

There's no saving Biman from itself

Govt must take steps to fix how the flag carrier is being run

How long will Biman Bangladesh Airlines enjoy the impunity that it does while continuing to engage in one egregious incident after another? It pains us to visit this topic every other week or so but Biman's capacity to defy operational rules and standards is seemingly inexhaustible. Forget individual cases of irregularity/anomaly reported in the media. Recall the findings of the Office of the Comptroller and Auditor General (CAG) about Biman violating procurement rules that, it said, would cause a loss of over Tk 1,000 crore in 10 years. And now another audit, by the Civil Aviation Authority of Bangladesh (CAAB) no less, has spilled the beans about the true extent of Biman's problems. To the government, official audits like these carry a far greater weight than media reports, and should thus lead to a proper response. The question is: why don't they?

The latest findings, as per a report by *The Daily Star*, shed light on numerous deficiencies in Biman's policies, procedures, and operational practices, highlighting a disturbing pattern that likely goes back years, if not decades. The CAAB audit, done as part of Biman's Air Operator Certificate (AOC) renewal process, identified a staggering total of 39 operational and 10 airworthiness objections across multiple critical domains, including flight operations, cabin safety, airworthiness, ground handling, flight dispatch, and handling dangerous goods. Such wide-ranging objections truly boggle the mind. Clearly, what we are witnessing are not isolated incidents, but deep-rooted systemic issues cutting through the whole organisation.

At the heart of this crisis are failures in policy implementation, inadequate procedures, and questionable activities. The airline's inability to ensure compliance with approved company manuals and regulatory standards speaks to its lack of accountability and effective oversight. The report also highlights severe deficiencies in Biman's human resource management. The authorisation of personnel for critical positions, such as In-flight Entertainment (IFE) and in-charge cabin safety, without proper requirements is a serious breach of safety protocols. Perhaps most concerning is the revelation that Biman's maintenance practices are not up to par. The irregularities surrounding the Continuing Airworthiness Management Exposition (CAME) and the Boeing 737-800 aircraft maintenance highlight a disregard for the meticulous upkeep that aviation demands. Such negligence endangers not only the lives of those on board but also the reputation, if any, of an already struggling public institution.

Clearly, things are not working as they should at Biman. The question is: How did an airline, injected with public funds on a regular basis, reach such a state of disarray? Biman needs a massive overhaul, and it needs it now. It also needs to be made accountable. We, therefore, urge the higher authorities to properly respond to the CAAB audit report, starting by conducting a thorough review of Biman's activities and operations and taking measures to fix all critical areas of concern.

Resuming gas exploration is vital

Excessive dependence on imported LNG is no solution

At this point, Bangladesh's approach to ensuring energy security for the citizens is a lesson in what not to do. The chronic dependence on liquefied natural gas (LNG) imports, coupled with depleting gas reserves, is holding the economy hostage to a perennial energy crisis. Only 21 out of the existing 29 gas fields are operational, resulting in the 60 gas-fired power plants receiving just about 55 percent of their needs, according to a report by this daily. As of now, only one third of the onshore area of Bangladesh has been explored for gas – making it one of the least explored nations in the world – even though its success of discovering gas has been way above the world average.

Instead of changing the current policy that has been causing energy poverty for us, two additional contracts to import LNG from Qatar and Oman have been signed. It is no secret that increasing the dependency on LNG imports not only threatens the stability of our exchequer but also leaves us at the mercy of other nations in a volatile geo-political climate. Last year, against the backdrop of the Russia-Ukraine war, the price hike in the LNG market led to a disastrous situation. So, why are we still using the same recipe for disaster? That is the most pressing question that the government must ask itself, as they mark the National Energy Security Day with the theme "Energy savings: the oath of smart Bangladesh."

In March, the state minister for power, energy and mineral resources said that Bangladesh does not have much unexplored gas and that this is why we need to import LNG. However, several studies by internationally reputable organisations have shown that there is more gas underground than what has been extracted. If that is true, what's stopping the government then?

