



Workers stack raw bricks at a kiln in Purbo Khudrakathi of Babuganj upazila in Barishal, earning Tk 1,200-Tk 1,500 a day during the busy winter season. The photo was taken recently.

PHOTO: TITU DAS

# Inefficiency, wastage major crises for energy sector: experts

Old equipment, lack of proper audits main reasons, they say

**STAR BUSINESS REPORT**

Factories are failing to utilise the available energy, with some losing a large chunk of their potential energy because of old machinery, lack of proper audits, and policies that exist largely on paper, experts have said.

The inefficiency and wastage have become two of the major crises for the sector, already struggling with persistent supply challenges and high costs, industrialists, policy experts, economists, and regulatory officials said at a policy dissemination event on industrial energy efficiency in Dhaka yesterday.

Bangladesh already has two major planning documents but lacks a clear industrial efficiency policy that can be enforced, Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said at the event jointly organised by Sanem and the Dhaka Chamber of Commerce & Industry (DCCI).

Delivering the keynote address, he pointed to the poor implementation of

the Energy Efficiency and Conservation Master Plan (EECMP) 2016 and the Integrated Energy and Power Master Plan (IEPMP) 2023.

"EECMP 2016 aims to reduce energy intensity by 20 percent by 2030, with benchmark targets for energy-heavy industries like steel and cement, while IEPMP 2023 focuses on energy security, affordability, and sustainability. But both plans fall short in terms of implementation and regulatory enforcement," he said.

Citing Sanem research, he said energy wastage or loss is up to 90 percent in some industries.

Raihan, also a professor of economics at Dhaka University, said only 16 industrial energy audits have been conducted so far, despite 189 large consumers having been identified for mandatory audits.

"The result is massive waste. Many industries are using outdated equipment and lack the financial and institutional support to adopt efficient technologies," he noted.

Jalal Ahmed, chairman of the Bangladesh

Energy Regulatory Commission, warned that domestic gas reserves could be depleted by 2030, as exploration has barely progressed in recent years.

"Despite repeated expert warnings, progress in both offshore and onshore exploration has been negligible," he said, adding that this has pushed the country toward importing expensive gas and subsidising the energy sector while overall efficiency remains at just 30 percent.

"Raising efficiency to even 60 percent could bring significant relief," he said, urging stronger implementation of energy audits and more efficient captive power generation systems.

Ahmed also urged the garment sector to increase the use of renewable energy, noting that the European Union is moving toward a 42.5 percent clean energy share by 2030 and that Bangladesh's exports could be affected if the industry does not keep pace.

Md Rafiqul Islam of the Bangladesh Energy and Power Research Council said imported energy cost Bangladesh about \$20 billion last fiscal year.

"Energy security is now as critical as food or national security," he said, adding that the private sector must play a greater role in domestic energy production.

Power Grid Bangladesh PLC Chairman M Rezwon Khan said load shedding is occurring mainly because of fuel shortages, not grid capacity issues.

He also said the tariff structure needs revision and suggested separate peak and off-peak rates.

DCCI President Taskeen Ahmed noted that gas prices rose by 178 percent in the last fiscal year and increased again by 33 percent. He said the cost increase severely affected production in key sectors such as textiles, steel, and fertiliser, with output down by 30 percent to 50 percent in some industries.

Industry representatives, including those from renewable and financing bodies, repeated calls for lowering taxes, wider incentives for renewable energy, easier access to loans for green projects, stricter enforcement of existing policies, and mandatory audits.

## Air travel disrupted over Airbus A320 software glitch

AFP, Paris

More airlines around the world announced delayed or cancelled flights Saturday following an Airbus alert that up to 6,000 A320 aircraft may require upgrades.

Airbus instructed its clients Friday to take "immediate precautionary action" after evaluating a technical malfunction on board a JetBlue flight in October.

"Intense solar radiation may corrupt data critical to the functioning of flight controls," it said, adding that "a significant number of A320 Family aircraft currently in-service" may be affected.

Replacing the software will take "a few hours" on most planes but for some 1,000 aircraft, the process "will take weeks", a source close to the issue told AFP.

Air France told AFP it was calculating how many more flights would be cancelled Saturday.

"Customers affected by cancellations are being notified individually by SMS and email," a spokesperson said Friday.

It cancelled 35 flights on Friday, while Colombian airline Avianca said 70 percent of its fleet had been impacted by a technical issue in the European plane-maker's software.



The European Union Aviation Safety Agency (EASA) said in a statement that Airbus had informed it about the issue.

