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Country can save $100m a yr if 50pc vehicles in Dhaka, Ctg run on CNG

UNB, *Dhaka*

If 50 per cent of vehicles of Dhaka and Chittagong cities are converted into CNG-run ones, the country can save about US$ 100 million every year on the import bill of transport fuel that amounted to $310 million in1999-2000.

The resulting cleaner air will bring in health benefits equivalent to another $100 million every year, a petroleum engineer told a seminar here yesterday, explaining economic and environmental prospects of CNG use.

Moreover, Dr Edmond Games of Bangladesh University of Engineering and Technology (BUET) said, the use of CNG will increase domestic use of gas by 40-50 million cubic feet per day.

The proposed pipeline export of gas to India is expected to bring in about $200 million a year in exchange of 500 million cubic feet of gas per day.

"Why won't we keep gas for our own use if it helps us keep the environment clean?" said Communications Minister Barrister Nazmul Huda.

"While thinking about export, we must take into account whether we are to buy back our own gas at higher rate," he said as engineers were advocating expansion of CNG-LPG use for cleaner environment.

The minister described the hazards and obstacles that stand in the way of phasing out two-stroke engines. "But I won't allow two strokes engines any longer in the city," Barrister Huda asserted.

State Minister for Energy A K M Mosharraf Hossain said there are scopes for increasing domestic use of gas through its industrial use, but gas-based industries are capital intensive that the government cannot afford. "Where the money will come from?" he said, regretting that private sector also has not come up for big gas-based ventures.

Mosharraf described the import of fertiliser as a "criminal act" since the country has huge gas reserve. "Yet none has turned up to set up fertiliser factory," he said.

Steps are under way to convert all vehicles in Dhaka and Chittagong into CNG in next two years and set up at least 100 refueling stations, he said, briefly stating the government plan to expand CNG use.

Household gas access is less than 10 per cent and no effort would help it make 30 per cent. So LPG is the best economic option and that is why it is opened for private sector, the energy minister said.

Chemical engineer Khondaker A Saleque suggested that pipeline gas supply to households be phased out to reduce system loss in gas supply and popularise liquefied petroleum gas (LPG) in domestic and commercial use.

Pipeline supply of gas for domestic and commercial users in small towns and suburbs is a bad economic choice, said Saleque, general manager of a gas transmission company. He cited that gas pipeline was extended in Debidwar and Homna of Comilla, but very few households subscribed gas and they could easily opt for LPG in cylinder.

Chemical Engineers' Alumni Association organised the seminar on "Use of CNG and LPG for Cleaner Environment" at BUET. Vice Chancellor of BUET Prof Nooruddin Ahmed also spoke at the function while Association president R Maksud Khan presided.

Prof Nooruddin Ahmed said the government should issue an order mandating CNG conversion of all government vehicles within a set timeframe. "Ministers' vehicles should be converted first, then vehicles of MPs who import tax-free cars," he said with a humorous tone.

"Vehicles were converted into CNG in Delhi by a court order. Why doesn't it happen here?" he asked.

Prof Ahmed noted that India banned eight-year-old vehicles and those were being imported to Bangladesh. He urged the government for banning import of vehicles that are condemned even in neighbouring countries.

The BUET VC criticised the government move to buy catalytic converters and said it would be an extravagance as these so-called converters would be of no use after six months. He also censured World Bank for promoting use of lube oil in two-stroke autorickshaws. "I don't know whether they acted as an agent for some company," he said.

Gas Transmission Company Limited general manager Khondker Abdus Saleque said although LPG is an important portable fuel for its user friendly nature, it has not attained the same importance in Bangladesh as in many countries including India.

LPG is a safe fuel and can be used for domestic cooking as well as in hotels and restaurants, as flame torch for ship breaking and so on. Its use has remained limited due to inadequate supply, relatively higher cost, lack of effective marketing drive and proper support or incentive, he observed.

Justified pricing and adequate marketing drive, he said, can popularise the use of LPG while its smooth supply also has to be ensured by setting up more bottling plants and increasing capacity for existing ones.

