

## EU efforts scanty to get through winter without Russian gas: IEA

AFP, Paris

Europe's efforts to diversify suppliers will not be enough to get it through winter without Russian gas, the head of the International Energy Agency warned Monday, urging immediate efforts to cut demand.

The comments by the IEA's director Fatih Birol came as European Commission President Ursula von der Leyen signed an energy deal in Baku, under which deliveries of Azerbaijani gas will double over the next few years.

But Birol said in an article published by the IEA: "It is categorically not enough to just rely on gas from non-Russian sources - these supplies are simply not available in the volumes required to substitute for missing deliveries from Russia."

**Europe has been seeking to import more LNG to replace some Russian gas, but it has a limited number of terminals to offload it**

"This will be the case even if gas supplies from Norway and Azerbaijan flow at maximum capacity, if deliveries from North Africa stay close to last year's levels, if domestic gas production in Europe continues to follow recent trends, and if inflows of LNG increase at a similar record rate as they did in the first half of this year," he added.

Europe is also waiting to see this week if Russia resumes gas shipments via Gazprom's key Nord Stream 1 pipeline, on which 10 days of scheduled maintenance will soon be completed.

It has been seeking to import more liquefied natural gas (LNG) to replace some Russian gas, but it has a limited number of terminals to offload it from tankers and supplies are also limited.

While the EU has not put Russian natural gas under sanctions over Moscow's invasion of Ukraine, it has sought to cut imports so as to reduce its dependence on Moscow.

Russia has already cited various reasons for cutting energy supplies to the west.

European nations now want to see it resumes gas shipments via the Nord Stream 1 pipeline on Thursday, when compressor maintenance is due end.

"Europe is now forced to operate in a constant state of uncertainty over Russian gas supplies, and we can't rule out a complete cut-off," said Birol.



Although the government recently lowered soybean oil prices by Tk 14 per litre, consumers in various parts of the country are yet to benefit as many shopkeepers are still selling the key cooking ingredient at the previous price. The picture was taken from a kitchen market in Gobindaganj upazila of Gaibandha yesterday.

PHOTO: MOSTAFA SHABUJ

## US bank results highlight risk and resiliency

AFP, New York

Despite mounting worries over inflation, just-released bank earnings painted a resilient picture of the US economy and consumer, generating talk that any recession might be milder than earlier downturns.

Reports from six US banking giants showed a significant drop in profits from the heady year-ago period, with most of the group establishing fresh provisions in case of defaults.

Executives expressed caution about what's to come in light of the growing hit from higher gasoline and food prices, along with the burden of increased lending costs following several Federal Reserve interest rate hikes and persistent supply chain problems.

But banks still haven't seen a significant rise in charge-offs from bad loans. They say many households still have a buffer of savings after conserving funds during the height of the pandemic when the federal government had generous relief programs.

Citigroup Chief Financial Officer Jane Fraser noted "sharply lower" consumer confidence compared with earlier in the year.

"That said, while sentiment has shifted, little of the data I see tells me the US is on

the cusp of a recession," Fraser said Friday, adding that households savings provided "a cushion for future stress" amid a tight job market.

Fraser contrasted the backdrop in the United States with Europe, where vulnerability to Russian energy could make for a "difficult winter." Executives acknowledged that the rising price of fuel and other essential goods poses burden to low-income households who are cutting back. But most of the bank's clients are not in this situation now.

"US consumers remain quite resilient," Bank of America Chief Executive Brian Moynihan said Monday. "Consumers continue to spend at a healthy pace even as some time has passed since the receipt of any stimulus."

JPMorgan Chase Chief Executive described the consumer as "in great shape," which means that even if there is a recession, they're entering it in "far better shape" compared with 2008 or 2009.

On Monday Bank of America reported \$6.2 billion in second-quarter profits, a 34 per cent drop compared with the year-ago period when results were lifted by a large reserve release amid a strengthening macroeconomic backdrop.

In spite of weakness in some parts

of the business, results were boosted by higher net interest income following Fed rate hikes. Bank of America also enjoyed growth in overall loans and pointed to "improvement" in overall asset quality.

At Goldman Sachs - the final of the US banking giants to report - profits fell 48 per cent to \$2.8 billion, again due in part to its decision to set aside \$667 million in provisions for credit losses.

Operations were mixed, with a big jump in revenues tied to trading amid volatile markets offsetting the hit from a drop in revenues connected to mergers and acquisition advising and loan underwriting.

The reports came on the heels of similar releases last week from JPMorgan Chase, Citigroup, Morgan Stanley and Wells Fargo.

Stuart Plesser, a senior director at S&P Global Ratings described the industry's overall tone as muted.

