

THE MINERAL INDUSTRY OF

BANGLADESH

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The country faced growing macroeconomic instability, and gross domestic product (GDP) growth decreased to 5.2% in fiscal year 2000-01 (ended June 30, 2001) despite a bumper crop harvest and rebounding industrial output. The Government intended to implement economic reform programs to achieve rapid sustainable growth. The budget deficit remained unchanged at 6% of the GDP for 2001 as a result of increased spending on public projects and bank borrowing. Inflation remained low at 1.6%. Bangladesh's exports, which were led by garments, increased 12.4% more than those of 2000, and so did its imports at 11.4%; although garment exports, which accounted for three-quarters of the country's total exports, declined during the first quarter of 2001. The Government raised its prices for public utilities, such as natural gas and oil, to prevent substantial leakage through smuggling of petroleum products to India (Far Eastern Economic Review, 2002). It increased fuel prices by between 10% and 22%, the power tariff by 50% per unit, and the gas tariff by an average of 5%.

Bangladesh has only a few demonstrated mineral resources but an enormous quantity of natural gas. Coal deposits and limestone have been found there. Other mineral commodities produced include cement, silica sand, steel, and white clay. Salt is manufactured at evaporation sites in the coastal areas. A large amount of heavy minerals has been found in sand deposits along the beaches (Statistical Yearbook of Bangladesh, 1995).

A joint-venture arrangement to restart Chittagong Steel Mills to full capacity was held in a prebid conference; ITC/Stemcor, Bangal Bay Group of Industries, MECON Limited, and Abul Khair Group attended and expressed interest (Steel Times International, 2001). Chittagong Steel Mills' melting capacity was around 150,000 metric tons per year using scrap and pig iron. Its production had been declining, and the Government planned to privatize the company.

Asia Energy Corp. completed an initial feasibility study on its Bangladesh coal mine and power project at Phulbari. The company was 65% owned by Deepgreen Minerals Corp. Ltd., 29% by ESX Pty Ltd., and 6% by other interests. Coal resources at Phulbari were estimated to be 387 million metric tons of high-quality steam coal with a specific energy of 6,500 kilocalories per kilogram and 1% sulfur. There was potential for some shallow coal on the western margin of the project area. Production would be 2.9 million metric tons per year (Mt/yr) in the 7th year, rising to 9 Mt/yr in the 14th year of operations. Meanwhile, the construction of two powerplants with a combined capacity of 2,200 megawatts also was planned (Asian Journal of Mining, 2000).

In another development, the construction firm CMC restarted development of the Baropukuraia coal mine. The mine is located 16 kilometers south of Parbatipurupazila in the Dinajpur District. The second-phase work would cost \$155 million.

Bangladesh had a possible new gas resource of 949 billion cubic meters, which could meet the country's demands for the next 50 years; the current demonstrated resource was 368 billion cubic meters, which was estimated to last for 35 years (Petrodata-Petrodaily, 2001¹). No new discoveries were reported in 2001.

References Cited

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Far Eastern Economic Review, 2002, Corrective action imperative: Far Eastern Economic Review, v. 165, no. 1, January 10, p. 60.
Statistical Yearbook of Bangladesh, 1995, Bangladesh: Statistical Yearbook of Bangladesh, p. XXIV.
Steel Times International, 2001, JV for Chittagong?: Steel Times International, v. 25, no. 4, July, p. 6.

Internet Reference Cited

- Petrodata-Petrodaily, 2001 (February), New gas reserve in Bangladesh likely over 30 tcf, says USGS survey, accessed February 16, 2001, at URL <http://www.petrodata.co.uk/CGI/tbegi.exe?CGILATEST>.

Major Sources of Information

- Geological Survey of Bangladesh
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- Ministry of Energy and Mineral Resources
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- Bangladesh Oil, Gas and Mineral Corp.
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Major Publications

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

¹A reference that includes a section twist (§) is found in the Internet Reference Cited section.

TABLE 1
BANGLADESH: ESTIMATED PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity 2/	1997	1998	1999	2000	2001
Cement, hydraulic 3/	865,000	900,000	950,000	980,000	970,000
Clays, kaolin 3/	7,200	7,500	7,700	7,900	8,000
Gas, natural, marketed 3/ 4/ million cubic meters	6,200	6,300	6,400	6,500	7,000
Iron and steel, metal: 3/					
Steel, crude (ingot only)	36,000	35,000	36,000	35,000	30,000
Steel products	90,000	90,000	90,000	90,000	80,000
Nitrogen, N content of urea, ammonia, ammonium sulfate	1,079,600 5/	1,129,200 5/	1,240,100 5/	1,254,800 5/	1,273,000 5/
Petroleum:					
Crude thousand 42-gallon barrels	1,300	1,350	1,400	1,500	1,550
Refinery products do.	7,900	8,500	8,600	8,700	8,800
Salt, marine 3/	350,000	350,000	350,000	350,000	350,000
Stone, limestone 3/	25,000	26,000	27,000	28,000	30,000

1/ Estimated data are rounded to no more than three significant digits. Table includes data available through May 9, 2002.

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

5/ Reported figure.