



The LPG Operators' Association of Bangladesh and various businesspeople that use Mongla Port have expressed concern over the construction of a ferry ghat between two jetties used for unloading liquefied petroleum gas as it increases the risk of major accidents in the port channel.

PHOTO: PARTHA CHAKRABORTTY

MONGLA PORT

Construction of ferry ghat between LPG jetties poses risks

LPG operators, businesspeople say

PARTHA CHAKRABORTTY, Bagerhat

Traders have expressed concern over the construction of a ferry slip between two jetties that are used to unload liquid petroleum gas (LPG) in Mongla Port, the second largest seaport in Bangladesh.

The Roads and Highways Department had decided to establish the specialised dock, known locally as a ghat, between the two jetties operated by Omera Petroleum Limited and Jamuna Spacetech Joint Venture Limited some three months ago.

But if ferries launch from here, the risk of accidents in the port channel will increase and endanger the safety of the LPG plants as well, according to the LPG Operators' Association of Bangladesh (LOAB).

As such, the project was halted for a while but ultimately resumed from October 16.

A letter signed by LOAB President Azam J Chowdhury sent to various state departments, including the shipping ministry, detailed various concerns regarding the establishment of a ferry ghat in the Mongla Port channel.

It is a serious threat to all LPG installations in the area as well as the port itself and besides, foreign vessels carrying the fuel may object to the establishment of such passenger jetties.

In addition, navigability of the river will decrease, LOAB said. Other than LOAB, users of Mongla Port have also expressed concern over the matter.

A businessman seeking anonymity said no opinions were taken from port users or traders in the vicinity regarding the project.

"So, it is a bad decision as once this ghat is fully operational, shipping through the channel will be disrupted and major accidents will become possible," he said.

"And once a major accident occurs, it will have a negative impact on the global image of Mongla Port," the businessman added.

Ahsanul Jabbar, general secretary of LOAB, said it is very dangerous to have a ferry ghat in such a sensitive point of the port channel.

"We contacted all the concerned departments including the Ministry of Shipping and Mongla Port authority in this regard," he added.

Shahinur Alam, director (administration) of the Mongla Port Authority, said construction of a ghat or any other structure in the channel poses risk as it is an international port.

Alam then informed that they have yet to give written permission for any kind of ghat or road construction in the area.

However, Md Farid Uddin, executive engineer of the Roads and Highways Department in Bagerhat, said they received permission from the Ministry of Road Transport and Bridges to begin the project.

"As engine-driven water vehicles ply this channel while our ferries are also engine driven, there is no problem. Also, the channel is very wide. So, there will be no difficulty if we run it with caution," he added.

Qatar signs world's 'longest' gas supply deal with China

AFP, Qatar

QatarEnergy announced a 27-year natural gas supply deal with China Monday, calling it the "longest" ever seen as it strengthened ties with Asia while Europe scrambles for alternative sources.

The state energy company will send four million tonnes of liquefied natural gas annually from its new North Field East project to China Petroleum and Chemical Corporation (Sinopec), it said.

The deal "marks the longest gas supply agreement in the history of the LNG industry", said Saad Sherida al Kaabi, Qatar's energy minister and QatarEnergy's chief executive.

Asian countries led by China, Japan and South Korea are the main market for Qatar's gas, which is increasingly being sought by European countries since Russia's invasion of Ukraine.

Negotiations with European countries have struggled as Germany and others balked at signing the type of long-term deals made with Asian nations. North Field is at the centre of Qatar's expansion of its liquefied natural gas production by more than 60 per cent to 126 million tonnes a year by 2027.

"QatarEnergy has a lot of LNG to market... but they're very confident about demand," Ben Cahill, a senior fellow at the Washington-based Center for Strategic and International Studies think-tank, told AFP.

"And in this market, with buyers worried about energy security and trying to lock up volumes from mid-decade on, there's no need for QatarEnergy to settle for anything but long-term contracts."

China is the first country to seal a deal for North Field East.

The Chinese company's chairman revealed it had also requested a full share of the North Field South project that is dominated by Western energy giants.

The accord would "further solidify the excellent bilateral relations between the People's Republic of China and the State of Qatar and help meet China's growing energy needs", Kaabi said.

Sinopec chairman Ma Yongsheng, who took part in a virtual signing ceremony from Beijing, said it was a "milestone" accord as "Qatar is the world's largest LNG supplier and China is the world's largest LNG importer".

