo between the Chattogram port in Bangladesh and those in China, the biggest source for local imports.

This year, two leading shipping lines have gone for the expansion and resumption of services while a new consortium introduced a direct service.

Bangladesh imported goods worth \$17.8 billion from the world's second-largest economy in fiscal year (FY) 2022-23 while exporting goods worth \$677 million, according to official data.

The previous year it was \$20.87 billion and \$683 million respectively. The trend over the years shows that bilateral trade is heavily tilted toward China.

Stakeholders said directly connecting with Chinese ports reduces transportation time by around 50 percent from what it takes when vessels make stopovers at transshipment ports in Singapore and Malaysia.

At least 10 shipping lines are currently operating several services between Bangladeshi and Chinese ports, either independently or through joint ventures.

In June this year, Mediterranean Shipping Company (MSC), a leading global container shipping line, resumed its Bengal service deploying six vessels.

The vessels connect Ningbo and Chattogram via Shanghai and Qingdao.

In 2022 the MSC had introduced this service in 2022 including the transshipment ports of Singapore and Malaysia. The ships

stopped calling on the Chinese ports after running for a year.

According to the MSC, the ships are now directly coming to the Chattogram port from the Chinese ports whereas on the return voyage, they are connecting Singapore.

AP Moller-Maersk (Maersk) launched a new ocean shipping service named SH3 to facilitate the growing trade volume between China and Bangladesh. It already had three other services -- SH1, SH2 and IA7.

However, only one trip was run. The service was halted for the time being as the volume of goods was too low following political turmoil in Bangladesh in July and August.

Maersk officials hope for the SH3 service to be resumed soon once the country's foreign trade returns to normalcy.

In another move, Singaporean shipping company Pacific International Lines (PIL) formed a consortium with Interasia Lines and SL Shipping to launch a service called China Chittagong Express (CCE) to directly connect the ports of Bangladesh and China.

On the first voyage, vessel Kota Anguun started off from the Ningbo port on August 31 and stopped at Shanghai and Shekou before reaching the Chattogram port on September 16.

It took nine days to travel from Shekou to Chattogram.

Ahsan Habib, head of operations at the PIL, said through this service, goods can be directly transported from China to Chattogram in nine to 15 days as the ships

do not stop at the transshipment ports in Singapore or Malaysia.

Even on the return voyage, the ships would directly sail for Ningbo, he said.

China is a major source for the import of different types of items, including machineries, accessories, commodities as well as raw materials for readymade garment and other industries in Bangladesh.



Around 70 percent of the raw materials of the readymade garment industry are imported from China.

In August, a total of 1.14 lakh twenty-foot equivalent units (TEUs) of import-laden containers and over 8,000 TEUs of empty containers arrived at the Chattogram port.

Muntasir Rubayat, a director of Bangladesh Shipping Agents Association (BSAA), said it was difficult to estimate the exact volume of containerised imports coming directly from China.

A good number of these imports are transported via transshipment ports in Singapore and Malaysia, he said.

According to officials of different shipping lines, close to 60 percent of the total containerised imports bound for Bangladesh comes from China.

They said a good portion of these imports from China are now being transported through direct services offered by different shipping lines.

Data collected from shipping lines show that over 41,000 TEUs of import-laden containers arrived directly from China in August.

Nasir Uddin Chowdhury, chairman of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the direct shipping services between the two countries would significantly benefit garment exporters.

It will take less time for them to receive the imported raw materials, he said.

Since the export oriented RMG sector works under a timeframe, any sort of savings in time in the supply chain would help the sector become more competitive in the global market, he said.

Bangladesh Freight Forwarders Association (BAFFA) Vice President Kharul Alam Suzan said it usually takes at least a month or more for cargo from China to reach Chattogram via the transshipment ports of Singapore and Tanjung Pelepas, where goods often lie idle for more than a week due to congestion.

He, however, said since exports from Bangladesh to China were very low, the shipping services mostly rely on one-way trade.

Why fixing retail prices of chicken and eggs does not work

ABU NAZAM M TANVEER HOSSAIN

Fixing retail prices for essential commodities like chicken and eggs might seem like a straightforward solution to ensure affordability for all consumers. However, in Bangladesh such measures often fall short due to various economic and structural challenges. Understanding the underlying microeconomic principles and market dynamics is essential to grasp why price controls may be ineffective at the national level.

Microeconomics focuses on the supply and demand within individual markets. In a competitive market, the equilibrium price is determined where the supply and demand curves intersect. When a price is fixed below the equilibrium, it can lead to persistent shortages. For basic necessities like chicken and eggs, which are crucial to daily diets, the demand curve tends to be relatively inelastic -- people need them regardless of price fluctuations.

In Bangladesh, the retail price of chicken and eggs often encounters significant pressure due to high demand and constrained supply. The cost of production, which includes feed, labour, and transportation, influences supply. When prices are fixed, it can disrupt the delicate balance between supply and demand, especially when the fixed price does not cover production costs.

Bangladesh's market for chicken and eggs is characterised by high demand due to population growth and dietary preferences. According to recent data, the per capita consumption of eggs in Bangladesh is about 136 per year while chicken consumption is around 1.5 kilogramme. The rapid growth in demand can outpace supply, exacerbating the effects of price controls.

For instance, a report from the Bangladesh Bureau of Statistics indicated that egg production in the country has struggled to keep pace with the increasing demand. Additionally, poultry farmers face challenges such as fluctuating feed prices and disease outbreaks.

