

A look into the Myanmar gas pipeline proposal The good news and bad news

NURUDDIN M. KAMAL, S. K. M. ABDULLAH and BADRUL IMAM

THESE days media is fairly loaded with news regarding transnational gas pipelines. Among others, Myanmar-Bangladesh -- India (MBI), Iran-Pakistan-India (IPI), Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipelines have recently come into focus. For obvious reasons we are mainly concerned with the Myanmar-Bangladesh-India Gas Pipeline (MBI) proposal.

According to some statement and information provided by the promoter, Mohana Holdings Limited (MHL), the MBI project will be completed under the Build-Own and Operate (BOO) concept. The project completion would take about five years or less. Admittedly the most fundamental energy issues are political in nature and international in scope, but this issue (proposed pipeline) has received little critical analysis so far from a detached perspective. Therefore, there is a need to examine the proposal of MHL in a levelheaded manner, however based on available data, information of analogous schemes.

We do appreciate that political process operating within and among nations will largely determine the extent to which economic efficiency and technological possibilities will control the future execution of MBI, and the extent to which other factors such as national security will come into play. Moreover, politics and economics are the means for making key tradeoffs for transit of energy, nationally and internationally, between, for instance, cheap energy (natural gas) and secured supplies or between self-sufficiency and environmental quality.

We find it interesting that an analogy can be drawn between the proposed TAP project the MBI project. There are some similarities and dissimilarities as well between the two. However, the proven reserve of gas in Turkmenistan is 101 trillion cubic feet (Tcf) or about 2.4 percent of the total gas reserves in the world. The security of the pipeline within Afghanistan and from Afghanistan to Pakistan remains uncertain. Essentially, the major players in the TAP pipeline are the Turkmen government (the seller), Pakistan government (the buyer) and Afghan Government (the transit). ADB is acting as a facilitator and perhaps part financier. When TAP turns into TAPI with a probable extension to India, the project would have another beneficiary India (as the second buyer), the fourth player in the game. What however is not clear is that the border prices for gas has not been made public. Nevertheless, the whisper is that the price might range between US \$ 3.50 to US \$ 4.0 / Mcf in India. In comparison we find in the case of MBI pipeline, the security concerns in Myanmar part has not been addressed -- we only know that the pipeline passes through some areas where the Rohingya rebels are operating and the TNV is operating in the Tripura part. No indication or estimate of border price for gas in India nor even the well-head price in Myanmar has been disclosed by MHL. Why such a secrecy in an international business deal?

Though an almost analogous situation as the TAP pipeline proposal, the MBI project brief offers a vague story. Reportedly, the MBI pipeline is to be constructed from Myanmar (the seller), to India (the buyer) and Bangladesh is expected to play the role of transit (as well as wheeler within Bangladesh). Perhaps the most important and controversial aspect of the proposed project is that the game plan is unclear. The tentative route is contentious and above all the

The government should take adequate precaution prior to agreeing on the proposal of M/s MHL. Thanks to the Almighty, now that the bad omen in the energy sector is gone, rational decisions can be made. We also suggest that GTCL should not get involved in the pipeline at all. We are afraid that if the supply is disrupted from Myanmar for any reason GTCL may be forced to supply the needed amount from the reserves of Bangladesh. This point has not been made clear as far as we saw in the news media. The pipeline should be an express line and also an exclusive affair of the consortium.



How secured is a pipeline?

reserve of gas in the designated gas fields located in the offshore not far from Sittwe (former Akyab) perhaps at Sawoo has not yet been fully appraised and certified by any internationally reputed independent appraiser as a standard practice for any commercial project. Taken together, the very thought of crossing the long mountainous route (in Myanmar and Tripura) say with a 30-inch diameter gas pipeline may create convulsion in the implementation programme.

