

What should we do about energy problem?

NURUDDIN MAHMUD KAMAL

ELECTRICITY is really the name of the energy game. Unfortunately, the game has not been skilfully played by the Government over the last three decades, for which Bangladesh continued to suffer from energy poverty. In the recent times new players like the International Oil Companies (IOCs) and the Independent Power Producers (IPPs) are entering into the vacant spaces in the primary energy (oil and gas) as well as in the secondary energy (electricity) premises under certain policy prescriptions formulated by the government. Yet, neither the government is clear about the roles and responsibilities of the IPGs and IOCs nor they are certain about how much fortitude they can show in the name of energy development programme.

For humankind, the energy crisis of the 1970s has made every government in the world to think more deeply about the energy alternatives and cooperation. But it seems we are creating attenuating circumstances for ourselves which might aggravate rather than resolve our energy issues and options. While we are on the subject of energy crisis of the 1970s, it would be interesting to recall that the media of the western world in those crucial days enthusiastically publicized "the energy war" with the zeal and dedication they had devoted to man's first landing on the moon. The world suddenly heard more about energy than it had ever wanted to know or thought it possible to ask. The most exciting phenomenon was that the Americans in particular and the industrial world in general for the first time found themselves awash in a tidal wave of conflicting opinions. There were those who said the crisis was only temporary. Others forecast that mankind would never again return to November 1973 affluence. There were those who claimed that the crisis was not real but had been

created by the oil companies to bring about higher prices. Some maintained it has been contrived by some European and American governments (in particular) to divert attentions from their internal problems. Nobody knew whom to believe. Credibility, in regard to the oil industry and their respective governments was in as short supply as electricity in Bangladesh!

Curiously, the government of late has come up with Band-Aid type decisions. The news item in The Daily Star on 25th March 2001, for example, entitled, "PM asks ministry to resolve all energy issues before polls" is indeed a puzzle. One would

common knowledge that Titas Gas Company has overgrown and has become unmanageable. Its real revenue (system) loss is huge (alleged to be around 50 per cent excluding the fertilizer and power use) due to corruption of a section of unscrupulous employees. The politico-bureaucratic patronage to corrupt employees has emboldened them to take undue advantage from the government. Thanks to Petrobangla, it has at least made a rough projection exercise for natural gas, which indicates a demand estimate of around 65 trillion cubic feet (TCF) by 2050, while the remaining (proven) recoverable

learning about energy problems. I have for example, learned it as a teacher, planner, government official and chief executive of the country's Power Board. I am learning even today. I found out how complex the vast energy industry is when I travelled to many places in the world whether it is Pertamina (Indonesia), Petronas (Malaysia) or Petrobangla (Bangladesh) or Oil and Natural Gas Corporation (ONGC) in India or Petrobras (Brazil) or Shell (UK) or Aramco (Saudi Arabia). I also read about the politics of oil, while working with the government. Most of all, we all learned about the people involved,

conceptions. Our energy problems did not develop overnight, nor the IOCs and IPGs are innocent in their business deals in Bangladesh and elsewhere in the world. Their commercial interests overshadow everything under the sun. Consequently, conflicting situation arises between the government and the international energy companies.

A well-informed energy expert in Bangladesh observed recently that a serious crash programme could partly solve our electricity problem, which unfortunately was lost due to indecision of the government during 1990-2000. One must however appreciate that long lead times are

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simply wonder how the Energy Ministry would resolve all pending issues concerning foreign investment in the sector, gas policy formulation and restructuring of Titas Gas within two to three months (if not earlier). If they can now, why did not they do it before? According to the media report, there are some five to six such major issues which include a 50-year vision of natural gas usage, marginal gas field development policy, investment in compressed natural gas (CNG), and natural gas liquid (NGL) projects, administrative restructuring of Titas Gas and review of production-sharing contracts (PSCs). Some of these issues have remained contentious for long. For example, the case in point is marginal gas field development which may relate to a particular gas field in Sylhet (Chhatka) along with two other fields at present abandoned for some mysterious reason and has not been recently appraised through scientific means. Secondly, it is a

reserve of gas is only 11.50 TCF. Questions have now been raised how did we get into this energy mess and why didn't we know what was happening? Regarding gas production and supply issue in the country it may be asked if it is real or did the International Oil Companies (IOCs) conspired to create it to make out a case for gas-export through pipeline (although provision for gas export exists in the present PSCs as LNG). It may also be asked how long we will have an electricity shortage problem and how it is affecting the life-style of one fifth of our total (privileged) population that enjoy the benefits of power supply? One other crucial question could be: are we really running out of the estimated gas reserves within 2015? If so, why cannot we conduct a crash programme to update the figure of recoverable reserves of gas from all discovered gas fields? And finally, what should the government do about our energy problem? Many of us have spent our lives

