

NATIONAL POLICY REVIEW FORUM

JOINTLY ORGANISED BY

The Daily Star- Centre for Policy Dialogue - প্রথম আলো

DHAKA THURSDAY JUNE 5, 2003

Govt, experts draw flak for advocating gas export

STAFF CORRESPONDENT

Speakers at a discussion on energy sector yesterday blasted the government and a section of experts for spreading 'misleading' information on gas reserves in favour of export of the natural resource.

They alleged there has been a move apparently to serve purpose of foreign oil companies, which advocate gas export.

They also said the government is spending huge amount of money in non-productive areas but it (government) turns miser when it comes to energy sector investment.

They were taking part in the discussion on the taskforce report on "Development and Governance of the Energy Sector" of the three-day National Policy Review Forum

2003, organised by the Centre for Policy Dialogue (CPD), The Daily Star and the Prothom Alo.

Former chairman of Power Development Board (PDB) Nuruddin Mahmud Kamal, in his keynote paper, said, "The country is now on the verge of energy crisis due to the unwillingness of the government for utilisation of gas resources within the country, although there was no reason to create the crisis."

He put emphasis on digging of at least four to five wells and setting up of minimum 1000-megawatt power plant in the western region to meet power demand.

Nuruddin said now the demand for gas stands at 1280 MMCF, but the existing wells are not able to supply the quantity of gas.

He said the government in the last 18 months of its office has not yet signed any agreement for production of single megawatt power.

"I think the government is a little bit unprepared and unwilling towards energy sector development," he said, adding that corruption, mismanagement and incompetence in this sector still exist.

At the meeting a number of discussants accused State Minister for Energy AKM Mosharrif Hossain of spreading 'distorted and misleading' information on gas reserve in favour of export.

In his defence, the state minister said he never gave any such information on gas reserve, but he quoted some figures provided by experts.

Turning to the recently formed

Energy Regulatory Commission, he said it is completely an independent body like the Election Commission and there is no reason to criticise the commission.

Former chairman of Petrobangla SKM Abdullah observed an artificial crisis is being created in the energy sector. He said Petrobangla has forecast the future demand for gas in 1995, but steps were not taken as per the forecast.

Professor Nurul Islam of BUET criticised 'false statement' and 'distorted' information on gas reserve.

Former chairman of Petrobangla Dr Hossain Monsur criticised the formation of Energy Regulatory Commission and suspected it has been formed to sale gas resource.

Awami League MP Faruk Khan

suspected a conspiracy is on centring the gas sector and the government is taking some steps so that no local entrepreneur can invest in this sector.

Jatiya Party MP GM Qader said although the government is making a profit of Tk 1000 crore per year from petroleum sector, it is not investing any money for development of energy sector.

Former Secretary Qamrul Islam Siddiqi, Yusuf Talukder of Bapex, Badrul Imam of Dhaka University and former secretary Azim Uddin Ahmed also took part in the discussion.

Hurdles to energy sector development

The present policy planning, institutional straightening and infrastructure development initiatives in case of commercial energy development remain severely constrained, mainly due to:

- () the Ministry of Energy's multiple role as policymaker, owner, supervisor, operator and regulator;
- () lack of a clear policy guideline to conduct a systematic exploration and exploitation of energy resources, particularly natural gas;
- () inefficient operations of various energy enterprises;

- () unadjusted energy prices, particularly natural gas for generation of electricity;
- () unplanned and unsystematic use of bio-mass fuel;
- () lower priority given to meet the total energy need of the rural areas;
- () improper governance both at the macro level and at the organisation corporate level;
- () inadequate to no attention given to implementation of reform package;
- () least attention given to the energy security of the poor;
- () undue indulgence to the pressure groups including

- () the worker's union in both power and gas sector;
- () tolerating the inefficiencies and corruption in the energy sector;
- () serious lack of attention to improve the financial performance of the utilities;
- () under supply of gas and electricity; and
- () the pressure of demand on infrastructure of power, gas and relative services and the government's inability to finance a commercial expansion of supply capacity.



