

Outer anchorage at Ctg port now congestion-free

RAFIQ HASAN

On enforcement of some measures taken by the caretaker government, the outer anchorage of Chittagong port, the country's premier seaport, is now free of congestion because the container ships no longer require to wait there before berthing.

Sources said the ships have been directly entering the channel for berthing for the last five days as the container handling is accelerated. As a result, berthing space for more ships has been created at the terminal.

Earlier, ships had to face wastage of time for at least seven to fifteen days at the outer anchorage due to lack of such space for berthing.

According to the sources, during the political turmoil that resulted in non-functionality of the port, the number of waiting container ships at the outer anchorage even jumped to 40-45. And, usually 10-15 ships would wait at the outer anchorage.

The ships at the Chittagong Container Terminal (CCT) are no more allowed to wait for loading export cargo as a new cut-off time for their arrivals has come into effect since April 1. The crane-less ships are forced to leave the terminal after loading the export cargo, whatever it is available at the terminal.

Accordingly, many ships are

leaving the terminal within 48 hours into their arrivals at the terminal.

On the other hand, the export cargo is allowed to enter the terminal for a period of 48 hours on anchorage of a ship at the general berth. The ships at the general berths have been asked to leave the terminal within 72 hours.

As a result, the turnaround time of the ships has reduced drastically.

"I have been observing long queue of ships at the outer anchorage of the Chittagong port for long time. This is for the first time I have heard that the outer anchorage is free from waiting ships," said a high official of the Department of Shipping.

Handling of ships at the port hit a record highest at 81 in the month of March. Earlier, this rate was 45-50 a month.

The pace in container handling at the terminal has now come in conformity with that at other regional ports, observed a shipping agent. "We need to keep it up as it would drastically reduce the cost of business," he pointed out.

"The business community is happy as the port operation is now faster than ever before," said Amirul Haque, chairman of the standing committees on port and shipping, constituted by FBCCI and Chittagong Chamber of Commerce and Industries (CCCI).

"The taskforce that was formed by the joint forces to improve the port situation deserves the credit for being the port free from conges-

tions, which is first-ever in a span of 15 years," Haque happily noted.

The measures taken by this taskforce is yielding positive results. The handover of operation of Chittagong Container Terminal (CCT) to a private company, Saif Powertec Limited, is one of such measures.

The port authority has also started a process to handover the charges of all general berths to private operators, sources in the Chittagong Port Authority (CPA) said.

NEW CUT-OFF TIME FOR VESSELS AT CCT

Our staff correspondent from Chittagong adds: Chittagong Port Authority (CPA) enforces a reduced 24-hour cut-off time for the vessels berthing at CCT from today.

The new cut-off time is aimed at bringing down the average turn around time of vessels at the country's premier seaport.

Under the new cut-off time, no vessel will be allowed to stay at Chittagong Container Terminal (CCT) for more than 24 hours after making delivery of containers, sources said. Earlier, the cut-off time was 48 hours.

However, the cut-off time for vessels berthing at other jetties of the port will remain unchanged.

S Asia can cut poverty within generation

Says WB economist

AFP, Tokyo

South Asia has the chance to eliminate poverty within a generation if it can sustain strong growth, improve its infrastructure and reduce wealth inequalities, a World Bank economist said Wednesday.

Rapid economic growth in recent years along with a significant reduction in poverty and improvements in education and healthcare suggest a bright outlook, said John Roome, the Bank's operations director for the South Asia region.

"These positive trends give us a lot of optimism that indeed -- if certain key challenges can be addressed -- poverty can be significantly reduced, if not eliminated, within a generation in South Asia.

"But there are still some very significant challenges that need to be addressed," added Roome, who spoke to reporters during a trip to Tokyo for talks with the Japanese government.

"The first one is to sustain and accelerate the rates of growth. In order for that to happen, one of the key bottlenecks is going to be infrastructure," he said.

Governance concerns and wealth inequalities were also problems, he said.

CHECKING OIL PRICE-DRIVEN INFLATION

WB prescribes credit tightening

UNB, Dhaka

The World Bank yesterday suggested tightening bank credits to rein in potential inflationary pressures due to the increase in the prices of petroleum products.

"In most cases, a prudent monetary policy response of tightening credit in the economy could check inflationary pressures," said a WB commentary on the recent price hike of petroleum products.

It said, "If required, a targeted subsidy could be provided for the poor though the merits of doing so would need to outweigh administrative costs."

A senior Bangladesh Bank official, however, told the news agency that the central bank is already pursuing a prudent monetary policy stance and it was not considering further tightening of the policy at this moment as there is no immediate impact on the price situation.

He said the central bank would use the monetary policy instruments when it will be necessary.

The WB said there is an apprehension that raising petroleum prices will trigger inflation. "A rise in petroleum prices has a direct effect on consumer prices as well as an indirect effect through increased

transportation and other business costs wherever petroleum products are used as inputs."

The commentary said the bottom line is that while an increase in inflation, the government could always take a prudent monetary policy stance to check inflation.

"Financing the deficit created by oil subsidy through bank borrowing, as is the present day case in Bangladesh, could be more harmful to inflation than an increase in diesel and kerosene prices," it warned.

The development partner came up with a series of prescriptions as it has long been pressing Bangladesh to raise the petroleum price and for price restructuring of electricity and gas.

At a press briefing here Tuesday, a day after the hike in prices of petroleum products, it suggested raising the electricity tariff and the following day it came up with the prescription of tightening credit as a means of offsetting the possible inflation.

