

# Mirroring the window of opportunity for gas export

NURUDDIN MAHMUD KAMAL

A small shorthaired lady gave a shy smile to a crowd in Karachi about a month back and said, "War is the agenda of governments but the common man suffer". "Instead of fighting for some abandoned glacier we should fight for our rights and end social injustices," Arundhti Roy remarked so eloquently. I was not present on that occasion but I can imagine that the moment she stepped on the podium, she hypnotized the invitees that instinctively gave her a standing ovation. I know it for sure that I am not at all qualified to make further analysis on her presentation. I am merely trying to draw an analogy of abandoned glacier with the National Gas Committee Reports submitted to the honourable Prime Minister on 27 August, 2002. It now appears that the government is stuck in a catch-22 situation with respect to the recommendations made. Although debates on gas export has come to a temporary halt, behind the scene campaigns are going on. However, the reports have now brought to the fore a new risk on what to do with the gas reserves? Should we go for immediate limited export or save the inadequate proven reserve for domestic utilization -- mainly through power generation and fertilizer production?

Let me begin with a discussion held in a high profile conference organized jointly by the Washington based Centre for International Studies (CSIS), and the Dhaka based Bangladesh Centre for Advanced Studies (BCAS) in mid 2000. A former US Ambassador Teresita Schafer presented the keynote paper highlighting the gas export -- to monetise the resources for using it as a development multiplier. Schafer remarked that gas represented a tremendous opportunity for Bangladesh. She however, cautioned that there was a hidden cost of delayed development -- a cost that can be very high in a country where such a large number of people live below poverty line. The bottom line of her presentation was that a decision in principle must be made relatively soon because there is an eager and active market in India -- but there are also other potential buyers. However, the mood of the said conference was that when it comes to the question of gas export, "the first element of interest is our domestic need, present and projected". Later, I read in a newspaper article written by one Mr Roushan Zaman that Mr Saifur Rahman MP, then an opposition leader, said, "Before taking any decision to export gas, the country must ascertain the size of its gas reserve. India is of course a ready market". The author of the said article also remarked that Mr Saifur Rahman appeared very wary about the big neighbour's imperious and political high handedness in dealing with its smaller neighbours. He said, "the controversy over gas export would not have arisen if the market was another country -- not India". Elaborating, the author

pointed out that he (Mr Saifur Rahman) said gas sales to India had become a politically sensitive issue because of New Delhi's "big brotherly" attitude to its smaller neighbours which made many Bangladeshis apprehensive about any possible long-term gas export deal with that country. Dr Kamal Hussain, an eminent jurist and an expert on contractual agreements on oil and gas deals, who was also a penalist at one of the sessions, said that Bangladesh should address the question as to how to optimize the value of gas. He concluded by saying, "Let's go for a cost-benefit analysis, study how we can optimize the benefits from utilizing gas .... Let's not handle the issue in a cavalier fashion."

Two years have passed since then. In the mean time, the present government has made a great effort by allowing two national commit-

tees to look into the gas reserve position as well as utilization options. Meanwhile, DS on 2 August reported, "Earlier decision on gas export unlikely". But the US media giant CNN perhaps could not appreciate the expression. Spot-lighting some gas fields, they observed rather sarcastically that these well-head taps might remain shut for years. What however interested me most is their self-started slogan, "Bangladesh may be missing a big opportunity to break its poverty trap". Many pseudo-experts and even non-experts from within and outside Bangladesh have been enthusiastically commenting over the past twenty four months that the window of opportunity for gas export will be shut if gas export does not materialize now. I don't know how long this "now" will continue to threaten the ordinary citizens of Bangladesh? The storyline also commented that Bangladesh would not have to struggle to realize profit for this huge reserve of gas! from a market in India, which according to the report, "is ready to pay for it". As if other prospective buyers plan to take away gas without paying for it.

