

Railway needs a major change to improve services

Corruption and irregularities must be checked

It is quite unfortunate that Bangladesh Railway continues to incur huge losses despite receiving massive investments from the government over the years. According to a report published in this daily, the government has increased its funding for both operation and development but the agency has not been able to make any profit because of poor services, corruption, and lack of proper management of its assets. According to a document of the railways ministry, the transport agency incurred a loss of Tk 2,086.70 crore in the 2019-20 fiscal year, up from Tk 1,751 crore in the previous year. And as per data cited in the Bangladesh Railway Information Book-2020, the agency has not made any profit since FY2008-09.

While the pandemic may have played a role in reducing its profit margin in the past two years—as the number of railway passengers decreased significantly during this time—the fact that it has not made any profit since 2008 points to other underlying factors that may have brought this organisation to the current situation. *The Daily Star* published several reports about the inefficiency of its management in the past few years. Only last month, we published a report on the poor implementation of the majority of its public- and foreign-funded projects. Many such projects, undertaken to improve its overall service, have been facing uncertainty as those could not be implemented within the set deadline and budget.

The question is: what needs to be done to make this organisation profitable and to improve its services? A meeting held by the ministry recently came up with some important suggestions which should be implemented on a priority basis. They recommended that the railway could increase its income by operating more freight, container, and commuter trains. Another suggestion was checking corruption and other irregularities. Recovering the illegally grabbed railway land was also mooted at the meeting.

We think if the authorities are sincere, it will not be hard for them to address all these issues. The railway has enough funds to improve its network across the country and increase the number of freight and passenger trains. Checking corruption will, however, need sincere efforts by all concerned as well as greater monitoring by the government. And recovering its illegally grabbed land will give the agency the scope to use it for commercial purposes, by which it can earn crores of taka. But serious efforts will be needed to do so. Last but not the least, the efficiency of its officials must be increased to improve its overall services.

A good but ambitious project

Heed expert advice before finalising the pension scheme

THE government is reportedly set to launch a universal pension scheme in which any citizen, including expatriate Bangladeshis, aged between 18 and 50, can sign up for the programme. We understand this was a pledge of the ruling party during the 2008 general elections. Reportedly, the World Bank provided technical assistance to design the initiative in light of the best practices from several countries, particularly India's experience in developing its national pension scheme. The government wants to start the project within six months to a year.

It has been revealed in an outline of the scheme that a beneficiary can start contributing to the scheme with a monthly instalment of Tk 1,000 from the age of 18, and can receive a monthly pension of Tk 64,776 after the age of 60. There will be a law to govern the whole process, the draft of which, we are told, will be prepared by soliciting opinions from all stakeholders.

From a social welfare point of view, all this sounds good as it reflects the desire of a large section of citizens worried about old-age economic uncertainty. If the scheme is designed and implemented properly, this would encourage common people, especially those outside the conventional banking system, to save money for the rainy days. All they would want is a guarantee of their money and assurance of receiving the monthly instalments in time without hassles. The stories of elderly pensioners facing obstacles in getting their honestly earned pensions are found abundantly in the media.

Our past experiences with large government welfare projects make us cautious in welcoming new ones with open arms, however. Such large undertakings need foolproof planning, meticulous implementation and cautious operation at the field level. Since huge sums of money will be involved at every stage, the supervising authority of the proposed pension scheme will have to ensure that there is no foul play at any level.

Experts are also sceptical about whether it would be possible to roll out the scheme in a year, since it took the government several years to even prepare this strategic paper or initial outline. While this is a good move considering Bangladesh's upcoming graduation from the LDC status, they believe it will be difficult to meet the deadline after formulating the required law, establishing a universal pension authority, and ensuring the inclusion of all beneficiaries before the scheme's take-off.

We also believe this to be a good and rather overdue initiative, but would urge the government to ensure that the opinions of experts and relevant stakeholders are properly reflected in the fully fledged scheme outline and the much-needed law for a smooth operation of this ambitious project.

