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BUSINESS

# Internet blackout wallops life and living

MAHMUDUL HASAN

A countrywide internet blackout dealt a massive blow to the lives of the Bangladeshis, upending their digital lifestyle and leaving businesses staring at huge financial losses.

The complete non-availability of the internet has left people without social media, internet-based voice and video calls, online transactions and many more essential services for three days.

Mobile financial services (MFSs), which have become the lifeblood for crores of people, have come to a halt, leaving many with no money in hand.

Export and import activities at sea and land ports are also paused as the entire process depends on the internet.

This scenario delivered the wrong message to the world, portraying Bangladesh as an unreliable business partner.

The digital commerce sector is facing losses of \$5 million every day, said Fahim Ahmed, CEO of ride-hailing company Pathao.

From logistical support to money collection, everything is being affected due to the absence of internet, he said.

Russell T Ahmed, president of the Bangladesh Association of Software and Information Services, said: “Many of my association members called and cried as they fear this prolonged internet outage may destroy their businesses in the blink of an eye.”

As the internet was suspended without prior notice, IT firms and freelancers could not notify clients about the outage, which may also lead to a downgrade of Bangladesh's rating in the global IT services industry, he added.

He urged the government to restore internet services at least for the export-oriented IT businesses and other firms.

Md Arafat, a resident of Dhaka, said he tried multiple

**This scenario delivered the wrong message to the world, portraying Bangladesh as an unreliable business partner**

times yesterday to top-up his phone through MFS accounts, but failed. Local flexiload shops offered no solution.

Officials of telecom operators said they are losing around Tk 35 crore to Tk 40 crore in revenue each day.

The internet blackout started in Bangladesh on July 16, when the telecom regulator ordered operators to shut down 4G internet services in over 50 university areas amid quota reform protests.

The next day, the government, utilising its own technology, shut down mobile internet to help law enforcers tackle the existing situation, said Zunaid Ahmed Palak, the state minister for ICT.

On July 18, a fire broke out in the building of the Department of Disaster Management in the capital's Mohakhali area, damaging the internet transmission lines of some data centres hosted in adjacent buildings.

The same day, at around 8pm, officials of the Internet Service Providers Association of Bangladesh (ISPAB) said the fire may eat away 30-40 percent of bandwidth supply, leaving some users disconnected and many with slow internet.

But at around 9pm, users across Bangladesh faced a complete broadband blackout, leaving them totally disconnected from the outside world.

The government had ordered international terrestrial cable and international internet gateway companies to stop supplying bandwidth to the internet service providers, said multiple industry players seeking anonymity.

However, the Bangladesh Telecommunication Regulatory Commission (BTRC) said miscreants had set ablaze a data centre in Mohakhali, which had led to the internet disruption.

Yesterday, the BTRC and the ISPAB said they needed more time to repair the damaged data centre and transmission lines.



Standing in stark contrast to the usual bustle, an eerie calm prevails at Naya Paltan, with the silence broken only by the passing of the occasional rickshaws during a nationwide curfew imposed by the government. The photo was taken around 11:00am yesterday.

PHOTO: PALASH KHAN

# Fresh blow to fragile economy

AHSAN HABIB

The countrywide shutdown and subsequent violence centring the quota reform movement crippled business and economic activities for the last three days, dealing a further blow to an economy that is already ailing due to high inflation, falling exports and depleting forex reserves.

Fearing further violence and arson, factories, including those in the biggest export-earning sector of garments, remained shut.

Additionally, passenger and freight vehicles stayed away from plying roads and highways, disrupting the transport of exportable goods and imported items to and from the ports.

At the same time, a countrywide internet blackout affected the assessment of imported and exported goods by the customs, causing indefinite delays in clearance.

The ongoing internet blackout also forced the closure of digital commerce activities for a second consecutive day.

Markets in Dhaka and Chattogram, the two biggest economic hubs of the country, shuttered their stores fearing attacks, with only small neighbourhood shops offering essentials to the few who ventured out.

Over the past few days, several public and private assets were also vandalised and set on fire, which will contribute to losses.

Importantly, such a situation will also impact the image of the country. So, export orders and investment may take a hit.

“On the one hand, this has direct ramifications for export earnings. On the other, the current situation tarnishes the image of our country to international customers,” said Syed Tanvir, managing director of Pacific Group, one of the largest garment exporters in Bangladesh.

“Global buyers started to believe that Bangladesh had been able to come out of political volatility. This increased their confidence. Now, they feel bad.”

Tanvir added that the imposition of a curfew by the government indicates that the situation is extremely volatile. “We have not seen this in almost two decades.”

He added that export shipments would be delayed because of problems in transport, which may have a ripple effect.

As such, he called for a quick resolution to the stalemate.

Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry (MCCI), said the situation could

have been resolved much earlier.

It is so sad that so many students have been killed, he said.