He said the end users' price for domestic consumers should be fixed at Tk 300-350, keeping in mind the tariff of double-burner gas cooker. A family of average size needs 1.2 bottle a month.

Dr Gomes outlined at Tk 460 crore ($80 million) scheme for converting about 100,000 light vehicles in the two major cities into CNG in next five years, which will require Tk 300 crore. Another amount of Tk 160 crore would be needed to set up 80 refueling stations in Dhaka and Chittagong and along the highway.

Referring to low-pressure of gas, he suggested setting up of ring lines of 150 PSI encircling the two cities to feed the refueling stations with required pressure.

Dr Gomes, however, recommended the import of dedicated CNG vehicles instead of conversion.

He stressed the importance of the government's firm commitment, backed by proper policy supports, to popularise CNG as a viable substitute for gasoline.

Citing some steps initiated by government and private sector to expand CNG use, he pointed to the lack of coordination and suggested all scattered steps be tuned together with a national plan of action for CNG expansion.

PHOTO: SHEBA TELECOM

Picture shows (from left to right) Abu Sadat M Sayem, Head of Marketing, Zainal Abeddin Isma Yatim, Chief Technical Officer, Jefri Ahmed Tambi, Managing Director, and Jalluddin Abu Hassan, Chief Finance Officer of Sheba Telecom Pvt Ltd, attending a press conference organised to mark the launching of the company's Valentine's package and credit card payment system in the city.

India's privatisation falls short of target this fiscal

AFP, *Bombay*

India's privatisation programme will raise only 70 billion rupees (1.45 billion dollars) in the year to March 31, well short of the target of 120 billion rupees, Disinvestment Secretary Pradip Baijal said Wednesday.

"We will raise 70 billion rupees through privatisation in the current year. We expect some more companies to be privatised in the remaining period of the financial year," Baijal told reporters.

Last week, the Tata Group won a 25-percent stake in state telecom operator Videsh Sanchar Nigam Ltd. (VSNL) with a bid of 14.4 billion rupees while a 33.6-percent stake of fuel retailer IBP was snapped up by the state-run Indian Oil Corp. (IOC) with a bid of 11.5 billion rupees.

Baijal said there could be a number of other state asset sell-offs before the end of the current financial year and also reiterated the government's target of raising 700 billion rupees between 2002 and 2007.

Among those firms slated for the disinvestment block are carmaker Maruti Udyog Ltd, and some hotels of the Indian Tourism Development Corp and Hotel Corp of India.

Baijal said the government was opposed to any monopolistic situation arising in the services sector through privatisation of state-run companies.

"In the manufacturing segment, we can prevent monopoly by using tariffs or imports under OGL (open general license). But, you cannot import services... you cannot import petrol pumps or airline services and we would like competition to ensure that the consumer benefits and a monopoly is avoided."

The state-owned Indian Oil Corp has been barred from bidding for two state-owned oil refiners, the Hindustan Petroleum Corp Ltd (HPCL) and Bharat Petroleum Corp Ltd (BPCL).

Dialogue on agro-machinery held in city

Small Enterprise Development Programme of ITDG-Bangladesh organised a dialogue session on agro-machinery business sector in Bangladesh in the city on Monday, says a press release.

The dialogue session was attended, among others, by Md Kamaluddin of South Asia Corporation, Mofizul Haque on MM Enterprise, Md Shah Alam of Consul Trading, Kamaluddin Ahmed of Chittagong Builders and Machinery Ltd and Zakir Ahmed of Zakir Machinery Tools Ltd. Veena Khaleque, Country Director, and Manager Abdur Rob and Wahiduzzaman Babur of ITDG-Bangladesh also spoke on the occasion.

Leading agro-machinery dealers in the country at the session urged the government to introduce a separate HS code for the agro-machinery for excluding those from the industrial tax net.

Poor farmers will have more affordability of and access to the agro-machinery if the agro-machinery are identified clearly and a separate HS code is introduced for them, they said.