and how and why the quest and thirst for oil affects the lives of many people on earth. And we all agree that the business of energy is a very difficult task. Unfortunately, our successive political governments resort to short cuts and provide more lip service than actual agenda. A case in point is a recent announcement in the Parliament regarding electricity coverage that appears to be perplexing. The government's Power Policy Statement in January, 2000 principally underlined that the access to electricity coverage stands at less than 20 per cent of the total population and consumption of power is only 112 kWh per capita per annum. In one year i.e., by early 2001, according to the State Minister, the coverage appears to have touched 30 per cent!

The complexity of the international oil industry is why there are no quick and easy answers to many of the questions we want answered. It is also why there are so many mis-

necessary to develop new supplies of energy. It takes four to five years to find and develop a gas field, five to six years to develop coal mines. Even if all lights were green now to launch a massive energy development programme, we still have a stupendous job ahead to meet our anticipated energy demand (of about 10,000 MW) by 2015 as per Power System Master Plan (PSMP), 1995. The demand forecast of the Power Policy Statement, January, 2000 is even higher about 15,000 megawatt by 2020! To achieve an improved electricity situation by 2010, an estimated sum of US\$ six billion would be almost impossible to mobilize by the government alone. Obviously, a joint effort between the public and private sector would be necessary.

The coming five to seven years will be our greatest period of stress, before we drive toward self-sufficiency begins to reduce our import requirements. It will also be our greatest testing period as to

whether our recent experience has focused our attention on our real long-term problem or whether we are going to continue to live from one summer shortage (of electricity) to the next one. The prediction for this summer is certainly not favourable. Yet, an effective demand-side management (DSM) with the commissioning of the simple cycle unit at Haripur (about 240 mw) by Messrs AES might reduce the intensity of load-shedding and voltage fluctuation in the country. But it will not improve the load-shedding and low voltage crisis of the metropolitan city, Dhaka, essentially because of the infrastructure limitations in the DESA system. What is most intriguing now is that under the pretext of "early delivery" the Power Development Board (PDB) signed a "new" power purchase agreement (PPA) with Messrs AES to purchase power at more than double the price (perhaps 5.40 cents) compared to their earlier PPA (signed in 1998-99) with the same company for the same Haripur 360 mw project at 2.73 cents per kilowatt hour. This is not only violation of a signed contract but also will impose an unnecessary heavy burden on the foreign exchange of the country.

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Dr. Rubaiul Murshed

All health information to keep you up to date

Around the world

Everyday activity as exercise

Want to get in shape and improve your cardiovascular health with out going to a health club or planning a workout? According to a report in the Journal of the American Medical Association, performing everyday activities like scrubbing clothes or climbing stairs can offer the same health benefits as training at a gym. Researchers from the Cooper Institute of Aerobics Research in Dallas looked at 235 men and women aged 36 to 60 over a two-year period.

One group did 20-60 minutes of vigorous exercise for up to five days a week, while the other incorporated 30 mins of "lifestyle" exercise into each day. At the end of six months, both groups had significantly improved cholesterol levels, blood pressure and body fat percentage, although the lifestyle group had to exercise three times longer to burn the same amount of calories.

Source: Associated Press report.

Hope for blindness in the elderly

One of the most insidious problems of ageing is a type of creeping blindness which steals vision from the centre out. Initially, fine details fade. The words in a book seem okay at a glance, until you try focusing. People's faces start to blur. You cannot read or drive. Eventually, elderly people with the worst form of this age-related Macular Degeneration (AMD) go blind. Scientists were experimenting with a handful of therapies which may preserve eyesight, starting with a light activated drug called Visudyne which is likely to be available.

Visudyne is not a cure, cautions Dr Neil Bressler of John Hopkins University. Nothing can restore already lost vision. But early stage patients may be able to slow down vision loss or reduce the chances of AMD. An ongoing trial with 4800 patients compares whether vitamins C, E, beta carotene or the mineral zinc stops the progression of AMD because it will soon become an epidemic. Until then, anxious patients will have to wait or go to the ophthalmologist to hunt for its early symptoms like drusen deposits.

Drinking and a healthy lifestyle

People who drink moderate amounts of wine tend to have a lower risk of heart disease. But a recent Danish study says it may not be the wine rather other aspects of wine drinkers life-styles responsible for better heart health. Researchers from Copenhagen's Institute of Cancer Epidemiology looked at 50,000 men and women. They found that those subjects who preferred wine also preferred a diet lower in saturated fat and higher in fruit, vegetable, fish and olive oil like the basic regime of Southern Europe (American Journal of Nutritional Studies).

