

Tata finds discussions brought

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issue as none of its two proposals is realistic in the context of

Bangladesh. Tata's offer of fixed gas price, which referred to gas prices in the Middle East, indicate a very low offer hovering around \$1 per unit. "The other option is tying gas price with steel price, which also does not appear to be lucrative," said a source in the negotiation committee.

"Though we just had a discussion on Tata's latest gas price offer, we can only say we will find the price acceptable if we do not incur any loss from selling gas to Tata. For instance, if we buy Chevron's Bibiyana field's gas at \$2.75 per unit, we cannot sell it for less (even though the government gets a free share of that gas, the owner of that free gas is the people. The gas price we suggested is based on market principle."

He went on, "But Tata can get a competitive gas price if it eases its condition of getting a 20-year gas security. If we have to promise to Tata that even if Bangladesh runs out of gas, the state will ensure gas supply, Tata must pay us a premium."

A leading businessman said Tata's main goal is to produce steel and fertiliser, not to consume gas. For steel, it will import iron ore from the neighbouring region in India and that makes Tata's investment in Bangladesh profitable, even if it pays gas price higher than that in the Middle East. "But we should consider a special incentive package that appropriately reciprocates an investor's \$2.5 billion plan."

The last round of talks between the government and Tata ended on February 8 without any agreement on the gas issue. Tata negotiators then said that within two weeks, they would submit to the government a revised and comprehensive proposal on its investment.

Whether Tata would change some aspects of its proposal in its revised package can be learnt only after it is submitted.

"We will then forward the Tata proposal in details to the policymakers for their decision," said Energy Advisor Mahmudur Rahman on February 8. "Finally, it will be up to the policymakers to decide whether the investment will be made or not."

On April 20 last year, Tata submitted its \$2.5 billion investment proposal for setting up a 1,000 MW power station, a steel mill with an annual production capacity of 420,000 tonnes and a fertiliser unit to produce one million tonnes a year. To run these establishments, Tata needs 200 million cubic feet per day (mmcf) gas supply for 20 to 30 years.

Talking to The Daily Star, the Tata resident director expressed his optimism about the progress made on the investment plan.

"From the beginning of our proposal, the Board of Investment (BoI) identified six key areas. We started talks on the land issue. Initially, there were doubts whether the government would agree to provide Tata with the size of land it was asking for. Finally, the government agreed to provide us 2,000 acres of land for the steel plant along with residential facilities. It also agreed to give another 300 to 350 acres of land for fertiliser plant in addition to residential facilities,"

Manzer Hussain said.

The land for the steel plant may be allocated either in Ishwardi or in Kushtia, and for fertiliser factory in Banskhali of Chittagong. "For the steel plant, we would prefer Ishwardi," Manzer said.

"The land area for the proposed open-pit coal mining project has not been fixed yet. The project will be dealt with under the new coal policy (likely to be finalised within a couple of months). But when it is done, it may stretch out to 4,000 to 7,000 acres."

The Tata resident director says two types of infrastructures are crucial for Tata's investment. The first one is gas supply and the second one is railway links.

"The government is working on a Sirajganj-Bheramara gas pipeline with help from the Asian Development Bank (ADB). This would ensure adequate gas supply to northern Bangladesh and meet Tata's steel mill needs in due time.

For the fertiliser factory in Chittagong, the government needs a small investment to install a pipeline up to Banskhali. It is not a problem," he noted.

"Railway infrastructure is very important. Bangladesh Railway (BR) is not as developed as in the rest of the subcontinent. That's why we requested BR to appoint a consultant and it hired RITES, a consultant of Indian Railway. The RITES in its initial study pointed out that the BR has an annual cargo carrying capacity of 3.5 million to 4 million tonnes. Tata alone will need 8.9 million tonnes cargo handling.

Then, we know that Asia Energy will start work at the Phulbari Mine and it will also need a huge cargo handling. This situation calls for a detailed study on the railway system and the communication ministry has approached the ADB in this regard."

He further said iron ore for Tata's steel mill will be brought from India (by train). After steel is manufactured, Tata will export a part of it either through Mongolia or through Haldia to India. Whether it is import or export or coal mining, railway will play a vital role.

On coal mining, Manzer said initially Tata's investment plan was entirely gas-based. On a government suggestion, Tata looked at the Barapukuria mine and felt that it could be useful. Initial survey by a German consultant suggested this mine should be an open-pit one, otherwise it will not be useful. But under the current policy, open-pit mining is not encouraged. The new policy will change it. "In principle, we have an understanding about mining," he mentioned.

He pointed out that there are three types of gas prices around the world. Of this, the retail customers pay the highest tariff, heating or power developer pay medium price and the large or "feed stock" consumers like steel or fertiliser factories pay the lowest price.

"For fertiliser or steel, lowest tariff of gas determines the price of the product because gas is the main raw material here," Manzer said.

