

Move to hand over power plant without proper tests

Moves are underway to hand over the 210 Megawatt Thermal Power Plant at Raizan in Chittagong to Power Development Board (PDB) without final operation tests, reports PROBE.

China National Machinery and Equipment Import and Export Corporation (CMEC) which constructed the Tk 525 crore project failed to keep it running for more than 15 minutes at 210 Megawatt production capacity during the test run, a PDB source said.

Prime Minister Begum Khaleda Zia's planned visit to Raizan in late April to inaugurate the plant was postponed at the eleventh hour.

Chairman of the PDB Kazi Golam Rahman told PROBE that "CMEC has to satisfy the contractual obligations before handing over the project to us." He said the 72-hour Continuous Operation Test (COT) is expected to be completed soon before the plant goes into commercial operation.

PDB has written to the Energy Ministry seeking permission to allow CMEC to commence the 72-hour COT pending four required tests which were unsuccessful prior

to the Prime Minister's scheduled visit.

Massive irregularities, including supply of rusted machine parts, have also been reported. It was alleged that the plant was originally designed with the capacity to generate 200 MW instead of 210 MW for which Bangladesh has to shoulder the excess burden of about Tk 25 crore.

Experts suggested that the government form an enquiry committee to probe the anomalies.

Contractors are putting pressure on PDB to take over the project despite absence of warehouse, workshop and necessary spares as provided in the agreement.

The government appointed consultant informed authorities concerned that the unit is not operating as designed due to deficiency and flaws which include excessive consumption of natural gas, steam, feedwater and combustion air.

The construction firm failed to complete the fire fighting and fire alarm system to provide protection of the plant and security of personnel at site. It also demonstrated lack of concern for the protection and

longevity of the plant.

The consultant detected more than 575 problems none of which were rectified. The deficiencies have been ignored by the authorities.

The contractors have not raised the 65 metre chimney to a height of 100 metres required to save the surroundings from harmful chemicals like sulphur emitted along with the smoke.

Environmentalists say the chemicals will fall on nearby grounds, due to the pressure of the winds, instead of missing with the upper atmosphere.

In case of a similar situation in Pakistan, the contractors were forced to raise the height of chimney.

The Chinese designed plant is the fifth of its kind in the world. Four such plants were installed in Pakistan by the same construction company.

According to the agreement between PDB and the CMEC, the plant has to go through a COT of 72 hours before going into commercial operation.

The COT in case of Pakistan was fixed at 30 days. For Bangladesh, terms and reference of the contract signed in January, 1990 was relaxed for unknown reasons.

The foundation of the project was laid by Prime Minister Begum Khaleda Zia in 1991. The plant initially planned to be installed in Pahartali of Chittagong was shifted to the present site by a former minister from Raizan constituency during the Ershad regime.

Experts expressed utter surprise as to why the site of the water-based thermal plant was selected four kilometers short of a river. Water is now being drawn from four kilometers and has to be drained out through another line covering the same distance.

The plant in which steam admission to the turbine was let on March 23 and synchronised with the national grid line on March 29 kept on tripping.

Surprisingly, PDB has not yet claimed any liquidity damage for the delay of project implementation as provided in the agreement. Provisions are there that the authorities can claim up to 10 per cent of the project cost which amounts to Tk 50.50 crore for such delay.

[PROBE is a newly launched news agency, based in Dhaka. The story is exclusive to The Daily Star.]

Tea export increases

CHITTAGONG, July 12: Export of tea, the second cash crop after jute, recorded an increase by 9.36 million kgs in 92-93 fiscal year compared with that of 91-92 fiscal.

According to official reports, a total of 33 million kgs of Bangladesh tea were exported in the just ended fiscal year, up from 23.64 million kgs exported in the previous year.

The total exports of tea in 92-93 also exceeded the target by two million kgs, official reports said.

The officials of the state-owned Bangladesh Tea Board attributed the rise in exports to better enquiries from foreign buyers for Bangladesh tea in

the backdrop of global production shortage and re-entry of traditional buyers including CIS countries.

Among all the export buyers Pakistan topped the list with a total import of 13 million kgs, officials informed.

Bangladesh tea is exported to 25 countries of the world.

However, there was a record production of 49.13 million kgs tea in the year 1992, official reports added.

Bangladesh tea market picked up almost from the ending part of last season overcoming the dull trading marked earlier due to collapse of Soviet Union, officials and brokers said.

Dhaka Stock Prices

At the close of trading on July 12, 1993

Index surges

The DSE Composite Index surged while both the turnovers declined moderately on Monday.

The DSE Composite Index surged to 418.4240 from 416.3238 showing an increase of 2.100 points.

