

JS body asks BADC to raise godown capacity

Discussing the country's present food stock, now stands at 12.72 lakh MT, the parliamentary standing committee on Food Ministry yesterday directed the authorities concerned to increase the capacity of BADC godowns, reports UNB.

The directive came from a meeting of the committee held with its chairman Sayedul Haq in the chair.

Taking stock of the country's overall food situation, the meeting said the government has so far procured 1.90 lakh tons of wheat and 1.42 lakh metric tons of rice against a procurement target of two lakh tons of wheat and four lakh tons of rice in the current season.

To increase the capacity of the BADC godowns, the meeting suggested the authorities to utilise the godowns by renovating those on an emergency basis.

Committee members Food and Agriculture Minister Begum Matia Chowdhury, Mirza Azam, Mohammad Jinal, Abedin Bhuiyan, Mohammad Jinal, Abedin Sarker, Prof. Mohammad Shahjahan Mia, Alhaj Shamsuddin Ahmed and officials concerned were present at the meeting.

HP launches latest IT products

Hewlett-Packard (HP), the world's leading provider of computing and digital-imaging products has launched its latest products ranging from server to PC to desktop equipment in Bangladesh.

This launched was announced by Business Manager for Emerging Countries, HP Singapore Sales Pte Ltd, David Ong at a dealer conference held at the Pan Pacific Sonargaon Hotel, Dhaka, yesterday. HP wholesalers - Multilink and Flora, HP Accredited Commercial Reseller - Tech Valley and Daffodil as well as HP certified reseller were present to honour the event, says a press release.

In addition to introducing the new HP products which continue in the HP's legendary cutting-edge technology and product excellence, HP seeks to expand business into existing and emerging new markets by setting industry standard in customer intimacy and operational excellence.

One of the exciting new products is the latest HP Net-server E60, the industry's first to integrate disaster recovery allowing small and medium businesses to focus on their business rather than on their computing systems.

The other new products include the networkable laser Jet 4050 printer, Design Jet 1000 series which incorporates the latest JetExpress technology to reduce printing time to six times faster, Scanjet 3200/4200/5200 and HP Brio and Vectra lines of PCs.

Yunus distributes GrameenPhone sets in Laksam

COMILLA, May 25: Managing Director of Grameen Bank Dr Mohammad Yunus distributed GrameenPhone sets among the women members of the Mudafarganj and Bagmara branches of the bank in Laksam thana, says BSS.

Managing Director of Grameen Bank Telecom Shaded Latif, Comilla Zonal Manager Saleha Begum, Noakhali Zonal Manager M. Haider Ali, TNO Laksam Tanvir Ahmed Siddiqui, Mudafarganj Branch Manager Sadek Hossain, Bagmara Branch Manager Abdul Halim also spoke on the occasion.

The Phone sets were distributed among 22 women members of the Grameen Bank for the development of the communication system between villages and towns and also outside the country.

Modalities of border trade, transit on agenda Dhaka, Delhi agree to set up joint expert group

Star Business Report

Bangladesh and India have agreed to set up a joint group of experts to consider the modalities of border trade and transit facilities between the two countries.

After returning from a five-day official visit to India, Commerce and Industries Minister Tofail Ahmed told a press conference yesterday that Bangladesh had appraised its counterpart of its current border trade practices with Myanmar.

The joint group comprising representatives from both the countries is expected to meet in June and submit its report by September, he said.

"We have agreed to consider movement of goods from one point of India to another through Bangladesh territory

in pursuance of the India Bangladesh Trade Agreement of 1980 and 1993 SAPTA Agreement," the minister said.

He said that both the agreements were signed during the BNP regime. "Such movement of goods will benefit Bangladesh businessmen by engaging themselves in transporting goods from one border point to another."

He also referred to a World Bank report which said that a single truck could provide employment for nine persons if it travelled about 150 km.

"So, transportation of Indian goods will generate huge employment in the country," Tofail said.

He also said that Bangladesh had welcomed an Indian proposal to set up a Indo-

Bangladesh Chamber of Commerce and Industry "as it is the private sector which runs the wheel of the economy."

He also said that the Federation of Indian Chambers of Commerce and Industries (FICCI) had agreed to open a cell to deal with queries from the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI).

Regarding the huge trade deficit between the two countries, the minister said that he had invited Indian entrepreneurs to invest in Bangladesh on buy-back arrangements.

About India's desire to import gas, the minister said that Bangladesh was assessing its own reserves and needs before thinking of any gas export.

\$56m IT project launched in city

Speakers at a seminar were yesterday unanimously observed that expansion of software and digital technology in the country would not only open a new chapter in fetching huge foreign exchange but also create tremendous job opportunities for millions of unemployed youths, reports BSS.

