Star BUSINESS

286 ISPs to be disconnected

MAHMUDUL HASAN

The telecom regulator has recently directed International Internet Gateway (IIG) service providers to disconnect bandwidth connections of 286 internet service providers (ISP) for not converting their licences in accordance with guidelines.

According to the regulatory and licencing guidelines for internet service providers (ISP) of Bangladesh published in December 2020, the existing ISP licensees had to convert their existing licences to four new categories by December 2021.

However, Bangladesh Telecommunication Regulatory Commission (BTRC) in a letter to the IIG service providers, said the 286 had not converted their licences to the new categories.

BTRC said the ISPs had not converted their licences into new categories as per rules

The telecom regulator also warned that if the IIG service providers provided any new connection to the 286, legal steps would be taken as per the telecom act.

An IIG serves as an internet gateway for routing international incoming and outgoing internet-based data traffic.

The new categories are nationwide ISP licence, divisional ISP licence, district ISP licence and upazila/thana ISP licence.

Md Emdadul Hoque, president of the Internet Service Providers Association of Bangladesh (ISPAB), said over 40 per cent of the 286 now either do not operate or operate on a very limited scale.

"We have informed all of the members for conversion of licences but they didn't do it," he said.

He said the regulatory action was duly being taken against ignorance and negligence.

"The regulator has given enough time, so we (association) have nothing to say on it," he added.

Moshiur Rahman, chief marketing officer at Fiber@home, an IIG operator, said they have already taken action after receiving a directive from the BTRC.

Employees of a workshop specialising in lathe machines pass idle times playing ludo on a mobile phone for a power outage despite having work to complete before Eid. The photo was taken on Sher-e-Bangla Road in Khulna city yesterday. PHOTO: HABIBUR RAHMAN

Gas shortage, power cuts hit factories

REFAYET ULLAH MIRDHA *and* SOHEL PARVEZ

A deepening energy crisis is hitting industries in Bangladesh hard, forcing them to cut production by as much as 50 per cent as escalated import bills have forced the country to lower gas purchase from international sources.

Compared to May 2021, there has been 65 per cent increase in fuel price in May this year, according to the budget document of the government.

Similarly, liquified natural gas (LNG) prices have hit record levels internationally, fueled by higher energy prices in the global markets exacerbated by the Russia-Ukraine war.

Since the government has decided, for the time being, not to buy LNG from the international spot market, gas supply has fallen since June 30 amid lower domestic production.

This has hit the generation of electricity in a country where power production accounts for around 70 per cent of the total gas consumption.

As a result, the industries and businesses in Bangladesh are in trouble since production halved while the cost of production is rising.

"We have suggested the government enforce load-shedding to save energy bills but the supply should be given to industries on a priority basis," said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

"But the load-shedding and gas crisis are taking place across the industries. As a result, businesses are incurring losses amid the production fall."

Consumers, individuals, industries and businesses alike, have been enduring severe power cuts for the last few days as electricity production was hampered mainly due to a shortage of gas supply.

This prompted the FBCCI to urge the government yesterday to go for power rationing.

The Bangladesh Power Development Board and other power and gas suppliers need to sit together as soon as possible to determine the priority when it comes to enforcing power cuts and gas rationing, said Jashim.

"Industries and other vital services sectors like hospitals should be prioritised and remain out of the purview of load-shedding and gas rationing."

Owing to the severe gas crisis, the production in the spinning and weaving mills in the industrial zones has halved in the past 11 days.

The millers are worried about whether they would be able to keep their production up and running amid the deepening energy shortage.

Any hamper in production at primary textile mills means a delay in garment manufacturing which will ultimately compel producers to go for costlier air shipment of goods or face a big discount from international retailers and brands or in the worst case, the cancellation of work orders, industry insiders say.

As a result, the whole supply chain will suffer and work orders may shift to other countries from Bangladesh, millers and exporters warned.

Israq Spinning Mills Ltd's production has declined by 60 per cent recently.

On a normal day when the gas supply remains stable, the factory can produce 125 tonnes of yarn, said Md Fazlul Haque,

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Liquidity stress at banks fuels call money rate

AKM ZAMIR UDDIN

The ongoing strain on Bangladesh's foreign exchange market and the growing demand for cash ahead of Eid-ul-Azha sent the inter-bank call money rate to at least a six-year high yesterday.

