

France working on energy contingency

REUTERS, Paris

France is working on energy contingency plans because of cuts to gas flows from Russia which have hit the European market but it has not yet had to put them into action, Finance Minister Bruno Le Maire said on Monday.

Le Maire said talks were already underway on the issue with French Energy Minister Agnes Pannier-Runacher, although details had still to be finalised. Russia has reduced gas flows to a dozen European countries in response to unprecedented EU sanctions imposed on Moscow over its invasion of Ukraine.

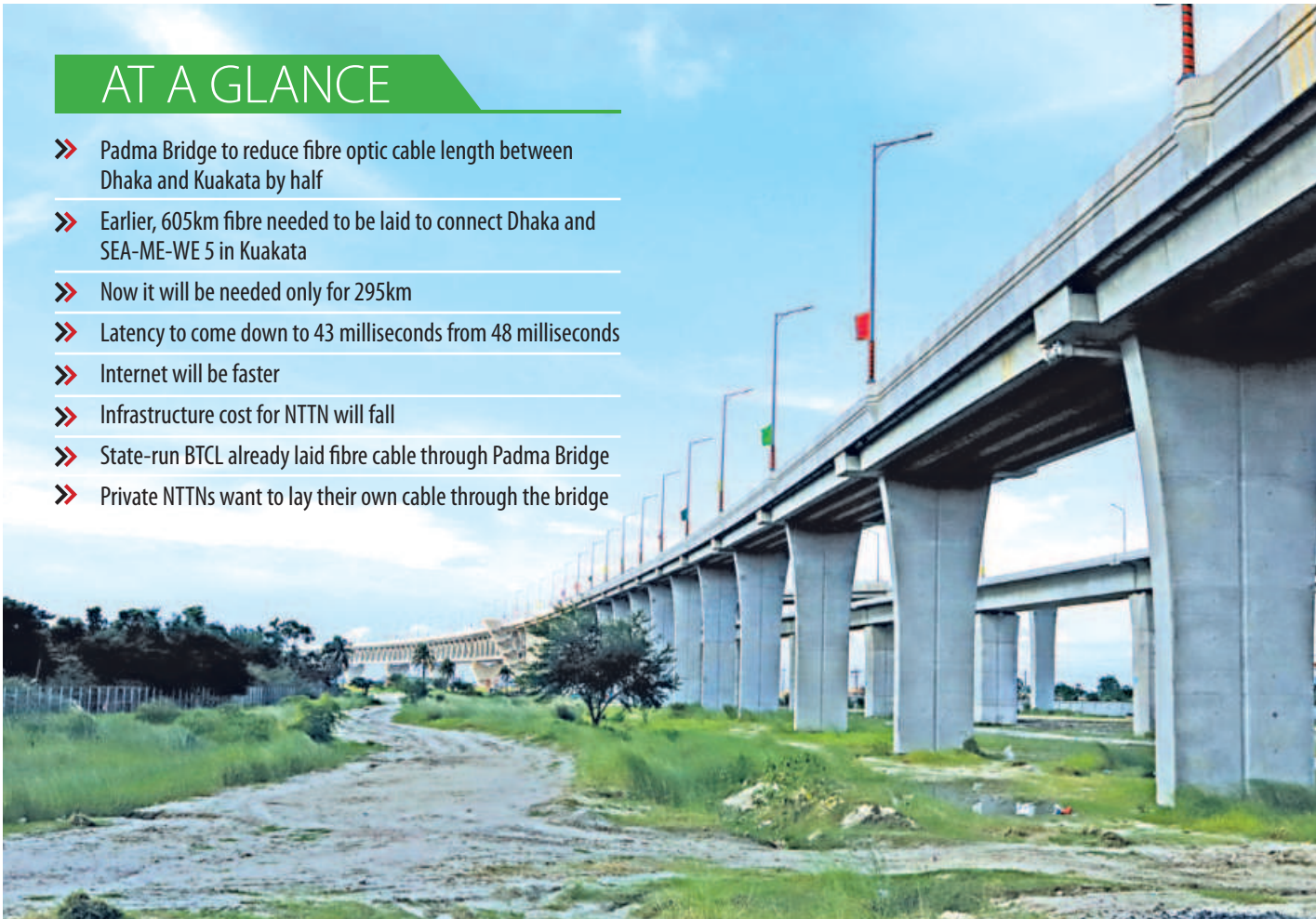
“(...) We will determine which companies are of the most strategic importance, namely those for whom we can allow gas to be cut off and those for whom we cannot allow any cuts,” Le Maire told RMC Radio.

