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RPCL's high-cost project to overcharge consumers

SHARIEF KHAN

The Rural Power Company Limited (RPCL) is secretly going ahead with an unsolicited 280 MW power project in Savar at a high cost of Tk 1,000 crore violating the private sector power policy and ignoring specific directives from the Prime Minister's Office.

So far the authorities have not challenged the deal that aims at over-charging rural electricity consumers and unduly benefiting a certain business lobby, competent sources say.

The RPCL signed a contract for engineering, procurement and construction (EPC) of the controversial Dhaka North Power Project (DNPP) with Swiss company Alstom on October 7 this year. Unlike other power projects, this single cycle power project gives Alstom an additional Tk 80 crore for supplying necessary spares.

The 450 MW combined cycle power plant at Meghnaghat was set up spending less than 200 million dollars (equivalent to Tk 1,200 crore at present exchange rate) with a power tariff of 2.79 cents (Tk 1.8) per unit for 20 years.

But the RPCL asks for Tk 2.2 per unit for DNPP power. Again, it suggests a 4.5 percent annual increase in tariff in tandem with currency fluctuation and consumer price index. Payments will be made in euro. As of today, the RPCL did not seek government clearance for it.

"As a private body owned by the Rural Electrification Board (which the government owns), the RPCL does not need permission to set up a power plant," claims a top RPCL official unwilling to be named.

"The Executive Committee of the National Economic Council (Ecne) has earlier told us in general that we don't need such approval," the official notes.

A top official of the power ministry expressed similar views saying: "We have the REB to represent the government. The REB is supposed to protect the public interest."

But the Power Cell, the Power Development Board (PDB) and the Prime Minister's Office (PMO) contradict the RPCL views. Even other sources in the RPCL admit that the DNPP scheme is violating all norms and rules and pushing ahead a raw deal that will hurt rural consumers, benefit a business lobby and set a bad precedent.

"Any power project needs government approval. If it is private, it has to comply with the government's private power policy. The DNPP does not comply with any policy," says an official of the Power Cell on condition of anonymity.

"A power plant deals with a basic public service and the government is responsible for such infrastructure. It also needs gas supply and

transmission line and co-ordination with other agencies. So nobody can unilaterally set up a plant," he adds.

"Public interest is also very much involved here. The government must also know that the DNPP is not hurting public interest by making rural clients pay undue and high charges," he notes.

Furthermore, the PMO in two separate letters directed the power ministry to implement the DNPP under the Private Sector Power Generation Policy.

In its letter on April 24, 2003, the PMO said the RPCL implemented its power project in Shambhuganj in Mymensingh following Ecne approval on November 23, 1994. It will be wise to similarly implement the proposed DNPP through Ecne's approval.

The PMO in its May 14, 2003 letter referred to Prime Minister Khaleda Zia's directives to follow the

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Five cops held for gang-rape in Chuadanga

OUR CORRESPONDENT, KUSHITA

Five policemen of Gokulkhali Police Camp in Chuadanga, suspended earlier for gang-raping a housewife on December 18, were arrested Tuesday, while public outcries continued in the capital against the outrage.

The camp-in-charge, Abdul Kuddus, Havilder Rokonzaman and constables Sakib, Harun and Harunur Rashid were arrested at about 8:00pm.

Earlier in the morning, the victim filed a case with Alamdanga Police Station against all the 14 policemen stationed at the camp.

A 19-member committee formed by a number of local rights groups, trade unions and non-governmental organisations to fight to ensure justice for the woman announced a two-day programme yesterday.

At a press conference at the office of Government Coalition (GC), a combine of seven rights groups, the committee alleged police and local health officials have been trying to cover up the incident.

The committee members demanded a judicial probe into the

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Diesel, kerosene to be pricier next month

REJAUL KARIM BYRON

The government will increase the prices of diesel and kerosene from next month, sources at the energy ministry said.

Economists say the price hike will greatly affect farmers as they largely depend on diesel and kerosene for irrigation and other purposes. It will also increase transport costs and food prices, leading to higher inflation.

Ministry officials hinted the price hike might be around 25 percent due to the fact that approximately 2,000 tonnes of diesel and kerosene are smuggled to India each day and sold at a price 70 percent higher than in Bangladesh. Both these products sell at Tk 34 a litre in India, they claimed.

