

Plan to produce 430mw

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from next year as the bid had gone to a disqualified company. The second phase of the 450-mw Meghnaghat Power Project, awarded on the basis of a faulty bid, is also in doubt due to problems with the bidders themselves, the sources said.

The demand for power on the other hand is set to go up by at least 500 megawatts next year.

Presently, the country has at lowest a demand of 4600-mw and at highest 5200 mw. PDB provides up to 3600 mws of power and private captive power generators 1000 mws. There is a regular shortfall of around 500 mw in the power supply, PDB sources said.

"The government's last hope seems to be small independent power projects. But those too were primarily designed to be awarded to ruling party supporters, not to cater to the need of the nation. So, we can't say for sure if any of those small power plants will make any difference to the power situation next year," quips a source in the power ministry.

In the last four years, the BNP-led alliance government has added to the country's power sector only an 80-mw power plant in Tongi, which will be inaugurated by the prime minister on September 2.

The government, however, claims to have had set up power plants capable of producing 400 mw, showing some major projects which were initiated by the Awami League government and completed during the present regime.

Against this bleak scenario, the PMO undertook a crash programme in June, bypassing the power ministry. It asked the PDB to frame tender documents for power plants in Bogra (two 20-mw plants), Shahjibazar (100-mw), Bhola (20-mw), Barisal (20-mw), Syedpur (two 20-mw), Thakurgaon (20-mw), Shikalbaha (150-mw) and Rajshahi (two 20-mw).

These government-financed projects would need Tk 1200 crore to be set up, whereas the current budget can at best provide only Tk 300 crore. Besides, the government would need crores of taka to set up pipelines to feed these plants with gas. But the cost of installing the pipelines has yet to be estimated.

The PDB prepared the project proposals and the power ministry forwarded them to the planning ministry for clearance.

Although these were supposed to be gas-fired plants, some of their locations -- Thakurgaon, Bhola, Syedpur, and Barisal -- do not even have

gas infrastructure. Besides, there is no record of setting up a power plant in Bangladesh within a year or even 18 months since the time of planning.

The State Minister for Power Iqbal Hasan Mahmud declined to comment on the realism of the crash programme. He said, "We have done our part promptly."

"Crash programmes cannot resolve the impending power crisis. First, we need to stop corruption in the PDB, power ministry, or the PMO so that incompetent companies do not get bids by means of political connections and underhand deals," observed an industry insider.

"We have seen how the government had ignored the national interest by cancelling the 450-mw Sirajganj Power Project, which was at the final level while being abandoned because someone whose brother is an Awami League lawmaker won the bid," he said, adding, "We have also seen how corruption in the Rural Power Company Ltd had stopped a German grant for the 450-mw Savar Power Plant."

The World Bank President echoed the sentiment during his one-day visit to Dhaka last week. He said big power projects in Bangladesh are targets for corruption. There will be no funds for power and infrastructure unless the sectors are rid of corruption, he added.

"The truth is, we need to produce at least 850 mws of additional power every year if we should meet the target of 'power for all' by 2020. The crash programme may not reach its target, but it is necessary that the government take some initiative. It would have been better had they prioritised real power generation instead of pushing deals for their incompetent friends which has resulted in a total failure in the sector in the last three years," said a source in the industry.

Largest ever VGF drive from Sept 20

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across the country till the pre-Eid-ul-Fitr period and may implement an open market sale (OMS) of rice almost simultaneously between September 15 and 20.

The VGF-programme represents an unprecedented move. Though the country's agriculture sector did not face any big natural disaster this year, the upcoming VGF-programme coverage will surpass the previous record-high VGF-coverage of 40 lakh people, implemented after 1998's devastating deluge.

Asadul Habib Dulu, Deputy Minister for Food, yesterday said that thanks to the channeling of huge finances by private banks, particularly in Naogaon, Joypurhat and Bogra this year, well-off farmers with surplus rice output and rice millers engaged in hoarding, pushing the price to high levels even during the peak harvesting season of Boro.

"Besides the market also felt the pinch as we [government] also went for a rice procurement drive in a bigger way this year, targeting to purchase 10 lakh MT, a rise by four lakh MT from the usual yearly purchase. We did so to protect food security and replenish the dried up granaries. So far we succeeded to procure 7.5 lakh MT," said the minister.

The four-month long public sector rice procurement drive, which is scheduled to expire on August 31, might now be extended further, the minister said, adding, "We changed our previous schedule for launching OMS from September 1 to September 15 now. We'll run the

OMS across the country till the pre-Eid-ul-Fitr period and may implement an open market sale (OMS) of rice almost simultaneously between September 15 and 20."

Ruhul Amin, Research Director of the Food Planning and Monitoring Unit (FPMU) of the government, told a city workshop yesterday: "This year, millers get a huge cash flow from the banking channels and stored a lot of grains in the peak-Boro season for later release for higher profit-making."

However, market sources noted that, until now, the government did not institute any market interventions after considering

that the cascading effects of a high profit margin in rice selling would fall upon the growers, who had invested more on input costs due to the rise in the price of diesel, required for land irrigation.

Giving details of the upcoming VGF-drive, Food Ministry sources told The Daily Star yesterday that one and half lakh MT of rice would be channeled through a 3-month VGF drive, covering 1,000 people in each of over-4,500 unions across the country from September 20.

Moreover, the government would channel 3 lakh MT of rice through OMS in Dhaka as well as

elsewhere in the country from September 15. Eighteen thousand OMS dealers, to be recruited by the Food Ministry, would distribute 9,000 MT of rice everyday till the end of the Muslim month of fasting Ramadan among the needy people at subsidised prices.

But skepticism runs high both in the rice market and the political arena about the launching of the largest-ever VGF-programme in a non-disaster year, and also about the possible politicizing in listing the huge number of programme beneficiaries 45 lakh.

Ministry officials, however,

dispelled the doubt, assuring a fair play in the selection process, and said really needy people would be listed to be brought under the VGF-coverage.

Meanwhile, prices of coarse rice in yesterday's retailer market in Dhaka were hovering around Tk 18 to 20 a kilogram, compared to Tk 18.50 to 20 two weeks ago.

Asadul Habib Dulu, the minister, claimed that, with some 12 to 15 lakh MT of Aus paddy already in the rice market, prices of the staple started showing a downward trend. Coarse rice prices in northern mokams (wholesale stocks) were coming down to Tk 15.20 per kilogram.