

# Ship recycling down by a third for global crises

Association says scrap vessels now costlier for hike in dollar prices

**STAR BUSINESS REPORT**

Bangladesh annually recycles around 2.5 to 3 million tonnes of scrap vessels but this has come down to around 1 million tonnes in the last two years, according to the Bangladesh Ship Breakers and Recyclers Association.

Initially this was coming about for the Russia-Ukraine war and then, when the industry was seeing improvements, the Middle East conflict suddenly broke out, said Mohammed Zahirul Islam, vice president of the association, yesterday.

Scrap vessels have become costlier in the global market for the hike in US dollar prices against the taka alongside US sanctions centring the Russia-Ukraine war, which have halted imports from the region, he said.

According to the United Nations Conference on Trade and Development, in the 12 months to January 2023, Bangladesh recycled 2.8 million tonnes of ships, accounting for 37.2 percent of the world total.

Of the total ships recycled by Bangladesh, 50.4 percent were oil tankers, 41 percent bulk carriers, 2 percent ferries and passenger ships, 1.9 percent chemical tankers, and 1.1 percent general cargo ships, said businesspeople.

Local shipbreakers and recyclers said scrap metal from the vessels is mainly used by steel re-rolling mills and shipbuilders that make barges.

The \$6.5 billion steel re-rolling industry in Bangladesh gets only 10 percent of its



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PHOTO: STAR/FILE

steel from ship breaking, according to industry insiders.

"The war affected us very negatively and I think it will take a few years to regain normalcy," Islam told a fourth Bangladesh International Trade Summit 2024 at the Pan Pacific Sonargaon in Dhaka.

Styler, "Harnessing the Potential of

Green Ship Recycling", the event was organised by Bigmint, a platform for price reporting, market intelligence and consulting for commodities.

Of the 130 members of the recyclers' association, only 30 to 35 are active, which shows the current state of the business, said Islam, also managing director of PHP

Ship Breaking and Recycling Industries.

Espen Rikter-Svendsen, the Norwegian ambassador to Bangladesh, Dharmesh Jani, chief executive officer of the Intellects Innovative Solutions Pvt, Swarn Bedarkar, vice president of Electrotherm India, and Gaurav Mehta, director of Best Oasis, UAE, also spoke at the event.

## Ensuring security in land digitalisation

TANVIR HASSAN ZOHA

Bangladesh's ambitious land digitalisation project holds the potential to transform property management and transactions, making them quicker and free from corruption.

However, as we move toward a digitalised system, the integration of advanced cybersecurity measures is crucial, not just an afterthought. This initiative, while promising, also faces significant risks from potential cyber threats, similar to challenges seen in other countries that have undertaken similar digital transitions.

Countries like India and Estonia have embraced land digitalisation and faced challenges in protecting sensitive data against cyber attacks. India's digitisation of land records has been marred by instances of data leaks and fraud, underscoring the importance of robust cybersecurity frameworks.

Estonia, despite being one of the most digitally advanced countries, has had to continuously evolve its cyber defenses to address vulnerabilities exposed by cyber attacks, notably the massive 2007 attack that crippled the country's digital infrastructure.

For Bangladesh, the path forward must involve a robust cybersecurity strategy that addresses the following critical areas:

**Legislative framework:** Strong, enforceable data protection laws are essential. These laws must define and regulate how personal and transactional data is handled by both public and private entities involved in the land digitalisation process.

**Technological safeguards:** Integrating state-of-the-art encryption technologies is crucial. These technologies will serve as the foundation for securely storing and transmitting land records, protecting them against unauthorised access and breaches.

**Proactive security measures:** Routine audits and vulnerability assessments are essential to preemptively identify and mitigate potential security weaknesses. Comprehensive penetration testing should also be conducted regularly to strengthen defenses against external attacks.

**Incident response planning:**

An effective incident response strategy is vital for quickly addressing and mitigating the effects of data breaches. This strategy should include immediate containment measures and long-term recovery plans to minimise downtime and data loss.

**Public and expert engagement:**

Collaborating with international cybersecurity experts will help integrate global best practices into our system. Educating the public about the cybersecurity measures in place and their role in maintaining the security of their personal data is equally important.

Additionally, the digitalisation of land records presents unique challenges, including the risk of fraudulent activities. Misrepresentation in property transactions, unauthorised access leading to alterations in the records, and the potential theft of personal data are issues that could undermine the integrity of the entire system.

To combat these risks, it is imperative that the government implements stringent verification processes and digital tracking mechanisms. These should be designed to authenticate transactions and monitor changes to records in real-time.

