

Business

WEDNESDAY, JANUARY 25, 2023

Eurostar recovery hampered by post-Brexit passport checks

Some services run one-third empty; plan to expand network suffers setback

BRUSSELS: Cross-Channel train operator Eurostar complained Tuesday that slower post-Brexit passport checks for travelers are forcing it to run some services almost one-third empty.

The Eurostar Group now includes the Eurostar service from France and Belgium to London and the Thalys services linking Cologne, Amsterdam, Brussels and Paris. On Tuesday, the group unveiled a new joint logo that will adorn trains on both route networks, along with an ambitious plan to grow to 30 million passengers a year by 2030.

But the cross-Channel route from Paris and from Amsterdam to London is still being held back by the consequences of Brexit, with travelers facing longer passport checks. British visitors must now have their documents stamped as they arrive and leave the EU, slowing their passage even with UK border points in European stations. EU citizens, meanwhile, have to show they comply with British migration rules.

"We cannot offer enough seats because of these station bottlenecks," said Gwendoline Cazenave, chief executive of the joint group since October last year. In 2019, before the twin travel crises of Brexit and the COVID pandemic, the Eurostar and Thalys routes carried 19 million passengers a year.

In 2022, passengers had returned but numbers transported were still lower: the Eurostar cross-Channel service carried 8.3 million passengers and the Thalys high-speed continental service 6.5 million. "We haven't been able to return to 2019 levels of service because the border crossing is too slow,"

Cazenave said.

Today there are 14 return trips per day between Paris and London, for example. In 2019 there were between 17 and 18. And now these smaller number of trains are running part-full.

Profitable again

Cazenave said there were not enough border staff to check passports and that she was concerned about the future introduction of a new digital Entry/Exit System (EES) for the Schengen travel area, expected to start this year. "We used to ask clients to arrive half an hour before the train, now it's an hour," she said.

In peak hours, Eurostar must cap capacity at 700 of the 870 available seats on a train to allow the passengers to board on time, to take account of the time needed for them to clear passport checks.

In Amsterdam, Eurostar can only embark 250 passengers on a cross-Channel service, with another 175 boarding en route in Rotterdam. The group is concerned that when the EES entry system for the Schengen passport area comes into use then passenger flow will be slowed still further.

Eurostar almost went bankrupt in 2021 and Thalys also sought help from its shareholders.

The new combined group has a debt of 850 million pounds (960 million euros, \$1 billion), according to Cazenave. Travelers have returned since early 2022 and she said the group had returned to an operating profit in the second half of last year.



BRUSSELS: This picture shows a Thalys train in the Bruxelles-Midi train station in Brussels, on January 24, 2023. —AFP

Eurostar Group is a holding company based in Brussels, owned 55.75 percent by French state-owned SNCF Voyageurs, 19.31 percent by a Quebec

public investment bank, 18.5 percent by Belgian operator SNCB and 6.44 percent by US-based Federated Hermes Infrastructure. —AFP

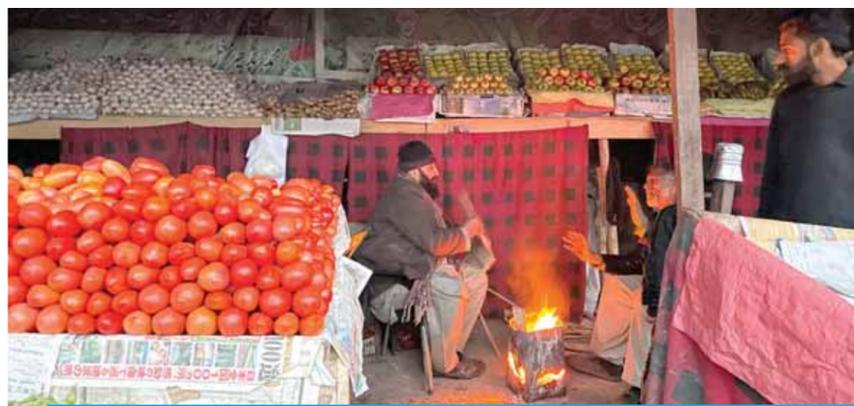
Power returns to Pakistan a day after huge outage

ISLAMABAD: The national power grid was restored in Pakistan, the energy minister said on Tuesday, a day after a nationwide breakdown left most of the country's 220 million people without electricity and caused tens of millions of dollars in industry losses. The outage started around 7.30 am (0230 GMT) on Monday, a failure linked to a cost-cutting measure as Pakistan grapples with an economic crisis.

Energy Minister Khurram Dastgir Khan said the grid was repaired at around 5.15 am (0015 GMT) but load-shedding would continue over the next two days as coal and nuclear plants were brought back online. "There is a need to invest in the energy sector, especially to improve the distribution system, which has long been neglected," he told reporters in Islamabad.

Prime Minister Shehbaz Sharif expressed "sincere regrets for the inconvenience our citizens suffered". An inquiry is under way and "responsibility will be fixed", he said on Twitter. Electricity returned to urban centres overnight, including the mega cities of Karachi and Lahore. Secretary general of the All Pakistan Textile Mills Association Shahid Sattar estimated losses of \$70 million to the sector, Pakistan's largest exporter and a crucial booster of foreign exchange reserves.

Around 90 percent of factories were shut down on Monday, with natural gas supplies too "patchy" to stand in, he said. "Each time there is a power cut



MUZAFFARABAD, Pakistan: Vendors warm themselves as they light a bonfire at a market during a nationwide power outage, in Muzaffarabad on January 23, 2023. —AFP

the mill has to be restarted from scratch, which takes up a lot of time and resources," he told AFP.