The seminar was arranged at a local hotel to mark the launching of 56 million US dollar joint venture project by Research Engineers International Institute of Technology (REIIT) in collaboration with US-based Research Engineers (REI) for expansion of advanced digital Multimedia and Internet training facilities.

Dhaka University vice-chancellor Prof Dr A K Azad Chowdhury was the chief guest on the occasion while chairman of the Bangladesh Medical Research Council Prof R Modasser Ali was the special guest.

Presided over by REIIT chairman Monjur Zaman

Chowdhury, the function was also addressed by REI country manager Debgrish Sanyal and its technical experts Soumitra Banerjee and Gurudas Sarker.

Prof A K Azad Chowdhury said the country is still lagging behind software technology. He pointed out that to promote software industries, the government has withdrawn taxes from all kinds of software and hardware of computers.

Referring to high demand of software products in the country, Prof Modasser Ali said the country would largely be benefited with the setting up of REIIT, the first of its kind in the country.

The prime objective of REIIT is to provide a state of the art training facilities with advanced digital multimedia and Internet training courses by highly experienced foreign experts.

The course curriculum covers from basic to the latest applications of the digital technology.

Set up coal-based power plant: JS body

A meeting of the parliamentary standing committee on Planning Ministry yesterday asked the authorities concerned to take necessary steps to set up a coal-based thermal power plant, says UNB.

Chaired by committee chairman H N Ashique Rahman, the meeting stressed the need for accelerating the work of Bara Pukuria Coal Mine Development project.

It also discussed the overall activities of Planning Commission, including its manpower, and the policy being followed in allocating money from development budget at different sectors.

Joypurhat Limestone Mine and Cement Project also came up at the meeting for discussion.

Committee members Science and Technology Minister Lt Gen (ret'd) Nuruddin Khan, Mohammad Rezaul Karim Hira, Prof Mohammad Ali Ashraf, Prof Jannatul Ferdous, G M Faruk Haque, Abu Lataf Mohammad Mubin Chowdhury and officials concerned were present.

CSE frames new rules to receive complaints

Star Business Report

The Chittagong Stock Exchange (CSE) has framed new rules to receive complaints from investors, according to a press release.

The bourse will receive complaints from investor within 60 days of default by any member, which will be sent to a committee for hearing and settling disputes the matter.

The CSE will also form an "investors' complaint and information cell" to receive complaints from investors, which will take up the matter with the concerned authorities.

The cell will also provide information regarding performance by the listed companies and activities of the stock market," the release said.

Meet on product planning held at DCCI

A meeting on 'Environmental Oriented Product Planning and Design' was held at the DCCI auditorium on Monday.

It was organised by Business Advisory Service (BAS) Project of DCCI in cooperation with German Technical Cooperation (GTZ).

Wolfgang Eberhagen, a German Designer, conducted the talk meeting.

The meeting aimed at sending awareness signals to the entrepreneurs of Bangladesh in respect to environmental issues of product planning and design. In all, 40 participants from manufacturing units of private sector attended the talk meeting.

Speaking on the occasion, the President of the Dhaka Chamber of Commerce & Industry (DCCI) M H Rahman, underscored the essentiality of planning and designing products in consonance with environment protection system.

He said that the European and American importers were very much sensitive to environmental issues. As the exports of Bangladesh to those countries account for about 70 per cent, the Bangladeshi entrepreneurs must meet the environmental rules of European and American countries, he added.

The German Designer elaborated the global environmental issues with reference to product planning and product design.

He also delineated a checklist of environmental rules that could be implemented by Bangladeshi entrepreneurs to enter into European market.



Managing Director of Daffodil Computers Md Sabur Khan (L) receives HP Accredited Commercial Reseller (ACR) certificate from David Ong, Business Manager for Emerging Countries, HP Singapore Sales Pte Ltd at a ceremony held at a city hotel yesterday. — Star photo

Dollar falls on sharp Wall Street downturn

LONDON, May 25: The dollar fell against most currencies early today in the wake of a sharp overnight downturn on Wall Street sparked by fears of an imminent rise in US interest rates, reports AFP.

The euro rose to 1.0628 dollars from 1.0577 dollars here late on Monday.

The dollar was being traded at 122.72 yen from 122.70 yen earlier in Tokyo and 123.66 yen here late on Monday.

US investors sold off shares amid fears of an imminent tightening of interest rates in the world's powerhouse economy.

Predictions that the Argentinian peso may be devalued also hit market sentiment in the United States, where the Dow Jones Industrial Average fell by 174.61 points.

