

**SANYO**  
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# The Daily Star BUSINESS

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Air Conditioners

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## 50 lakh MT more fish per year likely

GAZIPUR, July 6: The country is expected to produce 50 lakh tonnes more fish per year through rice-fish culture in about one million hectares of flood-prone paddy fields available in the country, reports BSS.

This was revealed at an interim review meeting on the international Fund for Agricultural Development (IFAD) sponsored project on sustaining and increasing the productivity of fish-ric in the seasonally flooded ecosystem of South and Southeast Asia held today at the Bangladesh Rice Research Institute (BRRI) here.

The project is being implemented in two Asian countries — Bangladesh and Vietnam. The project is being executed in Bangladesh by the Bangladesh Fisheries Research Institute (BRRI), BRRI and Proshika Human Development Centre with the technical cooperation from the Philippines based International Centre for Living Aquatic Research Management (ICLARM) and International Rice Research Institute (IRRI).

The interim review meeting was attended by about 52 scientists from different Asian countries including Vietnam, India, Sri Lanka and the Philippines besides host Bangladesh.

The inaugural session was presided over by Director General of BRRI Dr. M. Hamid Miah while Dr. Nigel Brett of IFAD, Dr. Mahbub Hossain of IRRI, Dr. Man Mohan Dey of ICLARM and Dr. MA Mazid of BRRI took part in the discussion.

The participants presented the findings of the projects available so far and the future plan of action for 1998-99 period to achieve the target of the taka 39 lakh project to be completed in three years.

The overall objectives of the project is to develop sustainable resource management system in the deep water rice ecosystem through action research.

It also aimed at integrating indigenous resource management techniques with semi-intensive rice-fish culture.

In Bangladesh, the project has been implemented in three sites — Kuliarchar of Kishoregonj, Brahmanbaria, (Sadar) and Narail (Sadar) since June last year.

The scientists in Bangladesh expressed the opinion that through traditional and semi-integrated process 500 kg of fish can be produced per hectare in rice fields available in the country.

Besides the inaugural session four technical sessions were held today.

The participants will go for a field trip to Kuliarchar tomorrow.

**IMF team meets Kibria**

The visiting International Monetary Fund (IMF) delegation met with Finance Minister Shah A M S Kibria at his office here on Sunday, says UNB.

Chief of the mission Mc Champen Puckatitkom led the delegation.

Talking to them the Finance Minister iterated government's firm commitment to complete reform programmes undertaken by the government for better economic management of the country.

He gave an account of the present state of privatisation programmes and said though it is a difficult and painful task the government will make utmost effort to expedite the programme.

Kibria said the reforms in financial sector including banking sector will be strengthened to ensure better banking performance.

Referring to various measures undertaken for strengthening revenue collection in the national budget, the Minister said the government is also very sincere to control expenditure.

The IMF mission discussed various issues of Bangladesh macro-economy and money policy. The mission appreciated pragmatic measures of the government in financial sector and laid emphasis on expeditious implementation of privatisation process and other reform programmes.

Finance Secretary Dr Akbar Ali Khan, Chairman of National Board of Revenue Dr Mashur Rahman and Governor of Bangladesh Bank Lutfar Rahman Sarkar were present.

**BJSA hails devaluation of taka**

The members of Bangladesh Jute Spinners Association congratulated the bold and positive move taken by the government to devalue the taka, reports BSS.

This move has become imperative in view of the double digit devaluations that has taken place in the recent past in the South Asian region and more importantly, by India, our only competitor in jute products in the international market, said a press release of the association yesterday.

# Opting for low quality machine, costlier power

By Nurul Kabir

The government starts negotiation with an American company over setting up of the Meghnaghat 300-450-megawatt power plant tomorrow, allegedly compromising over the quality of machinery mentioned in the original tender documents.

Allegation is also there that the negotiation with the company — AES Transpower Private Ltd. — would amount to missing a chance to get the plant installed at a lower cost, offered by another company when quality of machinery was being compromised.

Besides, the negotiation is going to be held allegedly in violation of the international competitive bidding rules, risking the image of the country.

The proposed power plant, a US\$ 280 million project, is scheduled to be completed in June 2000. Asian Development Bank is supposed to finance the project partly — US\$ 40 million in loans and US\$ 10 million in equity.

However, a total of five international companies responded to a government invitation in June 1997 and all of them proved 'technically qualified' for the job. Of the five, the US-based AES eventually emerged as the lowest bidder.

Apart from offering the lowest price for power during the commercial operation period of the plant, the AES agreed to the government condition that it would supply power free of cost for an initial operation period of 10 months.