**The present government has made a great effort by allowing two national committees to look into the gas reserve position as well as utilization options... There are very confusing statements in the Committee Reports. Unless they are resolved, it would perhaps be wise for the authorities not to make any efforts to try to open the window of opportunity for gas export now.**

Apparently, our journey in the field gas development has so far been measured by time and not by landmark developments. On 28 August, 2002, like most daily newspaper, the DS reported: Gas reserve inadequate; limited export could be possible after incremental discoveries by the IOCs. The Gas Reserve Committee (GRC) said, "net recoverable gas reserve ranges between 12.04 and 15.55 Tcf to 22 gas fields (P/iv of the Executive Summary). This estimate includes the reserve of newly discovered Moulvibazar (with a recoverable gas reserve of 0.235 Tcf

the main reserve, would show the remaining recoverable reserve as 10.49 Tcf (Petrobangla) and 15.839 Tcf (Norwegian). It's amazing that the GRC and the GUC struggled for about eight months to complete their reports, but couldn't reconcile these two figures and recommend one single figure for reserve. Actually, the correct reserve figure should have been obtained from the Reserve Committee, who was assigned to do so. Unfortunately, that committee (GRC) was mostly busy in debate and controversies. This, in my opinion, created more problems than resolve the issue. The Reserve Committee clearly violated the guideline given by the government. For instance, it was explicitly mentioned in the Terms of Reference (vide, Notification published in the Bangladesh Gazette, December 26, 2001) that the reserves of the gas fields of Bangladesh should be assessed and shown separately in the report under the Proven (P<sub>1</sub>), Probable (P<sub>2</sub>) and Possible (P<sub>3</sub>) categories. But the GRC mingled the P<sub>1</sub> and P<sub>2</sub> and made 2P instead. Isn't that outrageous? The dissenting members (two university professors) clearly established a proven (P<sub>1</sub>) figure at 6 Tcf, but it was totally ignored by the brute majority. Who does a common citizen can question?

The Norwegian report has its inherent flaws. The experts reviewed only four major fields (Titas, Habiganj, Kailastilla and Rashidpur) and gave (without any scientific basis) a new recovery figure of around 70 per cent on an average, compared to Petrobangla's average of 60 per cent, which they have very conveniently used for the remaining 18 gas fields they did not at all study.

Thus they arrived at a recoverable figure that will not stand the test of time. On the other hand, the GRC while accommodating the arguments of two members as Estimate-2 (Table 3.2, P/62), manipulated their figures as well to make it 12.04 Tcf. The other table (Table 3.1: Estimate-1) prepared by another dissenting group showed their Recoverable Gas figure in the same table as 20.150 Tcf (not 20.439 Tcf) quoted by the GUC; both taken from HCU-NPD study (2001) shown at P/61 of the report.

The GUC said, with a gas demand growth rate of 7 per cent, the present reserve will exhaust by 2015. At a growth rate of 6 per cent, the life of the gas supply may be extended. Even at 5 per cent demand growth, the reserve will at best hold up to 2020. Curiously, two BUET professors were common members to both the committees,

the government did not set a time limit on this issue. The GUC remarked that to some, gas being the only major source of commercial energy, a cover of 50-years is the minimum period; to others, it appears to be not only unrealistic but, in the final analysis, unachievable. GUC admitted that if considered on the basis of the existing recoverable resources, it is almost a non-issue, because there is insufficient gas to cover even half of this period. Ironically, it has been observed that the experts can also breed confusion because of the cacophony of different voices and objectives have fallen victim to the danger of either inflating or deflating the concept. Nonetheless, no one would be happier than me if we can find more reserves of gas to satiate our national needs.

The vineyard story is that the GRC felt insecure to show P<sub>1</sub> as 6 Tcf and P<sub>2</sub> at about 5.5 Tcf. But, why did they feel insecure? They should have truthfully stated the actual position. I was told by some experts that the reserve should have been stated as a single number, not a range. The GRC have not done any fieldwork to estimate the gas reserves nor have they analyzed in the true sense any figure. Somehow GRC wanted to sing a song under the powerful orchestra conductor of the authority. There is another aspect of the reserve estimate. The issue is, if the GRC could establish the Gas-Initially-in-Place (GIIP) figure as well as the Recovery Factor, why should there be a range? What perhaps would appear to a common citizen is that the GRC considered, among other things, the growth rates at 3 per cent, 4.55 per cent and 7 per cent emphasizing more on 3 per cent growth rate. The Committee stated that the 3 per cent growth rate scenario is included to reflect the possibility of low growth and/or stagnation and recession during the 50-year period. The GRC, however, mentioned that Bangladesh has already achieved 30 years growth with no stagnation or recession since its independence in 1971. Why a comment of this nature was made then? The most illusive statement they made is that: moreover, if one looks at the constant per capita GDP values at 2050, "it should become obvious that even continuous 3 per cent growth for 50 years will deliver a considerable amount of prosperity to the nation (P/29)". I am not so sure whether the government guidelines or even the published Terms of Reference have even wanted them to make such unwarranted comments. These are very confusing statements in the Committee Reports. Unless they are resolved, it would perhaps be wise for the authorities not to make any efforts to try to open the window of opportunity for gas export now.

