

Titas now on strong footing

The company has morphed into an ideal state enterprise: outgoing MD Abdul Aziz Khan

MD FAZLUR RAHMAN

MD Abdul Aziz Khan yesterday retired as the managing director and chief executive of Titas Gas Transmission and Distribution Company Ltd, leaving the state-run firm in a good shape not seen before.

In the last four years since he took over in December 2008, he has not only put the country's largest gas marketing company on a strong footing, but also established a congenial work environment.

"Titas Gas has been nurtured and flourished into an exemplary public sector enterprise. I am proud to serve the company," he told The Daily Star in an interview.

His time has been an excellent success story for Titas, which has brought about some noticeable changes.

The average system loss was brought down to near-zero level during 2009-2012, from 6.99 percent during 2001-2006.

Net profit after tax more than doubled to Tk 891 crore in June 2012 from Tk 422 crore in June 2008.

In June 2008, gas sales revenue, net profit as a percentage of sales, investment in FDR (fixed deposit receipt), earnings per share and dividends were Tk 4,470 crore, 9.44 percent, Tk 532 crore, Tk 4.92 and 25 percent respectively.

Four years later, these figures went up to Tk 7,137 crore, 12.48 percent, Tk 2,936 crore, Tk 9.46 and 35 percent respectively.

"These performance indicators manifest a strong financial health of the company," said Khan.

Titas now exhibits a far better congenial work environment for its officials and employees and a sound management-employee relationship than any time in the past.

Khan, who started his career as an assistant geophysicist in state-run Petrobangla in 1981, said the Titas management had to depend on police patrol to run the company in the past. Meetings, processions and pestering were rampant in the headquarters, which indicated rivalry, muscle-flexing and what not.

"Meter tampering and other illegal activities were common in Titas franchise areas."

"In the last four years, the management with the help of a competent board as well as Petrobangla and the Energy and Mineral Resources Division has been able to steer the company in the right direction."

Officials and employees were duly promoted, which instilled spirit in them to work harder, he said.

He said the technical system loss -- mainly due to gas leakage at various junctions -- in transmission lines is around 1 percent and in distribution lines is around 2 percent.

He said gas leakage at the customer end is high. Construction and laying works of underground telephone lines, power lines and sewerage lines of different state-owned utility companies also prompt gas leakage from nearby underground pipelines.

He said various measures have been taken to combat the technical system loss.

Khan said the introduction of prepaid meters for 4,500 domestic users at Lalmatia, Mohammadpur and adjoining areas in Dhaka is a massive step towards ensuring efficient utilisation of the scarce natural gas. It will help customers change their consumption pattern.

Asian Development Bank is also financing a project to install 8,600 prepaid meters at the domestic and industrial levels.

Titas with its own funds is also financing a project to install two lakh prepaid meters



Abdul Aziz Khan

for domestic and commercial customers, said Khan.

The company is going to seek international consultancy for the installation of such meters for domestic users in Uttara, Badda and Khilkhet areas, he said.

He also said an all-out measure has been taken to combat gas pilferage and bring it down to zero.

He said Titas' own vigilance activities are also paying off.

In the last couple of years, the Vigilance Division exhibited strong and effective monitoring operations, identifying various anomalies and irregularities at the spot and disconnecting 1,119 connections.

A magistrate also operates a mobile court.

Khan said Titas is working with German Agency for International Cooperation or

GIZ to ensure efficient utilisation of gas in industrial appliances such as boilers and furnaces.

Khan said the company has sought financial and technical assistance from donors such as USAID, Danish government, Japan International Cooperation Agency (JICA) and the World Bank to ensure efficiency of gas utilisation in industries.

Titas also introduced awards to acknowledge efforts dedicated to energy efficiency.

On the National Energy Security day on August 9 last year, Titas awarded Incepta Pharmaceuticals, EOS Textile Mill Ltd, Square Textile Mills and Akij Textile Mills to recognise their contribution to energy conservation.

