Pandemic sparks push to keep green energy-access firms switched on

Reuters, *Barcelona*

The coronavirus pandemic roiling the global economy has sparked fears for the emerging off-grid clean energy businesses serving poorer customers from Africa to Asia - but in northern Kenya's Kalobeyei refugee settlement, the lights are staying on.

U.S-based firm Renewvia Energy is running two solar mini-grids in the area, providing power to 600 households of refugees mainly from South Sudan and the local host community, as well as businesses, churches, school and health facilities.

Backed by donor funding from Britain and Germany, the mini-grids are part of a wider push by the Kenyan government to provide all its citizens with modern, affordable and reliable energy by 2022 - eight years ahead of a global deadline.

Renewvia, which already operates 11 mini-grids in sub-Saharan Africa, secured the investment it needed for 10 more such projects in Kenya and Nigeria in February, right before the coronavirus crisis hit, and plans to push ahead with them.

Its founder and CEO Trey Jarrard believes the pandemic will be "a blip for this sector", because electric power is needed to advance other areas of economic development, from health to education and gender equality.

"I think the demand is there," he told the Thomson Reuters Foundation. "We haven't seen much of a difference in terms of how much energy we're selling in the communities we're serving right now." Nearly 550 million Africans without electric power already spend money on dirty energy sources such as kerosene and diesel, or cut down forests for fuel.

Buying power from a solar mini-grid operator would save them both cash and time, Jarrard added. Energy access specialists said the COVID-19 pandemic had demonstrated a hunger for electricity in rural communities to keep health centres functioning, children learning or televisions on for information, especially as workers who lost jobs in cities headed home.

"People are seeing it is an essential service and are willing to pay for it in a crisis," said Leslie Labruto, head of global energy for Acumen, a nonprofit that invests in innovations to tackle poverty.

She pointed to the rapid growth of the off-grid clean energy sector in developing countries, where it has expanded into a market worth about $1.75 billion over the past decade, providing power to 470 million people as well as about 370,000 jobs, many with small, local companies.

REUTERS

An employee of Salpha Energy unboxes a solar panel for home installation in Sagbo-Kodji community, amid concerns over the spread of coronavirus disease in Lagos, Nigeria.

But that growth rate and investment remain too low to reach Sustainable Development Goal 7 (SDG7) to provide clean power to all, including the poorest, by 2030. Now measures to curb the pandemic, including lockdowns, curfews and their economic fallout, have created further challenges for the hundreds of firms providing off-grid power.

"We can't afford to see no sector in a couple of months when companies have gone bankrupt," said Labruto. "We need these companies to achieve SDG7."

Back in March, Acumen began convening companies, investors and industry associations to try to set up a fund to limit the damage if the pandemic meant customers could not pay for energy services, supply chains stalled and investment flows dried up.

The relief fund now is set to launch in July, offering energy access companies in Africa and Asia cheap loans for up to three years to maintain existing services and retain the staff they need to expand in future.

Saudi Aramco cuts hundreds of jobs amid oil market downturn

Reuters, *Dubai*

State oil giant Saudi Aramco started laying off hundreds of employees this month, two sources familiar with the matter said, as global energy companies reduce their workforces in response to the coronavirus crisis.

Like other top oil firms, Aramco has cut capital spending for 2020 after the pandemic brought an unprecedented drop in oil demand and hammered crude prices. Oil majors have cut workforces by 10% to 15% to cuts costs and as part of restructuring plans.

Most of those who lost jobs at Aramco were foreigners, the sources said. One source estimated that 500 people had been laid off, adding that the job losses were mostly based on performance and similar actions took place each year.

Aramco has more than 70,000 employees.

"Aramco is adapting to the highly complex and rapidly changing business environment caused by the COVID-19 pandemic. We constantly review and revisit our operating expenditures where necessary to continue driving operational excellence and profitability," Aramco said in a statement.

"We are not providing information regarding the details of any action at this time, but all our actions are designed to provide us more agility, resilience and competitiveness, with a focus on long-term growth," it said.

Bloomberg was first to report the job cuts. Qatar Petroleum, one of the worlds biggest energy companies, has also laid off foreigners and cut its spending plans to cope with the slump in oil and gas demand which has hit global economies, industry sources have told Reuters.

Kuwait, a key Gulf oil producer, plans to stop hiring foreigners for its oil sector for a year, the Kuwaiti oil minister said this month.

UK tells telcos to stockpile Huawei gear in face of U.S. sanctions

Reuters, *London*

British security officials have told UK telecom operators to ensure they have adequate stockpiles of Huawei equipment due to fears that new U.S. sanctions will disrupt the Chinese firm's ability to maintain critical supplies, according to a letter seen by Reuters.