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## In memoriam

# Anis Waiz – the caring physician

DR. NASHID KAMAL WAIZ

ANIS Waiz was the fourth son and fifth child of eminent scholar Professor Abu Henna who hailed from Birhum of India. Being the son of an educationist, Anis spent his early years traveling from Rajshahi (where he was born on 28<sup>th</sup> March 1936) to places like Kolkata, Chittagong and Sylhet where he completed his matric and intermediate, both in first division. With unusual wit and a zest for life, Anis Waiz joined the Dhaka Medical College and completed his MBBS in 1959. In June of 1959 Anis Waiz was commissioned in the army medical corps and served as general duty medical officer (GDMO) in various Field Medical Units and Instructor in Army Medical Corps Centre. In 1963, he was appointed a Specialist in Medicine and served in various military hospitals in the Pakistan army. In 1977, after completion of his post graduation from the Royal College of Physicians in Ireland, he joined as the Senior Physician and Chief Instructor of Medicine in the Combined Military Hospital (CMH), Dhaka.

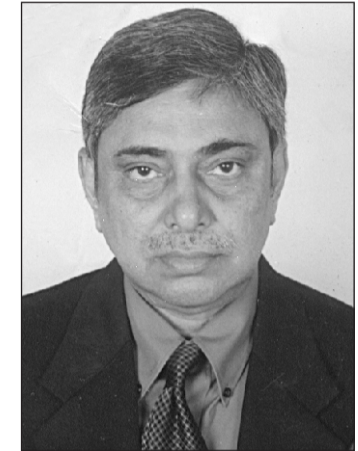
Thus started the onward journey from Colonel to Lieutenant Colonel and in 1982 he was made the Consultant Physician of the Bangladesh Armed Forces in the rank of Brigadier. Later, he was promoted to the rank of a General in August 1988.

During his tenure in the CMH, Dhaka, he was able to train 22 medical specialists thus creating a cadre of specialists in medicine whereas the earlier trends were restricted to GDMO alone. Major General Anis Waiz worked to develop the medicine department and raised his voice in favour of specialist training, which included writing directly to award-giving agencies to sponsor medical graduates for higher education in the army. Along with Major General Seraj Jinnat, he was responsible for creating today's army medical core which can proudly boast of its achievements in various fields. Anis Waiz promoted academic pursuits of his juniors by holding journal clubs and contributing his own articles to the Bangladesh Armed

Forces Medical Journal, whose standard was thus raised to an international one.

During his years in the AMC, Anis Waiz made his greatest contribution by being able to change the prophylactic medication of malaria prescribed for the army troops deployed in the hill tracts. With his original clinical trials he was able to prove that the WHO recommended strategy was not useful in Bangladesh and his own discovery of triple therapy was implemented leading to improved mortality in cerebral malaria.

Additionally, Dr Waiz's specialization was in cardiology and he had



Dr Anis Waiz

worked under a very famous cardiologist in UK, Dr Tunstall Pado. Dr Waiz discovered a sign called 'Anis' sign'. This was a sign detectable in the ECG of a person and contributed to the detection of hypertrophic cardiomyopathy and is a valuable contribution in the field of medicine. His protégé Dr Boren Chakroborty worked with him in both these important research areas.

Anis' original work in treatment of diarrhoea and related enteric diseases also brought him international acclaim leading to several academic publications and presentations including London School of Hygiene and Tropical Medicine as well as White Chapel Hospital where he worked as a Visiting Professor in 1995.

Dr Anis Waiz was elected to be the Fellow of Royal College of Physicians of London in July 2001, American College of Physicians in March 1997, Fellow of the Royal College of Physicians of Edinburgh in 1991, Royal College of Physicians of Ireland, 1989 and Bangladesh College of Physicians and Surgeons in 1988.

Anis Waiz served in the Drug Control Committee for the last twenty years and raised his voice in favour of producing drugs in his own country. He also played a major role in crushing attempts to sabotage the pharmaceutical industry of this country during the autocratic regime of 1982-1990.