Nevertheless, the publicly known promoters of the Dhaka based Mohona Holding Limited (MHL) appeared to be confident when they organised a meet the press session. Curiously no one asked them about the proposed routes, nor anyone thought it necessary to discuss such a mundane issue! However, from other relevant information it revealed that the proposed pipeline starts at Sittwe (former Akyab) in Myanmar, then goes north and enters Mizoram in India, from there it takes a western turn to enter Tripura in India. From Agartala it enters into Bangladesh and travels through Brahmanbaria-Ashuganj and then swings toward Jamuna Multipurpose Bridge. We apprehend that this route may pose security hazard for Bangladesh in general. We understand that the first Cabinet Committee Meeting carefully evaluated this issue and did not find it acceptable. Reportedly, the higher authorities overruled this. The people and the government of Bangladesh cannot ignore such a phenomenon.

We also read in the news media that the energy ministers of Bangladesh, India and Myanmar met at Yangon on 12-13 January, 2003 and agreed in principle to consider the proposal of M/s MHL, which is claimed to have been originated in late 2002. Later, the Chairman, Petrobangla and GM of the Gas Transmission Co. Ltd., representing a technical committee met at Yangon to work out the technical details with a view to support the proposal. It also transpired that the three involved players from

Myanmar, Bangladesh and India are planning to sign a Memorandum of Understanding (MOU) on the proposed project. Meanwhile, also reportedly, the Hon'ble Prime Minister has formed an inter-ministerial committee to examine the proposed tri-nation gas pipeline in the context of Bangladesh interest. We, very humbly, appreciate the gesture.

Bangladesh government however, sought a land corridor for bilateral trade with Nepal and Bhutan. Unexpectedly, the government proposal for import of electricity from Bhutan and Nepal is also very vague. From mid nineties discussions on this point shuttled around using the Indian National Grid to carry electricity from Bhutan or Nepal to northern Bangladesh. But this faced difficulties because of technical grounds, particularly transmission line voltage differences between the two countries. We humbly propose that an independent company or consortium should build dedicated transmission lines from Bhutan/ Nepal to Bangladesh. But these up front negotiating issues seem to have gone into a quandary. On the MBI pipeline proposal, the promoters said they have already started negotiation with public and private investors to form an international consortium i.e., to set up a company based on build-own-operate (BOO) principle (like the IPP projects in the power sector in Bangladesh). But the MHL declined to offer any details, a typical characteristic of some wheeler-dealer.

In fact the MHL and the consortium's role in implementing the project have not been explained adequately. The viability, security and modus operandi etc for constructing the proposed pipeline through these three sovereign countries remained an untold story.

It may also be noted that the route proposed by MHL starts from Sittwe (former Akyab) in Myanmar, goes north along the Kaladan River Valley somewhere south of Mizoram in India, then turns west and crosses at least six hill ranges to

reach Agartala in Tripura. From there it plans to enter Bangladesh at Brahmanbaria and via Ashuganj goes west to the Jamuna Multipurpose Bridge. After crossing the Jamuna River (?) it enters West Bengal, India via Jessore. But the most critical point i.e. crossing of the river Jamuna have deliberately remained a secret. Why so? Are the promoters, by any chance, envisaging using the existing 30-inch diameter gas pipeline at the belly of the Jamuna Multipurpose Bridge? We would like the promoters of MBH to appreciate that this gas pipeline (with a capacity of 750 to 800 MMcf/day) is dedicated for the development of the western zone of Bangladesh and not for making out of the way provision for external business interest (as was attempted by UNOCAL to export 3.5 Tcf gas to India in 20 years, but failed). Crossing the Jamuna River by a river bed pipeline has also been found not feasible in two studies -- the latest being in the beginning of the 1980s because of the very high downward scouring in the Jamuna River. We wish to remind the government and ourselves that world's two deepest piling is in Bangladesh. These were accomplished on the Jamuna riverbed between 110-130 meters during the 1980s and 1990s between Nagarbai-Aricha (East-West inter connector) and Elenga-Siraigonj (JMB), respectively.