The government also feels Bangladesh Petroleum Corporation (BPC), which imports oil, is set to incur an annual loss of Tk 2,200 crore. The loss cannot be minimised without raising diesel and kerosene

prices, the officials argue.

Economists contradict the idea, however, and believe that the price hike will have a seriously negative impact on the economy and the poor.

Diesel and kerosene account for over 90 percent of the petroleum products consumed in Bangladesh. Rural people consume 30 percent of the diesel and most of the kerosene. Both these products are used largely in the agriculture and transport sectors, and constitute a major cost factor in food production and transportation.

Economists say the government could minimise the BPC losses by adjusting the high tax rates imposed on oil import. The government earned more than Tk 3,500 crore in import duties from oil in the last fiscal year.

Bangladesh is already facing a high inflation rate of nearly 8 percent. Economists fear a diesel and kerosene price hike will further increase the inflation rate.

State Minister for Energy Mosharraf Hossain confirmed the plan to increase the price without specifying time. "We have not yet decided how much the price rise will be," he said.

"Every day about 2,000 tonnes of diesel and kerosene are smuggled out, causing huge foreign exchange drain," Mosharraf said. He ruled out adjustment of the import tax and other duties to minimise the BPC losses while keeping the prices steady.

Asked if the price increase will be 25 percent, he said, "Not that much." Smuggling can be controlled "by strengthening border security", he said in reply to another question.

The prices of other petroleum products like octane or jet fuel will not be increased this time as their prices were recently increased under a donor-pushed formula, the governments says.

"We have already applied the

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Opposition vows to overthrow coalition

STAFF CORRESPONDENT

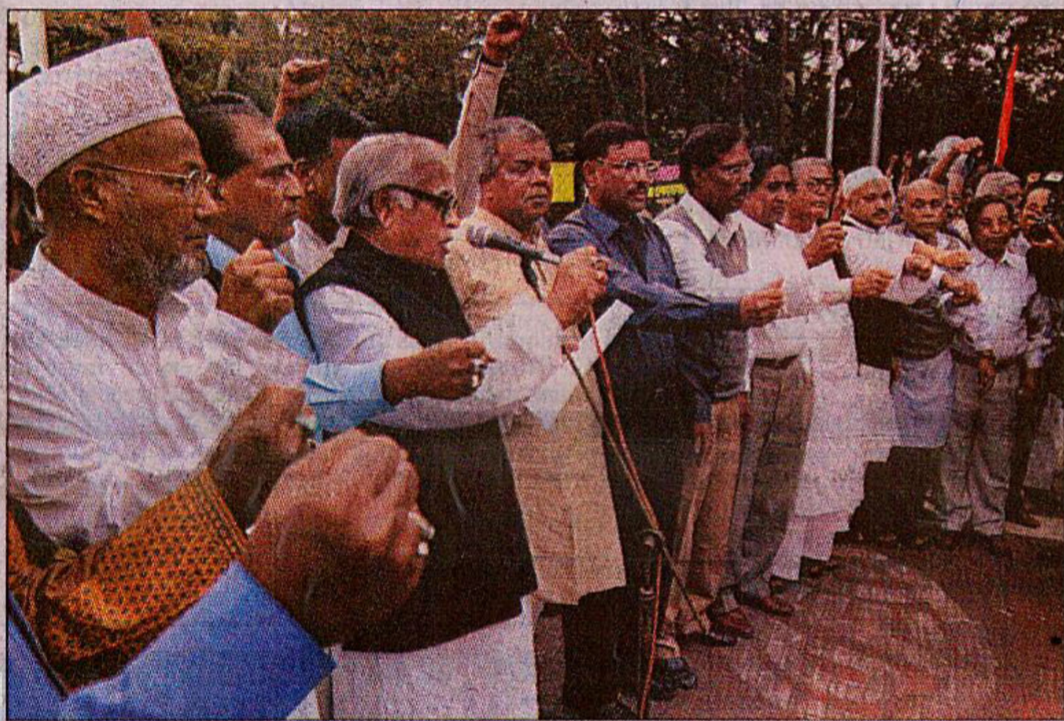
Leaders and activists of mainstream opposition parties yesterday vowed to continue their combined movement until installing a democratic, secular and pro-liberation government by overthrowing the ruling coalition and uprooting the religious extremist groups in the country.