"They're not saying anything's disastrous, they're not optimistic, either," Plesser said.

"If you read the news, you got this possibility with inflation, the higher rate increases and all the other issues, but you can't point to anything in the results," he added.

## MTB wins Asiamoney Best Bank Award

STAR BUSINESS DESK

Mutual Trust Bank won the "Best Bank for Diversity and Inclusion in Bangladesh 2022" award by Asiamoney, a division of global media group Euromoney Institutional Investor PLC.

Asiamoney chose this Bangladeshi bank for the award for initiating and implementing diversity, equity and inclusion initiatives irrespective of age, gender, disability, race and ethnicity, and social class, within the bank.

The lender is also working outside, which positioned the bank as a pioneer in bringing diversity and inclusion in its workplace and around the country, a press release said.

Syed Mahbubur Rahman, managing director of the bank, said that MTB is nurturing a workforce with diverse personnel, points of view and approaches to establish a culture of inclusivity and a sense of belonging, organised about a common purpose.

"The bank has implemented a series of initiatives to achieve true diversity, equality and inclusion."

## Volvo sees higher sales and profits

AFP, Stockholm

Swedish truck maker Volvo on Tuesday reported higher sales and profits in the second quarter despite the company still feeling the effects of global supply chain disruptions.

The world's number two truck maker reported a better than expected revenue of 118.9 billion Swedish kronor (\$11.4 billion) and a net profit of 10.5 billion. Analysts had predicted an average of 107 billion in revenue and 8.9 billion in net profit, according to a survey by Factset.

"In this quarter, we have had extra costs related to supply chain disruptions as well as higher costs for material and have continued to work proactively and successfully with price management to mitigate these effects," Martin Lundstedt, CEO of Volvo, said.

"The situation in the global supply chain for semiconductors and other components continues to be unstable, characterised by disruptions, unpredictability and lack of freight capacity," he noted.

## France to pay \$10b to take control of EDF

REUTERS, Paris

France's government is offering to pay 9.7 billion euros (\$9.85 billion) to take full control of EDF, in a buyout deal that gives it a free hand to run Europe's biggest nuclear power operator as it grapples with a continent-wide energy crisis.

The finance ministry said in a statement on Tuesday that the government would offer EDF's minority shareholders 12 euros per share, a 53 per cent premium to the closing price on July 5, the day before the government announced its intention to fully nationalise the debt-laden group.

EDF shares, which resumed trading on Tuesday after a one-week suspension pending details of the government buyout plan, had jumped 15 per cent to 11.80 euros by 0836 GMT.

## Geneva Package giving a new life to WTO

FROM PAGE B4

About 30 per cent of the estimated annual global catch (109 million tonnes annually) remain unreported. The Food and Agriculture Organisation (FAO) estimated that 70 per cent of the fish population is fully used, overused or in crisis.

Among all the countries, China catches the fish most. The FAO also mentioned that a third of the world's assessed fisheries have currently been pushed beyond their biological limits. Developing countries requested a 25-year transition. LDCs exemption can be continued for some years, meaning graduating time plus 25 years.

Developed countries were extending subsidies for fishing, fuel, vessels and many other areas for long amounting to trillions of dollars. However, the text does not create disciplines on certain forms of fisheries subsidies that contribute to overcapacity and over-fishing.

In the regard to illegal, unreported and unregulated fishing, some agreement has been reached. But the texts are rather unclear and the issue has been left for the MC13. However, Article 12 of the agreement has given

a deadline of four years after its entry into force to agree on the above comprehensive discipline. Unless otherwise decided by the general council, the agreement shall stand immediately terminated.

The decision on the TRIPS waiver to be used by the eligible developing countries to authorise the use of certain patented Covid-19-related products without the prior consent of the right holder and to address the Covid-19 pandemic. Covid-19 diagnostics and therapeutics are not eligible.

The waiver is agreed for five years, irrespective of whether a compulsory licence regime is in place. The authorising members may allow the resulting products to be exported to other developing countries eligible for the TRIPS waiver.

The importing countries will prevent re-export unless exceptional humanitarian and not-for-profit purposes. The transparency mechanism is included to communicate any measures related to the implementation of the decision to the TRIPS Council.

Some developing countries like India with the capacity of

producing vaccines will benefit. Bangladesh has better capacities in the pharmaceutical sector. However, substantial efforts have not been visible so far in producing vaccines.

The decisions acknowledge for not imposing WTO inconsistent export prohibitions or restrictions on agricultural trade and ensuring that any emergency measures to address food security will be ensured.

For electronic commerce, the current practice of not imposing customs duties on electronic transmissions until MC13 will remain. However, if the MC13 is delayed beyond March 31, 2024, the moratorium will expire on that date unless the Ministers or the General Council take a decision to extend it.

