Process of reopening Mogalhat land port underway

Says state minister for foreign affairs

S DILIP ROY

The process of reopening a defunct customs station and immigration checkpost on the Bangladesh-India border in Lalmonirhat has been underway since September this year, said Shahriar Alam, state minister for foreign affairs, yesterday.

Mogalhat, a border railway station situated in a village of the same name under Lalmonirhat sadar upazila, has been out of commission ever since immigration activities were halted in 2002.

Now though, various government bodies, such as the commerce and shipping ministries, are involved in reopening the land port, he added.

Alam made these comments during his reception ceremony at the conference room of the Lalmonirhat Chamber of Commerce and Industry.

Members of the trade body and local government officials jointly hosted the state minister.

Shahriar Alam

"The Mogalhat land port is needed by businesspeople of Cooch Behar district of West Bengal in India as well as those here in Lalmonirhat," he said.

Alam then suggested that businesspeople from both countries should hold more meeting with each other to discuss trade related issues.

However, the level of erosion and current in Dharla river need to be checked before reopening the route, he added. Sheikh Abdul Hamid, president of the Lalmonirhat Chamber of Commerce and Industry, said trade with the Seven Sister states of India would accelerate if the Mogalhat route is reopened.

"We held several meetings with Indian businesspeople to this end and discussions are ongoing. Indian traders are more interested in reopening this route than we are," he added.

Hamid went on to say Mogalhat route was heavily trafficked until 1988, when it was partially closed after a portion of the bridge over Dharla River got damaged by floods.

Rezaul Karim Swapan, mayor of Lalmonirhat municipality, said if the Moghalhat land port route is reopened, there would be a big change in the local economy.

In October, the number of mobile subscribers increased by more than 2 lakh from that in September to reach 18.16 crore, according to data from the Bangladesh Telecommunication Regulatory Commission. The photo was taken from Khulna city recently. PHOTO: HABIBUR RAHMAN

Mobile phone subscribers snap four-month decline

MAHMUDUL HASAN

The number of mobile phone subscribers in Bangladesh picked up in October snapping a four-month decline thanks to the stellar performance displayed by Banglalink.

In October, mobile subscribers increased by more than 2 lakh from September's to reach 18.16 crore, according to data from the Bangladesh Telecommunication Regulatory Commission (BTRC).

Banglalink's customers went up by 9 lakh to 3.92 crore in the month whereas it fell for all other mobile phone operators. Year-on-year, Banglalink's customers grew by 5.45 per cent in October.

The solid performance of the third-largest operator was backed by its massive network expansion and utilisation of the new spectrum from the 2.3 GHz band as the first operator with the time division duplex technology that ensures faster internet.

"Spectrum rollout and massive network expansion have helped us attract new customers," said Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink.

"These steps have ensured a better user experience."

Banglalink has set up more than 5,000 new base transceiver stations, popularly known as mobile network towers, since August 2021, taking its tally to about 15,000.

The operator, owned by Veon, has broadened its network coverage by 50 per cent in the Chattogram division in the last one year as part of its expansion drive.

Top operator Grameenphone continued to lose customers after the regulator banned it from selling new SIMs at the end of June citing its failure to provide quality service and for incurring excessive call drops.

However, the regulator hasn't provided any evidence about the operator's lower service quality.

Grameenphone's average call drop rate in December last year was 0.29 per cent in the Dhaka division, according to the results of a nationwide "drive-test" published in March.

BTRC data showed its call drop rate was lower than that of the other operators in May this year.

In October, Grameenphone lost about 5 lakh customers, bringing down its total customers to 8.14 crore. The slide contributed to the fall in the country's overall subscriber base: it has dropped by 36 lakh since June.

Grameenphone lost about 34 lakh customers since the SIM ban took effect.

A number of officials of the operator said the regulator's arbitrary decision has put an obstacle to customers' freedom of choice.

On a year-on-year basis, the number of customers of Grameenphone decreased by 3.21 per cent.

Robi Axiata lost about 1 lakh customers in October. However, the number of customers of the second-largest operator, which runs under the brand names of Robi and Airtel, rose 1.38 per cent to 5.42 crore in October.

Market analysis shows that 15-20 per cent of subscribers move from one operator to another or come back every month, said Mohammed Shahedul Alam, chief corporate and regulatory officer of Robi.

"Value-added tax and other taxes have increased for new connection sales in the current financial year. Besides, the minimum recharge amount has increased by Tk 10-20 while the number of packages and offers has gone down."

"So, many customers who kept their second or third connections active with low recharge amounts are either not using them at all or using them as the primary connection. These factors have reduced the fierce competition in the sales of new connections."

State-owned Teletalk lost about 30,000 customers in October to 67.5 lakh.

