

BANGLADESH

By a Special Contributor

Bangladesh has experienced severe problems over the past year, with chronic infrastructure shortages, especially that of power and transport, plaguing the economy and compounded by heavy monsoon flooding hampering the functioning of industry. The Taka has remained weak despite devaluation, although it helped exports. As part of its liberalisation programme, the country scrapped its licensing system; private investment is allowed in gas exploration and development, and in other mining and exploration activities.

Bangladesh's major resource is natural gas, probable reserves being placed at 600 billion m³, of which 400 billion m³ are proven. Unocal Corp., the US gas major, has identified 200 billion m³ of natural gas in the north-eastern region. The company has a product-sharing arrangement which entitles it to sell gas within the country, but it is keen to export gas to neighbouring countries. Efforts were made to lay a gas pipeline for this purpose. The Indo-Bangla gas pipeline project, conceptualised a few years ago, seeks to tap the gas reserves of Bangladesh, Myanmar and Tripura for export purposes. Presently, the country's natural gas is utilised chiefly for power generation and as feedstock for the fertiliser industry. It is also used to fuel a sponge iron plant. Annual production of natural gas is around 2.5 billion m³.

Apart from gas, the country has substantial reserves of coal, the deposits being estimated at 1,000 Mt. An extension of the Gondwana coal belt in eastern India, the reserves are concentrated in the Jamalganj and Rajshahi areas. The mineable deposits in an area of some 10 km² were estimated at

over 100 Mt, whereas probable reserves may be 550 Mt. However, they have remained unexploited since they occur about 900 m below the surface making extraction both difficult and expensive. Hence the country has to import around 65,000 t/y of coal, mainly from India, China and Indonesia. BHP of Australia had been given permission to exploit the bituminous coal lying in the north-west, near Hilli, close to the Indian border. BHP carried out exploration programmes at a few sites in Rangpur and Dinajpur districts. Progress has been slow. Big deposits of coal also occur in the north Dinajpur area, but they have remained unexploited because of difficult conditions. At Barapukuria in the northwest, a project to produce 1 Mt/y from a 36 m thick seam using mechanised long-wall mining was starting up.

There are sizable peat deposits in Faridpur and Khulna districts. Reserves of quality glass-sand occur in Sylhet, Comilla and Mymensing districts. The country has large limestone deposits, which are utilised to produce cement. The Jaipurhat Limestone Mining & Cement Works processes over 1 Mt/y of limestone to operate its 660,000 t/y cement plant. Two other cement plants, Chhatak and Surma, utilise 1.1 Mt/y of limestone.

Bangladesh's 550 km of coastline hold large reserves of beachsands which contain rare minerals including monazite, ilmenite, zircon, rutile and magnetite. The country has some oil reserves near Haripur in the eastern hilly district of Sylhet, but paucity of funds and instability have prevented progress.