

OFFSHORE HYDROCARBON EXPLORATION

India, Myanmar raise objection to bidders

SHARIF KHAN

India and Myanmar have raised objections about oil and gas exploration in several blocks bordering their maritime boundary, which may slow down Petrobangla's bid to find hydrocarbon resources offshore.

Petrobangla and the foreign ministry sources said recently India has categorically objected against exploration in eight offshore blocks close to Indian maritime border while earlier this year Myanmar generally objected to exploration in the bidding area close to its maritime border.

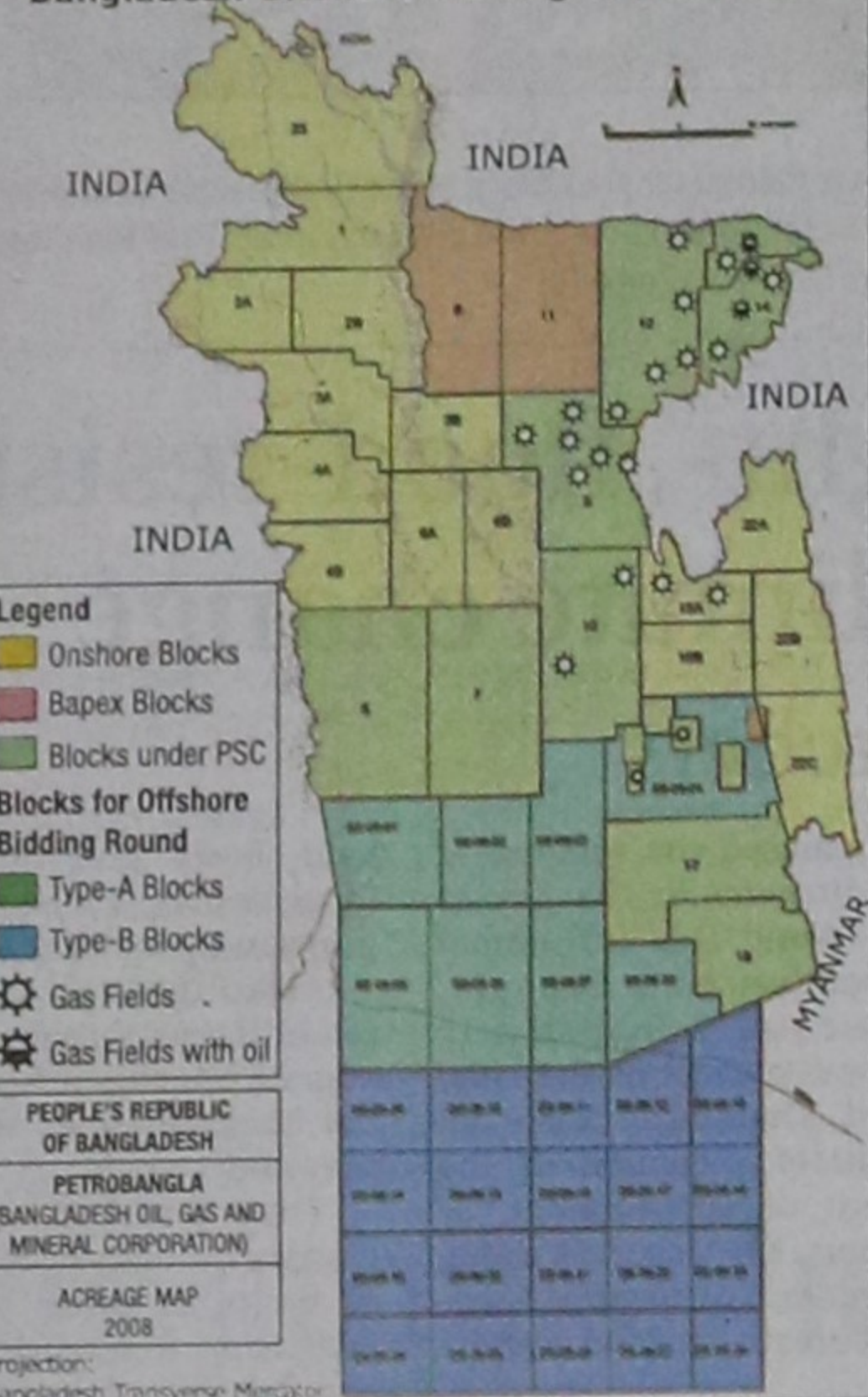
Petrobangla evaluated offers of seven oil companies under the off-shore block bid that was closed on May 7 and was expected to submit the evaluation report today to the energy ministry.