Saiful Islam re-elected MCCI president

STAR BUSINESS REPORT

Md Saiful Islam has been re-elected president of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) for the year 2023.

The MCCI board of directors unanimously took the decision of re-electing Islam at a meeting on November 27 and then the decision was approved at an annual general meeting on December 14, the MCCI said in a press release yesterday.

Islam, a leading entrepreneur and commercially important person since 1998, is now serving as managing director of Picard Bangladesh.

Besides, Kamran T Rahman, chairman and managing director of Pubali Jute Mills and Kapna Tea Company, and Habibullah N Karim, managing director and CEO of Technohaven Company, have been re-elected senior vice-president and vice-president respectively.

The members of the board of directors include Tanvir Ahmed, managing director of Sheltech, Syed Tareque Md Ali, managing director of Modern Industries (BD), Mohammad Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bank, Bangladesh, Tapan Chowdhury, managing director of Square Pharmaceuticals, and Uzma Chowdhury, director of Agricultural Marketing Company.

Arif Dowla, managing director of Advanced Chemical Industries, Nihad Kabir, senior partner at the Syed Ishtiaq Ahmed & Associates, Anis A Khan, director of the W&W Grains Corporation, Adeeb Hossain Khan, senior partner at Rahman Rahman Huq, Golam Mainuddin, chairman of British American Tobacco Bangladesh Company, Hasan Mahmood, partner at the MJ Abedin & Co, Syed Nasim Manzur, managing director of Apex Footwear, and Simeen Rahman, managing director of Transcraft, are also members of the board of directors.

India to remain top buyer of Russia's crude in Dec

REUTERS, *Moscow*

India is taking most of Russia's Urals crude oil loading in December as it remains top buyer for a second month in a row, according to traders and Refinitiv data.

Volumes and India's share of the exports are expected to rise month on month despite a shorter loading plan for Russia's Western ports, traders said.

In November India accounted for about 53 per cent of the total tanker shipments of the grade - the highest level on the record.

India's share may exceed 70 per cent of total loadings in December, according to market participants.

Electric vehicle production set to surge in 2023

REUTERS, *Detroit*

The past year was sobering for investors who poured money into Tesla Inc and rival electric vehicle startups that hoped to emulate Tesla CEO Elon Musk's success.

As interest rates rose and financial markets gyrated, shares in many EV startups deflated. Rivian Automotive Inc, which had a higher market value than Ford Motor Co shortly after it went public in 2021, lost more than 70 per cent of its value over the past year.

Other EV startups fared worse. Electric van maker Arrival warned it could run out of cash in less than a year. Lucid Group Inc, backed by Saudi Arabia's sovereign wealth fund, struggled to build its sleek Air luxury EVs. Chinese Tesla challenger Xpeng Inc's shares lost more than 80 per cent of their value.

Now comes the hard part: Persuading more mainstream consumers to come along for the ride.

The automobile industry is pouring more than $1 trillion into a revolutionary shift from combustion engines to electric vehicles guided by software. From Detroit to Shanghai, automakers and government policymakers have embraced the promise of electric vehicles to provide cleaner, safer transportation. European countries and California have set 2035 as the deadline for ending sales of new combustion passenger vehicles.

Tesla Inc's surge to become the world's most valuable automaker - achieving a $1 trillion valuation last year - humbled established automakers such as Toyota Motor Corp and Volkswagen AG that once were reluctant to go electric.

Starting next year, a wave of new electric vehicles from pickup trucks to middle market SUVs and sedans will hit the world's major markets.

Industry executives and forecasters do not agree on how rapidly electric vehicles could take over half the global vehicle market, let alone all of it.

In China, the world's largest single automotive market, battery electric vehicles have captured about 21 per cent of the market. In Europe, EVs account for about 12 per cent of total passenger vehicle sales. But in the United States, EV market share is only about 6 per cent.

Among the barriers to EV adoption, industry executives and analysts said, were a dearth of public fast-charging infrastructure, and the rising cost of EV batteries, driven by shortages of key materials and uncertainty over government subsidies that have buoyed EV purchases in major markets including the United States, China and Europe.

By 2029, electric vehicles could account for a third of the North American market, and about 26 per cent of vehicles produced worldwide, according to AutoForecast Solutions, a consultancy.

BB relaxes loan repayment policy again

FROM PAGE B1

the country's apex trade body, pressed for a relaxed loan classification policy until June next year.

Borrowers enjoyed a full-year payment holiday throughout 2020 because of the coronavirus pandemic and could avoid slipping into the defaulter category by paying 15 per cent of the instalments payable for 2021.

The central bank discontinued the support from the beginning of 2022 as Covid-19 caseloads plummeted, paving the way for the economy to rebound strongly, before coming under pressure after the Russian-Ukraine war began.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, thinks the central bank has relaxed the facility further to entertain the FBCCI's demand.

