

Attenuate not accentuate acrimony

Symbols of Liberation War be not made light of

MAY 5 had given us a satisfaction and immense hope. We were very encouraged to see the positive vibes emanating from the two political parties at their rallies on that day. It was indeed a relief to hear the two parties talk of moving forward and of abjuring violence, particularly the BNP position on future politics. While welcoming the development we had suggested that the good words should be translated into positive actions.

However, we are surprised by the prime minister's equating the role of the BNP chairperson in the acts of violence, between January and April of last year, to that of the war criminals. We had severely censured Khaleda Zia for the unmitigated pain inflicted on the people then, and we continue to do so, but we feel that equating that with war crimes dilutes the sanctity of the Liberation War, not to speak of the denigration it causes to the memory of the three million martyrs and quarter of a million *Birangamas* tortured by the Pakistan army. We recall when the word 'genocide' was used by the BNP chairperson with reference to an incident of deaths not long ago, we had protested strongly since that not only made light of a matter like genocide but also demeaned the memory of our martyrs.

We are dismayed that when the AL secretary general talks of moving forward and taking politics towards a less conflictive position, words conveying contrary meanings are articulated from others in the party. Indeed, what is urgently needed now is to create grounds for understanding and removing the current hostility between the two parties. We wonder whether the comments of the prime minister would contribute to either.

Lawmaker's attempt to grab minority's land

Rein in excesses

IT has been alleged by rights bodies that a certain lawmaker from Thakurgaon-2 constituency is actively engaged in the forced grabbing of lands belonging to members of the Hindu community. This is, of course, not a lone incident involving a lone lawmaker. Rather, it is a growing trend, as pointed out by a leading human rights organisation in the country, where influential interest groups with the apparent blessing of certain people in power are involved in such condemnable acts.

Precisely what are these minority group members to do when the administration and law enforcers fail to notice the violation of their rights? The situation is unacceptable when their lands are grabbed and when male members of the community are forced to flee to a neighbouring country for fear of retribution.

Although a report has been made public by a rights body on such excesses, the allegations have been denied by the principal accused. The fact is that when it comes to grabbing of land, it is almost always the high and mighty that come out on top.

We seem to forget that equality is one of the core principles of our existence and that people of all creeds and

DEPENDENCY ON IMPORTED ENERGY SOURCE

How much is too much?

BADRUL IMAM

BA NGLADESH has been overwhelmingly dependent on her own natural gas for a long time. Imported fuel has been a minor part of its energy basket. But the recent depleting trend of the gas reserve is likely to put an end to the better years. Energy observers are pointing out that the country is gradually leaning toward imported supply of energy sources and it will not be too long before the nation is overwhelmingly dependent on imported fuel. According to one estimate, while dependence on imported fuel for electricity generation was less than 10 percent in 2010, it is set to increase to about 70 percent in 2030.

Major changes in the energy infrastructure will be visible as many large coal-based power plants, LNG fuel and nuclear power plants take their share in power generation. On the supply side, large ships from far away countries will unload huge quantities of imported coal in the sea ports of Bangladesh, LNG will be unloaded in special terminals unknown to most of us, the consignment of uranium fuel will be flown in to feed the nuclear reactor -- a scenario only few of us had contemplated before.

No wonder the above will come at high cost. For comparison, the present cost of fuel for power generation and power import is an estimated \$2 billion (Tk 16,000 crore) per year; while the cost of fuel and power import would be around \$15 billion (Padma bridge costs less than \$4 billion) by 2030 should Bangladesh achieve its power generation target by that time.

This will certainly be a challenge for Bangladesh. The challenge will actually be in two fronts: firstly and most importantly, how would Bangladesh cope with the huge cost required for energy imports and how will this affect her economy in the long-run? The second challenge is this: how prepared would Bangladesh be in terms of experience and manpower to manage and supervise such huge and varied fuel supply activities?

Bangladesh is at the end of its term as a low cost gas-based mono energy country and is likely to become a high cost multi-energy country. The following is an outline on the fast changing energy scene.

Gas reserve will lose status as prime energy source
Bangladesh is likely to exhaust its remaining gas reserve in about 10 years, considering an average annual produc-

tion rate over this period. It has been projected that the annual gas production rate will cease to grow after 2017 and the annual production will continue to drop each year after that time. By 2025, gas will lose its status as an important fuel and will play a minor role in power generation. This scenario may, however, change to some extent should there be major new gas field discoveries.

Imported coal to dominate the energy scene

According to the government plan the power generation capacity of the country will reach about 40,000 MW by 2030, half of which would be produced in coal-based power plants. The amount of coal required to produce 20,000 MW of electricity would be 60 million tonnes per year. Most of the required coal will be imported from suitable coal exporting countries like Australia, Indonesia or South Africa.

The contribution from our own coal fields seems to be little considering the slow and meager pace of development planning of local coal. At present, Bangladesh produces one million tonnes of coal per year from the only underground coal mine in Barapukuria, Dinajpur. There are three more similar coal deposits in the country in which underground mining can maintain the same level of production at ease. If we assume that all four coal fields are developed by underground mining, then total production from these mines would be 4 to 5 million tonnes per year.

