



2006 Minerals Yearbook

BANGLADESH

THE MINERAL INDUSTRY OF BANGLADESH

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Bangladesh remained one of the world's poorest and most densely populated countries in 2006. Agriculture was the country's primary economic sector. The Government planned to diversify its economy into industrial production and natural gas exploration. With its large potential natural gas reserves, the country could gradually become an important player in the regional energy markets.

Production

Bangladesh lacks major metallic mineral commodities but has small reserves of coal and oil. Natural gas was its primary underdeveloped energy resource. Natural gas exploration and production activities intensified in 2006. The country also produced small amounts of cement, clay, crude petroleum, limestone, nitrogen fertilizers, petroleum refined products, salt, and steel (table 1). Production of these mineral commodities was not significant and was not important to the national economy.

Structure of the Mineral Industry

The country's cement industry was dominated by multinational companies and private sector producers. The world's leading cement manufacturers have set up plants in Bangladesh, including HeidelbergCement AG of Germany, Holcim Ltd. of Switzerland, and Lafarge Group of France. Cemex of Mexico's grinding mill at Mahmudnagar, Narayanganj, had a small production capacity; the company supplied the clinker for the mill from its operations in the region.

The Ministry of Energy and Mineral Resources is responsible for formulating policy and making investment decisions for the energy sector. Bangladesh Oil, Gas, and Minerals Corp. (Petrobangla) is responsible for oil and gas exploration, production, and distribution; it is also involved in the exploration for and production of other minerals, including coal (table 2).

Commodity Review

Metal

Iron and Steel.—Tata Group of India abandoned plans to build a \$3 billion steel and fertilizer complex in Bangladesh. The investment would have included a 2.4-million-metric-ton-per-year (Mt/yr) steel plant, a 1-Mt/yr urea plant, an open pit coal mine, and two powerplants. The company had offered the Government 10% equity in all projects. Impending elections in Bangladesh and opposition from business lobby groups to some proposals had delayed negotiations in 2006 (Nitrogen & Syngas, 2007). Had Tata proceeded with these projects, the country's output of steel and fertilizers would have increased.

As part of its program to expand and modernize its steelmaking and rolling facilities in Chittagong, Bangladesh

Steel Rerolling Mills Ltd. selected Danieli Morgardshammar AB of Sweden to construct a new 300,000-metric-ton-per-year mill for long products, including rebar. The mill, which was scheduled for startup in late 2007, would use an advanced multistrand slit-rolling system to produce the smallest rebar sizes. The new mill was expected to be able to produce rebar at a rate of up to 60 metric tons per hour (Danieli Corp., 2006). Output of rebar was expected to be for the domestic market.

Mineral Fuels

Coal.—Asia Energy plc was waiting for Government approval of the development plan for the Phulbari coal project, which is located in the Dinajpur District in northwestern Bangladesh. The delineation of a resource of bituminous coal (572 million metric tons), environmental and social impact studies, and a project feasibility study had been completed. The project plan called for initial mining of 1.5 Mt/yr, which would increase to 15 Mt/yr in the sixth year and thereafter. The mine life was estimated to be more than 30 years. Coal would be extracted using a conventional open pit operation. Coal would be treated at the coal preparation plant for processing into semisoft coking coal and thermal coal for both export and domestic use (Asia Development Bank, 2006).

Natural Gas.—Tullow Oil plc's first production of natural gas in Bangladesh from the Bangora-1 well in Block 9 began in May 2006 and reached a flow rate of 1.4 million cubic meters per day. The gas was being delivered into the Ashuganj-Bakhrabad pipeline and supplied to the local market. The Bangora-2 appraisal well began drilling in April and was expected to take 40 days to reach the reservoir target. Another appraisal well was planned (Tullow Oil plc, 2006).

Indian northeastern States requested a change in the proposed Myanmar-Bangladesh-India natural gas pipeline to help boost regional development; the new route would go through their region, bypassing Bangladesh. The pipeline would traverse a length of 1,400 kilometers (km) if it bypassed Bangladesh and 900 km if it went through the country. Meanwhile, Bangladesh requested that India allow Bangladeshi hydroelectricity imports from Bhutan and Nepal to pass through Indian territory and approve transit rights to enable Bangladesh to trade directly with Bhutan and Nepal through India (Schlumberger Ltd., 2006).