Because of the industrial tax, we cannot reduce prices of the agro-machinery, which is replacing four per cent drought power every year, the leading agro-machinery businessmen said.

PHOTO: PRAN

BARI and PRAN Agro Business Ltd signed a memorandum of understanding recently on HYV moong pulses farming in the northern region of the country. Picture shows Dr M S Islam, Director General of BARI, and Lt Col Mahatab Uddin Ahmed (Retd), Chairman of PRAN Agro Business Ltd, signing the MOU on behalf of their respective sides. Maj Gen Amjad Khan Chowdhury (Retd), Chief Executive, and Ahsan Khan Chowdhury, DMD of PRAN Group, were present at the signing ceremony.

Sheba launches Valentine package, credit card payment system

Sheba Telecom Pvt Ltd launched Valentine's package Tuesday, which offers mobile connection and a handset at a price of Tk 9999 , says a press release.

In addition of mobile to mobile call, customer will also enjoy to make or receive BTTB local and NWD call.

Sheba Telecom organised a press conference at its corporate office to commence of the Valentine Package.

Sheba Telecom has also built a strategic alliance with Standard Chartered Grindlays Bank to provide better payment facility to the shebaworld customer.

Sheba Telecom opened up an Automated Credit Card booth at Customer Service Centre on Sunday.

Shebaworld customers can pay their monthly bill or any other fees or charges through Master or Visa Card.

Shebaworld customers who have Standard Chartered Credit Card can also enjoy auto billing facility.

Jefri Ahmad Tambi, Managing Director, Jalluddin Abu Hassan, Chief Finance Officer, Zainal Abiddin Isma Yatim, Chief Technical Officer, and Abu Sadat M Sayem, Head of Marketing of Sheba Telecom Pvt Ltd, were present at the press conference. Relationship Managers of cards services from Standard Chartered Grindlays Bank were also present on the occasion.

BA to cut 5,800 more jobs, 10 routes

AFP, *London*

British Airways said Wednesday it was axing 5,800 more jobs and slashing 10 routes in a bid to reverse mounting losses triggered by the September 11 hijackings and a broader economic slowdown.

BA said the new job cuts were on top of 7,200 redundancies announced in September, meaning that the company has now axed almost one quarter of the 57,000 staff employed just six months ago.

Like other major carriers, BA has suffered terribly from a vertiginous drop in demand since the September 11 terrorist attacks in the United States.

Transatlantic routes, the mainstay of BA's business, have been especially badly hit, while low-cost airlines have moved to muscle in on its short-haul routes.

"It's a tough business and you only need to look at the performance of the full-service airlines around the world to realise that; we haven't been spared," said chief executive Rod Eddington.

"September 11 has radically changed the external environment for us, but some of the problems we're addressing today pre-date that," he told BBC radio.

Airlines have huge fixed costs and once revenues start falling, losses quickly mount.

Last week, BA revealed that its finances had nosedived deep into the red, with a pretax loss of 160 million pounds (260 million euros, 225 million dollars) for the December quarter.

BA said it hopes the steps it is taking will cut costs by 650 million pounds a year by March 204.

"We started this review with one clear objective in mind -- to turn this company around," he said. "We must transform British Airways into a simpler, leaner, more focused airline so we can thrive and prosper in an increasingly competitive market."

Eddington said that provided there were "no major global tragedies of the sort of September 11," there would "absolutely not" be any more major job cuts.

Investors and airline experts have been eagerly awaiting the BA strategy blueprint, dubbed "Future Size and Shape."

But the market gave it a lukewarm response, selling BA shares down 3.1 percent to 197.25 pence in early trade. It has been a particular wretched few months for BA, whose share price at one point last autumn fell below the 125-pence level at which it was privatised in 1987.

BA now wants to adopt some of the cost-squeezing strategies of low cost airlines, such as online bookings and quicker turnarounds at airports, while still offering premium services to those willing to pay the price.

India's phone network to grow 20pc this fiscal

AFP, *New Delhi*

India's network of telephones will grow by 20 percent in the fiscal year ending March 31 to 48 million phones, a senior official in the Department of Telecom (DoT) said Wednesday.