Local gas production has been declining since 2016 and if it is left this way, existing reserves will be exhausted in nine to 10 years, experts warn. This is a situation that we must strive to avoid. The solution is not unknown: exploring and lifting gas from below the ground may significantly boost gas production, meet our energy demands, and also lead to more stable prices. We, therefore, urge the authorities to execute a proper domestic gas exploration programme to prevent further deterioration of the current crisis, and put an end to citizens' sufferings.

Will BPDB become a 'white elephant'?

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Bangladesh's power sector, which is touted as a major area of achievement of the current government, has become a source of serious concern over the last few years. The financial condition of the Bangladesh Power Development Board (BPDB) – the main public agency of Bangladesh's power sector – has been worsening for some years now. The operating loss of the BPDB went from Tk -6,200 crores in FY 2018 to Tk -27,477 crores in FY 2022, an increase of 217.1 percent over four years. A recent report from the Implementation Monitoring and Evaluation Division predicted that the BPDB's total loss for FY 2023 and FY 2024 could be Tk 1,13,532 crores – meaning that the average annual loss will be Tk 56,766 crores. Though a number of measures have been undertaken to reduce losses, including upward adjustment of retail prices of electricity (once in January, February, and March) as a measure to meet the IMF conditionality, such measures cannot meaningfully reduce the financial losses of the BPDB. In other words, the problem of the increasing growth of BPDB's losses is not related to the rise in energy prices alone.

A major reason behind these rising losses is that the BPDB's financial burden has increased due to capacity payments against the excess electricity generation capacity (technically called the "reserve margin"). Over the last five years, the excess power generation capacity has increased from 31.3 percent in 2018 to 35.2 percent in 2023. The excess capacity was only six percent in 2015. Considering the energy requirement, a reserve margin of around 10 percent is considered to be an acceptable limit in an emerging developing country. Because of the overwhelming amount of excess capacity, the BPDB has to spend a substantial amount of money on capacity payments every year. Capacity payments to private, rental, and quick rental power plants have increased from Tk 5,376 crores in FY 2017 to as high as an estimated Tk 28,000 crores in FY 2023. The percentage change in the amount of capacity payment is unbelievably high – 420 percent from 2016-17 to 2022-23. In the last one year, the change in capacity payments was up by 16.7 percent. It should be noted that the total capacity will further rise to 31,000 MW by 2025, and the excess capacity by that time will be as high as 36 percent (or 11,191 MW).

To cover the additional expenses, the BPDB has taken subsidised credit from the government every year. The amount of subsidies has increased from Tk 4,000 crores in FY 2017 to Tk 23,000 crores in FY 2023, and this is



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expected to rise to Tk 32,000 crores in FY 2024. But even the increasing sectoral subsidies are failing to meet the amount required to settle capacity charges. Consequently, the BPDB has been passing over a part of its annual capacity payment from one year to the next. In other words, the BPDB's financial condition is more dire than what actually appears on its financial statements.

The weak financial state of the BPDB is partly due to the high per unit price of electricity. The per unit electricity purchase price from the public and private sectors has also increased. In the case of the public sector, the purchase price has increased from Tk 4.52 kWh in 2018 to Tk 4.75 kWh in 2023. On the other hand, in the private sector, the purchase price has increased from Tk 5.72 kWh in 2018 to a staggering Tk 11.55 kWh in 2022. These rising prices are not associated with the changes in the energy costs as the government is the one solely authorised to import energy and supply fuel to power producers at predetermined prices. The issue is that the per unit purchase price from independent power producers (IPPs), rental and quick rentals plants did not decline, but rather increased during this period. This has put additional financial pressure on the BPDB.

Official data shows that BPDB incurred losses, but also transferred

Overall, the financial transparency of the BPDB is questionable.

Such a weak financial state of the BPDB has resulted from excess investment in power generation both under the public and private sectors. A myth has gained prominence over the last decade that the power demand will increase sharply because of the rise in private investment. Although the demand for electricity has a direct positive relation with a rise in investment, the rise in investment as a percentage of the GDP during the last decade was insignificant at 0.02 percent. More importantly, the reported rise in private investment was minuscule at only 0.38 percent. Hence, the investment made in power generation so far have largely turned out to be redundant and have resulted in excess capacity. Moreover, the BPDB is bound to pay all capacity charges to private producers whether or not the electricity is used in the national grid. The question is: despite having little growth in power demand and excess capacity, why did the BPDB sign contracts with the IPPs which included the capacity payment clause?

