

Sangu gas compression project launched



Prime Minister's Energy Adviser Dr Towfiq-e-Elahi Chowdhury takes a tour after the inauguration of the "onshore gas compression project" for the Sangu Gas Plant in Chittagong yesterday.

DWAIPAYAN BARUA, Ctg

Prime Minister's Energy Adviser Dr Towfiq-e-Elahi Chowdhury said yesterday an additional 200mmcf to 300mmcf gas could be produced in two years, as the government fast-tracks projects to mitigate the energy crisis.

The government has already decided to create a Tk 1,000 fund beyond the budget to finance different projects to explore new gas fields and increase production.

Chowdhury was speaking as chief guest at the inauguration of the recently commissioned "onshore gas compression project" at Sangu Gas Plant at Fouzderhat in Sitakunda upazila, Chittagong.

Two compressors under the project were installed to extend the life of Sangu gas field to ensure an uninterrupted gas supply to Chittagong

through 2011.

Chowdhury said the government is following its best management practice to tackle the acute energy crisis but "it's not the solution".

"So, we are going to take different short-, medium- and long-term projects to bring a lasting solution to the crisis," Chowdhury said.

Funds will also be ensured from different sources, including public-private partnership, he said.

The government plans to import liquid natural gas to face the acute crisis as a short-term measure, and to install power plants soon using alternative energy such as coal and furnace oil to generate an additional 1,500MW of power.

On the hike in gas prices, Chowdhury said the money to be collected from additional earnings would be used for the gas development fund.

Petrobangla Chairman M

Muqtadir Ali said 1,950mmcf gas could be supplied daily against demand for 2,250mmcf a day. The supply shortage in Chittagong region reached 100mmcf against demand for 320mmcf a day.

Muqtadir identified different problems such as limitation in Comilla-Chittagong pipeline and declining production at both Bakharabad and Sangu gas fields for the gas crisis in Chittagong.

Cairn Energy's acting Managing Director Ian Wright hoped the onshore gas compression project would ensure an uninterrupted gas supply to Chittagong until December 2011.

He said the \$6 million compression project has been successfully implemented by the deadline.

The two compressors built in Singapore started operations on July 2.

Wright underscored the need to explore more gas immediately to resolve the gas crisis.

Speaking to The Daily Star, Production Operations Superintendent of Sangu Gas Plant Babur Khan said the installation of the two compressors would help keep the field alive by increasing pressure in "feed gas" in the main pipeline of BGSL (Bakharabad Gas Systems Limited) and hike gas generation to some extent.

Production in Sangu gas field came down to 48-50mmcf a day due to the shortage of gas reserve. The daily production was at 200mmcf when it started its production in 1998.

Over the last 10 years, the Sangu gas field has produced over 460bcf (billion cubic feet) gas.

Chittagong City Mayor ABM Mohiuddin Chowdhury was the special guest at the ceremony.

Commerce minister hints at narrowing VAT net

UNB, Dhaka

Commerce Minister Faruk Khan yesterday said the government would minimise the net of VAT (value added tax) gradually, but the income tax net would be expanded.

"It's not possible to waive all types of taxes together as the government meets its requirement of funds through people's taxes to run different projects," he told a delegation from the Pure Water Manufacturers Association when it met him at his office.

Md Asgar Hossain Alim led the 15-member team.

During the meeting, Khan urged the businessmen to help the government through identification of illegal traders. He said, "It's a business-friendly government.

Do business honestly and uphold the image of businessmen by serving the people."

"Play responsible role and your demands will be gradually implemented," the minister urged the businessmen.

The association leaders informed the minister that over 500 drinking water purification units, which are small and medium enterprises (SMEs), are now in operation.

They said they have already invested Tk 50 crore in the sector generating jobs for over 10,000 people.

The trade body leaders sought the government's cooperation to set up a research centre for the welfare of the sector and urged the minister to exempt VAT and ensure loan facilities.