Turnover in volume term fell to 9666 issues from 21720, a loss of 55.497 per cent. Turnover in value suffered a loss of 91.390 per cent. It dropped to Taka 157904.00 from Taka 1834020.70.

A total of 37 stocks were traded on the day against Sunday's 34. Of these, only nine stocks gained, 11 lost while 17 traded at previous rates.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 12.7.1993

Berth No.	Name of Vessels	Cargo	L. Port Call	Local Agent	Date of Arrival	Date of Leaving
J/1	Vishva Shobha	GI/GL	Bomb	SSL	11/7	15/7
J/2	Meng Kiat	Cont	Sing	AML	11/7	12/7
J/3	Meptune Iris	Pulses	Sing	MSA	11/7	18/7
J/4	Banglar Sampad	Repair	-	BSC	R/A	15/7
J/5	Agra	Cement	Long	PSAL	12/6	14/6
J/6	Andrian Goncharov	Cont	Sing	CT	11/7	13/7
J/7	Pear One	Urea	Rang	Cross	6/7	17/7
J/8	Sam Haec	-	Hong	-	27/6	22/7
J/9	Mary-M	M Seeds	Pena	USTC	30/6	13/7
J/11	Portatissa	urea	-	UMAL	R/A	15/7
J/12	Optima	Cont	Sing	RSL	11/7	14/7
J/13	Simara Express	SPL	Col	OWSL	8/7	13/7
MPB/1	Banglar Moni	Cont	Sing	BSC	10/7	13/7
MPB/2	NGS Ranger	Cont	Sing	BDSHIP	11/7	13/7
CCJ	Vishva Manita	C. Clink	Visa	UMAL	5/7	16/7
GSJ	Banglar Kallol	Wheat (G)	-	BSC	R/A	14/7
TSP	Orsha (PC Stop	Idle	Sing	USTC	6/5	14/7
RM/4	Elstratios-G	Idle	Ant	BSL	20/5	14/7
RM/6	Ronjay Chomic	Cement	Sing	USTC	2/6	14/7
DOJ	Banglar Kiron	Repair	-	BSC	R/A	17/7
DD	Banglar Shobha	Repair	-	BSC	23/6	15/7
DDJ/1	Barge Labroy-90	GI	Sing	ILA	31/1	7/8
DDJ/2	Banglar Asha	Repair	-	BSC	R/A	15/7
CUFJ	Mandalay	Urea	Yang	MTA	9/7	16/7

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Arktis Ocean	13.7.93	Sing	BSL	GI	-
Rafah	17.7.93	Niko	Dynamic	M. Seeds	-
Kota Buana	13.7.93	Sing	CTS	Cont	Sing
Vishva Parimal	14.7.93	NAD	SSL	GI	-
Eponyma	16.7.93	-	CTS	Cont	Sing
Mukachevo	15.7.93	Sing	USTC	Cement	-
Boris Lavrenyov	15.7.93	-	USTC	GI(Soda Asha)	-
Banglar Robi	15.7.93	Sing	BSC	Cont	Sing
Lhoite	15.7.93	-	RSL	Cont	Cal
Lanka Mahipala	16.7.93	Mong	BARIDHI	Cont	Col
Soung Royal	16.7.93	-	BHA	GI	-
Petr Starostin	17.7.93	-	CT	Cont	Sing
Fong Shin	18.7.93	Sing	BDSHIP	Cont	Sing
Dancing Sister	19.7.93	Kand	OWSL	Sugar in Bags	-
Fair Spirit	19.7.93	-	Prog	GI	-
NGS Express	19.7.93	Sing	BDSHIP	Cont	Sing
Tiger Hope	20/7/93	-	Prog	GI	-
Golden Union	25.7.93	-	OWSL	GI	DE Salma
Fong Yun	29.7.93	Sing	BDSHIP	Cont	Sing

TANKER DUE

NIL

VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
Banglar Maya	GI	Male	BSC	12/7

VESSELS NOT READY

Chipsam	Cement	Titiz	USTC	14/4
None listed				

VESSELS AWAITING INSTRUCTION

Tony Best	Cement	Mong	AEKA	27/6
Marine Three	-	-	BML	R/A5/7
Al Salma	Repair	-	ASLL	R/A6/7
Trans Asia	-	-	Cross	R/A7/7
Stern	Scraping	Mong	NFT	9/4

VESSELS NOT ENTERING

Stern	Scraping	Mong	NFT	9/4
Promitheas	Scraping	Sing	ARL	5/6
Dolores	-	-	Seacom	R/A30/6
Cherry Blossom	Scraping	Slova	LTL	9/7
Samudra Samrat	-	Mong	SSL	11/7

MOVEMENT OF VESSELS FOR 13/7/93

OUTGOING	INCOMING	SHIFTING
J/6 A Goncharov	DOJ B Jyoti	-
J/9 Mary-M	-	-
J/13 Simara Express	J/6 Arktis Ocean	-
MPB/1 B Moni	-	-
MPB/2 NGS Ranger	-	-
DOJ B Shourabh	-	-

The above were the Monday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Exchange Rates

The following are the Commercial Banks' BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on July 11, 12 and 13.