"Therefore, we are seeking a low gas price here."

Steel can be manufactured using coal. But Bangladeshi coal is good for power generation and not for steel manufacturing, he said.

"Petrobangla seeks a premium on gas price for giving us the required security. Petrobangla gave a formula that spells out a very high gas price. Tata's responded saying nowhere in the world is there such a high price for fertiliser or steel."

Manzer said, "We are not suggesting a \$1 per unit gas price. But we cannot accept the price proposed by Petrobangla."

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The fourth one is that for steel mill, the government should chalk out a new package of incentives because there is no large integrated steel mill in Bangladesh that produces cent percent flat products. Tata's steel mill will consume 40 percent of Tata's investment plan and for the first 5-6 years, the mill will not generate any money for the investors. Therefore, the government may consider a befitting tax holiday, which may be a "floating tax holiday".

Explaining the floating tax holiday, Manzer said "Take a specific number of tax holiday years (for instance 5 years). The investors may use this holiday in the first phase of 15 years of investment or later."

The National Board of Revenue has been apprised of the concept but a decision needs to be taken, he mentioned.

On the issue of gas, which remains the case of the discord, Manzer said the price and security issues are inter-linked. "If Tata gets a go-ahead now, it will start operating from 2009-10. Gas is the main raw material for both the steel and fertiliser plants. But there are forecasts on gas supply problem and we need assurance to get bank finance and board approval."

He went on, "Interruption of gas supply is bad for both fertiliser and steel mills. But then there are potentials for new gas in both on-shore and off-shore blocks. These need to be explored. The oil companies believe that the existing blocks have potential gas resources of 3 to 8 trillion cubic feet (tcf). The oil companies will feel encouraged to explore and develop these prospects when there will be a large consumer like Tata."

In this context, Tata is seeking a gas supply guarantee that would prompt the government to be proactive in new gas exploration when the supply is going low in the future, he added.

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PM replies

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the reasons behind corruption and harassment, and training of the concerned officials to eradicate those.

He refused Transparency International's grading Bangladesh as the most corrupt country in the world and claimed only a very few people of the country are engaged in corruption.

CGA Chowdhury gave details of the steps his office took to remove irregularities including those related to pension.

Logic, talks

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economy and political struggle.

"We will have to build up an educated, trained, technology-based modern nation. Bangladesh will have to build a strong economy utilising the country's resources," he told the function.

She urged the countrymen to forge a broad-based unity on important national issues.

The prime minister distributed Ekushey Padak 2006 among 13 recipients or their spouses (three posthumously) at the Osmani Memorial Auditorium. Each Padak (medal) carries Tk 40,000 in cash, a gold medal and a citation.

Admitting malpractices in his department, Ali not only gave importance on introducing systems to check corruption but also emphasised monitoring the system.

"The pensioners should by no means suffer while getting their pensions," he said.

Controller General of Accounts Reazuddin Chowdhury however claimed to have taken initiatives to curb harassment of the pensioners. Ali asked the CGA to review whether the initiatives are yielding any positive results.

ACC Commissioner Miah citing a few contradictory rules asked the officials to propose the finance ministry to resolve legal tangles.

He suggested that the auditors and accountants train, not to hurriedly pass bills in closing period of fiscal years, to acquire knowledge on important financial rules and other issues.

He also suggested computer networking connecting all district and upazila accounts offices with the CAG and CGA offices and strong monitoring cell to check activities at district and upazila level.

Ali gave importance on training to strengthen the audit process without restricting it on theoretical aspects. He suggested identifying

Amar Ekushey today

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and raise awareness of cultural traditions based on understanding, tolerance and dialogue.

On this day in 1952, students in Dhaka took to the streets in protest at the then government's denial of Bangla as a national language and imposition of Urdu as the sole official language of Pakistan.

Salam, Barkat, Rafiq, Shafiu, Jabbar and many others sacrificed their lives as the then Pakistani rulers ordered firing on the agitation.

The brave sons of the soil established mother tongue Bangla as a state language through shedding of blood.

The protest sparked on February 21, 1952 progressed into the long-drawn struggle that eventually led to the birth of Bangladesh.

President Tajuddin Ahmed led the nation in paying tributes to the language martyrs by placing wreath at the Central Shaheed Minar at 12:01am, followed by Prime Minister Khaleda Zia and Leader of the Opposition Sheikh Hasina.

This is for the first time journalists have been denied access to the Central Shaheed Minar as the authorities imposed bar on them for 'security reasons'.

As part of security measures, some 8,000 members from police, Rapid Action Battalion (Rab), Ansar and Bangladesh Rifles took position at the strategic points in the capital, especially the Central Shaheed Minar and the adjacent areas yesterday evening.

Bangladesh was reduced to a hopeless 5-37 by the 11th overs and as it has always been the case emerged a face-saver after that. This time it was Khaled Mahmud who spared the blushes with a fighting 36. It was only fitting for Mahmud to sign off from international cricket with an innings of determination that he has been known for in a career spanning over 10 years.