Media should help promote SMEs

Says industries minister

STAR BUSINESS REPORT

The media can play a strong role in enhancing the growth of small and medium enterprises (SMEs) through extended coverage of the SMEs, said the industries minister yesterday.

"We are trying hard to turn Bangladesh into a middle-income country by 2021 and for that we will have to go for massive industrialisation soon," said Dilip Barua.

So the government has prioritised the SME sector, he added.

"At present, 80 percent of the total industries of the country fall into the SME category and have created huge employment opportunities. The media can play a strong role through extended coverage in enhancing the growth of the SMEs further," the minister said.

He was speaking at the premier show of Brac Bank Sudiner Barta, a TV serial based on the success story of the country's SME entrepreneurs.

United Network Limited (UNL), a media and communication consultancy firm, organised the show in Dhaka.

Barua said the media should extend coverage of

SME-related issues, such as promoting successful entrepreneurs and the problems of the sector. The media can also play a strong role in creating awareness among new entrepreneurs, he added.

"The media can allocate more time for broadcasting SME issues, such as lack of access to finance and where to go for primary information," he said, adding: "Presently, the media coverage of SME is very low -- only 2.4 percent in the print media and 1.6 percent in television."

"We want to give this loan to the manufacturing sector only, instead of the trading sector. We would like to encourage the manufacturing sector to develop the country's status as an industry-based economy," Ahmed said.

AEA Muhammed, managing director of BRAC Bank, said the banks of the country should change their mindset towards the SMEs.

"Earlier, local banks were interested only in financing big industries and failed to brand SMEs. Now they are realising that the sector is the engine of growth," he said.

He said BRAC Bank lends on an average 8,000 SME customers a month, and provides services through its 54 units across the country.

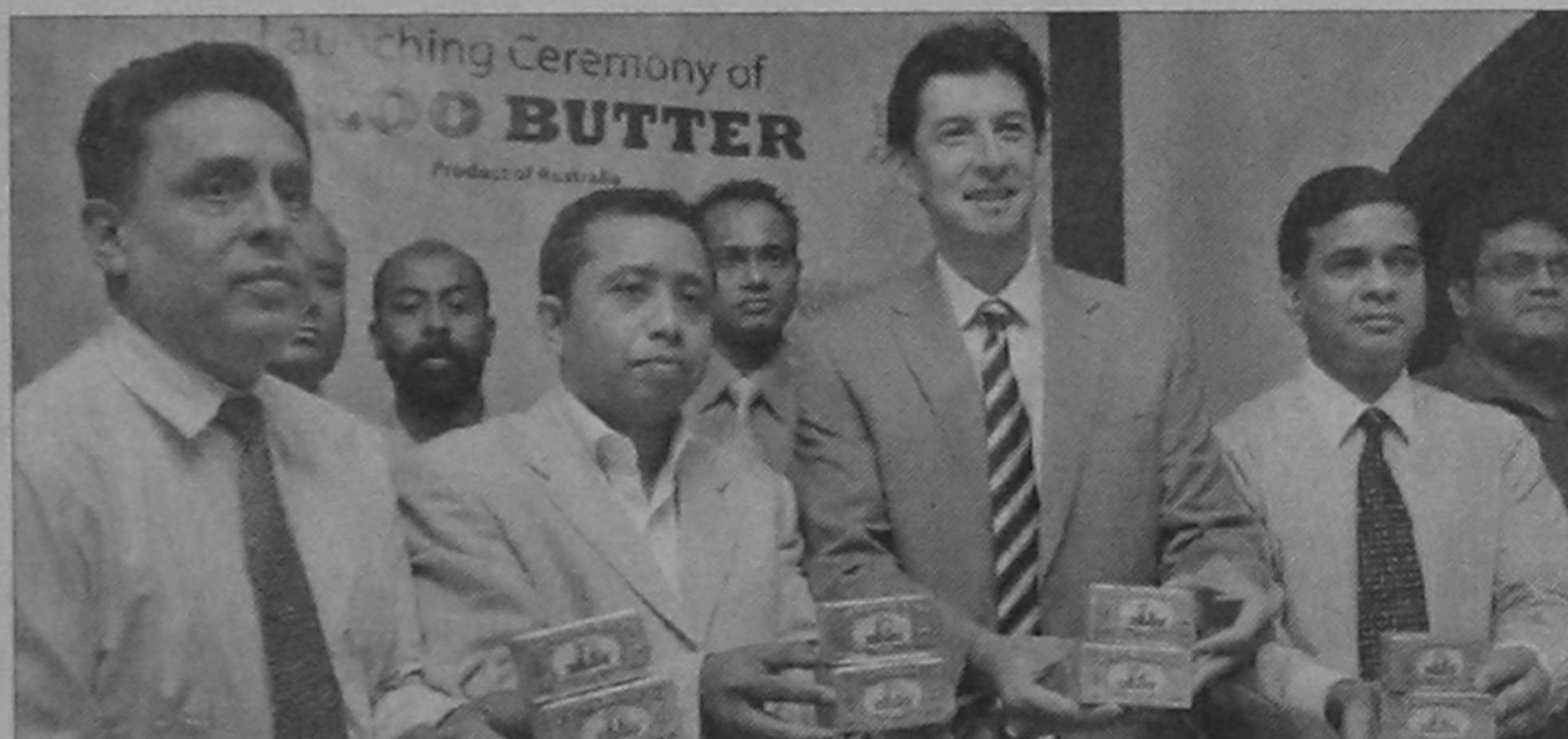
Dr Momtaz Uddin Ahmed, managing director of SME Foundation, said the foundation is providing necessary information and training to the entrepreneurs.

