Germany seizes Russian energy firm's subsidiaries

AFP, *Germany*

Berlin on Friday took control of the German operations of Russian oil firm Rosneft to secure energy supplies which have been disrupted after Moscow invaded Ukraine.

Rosneft's German subsidiaries, which account for about 12 per cent of oil refining capacity in the country, were placed under trusteeship of the Federal Network Agency, the economy ministry said in a statement.

"The trust management will counter the threat to the security of energy supply," it said.

Chancellor Olaf Scholz said his government "did not take this action lightly but it was inevitable" for the "protection of our country".

The seizures come as Germany is scrambling to wean itself off its dependence on Russian fossil fuels, while Moscow has stopped natural gas deliveries to Germany via the Nord Stream 1 pipeline.

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The German government's move covers the companies Rosneft Deutschland GmbH (RDG) and RN Refining & Marketing GmbH (RNRM) and thereby their corresponding stakes in three refineries: PCK Schwedt, MiRo and Bayernoil.

In a statement Friday, Rosneft denounced the move as illegal and "a violation of all the basic principles of a market economy".

The company was examining all possible measures to protect its shareholders, including taking court action, it added.

Fears had been running high particularly for PCK Schwedt, which is close to the Polish border and supplies around 90 per cent of the oil used in Berlin and the surrounding region, including Berlin-Brandenburg international airport.

The region could have "found itself in a position, due to the refinery in Schwedt, where security of supply was no longer a given", Economy Minister Robert Habeck said at a press conference.

The refineries' operations had been disrupted as the German government decided to slash Russian oil imports, with an aim to halt them completely by year's end.

Empty plastic containers which once carried dialysis solutions are being transported on behalf of a middleman, who bought them from Dhaka Medical College Hospital at Tk 40 to Tk 42 per piece for sale to a recycler in the capital's Nimtoli for Tk 60 to Tk 65. The photo was taken on Saturday.

PHOTO: PALASH KHAN

China doubles down on coal as energy crunch bites

AFP, *Beijing*

China has stepped up spending on coal in the face of extreme weather, a domestic energy crunch and rising global fuel prices -- raising concerns Beijing's policies may hinder the fight against climate change.

The country is the world's biggest emitter of the greenhouse gases driving global warming, and President Xi Jinping has vowed to reduce coal use from 2026 as part of a broad set of climate promises.

Beijing has committed to peaking its carbon emissions by 2030 and achieving carbon neutrality by 2060.

Overall carbon emissions in China have fallen for four consecutive quarters on the back of an economic slowdown, research reported by climate monitor Carbon Brief showed in early September.

But at the same time, slowing growth has led authorities to rely on smokestack industries in an effort to boost the economy. The push to shore up coal power -- which still makes up most of China's energy supply -- has alarmed analysts who warn that it will make an eventual transition to a renewables-dominated energy mix more difficult. Spooked by an energy shortage last autumn, Chinese authorities in spring ordered coal producers to add 300 million tonnes of mining capacity this year -- the equivalent of an extra month of coal production for the country.

In just the first quarter of 2022, regulators endorsed the equivalent of half the entire coal-fired power plant capacity approved in 2021, according to Greenpeace.

Authorities have also burned and mined more coal in recent weeks in order to meet increased air conditioning demand and make up for shrunken hydropower dams during China's hottest-ever summer.

Premier Li Keqiang in June called for "releasing advanced coal capacity, as much as possible, and implementing long-term coal supply".

The independent Climate Action Tracker warns that even the "most binding" climate targets laid out by Beijing would be in line with global warming of between three and four degrees Celsius before the end of the century -- well above the Paris Agreement's goal to limit global warming to 1.5C.

To meet that goal, it said, China would "need to reduce emissions as early as possible and well before 2030" -- as well as "decrease coal and other fossil fuel consumption at a much faster rate than currently planned".

Beijing's unwillingness to let go of coal stems partly from inefficiencies in its power grid that prevent surplus energy from being transported across regions.

Coal and gas give local officials a ready source of energy and are, in practice, "the only way for local officials to avoid power shortages", energy researcher Lauri Myllyvirta wrote in a Carbon Brief report.

China has made real progress in building up renewable energy capacity.

The current operating solar capacity in the country accounts for nearly half the global total, according to San Francisco-based non-governmental organisation Global Energy Monitor (GEM).

But unlike wind or sunlight, stockpiles of coal and gas can be held for long periods of time and deployed as needed, giving local authorities a sense of security.