The contracts signed with IPPs fall under the Quick Enhancement of Electricity and Energy Supply (Special Provision) Act, 2010. The Act has been extended four times and will be operational till 2026. It has facilitated the government to sign contracts/

been increasingly burdensome as it does not ensure competitive bidding.

Moreover, the BPDB has been exhibiting an overwhelming dependence on fossil fuel-based power generation systems, for which energy is usually imported. However, there are alternate solutions for reducing this financial burden by promoting renewable energy-based power generation, transmission, and distribution. Even the new Integrated Energy and Power System Master Plan (IEPMP), which is already at the approval stage, has not promoted the use of renewable energy but has instead suggested coal, LNG, nuclear, and other so-called advanced technologies for power generation. Such a plan will not help reduce the financial burden on the BPDB. Besides, any new power purchase agreements should be done based on the "No Electricity No Pay" clause in order to gradually phase out the capacity payment provision. Overall, there is a growing concern that a large part of the investment made in the power sector, and the resulting operational expenses, would turn the Board into a white elephant. But a set of prudent and appropriate measures with proper political vision (without any bias towards certain quarters) could turn it into a "tiger." But this seems a far-fetched possibility at present.

LETTERS TO THE EDITOR

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Justice at long last for Prof Taher's murder

In a tragic and horrifying incident in 2006, Professor Dr S Taher Ahmed of the Geology and Mining Department of University of Rajshahi was mercilessly killed, sending shockwaves throughout the academic community. The crime, centred around a promotion to the post of professor, recently concluded with the execution of Mia Mohammad Mohiuddin and his associate, Md Jahangir Alam, at the Rajshahi Central Jail. While two other convicts received life imprisonment, debates have arisen over the crucial need for swifter delivery of justice in the face of violence on university campuses.

The lengthy trial, spanning over a decade, exposed the many challenges the victim's family faced in their pursuit of justice. Professor Taher's daughter, who witnessed the crime, took on the arduous journey of studying law and subsequently representing her father's case in court. Her unwavering determination to fight for justice demonstrated the courage and strength of those



Professor Dr S Taher Ahmed was killed on February 1, 2006.

affected by such crimes.

What makes the incident even more tragic is the fact that Mia Mohiuddin, one of the convicted individuals, was once a student of Professor Taher. The act of a student turning against his teacher over the seemingly trivial issue of a promotion leaves us

with a profound sense of disbelief and sorrow. It serves as a stark reminder of the fragility of human relationships and the darkness that can engulf even the most sacred of connections when driven by envy, ambition, and violence.

Unfortunately, the story of Professor Taher is not an isolated one on the University of Rajshahi campus. The brutal murders of Professor Muhammad Yunus and Professor AKM Shafiul Islam (Lilon) at the hands of extremists still haunt their families, who continue to await justice for their loved ones. The prolonged and often frustrating legal processes have taken a toll on the victims' families, making it difficult for them to sustain the fight for justice. Delays in delivering justice also allow the convicted to evade accountability, perpetuating a sense of impunity.

Furthermore, the involvement of university faculty members and students in such heinous acts raises questions about the state of our academic institutions. Universities

should serve as bastions of knowledge, open debate, and intellectual growth. They should foster an environment of respect, tolerance, and inclusivity. It is crucial for academic institutions to take a stand against any form of violence, extremism, or intolerance within their premises, and promote values that uphold the sanctity of human life and the pursuit of knowledge.

As we reflect on these tragic incidents and the journey of the victims' families through the legal process, let us collectively strive for a justice system that is swift and fair, and ensures that those who commit such grave offences face the consequences of their actions. Only then can we honour the memories of those who have unjustly lost their lives, and work towards creating a safer, fairer society for all.

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