There is another relevant issue. The Myanmar-India-Bangladesh-India route appears to be analogous to ESCAP proposed Asian Highway route to Yangon via Sylhet and Imphal in Manipur of India. Like the present government's rational decision for the Asian Highway to Rangoon via Cox' Bazar-Gundumm-former Akyab to Rangoon we propose a similar route for the MBI pipeline.

It is not unlikely that there are other options for the pipeline of which two are mentioned below. Option I is the offshore route from Sittwe (former Akyab) via Teknaf taking a western turn at Bhola (for a compressor-booster station and then onward to Calcutta in West

Bengal along the near shore. We earnestly request the government to think of this alternative option for the pipeline via the shorter, cheaper and easier offshore route like the shorter Asian Highway to Yangon. Option II is a less controversial route from Agartala in Tripura to Comilla in Bangladesh to Shtanol on the Bank of Meghna, crossing the river (which has no downward scouring) to Muladi in Barisal and then onward to Calcutta via Khulna-Sathkira. We may recall that a feasibility study of the route from Comilla to Khulna was done in the eighties by Petrobangla to take gas to southern districts. However, this may not be less hazardous. The elements of security will still be there.

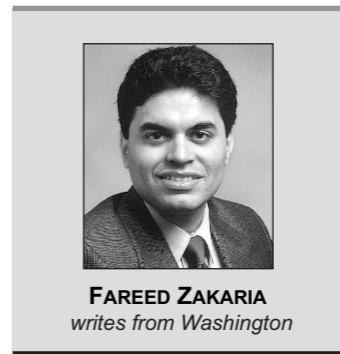
One other interesting part of the story is that the consortium is proposed to be located in a neutral country in the Far East. This consortium will buy gas from Myanmar to sell it to India. The promoter (MHL) has carefully avoided naming the neutral country. Nevertheless, in this case the great operation will be conducted perhaps through a remote control by MHL. What a technological advancement even in the business atmosphere? We have a hunch that one fine morning like the Occidental operation in the gas sector or the AES operation in the power sector, the would-be consortium, with or without the concurrence of the government of Bangladesh, will evaporate into the thin air by selling out MBI interest to an unknown operator located in Timbaktu(?).

The government should take adequate precaution prior to agreeing on the proposal of M/s MHL. Thanks to the Almighty, now that the bad omen in the energy sector is gone, rational decisions can be made. However, very interestingly there are also talks about an open excess in the transmission pipeline capacity, which can be partially utilised by Bangladesh to transport its own gas to hungry northwest and south eastern region. It is a fallacy. The vineyard story about open access in transmission line is like the Trojan horse legend. The government should be very cautious about such leak-spots in a project, and rightaway reject the present proposal of MHL to save the country from future disaster.

We also suggest that GTCL should not get involved in the pipeline at all. Their involvement may create serious problems in future. We are afraid that if the supply is disrupted from Myanmar for any reason GTCL may be forced to supply the needed amount from the reserves of Bangladesh. This point has not been made clear as far as we saw in the news media. The pipeline should be an express line and also an exclusive affair of the consortium. They will pay the negotiated royalty, ROW charges, etc. for the route within Bangladesh like any other pipeline in the world across countries.

Otherwise, social protest may begin soon to crystallise on both the professional and citizen levels -- in political and industrial arena. There can even be a mounting dissatisfaction on the non-disclosure of facts by MHL on many relevant issues. One thing is clear -- that an increasing public suspicion and distrust about the fishy business proposal of MHL would soon become more puzzling to the public. We suggest that alternative routes be discussed and made public, and a consensus is built to protect Bangladesh's national interest. Any and all suspicion and controversies be avoided by MHL so that the Bangladesh government can optimise the benefit of the proposed Myanmar-Bangladesh-India pipeline.

