

Global gas boom: Why are we lagging behind?

M. FIROZE

OIL and gas discoveries are generally reported in obscure trade and industry journals and websites. When gas discoveries started making headlines in the mainstream media throughout the world in 2011 and onwards, it was a sign of not only a major technological breakthrough but of geopolitical significance as well.

The *Sydney Morning Herald* in its June 25 issue reported that the Reserve Bank of Australia feared that the country's gas boom could overheat the economy. Australia is home to 8 of the largest LNG plants being built in the world and set to become a major exporter to Japan and China in 3 years. Fareed Zakaria, managing editor of *Newsweek*, in a CNN talk show last May, highlighted how the natural gas boom throughout the world has immense strategic and geopolitical implications. Traditionally gas barren or importing nations -- Canada, Australia, United States, Poland, France and Israel -- are emerging as major gas producing powers. The geopolitical implications are tremendous. The United States, currently the world's largest importer of oil, will no longer need to do so by 2020. Australia and Canada will emerge as major gas exporting nations.

The International Energy Agency (IEA) has brought out a special 2012 report titled "Golden Rules for a Golden Age of Gas." The gas boom started in the US with the perfection of technology to fracture deep sedimentary rocks, known as shale and horizontal drilling. By one estimate the US proven gas deposits will last for 300 years at current consumption levels.

In the US, since 2011, gas production has outstripped demand, forcing prices to plunge to \$2 per 1,000 mmBtu. In comparison, Europe and Japan pay 7 times more to import gas from Russia and Qatar, respectively, reported

Fareed Zakaria on CNN.

Our country was one of the first outside the Middle East to strike gas in 1962, and since then gas been the mainstay for power generation and fertilizer production. There is unanimous consensus among petroleum geologists that this country potentially has promising reserves of gas. Then why are we facing such dire energy shortages?

The answer can be partly found in a report by a former director of Petrobangla, Mr. Maqbul E. Elahi, who has written an illuminating article on the energy scenario in Bangladesh. Mr. Elahi reveals that between 1972 and 2001 only 32 onshore and 16 offshore wells were drilled. To quote another figure, from Fareed Zakaria's CNN report, more than 20,000 wells were drilled in the last 4 years alone in the US. It is no surprise the US is in the midst of a gas boom. Our inability to attract investments in the oil and gas sector is the root cause of our current energy shortages.

India has opened up its coastal regions to International Oil Companies (IOC), along with

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domestic firms such as Reliance, without inhibitions. Drilling and prospecting for oil and gas is not a political issue in India. It is a purely commercial matter, which has yielded results; India has upped its reserves of shale gas to 527 tcf. Vietnam, which had fought a 10-year war with the Americans, had no qualms in allowing the likes of Connoco Philips and British Petroleum to explore its offshore territories. Vietnam, today, is an oil exporting nation. Chinese companies such as Sinopec among others, have invested tens of billions of dollars in the American shale gas fields in mainland USA to learn the new technology of shale gas drilling, but principally because it is a profitable business. The report is from Platts, an international energy industry publication.

By contrast, in Bangladesh, the announcement of any Production Sharing Contract (PSC) with an IOC by Petrobangla is generally greeted by ringing condemnation of a sellout of national interests by various political groups in the country. In reality, IOCs are simply contractors who deliver a service in exchange for an agreed sum. A PSC is like a sharecropping contract between a landlord and peasant. The landlord in this case

is the government of Bangladesh. Under PSC terms the IOC invests in the detailed survey, exploratory drilling, commercial drilling and production of gas for an agreed percentage of the discovered gas. If no recoverable quantity of gas is discovered the GOB loses nothing while the IOC loses everything. It is the farmer, who has invested in seeds, fertilizer and pesticides, who loses everything if there is a flood. The landlord does not lose anything.

The PSC concept was pioneered under the pragmatic auspices of Bangabandhu Sheikh Mujibur Rahman, who foresaw the energy needs for the young nation in 1973. His government successfully got 4 IOCs to explore for oil and gas in the Bay. They pulled out after his assassination. Yet the Awami League is politically defensive and shy of signing a deal with IOCs. The political will to open up the country to foreign investment is clearly lacking.

Our resource nationalists have succeeded in demonising IOCs but have remained patently unsuccessful in proposing an energy plan for the country.

Such divisive politics has done immense harm to the nation by scaring away potential investors in the oil and gas sectors, and the nation struggles to pay for imported furnace oil to generate electricity.