He told the ceremony that he had "formally" requested in October last year a share of Qatar's North Field South project. TotalEnergies of France, Shell of Britain and US giant ConocoPhillips will share the 25 per cent foreign stake in the field.

3rd submarine cable's cost set to rise 50pc

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According to planning ministry documents, initially the submarine cable company was supposed to receive 6,000Gbps bandwidth through the SEA-ME-WE 6, the third submarine cable that connected Bangladesh to the world.

But now the bandwidth will be 13,200 gigabytes per second (Gbps).

The amount of extra bandwidth costs more than the additional fund being provided, said Md Azam Ali, the cable company's managing director.

"Besides, we used to pay the consortium (on a) quarterly (basis). So, the current dollar price has also contributed to the additional cost," he added.

The cable will run from Cox's Bazar to Singapore on one side and to France on the other. The bandwidth will be provided to different parts of the country from Cox's Bazar, the landing station.

The current demand of bandwidth of the country is about 4,500Gbps, which is over four times that of the pre-pandemic period.

Of it, the cable company supplies about 2,400Gbps through SEA-ME-WE 4 and SEA-ME-WE 5.

The SEA-ME-WE 4, the first undersea cable with which the country connected in 2006, supplies about 800Gbps bandwidth.

The cable company is going to spend \$3.2 million to enhance the capacity by 3,800 gigabytes per second (Gbps). The upgrade will increase the lifespan of the first undersea cable from 2025 to 2030.

Bandwidth supply through SEA-ME-WE 5, which was connected to the country in 2017, now stands over 1,600Gbps.

The rest comes from India through seven international terrestrial cable (ITC) service providers.

Summit Communications, an ITC, alone brings about 1,400Gbps.

The monopoly of the cable company in supplying bandwidth through submarine cables is set to break as the government has recently awarded licences to three firms to establish and operate submarine cables.

This will ramp up the supply of bandwidth amidst a surge in data consumption.

The three private firms will invest around Tk 2,000 crore collectively to connect Bangladesh to at least three more submarine communication cables.

The move will also ensure that internet connections are available at more competitive prices and help reduce or end bandwidth imports.

India currently caters to over 40 per cent of the country's demand for bandwidth through land cables.

Firms go slow

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expansion plans because of the appreciating dollar and the central bank's move aimed at limiting imports.

"So, under the present scenario, investment and business expansion will slow down," said Iqbal.

M Masrur Reaz, chairman of the Policy Exchange of Bangladesh, said investors have become very cautious due to the persisting uncertainty.

"The power and energy crisis and the rising cost of production for the higher inflation have left investors uncompetitive."

Infrastructure investment is key to enabling jobs in the short term and growth over the medium term. In times of crisis, these critical investments often lose out, according to the World Bank.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the LC opening has dropped as banks are discouraging it in line with the central bank's policy to protect the forex reserves.

"Industry, investment and employment will suffer because of this. That's for sure and we have to keep this in mind. This will also have a chain and linkage effect."

The professor of economics called for a comprehensive understanding of the whole situation and efforts to minimise damage.

BUILD's Khan suggested the government cooperate with investors and provide policy support and incentives so that investment does not stop permanently.

"We need to nurture investors so that they don't ditch their plans completely," he said.

"Similarly, the government should be ready to absorb the flow of investment once the country recovers from the ongoing crisis, by way of improving the doing business situation and cutting costs."

Masrur Reaz urged the government to create multiple sources of energy to ensure an uninterrupted supply of power to industries with a view to encouraging investors to make investments.

Dollar gains against major currencies

REUTERS, Singapore

The U.S. dollar was firmly higher against major currencies on Monday, while China's yuan slipped as sentiment was soured by rising COVID cases and tightening restrictions in some cities in the world's second-biggest economy.

China's capital Beijing reported two deaths for Nov. 20, with the city's most populous district urging residents to stay at home on Monday, extending a request from the weekend as the country fights numerous COVID-19 flare ups.

The rising cases and the new deaths have cast doubt on the hopes of an early easing in strict pandemic restrictions that have stifled the economy.

"The outlook for China's zero-COVID market will remain a key source of volatility," said Carol Kong, a currency strategist at Commonwealth Bank of Australia.

"If we do see another set of step up in restrictions, it indicates to me that the Chinese officials are still wary of any eventual reopening."

The People's Daily newspaper, the mouthpiece of the Chinese Communist Party, on Monday published an article reiterating the need to catch infections early but avoid taking a "one-size-fits-all" approach.

