

## Jet fuel price hiked for 15th time in 19 months to BDT 111

A Monitor Report

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Dhaka : The price of per litre jet fuel was raised by BDT 5 for domestic flights on June 12, by Padma Oil Company Limited, a subsidiary of Bangladesh Petroleum Corporation. Now the price of jet fuel stands at a staggering BDT 111 per litre.

Surprisingly, the cost of jet fuel for international flights remains unchanged.

Local airlines operating domestic flights would suffer significant blows as a result of this jet fuel price hike. Aviation industry insiders said that passengers flying domestic would have to spend more money owing to the price hike.

Padma Oil Company has raised jet fuel prices for the 15th time in 19 months, according to sources in different airlines in the country.

Late last month, the price of jet fuel for both international and local flights was raised by BDT 6 per litre.

The price of jet fuel, which accounts for up to 46 percent of an airline's operational costs, was BDT 48 per litre in December 2020.

Mofizur Rahman, Secretary General of Aviation Operators Association of Bangladesh (AOAB) and Managing Director of NOVOAIR said that there is no rationale to BPC's decision to raise jet fuel prices when the price of jet fuel in the world market remains stable.

He stated, "BPC is making a monopolistic choice to raise the price of aviation fuel

and we have nothing to say about it." "By what logic did BPC raise the price of jet fuel for solely domestic flights?" he questioned.

"Overall, the aviation sector is under pressure right now for a variety of reasons, including regular hikes in jet fuel price, which accounts for 40 to 46 percent of an airline's operational costs," said Kamrul Islam, General Manager, Public Relations, US-Bangla Airlines.

He also said BPC increases jet fuel prices virtually every month. "However, if we raise the ticket price proportionally, we risk losing passengers."

"On the contrary, air carriers are at risk of going bankrupt if we do not raise air fares in step with the increase in jet fuel price," Kamrul added.

If the aviation business fails, the tourist and hospitality sectors, which employ 40 lac people, will also fail, he concluded.