The weighted average rate in the inter-bank call money market, where banks borrow from each other on an overnight basis, stood at 5.26 per cent in contrast to 5.01 per cent a month ago, and 2.44 per cent a year prior, data from the central bank showed.

Yesterday's rate is the highest since 2016, the latest for which data is available.

A BB official, tasked with monitoring the money market, says that the banking sector is now under liquidity stress as many lenders are buying US dollars from the central bank to settle import bills.

The central bank injected a record $7.62 billion into the market in the fiscal year that ended on June 30, meaning an equivalent local currency amount has moved in the other direction, intensifying the liquidity crunch.

Excess liquidity at banks stood at Tk 189,183 crore as of May, down 11 per cent year-on-year.

Bangladesh's foreign exchange market has come under stress in recent months due to higher import payments, driven by escalated commodity prices in international markets.

Imports surged to $75.40 billion between July and May, up 39 per cent year-on-year.

The government's borrowing from the banking sector had also increased significantly in the last fiscal year, amid weak revenue generation, putting additional pressure on the liquidity position of banks, according to a treasury head of a commercial bank.

The government borrowed Tk 64,755 crore from the banking system in FY2021-22 in contrast to Tk 26,078 crore the year before.

In order to squeeze the money supply further to contain the soaring inflation, the central bank has taken a contractionary monetary policy for the current fiscal year.

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STOCKS

DSEX ▼	CASPI ▼
0.09%	0.10%
6,366.05	18,749.48

COMMODITIES

Gold ▲	Oil ▲
$1,765.00	$104.27
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.12%	▼ 1.20%	▼ 0.01%	▼ 1.43%
53,730.07	26,107.65	3,103.66	3,355.35

Private ICDs face acute pressure of export cargoes

DWAIPAYAN BARUA, *Ctg*

Shinest Apparels, a Dhaka-based garment factory, sent eight truckloads of export cargo to a private inland container depot (ICD) in Chattogram eight days ago for shipment through the country's premier port.

Two of those trucks were still waiting to enter yesterday due to a long queue of such trucks and covered vans outside the ICD.

At least 20 trucks and covered vans carrying export goods from the same garment factory have been similarly stranded before different ICDs for the last couple of days.

There are long queues of trucks and covered vans outside many of the 19 ICDs in the port city and its outskirt in Sitakunda.

The ICDs have been facing an acute congestion of export containers within their premises for a few weeks now.

Exporters are already suffering from a crisis of vehicles and exorbitantly high truck fares due to the stalemate.

They apprehend missing shipments of many export consignments if their cargoes cannot be unloaded from the trucks, stuffed into containers and sent to the port for loading onto ships.

Truck owners are charging double or triple the usual fares taking advantage of the situation, they said.

Informing of the crisis, Sajib Hossen, shipping in-charge of Shinest Apparels, said they had to hire trucks at Tk 60,000 to Tk 65,000 for sending their cargoes from Dhaka to the ICDs.

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Hundreds of covered vans carrying export cargoes from different parts of the country are seen waiting in a long queue on Outer Ring Road for entering a private inland container depot in Patenga, Chattogram yesterday. PHOTO: COLLECTED

Rolls-Royce seized for alleged duty evasion

MOHAMMAD SUMAN, *Ctg*

The customs detectives have seized a Rolls-Royce car worth Tk 27 crore, including import tariff, from a house in Dhaka on allegation of duty evasion and breaching customs rules.

On April 27, the 6,750cc vehicle was imported by Z&Z Intimates Ltd from UK-based Vertex Auto Ltd, according to a statement of the Customs Intelligence and Investigation Directorate (CIID) released yesterday.

The price of the vehicle was shown as 200,000 US dollar or Tk 1.87 crore in the import document and after all taxes and duties the car would cost Tk 27 crore in Bangladesh.

Incepted in 2017, Z&Z Intimates is a concern of Ananta Group and it is engaged in production of lingerie, underwear and swimwear requirements, according to the company website.

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