The onshore yuan opened at 7.1451 per dollar and weakened to a low of 7.1708, the softest level since Nov. 11. The dollar index, which measures the greenback against six major peers, rose 0.412 per cent to 107.330 on Monday, touching its highest level since Nov. 11.

The index advanced 0.5 per cent last week, clocking its biggest weekly gain in a month as investors flocked to the safe haven currency. Despite Monday's gains, the index remains on pace for its worst monthly performance since July 2020.

New German law to boost

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In return, the EU cuts its import duties to zero on more than two thirds of the tariff lines of their exports.

Abiding by the law will equal to progress being secured halfway for availing the GSP Plus status, said Spanier.

It is a reputational issue and Bangladesh also has the chance to be a champion in following the law as the country is already a champion in having the highest number of green factories in the world, he said.

Faisal Rabbi, a representative of the H&M Bangladesh office, said his company has been conducting campaigns on the law in Europe.

He said his company would face a 12 per cent

duty on Bangladeshi items once the country made the United Nations status graduation from a least developed to a developing nation in 2026.

Some 20 per cent of products sourced from Bangladesh will be affected, he said.

Sheikh HM Mustafizur Rahman, a representative of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), was hopeful of Bangladesh championing in abiding by the law.

This is an opportunity for Bangladesh, he added.

So far, some 47 garment factories have already joined a Global Reporting Initiative through their sustainability initiatives and some 53 are waiting to get listed, said

Wasim Zakaria, another representative of the BGMEA.

"I do not think it would be a major challenge for us," he said.

The government is allowing big tanneries to construct their own effluent treatment plants at the Savar tannery estate, said Amrita Makin Islam, a representative of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh.

This will enhance compliance of the leather sector of Bangladesh to international regulations, she said.

Michael Klode of the GIZ in Dhaka also spoke at the discussion, moderated by Manjur Morshed of the GIZ.

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position among the shariah-based banks.

Alam urged NRBs and migrant workers to use formal channels to send remittances to avoid future hurdles.

"Those who are sending money through hundi or illegal channels will not be able to show their income as legally earned," he said.

The bank has formed a special task force to recover classified investments and recovered Tk 7 crore out of nearly Tk 650 crore written off.

"We are benefiting from the move," said Alam, who has nearly 30 years of banking experience. "We hope the recovery will accelerate by December this year."

Stock investors shy away from trading

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Chartered Life Insurance topped the gainers' list, advancing 9.98 per cent. Bangladesh Welding Electrodes, Sonali Life Insurance, JMI Hospital Requisite Manufacturing, and Sandhani Insurance were also among the major gainers.

Aamra Networks suffered the worst fall, giving up 12 per cent. Genex Infosys, Intraco Refueling Station, Bangladesh Monospool Paper Manufacturing, and Bashundhara Paper Mills each dropped more than 8 per cent.

The Caspi, the all-share price index of the Chittagong Stock Exchange, declined 61 points, or 0.33 per cent, to end the session at 18,382.

Of the 134 issues that traded on the bourse in the port city, 50 declined and 71 did not show any change. Turnover, however, rose nearly 38 per cent to Tk 13.15 crore.

Power tariff hike

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"But the government should reduce the electricity production cost in the long term. So, it should phase out high-cost oil-based power plants as promised for the last 10 years," he added.

Hossain then demanded the authorities wait for at least one year to raise the price of electricity at the consumer level considering the high inflation at present.

"If consumers are affected, it will increase their sufferings two-fold as the price of all essentials go up almost every day," he said.

Shirajul Islam Mollah, president of the Bangladesh Ceramic Manufacturers and Exporters Association, said the industry has long been suffering due to the increased price of US dollars, diesel and low gas pressure.

"If the increased electricity price is imposed on the consumer level, it will add insult to injury," he added.

Shamim Ahmed, president of the Bangladesh Plastic Goods

Manufacturers and Exporters Association, said it is difficult to run industries in the current situation.

"It takes more electricity than other sectors to make plastic products. So, the decision will not be sustainable for this sector," Ahmed said.

Helal Uddin, president of the Bangladesh Shop Owners Association, said the decision is unfortunate as it will only increase the sufferings of businesses.

Mahbul Alam, president of the Chittagong Chamber of Commerce and Industry, said electricity and gas are the main driving forces of all kinds of industries.

"The higher electricity price will automatically affect all products and classes of people," he told The Daily Star.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said that before hiking the electricity price, the government should focus on addressing the poor transmission system, lack of smart grid, and reduce system loss.