Last week European Union leaders agreed to boost preparations for further cuts in Russian gas, accusing Moscow of “weaponising” energy via a supply squeeze which Germany warned could partly shut its industry.

French Finance Minister Bruno Le Maire on Monday also said that he backed calls by the heads of France’s top energy companies for individuals and businesses to limit power consumption immediately to prepare for a looming energy crisis.

“We need to work collectively to reduce our consumption in order to regain room to manoeuvre,” the chief executives of Engie, EDF and TotalEnergies said in an open letter published by weekly newspaper Journal du Dimanche.

The letter signed by Engie’s Catherine MacGregor, EDF’s Jean-Bernard Levy and TotalEnergies’ Patrick Pouyanné cited sharp declines in Russian gas shipments as well as limited electricity generation because of maintenance issues.



AT A GLANCE

- Padma Bridge to reduce fibre optic cable length between Dhaka and Kuakata by half
- Earlier, 605km fibre needed to be laid to connect Dhaka and SEA-ME-WE 5 in Kuakata
- Now it will be needed only for 295km
- Latency to come down to 43 milliseconds from 48 milliseconds
- Internet will be faster
- Infrastructure cost for NTTN will fall
- State-run BTCL already laid fibre cable through Padma Bridge
- Private NTTNs want to lay their own cable through the bridge

Padma Bridge to ensure faster internet

MAHMUDUL HASAN

Internet users in Dhaka are set to get faster bandwidth thanks to Padma Bridge as the Bangladesh Telecommunications Company Limited (BTCL) has laid fibre-optic cables on its lower deck to reduce the time taken for data to travel between the capital and submarine cable landing station in Kuakata.

Previously, Nationwide Telecommunication Transmission Network (NTTN) companies, which are end-to-end infrastructure providers that build fibre-optic networks, had to laid about 605 kilometres (km) of fibre-optic cables to connect Dhaka with the country’s second submarine cable.

But now, the distance is only 295 km, according to BTCL Managing Director Md Rafiqul Matin.

The state-run company laid the fibre-optic cable on the lower deck of Padma Bridge, which houses a rail line, gas transmission pipeline and power transmission lines as well, ahead of its inauguration on June 25.

As such, the latency of data transfers between Dhaka and Singapore will fall to 43 milliseconds from 48 milliseconds at present as a result of the new network, according to Telecom Minister Mustafa Jabbar.

“So, customers will get faster speed.”

Jabbar went on to say the resulting reduction in infrastructure maintenance costs will also ultimately benefit end users.

“We kept eight ducts with 63-millimeter diameters for different utility connections, including fibre-optic cables, along the Padma Bridge rail line,” said Md Kamruzzaman, deputy director (technical) of the Padma Multipurpose Bridge project.

Dhaka is currently connected with the second submarine cable via Madaripur, Faridpur, Magura, Kushtia, Pabna, Sirajganj, Tangail and Gazipur.

But with the completion of Padma Bridge, the data transmission can take place through the bridge via Kuakata and Madaripur to Dhaka.

As of this March, the state-run Bangladesh Submarine Cable Company Ltd (BSCCL) supplied a total of 1,400 Gbps through the country’s second undersea cable, South East Asia-Middle East-Western Europe 5 (SEA-ME-WE 5), which lands in Kuakata.

The connection of the second undersea cable with Bangladesh was established in 2017. According to BTCL Managing Director Matin, they receive 250Gbps of bandwidth from the second submarine cable while the BSCCL supplies the rest to the private NTTNs.

However, private NTTNs are now demanding they be allowed to lay their own fibre-optic cables on the bridge.

Sumon Ahmed Sabir, chief technology officer at Fiber@Home, said if private NTTNs get the permission to lay their cables on Padma Bridge, a large number of internet users will get faster internet speed.

“We have already sought permission in this regard and are now waiting for approval,” he added.

Regarding the demand of private NTTNs, the telecom minister said the decision is up to the bridge authority.

Internet usage surged to 3,440 Gbps in March this year, up from 1,000 Gbps before the pandemic, according to the Bangladesh Telecommunication Regulatory Commission.

About 650 Gbps is supplied by the BSCCL through the South East Asia-Middle East-Western Europe 4 (SEA-ME-WE 4) consortium, the first undersea cable with which Bangladesh was connected in 2006.

The BSCCL is set to receive 13,200 Gbps from the third submarine cable, SEA-ME-WE 6, in 2025.

Beginning construction in November 2014 and opening on June 26 this year, the 6.15 km steel truss bridge will connect 21 districts in the southwestern region to the rest of Bangladesh.

Built at a cost of nearly Tk 30,200 crore, the bridge is expected to spur the country’s economic growth through increased connectivity and economic activities.