"We are planning to expand our credit wholesaling programme, especially for women entrepreneurs to support them in capital sourcing," he said.

"The programme was initiated last year with disbursing collateral-free loans at an interest rate of nine

percent," he said.

Mohammad Shahroze Jalil, manager (service division) of Katalyst, and Mominul H Khan, managing director of UNL, were also present at the programme.



Dr Justin Lee, Australian high commissioner, and Mohiuddin Monem, managing director of Abdul Monem Ltd, along with other high officials of the company, launch the company's premium quality butter, produced and packed in Australia, under its ice-cream brand Igloo in Bangladesh, at a ceremony in Dhaka recently.

Policy Research Institute gets vice-chairman



STAR BUSINESS DESK

Dr Sadiq Ahmed has joined the Policy Research Institute of Bangladesh as its vice-chairman.

Ahmed, a leading Bangladeshi economist, has taken early retirement from the World Bank, to team up with his economist colleagues at the Policy Research Institute, according to a press statement released yesterday.

During his 28-year career at the World Bank, Ahmed held many key positions and worked in several countries in Asia and Africa region, although he was mainly involved with the South Asia region and Bangladesh for the past 12 years.

He was the World Bank country director for Pakistan and Afghanistan before becoming the chief economist and director for South Asia. Prior to his retirement, he was heading the South Asia regional programme.

Ahmed is a development practitioner and a leading expert on macroeconomic policy, trade, poverty and regional economic integration issues.

He has published numerous articles on Bangladesh economy in national and international journals. He has several books to his credit written on the economies of Bangladesh, India and South Asia.

Square Consumer launches Chashi brand

STAR BUSINESS DESK

Square Consumer Products Ltd has launched 'Chashi', a new brand to deliver natural taste, nutrition and purity of food products to consumers, says a statement.

The new brand was launched by artist Quayum Chowdhury and nutritionist Siddiqa Kabir through an event organised by the company at Radisson Winter Garden Hotel in Dhaka on Saturday.

"Being in harmony with nature, we want to bring back the natural taste, nutrition and purity of products by marketing 'Chashi' when bumper cultivation is the established trend," said Anjan Chowdhury, managing director of the company.

