

## Dash for fuel as petrol pumps run dry

Energy adviser blames it on hoarders

STAFF CORRESPONDENT

Most of the country's petrol pumps yesterday ran dry of fuel oils, leading to widespread panic and uncertainty among the consumers.

At some places a handful of pumps were reported to sell limited quantities of octane, petrol, or diesel at much higher prices, with vehicles waiting in long queues in front.

The country's present fuel stock can barely meet three weeks' demand, Bangladesh Petroleum Corporation (BPC) sources said.

However, according to our Chittagong correspondent, 50,000 metric tons of diesel and octane are scheduled to arrive from Kuwait

within a week.

But, Adviser to Energy Ministry Mahmudur Rahman claimed to the press there is no oil shortage in the country. He blamed the scarcity of fuel oils on hoarding by dealers and petrol pump owners in anticipation of a price hike soon and windfall profits.

The dealers on the other hand claimed they have been receiving inadequate supply from the government-owned petroleum distributors. They categorically blamed the government instruction to the oil depots to suspend oil supply on Saturday in addition to Friday for the supply crisis.

"I have instructed the BPC to

form vigilance teams within a couple of days to visit the pumps and check if there is any irregularity," Mahmud told the press. "The pumps," he said, "will be asked to put on their inventory on a daily basis. If there is any irregularity at that level, they will be punished according to the law."

In the capital, 90 per cent petrol pumps suspended sales yesterday, with the remaining ones selling petrol, octane and diesel in limited quantities.

"We did not receive adequate oil supplies on last Wednesday and Thursday. We receive no supply on Friday. But, from this week we are not getting the supplies on Saturday too. How can we have any stock of

petroleum if there is no supply?" asked a Moghbazar fuel pump owner.

The energy adviser yesterday held a meeting with some high officials of the BPC and state-owned oil distribution companies.

The country has 200,000 tonnes of oil, enough to meet its demand for 45 days, Mahmud told reporters after the meeting.

"We have not taken any decision to hike petroleum prices. But pump owners are hoarding oil anticipating a price hike. This is illegal," he remarked.

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A filling station at Paribagh in the capital remains closed yesterday amid a countrywide acute supply shortage of fuel oils.

Cyclone Mala moves away from Bangladesh  
Hits Myanmar coast

STAFF CORRESPONDENT

The Bangladesh coast escaped the lashes of Cyclone Mala that formed in southeast Bay of Bengal and the adjoining Andaman Sea and moved north-northeastwards, hitting the Arakan coast of Myanmar yesterday.

News agencies could not report casualties immediately as strong winds and heavy rain hit the coastal resort town of Gwa, 190km northwest of Yangon, and destroyed houses and trees.

The Bangladesh Met Office had warned that the cyclone might hit the country's coastal area and destroy lives and property.

The last special bulletin of the Met Office yesterday evening said the cyclone became weak and crossed the Myanmar coast.

The authorities asked the maritime ports of Chittagong, Cox's Bazar and Mongla to take off the cautionary signals. They, however, advised the fishing trawlers and

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## Opening up oil sector could salvage BPC

Burdened with Tk 12,000cr loan, it needs \$2b for oil import this fiscal year

SHARIER KHAN

The financial abyss created by oil import could have been easily avoided if the government had opened up the petroleum sector to the private sector for which it had initiated the process more than two years ago, officials and experts say.

The country's sole oil importer Bangladesh Petroleum Corporation (BPC) has an outstanding loan of around Tk 12,000 crore from the nationalised commercial banks from whom it took loans at an interest of 5 percent.

While the BPC cannot pay these arrears because of its staggering losses, it is now taking loans from foreign private banks at 14 percent interest. It is in dire need of \$2 billion

loan to import oil for the current fiscal year but is unable to arrange this fund.

The BPC is incurring losses because the government controls oil price and is inflexible on import tariff. Duties on oil have been a major source of government earning regardless of whether the BPC incurs losses or not, and this is why it is reluctant to unbundle this sector.

According to official data, the BPC incurred a cumulative loss of Tk 5,804 crore till date from 1976 while it contributed Tk 34,833 crore to the national exchequer.

Between July-October last year, it incurred a loss of Tk 1,227 crore but contributed Tk 823 crore to the national exchequer in taxes.

Sources said for the first time, the

BPC is set to incur losses more than its contribution to the national exchequer. In the past, no matter how much losses the BPC had incurred, the tax department realised higher amount than that.

As a government-owned body, the BPC is unable to take quick decisions and as a result, it often fails to procure cheaper oil through spot tenders on short notice. It also cannot efficiently forecast market situation and monitor the trends, sources pointed out.

Global oil price situation coupled with donors' pressure however had led the government to initiate the process of privatising the sector in 2003.

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Govt, ADB for hike in urban power tariff

STAFF CORRESPONDENT

Both the government and Asian Development Bank (ADB) are in favour of increasing tariff for electricity in the urban areas.

If the price is lower than the production cost, power generation is not possible, said Secretary to Power Division ANH Akhtar Hossain yesterday at a roundtable discussion styled "Power Sector Reforms: Power Sector of the Future".

But top business leaders opposed the idea, saying the issue of tariff is not the key problem. Political influence and corruption in the power sector should be checked to improve production and distribution systems, they said.

Terminating power shortage a big challenge for industrial and agricultural development in the country, the participants at the discussion, however, agreed that investment from the private sector--both

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## 14-party rejects BNP letter

Threatens to resist polls without reforms

STAFF CORRESPONDENT

The Awami League-led 14-party opposition line-up yesterday formally rejected the letter of ruling BNP nominating leaders of Jamaat-e-Islami and Islami Oikya Jote (IOJ) for discussing the reform agenda.