DoT Secretary Shyamal Ghosh told an Asia-Pacific telecommunications conference India's phone network was likely to see the installation of eight million new phone lines to keep up with the needs of the information technology sector.

"Despite the global slowdown, the IT sector has seen a growth of about 30 percent," Ghosh told the conference.

"We expect the telecom sector to grow by 20 percent in the current fiscal year to match the demands of the IT industry. India's telecom sector is poised for a take off. The growth will be in terms of subscribers and building supporting infrastructure."

Meanwhile, state-owned Bharat Sanchar Nigam Ltd. (BSNL), India's largest fixed-line phone operator, told the conference it had installed 6.3 million phone lines to expand India's network in the current fiscal year.

S.P. Purwar, director of finance, said the firm would install 11 percent more telephone lines next fiscal year to increase sales as rivals expanded services.

Enron whistle-blower agrees to testify before Congress

AFP, *Washington*

Enron's wall of silence could begin to crack Thursday when company whistle-blower Sherron Watkins takes the stand, having agreed to testify before Congress on the energy giant's financial collapse.

Watkins' August memo to Enron chairman Kenneth Lay about her concerns surrounding the company's financial stability has become a key assertion that executives were aware of the dubious financial partnerships that ultimately led to the company's fall.

"I am incredibly nervous that we will implode in a wave of accounting scandals," the vice president of corporate development at Enron wrote Lay, just four months before Enron became the largest bankruptcy in US corporate history.

Outlining the complex financial partnerships that raked in millions for a number Enron executives and apparently kept share prices artificially high, Watkins warned Lay that "the business world will consider the past successes as nothing but an elaborate accounting hoax."

News of Watkins' decision to appear before a House Energy and Commerce committee as the sole witness at a Subcommittee hearing on Enron's financial collapse came the same day that Lay frustrated lawmakers and laid-off Enron employees by invoking his constitutional right not to testify, the latest in a string of executives to do so.

Laid-off Enron employee Gwen Gray summed up the feelings of several former workers when she afterwards bitterly commented: "This is ridiculous."

"We are all stunned and confused by Enron's behaviour and especially your unwillingness to come clean before the American people," said Senator Jean Carnahan, echoing a litany of senators' frustration with Lay's decision not to speak.

Lay refused to appear before the Senate Commerce panel February 4, and arrived before lawmakers Tuesday under force of subpoena.

Thailand to host APEC summit in 2003

AFP, *Bangkok*

Thailand announced Wednesday that it would host the Asia Pacific Economic Cooporation (APEC) summit in December 2003 in the capital Bangkok.

"We will host the APEC summit in December 2003, with the 19 leaders of its member nations plus Hong Kong and Taiwan," Foreign Minister Surakiart Sathirathai told reporters.

Surakairt said the focus of the summit would be on reducing the wealth gap between developed and developing countries, promoting small- and medium-sized enterprises, and building sustainable economies.

The date and venue for the 2003 summit, which was held in the southern Chinese city of Shanghai last year, has not yet been finalised.

"The government is in the process of seeking permission from the Royal Household Bureau to use Anandhsamakhom Palace for the official summit, while the unofficial summit will be held at Government House," government spokesman Yongyuth Tiyapairat told reporters.

Apart from the APEC leaders' summit, Thailand will also host the bloc's finance ministers at a meeting in the seaside resort of Hua Hin in December 2003.

The commerce ministers will meet in Febuary at a venue to be selected, and the industry ministers will gather in August in the northern city of Chiang Mai.

Manila sees 4.5pc growth this year

AFP, *Manila*

The Philippines is confident of achieving up to 4.5 percent economic growth this year on the back of fiscal and monetary reforms and stabilising security, the government said Wednesday.

"We are quite bullish on the (target of) 4.0 to 4.5 percent GDP (gross domestic product)," Gilbert Llanto, deputy director-general of the National Economic and Development Authority, told a media briefing.