A currency strategist at Barclays Capital, Jane Foley, said: "In the short term it's difficult not to expect (dollar) volatility

while people change their exposure to the US Treasury and stock markets."

But Foley said that in the longer term "markets in the US will come round to the idea that a hike in rates will be prudent to sustain stable economic growth."

She predicted that the dollar would rise back against the yen, amid continued concern over the growth prospects for Japan.

There's more disappointment creeping in with regard to growth expectations this year in Japan," the strategist said.

She also predicted that the euro would fall back because of the sluggish performance of the German economy. The pound stabilised against the dollar, but continued to weaken against the euro after the publication of weak economic growth figures here.

Expectations of another cut in British lending rates followed the publication of official

figures showing that the British economy ground to a halt in the first three months of 1999.

The British economy is now expanding at the slowest annual rate since 1992, when it was just starting to pull out of a recession, the Office for National Statistics (ONS) said on Monday, as it revised downwards growth estimates released last month.

In the first three months of 1999, gross domestic product (GDP) did not grow at all compared with its performance in the last quarter of 1998, and inched ahead just 0.6 per cent in comparison with the first quarter of 1998.

A currency strategist at NatWest Global Financial Markets, Michael Metcalfe, said: "The fact that the US has moved to a tightening bias when measured against the possibility of a rate cut in the UK has moved sentiment in favour of the dollar."

India commissions its largest pvt power plant

DABHOL, India, May 25: Power Minister Rangarajan Kumaramangalam today inaugurated India's largest private power plant and appealed for more overseas capital to plug the country's energy shortfall, reports AFP.

The minister hailed the commissioning of the first phase of the three-billion-dollar Dabhol plant, with a total capacity of more than 2,000 megawatts, as an "excellent example of public-private cooperation."

The Dabhol power project was jointly promoted by US firms Enron Power Corp, Bechtel Inc and General Electric Company in the western port city of Dabhol. The electricity board of Maharashtra state, where Dabhol is located, holds a 30-per cent stake.

Kumaramangalam invited Enron to invest in India's power sector.

"There are a lot of business opportunities in India's power sector due to the shortfall that

we are facing. Come and invest, we welcome you," he said.

"We are going for a global tender in June for two non-site specific liquefied natural gas, tariff-based 2,000 megawatt power stations," he said, adding that India's current electricity shortfall totalled about 12,000 megawatts.

Kumaramangalam said at least 500 billion rupees was needed for new projects and admitted there was no government money available for them.

Joseph Sutton, chairman of Enron International, said he would "certainly consider" investing in India.

Phase I of the project will generate 740 megawatts of electricity using naphtha as fuel, while the second phase, costing 1.86 billion dollars, is to generate 1,424 megawatts of electricity from liquefied natural gas.

Several hundred people from the nearby village of Katalwadi staged a noisy protest march at the inauguration, shouting slogans against Enron and demanding the company be kicked out of India.

The Dabhol power project has had a troubled history. New Delhi opened up its power-generation sector in April 1992 as part of ongoing market reforms and invited Enron to build the power station.

A 20-year power purchase agreement was signed in 1993 by Maharashtra state's then ruling Congress party.

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DCCI president M H Rahman speaks at a meeting titled 'Environmental Oriented Product Planning and Design' organised by Business Advisory Service (BAS) Project of the Chamber in cooperation with German Technical Cooperation (GTZ) at the DCCI auditorium on Monday. — DCCI photo

Deep Look Into The Issues

To understand the issues raised in the first part of the article, we may like to take a hard look at a lot of other things: the history and nature of oil industry, the role of handful of major oil companies and the participation of independent oil producers; the effect of environmental legislation etc. over and above the basic stipulations and obligations under the Production-Sharing Contract framework. These background information might provide some insight into the oil exploration games that have been played by international oil companies over the last 60 years and how the non-oil producing countries in particular suffered.

The intrigues, conspiracies that came in along with the oil hunters as a package deal, is yet another untold story directly associated with the oil exploration. The exploration for hydrocarbon is a dynamic process — it either gets accelerated or decelerated (country or region specific) with the geopolitics and country specific political stability. Irrespective of difficult times in South Asia and South-East Asia, it is indeed heartening to note that oil majors are showing keen interest for PSC in Bangladesh. If my memory does not fail

Gas contracts and tasks before Bangladesh

By Nuruddin Mahmud Kamal

me the government of Bangladesh (in 1974), in the midst of oil price hike and general energy crunch throughout the world, did not make any mistake in deciding quickly the mode and manner of initiating a comprehensive Energy Study in 1974 with the assistance of Asian Development Bank. Planning Commission was entrusted to act as the key player in conducting the study, and also in hammering out a workable energy policy and framework to implement it.