Britain granted Huawei a limited role in its future 5G networks in January, but Prime Minister Boris Johnson has since come under renewed pressure from Washington and some lawmakers in his own party who say the company's equipment is a security risk. Huawei has repeatedly denied the allegations.

Officials at the National Cyber Security Centre (NCSC) are now studying the impact of U.S. measures announced in May, which are intended to restrict Huawei's ability to source the advanced microchips needed to produce its 5G equipment and flagship smartphones.

Senior NCSC officials wrote to operators including Britain's BT Group and Vodafone last week, said three people familiar with the matter, telling them to maintain adequate supplies of spare parts from all manufacturers.

But the letter also emphasised the increased risk to Huawei's equipment and its future ability to provide updates for those products in the face of U.S. pressure.

"Ensuring that products and components are kept up-to-date is essential to maintaining the security of networks," the letter said. "Escalating U.S. action against Huawei may affect its ability to provide updates for products containing U.S. technology."

An NCSC spokeswoman said: "The NCSC has provided operators with a series of precautionary steps we recommend they take while we carefully consider the impact these sanctions have on the UK's networks."

Huawei Vice President Victor Zhang said: "Our customers are our number one priority and we are working with them to ensure business continuity. We strongly oppose politically-motivated actions by the US that are designed to damage our business and are not based on evidence."

BT and Vodafone declined to comment.

Britain designated Huawei a "high-risk vendor" in January, capping its 5G involvement at a 35% market share and excluding it from the data-heavy core of the network.

Officials now say they are reviewing the specific guidance on how Huawei equipment should be deployed in order to best secure UK networks and are considering a range of options. A decision is due in the coming weeks.

Any move by London to further restrict Huawei or bar the company completely would strain relations with China, which have grown tense in recent months over Beijing's handling of the situation in Hong Kong and the COVID-19 pandemic.

New Development Bank provides S Africa with $1b COVID-19 loan

Reuters, *Cape Town*

The New Development Bank established by the BRICS group of emerging nations has approved a $1 billion COVID-19 emergency loan to South Africa to help reduce the socio-economic impacts of the pandemic, the National Treasury said on Saturday.

South Africa was already in recession before the pandemic wreaked further havoc in Africa's most industrialised economy.

"The COVID-19 emergency program loan to South Africa will be provided in response to the urgent request and immediate financing needs of the South African government," the Treasury said in a statement.

Finance minister Tito Mboweni is expected to unveil an emergency budget with major changes to spending and revenue forecasts in parliament on Wednesday.

The government this week further relaxed two months of tough restrictions as it looks to support the economy.

After detecting its first case in March, infections and deaths have spread across South Africa. As of Friday the country had 87,715 confirmed COVID-19 cases and 1,831 deaths.

Brazil, Russia, India, China and South Africa are members of the New Development Bank.

Frozen food exporters demand cut in corporate tax

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During June, his peak time for sales, Das ships up to 12 containers of shrimp. This is dThis June however Das can at most expect to ship seven containers due to the 30 per cent fall in demand in western countries.

For the last five years, the total value of his shipments ranged between Tk 101 crore and Tk 108 crore annually.

At this rate, the company might be able to make a little more than half of his usual export earnings at Tk 70 crore through shrimp and other fish by the end of the year, Das said.

Similarly, Md Jalal Uddin, director and chief executive officer of Crimson Rosella Seafood, said when Italy was ravaged by Covid-19 earlier this year, exports to the European nation fell sharply.

"We need bank support now. The banks are not providing loans from the stimulus packages without collateral," Uddin said, adding that since exports in this sector were on the rebound, exporters and producers need financial support in order to grab the market even during this time of crisis.

"During the March-April period, 90 per cent of our orders were cancelled," said Md Rezaul Hoque, managing director of Modern Seafood.

In most cases, buyers asked for big discounts on previously shipped consignments or wanted to return the goods during that time.

Making matters worse, farmers and exporters in Khulna and Satkhira have been counting their losses following the damage caused by cyclone Amphan amid the slump in demand, Hoque said.

Typically, Modern Seafood exports about Tk 320 crore-worth shrimp each year. This year however, the company would be happy if it makes half of that.

Modern Seafood has already lost Tk 25 crore in order cancellations while the company's single fish farm in Khulna was badly damaged by last month's cyclone.

"I am trying to revive my business by exporting smaller sized shrimp. I hope business returns to normal soon as buyers are now responding to my calls," Hoque told The Daily Star over phone.

The industry now requires government support to face the coronavirus fallout.

"Primarily, we want a reduction of corporate tax from the proposed 32.5 per cent to 15 per cent," said Kazi Belayet Hossain, president of Bangladesh Frozen Foods Exporters Association.