"We can't pick up from where we stopped. All that thread that's in the middle of being dyed and treated, et cetera, cannot be used again. So we face massive losses that way."

Khan pledged that industries would be guarded from the load-shedding anticipated in the coming days. The economy is already hobbled by rampant inflation, a falling rupee and severely low foreign exchange reserves, with the power cut piling extra pressure on small businesses.

Water disruption

Pakistan's power system is complex and precari-

ous, and problems can quickly cascade. Khan earlier said a variation in frequency on the national grid caused the initial breakdown, as power generation units were turned on early Monday morning.

The units are temporarily switched off on winter nights to save fuel, he had told reporters. Localised power cuts and load-shedding are daily occurrences in Pakistan, and hospitals, factories and government institutions are often kept running by private generators. But the machines are beyond the means of most citizens and small businesses.

In Karachi, hundreds of water pumps were also offline during the power cut, heaping more problems on the more than 15 million residents of Pakistan's largest city. —AFP

Swatch upbeat as China alters COVID policy

GENEVA: Swiss watch giant Swatch said Tuesday that its revenue growth was limited by China's zero-COVID policy in 2022 but it anticipates strong sales this year following the lifting of restrictions. Swatch, which also owns the luxury brands Tissot, Longines and Omega, posted net sales of 7.5 billion Swiss francs (\$8.2 billion) last year, up 4.6 percent from 2021 at constant exchange rates.

But China's COVID lockdowns caused a sales shortfall of more than 700 million Swiss francs, the maker of colorful watches said in a earnings statement. The company posted a net profit of 823 million Swiss francs (\$894 million) last year, up 6.3 percent from 2021. "Consistent double-digit sales growth in Europe, America, the Middle East and most of the Asian markets was severely dampened by the significant decline in sales in China," the statement said.

"First the lockdowns, and then the massive COVID wave after the measures were lifted, led to shortfalls of over 30 percent in this (fourth quarter)," it said. But the group said it expects "strong" sales growth in all regions and segments this year after the end of China's COVID measures, which has already led to a recovery in consumption in the key market. "The sales growth in January in China reinforces the group's expectation to aim for a record year in 2023," it said. —AFP

Cable sabotage cuts all traffic from busy Paris station

PARIS: One of the busiest train stations in Paris suffered a total traffic shutdown on Tuesday after vandals triggered a major signal malfunction by setting cables on fire. All traffic from Gare de l'Est, which serves routes to Germany, eastern France and is a key local train commuter hub, was cut for the entire day, operator SNCF said.

A fire broke out at a signals point at around 3:00 am (0200 GMT) ahead of the morning rush in what was first thought to be an accident, but subsequently turned out to be arson, it said.

"This was a fire started deliberately," a spokeswoman for SNCF told AFP. There was no immediate indication over who the perpetrators were or what their intention was in targeting a small but crucial piece of infrastructure. The SNCF spokeswoman said traffic was cancelled for all of Tuesday, after officials had earlier expressed hope that services could resume around 10:00 am.

"It's an act of deliberate vandalism," Anne-Marie Palmier, head of SNCF's Paris region network, told reporters at the station. The operator had filed a criminal complaint with police, she said.

The fire was discovered near the regional station of Vaires, east of Paris, where 48 cables were damaged after their protective casing was forced open, she said.



PARIS: Passengers wait in the main hall during a total traffic shutdown at the Gare de l'Est train station in Paris on January 24, 2023. — AFP

'Impact on people's lives'

A railway agent discovered the fire and called police at 4.30 am. The cables' function was to transmit data to signaling posts. "Safety conditions can no longer be guaranteed," she said. Around a dozen network specialists were on site to repair the damage, SNCF said. Fast TGV trains to the eastern French cities of Colmar, Nancy and Reims as well as Frankfurt and Stuttgart in Germany, and to Luxembourg were among those cancelled.

Some TGV departures, however, were diverted to the nearby Gare de Nord station, SNCF said.

Passengers unable to travel were invited to re-book their journeys or get the ticket price reimbursed.

Transport Minister Clement Beaune told FranceInfo radio that "sadly, we regularly see acts of vandalism directed at cables". Such acts "must be severely punished because we can see the impact they have on people's daily lives", he said.

The Gare de l'Est is the fifth-busiest station in the French capital, after Gare Saint-Lazare, Gare du Nord, Gare de Lyon and Gare Montparnasse. Nearly 28 million people used Gare de l'Est last year, according to SNCF data. — AFP

Musk tells jury buying Tesla at \$420 a share was no joke

SAN FRANCISCO: Elon Musk on Monday told jurors that his 2018 tweet about taking Tesla private at \$420 a share was no joke and that Saudi Arabia's sovereign wealth fund was serious about helping him do it. The Tesla chief returned to the witness stand to answer questions from lawyers for angry investors who accuse him of costing them millions of dollars with a pair of allegedly false tweets about having the funding secured to buy them out.

A lawyer for the plaintiffs focused on Musk's buy-out figure of 420, a number that is also a popular rallying code for marijuana, which Musk uses. "420 was not chosen because of a joke; it was chosen because there was a 20 percent premium over the stock price," Musk said when asked if he was having a laugh when he made the tweet.

Musk added, however, that there was "some karma around 420", though "I should question whether that is good or bad karma at this point." The case revolves around a pair of tweets in which Musk said "funding secured" for a project to buy out the publicly-traded electric automaker, then in a second tweet added that "investor support is confirmed." The tweets sent the Tesla share price on a rollercoaster ride and Musk was sued by shareholders who say the tycoon acted recklessly in an effort to squeeze investors who had bet, or "gone short," against the company. Musk referred to short sellers as "evil" at the trial. —AFP