Alok Kapali scored an unbeaten 19 in his comeback match after a year. But why a technically sound and temperamentally strong Kapali batted at number nine was the talking point in listless Bangladesh innings, where his effortless four through the covers was undoubtedly the best shot of the day.

Rab and police swept the whole area and a contingent of 200 Rab men completed their rehearsal in the Shaheed Minar area. The Rab dog squad will also be there.

Bomb disposal teams have been asked to remain alert.

To mark the occasion, the Shaheed Minar and the surrounding areas have been given a facelift and roads and medians festooned with Bangla alphabets and national flags.

The Dhaka University authorities that are supervising the Ekushey February (February 21) programmes have prohibited display of portraits, posters or banners and processions or rallies in and around the Central Shaheed Minar.

The day is a public holiday and the national flag will fly at half-mast atop government, autonomous and private buildings.

President Tajuddin Ahmed in a message on the occasion said great Ekushey would illuminate an everlasting unity and gracious feeling among present and future generations and the mankind in general by bridging a bond of unity and amity.

In her message, Prime Minister Khaleda Zia specially called for a strong unity of all the citizens to work together for the flourishing of mother

Outage causes

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as people from the supply dearth zones call me with repeated complaints of water scarcity," a Wasa engineer said.

Wasa is worried about its water supply capability in the summer when power cut problem would take a turn for the worse.

People of Narayanganj are also suffering from acute water crisis and poor power supply, our Narayanganj correspondent reported yesterday.

According to power sector projections, the coming summer may witness a demand and supply deficit of up to 1,800MW. Dhaka has at least 450 to 500MW of daily power deficit.

Wicketkeepers are now-a-days batting assets for any team. But Bangladesh's Khaled Mashud showed signs of getting past his prime as he was out for a duck off Perera, the most successful Sri Lankan bowler with 3-23. His new ball partner Mahroof also took three wickets giving away 30 runs.

Sri Lanka however saw their wicketkeeper-batsman Sangakkara scoring exactly 50 after Sanath Jayasuriya (13) failed with the bat for a change.

Sangakkara, who hit seven fours in his 85-ball knock, was out in the 21st over with side seven runs away from victory.

EC starts work today

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in the rise of voters in 20 thanas under Dhaka district was noticeable.

The number of new voters increased by 63 percent in Savar while Tejgaon has not yet seen any rise in its voters' sources said.

The number of voters increased by 55 percent in Uttara, 40 percent in Mohammadpur, 23 percent in Motijheel, 2 percent in Kotwali, 5 percent in Suprata, 5 percent in Ramna, 13 percent in Nawabganj, 20 percent in Keraniganj, 15 percent in Lalbagh, 16 percent in Sabujbagh, 15 percent in Cantonment, 16 percent in Gulshan, 11 percent in Dhamoni, 17 percent in Pallabi, 19 percent in Mirpur, 15 percent in Dhamrai, 24 percent in Dohar, 22 percent in Demra.

On the last day of the enumeration, CEC MA Aziz refused to talk to the press yesterday. EC Secretariat officials too seemed hesitant to say anything about the status of the enumeration task.

During his visit the government would request him to ensure that some of Bangladesh's textile units are included in the duty-free list under the WTO regime. BGMEA leaders will have a meeting with Crowley on this issue.

The foreign minister also said that the Trade Bill-2005, now pending with the US Senate, will be discussed since Crowley is a co-sponsor of the Bill that seeks duty-free access of Bangladeshi apparel and other products to the American market.

He urged the countrymen to forge a broad-based unity on important national issues.

He said the officials in the two capitals are working on the details of the visit and the agendas of Khaleda-Manmohan talks.

Replies to a question on existing relations between the two neighbours, Morshed said situation has changed tremendously and "reality is setting in and no body can afford to lose out."

Official sources said the prime minister is expected to go to India on a three-day visit on March 20 or 21. Dhaka and New Delhi will make a formal announcement on the schedule from January 21.

The HC January 4 ruling came in response to two writ petitions challenging the legality of CEC's unilateral decision to have a fresh roll and the task undertaken to this end.

Sources said Khaleda might visit Ajmeer Sharif and Indian "Silicon Valley" in Bangalore during her tour.

Despite the HC directives for an

No clear

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The revised draft says if an officer commits any irregularities he will be charged under the Government Servants (Discipline and Appeal) Rules, 1985 and departmental actions will be taken against him.

Again if an officer is found involved in corruption in any stage of a public purchase such as process of the purchase deal and its implementation, criminal proceedings will be brought against him.

Sources said in most countries the public procurement law specifically spells out jail terms or penalty in case of corruption or violation of the law by an official, but nothing of that sort is there in this bill.

The provision for an independent review panel has been widely altered in the revised bill