The government shows little interest in a much more productive open cut coal mining method for reasons of serious controversies. There is, however, only one place, i.e. the northern part of Barapukuria coal field, where depths of coal are much shallower and open cut is considered feasible. If implemented, it may produce 3 million tonnes of coal per year. Thus coal contribution from Bangladeshi mines could reasonably be estimated at about 8 million tonnes per year.

The above would still require 52 million tonnes of coal per year to be imported and that would cost about \$5.2 billion (current price) per year.

Costly yet reliable LNG fuel

Liquefied Natural Gas (LNG) has been traded across the world as a clean and reliable source of primary fuel for long-term supply. However, this is costly. Bangladesh is entering into a contract with Qatar for supply of LNG at 500 million cubic feet per day during the initial stage. For this purpose, floating LNG terminal is being built off the

Chittagong coast. Later on land-based LNG terminals will also be established and the volume of LNG will be increased to supply 1500 mmcf.

While this will mitigate the gas crisis as conventional gas is in short supply, it will certainly cost the nation dearly as \$3 per unit gas will be replaced for a \$14 per unit gas. The cost of 1500 mmcf regasified LNG will be about \$8 billion (Tk 64,000 crore) per year at present value. Bangladesh expects to start consuming LNG by 2018.

Nuclear era begins with costliest infrastructure

Bangladesh is embracing an era of nuclear electricity with the technical and financial assistance of Russia which is building a 2400 MW nuclear power plant in Rooppur. However, the cost of construction of the plant is estimated to be a staggering \$12.5 billion, the costliest project ever taken up by Bangladesh. The total cost will be even higher if we add the maintenance, fuel and operating costs (A. Rahman, *The Daily Star*, Dec 30, 2015)

There is one more challenge Bangladesh will have to face and that is the total dependency on Russia for this project, i.e. for its operation, maintenance, fuel supply, radioactive fuel disposal and so on. The construction of a nuclear power plant in a densely populated area with an agro-economic base has been questioned by experts on the grounds of safety reasons.

Limited scope of renewable sources
A large scale contribution to power generation by solar, wind and tide type renewable sources is not likely any time soon. At present, about 175 MW of power is generated by solar and wind which is about 1.5 percent of the total power generation capacity (11,300 MW) in the country. Solar power in the form of SHS has been growing fast in rural Bangladesh. Nevertheless, the contribution of solar, wind, etc., in power generation will remain limited.

Wide scope of electricity import

With a cross border transmission of 500 MW electricity from India, Bangladesh has opened up a new option of adding power into her national grid. Power import from India is expected to increase further in the near future. Furthermore, Bangladesh has shown active interest in importing power from Bhutan and Nepal, the two neighbouring countries whose hydropower potential is huge. India has been importing power from Bhutan and Nepal with win-win contracts with the countries.

Eyes on ambitious transcontinental gas pipeline

In around 2005 Bangladesh decided not to agree to a tri-nation (Myanmar-Bangladesh-India) gas pipeline proposal according to which gas would be transmitted from Myanmar to India through Bangladesh. This was an opportunity lost, for Bangladesh could have agreed to the proposal on the condition that part of the gas should be sold to Bangladesh and this could have given Bangladesh long-term gas security. Bangladesh now seeks gas from Myanmar, but it is too late for her as the gas is already being sold to China.

The challenge will actually be in two fronts: firstly and most importantly, how would Bangladesh cope with the huge cost required for energy imports and how will this affect her economy in the long-run? The second challenge is this: how prepared would Bangladesh be in terms of experience and manpower to manage and supervise such huge and varied fuel supply activities?

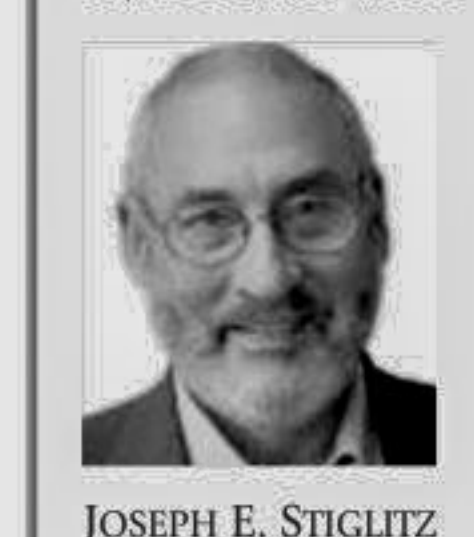
The possibility of being connected to the proposed long distance international (Iran-Pakistan-India or IPI) or inter-continental (Turkmenistan-Afghanistan-Pakistan-India or TAPI) gas pipeline seems real; yet this will depend on serious diplomacy and negotiated gas prices. This will not be cheap gas but should Bangladesh succeed in connecting herself with either a TAPI or IPI project, long-term gas security for the country will be ensured.