"However, the central bank should have handed over the responsibility to banks to decide which default borrowers would be eligible for the facility and which would not."

Default loans in the banking sector may increase further once the relaxed facility is withdrawn.

Bad loans hit a record Tk 134,396 crore in September when such loans accounted for 9.36 per cent of the total outstanding loans of Tk 1,436,200 crore in the banking industry, BB data showed. A year earlier, the ratio was 8.12 per cent.

The loan repayment rules were relaxed at a time when banks are facing a liquidity crisis due to the shortage of loanable funds.

If borrowers pay their instalments partially, the ongoing fund shortage will deepen further, said the managing directors of two banks.

The commoners are shying away from keeping funds with banks in some cases as their confidence level has dipped, creating a difficult situation for lenders, they said.

"Willful defaulters may cash in on the facility," said one of them, adding that good borrowers usually try to repay loans on time despite any relaxation policy.

Salehuddin Ahmed, a former governor of the BB, is against offering a relaxed facility on a wholesale basis.

"The economy is still in trouble, so relaxing the loan repayment facility can be supported. But it should not be provided to all borrowers for the sake of the financial sector," he said.

"Only small and medium-sized borrowers should have been allowed to enjoy the relaxed facility."

In recent times, the deposit growth in banks has slowed as many people saw their capacity to save dwindle amid the higher cost of living.

After touching a 10-year high at 9.52 per cent in August, inflation eased in the last three months. In November, it stood at 8.85 per cent.

But central bank data showed that the weighted average rate of interest on deposits was 4.13 per cent in the July-September quarter.

Banks' lending to industries slows

FROM PAGE B1

many could not repay loan easily. Of late, the increased cost of the US dollar also affected project financing, he said, adding that the state-run bank approved loans for four or five projects.

"Our term lending has declined but our financing to small and medium enterprises has increased," he added.

The central bank data showed that 35 per cent of advances by bank went to trade financing.

Working capital and advances for term loans for industry accounted for 39.6 per cent of total advancesat the end of September this year, down marginally from that a quarter ago, and one year ago.

Emranul Huq, managing director of Dhaka Bank, said advances were not coming about by that much of an extent at this point in time.

Now the economy is stressed and entrepreneurs are delaying implementing new projects, he said.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, said banks were facing pressure from falling liquidity, for which they were not going aggressive in investment.

"We are going conservative, not aggressive as of the past," he said.

Energy crisis fuels coal comeback in Germany

REUTERS, *Frankfurt*

Coal has made a comeback in Germany this year, as Europe's largest economy turns to the dirty fuel to power it through an energy crisis.

More than a third (36.3 per cent) of the electricity fed into the German power grids between July and September came from coal-fired power plants, compared with 31.9 per cent in the third quarter of 2021, according to German statistics office Destatis.

Long demonised by Germany's Green party, which leads some of the government's top ministries, coal was set to be phased out by 2030, but Russia's war with Ukraine and gas export curbs, brought coal back into favour.

Coal-to-power generation output rose by 13.3 per cent year-on-year to 42.9 terawatt hours (TWh) in the three months of July-September, during which overall German power output - at 118.1 TWh - lagged the same period in 2021 by 0.5 percent, Destatis said.

Gas generation rose slightly, despite high prices, as wind and hydro power output were low, and domestic nuclear output also fell in July-September.

The latter was because only three reactors remain online compared to six a year earlier as Germany exits from the technology following the Fukushima crisis.

Under the threat of gas shortages, some coal plants that had closed or been left in reserve have re-entered the market in Europe this year, but in most countries, the amount was limited.

"Only in Germany, with 10 gigawatts (GW), is the reversal at a significant scale. This has increased coal power generation in the European Union, which is expected to remain at these higher levels for some time," the IEA's annual coal market report said.

Global coal consumption reached a record high of over 8 billion tonnes this year, with Germany one of the highest with a 19 per cent rise, or 26 million tonnes, versus 2021, the IEA said.

Instead of shutting down 1.6 GW of lignite-fired power plants by the end of 2022 as planned, the German government has issued a waiver to allow production until March 2024.

Germany has created a "gas replacement reserve" with a total capacity of 11.6 GW. This includes 1.9 GW of lignite and 4.3 GW of hard coal power plants which are allowed to return to the market until 2024, the IEA report said.

The decommissioning of 2.6 GW of hard coal power capacity and 1.2 GW of lignite capacity has been postponed.

Since Destatis started compiling statistics in 1990, 2022 will likely be the first that Germany will be a net exporter of electricity to France, not the other way around, it said.

However, the IEA added that due to an expected ramp-up of electricity production from renewables and a recovery in French nuclear power availability, Germany should return to being a net importer of electricity in the next few years.