On resumption of giving new gas connection to domestic and industrial users, Khan said an official ban has been in place since July 2009.

About 280 new industries, with many export-oriented, have applied for gas connection. Their total gas demand stands at 300 million cubic feet per day.

"But unfortunately they are denied the connection for the shortage of gas supply.

In this backdrop, Titas has given a few gas connections on the recommendation of a high-level committee.

He said Titas has already noticed many illegal domestic connections. Their exact number is difficult to ascertain. Some assume it to be one lakh or so.

"We have made an all-out effort to disconnect these illegal connections," he said, adding that the illegal domestic gas connections are, undoubtedly, a complex issue to deal with.

Khan said the negotiation is also on for JICA's financing to install three lakh prepaid meters for domestic customers.

He said the impact of installed prepaid meters for domestic customers is excellent.

It has reduced the wastage of gas to a large extent.

A study reveals that a domestic user with a prepaid meter consumes 52 cubic metres of gas a month on average. But it is 79.13 cubic metres for consumers without a prepaid meter.

He said buoyed by the success of the pilots, Titas now plans to bring all of its customers under the prepaid meter system in phases.

The main challenge for Titas is to meet the existing and potential gas demand as the demand-supply gap widens.

He said import of liquefied natural gas is an expensive option and might be feasible as a midterm solution. For long-term solution, it will require regional and international cooperation.

He said Bangladesh may be linked to TAPII (Turkmenistan, Afghanistan, Pakistan, Iran and India) gas transmission line. The country could also plan for importing gas from Assam and Tripura of India.

He thanked the government for taking measures to strengthen state-run Bapex. It would be rewarding in the long run, he added.

The 60-year-old said emphasis should be given on exploration of oil and gas in the deep sea.

"We enjoy a huge quantity of coal reserve. It is high quality indigenous resource. We need its appropriate and effective utilisation."

"We can use this resource for power generation to reduce our sole dependence on gas. We need to explore every avenue untapped to meet our future energy challenges."

Khan did his MSc in physics from Dhaka University, and MSc in exploration geophysics from ITC, Delft in the Netherlands.

fazlur.rahman@thedailystar.net

AirAsia and India's Tata propose joint airline



AFP, Mumbai

ASIA'S largest low-cost carrier AirAsia on Wednesday announced plans to invest in an airline joint venture with India's giant Tata conglomerate and another party.

The proposal, if cleared, would be the first foreign investment in India's aviation sector since the government last September allowed overseas airlines to take up to a 49 percent stake in domestic operators.

"We have carefully evaluated developments in India over the last few years and we strongly believe that the current environment is perfect to introduce our low fares," said AirAsia's chief executive Tony Fernandes.

A statement from the airline said it had applied to India's Foreign Investment Promotion Board for approval to take a 49 percent holding in the proposed

joint venture with Tata Sons and independent investor Telestra Tradeplace.

The three parties have signed an agreement and will apply to the civil aviation regulator for a flying permit, it added.

The proposal would mark the Tata group's re-entry into the aviation sector after nearly eight decades.

Former chairman J.R.D. Tata was passionate about planes and formed Tata Airlines in the 1930s. It was later nationalised by the government to become the country's flagship carrier, Air India.

"The Tatas will be an investor in the proposed venture, with a minority stake of 30 percent, without any operating role. The airline will be managed by AirAsia," a Tata group spokesman said.

"When AirAsia approached Tata Sons with a proposal for a stake in the venture, we concluded that given its reputed

business model, AirAsia could be a relevant and successful service provider in the sector."

Indian private carrier Jet Airways announced last month that it was in discussions with Abu Dhabi-based airline Etihad Airways for a stake sale, but no deal has been announced.

Indian carriers need money to fund expansion and cut debt after several years of losses caused by fierce price battles and rising fuel costs.

Only one of India's six main scheduled carriers -- privately held low-cost carrier IndiGo -- made a profit last year, helped by a strict business plan and punctual performance.