Today, energy shortage has emerged as the single greatest barrier to new industrial investments and creating employment for the legions of the young men and women who enter the work force every year. Even existing industries are forced to suspend production for up to 12 hours a day due to energy shortages. The government loses VAT revenues and corporate taxes. This is the price the nation pays for the gratuitous politics of a handful of doctrinaire ideologues.

Oil and gas, along with power generation, are essential backward linkages to industrialisation and job creation. An investment decision has to be decided on sound economics alone. We are not the only nation with some promise of potential oil and gas deposits. We have to compete with over 200 nations of the world for scarce energy sector investments. Our energy policies and pricing should be crafted so that IOCs view the country as an attractive investment destination.

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SHIFTING IMAGES

The choice to heal



MILIA ALI

A couple of weeks back I received an interesting post on my Facebook. It read: "Amir Khan who takes 3.5 crore for his one hour show, which requires no intelligence exclaims doctor took seventy K for his four hour operation! They (doctors) are the one who deserve money not a nautanki person like you...!" A frustrated doctor after watching

"Satya mey jayate." Please note that I have reproduced the post verbatim, with no edits. Obviously, the doctor needs to brush up his grammar. But then, doctors need not be proficient in linguistic skills, as long as they perform their medical duties with integrity and efficacy!

To help readers understand the context in which the Facebook comment was made, let me provide a bit of the background. For the last couple of months Amir Khan, one of the most popular Indian actors, has been conducting a reality show "Satyameva Jayate" (truth alone triumphs). The programme airs on a private Indian channel as well as the Indian National Television network and highlights social issues like female feticide, child sexual abuse and medical malpractice. The purpose is to heighten awareness on these problems and seek possible mitigating actions from the government as well as concerned social groups. While the show has bagged kudos for raising hitherto taboo issues, it has also generated intense criticism, especially from groups and individuals who have been targeted.

The episode that caused a virtual furor -- even a legal suit -- focused on the unprofessional conduct of medical

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practitioners and drug companies. Khan's investigative team travelled to various destinations in India and collected information from patients and families affected by medical malpractice. The shocking revelation that emerged from the interviews was that some physicians, either due to negligence or lured by monetary motives, prescribed unnecessary medicines, surgeries and even transplants resulting in irrevocable damage (sometimes death) to patients.

I guess my Facebook contact didn't quite get the drift of the programme. It was not about doctors' earnings and fees, but the risks that patients run in the face of unethical medical practices. The show raised two basic questions:

1) Are doctors abiding by their Hippocratic Oath which requires that they "prescribe regimens for the good" of their patients and "never do harm to anyone?" 2) Are there adequate safeguards in the healthcare system to protect the interests of unwary patients?

Some readers may question the necessity of Amir Khan creating hype over an issue which is already well-known. Many of us have personal stories to tell about the adverse consequences of unsound medical advice and there is nothing new in what the show presents. But, what Amir Khan does is raise the bar of accountability by creating greater social awareness and pointing out the loopholes in the system. The truth is, when a popular Bollywood star picks up the cudgel for a cause people pay closer attention. According to media accounts, the programme has generated so much interest that after the first episode was aired, the show's official website crashed due to overload of internet traffic!

I don't wish to leave the readers with the impression that medical malpractice occurs only in the developing world. The malaise exists in the West too. This month the prestigious pharmaceutical GlaxoSmithKline was fined \$3 billion in the United States for unethical practices. The allegations include concealing the results of clinical studies; falsifying vital information about the safety of medicines and bribing medical professionals to prescribe dangerous drugs to unsuspecting patients. Quite a formidable list by all counts and enough to drive a wedge through the doctor-patient relationship which is based on trust!

It would be unfair to end this column on a negative note since, all said and done, most doctors are truly committed individuals, engaged in one of the noblest professions. Fortunately, I do have a positive story to share. During my visit to Bangladesh this year I had the opportunity to make a few visits to the Islamia Eye Hospital in Dhaka. The hospital caters mainly to the underprivileged and its charges are nominal. Islamia also runs a section for patients who can afford to pay full costs. I was truly amazed to see the efficiency and dedication of the doctors and staff, especially the chief administrator who happens to be a volunteer. What was amazing is that even the financially disadvantaged received quality service. As I noted the smiles on the faces of the erstwhile visually challenged men, women and children who could now see the colours of the world, I was filled with a sense of hope and optimism.

