

# BANGLADESH

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Bangladesh's gross domestic product (GDP) growth rate declined to 4.4% in 2002 from 5.2% in 2001; the good weather that helped increase agricultural production made the lower rate sustainable. Faltering exports, which were a result of a slowing world economy, resulted in the gradual depletion of foreign exchange reserves. Future natural gas exports to India were uncertain owing to the political problems and strained relations with that country. The Government of Bangladesh reduced its fiscal deficit to 4.3% of the GDP by increasing revenues and decreasing expenditures (Far Eastern Economic Review, 2002). Foreign investment was impeded by the country's infrastructure bottlenecks.

Bangladesh has large identified natural gas reserves and small reserves of coal and petroleum. The output of the mineral industry consisted of production of minor amounts of cement, clay, limestone, salt, and steel. The country's only state-owned major steel producer Chittagong Steel Mills was closed permanently by the Government in August 2002. The decision to close followed a series of failed tenders to attract foreign investment to Chittagong. The open hearth furnaces had crude steelmaking capacity of 150,000 metric tons per year (t/yr). The mill produced angles, blooms, and plates and also operated three hot-dip galvanizing lines fed by imported coil. Steel output in the country would be carried out by some 200 small-scale private melters and rerollers that produced a combined total of between 500,000 and 700,000 t/yr. Bangladesh consumed 2 million metric tons per year of finished steel, and the deficiencies were met by imports (Metal Bulletin, 2002).

With an area of 207,000 square kilometers and only 64 exploration wells drilled as of April 2002, Bangladesh ranked as one of the world's most significant undervalued hydrocarbon provinces. Most exploration had been conducted in eastern Bangladesh. The western part and offshore areas were relatively unexplored; only limited seismic and drilling has been done. Much of the natural gas that had been found in Bangladesh was in the anticlines that trended from northeastern Bangladesh through Tripura, India, into southeastern Bangladesh and adjacent Burma and that formed the structural traps. With 22 gas discoveries and 1 oil discovery, Bangladesh had a very high historical exploration success rate (Oil & Gas Journal, 2002a).

Bangladesh had insufficient natural gas reserves to serve domestic and foreign markets. The country's proven and probable reserves were estimated to be 176 billion cubic meters and 164 billion cubic meters, respectively. A seven-member committee formed by the Bangladesh Geological Society and the Bangladesh Economic Association objected to the export of Bangladeshi gas by pipeline to India. The National Committee on Gas Utilization also recommended that the country retain

its proven gas reserves for domestic use. Exports should be allowed only if significant new reserves were discovered. U.S.-based Unocal's block 12 production-sharing contract, however, provided for the right to export gas in the form of liquefied natural gas (LNG), subject to contract conditions, and, if LNG was not feasible, to devise an acceptable alternate plan. In 2001, Unocal proposed to build a \$500 million to \$700 million, 1,363-kilometer, 0.76-meter, 14.2-million-cubic-meter-per-day pipeline from the Bibiyana gas-condensate field to the New Delhi area in India. Unocal also discovered and operated Mouvali Bazar Gasfield on block 14. Meanwhile, two operators reported discoveries of from 226 billion to 255 billion cubic meters of gas in place offshore in the Bay of Bengal (Oil & Gas Journal, 2002b).

## References Cited

- Far Eastern Economic Review, 2002, Asian economic outlook: Far Eastern Economic Review, v. 165, no. 34, August 29, p. 48.  
Metal Bulletin, 2002, Bangladesh says farewell to Chittagong Steel: Metal Bulletin, no. 8701, August 22, p. 17.  
Oil & Gas Journal, 2002a, Exploration & development: Oil & Gas Journal, v. 100, no. 16, April 22, p. 48.  
Oil & Gas Journal, 2002b, Government developments: Oil & Gas Journal, v. 100, no. 49, December 2, p. 7.

## Major Sources of Information

- Geological Survey of Bangladesh  
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- Ministry of Energy and Mineral Resources  
Dhaka, Bangladesh  
Telephone: 880 2 404051
- Bangladesh Oil, Gas and Mineral Corp.  
122-124 Motijheel Commercial Area  
Dhaka, Bangladesh  
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- Bangladesh Petroleum Corp.  
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## Major Publications

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

TABLE 1  
 BANGLADESH: ESTIMATED PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons unless otherwise specified)

Commodity <sup>2</sup>	1998	1999	2000	2001	2002	
Cement, hydraulic <sup>3</sup>	900,000	950,000	980,000	970,000	960,000	
Clays, kaolin <sup>3</sup>	7,500	7,700	7,900	8,000	8,100	
Gas, natural, marketed <sup>3, 4</sup>	million cubic meters	6,300	6,400	6,500	7,000	7,200
Iron and steel, metal <sup>3</sup>						
Steel, crude (ingot only)	35,000	36,000	35,000	30,000	30,000	
Steel products	90,000	90,000	90,000	80,000	80,000	
Nitrogen, N content of urea, ammonia, ammonium sulfate	1,129,200 <sup>5</sup>	1,240,100 <sup>5</sup>	1,254,800 <sup>5</sup>	1,273,000 <sup>5</sup>	1,288,500 <sup>5</sup>	
Petroleum:						
Crude	thousand 42-gallon barrels	1,350	1,400	1,500	1,550	1,600
Refinery products	do.	8,500	8,600	8,700	8,800	8,900
Salt, marine <sup>3</sup>	350,000	350,000	350,000	350,000	350,000	
Stone, limestone <sup>3</sup>	26,000	27,000	28,000	30,000	32,000	

<sup>1</sup>Estimated data are rounded to no more than three significant digits. Table includes data available through June 3, 2003.

<sup>2</sup>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.

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

<sup>4</sup>Gross production is not reported; the quantity vented, flared, or reinjected is believed to be negligible.

<sup>5</sup>Reported figure.