Source tax should also be slashed from the proposed 0.50 per cent to 0.25 per cent, he added.

Hossain also asked the government to make securing disbursements from the stimulus package an easy process so that exporters can cope with the low demand and even lower export.

In some cases, buyers repurchase the returned consignments but at discounted prices, Hossain said.

Budget failed to meet expectations: analysts

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Withdrawal of the VAT on the internet would accelerate economic activities and offset the losses of revenue, said Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services.

Kamran T Rahman, president of the Bangladesh Employers' Federation, demanded faster disbursement of the stimulus packages so that businesses can reopen and create jobs and demand.

He said domestic demand should be created. "If it is done, we will be able to retain jobs and create jobs," he said, suggesting inclusion of returnee migrant workers into non-farm sectors.

"All efforts will go in vain if plans are done ignoring the issues of healthy living of people," said MH Choudhury Lelin, chairman of the Health and Hope Hospital.

Maleka Banu, general secretary of the Bangladesh Mahila Parishad, said problems faced by women exacerbated during the pandemic.

"A large number of women from garments, returnee migrants and small women entrepreneurs are losing jobs. We had expected that there would be specific initiatives to address their issues in the budget. But we have not seen any specific step," she said.

CPD Executive Director Fahmida Khatun moderated the dialogue.

Sayema H Bidisha, professor of the department of economics at the University of Dhaka; Ferdaus Ara Begum, chief executive of the Business Initiative Leading Development; Jalal Ahmed, a former additional secretary of the finance ministry; KM Enamul Hoque, deputy director of the Campaign for Popular Education, and Nazmul Ahsan, manager of the A4I Project of ActionAid Bangladesh, also spoke.

Telcos in a tight spot

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"We issued new numbers to make up for the dip in sales but due to the lockdown, our retailers can't open their shops while distributors can't deliver the products. That's why our new connections remain unsold," said a senior executive of a reputed carrier requesting anonymity.

During the government announced nationwide closure from March 26 to May 30 to control the spread of coronavirus, all economic activities were shut down, leading to massive losses for most businesses.

Even with the 'general holiday' having since ended, the number of coronavirus cases continues to rise in Bangladesh, forcing the government to extend lockdown procedures in severely affected zones while keeping social distancing guidelines in place.

And with customers remaining at home to protect themselves from infection, many users failed to recharge their accounts and subsequently had their connections cut off, said Shahed Alam, head of corporate and regulatory officer for Robi.

Robi believes the number of customers would bounce back to normal after the end of the lockdown. However, a new phenomenon emerged following the 5 per cent hike in supplementary duty for all mobile services.

"Users now restrict the amount of money they recharge into their accounts. This has become another pressure for us," Alam said.

The number of active connections dropped from 16.53 crore in March to 16.29 crore in April, according to BTRC data published on Friday.

To calculate the number of active customers, the BTRC rules state that if any SIM is not used for at least once in a 90-day period, it will be considered unused or inactive.

In April, the number of active voice connections lost by Grameenphone, Robi, Banglalink and the state-owned Teletalk were 9.7 lakh, 8.7 lakh, 4.9 lakh and 73,000 respectively.

Although the carriers have endured a declining trend for active connections for a few months now due to regulatory issues, the combined total number of users slumped drastically from 7.65 crore at the end of January to 7.44 crore as of April.

By the end of the month, Robi was left with 4.88 crore active voice service users despite being close to the 5 crore landmark back in March. Meanwhile, the number of customers for Banglalink stands at 3.49 crore and Teletalk 48.40 lakh.

Similarly, the number of active internet connections declined from 10.33 crore in March to 10.12 crore in April.

By the end of April, there were a total of 9.31 crore active mobile internet subscribers, 2,000 WiMAX users and 80.84 lakh broadband service users.

Sales of savings tools nosedive

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The government has set a target to mobilise Tk 17,000 crore, or about $2 billion, in budget support from development partners in fiscal 2020-21.

In order to modernise the management system of NSC transactions, the National Savings Scheme Online Management System has been introduced in the current fiscal year at the initiative of the finance division.

Accordingly, the sale, profit and encashment of NSCs have been digitised.

Besides, the postal savings scheme and the postal banking system have also been automated.

MIDLAND BANK

Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, launches the bank's two new products–MDB e-Saver and MDB Saalam e-Saver—as part of a programme to celebrate its seventh anniversary at the bank's head office in Dhaka yesterday.

RUNNER GROUP

Amid Sakif Khan, marketing director of Runner Group, launches three new models under its flagship brand Runner Motorcycles: Knight Rider 150 v2, Bullet 100 v2 and Skooty 110. The company unveiled the two-wheelers through a live session for its Facebook page held in its headquarters in Dhaka on June 15.