The SPS committee will continue to undertake valuable work and members remain committed to the continued enhancement of the implementation of the SPS agreement. The SPS committee will report to the MC13 on the key findings and actions undertaken.

The WTO has a big role to deal with the challenges of trade-related issues. A number of countries have been pre-

empting and establishing rules that are sometimes beyond WTO rules, such as e-commerce, leaving others with genuine development concerns. The outcome remains silent in this respect.

The extension of LDC exemption even after graduation was the number one agenda for graduating LDCs. The United States outright rejected the issue while the director-general of the WTO seemed to be a bit patient in the town hall meeting.

Bangladesh would need to handle these issues with utmost importance bilaterally before the next multilateral negotiation. This is not easy but possible.

Dispute settlement issues for safeguarding the interest of a country, trade-related legal capacities to work as a practitioner, and professionalism in trade law have to be developed. Bangladesh needs to be committed to developing the capacities of the multilateral trading system. A specific task force can be framed for better preparation in future.

The author is chief executive officer of the Business Initiative Leading Development.



Farman R Chowdhury, managing director of Al-Arafah Islami Bank, inaugurates a daylong workshop on "Preventing Money Laundering and Terrorist Financing" at the bank's Jamalkhan branch in Chattogram recently. Shabbir Ahmed, deputy managing director of the bank, Kazi Mahmood Karim and Mohammad Azam, senior executive vice-presidents, were present.

PHOTO: AL-ARAFAH ISLAMI BANK

## UAE inks energy deal

FROM PAGE B4

before the meeting that France was eager to secure diesel from the strategic Middle Eastern nation.

"The UAE is keen to support energy security in the world in general and in France in particular," Sheikh Mohamed told Macron, according to Emirati state news agency WAM.

Before the trip, his diplomatic advisor Anwar Gargash had stressed how the UAE was looking to reorient its supplies towards Europe.

"We have sold our oil to the far east for 40 years and now we are directing it toward Europe in this time of crisis," he told reporters.

The UAE president's visit to France came after Joe Biden's first Middle East tour as president, which included a visit to Saudi Arabia for energy talks.

Macron and Biden were overheard talking about energy supplies from the Middle East at a G7 summit at the end of June in Germany.

Macron told Biden that he had spoken to Sheikh Mohammed who had said he was at his "maximum" in terms of oil production, but

that the Saudis had some spare capacity.

After his lunch with Macron, Sheikh Mohamed is set to be guest of honour at a dinner at the former royal palace in Versailles outside Paris.

Human Rights Watch said Macron's "search for alternative supplies seems likely to reinforce France and the UAE's already close ties".

But the welcome in Paris "should not include giving the crown prince a pass on the UAE's atrocious human rights record", it said in a statement on its website.

The New York-based group pointed to the repression of political opposition, discrimination against the LGBTQ community, and the abuse of domestic workers.

Western sanctions against the Russian energy sector following President Vladimir Putin's invasion of Ukraine mean many countries face shortfalls.

Analysts warn about possible shortages later this year, particularly if Russia further reduces its gas exports to Europe.

## Use of concrete blocks in public construction

FROM PAGE B4

Developers and contractors are still prone to use clay bricks, though the cost is comparatively same with concrete blocks, Hossain added.

Amirul Alam, assistant manager for sales and operations at Hatim Concrete Industries Limited, echoed the same.

"If the government agencies would follow the instruction properly, then the block construction markets would expand vastly," he said.

Mohammad Aktaruzzaman, head of marketing and sales at Concord, one of the leading concrete block makers in the country, said the government should focus on raising awareness to meet its target.

Besides, the government should form a regulatory authority, such

as the Bangladesh Standard Testing Institute, to monitor the overall progress in this regard.

"If there is no regulatory body, the expected output will not come. The market is growing by about 30 per cent annually and now there are around 200 concrete blocks makers in the country, which is a positive sign," he added.

Md Nafizur Rahman, senior research architect and head of the housing division of the House Building Research Institute (HBRI), said both government and private initiatives need attain the block using targets by 2025.

"If we make people understand the harmful effects of the clay-burned bricks, they would become interested in using concrete blocks," Rahman

added.

Adil Mohammad Khan, general secretary of the Bangladesh Institute of Planners, also found the government supervision and monitoring to be wanting.

"Many autonomous and semi-government organisations do not feel the need to follow these guidelines, and there is a significant lack of adherence to these guidelines," he said. So, it should be mandatory for every government institution to report quantitative statistics on concrete block usage after implementation.

"Special incentives may be offered to the government-private initiatives to increase the block factories to surge the block supply as well," Khan added.