This Danish study is not the first to suggest that its the drinker, not the drink which influences heart health. It is evident that drinking moderate amounts of alcohol reduces the risk of coronary heart disease, but the beverage is question need not be wine.

Courtesy: Dignity Dialogue

Tomorrow: Always children first.

A changing world for America

SYED MAQSUD JAMIL

IT was the first test of leadership for Bush presidency. He has successfully brought back the 24 crew members of the EP-3E reconnaissance aircraft from Hainan, China. G W Bush came as a tough talking conservative on China. The stance was important in projecting his foreign policy. He was firm in his public pronouncements on the EP-3E plane issue. When it came to communicating with the Chinese, his foreign policy team was measured and watchful. In their own words, they were dealing with a strategic competitor, not a strategic partner, as President Clinton saw it.

The hawkish Dullesian foreign policy and the combative Reaganesque style in combating communism did not fit into today's geo-political scenario. Communism is dead, but nationalism is rising its head. More effectively, where the vestiges of communism's hardline one party system is still functioning with undiminished fervour, China is her own master as a rising global leader.

The world has been changing since the fall of communism, but the changes now appear to have taken a permanent shape. Indeed, there is no global power to take on America, as USSR did for about half a century. Yet America is watching the changing scenario keenly. She understands the importance of using her leadership discreetly. Teddy Roosevelt's prescription of talking softly and carrying a big stick has the potential danger of America getting embroiled in skirmishes that can spin out of control into catastrophe. Barring Saddam's Iraq, even minor bullies have their backup in

regional and ethnic support. Even her friends look on her unchallenged position as a prickly reality. America is finding it useful to tone down her assertiveness in dealing with her friends. The globo cop image is more a handicap. The Clinton administration was more involved with economic revival and later caught in the slimy details of Monica episode.

Bush administration has an inherited interest in foreign affairs. They will naturally keep their eyes on the changes. China will be on top of the agenda. There are all the good reasons it should be. She has an aging leader in Jiang Zemin. At 74, he may not be old for traditional Chinese gerontocracy. But he is likely to retire by 2002. A younger leader in Hu Jintao is strongly tipped to take over. The Chinese particularly the younger generation are gripped by the pride of the growing power of their country. They want that America and the world should take note of it. Hu Jintao has to defer to the sentiment, or else risks imperiling his prospects. The military generals led by Zhang Wannian are hardliners, driven by the pride of flaunting the military muscle of China. America, as they perceive, is standing in the way of giving China its due place in the world.

The acquisition and smooth absorption of Hong Kong should assure America and the rest of the world of the pacifist intentions of China. She fully deserves the status of a major world power. Any suspicion or aspiration is strongly resented by the Chinese and looked on as traditional China baiting. Diplomatic initiatives at building normal ties with her estranged neighbour India, conciliation of

Vietnam are developments at bolstering her peaceful image. She has coddled her way into World Trade Organization. Her 116 billion-dollar yearly trade with America establishes her as an important trading partner of America. She wants to showcase her growing strength at hosting the 2008 summer Olympic Games.

Taiwan is the sore point in her geo-political goal. The wealthy and militarily powerful state is increasingly stressing her independent status. It is irksome for China. The sale of Aegis radar-equipped destroyers to Taiwan by America is a highly sensitive issue for China. It

sphere of influence. The world is inclined to look on India as a cultural power. She enjoys worldwide eminence and favour for the richness of her cultural heritage.

The west and most of all America is finding India an exceedingly attractive trading partner. Yet India through the last half century has been sermonizing censorious of America's global policy. Russia is her natural ally. India with her democratic system never found it an aberration to idolize Soviet Russia as a just society. There is an all-embracing compatibility about the two countries. They team up on almost all the international issues. It

does not hold out the danger of becoming a strategic threat or of becoming a nuclear merchant as China does. America will therefore keep on courting India, treating her with deference. She will be consulted, but America's geo-political plans will not look on India as an ally to count on. America will allow India to build her clout, to stretch China's growing superiority and to create a margin of vulnerability.

India's neighbour Pakistan has the nuclear clout, but it does not have the strategic importance and the sphere of influence of India and China. Pakistan, however, is an important country for America. The

ring of Central Asian states around Russia will receive due

by America. In the back of its mind

America may also think of not allowing the Indian wings to spread too far. It is in the interest of the superpower that regional powers remain within bound so that they can be reined in. For that America will live with Pervez Musharraf as well. No wonder that G W Bush remembered the name of Musharraf, but could not come up with the name of the Indian Prime Minister. From Eisenhower to Bush Sr the Republican presidency has a consistent pattern of leniency with Pakistan. Under G W, this is likely to continue.