Tata's decision to return to aviation surprised analysts.

"It is difficult to digest why they are looking at aviation after staying away for years," said Sharan Lillaney at Mumbai's Angel Broking.

He was confident, however,

that the low-cost carrier model was the only one that made business sense in India at the moment.

Access to capital and expertise are "critical" for India's aviation market, the Centre for Aviation said in a recent report, which described India as encumbered by weaknesses in policy, skills and other areas.

"Foreign airline investment will deliver greater integration with the global aviation industry and exposure to best practice," the consultancy said.

The AirAsia-Tata venture plans to operate from the southern city of Chennai and boost connectivity between smaller towns for Indian travellers.

Through its operations based in Thailand and Malaysia, AirAsia already connects Southeast Asia with some Indian cities such as Chennai, Bangalore, Tiruchirappalli, Kochi and Kolkata.

Embattled Sony announces another asset sale

AFP, Tokyo

SONY said Wednesday it would book a \$1.2 billion gain from selling part of an online medical services unit, the Japanese electronics giant's latest asset sale as it eyes a full-year profit.

The firm has announced a massive corporate overhaul that includes thousands of job cuts and the sale of a chemical division and its US headquarters in Manhattan.

It is also investing in Olympus to tap the camera and medical equipment maker's strong foothold in the global market for endoscopes used in surgery.

On Wednesday -- when it is also expected to unveil its latest PlayStation games console -- Sony said it would book a one-time gain of 115 billion yen (\$1.2 billion) by selling a six percent stake in M3 Inc. to Deutsche Securities. The unit supplies online medical information to doctors.

Sony, which would still own about 50 percent of M3 after the sale, said the move was part of a bid to "transform" its business and "reorganise assets" and that it would still remain M3's major shareholder.

The maker of Bravia televisions lost

456.66 billion yen in the last fiscal year, its fourth year in the red, but says it is still on track for a 20 billion yen net profit in the year to March.

Sony is expected to announce the launch of the latest PlayStation console in the United States on Wednesday as it faces growing competition from cheap -- or sometimes free -- downloadable games for smartphones and tablets.

Its PlayStation 3 has sold more than 75 million units, while over 155 million units of the PlayStation 2 have been sold since its debut in 2000, making it one of the best-selling videogame consoles of all time.

Sony, Nintendo and Xbox make Microsoft dominate the global games console market, which is worth about \$44 billion annually, according to industry figures.

Japan's electronics sector, including giants Sony, Panasonic and Sharp, has suffered from myriad problems including a strong yen, slowing demand in key export markets, fierce overseas competition especially in television sales, and strategic mistakes.

It has also been hurt by a Chinese consumer boycott of Japanese brands stemming from a territorial spat between Beijing and Tokyo.

Thousands of Greeks rally in anti-austerity strike

REUTERS, Athens

TENS of thousands of Greeks took to the streets of Athens on

Wednesday as part of a nationwide strike against austerity that confined ferries to ports, shut schools and left hospitals with only emergency staff.

Beating drums and chanting "Robbers, robbers!" more than 60,000 people incensed over hefty wage cuts and tax rises marched to parliament in the biggest protest for months over austerity policy required by international lenders.

In the capital, riot police fired a few rounds of teargas during minor scuffles with hooded youths hurling rocks and bottles during an otherwise peaceful demonstration.

The two biggest labour unions brought much of crisis-ridden Greece to a standstill during a 24-hour protest against policies which they say deepen the hardship of people struggling through the country's worst peacetime downturn.

Representing 2.5 million workers, the unions have gone on strike repeatedly since a debt crisis erupted in late 2009, testing the government's will to impose the painful conditions of an international bailout in the face of growing public anger.

"Today's strike is a new effort to get rid of the bailout deal and those who take advantage of the people and bring only misery," said Ilias Iliopoulos, secretary general of the ADEDY public sector union.