“Trade and businesses will be impacted. Already, the price level has climbed,” he said, adding that investment would be affected too.

To reduce economic losses, a fast solution is necessary. The course of the economy depends largely on a proper resolution to the existing impasse, he added.

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Prof Selim Raihan, executive director at the South Asian Network on Economic Modeling (Sanem), said the economy is bleeding.

The political situation will lead to further deterioration of the economy, he added.

The government should have resolved the demands of the students through a dialogue. “This kind of situation could

have been avoided in view of the current economic challenges.

“Any disruption to the economic activities is very costly,” he added.

The extent of destruction witnessed in the country has raised the alarm for the economy. This type of situation will create uncertainty and it is not good for the economy, Raihan said.

“The supply chain has been disrupted. Activities in the export-oriented sector are almost suspended. Internet-based business activities are down. This will have a major negative impact on the economy.”

Faruque Hassan, managing director of Giant Group and a former BGMEA president, said indirect losses would be more costly than direct losses, especially in terms of losing work orders.

A top official of a leading listed drug company, said the pharmaceutical sector usually remains out of the purview of any restrictions. But that is not the case this time around.

“This time, the government did not announce that the curfew would not be applicable for the pharmaceutical sector. So, we had to keep our plants closed.”

Due to problems in transporting medicine, many pharmacies remained closed. As a result, drug sales may halve, he added.

# Garment sector’s losses piling up as factories remain shut

REFAYET ULLAH MIRDHA

Garment factories kept production suspended yesterday and decided to keep the units closed today as well considering the safety of the workers and the factories amid ongoing countrywide violence and curfew imposed by the government.

For now, the leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) decided to keep the factories shut until today.

The boards of directors of the two associations will sit again today to decide whether the factory shutdown will be extended or not, BGMEA President SM Mannan Kochi and BKMEA Executive President Mohammad Hatem told The Daily Star over phone.

The suspension of the internet is also hampering the garment sector as factories cannot send inspection reports to international retailers and brands online, which is a must every day to keep the buyers updated, said Faruque Hassan, managing director of Giant Group, a garment exporter.

## AT A GLANCE

BGMEA, BKMEA shut factories from July 20 to July 21

They will meet today to discuss extension of factory shutdown

Garment sector accounts for 84% of Bangladesh's total exports

Violence and curfew create obstacles to transporting goods

Internet blackout hampering communication with int'l buyers

## LOSSES

Garment sector losing over \$500m every day due to factory closure, owners say

Indirect losses are greater than direct losses

In the last two days, many goods-laden trucks failed to reach Chattogram port from the factories, but factory owners could not convey that to the buyers as there was no internet, he added.

“If the curfew continues, it will be difficult to keep the factories open,” BKMEA's Hatem said.

He said the BKMEA member factories were shut yesterday after the association announced the factory closure a day earlier.

But a few factories at Konabari and Gazipur opened yesterday as factory owners and workers did not know about the imposition of the curfew, the BGMEA chief said.

Garment is the main export earner of the country, contributing over 84 percent to national exports a year.

The sector is losing over \$500 million every day due to the closure of factories, industry insiders said.

The indirect losses are greater than direct losses in the case of factory closures, said Faruque Hassan, also a former BGMEA president.

“If a factory is closed, buyers either cancel the work orders or seek discounts or air shipment. They may also shift work orders to other countries due to delays in production.”

# Ports, transport at a standstill

JAGARAN CHAKMA, DWAIPAYAN BARUA and MOHAMMAD SUMAN

Export and import activities suffered severe disruptions for the third day yesterday amid transport problems because of violence centring the quota reform movement and internet shutdown by the government.

The deadlock affected industrial production and shipment of exportable goods from the ports, especially Chattogram port, which handles roughly 90 percent of Bangladesh's international trade.

Truck and lorry drivers are reluctant to ply their vehicles, for which deliveries of the construction sector's raw materials could not be taken from the port, creating a backlog in production and delivery of the final products.

“Production is being severely hampered as workers, technicians and engineers cannot come to work for the curfew,” said Tapan Sengupta, deputy managing director of BSRM.

No raw materials could be received from the port as logistics service providers do not want to risk their vehicles being

vandalised, he said.

“We could not even reach products to dealers and clients over the past week,” he added.

Almost all steel mills have suspended production, said Jahangir Alam, president of Bangladesh Steel Manufacturers Association.

The mills are unable to receive raw materials from the port and are having to pay storage rent daily, he said. Similarly, no revenue has been earned over the past week but bank loan interest will still have to be paid, he added.

The sufferings of industries such as steel and cement will affect development activities, including the real estate sector, he said.

According to Alam, the effect will be apparent after a couple of months when the rise in production costs will be passed onto consumers.

If production of steel and cement is hampered, its effect directly falls on the construction sector, particularly housing, as these are the major raw materials, said FR Khan, managing director of bti, a leading developer.



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