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FAREED ZAKARIA writes from Washington

THIS is the picture in Iraq: A conflict that the United States cannot easily lose, but also cannot easily win.

I don't see how Iraq's insurgency can win. It lacks the support of at least 80 percent of the country (Shiites and Kurds), and by all accounts lacks the support of the majority of the Sunni population as well. It has no positive agenda, no charismatic leader, virtually no territory of its own, and no great power suppliers. That's why parallels to Vietnam and Algeria don't make sense. But despite all these obstacles, the insurgents launched 700 attacks against US forces last month, the highest number since the invasion.

They are getting more sophisticated, now using shaped charges, which concentrate the blast of a bomb, and infrared lasers, which cannot be easily jammed. They kill enough civilians every week that Iraq remains insecure, and electricity, water and oil are still supplied in starts and stops. That's where things stand in Iraq -- it's a conflict the United States cannot easily lose but also cannot easily win.

The positive picture is worth painting. Iraq has had successful elections, a new (and more legitimate) government, Sunnis included into the political process, and is working on a new constitution. The insurgents' attacks on ordinary Iraqis are having the predictable effect of making them lose popular support. When I was in Iraq recently, several Iraqis (all Sunnis) told me that they were losing respect for and patience with the insurgents. "These guys are thugs who are killing Iraqis, not resistance fighters battling the occupation," one of them said. And finally, Iraqi politicians have been more mature and steadfast than one could have ever hoped for -- making compromises, arriving at consensus and moving forward under tremendous per-

The good news is that America has stopped blundering in Iraq. After two and a half years of errors, since late 2004, Washington has been urging political inclusion, speeding up economic reconstruction and building up local forces. But US policy still lacks central direction -- and the energy, vision, increased resources and push that such direction would

sonal danger.

What I worry about is not a defeat along the lines of Vietnam. It is something different. If the insurgents keep up their attacks, prevent reconstruction and renewed economic activity and, most important, continue to attract jihadists to Iraq from all over the region and the world. Last month's leaked CIA report, which described Iraq as the new on-the-ground training centre for Islamic extremists, points to the real danger. If thousands of jihadists hone their skills in the streets and back alleys of Iraq and then return to their countries, it could mark the beginning of a new wave of sophisticated terror. Just as al Qaeda was born in the killing fields of Afghanistan, new groups could grow in the back alleys of Iraq. And many of these foreigners are kids with no previous track record of terror. Some even have European passports, which means that they will be very difficult to screen out of the United States or any other country.

Additionally, by the fall of 2006, it will be virtually impossible to maintain current troop levels in Iraq because the use of reserve forces will have been stretched to the limit. That's when pressure to bring the boys home will become irresistible. And that would be bad news for the Iraqi government, which is still extremely weak and in many areas dysfunctional.

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The intense and bitter inter-