EDITORIAL

How to increase gas supply from local sources



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We have been seeing a downward trend in the supply of locally produced gas for a while now; yet there have been little efforts to explore potential gas reserves, even though Bangladesh is known to have a considerable amount of gas reserves still unexplored. The country currently has 26 natural gas fields, 20 of which are cumulatively producing about 2,400 units (million cubic feet) gas per day, against the daily national demand of about 4,000 units. About 600 units of regassified liquefied natural gas (LNG) are being added to the national grid through import, but that still leaves a shortage of about 1,000 units per day.

The imported LNG accounts for about 20 percent of total gas supply in the country. The Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) annually pays more to import LNG than to cover the cost of the 80 percent of the gas, which is supplied from local gas fields. Importing LNG is essential to partially overcome the gas shortfall, but this has also put our economy under pressure. With a depleting trend of local gas production, a significant increase in LNG import is envisaged in the short to medium term. How sustainable that will be for us economically remains a cause for major concern.

A logical alternative to this situation would be to increase local gas production. We may, at this point, look at the simple paths of action to this end.

Increase the reserve base

When hydrocarbon reserves are depleted, a common practice around the world is exploring new areas to find new reserves. This has not happened in Bangladesh; over the last 20 years, we drilled only 24 exploratory wells, which is a ridiculously small number for a country with high hydrocarbon potential. Only a third of the onshore reserve is moderately explored, and a large expanse of the Bengal plain remains little explored, despite geological and seismic surveys detecting ample targets for drilling.

Offshore gas exploration has been even more scarce in Bangladesh. Since the first exploration campaign in 1974-1978, no comprehensive offshore programme has been undertaken, and offshore drilling has been few and far between. Strangely enough, no one seems to be able to explain why the multi-client survey for offshore gas reserves has not been done here, even after Petrobangla initiated the process back in 2015.

Moreover, how does one explain the reason behind keeping the seismic data of 12,500 line kilometres of shallow water and 6,500 line kilometres of deep water—acquired during decades of surveys by international oil companies (IOCs) and other agencies—locked in Petrobangla's drawers? Why is this data not used to attract IOCs to come and explore our



offshore reserves?

There's much to be done in terms of exploring gas reserves in Bangladesh.

ILLUSTRATION:
COLLECTED

Increase the number of development wells

Full scale development of known gas wells is perhaps the best way to enhance production and supply. Most of the gas fields here don't see full-scale development.

If we look at India's Tripura, the Rokhia gas field has 30 wells drilled, and Agartala Dome field has 49 wells.

In comparison, the Srikail field in Bangladesh has only five wells and Fenchuganj has six, although both are either the same as or bigger than the Tripura gas fields.

Add stranded gas to the national grid

There is no point in leaving the already discovered gas untapped. The coastal island of Bhola has two gas fields discovered by Bapex: Shahbazpur and Bhola North. The Shahbazpur gas field is producing about 60 units per day, and this amount can be doubled. But it has not happened because Bhola does not have a demand for the extra gas. The extra gas cannot be added to the national grid because there is no pipeline across the 15km channel connecting the island to the mainland. For the same reason, the gas in the new-found Bhola North field remains stranded. If a pipeline is installed, the produced gas would recover the cost of its construction in less than a year.

The Chhatak gas field in Sunamganj should be immediately released for production. It has been 17 years

since gas production in that field has remained suspended due to the blowout during Niko Resources' drilling, and the subsequent court case between Bangladesh and the gas company. Furthermore, there have been several gas finds which were not put up for production due to a lack of appropriate technology, such as Patiya in Chattogram

and Kasba in Cumilla. This technology is available in the world and can be easily acquired.

Increase production rate in individual wells

An important difference between the IOCs and the national company is that the former produces gas at a higher rate per well compared to the latter. For example, the Bibiyana gas field, operated by Chevron, produces at a rate of 60 mmcfd or more per well, while the national company-operated gas wells produce 25 mmcfd or less per well. The national oil company should take appropriate actions to enhance individual gas well production rates.

Target unconventional reservoir horizons

Most of the large gas fields in Bangladesh have gone past their peak production stage. Conventionally, gas is produced from moderate to thick sand layers, which are easy to locate. As these are being used up, we should now look for the thin to very thin sand layers (reservoirs) grouped together in the wells. Latest innovations in the oil industry have developed technologies which can locate and produce gas from these "thin bed reservoirs."

