

Option open for govt to make deal

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remains shelved since early July when it was about to be sent to the cabinet for approval.

The new policy asks the coalmine developer to pay the government the existing low royalty rate of six percent if they sell the coal in the domestic market. However if it exports the coal at a per ton price above US \$25, the royalty rate will increase as per a formula. At the present international rate of coal, which is being sold around \$50 per ton, the royalty will be 16 percent. The policy seeks to export 60 percent of the country's coal, leaving the rest 40 percent for domestic consumption.

Asia Energy has been objecting to these aspects of the coal policy.

Asia Energy entered the coal mining scenario in 1998 by buying the mining contract originally awarded to international coal giant BHP on August 20, 1994. During the 1998 transfer of the agreement in the shape of Assignment Agreement of Exploration Licences under the Mines and Minerals Rules, 1968 a number of clauses were added that made the deal better than the original agreement with BHP.

According to former chief of BMD M Muminullah, the BHP deal was unsolicited. However, there was a national negotiation committee headed by Sajedul Karim, who retired as secretary recently. This committee comprised of members from the Petrobangla, Geological Survey of Bangladesh (GSB), the BMD and other departments.

"The negotiations with BHP were thorough. We tailored the deal as per the international practice. On April 12, 1994, we signed the Memorandum of Understanding (MoU) with BHP. Then we followed all the processes required for such an agreement which was signed in August of that year. There was legal vetting and then the gazette notifications," Muminullah said brushing aside allegations of a hush-hush deal.

BHP was interested in Bangladesh following the discovery of coal in Barapukuria by the GSB in the 80's. "The Barapukuria discovery was never announced by the government," Muminullah said adding that by the time he took over the BMD as its director in April 1994, the govern-

ment had already finalised the Barapukuria coalmine deal with China.

Petrobangla sources on the other hand say the exercises on Barapukuria negotiation suffered heavily due to linguistic problems and much of the decisions about the deal was rather imposed by the then energy minister. In contrast, the BHP deal saw better negotiations.

"From the beginning, the BHP was interested in open-pit mining. However, within a couple of years, the BHP said that it would not be interested to develop a coalmine if the coal is found at a depth lower than 130 meters. It said BHP does not find it economically attractive. Then the BHP got heavily involved in mining in Malaysia. That's when it struck a deal with Asia Energy," said Muminullah, who ran the BMD for eight years until 2002.

The Barapukuria mine's coal deposit is located 191 meters below ground while Phulbari's coal is situated 151 meters below.

Muminullah sees nothing wrong in open-pit mining, even though majority of geologists of the country oppose this as an environmentally hazardous and anti-people operation. Muminullah says, "You must accept some environmental damage for greater gains. To minimise the damage, you have to implement the project systematically. In the US, 60 percent of power is generated by coal from open-pit mines. Open-pit mines are present in other western countries as well," he said.

Muminullah added that the agreement with Asia Energy is far from anti-state as the government can change or modify the concerned laws to suit its needs.

The 1998 clauses clearly state that the government holds the first option to purchase the coal. Plus, Asia Energy shall comply with the provisions of the Mines and Minerals Rule 1968, as amended from time to time, and other applicable laws of the land.

Besides, the government can stop the mining if the lessee is found involved in mining activities that jeopardise the conservation of the mineral wealth.

Asia Energy gave its \$2 billion scheme of development last year for government approval upon getting

environmental clearance. However, as the open-pit mining scheme suggests resettlement of more than 50,000 people, resistance has been brewing in the country against the deal. This has stopped the government from approving the deal before the elections.

The company in its study shows the mine has 572 million tonnes of high quality coal.

Asia Energy Bangladesh CEO Gary Lye says that in 30 years time, Asia Energy will earn \$7 billion while the government will earn a royalty of \$1.2 billion, another \$2.8 billion as corporate tax. Bangladesh railway, the Mongla port authority, the income tax division and the customs department will make another \$3 billion earnings.

ASSAULT OF JU STUDENTS

Punishment to JCD men demanded

JU CORRESPONDENT

Students against Repression on Jahangirnagar University (JU) Campus, a newly formed platform to resist repression, brought out a procession on the campus yesterday demanding punishment to the Jatiyatabadi Chhatra Dal (JCD) men, who assaulted a female student and injured three others on August 21.

Their other demands include formulation of code against sexual harassment and establishment of a cell where victims can lodge their complaints and report grievances.

The assaulted girl could not move freely on the campus as of Saturday. She attended the examination on Saturday being guarded by the university authorities.

She also submitted a written statement to the authorities yesterday evening seeking security on the campus.

Meanwhile, Jahangirnagar Theatre will stage a drama titled "Ekti Non Fiction" on social science premises today to drum up support for the ongoing movement.



PHOTO: STAR

Senior Research Fellow of Bangladesh Institute of Development Studies Rita Afsar speaks at an orientation on 'Women migration and Bangladesh perspective', organised by Management and Resources Development Initiative (MRDI), at National Press Club in the city yesterday. On her right are MRDI Executive Director Hasibur Rahman, AP Bureau Chief Farid Hossain and Amar Desh Advisory Editor Ataus Samad.