

The weight of limestone

The huge cement market in Bangladesh and adjoining areas may be difficult to ignore and any stopgap attempt to meet the cement demand may not be economical in the long run.



MD. MOSHARRAF HOSSAIN

DURING the British Raj, Chhatak became famous for its cottage limestone industry. At that time, Khasi Hills' limestone quarries were carried to Chhatak, calcined to make lime and supplied to Bengal's vast market. The British were involved in the lime trade, as proved from inscriptions in the stone-built monument still seen in Chhatak, in remembrance of some white traders. Industrialists grasped their opportunity in 1940; the Assam Bengal Cement Factory was built on the Surma riverbank, using Khasi Hills' limestone, supplying fresh cement to all Bengal by river route. Since then, the factory worked year-long, while seeing ups and downs in the region's cement industry.

Khasi Hills limestone, given to India under the Radcliff demarcation of the Indo-Pak border in 1947, continued uninterrupted till 1965, when the Indo-Pakistan war caused it to stop. Then the EPIDC opened a new limestone mine at Takerghat, north of Sunamganj, and provided an alternative supply source of raw material for cement manufacturing. This quarry, then the only operating East Pakistan mine, continued till 1990, supplying supplementary limestone quantities to add to the

Khasi Hills supply for Chhatak, which resumed cement production after independence.

The huge reserves in the Khasi Hills, and natural gas availability, attracted internationally reputed cement industrialists who built a multinational company, the Lafarge cement plant. Started in 2006, Lafarge Cement now lists to its death-song, since on February 5, the Indian Supreme Court ordered it to stop its limestone mining operations at Khasi Hills. The Indian Supreme Court restrained the French cement giant from carrying out limestone mining in Meghalaya for its Bangladesh cement plant, saying mining cannot be allowed in the Khasi hill's eco-fragile area. The New Delhi press report says, "The 255-million dollar Lafarge Surma Cement project at Chhatak, Sunamganj is wholly dependent on the limestone extracted from Meghalaya's East Khasi Hills. Limestone is transported from the Indian state to Bangladesh on a 17 km-long conveyor belt." A special forest bench, headed by Chief Justice KG Balakrishnan, stayed mining activities on the basis of a Ministry of Environment and Forests (MoEF) report.

The Indian environment ministry concluded that permission to extract limestone

from Shella village in Meghalaya's East Khasi Hills was allegedly obtained by showing the forestland barren. "In this eco-fragile area, we will not allow mining," said the bench, also comprising Justices S.H. Kapadia and Aftab Alam.

"You [Lafarge] stay it for one month in terms of the MoEF report," the bench said, disagreeing with the company's suggestion that work at the quarries continue, on payment of amount higher than the land's net present value. The apex court bench said it could grant no relief at this stage, as the allegations are serious. It asked the company to file an affidavit in response to the MoEF report and posted the matter for a March 19 hearing.

Lafarge Surma Cement Limited suffered a 7 percent decline in share trade in the Dhaka stock exchange on February 7, upon news of the court order. "Such order will eventually halt the production of the company," said an analyst in the Dhaka Stock Exchange. This case illustrates risk of investment, involving multi-country players, especially when an alternative raw material supply is less likely for manufacturing a finished product. Bangladesh's limestone deposit is almost nonexistent on the surface. Surma limestone's dip-down portion at Takerghat has been exhausted, and its remaining reserve is not economically viable for mining. The only other limestone deposit is at Jaipurhat, which had been on the anvil for implementation till 1985, but the stream of clinker grinding plants emerging in the private sector, based on imported clinker, made cement an easily available commodity in Bangladesh, and the Jaipurhat limestone mining and cement project died prematurely in the early nineties.