When we ask what the government should do about our energy problem, we are actually asking ourselves what we want. As we examine what has happened in the period between 1991-95, we will find out how the government passed most of those years in wishful thinking, rather than responding to demands for action in a coordinated manner. Although the system did not suffer from any compelling dilemma, it did not take adequate steps to enhance oil and gas exploration — be that on own accord or through

foreign companies. It kept on taking panic overdose of legislative medicine. Nevertheless, many MOUs were signed.

The International Oil Industry

Customer demand has been the factor that has stimulated enormous development of the industry. Crude oil is almost useless in the form in which it is found. It requires complex processing in expensive plants to produce technically useful and marketable products. While on the other hand natural gas has immediate markets at home and abroad either as piped gas or Liquefied Natural Gas (LNG). LNG is generally linked with billion dollar investment requirement.

As a logical consequence of the key characteristics the industry has been international from its early days. Whereas many of the world's large multinational companies outside the oil industry have developed from a large home base in the US and have expanded into foreign markets in the

search for customers for marginal production, companies within the oil industry have had to search worldwide for the basic raw material and then have been essentially concerned with moving crude and products across national boundaries.

These circumstances have also favoured bigness because high risk exploration projects, expensive production operations, high volume sea transportation and costly refining have inevitably called for large scale resources. Companies have had to be strong enough to withstand the exploration disappointments inseparable from risk ventures. The most important aspect is that their operations call for a very wide range of management and specialists skills. The highly technical basis of the whole business of finding oil or gas requires the backup of sophisticated and expensive research establishments.

Internationalism, bigness, capital intensiveness are char-

acteristics that have given the industry both advantages and disadvantages. Interdependence between producers and consumers in the last analysis demand greater emphasis on exploration.

The oil industry falls in two broad categories: integrated vs individual operation. During the 50s and the 60s, the international oil business was largely conducted by the seven large companies (known as the Seven Sisters or Majors). They are Standard Oil of New Jersey (Exxon), Standard Oil of California (Chevron/Socal), Mobil, Texaco, Gulf, Royal Dutch/Shell and British Petroleum (BP).

With world-wide operations these companies were able to control the international markets. But by no means the whole of the industry was thus vertically integrated. The 1960s saw the emergence and development of more than one hundred state oil companies. In the US, in addition to some 30 large vertically integrated companies, several thousand smaller

producers and many independent refinery, transport, and marketing organisations carried on operations.

The gradual erosion of the dominating position of the 'Majors' took place during the 1970s in the ownership of crude oil and in product sales. By 1980, no phase of the industry had the seven majors a cumulative share of as much as 50 per cent. The dramatic changes in the ownership of crude oil took place during the 1970s; in many parts of the world the companies moved from a position of ownership to being 'contractors' to government, and in other countries such as Venezuela they continued to do business under the terms of 'service contracts' to national oil companies.

The trend towards fragmentation in international oil trading has gathered pace in the 1980s. Among producers, OPEC as an organisation became more a forum for crude oil price discussion than a controlling force. Consuming countries have attempted to tackle the

problem of supply security both by engaging in bilateral deals and by participating in the IEA (International Energy Agency), which was specifically set-up to deal on an international basis with the problem of possible world energy supply emergencies.

Not only in organisational terms, but in many other respects the relatively orderly system of international oil exploration, supply and trading has tended to move towards greater uncertainty and instability, made all the more complex by the factor of political risk.

Geological Evolution And Hydrocarbon Exploration

On the basis of types of plays and sources of hydrocarbons, three Petroleum systems can be distinguished in the Bengal basin which covers most of the territory of Bangladesh, part of India (West Bengal and Tripura), south-western most margin of Myanmar (Burma),

and Bay of Bengal.

At present the Bengal Basin comprises the world's largest fluvio-deltaic complex, the Ganges Brahmaputra delta (about 60,000 sq km), formed by the fusion of two major (Ganges and Brahmaputra) and several lesser river systems. This delta feeds the world's largest submarine fan complex known as 'Bengal Deep Sea Fan', which extends for 3000 km south into the Indian Ocean.

Considerable sub-surface data have been collected through various agencies and organisations working in exploration of oil and gas. These data are available from Petrobangla on payment.

Bangladesh is located in the east flank of the Indian sub-continent neighbouring regions of Assam (India) and central Burma, where estimated recoverable reserves of oil are over one billion and 1.3 billion barrels, respectively. So far Bangladesh has been known as a proven gas province for the last 30 years, although oil was discovered in Badarpur (India), adjacent to Sylhet, in 1935 (10 km east of the extreme northeastern tip of Bangladesh).

To be continued

(The author is a former Additional Secretary and Chairman of Power Development Board)