PHOTO: STAR

Former finance minister AMA Muhith makes a point a discussion on the taskforce report on "Administrative Reform and Local Government" of the three-day National Policy Review Forum 2003, organised by the Centre for Policy Dialogue (CPD), The Daily Star and the Prothom Alo at the National Press Club in Dhaka yesterday. Prof Amirul Islam Chowdhury, chairperson of the session and former vice-chancellor of Jahangirnagar University, Akhter Hussain, associate professor of Department of Public Administration of Dhaka University, Md Ismail Hussain, former Inspector General of Police, were present.

Revive upazila system to rid local govt of red tape

Civil society urges the government at discussion on Administrative Reform and Local Govt

STAFF CORRESPONDENT

Representatives of the civil society yesterday urged the government to revive the upazila system to get rid of the bureaucratic grip on local government.

Administrative reforms should start with reintroduction of Upazila Parishad which would strengthen local government fulfilling popular demand of decentralising power to the grassroots.

They said the administrative reforms drive remained stagnant as successive governments defaulted on their election pledges exposing lack of commitments of political parties.

The observations were made during a discussion on a taskforce report on "Administrative Reform and Local Government" of the three-day National Policy Review Forum 2003, organised by the Centre for Policy Dialogue (CPD), The Daily Star and the Prothom Alo.

The task force report said though major political parties have common policy and strategy on some burning issues like formation of independent

anti-corruption commission and human rights commission, and separation of the judiciary from the executive, they keep going back on their election pledges.

It said though the present government has passed a number of laws since coming to office, it is yet to scrap Special Powers Act and Section 54 of the Criminal Procedure Code. It has not separate the judiciary from the executive and formed National Human Rights Commission and independent Anti-corruption Commission.

The speakers urged civil society members to press the government into implementing commitments it made in its election manifesto.

Prof Amirul Islam Chowdhury, chairman of the task force and former vice-chancellor of Jahangirnagar University, moderated the session at the National Press Club.

Addressing the session, former finance minister AMA Muhith said reforms in the administration is going on at a snail's pace as political leaders and bureaucrats who are holding executive power want to

continue enjoying power.

"They do not like to lose their power in the administration. So they are putting brakes on the reform drive," he said.

He recommended introduction of district-based local government tiers leading to decentralisation of power and ensure people's participation in the decision making process.

About improving law and order, he suggested that police should be brought under the district government to ensure the efficiency.

The district-based government would make 9,500 officials of secretary redundant who now take 140 million people to hostage.

Md Yakub Ali, joint secretary of food ministry, said unless there is a clear understanding among political leaders and bureaucracy over sharing of power, no reforms would succeed.

"There is always a tug of war between ministers and bureaucrats over power sharing which deprives people of getting maximum benefits of democracy," he noted.

On law and order, he said crimes would come down to half if both the

leader of the opposition and head of the government shook hands and talk to each other and jointly declared that there is no room of criminal in their parties.

Prof Dalim Chandra, a teacher of Dhaka University, said irrespective of the sizes of political parties, opinion of all political parties should be considered to frame an administrative reform policy.

Badiul Alam Majumder, country director of Hunger Project-Bangladesh, said Bangladesh now needs participatory democracy rather than representative democracy which would create scope for incorporating grassroots voice in policy decision.

Dr Akhter Hossain, associate professor of Department of Public Administration of Dhaka University, presented the Task Force Report. Ismail Hussain, co-chair of the task force and former inspector general of police Prof Zarina Rahman Khan of the Department of Public Administration of Dhaka University and Naser Khan of Bangladesh Paribesh Andolon, also spoke.

Allocate 1pc of GDP to ICT sector

Discussion calls for deregulating the BTTB

STAFF CORRESPONDENT

Experts at a discussion yesterday urged the government to allocate one per cent of the GDP to harness the information communication technology (ICT) sector as an anti-poverty tool.

They also called for deregulating state-owned Bangladesh Telegraph and Telephone Board (BTTB), liberalising its international gateway for private sector participation, establishing a level playing field for both public and private telecom operators and giving greater latitude to the telecom regulatory body.