"These measures may cause short-term disruption to flight schedules and therefore inconvenience to passengers," EASA said, adding that "safety is paramount".

Aerospace and defence giant Thales told AFP that it makes the flight control computer, which it said was "fully compliant with the technical specifications issued by Airbus" and certified by the EASA and its US equivalent, the FAA.

But it added: "The functionality in question is supported by software that is not under Thales' responsibility."

The Airbus statement did not specify which company had designed the software.

"Airbus acknowledges these recommendations will lead to operational disruptions to passengers and customers," it said, apologising for the inconvenience.

On October 30, a JetBlue-operated A320 aircraft encountered an in-flight control issue due to a computer malfunction.

The plane suddenly nosedived as it travelled between Cancun in Mexico and Newark in the United States, and pilots had to land in Tampa, Florida.

## Heat a key challenge for data centres and AI

REUTERS, Stockholm/London

The global boom in data centers as companies increasingly outsource information storage and ramp up use of energy-intensive artificial intelligence is creating a key challenge for the industry - how to keep cool.

An outage at the world's biggest exchange operator CME Group from late Thursday that halted trade on its popular currency platform and in futures spanning foreign exchange, commodities, Treasuries and stocks has put a spotlight on data centers overheating.

The problem was a cooling issue at data centers operated by Dallas-headquartered CyrusOne, which operates more than 55 centers in the US, Europe and Japan.

CyrusOne said on Friday its engineering teams were on site at the data center near Chicago to get the cooling system back online.

High-powered AI and cloud servers crunching data need huge amounts of power, which gives off intense heat that traditional air cooling systems are often unable to cool properly.

Data centers contain racks of servers stacked together which are constantly turned on, consuming power. As they heat up, they require constant cooling.

"The chips that are in those data centers need to stay within certain temperatures, otherwise they either malfunction or they turn off," said Daniel Mewton, a partner in the infrastructure, energy and natural resources practice at law firm Slaughter and May.

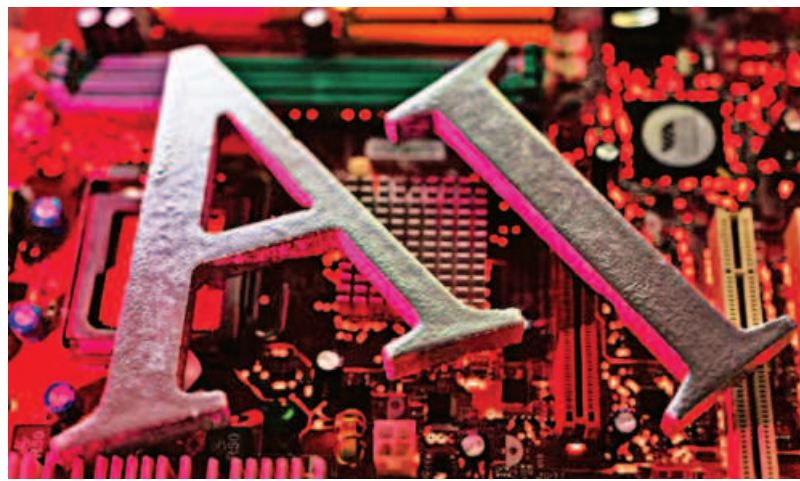
**WHAT CAN DATA CENTER OPERATORS DO ABOUT IT?**

More data centers are looking to use water or specialized coolants instead of air cooling, as liquid

cooling can be 3,000 times more efficient than air at removing heat.

Liquid cooling however can create its own challenges, including potential leaks, corrosion and the need for specialized maintenance. It can also be water intensive.

Companies are looking to find ways to reduce outside coolants. Microsoft last year launched a new data center design that consumes zero water for cooling.



According to the company, its new technologies recycle water through a closed loop, circulating between the servers and chillers to dissipate heat without needing a fresh supply.

There are also systems to recover and reuse waste heat from data centers.

**HOW COMMON ARE OUTAGES LINKED TO COOLING ISSUES?**

Mewton said that in general data center outages were "extremely uncommon" because of contractual requirements for operators to keep them almost always online.

"You need to be up more than 99.99% of the time sometimes," he

said. While outages overall were fairly unusual, specific issues directly affecting cooling systems were "even rarer", Mewton said. "What I most often hear (about) is obviously power issues," he said.

**A WAVE OF DEAL-MAKING FOR DATA CENTER COOLING**

The global appetite for data centers has sparked a wave of deal-making across the industry as



companies race to build capacity to meet the surge in power and cooling needs.