Jaipurhat limestone is a high quality ingredient for cement manufacturing. Detailed feasibility studies by several international mining and cement companies had verified the project's techno-economic feasibilities and endorsed the programme. The only stumbling block at the time was to sink two shafts 1500 feet deep to reach the limestone bed. Though appeared difficult, Chinese and Korean miners have constructed 4 deeper shafts in a coal and another granite mine in Bangladesh, under similar geological conditions. These shafts worked perfectly. So, limestone mining at Jaipurhat must be earnestly taken up and a mine, as was approved by the Bangladesh government earlier, quickly implemented. Fortunately, the Geological Survey of Bangladesh has confirmed the presence of a limestone bed at Patitala, closer to the surface than at Jaipurhat, which could be developed after conducting a techno-economic feasibility study.

Khasi Hills limestone could have been a cement source for not only Bangladesh but

also West Bengal and eastern India. The almost inexhaustible limestone deposit in the Meghalaya remains unutilised, for lack of infrastructure and difficulties in transporting finished products to the market. Non-availability of fuel is also a major block in developing a cement industry in Meghalaya. In fact, a cement plant at Cherapunji, based on Khasi Hills' limestone, closed for many reasons, especially fuel and water; two main ingredients for cement manufacturing.

Such regional cooperation issues can only be considered under a different mindset, which may not be easily seen in this part of the world. Technical and political progressive thinking could be blown away by other factors, including legal requirements, as was demonstrated in this case. Such impediments in cooperation were also observed when the transfer of an enclave to Bangladesh was halted by a court order, creating a serious block in implementing a political accord in the early days of independent Bangladesh.

The issue is relevant to those experts advocating open pit mining of coal in Bangladesh. If India doesn't allow mining in a place like Shella in the Khasi Hills, then the dream, of going 450 feet deep, removing the rich topsoil from the fertile agricultural land, in and around Dinajpur, a major rice-growing area, needs to be revisited.

Again, another relevant question comes to mind. How have our country's environmentalists allowed the mining of low-grade high sulphur coal, under almost similar conditions as in the Khasi Hills, for export to Bangladesh, to burn in its soil and pollute our country's environment?

Cement is a key input for the construction industry. The so-called cement plants in Bangladesh are actually clinker grinding plants, having only the ball mill or roller mill of the entire cement-making process. It could be cheaper to import finished bulk cement, except that cement quality deteriorates on a sea voyage, and clinker offers a better transportation mode of finished product. An integrated cement plant is the real answer for our cement supply, if limestone input can be ensured from any viable source.

Petrobangla should immediately revive and implement the Jaipurhat limestone mining and cement project. Alternatively, our government can offer to the private sector in the country the development of Jaipurhat limestone mining and implementation of an integrated cement plant. The huge cement market in Bangladesh and adjoining areas may be difficult to ignore and any stopgap attempt to meet the cement demand may not be economical in the long run.

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Danger from the New Brahmins

This creamy layer of 20 percent at the top has no interest in involving the froth of 80 percent in decision-making.

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INDIAN democracy is in danger of subversion by a self-confident, aggressive, articulate, patriotic and well-meaning force; the oligarchy of the successful. It might be a mild exaggeration to suggest that its principal characteristics are aftershave and English.

Many of them possibly disdain aftershave or perfume, and would not be crass enough to be preceded by five yards of "Axe effect;" to name the most advertised aftershave of the moment. But they are loyal to the English language, the proven mantra to worldly success. This new class of thirty-something (terribly reluctant to turn 40) is a product of consistent high growth since economic liberalisation began in 1991. They bring with them a fresh mindset, a happy sense of purpose, a professional approach to governance and a welcome lack of social baggage.

So why should they be considered a potential hidden danger? Their assets dominate contemporary business, media and politics; their liabilities are buried in a general reluctance to see beyond their celebrity status. Politicians have always been celebrated, and rightly so; if you are in public life, you will be under public scrutiny. Yet, they have not been celebrities. The difference is being squeezed by a squalor culture that is another dominant trait of a substantial and growing elite.