Upon his retirement from the army, Major General Dr Anis Waiz joined the Bangladesh Medical College as the Principal and Professor of Medicine in August 1993 and worked incessantly to establish this institution as the centre of excellence. Under his able guidance the college reached new heights being recognized and included in the WHO directory and surpassing its own records in every national exam. Being the proud mentor of thousands of talented students of this college, he was able to set an example of an administrator and educationist rolled into one. Patients receiving treatment and care also benefited from the thrifty approach of the institution which brought medicare to the door of the common man.

Dr Anis Waiz was a highly educated man with fluency in Bangla, English and Urdu. His eloquent speeches both in academic presentations and lively social intercourses always brought out the best in him and endeared him to everyone around him. Dr Waiz had the unusual ability to make everyone love him, from the common man to the Presidents and Prime Ministers of this country he will be remembered as the bold man with the beautiful smile -- a smile that never withered in his death which occurred on 13<sup>th</sup> August 2002.

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# Being important

SHAHEDUL ALAM writes from Chicago, USA

IT is the duty of the policy makers to understand how the policy of a nation state fits into the big frame of today's inter-dependent world scenario. If it does not add to the stability of the ever growing grid of interdependent policies being formulated by other nation states, that nation would become less relevant to the progress of civilization, which might lead to its being sidelined. As the world economic system progresses to become more integrated, the importance increases for the leaders and policy makers to keep that in mind while formulating policies.

Everyone informed of current geo-political scenario knows that how certain countries are being focal points for the policy makers of the world's powerful nations. To name a few, they are Iraq, Afghanistan, and North Korea. They are in the spotlight since their policies allegedly threaten the stability of economic, political and military system of the planet. And they are being dealt with in one way or the other.

But if we look beyond the surface, beyond what is in the spotlight, we would see vast majority of nation states are pursuing policies that are not working towards a stable world. Policy leaders of individual nation states, apparently indifferent to this new interdependent world order, are pursuing policies that push their broader objectives to be irrelevant to the whole system.

Taking the example of Bangladesh, how this country can become relevant to the world community? Moreover, since it is dependent on the world community for its very existence, in terms of development funding at least, it is more important that the policy makers try hard to stay relevant. What are the things that are going on at the national level in the country? Let's take a deeper look.

It faces the risk of losing a significant part of its land due to the increase in sea level over the next 50 years. So it would be worth noting

how this nation prepares itself on the verge of increased global warming, which is becoming more and more a reality.

With the highest population density on earth, it is fighting for survival from its inception. It's striving for the basic needs for human life, for food, habitat and education. Have you ever calculated what the population of USA or Canada would be, if they had the same population density? USA: 8 billion; Canada: 9 billion. Perhaps they are amazed to think how come there still is a country named Bangladesh in existence with somewhat running government? How do they manage to feed this huge population? How about the education and housing for this vast number of people?

In today's world, militant version of Islam is perceived as being a greater threat to the stability of the world. With some wrong moves or mis-calculations, it has the potential to destabilize some important regions of the world, if not the whole world. Bangladeshis as a population are a good example of tolerance among the Muslim majority countries.

Being one of the poorest countries in the world, Bangladesh is showing the path to millions of people, dozens of governments and hundreds of organizations around the world about how to face the challenges of this century and beyond. Micro credit is the Bangladesh's answer to the millions of world's poor. A professor from Bangladesh, Dr. Yunus, has shown the world's banking community that you do not always need a collateral if you know whom to lend! Most intriguingly, he says lend money to those who have no money! With micro credit, loan is no longer an instrument to make profit, but an instrument to survive. Yet, it proved to be profitable for his bank.

Although the country has one of the best constitutions, people of Bangladesh are yet to get a properly working democracy -- a democracy that works for its people. Yet she is advancing to achieve its goals: sufficiency in food, education for all, health for all and a sustainable population growth which could swing the wheels of national economy to take a positive turn. In political arena, she is experimenting yet another new idea to stabilize its yet nascent democracy. Last year, for the third time, a caretaker government took over to facilitate a transparent and free national election. So far it has worked for its democracy. This unique electoral experiment could be just another gift for the democracies around the world, where it's taking too long for the system to work.

Here included a provision in the constitution that constitutes a caretaker government with a retired Supreme Court chief justice at its helm and a number of non-political citizens as advisors to the government. This interim government is responsible to carry out a fair and free national election within three months period. One sitting afar may think what a foolish thing this is to do! You bestow upon one of the most politically challenging job (specifically in a third world country) to a number of non-political persons! But surprisingly it's working. How? Is it just another trick that people in need can only understand? Just like Dr. Yunus did while breaking the conventional banking practices?