However, Petrobangla could not do it as the foreign ministry had not given any clearance about the off-shore blocks and also because its legal adviser Dr Kamal Hossain and Associates did not submit legal opinion concerning the bid. On top of it, the oil companies yesterday drew Petrobangla's attention at India's objection.

Nevertheless, Petrobangla and the foreign ministry believe these would not totally stagnate the bidding process.

"Fixing maritime borders like these take time to finalise. It cannot be done overnight. Differences of opinion concerning our mari-

Bangladesh Offshore Bidding Round-2008



time boundary may exist. There is a certain formula that has to be applied. Then we negotiate with neighbouring countries and strike an agreement," said a foreign ministry official.

"But we do not think that it would stop the bidding process. There might be disputes and objections about a few blocks but we can go ahead with the rest," he said.

International laws allow each country to enjoy the rights of 200 nautical miles to the sea from its coast. However, this is a tricky matter as the coasts of India, Bangladesh and Myanmar follow a curve, overlapping maritime territory. As per international practices, in such a case the neighbours should inform each other and reach a mutual understanding in respect of such grey areas.

In the recent past, both India and Myanmar awarded different companies offshore blocks close to the Bangladesh maritime border. During the process, neither India nor Myanmar informed Bangladesh about their initiatives in the Bay.

Bangladesh followed the same norm.

In 2004, the foreign ministry formed a committee with members of Petrobangla, Geological Survey of Bangladesh, Bangladesh Navy, Bangladesh Space Research and Remote Sensing Organization (Spaars), Bangladesh Inland Water Transport Authority and Surveyor of Bangladesh.

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40 injured as RMG workers clash with cops

STAFF CORRESPONDENT

At least 40, including 11 policemen, were injured in sporadic clashes between garment workers and the law enforcers at Sheorapara in Mirpur yesterday.

The agitating garment workers damaged at least six vehicles during the clash, resulting in suspension of traffic movement on Rokeya Sarani for an hour from about 8:30am, witnesses said.

Police arrested 12 workers on the spot on charge of assaulting the law enforcers. Officer-in-Charge of Mirpur Police Station Mohiuddin Mahmood told The Daily Star.

The Chief Metropolitan Magistrate Court, Dhaka later sent the arrestees to jail when they were produced before the police said.

The workers of the knitting section of SQ Garments at Sheorapara have been staging demonstrations for the last few days demanding salary hike, but they went berserk yesterday finding that the management has shut down the unit, the police said. Around 700 people work there, they added.

"We are staging demonstration as the owner of the factory shut down the section without paying any attention to our demand for salary hike," Rahima Khatun, a worker of the factory, told the reporters.

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GAS FIELD BLOW-OUT

Niko sued for Tk 746cr over Tengratilla loss

STAR REPORT

The government yesterday filed a damage suit with a Dhaka court against Niko Resources Bangladesh Ltd, claiming Tk 746.50 crore in compensation for destroying properties and gas reserves in and around the Tengratilla Gas Field in Sunamganj.

The secretary of the Ministry of Energy and Mineral Resources filed the case on behalf of the government and Bangladesh Oil, Gas and Mineral Corporation (Petrobangla).

The defendants are Qasim Sharif, president of Niko Resources Bangladesh Ltd, Brian J Adolph, vice-president and country manager of Niko, Peter Mercier, vice-president (Bangladesh Operation) of GSM Inc--a worldwide company represented by its President Robert D Grace--and GSM Drilling Manager George M Latimore.