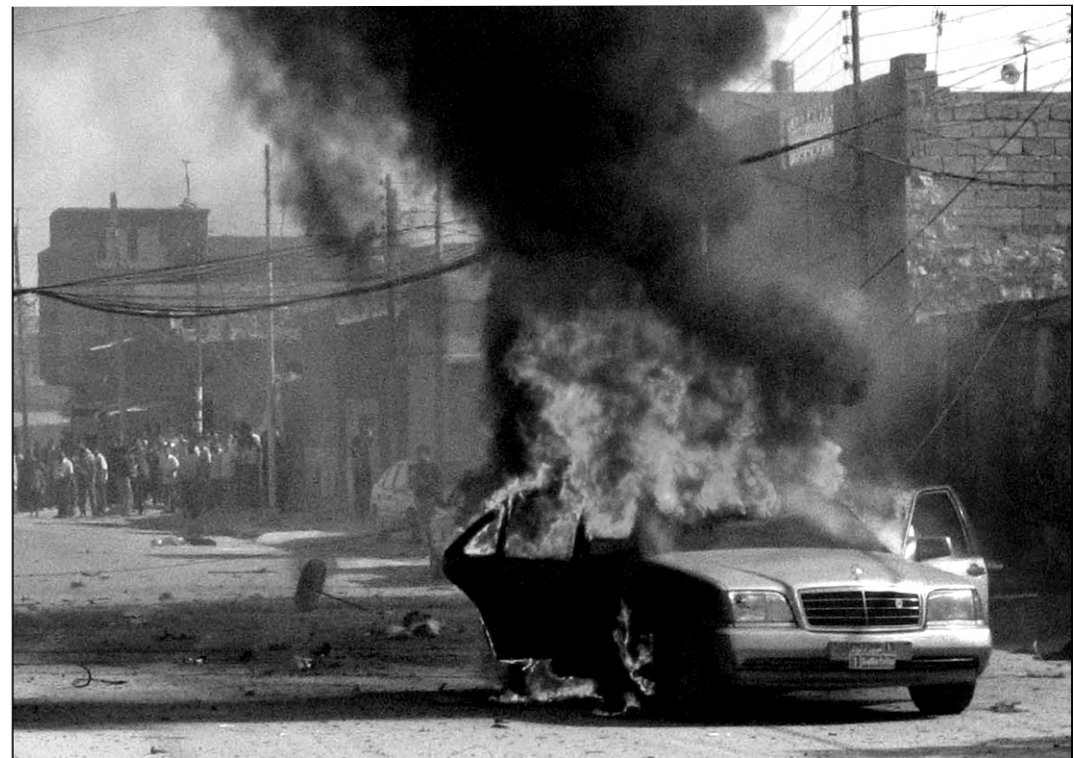
agency squabbles of the past three years and the disastrous mistakes made by the Defence Department and the Coalition Provisional Authority -- have left Iraq something of an orphan. Day to day, Iraq policy is now run by the State Department and the US Army, but those two chains of command never meet.

On the civilian side, for example, the American effort is massively understaffed. Several Army officers in Iraq told me that their jobs would be greatly improved if they had more people from the State Department, USAID and other civilian agencies helping. One said to me last year, "I've had 25-year-old sergeants adjudicating claims between Turkomans and Kurds, when they don't really know how they are different. We could use political officers who could brief them."

The vacuum is being filled by the U.S. Army, which has been building bridges and schools, securing neighbourhoods and power plants and, yes, adjudicating claims between Turkomans and Kurds. It is doing these things because someone has to. Secretary Rumsfeld has long argued that American troops should never engage in nation building, leaving that to locals. But while we waited for Iraqis to do it, chaos broke out and terror reigned. So the Army on the ground has ignored Rumsfeld's ideology and has simply made things work. (It's a good rule of thumb for the future.)

But if we want to move beyond coping, we need a full-scale revitalization of Iraq policy, with resources to match it. Muddling along will ensure we don't lose in Iraq, but we won't win either.

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This is Iraq today

AIDS CARE WATCH CAMPAIGN

'3by5' disappointment stresses for more comprehensive services

Staying alive during wait for ARVs is even more critical

BOBBY RAMAKANT

THE announcement by the World Health Organization (WHO) and the Joint United Nations Programme on HIV/AIDS (UNAIDS) that the much-heralded '3by5' initiative is "unlikely" to be achieved by the end of 2005, places even greater urgency on the need to scale up access to other comprehensive health care options that could help people with HIV stay alive while they wait for antiretroviral (ARV) drugs.

The two UN agencies, who share responsibility for tackling the global pandemic, have highlighted progress during the past 18 months towards greater ARV access, and report that one million people living with HIV/AIDS (PWHAs) in developing nations are now taking life-saving ARV drugs. They had hoped three million people would have access to the medicines by the end of 2005, but that now looks out of reach.