The adherents of main opposition Awami League (AL), parties under the left 11-party alliance, Jatiya Samajtantrik Dal (JSD) and National Awami Party (NAP) took part in the separate oath-taking programmes held simultaneously at all the Shaheed Minars and other places across the country.

With their hands fist-ed, the opposition men pledged to continue the movement for realising their nine-point demand with the ultimate goal of dislodging the BNP-led coalition government.

In the capital, the AL leaders and

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Awami League General Secretary Abdul Jalil, 3rd left, administers an oath to party leaders and activists to continue movement until a democratic and pro-liberation government replaces the ruling coalition. All members of the 14-party opposition line-up yesterday took the vow separately at the Central Shaheed Minar in the capital.

PHOTO: STAR

HEADMISTRESS MURDER CID sure about security guard's involvement

STAFF CORRESPONDENT

CID investigators are almost certain about the involvement of security guard Jahangir in the killings of Shiddheshwari Girls High School headmistress Sabera Begum Baby and her daughter Sharmin Alam Shampa at their Baridhara house.

A well-placed source said Jahangir, who was on duty when the killers entered the house on Thursday evening, ensured that their names were not put on the visitors register.

The investigators have learnt that four killers went to Sabera's house on the fourth floor but the register had no records about their entry.

The law-enforcers found Tk 20,000 in his bag seized from the staff-room of the six-storey Baridhara house after the killings. They believe Jahangir received the money for his role in the murder of

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Criminal, 2 outlaws killed in 'crossfire' 2 outlaw leaders held

STAFF CORRESPONDENT

An alleged criminal and an outlawed political operative were killed in the capital and Pabna early yesterday while a leader of an underground outfit was slain Tuesday night in Khulna in separate incidents of 'crossfire' between law enforcers and associates of the victims.

Of them, Saidul Islam alias 'Killer' Saidul, 22, an accused in six cases including four for murders, was killed in an encounter between police and his associates near the Martyred Intellectuals' Graveyard in suburban Mirpur of Dhaka in early hours yesterday.

Mohammad Alauddin alias Alai, 25, was also killed early yesterday in a shootout between Rapid Action Battalion (Rab) and his cohorts near

Ganguhati Graveyard under Sathia upazila in Pabna.

The last, Din Mohammad Mollah alias Khokon Mollah, 55, a leader of outlawed Purbo Banglar Communist Party (ML-Janojuddho), was killed in yet another 'crossfire' between the elite anticrime Rab and his comrades at Jabusa village under Rupsa upazila in Khulna on Tuesday night.

Rab also arrested Baki Billah, another leader of PBPC (ML-Janojuddho) Khulna City unit, from his hideout in the capital on Tuesday and sent him to Khulna yesterday.

Rab sources said they seized a loaded revolver from Baki, who hails from Rupsha upazila and is wanted in several murder cases.

On Monday night, the Detective Branch (DB) of police in Khulna held

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EC declares Daulatkhana municipal polls void

Starts preparations for elections to JS women's seats

STAFF CORRESPONDENT

The Election Commission (EC) yesterday in an unprecedented move declared the Daulatkhana municipal polls null and void finding gross irregularities in the election process and will hold fresh election in the municipality on January 31.

In the Daulatkhana municipality of Bhola, all the representatives were elected uncontested, as the ruling BNP men reportedly did not allow anyone other than those loyal to their party to file nomination to run the race.

Former chairman and others of

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Bangladesh, India first ODI today

SPORTS REPORTER

The first one-day international of a three-match series between Bangladesh and India will be held today in Chittagong.

The match will start at 9am with Bangladesh Television and ESPN beaming live coverage from the MA Aziz Stadium.

The Tigers, whitewashed in the preceding two-match Test series, have decided to rest pace spearhead Mashrafe-Bin-Mortuza and opening batsman Javed Omar for the first match and included out-of-form batsman Rajin Saleh in the 12-member squad for the match.

All-rounder Khaled Mahmud, who joined the one-day squad after the Test series, is likely to get back a first-team place after being dropped in Bangladesh's last ODI against New Zealand.

Mohammad Rafique is once again likely to open the innings with local lad Nafees Iqbal in absence of Javed while Mushfiqur Rahman and Manzurul Islam will fight for a place in the eleven. Rafique, the country's leading wicket-taker in both forms of the game, had opened the innings in the third and final one-dayer against the Kiwis in Dhaka.