After the hearing, Judge Abu Mohammad Aminul Ehsan (Central Filing) of Joint District Judge's Court, Dhaka fixed July 31 for the next hearing on the suit and directed the authorities concerned to serve summons upon the defendants to appear before the court on the scheduled date.

In the case, the energy secretary said under Article 143 of the constitution, the government is the owner of natural resources including gas that was destroyed and damaged by Niko's gross negligence and lack of skills and efficiency.

Niko entered into a joint venture agreement with Bapex on October 16, 2003 for development and production of petroleum from Chhatak and Feni gas fields. Niko started drilling the Chhatak-2 well on December 31, 2004 with the plan to drill three development wells in Chhatak West and one exploratory well in Chhatak East.

Niko drilled the first well Chhatak-2 without the approval of the Joint Management Committee under the agreement, the secretary noted. But this well met with the first blowout on January 7, 2005 in Tengratilla of Doarabazar of Sunamganj. This prompted the energy ministry to form an enquiry committee to determine the cause of fire and damage caused by the blowout.

In the enquiry, the committee found that the blowout had resulted from operational failure and inappropriate casing design and it held Niko responsible for the

blowout. "Niko took up a programme for drilling a relief well to contain the blowout in Chhatak-2," the secretary stated. On May 30, 2005, Niko started drilling a relief well about 91 metres west of the blown out well. While the drilling was in progress, another blowout occurred on June 24, 2005.

"Niko did not have experience of its own in respect of designing and implementing relief well and Niko engaged GSM Inc to design and supervise the relief well operation," the secretary pointed out adding that the GSM then provided consultancy, relief well design, plans and drilling procedures which Niko approved before implementing.

"Mr Brian J Adolph, Country Manager of Niko having BSC Engg (Civil), held the management positions but he had no experience in the above field," he stated, adding that GSM Well Control Specialist Robert D Grace had experience in blowout control but no experience in drilling relief well in shallow gas sand like that of Tengratilla.

GSM Drilling Manager George M Latimore had no experience as a drilling manager while the drilling

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HAMID MIR
From Pakistan

The great Taliban robbery

Believe it or not but Taliban have captured one Chinook and one Black Hawk helicopter of the US armed forces in Pakistani tribal areas. This "Taliban robbery" is actually the main cause of recent tensions between US and Pakistan. The parts of these helicopters were loaded in eight big containers from Karachi port a few days ago and these containers were on their way to Afghanistan by road from Karachi to Jalalabad. When these containers entered Khyber Agency area near Jamrud, Taliban stopped the containers and looted all the parts of world's most expensive and lethal helicopters. Pakistani

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Hold general elections first

STAFF CORRESPONDENT

Local government elections should not be held before the parliamentary election, said Samyabadi Dal during a dialogue with the government yesterday.

The bilateral talk was part of the ongoing politico-electoral dialogues between the military backed caretaker government and political parties.

Left leaning Samyabadi Dal also said a 'national unity government' before the elections will be disastrous but the next elected government could be formed based on a 'national consensus'.

"The government should hold local government elections after the national election and should also stall redemarcation of constituencies until after the elections,"

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Hasina undergoes eye check-up

UNB, Dhaka

Doctors examined eyes of Awami League President Sheikh Hasina at Yale University Medical College in Connecticut State of the United States yesterday morning.

According to a message received in Dhaka last night, doctors detected cardiac problem and high blood pressure of Sheikh Hasina.

The former prime minister was released on June 11 for eight weeks. She left for America the following day for treatment of her ears and eyes.

Hasina is now staying at her son Sajeeb Wazed Joy's house in Boston.

Joy told local media that on completion of eye treatment, his mother would go to Orlando in Florida for treatment of her damaged ears.

Schedules for city polls Friday

Govt yet to decide on relaxing emergency

SHAKHAWAT LITON

The Election Commission (EC) has decided to announce on Friday the schedule for holding polls in four city corporations and nine municipalities by the end of July, which will be the first elections under the state of emergency.

"We hope to do so," Election Commissioner Muhammed Sohul Hussain told The Daily Star yesterday when asked about the EC decision.