Danger lies in the fact that this creamy layer of 20 percent at the top has no interest in involving the froth of 80 percent in decision-making. It recognises the problem of poverty, of course, and is even concerned enough to address it at policy level. It would much prefer an India in which beggars do not stare through the windowpanes of its cars; unfortunately, beggars can't be screened out by black film for reasons to do with public security. But it treats the poor as both the cause and the consequence of poverty, and therefore, unworthy of more than a token presence on the table. In a sense this is the old caste system in a modern manifestation; it is a karmic view of government, propagated by the New Brahmins, wearing a tie in front instead of a tiki at the back.

Commonwealth Delhi is their true capital, designed for their comfort and convenience. Not a single bicycle lane has been constructed in the newly reconstructed city because it is still downmarket in Delhi, unlike London, where mayors and future prime ministers use it. You eliminate poverty by denying it space in your environment. If you don't see a slum, it doesn't exist. The Commonwealth Games, which will last less than a week, are an excuse to switch spending towards an infrastructure for luxury, essential for a class that has found the wherewithal to afford luxury. One is not being a killjoy, or taking the puritan view, that India should not host an international event till Ram Rajya has arrived. There will always be imperfection and inequality, but it is what you do with opportunity that determines whether the social purpose is egalitarian or elitist. Capitalist London has used the 2012 Olympics to upgrade its poorer areas. Delhi has done the opposite, improving what was already good, ignoring the squalor that floats under the thin surface of glitter.

Is Delhi the development model for the coming decade? There is a huge and growing aspirational class that supports the oligarchy of success, because it is straining at the door to be let in. This emerging constituency, perhaps a maximum of about 300 million, is keen to outsource its future to an oligarchy because it has sniffed the latter's success. It wants membership of the oligarchy. It is strong enough to shift a general election towards one political party or the other, but it is not strong enough to sustain governance.

That leaves 800 million dependent on goodwill. Democracy is not about generosity. It is about entitlement. Democracy is not about patronage. It is about equality. Democracy is about being inclusive, not exclusive. Democracy is about an equal vote in the political boardroom, not just in the ballot box.

The slick highways dotted with malls and upwardly mobile dhabas, transporting a world beyond reach to villages they traverse, are both a tease and a frustration. Why shouldn't the young of rural India, who cannot afford the highway toll, dream of magic lights in the big city? They do not want to plod while new Brahmins travel at 100 mph. They do not want to end up as labour in a busybody small town; they want a job in the "new" New Delhi. The poor are not fools. They know they cannot be managers. However, if the nation cannot find a profitable avenue for their skills, then the social structure will be vulnerable to their anger.

If the high table cannot find a seat for them, then there are other tables, some with guns.

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Dance of the dragon

The French emperor, Napoleon, was reported to have said of the China of his time, "Don't wake up the sleeping dragon." China not only woke up in 1949, through the communist revolution and establishment of the Peoples' Republic of China, but it is likely to be the world's largest economy by 2030, or earlier,

SYED REZAUL KARIM

THE Chinese New Year, "the Year of the Tiger," begins from February 14 this year. Celebrations will continue for 14 days, including the traditional Chinese dragon dance. By all counts, the Chinese economy is already performing the dance of the dragon.

The French emperor, Napoleon, was reported to have said of the China of his time, "Don't wake up the sleeping dragon." China not only woke up in 1949, through the communist revolution and establishment of the Peoples' Republic of China, but it is likely to be the world's largest economy by 2030, or earlier, by purchasing power parity basis, instead of in 2041, as forecast by Pricewaterhouse Coopers, the management and accounting conglomerate.

Economic data coming out of China confirm that forecast. For the first time, China has overtaken Germany as the number one exporting country in the world. Chinese exports of \$2.2 trillion in 2009 beat German export figures of \$2.19 trillion. Not only that, the Chinese economy grew at an amazing rate of 10.7 percent in the fourth quarter of 2009. The average economic growth rate for 2009 was clocked at 8.7 percent. This growth rate is all the more spectacular, in the background of global economic recession this year.