When the government imposes a fixed price lower than the cost of production, it can lead to a situation where farmers are unable to cover their costs, leading to reduced production and exacerbating supply shortages.

The Competition Act of 2012 in Bangladesh aims to promote fair competition and prevent anti-competitive practices. The act provides mechanisms to address market abuses such as price fixing by syndicates or cartels. Instead of implementing fixed prices, enforcing this act can be a more effective way to address price manipulation.

The Competition Commission of Bangladesh has the authority to scrutinise market practices and enforce penalties, thereby fostering a more competitive market. This approach can help address the root causes of price inflation rather than imposing ineffective price ceilings.

The Trading Corporation of Bangladesh (TCB) is a government agency that can play a pivotal role in regulating the market indirectly. By directly participating in the market, the TCB can offer essential commodities like eggs at competitive prices, creating pressure on private sellers to adjust their prices. This not only helps stabilise prices, but also provides consumers with access to fair market rates.

For example, if TCB sells eggs at a reasonable price, it can act as a benchmark for private sellers. Moreover, TCB's involvement can increase market transparency and enhance supply chain efficiency, reducing the overall market price indirectly.

Fixing the retail price of chicken and eggs at a national level is fraught with challenges due to the fundamental principles of microeconomics, market dynamics, and structural issues. Instead of imposing fixed prices, leveraging the Competition Act to combat anti-competitive practices and utilising the TCB to create market pressure offer a more sustainable solution. By addressing these issues through these alternative approaches, it is possible to foster a more balanced and efficient market for essential commodities.

The author is a competition regulations expert

India aims to become \$3tn tourism economy by 2047

ANN/THE STATESMAN

As India aims to become a \$3 trillion tourism economy by 2047, it is fast becoming one of the world's most sought-after travel destinations with 14.3 million international tourists in 2022 and \$17.6 billion in revenue.

The country saw 9.2 million foreign tourist arrivals in 2023, signifying a positive post-pandemic revival. The tourism industry showed positive signs of revival post-pandemic with a year-on-year increase of 43.5 percent.

This year, foreign tourist arrivals (FTAs) stood at nearly 47.8 lakh from January to June. In the month of June, foreign tourist arrivals stood at 7,06,045 compared to 6,48,008 in June 2023, registering a growth of 9 percent.

According to the government, despite facing certain challenges along the way, the sector continues to flourish, fueled by various strategic initiatives aimed at enhancing infrastructure, promoting sustainable practices, and enriching the overall visitor experience.

With a commitment to overcoming obstacles and leveraging opportunities, India is well on its way to becoming a leading global travel destination.

According to the Ministry of Tourism, as part of the 'Chalo India' campaign, the first 1,00,000 foreigners coming to India will get their visa on a gratis basis and the government will waive off the visa fee.

The ministry has also launched the Incredible India Content Hub on the revamped Incredible India digital portal, intended for the use of a diverse range of stakeholders, including tour operators, journalists, students, researchers, film makers, authors, influencers, content creators, government officials, and ambassadors.

Nepal dam-building spree powers electric vehicle boom

AFP, Kathmandu

Taxi driver Surendra Parajuli's decision to buy an electric cab would have been unthinkable a decade ago, when chronic power cuts left Nepalis unable to light their homes at night.

But a dam-building spree has led to dirt cheap energy prices in a landlocked Himalayan republic otherwise entirely dependent on fossil fuel imports, meaning the switch has put more money in his pocket.

"It has meant huge savings for me," Parajuli, the proud new owner of a battery-powered and Chinese-made BYD Atto 3, told AFP in the capital Kathmandu.

"It gives 300 kilometres (186 miles) in a single charge and costs me a tenth of what petrol does. And it's environmentally friendly."

Kathmandu is ground zero of an incipient transport revolution set to see the clapped out cars that clog its traffic-snarled streets make way for emissions-free alternatives.

More than 40,000 electric vehicles are on the roads around the mountainous country, according to official estimates -- a small fraction of the 6.2 million motor vehicles currently in service.

But demand is insatiable: more than a

quarter of those vehicles were imported in the 12 months to July, a near-threefold increase from the previous year.

Neighbouring China, now the dominant player in electric vehicles

globally, is supplying nearly 70 percent of the market.

"EVs are genuinely suitable for Nepalis," Yajya Raj Bhatt, a prospective buyer at an electric vehicle motor show, told AFP.



Visitors look at electric vehicles by automaker Tata during Nepal's NADA Auto Show 2024 in Kathmandu. More than 40,000 electric vehicles are on the roads around the mountainous country now. PHOTO: AFP/FILE

"Before, we had to rely on petrol cars, but now we can drive independently."

More than four in five Nepalis did not have access to electricity at the turn of the century, according to the International Energy Agency.

But rapid investment in dams, which generate 99 percent of Nepal's baseload power, has transformed the energy grid since.

Hydropower output has increased fourfold in the past eight years, according to government figures, while 95 percent of the population now has access to electricity.

The country has already signed deals to export surplus power to coal-dependent India and has its sights set on future revenues by raising its current 3,200 megawatts of installed power generation capacity to 30,000 megawatts over the next decade.

Making electricity universal, and universally cheap, has the potential to jumpstart an economy that has historically depended on remittances from Nepalis working abroad.

Kulman Ghising of the Nepal Electricity Authority told AFP that the benefits have already been felt by setting the favourable conditions for widespread electric vehicle adoption.