

MONEY IN SWISS BANKS
HC summons
BFIU chief
over report

STAFF CORRESPONDENT

The High Court yesterday blasted the head of Bangladesh Financial Intelligence Unit (BFIU) for not affixing any signature, designation and address to the report submitted to it on seeking information on money deposited by Bangladeshis with Swiss banks.

"The report has been written on white paper. There is no signature, designation and address [of the head of BFIU] in the forwarding of the report so that his name is not disclosed to the court. It is like catching fish without touching water."

"Why so much fear? It would have been acceptable even if a signature was put to the report. There is no signature or name in the statement of the report which shows sheer indifference. Will any court accept such a document? The court cannot reply on such information. Submission of such papers to the court is very unfortunate," HC bench of Justice Md Nazrul Islam Talukder and Justice Khizir said during hearing on a suo motu (voluntary) rule on this issue.

Deputy Attorney General AKM Amin Uddin Manik, who placed the BFIU's report before the HC bench, offered apology to the court on behalf of BFIU, saying that he would submit a fresh statement following the relevant procedures.

The HC bench, however, refused to accept the report, and also summoned the head of BFIU, Md Masud Biswas, to the court at 11:00am today to give an explanation for his role in preparing and submitting the report.

Anti-Corruption Commission lawyer Khurshid Alam Khan told The Daily Star that Masud submitted the report to the HC through the attorney general's office.

The report was not prepared in accordance with the relevant procedures as the BFIU chief did not put his signature, designation, and address to the forwarding of the report, he added.

The BFIU on August 29 submitted the report to the HC by swearing an affidavit, saying that they sought information 13 times from Switzerland Financial Intelligence Unit through Egmont Secure Web (ESW) about the money deposited by Bangladeshis with Swiss banks.

Information about 67 persons and organisations was sought, but Switzerland Financial Intelligence Unit conveyed that they had no information about all but one of them.

On August 14, the HC bench said the statements made by the Switzerland ambassador, the Bangladesh government, and the ACC regarding the issue are "contradictory".

The statement of Swiss Ambassador to Bangladesh Nathalie Chuard, who reportedly said that Bangladesh has never sought any specific information on money deposited by its citizens with Swiss banks, has created an embarrassing situation, the bench said.



A boatload of jute sticks being carried to a market. A bundle of 10-12 pieces of jute sticks, which are used for various purposes, is sold for Tk 12-15. The photo was taken on the Bhairab river in Khulna's Fulbarigate Kheyaghat on Friday.

PHOTO: STAR

TK 5 CUT IN FUEL PRICES
Won't make much difference: experts

STAR REPORT

The government's decision to cut fuel prices by Tk 5 per litre would have little impact on the crisis that people are now facing, said economists and experts.

They criticised the move to reduce the prices by such a trivial amount, saying not much will change.

Bangladesh Road Transport Authority held a meeting yesterday to discuss bus fares in light of the new fuel prices.

Though no decision was made, sources said, fares "might be reduced by Tk 0.05 per kilometre".

That means if a passenger travels at least 20 kilometres, they could save only Tk 1.

Bus fares were hiked after fuel prices shot up to Tk 40 per km on the long route and Tk 35 per km on the city route earlier this month.

Apart from that, prices of essentials, including rice, lentils, edible oil, salt, vegetable and even baby products, saw a considerable rise within 23 days of the fuel price hike.

Speaking to The Daily Star yesterday, Zahid Hussain, former lead economist of Dhaka's World Bank office, said, "This [cut in fuel prices] will not have much impact on

the market. If the prices were reduced further, the people would have benefited."

"All of the government decisions [in this regard] seems to have been taken on an ad hoc basis, without any homework done."

He further said, "Prices changing twice in one month is not explainable. Besides, on what basis did they reduce the prices by Tk 5? Do they have any answers? They have no formula, no transparency."

"The government, instead of talking to various stakeholders, is making decisions based on the advice of the bureaucrats... It [the government] is being held hostage by the bureaucrats."

Nasrul Hamid, state minister for power, energy and mineral resources, in a Facebook status wrote about how the current prices, after reduction, are still a burden for majority of the people.



"We will adjust the prices again once and if the global market prices are slashed."

He urged the people to be patient.

Me a n w h i l e , hundreds of citizens commented in the negative on his post.

Alabaksh Taher Titu wrote that the decision is a ridiculous one, especially for the poor.

A subscriber of The Daily Star, Rakibul Islam, commenting on the news published in this connection, said, "It's a mockery at the expense of the general people."

Another reader, Ismail Hossain, said the government made the move only for the benefit of the businesses.

Prof M Shamsul Alam, vice-president of the Consumers' Association of Bangladesh, on Monday said the decision has created grounds for businesses to make illicit profits.

"The decision will not affect the prices of any of the [other] products that were raised in line with the record hike."

One third goes to three firms

FROM PAGE 1

The government's daily power generation data (evening peak) show that the 335MW plant produced nothing in January-February this year, citing gas shortages. It only picked up production in the middle of March, utilising three-quarters of its capacity on average. April too was spent producing barely anything, citing the gas crisis.

If a plant is ready to produce power but is sitting idle because the government is unable to supply fuel, it will still receive its capacity charges, which are fixed at the time of signing contracts.

This Summit plant was paid on average Tk 37.8 crore in capacity charges per month for the first three months this year, according to the Power Division data.

Throughout July, the plant cited gas shortages and has been operating at 0.8 percent load factor (ratio of average power generated by the plant to the maximum power that could have been generated). The plant has been inoperative since July 3.

The government's austerity measures came into effect last month, but that was only for diesel-fired power plants. In July, the government shut 10 diesel-run plants. But it has made no such directives about gas-fired plants.

This Summit power plant in question can run with natural gas and diesel.

While the Summit plant suffered from such gas shortages that it could produce nothing at all, its neighbour, a power plant called Meghnaghat Power Limited (MPL) 450MW, operated consistently, although on average at half capacity.

It was paid Tk 571.7 crore in capacity charges during July 2019-March 2022 - three times less than the Summit plant. MPL 450MW is co-owned by the China Southern Power Grid and China General Nuclear Power.

The Ministry of Power, Energy and Mineral Resources along with Petrobangla decided on the allocation of gas. Almost 50 percent [of the

country's gas] is allocated for power generation. Therefore, if Petrobangla is unable to supply gas, independent power producers are not in default," Summit Chairperson Aziz Khan told The Daily Star this week.

The MPL power plant has been operational for 20-plus years and therefore its capacity payments may be lower, which is typical. As a result, MPL's tariff could also be lower, he added.

In the power industry, lower capacity charges mean lower tariff rates.

For example, last year MPL's cost per kilowatt-hour was Tk 2.7, while Summit Meghnaghat's was Tk 4.2, according to Power Development Board's Annual Report.

Similar conclusion.

The research titled "De-risking private power in Bangladesh: How financing design can stop collusive contracting" analysed 58 private plants between 2004 and 2017.

"These large capacity charges created incentives for interested parties to arrange for orders not to go to these plants as profits were larger by not producing," the report said.

According to Tamim, capacity payments were sometimes justified, but it needs to be seen if some plants are being given "preferential treatments".

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