These are some ways to look at what is going on in this third world country. Does not it seem that Bangladesh should be one of the most important countries that the world community should be focused on? She should be taking projects which would be the frontier battlefields fighting environmental degradation and global warming. She is solving some of the problems that are being faced by tens of other countries. Given this analysis, does Bangladesh deserve to be irrelevant in the world stage? So what is the missing link? Are policy makers of Bangladesh sharp enough to catch this missing link and turn that around for the good of its population?

# From words to actions for good governance

PARVEEN MAHMUD

WHEN Bangladesh emerged as an independent state in 1971, its citizens hoped for a good governing system resulting in better quality of life. The nation failed time and again in this endeavour. Again and again, it is in a dismal state of governance. Rarely any ruling government admits its own inefficiencies, corruption, and lack of vision that created such difficult conditions for a positive and safe environment of good governance.

Global Competitive Report (GCR) 2002 found that organized crimes and people's flagging confidence in political leadership have sharply reduced the competitive edge of enterprises in Bangladesh. Bangladesh ranked 71 out of 75 countries. Also according to the Corruption Perceptions Index (CPI) 2002 prepared by Transparency International (TI) Bangladesh has once again this year, as in last year, been named the most corrupt nation in the world. It tops the list of 102 countries drawn on the survey. The only difference is that yesterday's government is today's opposition, and vice versa. However, it should be noted that the any specific government cannot be termed as the most corrupt since three different governments held power during the period of the surveys. The table below compares the ranks of Bangladesh and its neigh-

**The ruling party of the day must realize the importance of the opposition as their roles are periodically reversed in the democratic system. There should be tolerance for each other's views since neither can govern without the help of the other. Now is the opportunity for an elected government to cause such an exemplary shift in governance to concentrate on action and not on words.**

bours for both the surveys.

Good governance does not mean only collecting taxes and spending for economic stabilization, redistribution of wealth and income as well as allocation of resources for public goods. This also means taking measures to provide public safety. Law and order need to be enforced by the judiciary, police and other agencies for people's faith in the system. Professional competence and integrity are prerequisites for this effort. Only then it will be possible to stimulate the economy to raise output and employment.

This is the time for self-assessment and criticism for Bangladesh to reform policies instead of finding scapegoats for everything that went wrong. From the State side it is a question of governance: operating a country efficiently means focusing on its management side as well as the political ideology. Flawed management leads to poor governance.

Accountability in the administration is the key in the process of good governance. We cannot learn from previous mistakes without taking proper accountability measures as there would not be any incentive to undo them otherwise. Culturally we tend to diffuse responsibilities: when problems arise we are unable to identify those responsible for the mistakes. Public officials usually are not personally held accountable for poor performance or delayed actions. We avoid any responsibility for visionless planning by blaming the last incumbent.

Lack of accountability has led to severe inefficiency and corruption in today's society. It is difficult to do any work without bribery and connection. We are immune to news of launch disasters, unavailability of textbooks on first day of classes, health hazards from adulterated foods available in the market, etc. Successive governments are unable to successfully meet the basic needs for job, housing,

electricity, safe drinking water, education, and health. We have the largest cabinet of ministers in the history of Bangladesh government and yet no time for the issues that concern the people.

A brand new political attitude is needed for good governance. Since the establishment of the democratic election process, ruling parties made their best efforts to extend stay in power by any means. The opposition party managed to topple their seats with protests and strikes disrupting trade, commerce as well as everyday life. The citizens, disillusioned and dissatisfied with government's inability to deliver results as it promised during election, opt to elect the opposition next time. This happened in the last two elections. Nevertheless, politicians do not seem to take lessons from the past.

After the election outcome, the new opposition party denies to accept the defeat graciously. Rigging allegations are made immediately. The ruling party then criticizes hartals (strike) and realizes how dreadful it is for the economy and for its citizens. They accuse the previous party in power of corruption. White papers are published. Good deeds of the previous government go unrecognized. New programmes are taken instead. There is no reason to waste time

Country	GCR 2002	CPI 2002
Bangladesh	71	1
India	57	71
Pakistan	not been surveyed	77
Sri Lanka	61	52
# of countries surveyed	75	102

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