

THE MINERAL INDUSTRY OF BANGLADESH

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Bangladesh produced cement, clay, limestone, salt, and steel in minor quantities relative to world output. The only economically important mineral commodities produced were natural gas and nitrogen fertilizer. (See table 1.)

During the year, the top five investment projects worth \$140 million¹ included a \$75-million steel venture with India, Japan, and the United States and a \$40-million telecommunications venture with Malaysia.

Standard Chartered Bank was expected to start an offshore banking unit at the Chittagong export processing zone. The unit would be able to accept deposits and borrow funds from outside the country. Foreign and joint-venture companies would be able to obtain loans.

The Government introduced a ban on the import of granular single superphosphate (SSP) effective May 1, 1995. Imports of powdered SSP were not affected. Imports of triple superphosphate and SSP were around 400,000 metric tons per year (t/yr).

Bangladesh Chemical Industries Corp. (40%) signed a joint-venture agreement with Swaraj Import Export (20%) of India and Luna Consultant Jersey (40%) of the United Kingdom to establish a \$7.5-million SSP plant in the Khulna-Jessore region of southwest Bangladesh. The plant would produce 132,000 t/yr of SSP and 6,600 t/yr of oleum. The project was expected to be on-stream in 1997.

BHP Minerals Division of Australia started seismic operations to explore for coal at three sites in northern Rangpur and Dinajpur districts. Drilling was expected to begin in 1996. The agreement with the Government covers a region of 14,000 hectares.

The International Development Association unit of the World Bank would lend Bangladesh \$120.8 million as part of a \$171.7-million project to develop the natural gas sector. Overseas Development Agency of the United Kingdom would provide \$26.9 million for the project. Part of the project would be a 58-kilometer pipeline from Ashuganj to Bakhrabad. In addition, three production wells would be drilled in the Rashidpur Gasfield which had a remaining recoverable reserves of 36.2 billion cubic meters (m³).² A gas processing plant was included for Rashidpur.

The Iranian private sector, in a joint venture with the Government, planned to construct an oil refinery in Bangladesh in 1995. The refinery, to be developed by the

Pacific Asia Co., would have a processing capacity of 80,000 to 100,000 barrels per day.

Cairn Energy and Midlands Power International signed a memorandum of understanding to appraise and possibly develop the Semutang Gasfield for a power generation project. The Semutang Gasfield had estimated recoverable reserves of 2.83 billion m³ of gas.³ Midlands Power International would acquire a 30% interest in the production sharing contract and would be responsible for the development of a proposal for a new 40-megawatt (MW) powerplant on the basis of build, own, and operate. Cairn Energy had an option to take a 30% stake in the power project.

The Asian Development Bank agreed to provide \$130 million in soft loans for two power projects. It would lend \$80 million to the power transmission and distribution project in Dhaka and \$50 million to the 300-MW diesel-fired Meghnaghat powerplant. The projects were slated for completion by 1998.

¹Where necessary, values have been converted from Bangladesh taka (Tk) to U.S. dollars at the rate of Tk40.25=US\$1.00 for 1995.

²Petroleum Economist, June 1995, p. 140.

³Petroleum Economist, June 1995, p. 140.

Major Sources of Information

Ministry of Energy and Mineral Resources
Dhaka, Bangladesh

Bangladesh Oil, Gas and Mineral Corp.
122-124 Motijheel Commercial Area
Dhaka, Bangladesh

Bangladesh Petroleum Corp.
GPO Box 2003
Dhaka, Bangladesh

Major Publications

Bangladesh Bureau of Statistics, Dhaka:
Monthly Statistical Bulletin of Bangladesh.
Statistical Yearbook of Bangladesh.

TABLE 1
BANGLADESH: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity 2/	1991	1992	1993 e/	1994 e/	1995 e/	
Cement, hydraulic 3/	274,551	272,577	275,000	280,000	280,000	
Clays, kaolin 3/	7,338	7,300 e/	7,500	3,283 4/	6,541 4/	
Gas, natural, marketed 3/ 5/	million cubic meters	4,893	5,740	6,000	5,974 4/	6,000
Iron and steel, metal: 3/						
Steel, crude (ingot only)	57,520	36,384	32,000	34,000	36,000	
Steel products	95,016	90,000 e/	85,000	87,000	88,000	
Nitrogen, N content of urea, ammonia, and ammonium sulfate	667,300	936,800	990,900 4/	995,000	975,000	
Petroleum:						
Crude	thousand 42-gallon barrels	1,200 e/	1,100 e/	1,300	1,184 4/	1,190
Refinery products	do.	7,600 e/	7,700 e/	7,800	7,600	7,700
Salt, marine e/ 3/	300,000	320,000	340,000	350,000	350,000	
Stone, limestone 3/	42,484	47,000 e/	50,000	25,679 r/ 4/	23,474 4/	

e/ Estimated. r/ Revised.

1/ Table includes data available through Aug. 20, 1996.

2/ In addition to the commodities listed, crude construction materials such as sand and gravel and other varieties of stone presumably are produced, but available information is inadequate to make reliable estimates of output levels.

3/ Data are for years ending June 30 of that stated.

4/ Reported figure.

5/ Gross production is not reported; the quantity vented, flared, or reinjected is believed to be negligible.