Law firm White and Case estimates that up to 40% of total energy consumption in data centers is spent on cooling them down, making it a big business.

In November, power management firm Eaton said it would buy Boyd Corporation's thermal business from Goldman Sachs Asset Management for \$9.5 billion, part of a push to cater to an AI demand surge.

Peer Vertiv is also in a \$1 billion deal for PurgeRite Intermediate to expand its liquid cooling services.

## Govt unifies fertiliser distribution with new dealer policy

FROM PAGE B1  
He added, "Previously, there was an unwritten competition between BCIC and BADC dealers, which caused management problems. Dealer units were also not clearly defined. If this policy is implemented, it will be a revolutionary development for Bangladesh."

The policy's main goals, he said, are to deliver fertiliser directly to farmers' doorsteps and prevent black marketing or price manipulation.

Mohammad Emdad Ullah Mian, secretary at the Ministry of Agriculture, said the government aims to create a farmer-friendly fertiliser management system. "A syndicate often manipulates distribution for their benefit. Almost 65 percent of the Ministry's budget is spent on fertiliser. If the government spends so much money, people should benefit properly," he said.

He added that the government has identified around 2,000 problematic dealers and aims to allocate fertiliser based on land size, potentially saving Tk 3,000 to Tk 4,000 crore annually.

Jahangir Alam Khan, a renowned agricultural economist, said, "Bringing the overall supervision of fertiliser dealer appointments and distribution under the Ministry of Agriculture is a significant and timely step."

"While the policy framework is timely, the government must ensure consistent availability of fertiliser to truly benefit farmers and boost agricultural productivity."

## A decade needed

FROM PAGE B1  
"These higher interest rates are leaving the private sector unable to borrow, which is constraining the private sector's expansion," said Ha-Meem Group's Azad, one of Bangladesh's leading exporters. Echoing the same, Transcom Group CEO Simeen Rahman said the combined effect of inflation and elevated lending rates had slowed growth and consumer spending. "Our economy is going through challenges both in terms of growth and consumer spending."

GPH Group Chairman Mohammad Jahangir Alam noted that Bangladesh's 10 percent policy rate contrasts with the lower rates in competing countries, except Pakistan.

"If the policy rate comes down, lending rates will also fall and businesses will get some relief," said Alam, also president of Bangladesh Steel Manufacturers Association.

He also pointed to treasury bonds yielding 11-12 percent, which have become more attractive to banks than lending to businesses.

"As a result, banks are choosing the risk-free option of investing in treasury bonds instead of supporting industries. That is why we are facing a credit shortage," he said.

He urged the central bank to reduce both the policy rate and the yield on treasury bonds, saying businesses could survive if bank loans were priced 2-3 percent below bond returns.

Governor Mansur acknowledged the strain caused by the high interest rate but said rate cuts would only follow a sustained drop in inflation.

"The interest rate is certainly high. But globally, there is usually a gap of at least 2-3 percent between the policy rate and inflation," he said.

"Our inflation rate is still 8.2 percent. I will lower the interest rate once it comes down," he said.

However, he also criticised the government's policy. "Inflation could have been lower, but the government's

policy failures are behind it not falling further."

Turning to external balances, the governor said foreign exchange conditions had improved ahead of Ramadan.

"Last year's Ramadan was the most difficult period for managing foreign exchange liquidity. But this year, we are not seeing signs of stress," he said.

He said all import LCs for essentials had been opened, while LC openings across product categories had risen sharply from a year earlier.

"Imports have increased, showing double digit growth this month. Yet even then, there is no exchange rate pressure now," he said.

Bangladesh Institute of Development Studies Director General AK Enamul Haque, City Bank Managing Director and CEO Masrur Arefin also spoke at the event.

## Sammilito Islami Bank

FROM PAGE B1  
The new bank, being formed under the newly enacted Bank Resolution Ordinance 2025, is going to be the largest one in Bangladesh.

The authorised capital of the bank will be Tk 40,000 crore - each share valued at Tk 10, totalling 4,000 crore shares.

Of the amount, the government will provide Tk 20,000 crore designated as Class-A shareholders, according to the draft notification of the finance ministry.

Another Tk 7,500 crore will come from the permanent deposits of depositors in the transferring banks and financial institutions, converted under special terms. They will be designated as Class-B shareholders.

The remaining Tk 7,500 crore will come from deposits of other institutional depositors - excluding banks, financial institutions, and multinational companies - also converted specially. They will be designated as Class-C shareholders.