Yes, in the final analysis doctors can help heal patients just as they can endanger patients' lives through malpractice. The choice is theirs to make!

Conquer the sea of corruption

MARTIN ADHIKARY

A few illustrious children of our country have conquered Mount Everest. We have also "conquered the sea!" We are proud of both. However, we need to launch an all-out campaign against, and conquer, the "sea of corruption." We are suffering from rampant corruption in every private and public sector. Between the highest mountain in the north and the sea in the south we, Bangladeshis, live in one of the poorest countries in the world and a society that is engulfed by corruption.

The Oxford Dictionary defines the word "corruption" as "dishonesty by accepting bribes to do a favour" and "immoral behaviour."

Sociologists and economists view corruption as "behaviour which is deviation from the norms and duties governing the exercise of public role or office for private gains" and "the abuse or misuse of public offices for personal gain."

Corruption can be seen in several forms: giving and taking of bribes, favouritism and nepotism, misappropriation, and illegal patronage.

Financial and moral corruption is on the increase in every society, with adverse consequences upon the entire human family. No person is an island today. What one does in one remote corner of the world directly or indirectly affects people living in any other corner. The bad effects of corruption of any kind have more vicious consequences in poor countries like ours than they do in affluent countries. The tragedy is that our people have to tolerate corruption because they are helpless hostages in the hands of the few who perpetrate corruption. So bad is the effect of the corrupt people, however few they are in number, that "one sinner destroys much good" (Ecclesiastes 9:18). A bad apple contaminates the whole basket.

The root reason lying behind corruption is the fallen state of Man affecting the values of self-respect. This is the sinful nature of human beings known as the original sin. Corruption results from diminished morality and ethical values of individuals. The unquenchable greed and lust for money, wealth and power have corrupted the mind of the whole human race. The over-emphasising of the other world as against this present world and the life in it causes

neglect of pristine human values of love and respect for life, and even fatalism, in many.

Religious education is, for the most part, concerned with the vision of heaven. People tend to not care about day-to-day life and living with other people in just relationship. Many think it is enough to appease God by their so-called religious practices. They want to love God, whom they cannot see, while they neglect other people, whom they see. No one should forget that if God is God for all people, and He is One, He is a Just

people poorer, while the rich get richer. The genuine rights of the poor are trampled down. Evasion of income tax, hoarding of unaccountable money and black money, adulteration of food items and medicinal products, and reckless rise in prices of daily necessities render the overwhelming 80% of our population captives in the vicious circle of poverty and helplessness. Nepotism and favouritism in the job market are other hydra-headed monsters thwarting progress. The worst effect of corruption is the demoralisation of the young generation. Many of them want to leave the country for a better place. But the country loses their love and service.

The raison de être of the government is primarily to provide service to the mass of men and women who voted for the political parties that form it. They must earn the respect that they deserve. They must be serious in upholding the principles of justice and fairness with policies that are pro-poor people and communities so as to create an environment where human and other resources will find maximum utilisation that will, in turn, help create a proactive synergy for all to grow and prosper. Corruption in high places is too bad, too dangerous and too shameful to be exaggerated. Our poverty-stricken, ill-clad, ill-fed people can no more bear the burden of this.

The leadership principles and good governance values have universal relevance and application. They serve as benchmark for national leaders and governments to be tested on moral standards for good governance and public policies of responsible management of resources as faithful stewards and custodians. Today, a benchmark for good governance is compliance with the Universal Declaration of Human Rights and many other related charters, including the Convention for civil and political rights and the Convention for economic, social and cultural rights. Individuals as well as the government need to take this issue seriously and take pragmatic steps to ensure fundamentals of democracy and human rights that are enshrined in the universal values and principles so that we can say a big "no" to corruption.

and Righteous God, who loves all people, and not only a forgiving one.

There is also a belief among many people that there is a dichotomy between body and soul, and that there is no moral connection between them. They think sinful acts done with the body do not affect the soul, which goes to God after the death of the body. But in Bangladesh the intense political culture of rivalry and profit-mongering commercial motive have dealt the hardest blow. In the Taurath God commanded: "Do not accept a bribe, for a bribe blinds those who see and twists the words of the righteous" (Exodus 23:8). Bribe perverts justice and fairness. Prophet Jeremiah said about corrupt people: "They have become rich and powerful and have grown fat and sleek. Their evil deeds have no limits. They do not plead the case of the fatherless to win it. They do not defend the rights of the poor."

More often than not, corruption makes poor

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