India, expected to rotate the squad and give all the members a go in the series, may rest one of their senior cricketers.

The second and third matches, both day-night affairs, will be played in Dhaka on December 26 and 27.

EIGHT DAYS TO MFA PHASEOUT

Liberal EU makes garment stronger

MONJUR MAHMUD

Bangladesh's garment products found a strong footing in the EU countries taking advantage of preferential treatment but they faced a mighty challenge from giant rival China and other competitors in the US in recent years.

Exports to European Union (EU) recorded a whopping 67 percent or US\$1198 million growth in the last four years, thanks to stronger currencies and preferential treatment given to products from the least developed countries (LDCs).

Local backward linkage industries can meet up to 90 percent of the total knitwear fabric requirements and in case of woven products 25 to 30 percent to avail the GSP facility in the EU.

Exports to the US market faced a big blow with the earnings dipping by \$534 million or 22 percent in the last three years as quotas on some garment products were lifted.

"Quota phaseout, lead time problem and the US decision to provide preferential market access

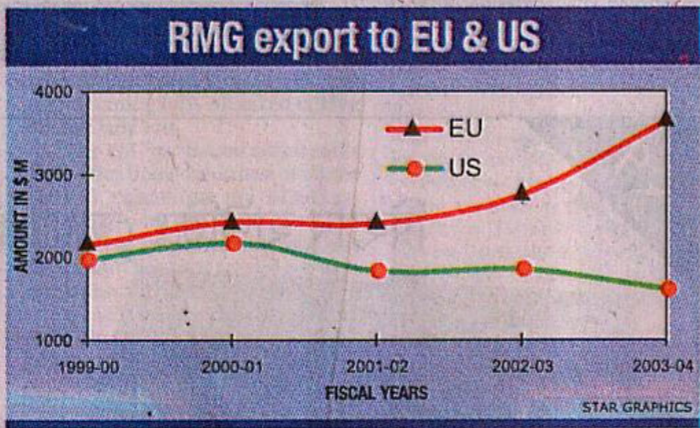
for Sub-Saharan and some other countries have adversely affected our exports to the US," said Anisul Huq, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Contribution of readymade garment (RMG) to the country's total export income of \$7,600 million was 75 percent or \$5,686 million in the last financial year. Of the

amount, 64.22 percent came from the EU, 28.64 percent from the US and 4.5 percent from Canada.

Total export income from the US reached the highest \$2,500 million in fiscal 2000-01, which came down to \$1,966 million in 2003-04 due to a steep decline in earnings from the RMG. The share of RMG in the export income also slipped to 83

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Hasina's son returns amid speculation of his joining politics

STAFF CORRESPONDENT

Awami League chief Sheikh Hasina's son Sajib Wazed Joy and his American wife Christine were accorded a rousing reception in Dhaka yesterday with speculations running high about his debut in Bangladesh politics.

On arrival, Joy, grandson of

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Sadan men turn down Tarique's greeting letter to Joy

STAFF CORRESPONDENT

Workers and security men at the Leader of Opposition Sheikh Hasina's Sudha Sadan residence yesterday did not receive a letter of greetings from prime minister's eldest son Tarique Rahman to Sajib Wazed Joy, son of Hasina.

BNP lawmaker Zahir Uddin

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Visually impaired denied BCS

STAFF CORRESPONDENT

The Public Service Commission (PSC) has denied candidates with sight disability from taking the 26th Bangladesh Civil Service (BCS) Preliminary Examination to be held on December 31 even though it had issued admit cards to those candidates.

The PSC has denied their participation in the examination on the

grounds that the system for their examinations has not been decided.

"There are no rules and regulations here for appointing a writer who can assist candidate with sight disability. The commission will make a final decision on the matter," Abdur Rouf, a member of the PSC, yesterday told The Daily Star.

Frustrated at the PSC's decision, the candidates have demanded an immediate fix for their examination

system since the prime minister had earlier promised them participation in the PSC examinations.

The issuance of admit cards to candidates with sight disability was a mistake, said officials at the PSC Controller of Examinations to one such candidate, Mohammad Idris Ali, who approached them in person yesterday.

"As a citizen of this country, I

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