If fraudulent activities or discrepancies are detected, the government should take immediate action. This involves enacting rapid response protocols, which include freezing affected records, conducting forensic investigations, and prosecuting involved parties.

Digital forensics will play a crucial role in tracing the origin of cyber attacks and fraudulent entries, helping restore system integrity and public trust. Digital forensic challenges in this context include the need for highly skilled professionals who can work on complex digital platforms. These experts must not only retrieve and analyse digital evidence but also ensure that their methods stand up in court.

The success of Bangladesh's land digitalisation project depends not only on the technology employed but also on the security framework protecting it. Our collective vigilance and cooperation will be pivotal in overcoming potential cyber risks and ensuring the project's longevity and success. As we endeavour to digitalise our land records, we must ensure that our systems are not only efficient but also secure, creating a benchmark for success and security in the digital age.

The author is managing director of Backdoor Private Ltd, a cyber security consulting service provider.



## EBL, US State Department to launch climate awards

**STAR BUSINESS REPORT**

Eastern Bank PLC (EBL) has entered into an agreement with the US Department of State to collaborate on EBL Climate Change Adaptation Award.

The award will be presented annually to recognise and celebrate the best practices of corporations, manufacturing companies and NGOs operating in Bangladesh and climate activists who have demonstrated excellence and leadership in implementing climate change adaptation projects and initiatives.

The agreement was signed by Donald Lu, visiting assistant secretary of state for the Bureau of South and Central Asian Affairs, and Ahmed Shaheen, acting managing director of EBL, at EMK Center in Gulshan, Dhaka yesterday.

The award categories include renewable energy, water conservation, sustainable agriculture, urban resilience, biodiversity protection, and disaster preparedness.

Donald Lu said the US and Eastern Bank share a common goal of promoting efforts to combat climate change among Bangladeshi businesses, civil society, and beyond, and expressed his anticipation for supporting this award.

US Ambassador to Bangladesh Peter Haas expressed excitement about this new partnership with Eastern Bank.

"By helping EBL recognise businesses and organisations doing exceptional work in climate change in Bangladesh, we hope to inspire more action in this critically important area," said Haas.

Ahmed Shaheen said, "Extreme weather events worldwide are urging us to act quickly on climate adaptation, mitigation, and finance, so this is a unique initiative that aligns with our vision of being a socially responsible and environmentally friendly bank."

## City Bank's profit grows marginally in first quarter

**STAR BUSINESS REPORT**

City Bank registered a 2.7 percent year-on-year growth in profit to Tk 92.44 crore in January-March of 2024.

The profit was Tk 89.37 crore in last year's identical quarter.

Consolidated earnings per share, thus, was Tk 0.75, up from Tk 0.73, according to its unaudited quarterly financial statements. City Bank attributed the rise to a higher operating profit.

The bank's consolidated net operating cash flow per share returned to the positive territory in Q1, to Tk 11.71 from Tk 10.5 in negative.

The bank's investment income grew by Tk 87.56 crore to Tk 190.07 crore on the back of higher holdings of government securities that ensured more interest earnings.

City Bank, one of the leading private banks in Bangladesh, started its operation in 1983. It runs its operation through 133 branches. Shares of the bank declined 1.06 percent to Tk 18.7 yesterday.

## Stocks drop 3% in last 3 days

**STAR BUSINESS REPORT**

The stock market continued to plunge for a third consecutive day yesterday as risk-averse investors sold shares apprehending that the economy would turn for the worse in the coming days.

The DSEX, the prime index of Dhaka Stock Exchange (DSE), went down 1 percent, or 58 points, from that on the day before to settle at 5,527.

Over the past three days the benchmark index has gone down by around 3 percent.

Due to a huge sell-off by foreign investors, the stock market index is falling, according to a number of market intermediaries.

British American Tobacco Bangladesh caused the DSE's major index to drop by the biggest margin of 6 points while Square Pharmaceuticals reduced it further by 5 points.

Meanwhile, the blue-chip DS30 index fell by more than 14 points, or 0.70 percent, to 1,978.

The DSES, an index which represents Shariah-based companies, lost 12 points, or 1 percent, to 1,213.

Turnover, a crucial indicator of trading activity in the market on a given business day, dropped 21 percent to Tk 526 crore at the end of trading, the lowest in the last 20 days.

The majority of the stocks saw

price erosions, as out of the 395 issues which were traded, 61 closed higher, 301 ended lower, and 33 remained unchanged on the DSE trading floor.

A top official of a leading stock brokerage firm said people are frustrated with the recent fall of the index while the ongoing economic downturns have eroded their confidence.