Experts comprising Moazzem Hossain, editor of The Financial Express, Farid Hossain, bureau chief of The Associated Press (AP), Martin Mulligan, senior sub-editor and writer for The Financial Times, UK, and Robert Powell, financial journalist of BBC.

Apart from the international experts, local resource persons including renowned journalists, academics, economists and researchers are conducting the course.

Fifteen journalists, mostly 'gatekeepers', from print and electronic media houses are participating in the training, facilitated by Farid Hossain from AP.

Rahman is the managing partner of Shafiq Mizan Rahman and Company, a chartered accountancy firm.

The organisation also elected MA Salam as secretary general and Sirajul Islam as treasurer, added the release.



Artist Quayum Chowdhury and nutritionist Siddiqa Kabir jointly launch 'Chashi', a new brand from Square Consumer Products Ltd, in Dhaka on Saturday. Anjan Chowdhury, managing director of the company, is also seen.

Business journalism training takes off in Savar

STAR BUSINESS DESK

Management and Resources Development Initiative (MRDI) started a weeklong residential training of trainees on business journalism in Savar yesterday, with support from Catalyst.

The training pulled in journalists from selected media houses to create a pool of trainers to run on-the-job and formal trainings in business journalism, according to a press release.

The future trainers will be imparted practical knowledge to train others on stock market reports, accountancy skills for better financial reporting, financial

statement analysis, and research for business and SME reports, MRDI said.

The journalists will later act as in-house trainers and contribute to long-term capacity development of the respective media houses, MRDI said.

During the course, a business journalism training template will be developed for individual media houses, which the media, both print and electronic, will use for their own capacity building programmes.

After assessing the training needs of the media houses, two training modules have been developed for the course by a team of

experts comprising Moazzem Hossain, editor of The Financial Express, Farid Hossain, bureau chief of The Associated Press (AP), Martin Mulligan, senior sub-editor and writer for The Financial Times, UK, and Robert Powell, financial journalist of BBC.

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Retailer wins the first prize (Dhaka-Nepal-Dhaka air ticket) at the 'Meril Night 2009', organised by Square Toiletries Ltd, in Dhaka recently.

AKM Mizanur Rahman

OISCA's Bangladesh chief reelected

STAR BUSINESS DESK

OISCA International Japan (Bangladesh National Chapter) has re-elected AKM Mizanur Rahman as its president, says a press release.

Rahman is the managing partner of Shafiq Mizan Rahman and Company, a chartered accountancy firm. The organisation also elected MA Salam as secretary general and Sirajul Islam as treasurer, added the release.

The move to suspend flights is to "highlight the urgency for the government to intervene immediately," said Anil Baijal, secretary general of the Federation of Indian Airlines (FIA) which represents seven private carriers.

Vijay Mallya, chairman of Kingfisher Airlines, India's largest airline by market share, is caught in a quagmire of soaring losses, high debt and falling passenger numbers.

"We need help to stay in business," said Naresh Goyal, chairman of Jet Airways, India's second-largest carrier by market share, as the stoppage for August 18 was announced last week.

"Our losses are no longer sustainable," said the billionaire tycoon, whose holdings also include United Spirits, India's largest liquor maker.

"It costs us more to fly than to stay on the ground," he said.

The private airlines are pushing their case after the government said it would pump in money to rescue state-run flagship carrier Air India, which is also reeling from losses.

After the government opened India's skies to more competition in 2004, a clutch of new airlines took flight amid predictions of double-digit passenger growth.

But costlier fuel pushed up fares, sending many passengers back to trains. Now the sector has also been hit by a slowing economy, reducing travel. From January to June, airline passengers fell by eight percent.

The stoppage threat comes as the airlines are announcing new losses. Jet Airways said it lost 2.25 billion rupees (47 million dollars) in the first quarter while Kingfisher reported a net loss of 2.40 billion rupees.

Losses for the entire sector last year are estimated at two billion dollars of which Air India accounted for half.