By putting the methods above into action, it is possible to increase the gas production rate in Bangladesh. This will certainly lessen the burden of paying for the high-priced LNG import.

The perpetual threat of infernos in Old Dhaka



A CLOSER LOOK

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Riya and Rifat had been married for two years. They were expecting their first child in 2019. They lived on the third floor of Wahed Mansion in Old Dhaka's Chawkbazar, and things were going normally for them. Then struck a fiery tragedy on the fateful night of February 20, 2019, which engulfed 71 lives, including that of Riya, Rifat and their unborn child. Due to pregnancy-related complications, Riya could not move to escape the building, and Rifat could not leave his wife and unborn child behind to save himself.

This tragedy could have been avoided, had the authorities taken measures to shutter warehouses containing hazardous chemicals from Old Dhaka, as they had committed to do after the June 2010 Nimtoli fire incident, which had claimed 124 lives.

The fire at Chawkbazar, according to an investigation by Institution of Engineers, Bangladesh (IEB), originated from the chemicals stored at a warehouse in the infamous Wahed Mansion. High-pressure canisters of deodorant were kept in the warehouses of the building along with other flammable materials. The probe also found that a significant quantity of combustible materials had been stored in the basement of the building.

Nine years earlier, the fire at Nimtoli—caused by a transformer burst—also turned into an inferno because of the flammable materials and products stored in the various warehouses in that area.

According to the Bangladesh Environment Conservation Rules 1997, industrial units dealing with hazardous

chemicals or goods cannot operate in or around residential areas. However, the reality in Old Dhaka is quite the opposite.

A Bangladesh Small and Cottage Industries Corporation (BSCIC) study earlier revealed that at least 1,525 chemical warehouses and factories, along with 600 colour warehouses and factories are in operation in Old Dhaka, which has



made the area extremely vulnerable to fire hazards. Reportedly, 15,000 of the 25,000 chemical warehouses in Old Dhaka are in residential buildings.

The BSCIC's promise of relocating the chemical warehouses, post the Nimtoli fire, is yet to be realised. Work for the BSCIC Chemical Industrial Park is still underway, and unsurprisingly, the project deadline has been extended by one more year to 2023, from June 2022.

And even in this there is a catch: the actual relocation would not take place until 2025, even if BSCIC manages to hand over the plots to the factory and warehouse owners by June 2023. The additional time would be required for constructing buildings and completing ancillary work.

Meanwhile, the vulnerability of the area is manifested in the fire incidents

that take place every year. In April 2021, a fire in a chemical warehouse in Haji Musa Mansion in Armanitola claimed the lives of four. Another five individuals perished in a fire incident at an illegal shoe sole factory in Swarighat in November 2021. In December 2021, fire ravaged a shoe warehouse in Shuritol. It took seven firefighting units to bring the situation under control.

What is even more alarming is that, despite the deadly fire in Wahed Mansion, the building owners have now rented out the basement parking lot to a plastic toy factory. Carbon-based plastics are highly flammable and plastic warehouses and factories are major enablers of fire spreads. The four fire extinguishers currently placed in the parking lot will not be of much use during a fire incident, given that the basement does not have a fire exit. This reckless act by the building owners reflects their gross disrespect for the laws and the lives that have been lost due to their sheer greed.

In view of this dismal situation, what are the authorities doing to prevent fire incidents from occurring frequently in Old Dhaka? How come the owners of Wahed Mansion are able to rent out the building's basement to another factory, at a time when they are facing charges of negligence from law enforcers? What are the supervision mechanisms and protocols of concerned authorities for ensuring the fire safety measures in these buildings? How many lives would need to become ash before the authorities wake up and take concrete actions to make Old Dhaka safer for its inhabitants?

It is high time the government revisited the BSCIC project and took immediate measures to expedite it so that the hazardous factories can be relocated at the earliest. As long as these flammable establishments are housed in the narrow alleys of Old Dhaka, the residents will live in a perpetual state of fear, dreading the next inferno to unleash. We cannot allow that to happen.