The WB said the huge deficit of Bangladesh Petroleum Corporation (BPC) has so far been financed by borrowing from public banks and the BPC has been

unable to service its debt to the nationalised commercial banks.

"This will only grow further if the prices are not adjusted, unless the government provides budgetary support. The latter in turn may require expenditure cuts somewhere else, given that the budget deficit cannot simply be increased willy-nilly."

Since FY03, the overall import bill has doubled from US\$ 1 billion in FY04 to US\$ 2 billion in FY06. During this period, petroleum imports accounted for a much bigger share of total imports -- the share rose from 9.2 to 13.6 percent.

The response of consumers in Bangladesh to higher oil prices is the lowest among some comparator Asian countries, indicating rising demand for petroleum products in Bangladesh, the WB said.

It pointed out the implication of the price differential with India, which encourages smuggling of diesel and kerosene out of Bangladesh and selling those in the bordering towns in India.

"This results in a significant net loss to the economy, as a large chunk of the subsidy on diesel and kerosene is enjoyed by Indian consumers," the commentary said.

The increase in prices of kero-

sene and diesel could hurt the poor and farmers, said the development partner, which mainly focuses on poverty reduction in Bangladesh.

It used Bangladesh's Household Income and Expenditure Survey (HIES) data for 2005 and said the survey indicated that both diesel and kerosene form a very small part of the budget of the poor.

"In fact, the current low prices of kerosene and diesel mostly benefit the better-off population," said the WB, adding that the direct impact of an increase in kerosene and diesel prices, in terms of the effect on household consumption and welfare, is likely to be quite small on the poor.

"This is because spending on kerosene and public transport account for a small share of a poor household's budget."

Estimates using HIES 2005 data show that expenditures on kerosene and public transport account for 1.3 and 1.9 percent respectively of the average household budget of the poor.

The direct impact of any increase in prices of electricity and cooking gas (which results from a petroleum price increase) on consumption of the poor is also likely to be very small, the WB said.

Global airline industry may profit in '07

AFP, Singapore

The global airline industry is forecast to return to the black this year with 3.8 billion US dollars in profits after six years of losses totalling more than 40 billion dollars, an industry association said Wednesday.

The International Air Transport Association (IATA) raised its 2007 profit forecast for the world's airlines from 2.5 billion dollars previously due to strong traffic demand and controlling capacity.

It said the higher profit forecast can be achieved despite an expected slowdown in the US economy, and oil prices staying at more than 60 dollars a barrel.

Net profits could increase to 7.6 billion dollars in 2008 on faster US growth and expected lower oil prices, it said in a forecast released on the sidelines of a speech by IATA

director-general Giovanni Bisignani in Singapore.

"After six years and over 40 billion US dollars in losses, this year will see the industry return to profitability," Bisignani told airline executives.

"In fact, today we are raising our profit outlook for 2007 to 3.8 billion US dollars," he said, adding however "there is a lot of hard work still ahead."

In its forecast report, IATA cautioned that despite improving profits, "the industry remains vulnerable to the kind of shocks that hit demand and costs in the past six years."

Returns on capital remain below the average achieved in the late 1990s, it said.

Airline balance sheets "remain fragile" and "airlines have not been able to use the strength of revenues to build up a cash cushion against shocks," IATA warned.

Nepal drops pipeline deal with India

ANN/ THE KATHMANDU POST

The government of Nepal has dropped the earlier understanding to construct the much-talked about Raxaul-Amlekhgunj pipeline as a Nepal-India joint investment. Nepal will now construct it on its own.

Nepal Oil Corporation (NOC), the state-owned petroleum company, sealed a new memorandum of understanding with Indian Oil Corporation (IOC) Friday on behalf of the government.

"The new understanding endows ownership and operation rights of the 40-km long pipeline to the government of Nepal," said Ichchha Bikram Thapa.

He told The Kathmandu Post that the IOC, the sole supplier of fossil fuel to Nepal, has agreed to extend all necessary technical assistance.

In the past, the government had

consented on the modality of owning and operating the pipeline under joint venture project of NOC and IOC. However, the modality received resistance from different levels on the ground that the project is politically sensitive.

Lack of specific understanding had delayed the construction of the pipeline over the past decade since the IOC first floated the project.

However, the recent supply crisis that emanated from terai unrest forced the government to take the project positively, albeit with changed modality, said a government source.

Nokia Siemens to supply, build, host Blyk network

Blyk, the pan-European free mobile network for young people, funded by advertising, has chosen Nokia Siemens Networks to supply, build and host its core network as it embarks on a new approach to offering mobile telephony service.

In its first-ever full mobile virtual network operator (MVNO) hosting arrangement, Nokia Siemens Networks will be hosting the entire operation of Blyk's core network, allowing Blyk to rely on Nokia Siemens Networks' strong technology and operations experience, while avoiding infrastructure investments of its own, says a press release.

The contract was initially signed by Nokia. The Blyk service is based on an advertising-supported model. Blyk provides free calls and text messaging to 16-24 year-old subscribers funded by mobile advertisements delivered directly to their phones.

Blyk will initially offer its mobile services in the United Kingdom, before expanding to other European countries. The service is scheduled for commercial launch in mid 2007, the release added.



Syed Anisul Huq, president and managing director of Bank Asia Ltd, and Maruf Alam, chief operating officer of Bangladesh Electronic Payment Systems (BEPS) Ltd, exchange documents after signing an agreement in Dhaka recently. Under the deal, BEPS will act as third party processor in introducing VISA brand credit and debit cards for the bank's clients.