

Business

Weekly Business Roundup (March 15, 2008)

By WILLIAM BOOT / BANGKOK Saturday, March 15, 2008

Junta Rejects Bangladesh Request for Gas

Bangladesh has been told by the Burmese energy ministry that its application to buy gas is being turned down for the time being because China and India have priority.

Analysts say this is a curious response given the fact that Thailand is Burma's biggest gas customer.

"The junta's Myanmar Oil and Gas Enterprise sells practically no gas to either India or China at present," said Bangkok-based independent industry analyst Collin Reynolds.

"India was very upset to have its bid for the big Shwe offshore gas refused, and although China is supposed to get the Shwe gas it is still prevaricating over a pipeline through Burma into its Yunnan province. Only last week Xinhua agency said the Beijing authorities were still considering pipeline proposals," Reynolds added.

Bangladesh requested Burmese gas supplies during a top-level government-to-government meeting last month as relations between the two neighbors appear to be warming.

It was disclosed recently that Burmese businesses were exporting about 400,000 tonnes of rice to Bangladesh via a back-door payments system which avoids US banking sanctions.

Bangladesh is facing a gas shortage of around 200 million cubic feet a day to fuel its power plants, according to the state energy company Petrobangla.

South Korea to Help the Junta's Nutty Biofuel Plan

All the nut-bearing jatropha bushes sprouting across Burma on command of the country's junta may finally be put to some use.

A South Korean energy company is reportedly moving into Burma to work with the Myanmar Industrial Crops Enterprise to build a processing plant to convert the jatropha nuts into ethanol—a vital ingredient of biofuels, especially biodiesel.

As well as commandeering large swathes of agricultural land, the junta has been ordering anyone with a garden to cultivate jatropha. The plant is noted for producing an oily fruit—also known as physic nut—which is said to be ideal for ethanol production.

Various reports have claimed that between 1 million and 3 million hectares of land have been commandeered to grow jatropha, and some of Burma's biggest business names have gotten involved.

There is just one major problem with this grand plan, aimed at reducing Burma's dependence on diesel imports—the country has no refining capability to convert the jatropha to ethanol, or to produce biodiesel.

But according to the official Chinese news agency Xinhua, a South Korean company called Hae Johyub Bio Energy Corp will team up with Burmese state agricultural agencies to develop a pilot biodiesel processing plant on the outskirts of Rangoon, using jatropha. Hae Johyub is not listed on the Internet.

This might be the blessing Yoma Strategic Holdings has been waiting for. About one year ago, the company, run by pro-junta property tycoon Serge Pun Pun, acquired 40,000 hectares of land along the banks of the Irrawaddy River to plant up to 100 million jatropha plants as feedstock to produce biodiesel.

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