Yet, building more coal facilities means less focus on fixing problems with the grid, Myllyvirta said in comments to AFP, warning plant owners would be motivated to "slow down the transition as they will have an interest in making use of their brand-new assets". At the same time, the central government wants to "avoid large-scale blackouts, which we witnessed last winter in the northeastern provinces, in this politically crucial year for Xi", Byford Tsang, senior policy adviser at climate think-tank E3G, told AFP.

Bengal Commercial Bank, Trust Bank sign deal

STAR BUSINESS DESK

Bengal Commercial Bank and Trust Bank recently signed a sub-correspondent agreement on remittance transfer.

Under the agreement, Bengal Commercial Bank's clients can send remittance to any branches of the bank through Ria money transfer, a network of agents and subsidiary of Euronet Worldwide.

Tarik Morshed, managing director of Bengal Commercial Bank, and Humaira Azam, managing director of Trust Bank, inked the deal at the former's head office in Dhaka, a press release said.

Shahid Hossain, adviser of the Bengal Commercial Bank, KM Awlad Hossain, Md Rafiqul Islam, deputy managing directors, Ahsan Zaman Chowdhury, deputy managing director of Trust Bank, and AKM Nazmul Hossain, country manager for Bangladesh at Ria Money Transfer, were present.

Chubu Electric joins all-Japan Toshiba buyout consortium

REUTERS, *Tokyo*

Chubu Electric Power Co said on Sunday it is joining private equity firm Japan Industrial Partners (JIP) in conducting due diligence for a potential buyout of Japanese conglomerate Toshiba Corp.

Toshiba, which is exploring going private and other options, has selected Bain Capital, CVC Capital Partners, Brookfield Asset Management and a consortium involving JIP and state-backed Japan Investment Corp to proceed to a second bidding round.

JIP has contacted more than 10 companies including Chubu Electric, Orix Corp and Central Japan Railway Co (JR Central) to participate in its consortium, the Nikkei newspaper reported on Sunday.

Orix said it was considering investing in Toshiba, without providing details.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (SEP 18, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 75	-5.52 ↓	14.17 ↑
Coarse rice (kg)	Tk 47-Tk 52	-6.6 ↓	6.45 ↑
Loose flour (kg)	Tk 48-Tk 55	-1.9 ↓	53.73 ↑
Lentil (kg)	Tk 98-Tk 105	-5.58 ↓	16 ↑
Soybean (litre)	Tk 172-Tk 175	0.29 ↑	30.94 ↑
Potato (kg)	Tk 23-Tk 30	-5.36 ↓	32.5 ↑
Onion (kg)	Tk 40-Tk 45	-15 ↓	-2.3 ↓
Egg (4 pcs)	Tk 45-Tk 50	-9.52 ↓	23.38 ↑

SOURCE: TCB

Arifur Rahman, managing director of Esquire Electronics, cuts a ribbon to inaugurate the company's new showroom at Amiz Bhaban on Bangabandhu Road in Narayanganj yesterday. PHOTO: ESQUIRE ELECTRONICS

ABM Saif Sarwar, additional deputy managing director of One Bank, poses for photographs with the participators of a training programme on "Prevention of money laundering and combating the financing of terrorism" organised by the bank for its Chattogram Zone employees at the LGED Bhaban in the port city recently. Md Nurul Amin, executive director of Bangladesh Bank, and Md Arif Hossain Khan, director, were present.

PHOTO: ONE BANK

Md Sharif Ahmed, state minister for housing and public works, Liaquat Ali Khan Mukul, chairman of Rupayan Group, and Mahir Ali Khan Ratul, co-chairman, pose for photographs while handing over condo apartments to the customers of Rupayan City Uttara in Dhaka recently. PJ Ullah, adviser of Rupayan Group, Rezaul Haque Limon, director for sales at Rupayan City Uttara, and Ahsan Habib, head of construction, were present. PHOTO: RUPAYAN GROUP

Fed poised to unleash

FROM PAGE B4

The US central bank has cranked up the benchmark lending rate four times this year, including two straight three-quarter-point hikes in June and July.

The aim is to raise the cost of borrowing and cool demand -- and it is having an impact: home mortgage rates have now topped six percent for the first time since 2008.

A third massive increase is expected Wednesday at the conclusion of the Fed's two-day policy meeting. And some people are raising the possibility the US central bank could take an even bigger step.

But concerns are rising that the aggressive action could tip the US economy into recession, which would reverberate around the globe.

"The sizzling-hot, core inflation figures that came out this week for August have upped the pressure on the Federal Reserve to raise rates a full percentage point instead of 0.75 per cent at the upcoming meeting," Diane Swonk, chief economist at KPMG US, said in an analysis.