Meanwhile, the caretaker government is yet to decide whether the state of emergency would be relaxed or lifted to create a congenial atmosphere for credible elections, allowing polls campaigns without any restrictions.

The EC expects the government will make a decision in this regard in a couple of days as Chief Adviser Fakhrudin Ahmed has already assured it of creating such an atmosphere, EC sources noted.

Schedule for the long overdue polls in the city corporations of Rajshahi, Khulna, Barisal and Sylhet and nine municipalities will be announced at a press conference on Friday.

The nine municipalities are Manikganj Sadar, Chuadanga Sadar, Shariatpur Sadar, Naohata in Rajshahi, Dupchanchiya in Bogra, Sripur in Gazipur, Fulbaria in Mymensingh, Golapganj in Sylhet and Sitakunda in Chittagong.

Talking to reporters at his office yesterday, Election Commissioner Brig Gen (ret'd) M Sakawat Hussain told The Daily Star that the Dhaka City Corporation (DCC) would be announced after the voter list for the DCC areas is finalised.

According to the EC plans, polls in the DCC and some other municipalities will be held in September, and upazila elections in October and the ninth parliamentary election in the third week of December. Polls in 482 upazila parishads will however be held in phases.

Chief Election Commissioner (CEC) ATM Shamsul Huda at an EC meeting yesterday directed officials of the EC secretariat to make all preparations for the elections.

The CEC and election commissioners Sohul and Sakawat left

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Vehicles slog through knee-deep water on the main thoroughfare at Bahadderhat in Chittagong after deluge throughout yesterday swamped much of the port city. (Story on page 16)

Original of independence proclamation missing

SHAKHAWAT LITON

The original copies of the country's proclamations of independence, formation of the first government, and the laws' continuance enforcement order of 1971 are missing from government custody.

Senior officials of the cabinet division, who are responsible for preserving the historic documents, do not know how the originals got lost.

They said when the current caretaker government in April this year handed over some historic documents to the National Archives for permanent preservation, the original documents of the country's birth were not found.

"Original copies of the documents were not in the cabinet division's custody. We had photocopies of those, which we handed over to the National Archives," Cabinet Secretary Ali Imam Majumder told The Daily Star.

Asked how the originals went missing, he expressed his ignorance about the matter.

Talking to The Daily Star about the matter, HT Imam, the country's first cabinet secretary, said the original copy of the proclamation of independence was definitely in government custody, which was

also published in an official gazette on May 23, 1972.

HT Imam, also the cabinet secretary to the Mujibnagar government, the first ever interim government of Bangladesh which led the liberation war, said it is really unfortunate for the nation that the original copy of the April 10, 1971 proclamation of independence through which the first government was formed and the March 26, 1971 declaration of independence was approved, are missing.

Barrister Amir-ul Islam, who drafted the proclamation of independence that worked as the provisional constitution of Bangladesh through the liberation war, said the draft was hand written and some copies were made before it was proclaimed in Mujibnagar in 1971. "It's unfortunate that the originals of the historic documents are missing. It's all of our responsibility to find the originals," Amir told The Daily Star.

Officials of the cabinet division however are not aware since when the original copies of the documents have been missing. Erstwhile senior government officials, who worked in the cabinet division in the immediate aftermath of the country's independence,

however apprehend that the originals of the historic documents could have been lost, removed, or destroyed with ill motives along with some other important documents regarding trials of war criminals, after the August 15, 1975 coup d'état.

Unfortunately, successive governments showed no care about the loss and made no move to recover the originals.

Even after being aware of the loss, the cabinet division still has made no move to locate the originals, official sources said.

On April 2 this year, the caretaker government handed over to the National Archives three volumes of original historic documents of appointments and oaths of the presidents, vice-presidents, and the prime ministers of Bangladesh, and of the proceedings of cabinet meetings during the period between 1971 and 1982.

But it provided the archives with only photocopies of the proclamation of independence, and the laws' continuance enforcement order of 1971, published in official gazettes after the independence, archives sources said.