This growth rate pushes the Chinese gross domestic product in 2009 to \$4.91 trillion. The World Bank estimates that Japan's sluggish economic growth in 2009 caused that economy to shrink by 5.4 percent in 2009, implying that its economy came down to the level of \$4.66 trillion. This makes the Chinese economy the second largest in the world after the USA. We have to wait till February to confirm the Japanese figure.

China has also overtaken the USA in terms of vehicle production in terms of units. The Chinese have manufactured 13.6 million motor vehicles in 2009, a 46 percent growth

over 2008. A news item appearing in the China Daily of January 16 and 17 this year went by the headline, "24 hour auto factories still can't meet demand." This was the Nissan Motor Company factory in central China, making cars for almost 24 hours each day. There is a three-month-long cue for the newly manufactured cars. Nissan, Ford, and Honda Motor Companies are running their factories at full capacity, with overtime and weekend shifts and "still can't deliver enough cars."

How was such a consumer surge for domestic consumption generated, and what has propelled the Chinese economy to accelerate to such a speed? For one thing, the Chinese economy was the fastest growing economy in the world in the last 30 years, with an annual average growth rate of 10 percent. Since 1978, the year marking economic reformation and policy pragmatism, hundreds of millions of Chinese have been lifted out of poverty. Poverty has been reduced from 53 percent in 1981 to 2.5 percent in 2005.

Today, the per capita income at nominal value has reached \$3180 and at the purchasing power parity basis at \$5943. But the worldwide recession of 2008/2009 has not been able to unruddle Chinese growth. One has to look at domestic consumer spending as the worldwide demand for goods slowed down in the wake of the recession. For the last 30 years, the average per capita income grew at 8 percent annually, drastically reducing poverty. Like most of the developed and developing countries, China also introduced stimulus incentives to the tune of approximately \$600 billion to shore the economy.

It is reported that China's fast growing rural market was fuelling the country's economy in 2009, driven by farmer's rising income and stimulus incentives. According to the Chinese Ministry of Commerce, growth in rural consumption expanded around 15.5 percent in 2009, and outpaced that in the urban areas (15.2 percent) for the first time. The total amount of rural consumption is estimated at 4

trillion Yuan. To expand domestic consumption, early last year, the government launched a series of incentives for farmers, ranging from purchases of agricultural machinery to home appliances and electronics. Domestic consumption is expected to account for 51 percent of last year's growth.

However, the root cause of the growth is attributed to the rising income of Chinese farmers, an expert on rural economies at the Development Research Centre of the State Council observed. The average annual income of Chinese farmers has increased 6 percent every year since 2004. The same expert maintains that consumption in rural areas will retain strong growth momentum this year also, as the government continues with the stimulus package.

The beginning of the economic transformation started in 1978 with market-oriented reforms, which unleashed private initiative and entrepreneurship. That meant adopting pragmatic policies reducing ideological rhetoric. Yet, the basic economic concept of central planning remains. From the stages of central planning through five-year plans, Mao's Great Leap Forward, and the Cultural Revolution, China has come a long way to settle into what is called a "socialist market economy." The government invests heavily in

infrastructure, such as communication, energy, power, exploitation of mineral resources and the development of human resources.

The Chinese pragmatism, that is talked about, is perhaps best symbolised in the resort island of Sanya in the Hainan province, where a 105 metre-high statue of Buddha, higher than the Statue of Liberty in New York, rises up majestically from the shore of the South China Sea. One face of the benign Buddha gazes at the open sea and the other towards the mainland. The island is also inhabited by a sizable Muslim population with numerous mosques and women wearing hijab.

One of the architects of China's pragmatic economic policies, from the late seventies and early eighties, was the diminutive but powerful Deng Xiaoping who said in 1984, "one of our shortcomings after the founding of the Peoples' Republic was that we did not pay enough attention to developing the productive forces. Socialism means the elimination of poverty. Pauperism is not socialism still less communism."

When shall Bangladesh turn its attention toward developing productive forces?

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China is piling up the billions.