The ring of Central Asian states

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the economic rebuilding of the region. Besides, the potential leaders and the allies in the area are in turmoil. Indonesia is tottering. America will try discreetly to prop it up, fearing the Balkanization of the area, and in the interest of maintaining regional stability. The world will see very little of the Clintonian tour of Vietnam, for that will be much unlike the Republicans. Vietnam is not likely to receive undue attention from America on the consideration of old Sino-Vietnam enmity. That will be a poor ploy to contain China.

Japan looks like being caught in unending recession. America will bring Japan more in to her plan of things for Far East. She may even be allowed to upgrade her military profile and even lean towards production of sophisticated military hardware. A restructuring will tinker with Japan's presence, as an ally of America. Japan needs more freedom than rigors of treaties to benefit from diversifying its industrial production and foreign trade.

On the far fringe of the Middle East and on the periphery of the Balkans, Turkey will continue to remain America's steadfast regional ally, standing calmly strong and staring hard. Germany in the heart of Europe can be seen rearranging the priorities. She is likely to lean more towards Russia and benefit from the relationship. The economic integration of Russia with Germany is likely to dominate developments in the region. The world may see German foot dragging and laxity on western world issues of contending with Russia. England on the other hand will benefit from even closer ties with France. England will however remain staunchly American in her policies. Although France along

with a lesser partner in Germany will try to bring her increasingly into the European fold. America will try to mould Europe into a melting pot, instead of letting it to develop into a continental alliance holding its ground against America. A more benign European integration on cultural cohesion and economic rebuilding setting a trend of greater human exchanges across the border will be more to America's liking. A Europe with no Bosnia, no Kosovo.

Israel in the Middle East will be told to make its own deal with the Arab World. America will have the least inclination of carrying the big stick in the area or to play a high profile and active role in brokering a peace.

Jordan will be more to her liking with King Hussein's widow Noor or Liza Hallaby exerting her American influence aided by the English descent of King Abdullah. His mother being a British lady in Tony Gardner. The increasing cost of *Intifada* will persuade Israel about the wisdom and rewards of peace with the Arab. America will rather wait to see that Ariel Sharon buckles to the reality by his own judgement.

The years ahead will see America trying to stand tall without having to swing the big stick. President Bush will talk though in the open but will be quick to send the peace feeler off the spotlight. The world will see more of America but lesser of its action. All said and done, China will be the major agenda of American foreign policy in the years ahead.

The years ahead will see the Indians could easily violate our border and gain an easy and a confused victory. Even if identified that she has openly aggressed, she would use the pretext that continued disturbed conditions in East Pakistan are likely to upset peace in her eastern provinces. I have said continued because from end March to end Oct. Would be over six months. The defeat of our troops in East Pakistan and this will be inevitable, would considerably weaken the prestige of our armed forces in the Western Wing i.e. if we do not go to war. So the alternative open to us would be fight the Indians here or just watch the operations against East Pakistan - both very critical choices. We ought therefore to obtain appreciations from the DG ISI and Foreign Office which would project well into the future".

TOMORROW: MILITARY ASPECT-VIII

Excerpts from the 'declassified' main report of Hamoodur Rahman Commission

MILITARY ASPECT-VII

The evaluation of the Indian threat

IN fact all the records that the government had during the critical days in 1971 did keep this constant in mind and the government was or should have been aware of the danger. On 19th May, 1971 the National Security Council drew up a paper called "Threats to Pakistan", which ably summarised the various internal and external threats, which the country was then facing. It pointed out the ideological basis upon which Pakistan itself was founded and how we had drifted into a state of disunity. The cause of this disunity was stated primarily to be the Indian subversion aimed at creating regionalistic and parochial feelings, the influence of alien ideologies and foreign propaganda on the minds of the younger generation and the hitherto unresolved language issue which helped in escalating regional feelings pushing us gradually towards disintegration.

The Inter-Services Intelligence also in a paper "Assessment of Indian Threat", dated June 1971, went on to point out the likelihood of Indian attack giving as the main grounds for that opinion the following:

(1) That the Indians would attempt to justify operations against us on the pretext of supporting Bangladesh and it would not find it difficult to do so at the bar of world opinion.

(2) That the army in East Pakistan had its own preoccupation in that it was committed against rebels and in manning important border outposts which had till March, 1971 been looked after by the ex-East Pakistan Rifles. This would make the Indian offensive more likely to succeed.

(3) That a large majority of the population of East Pakistan had already been alienated, i.e. by military action, and

(4) That India was in fact assisting the rebels.

On this paper the president remarked: "A good paper".

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