China’s industrial profits fall again

REUTERS, Beijing

Profits at China’s industrial firms shrank at a slower pace in May following a sharp fall in April, as activity in major manufacturing hubs resumed, but Covid-19 restrictions still weighed on factory production and squeezed factory margins.

Profits fell 6.5 per cent from a year earlier, less than the 8.5 per cent decline in April, according to data released by the National Bureau of Statistics (NBS) on Monday.

May’s improvement was driven by surging profits in the coal mining and oil and gas extraction sectors, as the Russia-Ukraine war sparked a rally in global commodity prices.

However, profits in the manufacturing sector dropped 18.5 per cent in May as equipment manufacturing improved significantly, Zhu Hong, senior NBS statistician, said in a statement. April profits were down a sharper 22.4 per cent.

“Overall, the performance of industrial firms has shown some positive changes, but it should be noted that the year-on-year growth of industrial profits continued to fall, with rising cost pressure and difficulties in production and operation,” Zhu said, adding that the foundation for recovery was not firm.

With production gradually improving from last month, the profit declines of industrial firms in Covid-hit Shanghai, eastern province of Jiangsu and northeastern provinces of Jilin and Liaoning all narrowed by more than 20 percentage points, Zhu said.

Google hit with Danish antitrust complaint

REUTERS, Brussels

Google was hit with an antitrust complaint on Monday after a Danish online job-search rival took its grievance to EU regulators, alleging the Alphabet unit had unfairly favoured its own job search service.

The complaint could accelerate EU antitrust chief Margrethe Vestager’s scrutiny of the service, Google for Jobs, three years after it first came under her microscope. Since then the EU has taken no specific action relating to the online job-search sector. The European Commission and Google did not immediately respond to requests for comment sent out of office hours.

Google, which has been fined more than 8 billion euros (\$8.4 billion) by Vestager in recent years for various anti-competitive practices, has previously said it made changes in Europe after complaints from online job-search rivals.

Launched in Europe in 2018, Google for Jobs triggered criticism from 23 online job-search websites in 2019. They said they had lost market share after the online search giant had allegedly used its market power to push its new service.

Google’s service links to postings aggregated from many employers, allowing candidates to filter, save and get alerts about openings, though they must go elsewhere to apply. Google places a large widget for the tool at the top of results for ordinary web searches.

Forex market volatility deepens

FROM PAGE B1

rate was a good tool to keep the foreign exchange market stable.

“So, the central bank should follow the method in the interest of the market,” he said.

Emranul Huq, managing director of Dhaka Bank, said the foreign exchange market was still facing pressure due to the inadequate remittance inflow and high demand for imports.

Besides, the foreign exchange market is not fully active now, which also widened the woes of lenders, he said.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said the central bank was now unable to independently draw up the monetary policy, which was why it was difficult for the BB to allow a floating exchange rate.

If the lending interest rate cap of 9 per cent can be withdrawn, the central bank will get room to

manoeuvre its way out from the ongoing exchange rate crisis, he said.

Bangladesh Bank can impose a ceiling on the inter-bank exchange rate if it does not draw up a monetary policy independently, he added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said exporters were not that much willing to sell their dollars on hopes that the exchange rate of the taka would fall soon.

Many banks are now unable to settle their import bills on time due to the shortage of the dollar, he said.

In such a situation, this will increase the letters of credit confirmation charge, he said.

If the LC confirmation charge increases by 50 basis points, the country’s banking sector will have to spend an addition of \$500 to \$700 million per year, Mansur said.

The central bank should do away with the ongoing

uncertainty prevailing in the foreign exchange market such that exporters sell their dollars to banks without any hesitation.

Contacted, Md Serajul Islam, spokesperson of the BB, said the central bank was now using different tools, including injection of the dollar almost every day.

“The BB is doing everything so as to keep the market stable,” he said.

NBFIs asked again to form

FROM PAGE B1

addressing the complaints.

If any NBFIs requires more time than stipulated to resolve complaints, it will have to give updates to this end to customers.

The names of officials assigned for resolving complaints will have to be displayed at suitable spots of branches and regional and head offices of the NBFIs so that clients can easily communicate with them.

passenger trains for transporting mangoes.

Without hearing out the locals, the railway authorities introduced a full train and incurred losses, said Sujauddin Chhoton, a senior journalist.

“Railway authorities had two years of experience incurring losses from the mango train service and yet they commenced it this year,” he said.

India’s electricity shortages ease

REUTERS, London

India’s electricity shortages have eased over the last six weeks as renewables generation has increased seasonally and relieved some of the pressure on coal-fired units short of fuel.