He said the confidence also stemmed from a series of positive economic indicators in recent months, including easing interest rates, falling inflation and a stable peso.

Coupled with an improved credit rating and a buoyant stock market, there was already a "takeoff platform" for better economic performance in 2002, he added.

Key interest rates are at six-year lows, with the market expecting a 25-basis-point reduction in overnight rates to be announced on Thursday.

The central bank's overnight borrowing rate is at 7.5 percent, its lowest level since 1995, while the lending rate is 9.75 percent.

The central bank monetary board, which meets Thursday, still has flexibility to further reduce overnight rates given the favourable inflation outlook, deputy governor Amando Tetangco said at the briefing.

Bush may urge Koizumi to pursue structural reforms

AFP, *Tokyo*

US President George W. Bush will likely urge Japan's premier to pursue structural reforms during a visit next week while downplaying the role of exports in a recovery, according to a top White House economist said.

"There's no way Japan can export itself out of its problem without fixing the non-performing assets and changing the monetary policy," Glenn Hubbard, chairman of the Council of Economic Advisers, told Japanese reporters in Washington Tuesday.

The comments come before Bush meets Prime Minister Junichiro Koizumi during a three-day trip to Tokyo, his first visit as US President, starting Sunday.

Bush would probably not use a forceful tone during the talks, Hubbard said.

"I think he will give quiet advice from a friend. I don't expect the president to use harsh words -- that's not his style, that's not the way he does business with Japan," Hubbard said.

The Japanese economy is wallowing in recession for the third time in a decade, pressured by weak demand and persistent deflation, which the government is desperate to fight.

In December consumer prices -- a key indicator of deflation or inflation -- fell for the 28th straight month, down 1.2 percent from a year earlier.

Meanwhile, the government confirmed Wednesday Japan's revised gross domestic product shrank 0.5 percent over July-September from the previous quarter, when the world's second largest economy shrank 1.2 percent.

Tokyo expects the economy to contract 1.0 percent in the year to March, post zero growth the following year and eke out one percent expansion in fiscal 2003.

A 10 percent drop in the value of the yen against the dollar since November due to growing pessimism over Japan's economy, has provided a single bright spot by making exports more cost-competitive abroad and boosting overseas earnings in yen terms, analysts said.

US panel not prepared to declare end to recession

AFP, *Washington*

The official arbiter of US business cycles is not yet prepared to declare an end to the recession that began last March despite upbeat predictions from government and private economists.

The National Bureau of Economic Research (NBER)'s panel of six experts -- designated the official judge of US business cycles -- said in a statement Monday it was not yet prepared to declare a "trough" that would mark an end to the downturn.

"At some future date, the committee will determine the date of a trough in activity," the statement said. "The trough date will mark the end of the recession. The committee will not issue any judgment about whether the economy has reached a trough until it makes its formal decision on this point."

The NBER relies on monthly declines in output, trade and a variety of other indicators, unlike some economists who define a recession as a decline in gross domestic product (GDP) for two consecutive quarters.

US GDP expanded at a rate of 0.2 percent in the fourth quarter, according to a preliminary government estimate, confounding many experts who had predicted a contraction.

But the NBER statement said data from January fail to show evidence of an upturn.

"The data continue to show substantial declines in real activity in manufacturing, the sector reflected in the industrial production index, and in real manufacturing and trade sales," the NBER said.

"Aggregate employment has fallen substantially as well. Among the four indicators, only income has behaved differently over the past eight months from recession averages."

Still, it said the recession has been relatively mild.

"Despite the substantial decline in employment throughout the economy -- equal in percentage terms to the declines seen in previous recessions -- output fell less than is typical in a recession because of unusual productivity growth," the statement said.

The panel acknowledged that just as it did not declare until November that the economy had slipped into recession in March, it may not be able to quickly cite an end to the downturn, and will need evidence of a sustained recovery.

"The committee usually waits until activity has surpassed its previous peak before determining a trough date," the statement said.

"For example, the committee waited until December 1992 to announce that a trough had occurred in March 1991."