(Figures in Taka)

Currency	Selling B.C.	T. T. (C)	Buying OD Transfers
US Dollar	39.9326	39.7087	39.4556
UK #	59.1004	58.7887	58.4339
D.M	23.1870	23.0503	22.9033
F.	6.8185	6.7768	6.7336
S Riyal	10.6740	10.6142	10.5465
D. Guilders	20.6370	20.5107	20.3799
S. Kroner	5.0012	4.9700	4.9384
Singapore Dollar	24.5422	24.4046	24.2490
UAE Dirham	10.9016	10.8405	10.7714
Kuwait Dinar	133.1093	132.3610	131.5173
Indian Rupee (AMU)	1.2721	1.2664	1.2601
Pak Rupee (AMU)	1.4645	1.4580	1.4507

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad.

Note: AMU—Asian Monetary Union.

UK minister congratulates Saifur

The UK Minister for Overseas Development Assistance, Baroness Chalker, has congratulated the Finance Minister, M Saifur Rahman, for the latter's achievements in macro economic stabilisation and fundamental structural reform in Bangladesh, according to an official handout yesterday, reports BSS.

In a letter written to the Finance Minister recently the UK Minister assured the government's fullest support in the government of Bangladesh's agenda for good governance.

Chalker also assured the Finance Minister of providing further assistance in order to help achieve the objectives of a transparent and accountable system of government based on the principles of democratic pluralism in Bangladesh.



A meeting of Bangladesh Association of Banks was held on July 10 at the board room of Islami Bank. Jahurul Islam, Chairman, IFIC Bank presided over the meeting.

Six pc growth rate seems to be lofty

By Abu Ahmed
Guest Columnist

Bangladesh has fixed its growth rate at six per cent per annum for the next financial year beginning July '93. It is another ambitious growth rate fixation. To achieve the target, Taka 9750 crore will be spent from the government's fund and the rest will come from the private sector.

In the past, Bangladesh always fixed growth rate at or above five per cent which it never achieved. The main reason behind the failure was non-availability of the promised investment, both in the public sector and the private sector.

It was easy to set growth rate, but hard to supply resources to attain that target. As a result Bangladesh became known to the world as one of the least developed countries (LDCs).

What caused Bangladesh to fail in achieving targeted growth rate? Simply the lack of investment.

In Economics the only source of investment is saving, and Bangladesh did not have that much of saving which could attain the average five per cent growth rate it set throughout the last decade.

In addition to saving or investment rate, one more element also determines the growth rate, that is marginal capital output ratio (MCOR) which means how much of output can be produced by using a unit of capital. In other words, it means how efficiently the factors of production can produce. In technologically advanced countries this ratio is about five per cent while it is not above four in LDCs.

When we fix a growth rate, we can calculate how much investment or saving we need to achieve this target. If investment or saving rate is known, the MCOR fixed, then the achievable growth rate can also be calculated.

In our case, as we have already set the growth rate at six per cent we have to calculate how much investment is needed to reach that target. The calculation shows 15 per cent of the output or national income should be saved and invested for achieving the six per cent target.