A photocopy of the hand written original proclamation of the

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Reforms in bureaucracy not done yet

SAYS ADB OFFICIAL

STAFF CORRESPONDENT

The caretaker government has implemented many landmark governance reforms, but unfortunately one major reform that has remained untouched is of the sluggish and complex bureaucratic structure of the government, said Hua Du, country director of the Asian Development Bank (ADB).

Hua Du said this at the monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham) at a city hotel yesterday.

She said the vision of transforming Bangladesh into a mid-income country by 2020 may remain an illusion due to the sluggish and complex bureaucratic structure of the government.

"In my view, this is the mother of all other reforms," Hua Du said in her speech on the topic "Bangladesh Economy: Opportunities and Challenges".

She said the pyramid bureaucratic structure and its archaic systems and procedures inherited from the colonial days characterised by inefficiency, centralisation, lack of delegation and job description; too many tiers in the decision making process; archaic filing and

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WB okays \$320m budget support loans

STAFF CORRESPONDENT

The World Bank (WB) yesterday approved two budget support programmes worth \$320 million to assist the government implement its wide-ranging governance and economic policy and energy reforms.

Of the funds, \$200 million will be provided as Transitional Support Credit (TSC) to help lessen pressure on the budget for 2007-08 fiscal year and the rest for the power sector, said a statement issued by the WB, Dhaka office.

With approval of these projects, WB's total concessional lending to Bangladesh in FY 2007-08 stood at \$683 million, which is 80 percent more than \$379 million in FY 2006-2007.

Of the total lending for the outgoing fiscal year, \$495 million was in the form of budget supports.

"Extensive damage from successive floods followed by the devastating cyclone in 2007 and the unabated increases in global commodity prices have put the Bangladesh economy under considerable strain," Xian Zhu, WB country director for Bangladesh, said. "The TSC will help the country's

overall fiscal situation by reducing the pressure on the budget due to rising spending on oil and food," he observed.

The approval of the TSC programme would allow the government to protect its expenditures on core developmental priorities while maintaining fiscal sustainability as well, the WB statement said.

The Power Sector Development Policy Credit programme has been aimed at enhancing governance and accountability and promoting financial stability in the sector to deliver better service.

The move will support the government's overall power sector reform programme, including procurement of privately financed power generation, corporatisation of state-owned operating companies and institutional strengthening of the Bangladesh Energy Regulatory Commission.

WB senior energy specialist and team leader for the power project Alan F Townsend said: "The reforms supported by this credit will strengthen accountability in the sector by improving governance of state-owned service

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BNP, allies want release of all political leaders

STAFF CORRESPONDENT

Demanding release of all political leaders including BNP Chairperson Khaleda Zia, the BNP-led four-party alliance yesterday said people would not accept trials under the emergency power rules that it said do not allow the judges to work independently.

They observed that the political leaders behind bars should be freed to make the ongoing dialogue meaningful and hold an acceptable general election.

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AL demands lifting of emergency before polls

Talks to EU team

STAFF CORRESPONDENT

Awami League (AL) yesterday renewed its call to the government for creating a congenial atmosphere by lifting the state of emergency immediately and holding parliamentary elections ahead of other polls.

"We want the national elections

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Govt to import 12,000 tonnes of fertiliser from Qatar

STAFF CORRESPONDENT

The advisory committee on purchase yesterday approved a proposal to import 12,000 tonnes of urea fertiliser at a price of \$666 per tonne from Qatar.

The import price of urea was \$408 per MT last year, sources in the industries ministries said.

The government will import 4 lakh MT urea fertiliser under the agreements signed with Qatar, United Arab Emirates and Saudi Arabia for the coming fiscal year.

At the meeting chaired by Finance Adviser Mirza Azizul Islam, the purchase committee also approved a Tk 15.97 crore project to appoint a consultancy firm for water supply and sanitation in mid-level towns.

The committee also approved a Tk 23.38 crore proposal for selecting two NGOs for implementing area based social nutrition programme.

A tender proposal to construct two small bridges under Uttara Model Residential Town and a box culvert on a lake near Sonargaon Road at a cost of Tk 21.17 crore has also been approved in the meeting.