The experts took part in a National Policy Review Forum 2003 dialogue on the information communication technology sector, organised jointly by the Centre for Policy Dialogue (CPD), The Daily Star and the Prothom Alo at the National Press Club.

Former state minister Syed Ashraf Islam, MP, and Bangladesh Telephone Regulatory Commission (BTRC) Chairman Syed Marghub Murshed attended the function as special guests with The Daily Star Editor Mahfuz Anam in the chair.

Dr Ananya Raihan, a research fellow of the CPD, a civil society think tank, presented the keynote paper focusing on its recommendations and the goals achieved so far.

He said a CPD task force made 210 recommendations on ICT of which about 10 per cent have so far been implemented or considered by the government.

in Dhaka and an offshore office in 'Silicon Valley' were three major achievements of the government.

In other major areas, there has been a little progress, he observed. He said keeping the huge population in view, the government should concentrate more on providing tele-access rather than increasing tele-density.

There should be changes in the BTRC set-up as it is overcrowded with former BTTB officials, he said.

He also recommended for BTRC's autonomy to enable it to act independently.

Raihan expressed concern over the obscene content on the internet and urged the government to come up with a policy to curb it as it has been leaving adverse impact on the youth.

He expressed his worries at delay in the implementation of the One School, One Computer project. He, however, remarked that computers at many schools were gathering dust in the headmasters' room.

Anir Chowdhury, a task force member, called for more IT enabled services for creating more jobs for the unemployed youth.

Independent telecom analyst and task force member Abu Saeed Khan criticised the BTRC as he said it could not act properly since its inception.

He said the BTRC failed to award license to the BTTB as a public sector operator and kept a mum on the launch of pre-paid calling card service by a private operator despite installation of equipment.

BTRC Chairman Syed Marghub

Murshed admitted that Bangladesh's tele-density and tele-access remained one of the lowest in the world.

He called for a pro-active role of the media in sensitising people to the issues relating to ICT sector development.

"We need an ICT revolution to change the quality of life," he said.

Syed Asraf Islam expressed concern over higher pricing regimes for telephone calls and urged the authorities to reduce the prices to raise people's access to technology.

He stressed the need for exercising caution so that a digital divide between the rich and the poor did not creep in.

Mahfuz Anam called upon lawmakers to be more cautious and sensitive to issues relating to information communication technology for development.

Among others, AKM Shamsuddoha, president of Dohatec, a software development company, SM Iqbal of Integrated Services Network, an internet service provider, Luna Shamsuddoha, chairman of Dohatec, Prof Mejbah Hossain of Jahangirnagar University, Fazlul Karim, deputy secretary of Dhaka Chamber of Commerce and Industry (DCCI) and Mridul Chowdhury, an IT consultant, took part in the discussion.

Task force member Md Fazlur Rahman, co-ordinator of the Association of Telecom Operators Bangladesh, and Md Sabur Khan, president of Bangladesh Computer Society, were present.

Taskforce suggestions for developing energy sector

100 days Action points suggested in the Policy Brief

First: Reaching a consensus on the reform package approved by the government (in 1994). Adoption of the proposal for an independent regulatory commission.

Second: Taking expeditious action to conduct a comprehensive Gas Reserve Estimate of all 22 discovered gas fields through internationally known independent certifying/appraiser company as per gas field practice, and update the reserve estimate annually by Petrobangla/Bapex.

Third: Allocating adequate funds to Bapex for conducting gas exploration/drilling.

Fourth: Instructing Petrobangla/Bapex production CO's to professionally carry out (as a routine) gas reserve management and depletion exercises (field by field).

Fifth: Keeping in view the PSMP, 1995 and the Power Policy Statement, 2000, BPDB should be encouraged to identify priorities for installing more power plants in the western zone, preferably in the ratio of 80:20 during the coming 5-year period up to 2006.

Sixth: Initiating discussion on optimum utilization of gas. Gas export issue should be made contingent on the proposed comprehensive reserve estimate as power international

practice.