The opposition combine vowed to realise reforms in the caretaker government system, Election Commission and electoral laws through mass movements to ensure a free, fair and neutral election. It also threatened to resist any election in the country without these reforms.

"The letter was nothing but a farce with the countrymen," 14-party Coordinator Abdul Jalil yesterday told newsmen after a meeting of the opposition alliance at his residence

in the capital.

"This letter is not acceptable from any perspective as they [the BNP] have included war criminals, patrons of militants and anti-Liberation War forces in the committee," the Awami League (AL) general secretary said. The opposition will respond to the BNP letter soon, he said.

BNP Secretary General Abdul Mannan Bhuiyan on Friday sent the fourth letter to Jalil naming BNP standing committee members Dr Khandaker Mosharrif Hossain and Khandaker Delwar Hossain, Jamaat leader Ali Ahsan Mohammad Mujahid, IOJ leader Mufti Fazlul Huq Amini and Bangladesh Jatiya Party leader M Saifur Rahman as representatives

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Sadequee denied bail in US

His lawyer says he was 'kidnapped'

SHARIFUL ISLAM

Ehsanul Islam Sadequee, charged with lying to FBI agents, was denied bail on Friday after a US federal prosecutor alleged in a court that he and another US citizen videotaped the US Capitol and three other Washington locations last year, according to a local journalist and newspaper reports.

Sadequee and Syed Haris Ahmed traveled to Washington in April 2005 to allegedly make videos of the US Capitol, the World Bank, a Masonic temple, and a fuel storage facility and were preparing to send the videos to their overseas brothers', said Colleen Kavanagh, an assistant US attorney.

"We call them 'casing videos,'" Kavanagh said in a bond hearing for Sadequee, a US citizen of Bangladeshi origin, in Brooklyn federal district court.

The prosecutor also told the court that Sadequee, 19, and Syed

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Artistes take out a colourful procession from the Central Shaheed Minar in the capital yesterday celebrating World Dance Day.

Talks between political parties, civil society vital for clean candidates

STAFF CORRESPONDENT

Speakers at a regional dialogue on national election policy and the initiative of the civil society in Mymensingh yesterday demanded provision of public funds for electioneering.

They suggested that the civil society representatives hold discussion with the country's top political leaders and persuade them to anoint the honest and competent people as candidates for the next election.

Speaking at the daylong regional

dialogue organised by the Centre for Policy Dialogue (CPD) in collaboration with The Daily Star, Prothom Alo and Channel I, they said the people should be aware while exercising voting rights.

On the other hand, the political parties should not nominate the corrupt, black money holders and those advocating communism to contest the upcoming general election, they added.

The discussants also suggested taking the campaign for the honest and competent candidates to the grassroots level to produce better results. They said the government officials should not be allowed to become a candidate within five years of retirement.

They pointed out that once in power, many are forced to indulge in corruption.

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25 Shibir men injured in clash with JCD

UNB, Narayanganj

At least 25 activists of Islami Chhatra Shibir (ICS) were injured in an attack allegedly by Jatiyatabdhi Chhatra Dal (JCD) at Government Tularam University College in the town yesterday.

Witnesses said the JCD and ICS activists clashed on the campus at noon over putting up posters on walls.

Later, the feuding groups sat at a reconciliation meeting in the office of college students' union where they again locked into clash.

The JCD activists, aided by other students, beat up the ICS men, leaving 25 injured. ICS college unit leaders Fakhrul Islam and Sohel Rana are among the injured.

ICS leaders alleged that JCD activists attacked them without provocation. JCD denied the charge.

ADB CHIEF ON POWER SECTOR  
Firms trying to win bid through bribing

UNB, Dhaka

Asian Development Bank (ADB) Resident Representative in Dhaka Hua Du yesterday brought an allegation that some companies were trying to win contracts in the power sector through bribing.

"Those corrupt companies must be barred from succeeding in such practice," she said while speaking at a discussion on power sector reform at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Hua Du said ADB has blacklisted a dozen such companies that included some foreign firms as well. She, however, did not specify the names of the blacklisted companies.

She noted that in every country, where it is working, ADB used to prepare such blacklists of corrupt

companies.

The ADB official's allegation came at a time when the government is processing award of contracts in the power sector to different local and foreign companies.

While Hua Du was making the remarks, Power Division Secretary ANH Akhtar Hossain was sitting beside her, but did not make any comment.

When his attention was drawn to the allegation made by the ADB country chief, Akhtar said he has no idea about the matter.

"Please ask her about the matter since she raised the allegation," said the top bureaucrat of the Power Division.

Earlier, the World Bank country director had also raised similar allegation of irregularities and corruption in awarding contracts.

STATE DEPARTMENT REPORT  
Limited success against JMB underscores serious constraints

STAFF CORRESPONDENT

The Bangladesh government has shown to be suffering from serious institutional, resource and political constraints in countering militant acts of Jamaatul Mujahideen Bangladesh (JMB), the US State Department said in its Country Report on Terror 2005.

"Bangladesh's limited success in countering JMB's escalating acts of terrorism in 2005 underscored the government's serious institutional, resource, and political constraints," said the report released in Dhaka yesterday.

Porous borders, endemic corruption, and debilitating in-fighting

between the two major political parties continued to undermine the government's broader counter-terrorism posture, the report observed.

The government affirms full support to the global war on terror, and in 2005 it adhered to nine additional UN Conventions on Terrorism, leaving the International Convention for the Suppression of Nuclear Terrorism as the only one it has not joined, the report added.

Bangladesh enforces UN Security Council resolutions related to terrorism, including identification and freezing of

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