"This will be one of the hardest and most politically charged of decisions. It marks the Federal Reserve's first move toward an actual recession."

Fed Chair Jerome Powell has made it clear that a recession is a risk he is willing to take. In fact, it is a risk the central bank must take to avoid an even more dire outcome: a repeat of the damaging, runaway inflation of the 1970s and early 1980s.

"We need to act now forthrightly, strongly as we have been doing and we need to keep at it until the job is done," Powell said in his last public comments before the policy meeting.

Powell's predecessor from the last high-inflation era, Paul Volcker, had to take extreme measures after rising prices became entrenched, resurging and surpassing the peak of the mid-1970s after repeated failed efforts to tame them. That led to a deep recession and unemployment over 10 per cent.

The Fed's aim is to avoid "the kind of very high social costs" of the Volcker era, and maintain public confidence in the central bank's commitment to fighting inflation.

"The clock is ticking," Powell warned.

While the latest data showed US annual inflation slowed slightly to 8.3 per cent in August -- from a peak of 9.1 per cent in June -- prices actually accelerated slightly in the month, reflecting widespread price increases.

India's economic growth

FROM PAGE B4

levels of foreign exchange reserves, sustained foreign direct investment and strong export earnings have provided a reasonable buffer against monetary policy normalisation in advanced economies and the widening of the current account deficit arising from geopolitical conflict.

The Reserve Bank of India on Friday forecast the country's current account deficit would remain within 3 per cent of gross domestic product in the current fiscal year to March 2023 and said it was "eminently financeable".

India is in a better position to calibrate its liquidity levels without abruptly stalling growth, the report said, adding that inflationary pressures in the country appear to be declining.

But it also said that in winter months, geopolitical tensions could climb amid a heightened international focus on energy security and that could test "India's astute handling of its energy needs so far."

"In these uncertain times, it may not be possible to remain satisfied and sit back for long periods. Eternal macroeconomic vigilance is the price for stability and sustained growth," it added.

Canada may need a recession to cool down inflation: economists

REUTERS, *Ottawa*

The underlying pressures driving inflation in Canada are likely to peak in the fourth quarter of this year, economists told Reuters, though most see signs fast rising prices are becoming entrenched and warn a recession may be needed to avoid a spiral.

Canada's inflation data for August will be released on Tuesday, with analysts forecasting the headline rate will edge down to 7.3 per cent, from 7.6 per cent in July and a four-decade high of 8.1 per cent in June.

But all eyes will be on the three core measures of inflation - CPI Common, CPI Median and CPI Trim - which taken together are seen as a better indicator of underlying price pressures. The average of the three hit a record high of 5.3 per cent in July.

Six of eight economists surveyed by Reuters see core inflation peaking in the fourth quarter as underlying domestic and global pressures start to ease, though the path back to the 2 per cent target will not be brisk.

"Rapidly cooling growth, the pullback in housing prices, and less pressure on supply chains will help cap core inflation relatively soon," said Doug Porter, chief economist at BMO Capital Markets.

Vietnamese rice exporters

FROM PAGE B4

BV Krishna Rao, president of the All India Rice Exporters Association, has been quoted by Reuters as saying: "The [export] duty will affect white and brown rice, which account for more than 60 per cent of India's exports.

"With this duty, Indian rice shipments will become uncompetitive. Buyers will shift to Việt Nam and Thailand."

India accounts for more than 40 per cent of global rice exports and competes with Việt Nam, Thailand, Pakistan, and Myanmar in the global market.

Its exports hit a record 21.5 million tonnes last year, more than the combined volumes of the next four largest exporters, Thailand, Việt Nam, Pakistan, and the US.

Vijay Setia, former president of the All India Rice Exporters Association, told the Indian Express newspaper, "A 20 per cent duty is not going to render Indian rice uncompetitive."

He said India currently exports 5 per cent broken white rice for $340 a tonne (as compared to $380 for Pakistan, $395 for Việt Nam and $430 for Thailand).

India exports rice to more than 150 countries, and so any reduction in shipments by it would increase food prices, which are already too high due to drought, heat waves and the Russia-Ukraine conflict.

Ukraine and Russia are also two major suppliers of wheat, whose global prices have risen substantially recently.

In its August report, the US Department of Agriculture (USDA) lowered its global rice production forecast for the 2022-23 crop to 512.4 million tonnes, down 2.3 million tonnes from its original forecast and 1.2 million tonnes compared to the previous crop.

But it increased projections for global consumption following the crop by up more than two million tonnes.