In its technical proposal, the company also responded positively to the government condition that it would use the gas turbines, the main machinery of a power plant, made of the 'equal' quality equipment. Although, the company used the phrase 'equal' quality in its documents, the model of the turbine it quoted was GT13 E2 — a type which is exclusively produced by the ABB. It gave the government a clear impression that the AES had quoted price based on the ABB's turbines.

According to PDB experts, there is still no 'equal' to the ABB made gas turbine in the world. Besides, the AES is yet to clarify what it means by the equal type.

When the issue was referred to the Cabinet Committee on purchase in February this year, the AES offer got the approval. But the committee resolved that there should be no ambiguity while negotiating with the AES.

The committee clearly asked the Power Development Board that it had to negotiate with the AES on the following conditions:

1. The 10-month Initial Operation Period (IOP) cannot be reduced. During the period, the AES has to supply power, as promised in the tender documents, free of cost.

2. The AES has to use plant and machinery made by ABB.

The PDB duly informed the AES of the Cabinet committee decisions and the conditions.

In reply, AES told the PDB on 15 March that it would supply PDB estimated 1,395,632,250 kilowatt hour power free of cost.

But the company requested to 'reconsider the condition relating to the manufacturing company of the gas turbine.'

Stressing on the phrase 'ABB or equal', the AES pleaded that it be allowed to use turbines other than the ABB's.

It also argued that the government, according to the basis of Request For Proposal, is to purchase power, not any specific machinery.

The AES further said that 'if forced to buy equipment from any monopoly source', meaning ABB, it would 'not be able to offer the tariff' it had proposed earlier.

Besides, it came up with a fresh demand of advancing the originally proposed Commercial Operation Date.

The PDB found the reply inconsistent with the purchase committee recommendations and considered the AES position to be unsatisfactory. The PDB wrote to the company again, which 'reaffirmed' its previous position in response.

PDB, at its board meeting, decided to refer the issue to the ministry for taking a 'correct decision'.

The ministry of power, energy and mineral resources referred the matter again to the Cabinet committee, with a note of secretary Tawfiq-e-Elahi Chowdhury supporting the AES arguments.

The Secretary's note that secured the approval of the state minister for power, energy and mineral resources just echoed the AES argument that said that the main objective of the government was to purchase power, not the machinery and equipment.

The Secretary also suggested to accept the fresh AES proposal to advance the commercial operation date, 'if the company meets another condition of supplying power free of cost during the initial operation period'.

The purchase committee on May 27 revised its previous decision, made on February 3, in favour of the AES. Earlier, at the outset the meeting, a minister — who is not a member of the

committee — dramatically entered into the meeting room to abuse the PDB officials for their 'failure to start negotiation with the AES'. Some members of the Cabinet committee confirmed the incident.

Meanwhile, Marubeni corporation, the second lowest bidder, wrote to Prime Minister Sheikh Hasina on June 4 alleging that the purchase committee had accepted AES's proposal by relaxing the conditionalities against AES's deviation, 'which is a direct violation of International Competitive Bidding (ICB) rules/RFP Conditions'.

The Marubeni also said that it was ready to 'offer tariff equal to or even lower than the rate offered by the AES' — if allowed to apply same conditions (i.e. advancing COD/reducing IOP 10 months and altering the type of Gas Turbines) as adopted by AES, by violating RFP conditions of Meghnaghat.

The Marubeni is yet to get any response from the Prime Minister's office.

## Talks on Meghnaghat plant deal start tomorrow

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## KPCL's second barge now at Mongla

Star Business Report  
The second barge Tiger III of Khulna Power Company Ltd (KPCL) arrived at Mongla Port from Singapore on Sunday.

It is now berthing alongside Tiger I which reached the port on the 9th of last month, says a KPCL press release.

The two barges will jointly produce 110 MW of electricity. Tiger III is equipped with 10 Wartsila NSD model 18 V 32 LN engines generating a total of 56 MW of electricity while Tiger I will produce 54 MW of power.

Work on the site is progressing very smoothly. Both Tiger I and Tiger III are expected to be brought into the specially built basin at Gopalpara site in the 3rd week of this month.

If all goes well, KPCL will soon add 110 MW of electricity to the national grid of Bangladesh.

It may be mentioned that Khulna Power Company Ltd, a joint venture of Finland based Wartsila NSD Power Development Ltd and two Bangladeshi companies Summit Group & United Enterprises, is engaged in the implementation of the country's first independent Power Project in private sector.

## Aramit to begin production in August