Highlights of the recommendations trade policy:

Development of the external sector: issues and challenges

Trade related infrastructure

"Strengthening the RMG sector to meet post MFA challenges

"Skill and technology up-gradation in leather and leather products industries

Development of export-oriented agro-based industries

Ensuring Bangladesh's Niche in the exporting global service sector market

Incentives to encourage investment in new export-oriented industrial activities

Raise of the efficiency of management of export incentives

Enhance export finance facilities

Raise efficiency of export related infrastructure

Ensure greater access to trade related supportive services

Raise the efficiency of import administration

An effective exchange rate policy

Address trade issues soon

Quick decision on FTA Agreement, SARRC cumulation and trade infrastructure demanded

STAFF CORRESPONDENT

Speakers at a discussion yesterday underscored the need for addressing the issues of Free Trade Area (FTA) Agreement, SAARC cumulation, trade-related infrastructure and development of agro-based industries soon.

They also urged both ruling and opposition parties to resolve sensitive trade issues like the FTA and the SAARC cumulation to perk up exports.

They took part in the discussion on 'Trade Policy' under the National Policy Review Forum 2003 organised by The Centre for Policy Dialogue (CPD), The Daily Star and the Prothom Alo at the CIRDA.

Earlier, a high-powered task force prepared the draft of the policy under the initiative of the three organisations.

Chaired by Syed Manzur Elahi, chairman of the task force and former adviser of the caretaker government, Commerce Minister Amir Khasru Mahmud Chowdhury, former commerce and industries minister Tofail Ahmed, chamber leaders, industrialists and top business leaders took part in the discussion.

Professor Ali Rashid of the North South University presented the keynote speech.

Chief guest Khasru said as a result of globalisation the share of the least developed countries (LDCs) in global trade declined sharply.

The World Trade Organisation (WTO) has failed so far to integrate the poor countries into the multilateral trading system, he added.

The minister said the just con-

cluded LDC trade ministers conference agreed to voice their demands in the upcoming WTO ministerial meeting scheduled for Mexico for raising their market share.

"Despite meager interest of some African countries in the temporary movement of natural persons, we have been able to enter it in the Dhaka Declaration," Khasru said.

On the establishment of a private port in Chittagong, he said he himself felt the necessity.

Tofail said there remained no difference in trade policy between the ruling and opposition parties.

Touching on the LDC meeting, he said all the member states did not have the same interest in global trade regimes. Most of the states and African poor countries are blessed with the duty- and quota-free facilities in the American markets under the TDA 2000 Bill of the United States, he added.

"But Bangladesh has been excluded from the facility awarded to sub-Saharan African and the Caribbean Basin countries," he said.

The task force report on the trade policy, included in the final draft, pointed out the issues and challenges that stood in the way of development in the external sector in trade.

The policy recommendations include taking steps for improving port management and developing inland container freight stations, strengthening the ready-made garment (RMG) sector to meet post-Multi-Fibre-Arrangement (MFA) challenges and exploring the feasibility of central bonded warehouses to cut lead time.

It also recommends introduction

of financing and other incentives to attract local investment in the sector, development of export-oriented Agro-based industries and incentives to encourage investment in new export-oriented industrial activities.

Co-chairman of the task force and former president of the Metropolitan Chamber of Commerce and Industry (MCCI) Latifur Rahman said both the ruling and opposition parties should settle the FTA Agreement issue from a broader view.

Economic and Political Affairs Officer of the Delegation of the European Union Zillul Hai Razi said the SAARC cumulation issue should be resolved without further delay.

The conflict between textile mill owners and RMG exporters over the SAARC cumulation was depriving other export sectors of the incentives awarded by the European commission, he added.

President of Bangladesh Textile Mills Association M A Awal and President of Bangladesh Chamber of Industries A K Azad also focused on the issue.

Former minister Amjad Hossain, Director of the Dhaka Chamber of Commerce and Industry Manzur Ahmad, Executive Director of the American Chamber of Commerce in Bangladesh M A Gafur, Dilip Ray of the BIDS also spoke.

Among others, former president of the Bangladesh Garment Manufacturers and Exporters Association Anisur Rahman Sinha and former president of MCCI Laila Kabir were present.