References Cited

- Asia Development Bank, 2006, Bangladesh Phulbari coal project: Asia Development Bank. (Accessed June 21, 2007, at <http://www.adb.org/documents/pids/39933014.asp>.)
- Danieli Corp., 2006, 300,000-tpy Danieli rebar mill for BSRM Steels, Bangladesh: Danieli Corp. (Accessed July 28, 2006, at http://danielicorp.com/danieli_morgardshammar/danieli_morgard_news/danielimorgardshammarnews.htm.)
- Nitrogen & Syngas, 2007, Tata Chemicals withdraws from Bangladesh project: Nitrogen & Syngas, no. 285, January/February, p. 11.

TABLE 1
BANGLADESH: ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1,2}

(Metric tons unless otherwise specified)

Commodity ³	2002	2003	2004	2005	2006
Cement, hydraulic ⁴	5,000,000	5,000,000	5,000,000	5,100,000	5,100,000
Clays, kaolin ⁴	8,100	8,200	8,300	8,400	8,500
Gas, natural, marketed ^{4,5}	million cubic meters	11,000 ^r	12,000 ^r	13,000 ^r	14,000 ^r
Iron and steel, metal: ⁴					
Steel, crude, ingot only	30,000	25,000	25,000	20,000	20,000
Steel products	80,000	70,000	70,000	70,000	70,000
Nitrogen, N content of urea, ammonia, ammonium sulfate	1,288,500 ⁶	1,388,700 ⁶	1,379,500 ⁶	1,380,000	1,250,000
Petroleum:					
Crude	thousand 42-gallon barrels	1,600	1,800	1,700	1,900
Refinery products	do.	8,900	9,000	9,100	9,200
Salt, marine ⁴		350,000	350,000	350,000	350,000
Stone, limestone ⁴		32,000	34,000	36,000	37,000

¹Revised.

²Estimated data are rounded to no more than three significant digits.

³Table includes data available through June 21, 2007.

⁴In 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.

⁵Data are for years ending June 30 of that stated.

⁶Gross production is not reported; the quantity vented, flared, or reinjected is believed to be negligible.

^rReported figure.

TABLE 2
BANGLADESH: STRUCTURE OF THE MINERAL INDUSTRY IN 2006

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity ^c	
Cement	Bangladesh Oil, Gas, and Mineral Corp.	Chittagong	1,000	
Do.	do.	Sylhet	1,100	
Do.	Heidelberg Cement Bangladesh Ltd.	Chittagong and Dhaka	1,000	
Do.	Holcim (Bangladesh) Ltd.	Bagerhat and Narayanganj	1,300	
Do.	Lafarge Surma Cement Ltd. (Lafarge Group and Cementos Molins S.A.)	Chhatak, Sunamganj	1,500	
Do.	Premier Cement Mills Ltd.	Muktarpul and Munshiganj	1,460	
Do.	Shah Cement Industries Ltd.	Dhaka	1,860	
Do.	Unique Cement Industries Ltd.	Chittagong, Dhaka, and Sylhet	1,440	
Coal	Barapukuria Coal Mining Co. Ltd. (Bangladesh Oil, Gas, and Mineral Corp., 100%)	Barapukuria	160	
Fertilizer	Bangladesh Chemical Fertilizer Corp.	Auganish	560	
Do.	do.	Fenchugani	100	
Do.	do.	Ghorasai	600	
Gas, natural	million cubic meters per day	Bangladesh Gas Fields Co. Ltd. (Bangladesh Oil, Gas, and Mineral Corp., 100%)	Bakhrabad, Habiganj, Meghna, Narshingdi, and Titas	22
Do.	do.	Bangladesh Petroleum Exploration and Production Co. Ltd. (Bangladesh Oil, Gas, and Mineral Corp., 100%)	Fenchuganj and Saldanadi	1.6
Do.	do.	Cairn Energy plc	Sangu (offshore)	3.2
Do.	do.	Niko Resources Ltd.	Bibiyana and Feni	6.1
Do.	do.	Sylhet Gas Fields Ltd. (Bangladesh Oil, Gas, and Mineral Corp., 100%)	Beanibazar, Kailashtila, Rashidp and Sylhet	5.4
Do.	do.	Tullow Oil plc	Bangura	1.7
Do.	do.	Unocal Bangladesh Ltd.	Jalalabad and Moulvibazar	9.7
Petroleum:				
Crude	42-gallon barrels per day	Cairn Energy plc	Sangu	30,000
Refined	do.	Eastern Refinery Ltd.	Chittagong	34,000
Steel		Bangladesh Steel and Engineering Corp.	do.	20

^cEstimated; estimated data are rounded to no more than three significant digits.