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CTG Chemical Factory: Rules bent to favour errant contractor



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A Chinese contractor fails to restart the country's lone state-run chemical factory in over four years, yet it finds no problems in getting its employer to deliver undue benefits.

Wuhan Anyang Science & Technology Co Ltd (WASTCL) has been given three quarters of its bank guarantee back, even though it was supposed to get it after it had completed the Tk 115 crore project for getting Chittagong Chemical Complex (CCC) factory up and running again.

And this is not the first time the company has been given undue privileges. Earlier, it had been paid Tk 3 crore as advance payment and another Tk 50 lakh was given as loan by the Bangladesh Chemical Industries Corporation (BCIC), violating rules and its contract, according to documents The Daily Star obtained.

The company was supposed to get the chemical factory in Sitakunda going again by June 2014 and the government has been losing Tk 5.65 crore a month since then.

The BCIC recently amended its contract with the company to release 75 percent of its security deposit worth around Tk 8.62 crore. The WASTCL had stopped working in May to press the government to release the money.

Upon directives from the BCIC and the ministry of industries, the CCC, a subsidiary of the BCIC, directed National Bank Ltd (NBL) to release 75 percent of the Chinese company's bank guarantee, according to documents obtained by this paper.

Md Khairul Kabir Menon, deputy secretary (BCIC) of the industries ministry who signed the BCIC proposal to amend the contract with the Chinese company, told The Daily Star recently that it was the BCIC that had made the decision to amend its contract with WASTCL.

"We have only done formalities," he said.

Lutfur Rahman, director (planning and development) of the BCIC who is in charge of the CCC project, said they have given permission to release the bank guarantee upon approval from higher authorities.

Official sources said the BCIC ignored its audit department's opinion in releasing the bank guarantee. The audit department had said the money could not be released as per the law, they said.

The Daily Star tried to talk to BCIC Chairman Shah Md Aminul Haq, who had initiated the contract amendment, but could not reach him. The Daily Star repeatedly called him and sent several text messages for comments and an appointment but he did not respond.

Transparency International Bangladesh Executive Director Iftekharuzzaman said such situation might arise for two specific reasons.

First, those who are involved in dealing with the Chinese company are indifferent to the tax payer's money and second, there is corruption and certain people are receiving perks, he said.

He urged the government to investigate the matter thoroughly.

WASTCL was given the job in April 2013 to restart the CCC.

The CCC authorities warned the company of taking legal steps in May and demanded compensation of Tk 82 crore.

Interestingly, the authorities did not take any steps against the company due to what some officials on condition of anonymity said the company's "understanding" with the top officials of the BCIC and the industries ministry.

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