The foreign exchange reserve is falling every month and on top of it, reports have been going around of a second Bangladesh Bank reserve heist, he said.

Although the central bank claimed it to be fake news, it has had a negative impact on the stock market investors, he added.

If the foreign exchange reserve does not increase soon, performances of listed companies will deteriorate, for which investors are selling off shares, he added.

Alif Industries was the most-traded stock, with shares worth Tk 19 crore changing hands followed by eGeneration, Orion Infusion, Navana Pharmaceuticals and Best Holdings. Chittagong Stock Exchange (CSE) also ended lower with its all-share price index (CASPI) losing 105 points to settle at 16,060.

The port city bourse traded 35 lakh shares and mutual fund units with a turnover of Tk 13.6 crore.

## IEA trims 2024 oil demand growth forecast

**REUTERS, London**

The International Energy Agency (IEA) on Wednesday trimmed its forecast for 2024 oil demand growth, widening the gap with oil producer group Opec in terms of expectations for this year's global oil demand outlook.

The divide between the IEA, which represents industrialised countries, and Opec sends divergent signals about oil market strength in 2024 and, over the longer term, about the speed of the world's transition to cleaner fuels.

Global oil demand this year will grow by 1.1 million barrels per day (bpd), the Paris-based IEA said in a monthly report, down 140,000 bpd from the previous forecast, largely citing weak demand in developed OECD nations.

The IEA said the lower 2024 forecast was linked to poor industrial activity and a mild winter sapping gasoil consumption, particularly in Europe, where a declining share of diesel cars was already undercutting consumption.

"Combined with weak diesel deliveries in the United States at the start of the year, this was enough to tip OECD oil demand in the first quarter back into contraction," the agency said, noting though that the OECD slump was somewhat offset by resilient non-OECD demand led by China.

On Tuesday, the Organization of the Petroleum Exporting Countries had stuck by its expectation that world oil demand will rise by 2.25 million bpd in 2024. The 1.15 million bpd difference is about 1 percent of world demand.

## Biden's new China tariff wall faces leakage via Mexico, Vietnam

**REUTERS, Washington**

The Biden administration's new tariffs on Chinese electric vehicles and other strategic sectors aim to protect the future of US manufacturing, but they will likely accelerate a shift of Chinese production to Mexico, Vietnam and elsewhere to avoid them.

US officials and trade experts say that without strong efforts to cut off transshipped or lightly processed Chinese goods from Mexico and other countries, China's underpriced excess production will still find its way into US markets.

"The new tariffs might keep out imports from China but it is likely that much of those imports could be rerouted through countries not subject to the tariffs," said Eswar Prasad, trade policy professor at Cornell University and a former China director at the International Monetary Fund.

Mexico and Vietnam, in particular, have benefited from escalating US-China trade tensions due to their lower costs and proximity, Prasad said, adding that they both need to avoid Washington's "fire" while reaping new manufacturing investments.

Mexico, for one, has overtaken China as the top source of imports into the

US, with more than \$115 billion of goods originating from there in the first three months of 2024 versus less than \$100 billion from China.

With that surge, concerns have grown about Mexico becoming a transshipment

hub for Chinese goods to skirt US tariffs, due to increasing US imports of steel products from Mexico and Chinese EV maker BYD scouting out locations for a Mexican factory that could potentially supply the US market. Reuters reported

last month that US officials have pressured Mexico to refuse investment incentives to Chinese automakers.

Punitive duties on Chinese EVs will soon be quadrupled to more than 100 percent under President Joe Biden's new tariff hikes on high-technology imports from China. The action also includes a doubling of duties on semiconductors and solar cells to 50 percent this year and new 25 percent tariffs on Chinese critical battery minerals, Chinese graphite and EV battery magnets over the next two years.

The tariffs are designed to protect new domestic manufacturing sectors that the Biden administration is trying to develop with hundreds of billions of dollars in tax incentives and grants.

Step chart with data from the US Census Bureau showing the annual value of US's exports to and imports from China since 2010.

US Trade Representative Katherine Tai told reporters she was concerned about Mexico's trade relationship with China and to "stay tuned" on future separate efforts to head off tariff evasion problems.

"The fact pattern that's developing is one that is of serious concern to us, and that at USTR, we are looking at all of our tools to see how we can address the problem," Tai said.



Employees work on solar photovoltaic modules for export at a factory in Lianyungang, in China's eastern Jiangsu province. Biden's action could put more pressure on Europe by diverting Chinese solar products to their shores, where trade protections are generally lower.

PHOTO: AFP/FILE