What the report fails to adequately address is the plight of the five million people who already require ARV drugs but cannot access them. In Bangladesh, it is estimated that roughly 12,000 people are living with HIV/AIDS and an estimated 1,000 are in need of ARV treatment. However, only a fraction (one fifth) of the people in

need are actually receiving the life-saving drugs.

"Current progress in scaling up of ARV provision in my local context is totally disappointing. ARVs are not available," States K. Zaman of AAAD, an organisation working on HIV/AIDS in Dhaka.

The 3by5 disappointment indicates that where large unmet ARV needs persist, a broad package of other readily-available treatment and care options should be urgently provided to keep PWHAs alive while they wait for ARV programmes to deliver on their promise.

"Should we forget the unfortunate PLWHA, not covered by ARVS" asks S.M Rafiqul Islam of HIV/AIDS Cell, a local NGO. "What sort of ethics it is? What about the other components of the package for PWHAs in general?" he continues.

Given that Bangladesh is one of 22 countries home to over 80 per cent of the global tuberculosis (TB) cases, one much needed care component crucial to extending lives is the prevention and treatment of the HIV-associated opportunistic infections (OIs), such as TB.

Reducing HIV related stigma is also vital in the fight against HIV/AIDS. "Those who are suffering from AIDS do not want to come forward for identification of their suffering and HIV disease. So initiative should be taken so that the

Earlier this month, G8 finance ministers referred to the need to mobilise sufficient money to achieve 'universal access' to ARVs by 2010. This even larger ARV treatment target is now being put forward by some organisations as the way forward, and they hope that the full G8 meeting in Scotland next month will fully embrace such a goal.



Campaign in India

AIDS patients can be identified through encouraging them or by giving them facilities that are safe and empowering. And this operation should be implemented at the grassroots level. Then we will all benefit" states Zaman.

Finally acknowledging the 3by5 delay has also prompted speculation globally on the nature of such international initiatives, and about what might now replace the 3by5 target as a goal to maintain the momentum that the drive for ARVs has generated.

"WHO launched 3by5 with a loud voice but without having a clear plan at the national level for urgent treatment scale-up. Because of this, the 3by5 goal will not be met and the small confidence we have in multilateral institutions is further destroyed. We need a global plan that builds upon specific national plans," said Marcel van Soest, Executive Director of the World AIDS Campaign. "For example, how can we move towards universal drug access in countries like Sudan, Zimbabwe, and Afghanistan?"

Unless we draw on the real lessons of the past 18 months, how can we build confidence in WHO, UNAIDS and in this whole endeavour?"

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"The failure of 3by5 to reach its target is not just another missed opportunity. It is an indictment of leaders in rich and poor countries that failed to back it and save the lives that needed saving," said Leonard Okello, International HIV Coordinator at ActionAid International in response to the WHO/UNAIDS report. "The G8 meeting next month has the chance to make amends. They now need to commit themselves to a target that all who need treatment will be receiving it by 2010 and make sure this happens," he added.

Others are more skeptical of a new target being set on the heels of the known 3by5 failure. "What about the people dying now? Why are we talking about universal access by 2010 when we could not even reach the goal of 3by5?" van Soest asked. "There are many simple, concrete

care and treatment options available to keep people alive now, we need to provide people with a comprehensive health programme, only focusing on ARVs is too narrow."

Dr Alice Welbourn of the International Community of Women Living with HIV/AIDS added: "This year alone there will be over 10 times the number of Indian Ocean Tsunami deaths caused by AIDS-related illnesses. World leaders have shown that they can respond to one horrendous crisis when pressurised by their citizens to do so. When are they going to start to respond meaningfully, with real resources and real commitment to the global crisis of HIV/AIDS?"

"We HIV-positive people are their early warning system. We have been warning the world for over 20 years now what AIDS means to our lives, our families, our communities. How many more of us will have died before we hear an answer?"

In 2005 alone, an estimated three million people will lose their lives as a result of HIV/AIDS -- or over 8,000 every single day. There are currently around 40 million people living with the virus.

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