In a sign of reduced stress on the network, frequency averaged 50.00 cycles per second (hertz) in May, exactly in line with the operational target, up from just 49.93 Hz in April.

Frequency fell below the minimum threshold of 49.90 Hz just 9.8 per cent of the time in May compared with 32.0 per cent of the time in April, data from the Power System Operation Corporation of India (POSOCO) showed.

Below-target and falling frequency is a sign that consumption is exceeding generation, causing rotating generators to lose momentum, while above-target and rising frequency signals the opposite.

Grid stability improved even though it supplied a record 136 billion kilowatt-hours (kWh) in May up from 133 billion kWh in April and 110 billion kWh in the same month a year earlier.

Seasonal increases from hydropower and wind played a critical role improving generation availability and easing the severe power shortages and blackouts evident in March and April.

Wind farms added an extra 6 billion kWh in May compared with March and April while hydro generators added an extra 1-2 billion kWh.

Renewables supplied 23 per cent of system-wide electricity demand in May up from 18 per cent in March and April. As a result, coal-fired, gas-fired and nuclear generators were called on to supply 3-4 billion kWh fewer in May compared with March and April.

Garment export

FROM PAGE B1

investment management and financial services firm, places the US recession odds for the next 12 months at around 35 per cent, according to Reuters.

Citigroup forecasts a near 50 per cent probability of global recession.

In a Senate hearing on Wednesday, US Federal Reserve Chair Jerome

Powell acknowledged that a recession is possible as the Fed pushes borrowing costs steadily higher.

As the possibility of a recession rises, more and more people will choose to cut back on their consumption to keep their head above the water, bringing more bad news for Bangladesh’s garment exporters.

Food export bans risk fueling inflation

REUTERS, Mumbai/Buenos Aires/London

It only took 24 hours last month for Prime Minister Narendra Modi’s government in India – the world’s second-largest producer of wheat – to shelve its plans to “feed the world”.

In April, Modi had said publicly that the world’s most populous democracy was ready to fill part of the gap left by Ukraine in global grains markets by increasing its wheat exports, following five consecutive record harvests. India traditionally exports only a modest amount of wheat, retaining most of its crop for domestic consumption.

On May 12, India’s Ministry of Commerce & Industry said it was preparing to send delegations to nine countries to export a record 10 million tonnes of wheat this fiscal year – sharply up the previous season. But a barrage of alarming data changed all that.

First came a downward revision to India’s wheat crop in early May as a sudden heatwave hammered yields. Then data on May 12 showed inflation in the nation of 1.4 billion had jumped to a near eight-year high due to higher food and fuel prices, driven by the Ukraine war.

Alarmed by rising inflation, which had contributed to toppling the previous Congress party government in 2014, Modi’s office told the Ministry of Commerce on May 13 to put the “brakes on” wheat exports immediately, according to one government official, who asked not to be identified because of the sensitivity of the issue.

“This (inflation data) prompted the government to issue an order at midnight” imposing a ban on wheat exports, said a second source.

News of the ban by India, which is the only major wheat exporter at that time of year, drove Chicago wheat futures 6 per cent higher after markets reopened on Monday.

Neither Modi’s office nor the Ministry of Commerce responded to a request for

comment.

India is one of at least 19 countries that have introduced food export restrictions since the war in Ukraine sent prices soaring, hampering international trade flows for several agricultural products and sparking violent protests in some developing nations.

From Delhi to Kuala Lumpur, Buenos Aires to Belgrade, governments imposed restrictions, at a time when the economic damage caused by the Covid-19 pandemic, combined with factors such as extreme weather and supply chain bottlenecks, had already driven hunger across the globe to unprecedented levels.

The UN World Food Programme (WFP) said in April the number of people facing acute food insecurity – when their inability to consume adequate food puts their lives or livelihoods in danger – had already more than doubled since 2019 to 276 million in the 81 countries in which it operates, before the Ukraine conflict began.

The war – which disrupted exports from Russia and Ukraine, two agricultural powerhouses – was forecast to increase that number by at least 33 million, mostly in sub-Saharan Africa, it forecast.

Under World Trade Organization rules, members can impose export prohibitions or restrictions of foodstuffs or other products if they are temporary and required to relieve “critical shortages”. India’s Commerce Minister Piyush Goyal told Reuters last month he had been in contact with the WTO and the International Monetary Fund (IMF) to explain that India needed to prioritise its own food security, stabilize domestic prices and protect against hoarding, read more

But export restrictions risk worsening the rise in global food prices; producing a domino effect as a deepening crisis prompts other countries to take similar steps, said Michele Ruta, the lead economist in the Macroeconomics, Trade & Investment Global Practice of the World Bank Group.