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PROJECT ■ SYNDICATE

The New Geo-Economics

BUSINESS & FINANCE



JOSEPH E. STIGLITZ

LAST year was a memorable one for the global economy. Not only was overall performance disappointing, but profound changes -- both for better and for worse -- occurred in the global economic system.

Most notable was the Paris climate agreement reached last month. By itself, the agreement is far from enough to limit the increase in global warming to the target of 2° Celsius above the pre-industrial level. But it did put everyone on notice: The world is moving, inexorably, toward a green economy. One day not too far off, fossil fuels will be largely a thing of the past. So anyone who invests in coal now does so at his or her peril. With more green investments coming to the fore, those financing them will, we should hope, counterbalance powerful lobbying by the coal industry, which is willing to put the world at risk to advance its shortsighted interests.

Indeed, the move away from a high-carbon economy, where coal, gas, and oil interests often dominate, is just one of several major changes in the global geo-economic order. Many others are inevitable, given China's soaring share of global output and demand. The New Development Bank, established by the BRICS (Brazil, Russia, India, China, and South Africa), was launched during the year, becoming the first major international financial institution led by emerging countries. And, despite US President Barack Obama's resistance, the China-led Asian Infrastructure Investment Bank was established as well, and is to start operation this month.

The US did act with greater wisdom where China's currency was concerned. It did not obstruct the renminbi's admission to the basket of currencies that constitute the International Monetary Fund's reserve asset, Special Drawing Rights (SDRs). In addition, a half-decade after the Obama administration agreed

to modest changes in the voting rights of China and other emerging markets at the IMF -- a small nod to the new economic realities -- the US Congress finally approved the reforms.

The most controversial geo-economic decisions last year concerned trade. Almost unnoticed after years of desultory talks, the World Trade Organization's Doha Development Round -- initiated to redress imbalances in previous trade agreements that favored developed countries -- was given a quiet burial. America's hypocrisy -- advocating free trade but refusing to abandon subsidies on cotton and other agricultural commodities -- had

posed an insurmountable obstacle to the Doha negotiations. In place of global trade talks, the US and Europe have mounted a divide-and-conquer strategy, based on overlapping trade blocs and agreements.

As a result, what was intended to be a global free-trade regime has given way to a discordant managed-trade regime. Trade for much of the Pacific and Atlantic regions will be governed by agreements, thousands of pages in length and replete with complex rules of origin that contradict basic principles of efficiency and the free flow of goods.

The US concluded secret negotiations when they believe government regulations contravene the TPP's terms (inscribed on more than 6,000 pages). In the past, such tribunals have interpreted the requirement that foreign investors receive "fair and equitable treatment" as grounds for striking down new government regulations -- even if they are non-discriminatory and are adopted simply to protect citizens from newly discovered egregious harms.

While the language is complex -- inviting costly lawsuits pitting powerful corporations against poorly financed governments -- even regulations protect-

ing the planet from greenhouse-gas emissions are vulnerable. The only regulations that appear safe are those involving cigarettes (lawsuits filed against Uruguay and Australia for requiring modest labeling about health hazards had drawn too much negative attention). But there remain a host of questions about the possibility of lawsuits in myriad other areas.

Furthermore, a "most favored nation" provision ensures that corporations can claim the best treatment offered in any of a host country's treaties. That sets up a race to the bottom -- exactly the opposite of what US President Barack Obama promised.

Even the way Obama argued for the new trade agreement showed how out of touch with the emerging global economy his administration is. He repeatedly said that the TPP would determine who -- America or China -- would write the twenty-first century's trade rules. The correct approach is to arrive at such rules collectively, with all voices heard, and in a transparent way. Obama has sought to perpetuate business as usual, whereby the rules governing global trade and investment are written by US corporations for US corporations. This should be unacceptable to anyone committed to democratic principles.

Those seeking closer economic integration have a special responsibility to be strong advocates of global governance reforms: If authority over domestic policies is ceded to supranational bodies, then the drafting, implementation, and enforcement of the rules and regulations has to be particularly sensitive to democratic concerns. Unfortunately, that was not always the case in 2015.

In 2016, we should hope for the TPP's defeat and the beginning of a new era of trade agreements that don't reward the powerful and punish the weak. The Paris climate agreement may be a harbinger of the spirit and mindset needed to sustain genuine global cooperation.

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LETTERS TO THE EDITOR

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Celebrations which make people suffer

Everyday we, the ordinary citizens, have to go through lots of hardships. The traffic congestion is horrible. But it gets even worse when any political programme takes place. BCL recently celebrated its 68th anniversary which forced Dhaka to come to a standstill. In many parts of the city, their activists occupied roads causing untold sufferings to the people.

People have every right to celebrate, be it BCL or someone else; but they can't do it by obstructing roads. The irony is that everyone understands it except the ones who make people suffer.

Jabanara Begum

On e-mail



PHOTO: STAR

COMMENTS

"Bangladesh to host next SAFF"
(January 3, 2016)

Mohin Uddin

We should concentrate more on improving the quality of our football than just hosting the event.

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