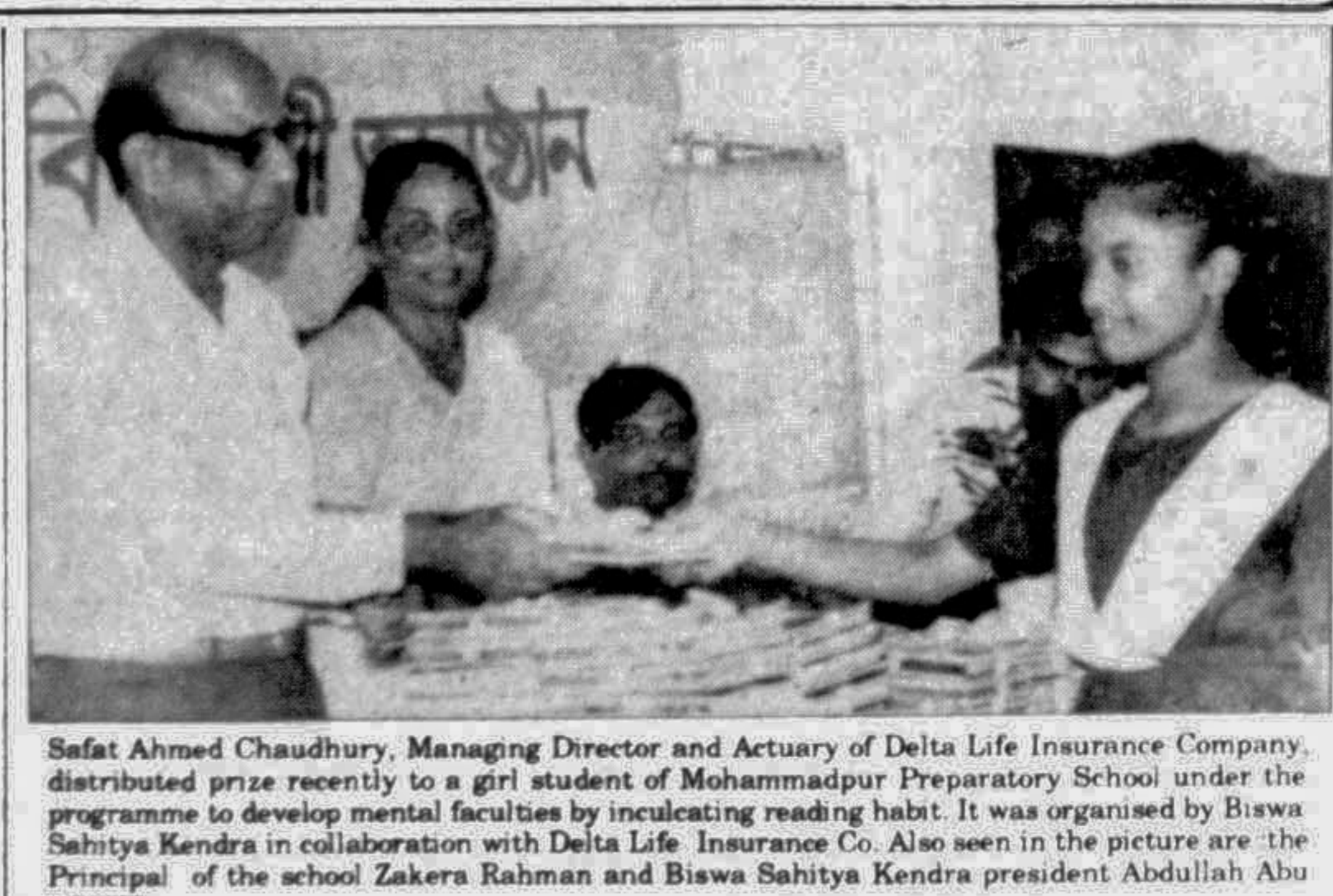
Now the question is how much saving we have? Around four per cent and the rest come from outside. But we do not receive that amount of resources from donors, so we fail to attain the set growth rate. The four per cent saving rate includes that of private sector also, which means there is no extra room to augment the required resources.

In terms of amount of money, 15 per cent saving of GNP means Tk. 15000 crore, provided our GNP is Tk. 100000 crore per annum. Where the rest of the money about 5250 crore taka will come from? Definitely from the private sector. In the way private sector is moving now it is not expected that it will be able to spend this money during the current financial year.

Again, will the government be able to spend 9750 crore? Most unlikely. From where money will come to the government's purse? From the tax surplus, and the foreign aid. When these two are added it seems government is capable to spend this money. But all of the committed foreign aid will not come because of our non-capacity to use it. This year, tax surplus of around Tk. 3000 crore may not be sufficient to fill up the gap of non available foreign aid part of our ADP.

However, the situation will be grimmer if we further lose the labour productivity. This will reduce marginal capital output ratio—say to, 3, then it will require 20 per cent saving of GDP to be invested which is almost impossible for Bangladesh.

The relationship between saving rate and output growth rate was first enunciated by two English economists—Sir Roy Domar, and Evsey Domar. Later,



Safat Ahmed Chaudhury, Managing Director and Actuary of Delta Life Insurance Company, distributed prize recently to a girl student of Mohammadpur Preparatory School under the programme to develop mental faculties by inculcating reading habit. It was organised by Biswa Sahitya Kendra in collaboration with Delta Life Insurance Co. Also seen in the picture are the Principal of the school Zakera Rahman and Biswa Sahitya Kendra president Abdullah Abu Sayeed.

Israeli airport workers go on strike

JERUSALEM, July 12: Flights to and from Israel's international Ben Gurion Airport were thrown into chaos on Sunday night when airport workers declared they were striking from midnight, reports Reuters.

Airport Manager Shaul Hazan told Israel radio he had received notice of the strike only 90 minutes before the dealing.

He said the airport would try to allow flights already incoming to land and flights for which passengers were already at Ben Gurion to depart.

The radio said airport authorities were checking the possibility of taking out restraining orders against the strike, declared in sympathy with a five day-old strike by Israel's 60,000 government workers.