

## No end to local airlines' suffering as fuel price continues to skyrocket

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Dhaka : Country's local airlines continue to suffer as they keep losing competitiveness globally over rapid increase of jet fuel in the domestic market. Padma Oil Company, a subsidiary of Bangladesh Petroleum Corporation (BPC), on July 9 once again increased the price of jet fuel by BDT 19 per litre, taking the already high jet fuel price to BDT 130 per litre.

Aviation industry stakeholders are blasting BPC for their continuous whimsical moves claiming there is no logic behind the jet fuel price hike as the rate is decreasing in the international market.

This is the 16th time Padma Oil Company increased the price of jet fuel in the last 20 months.

Previous hikes were in the range of BDT 2 to BDT 7. However, the latest was further termed unanticipated by airline stakeholders of the country.

Moreover, it is the air travellers who will face the blow as now they will have to pay more for air tickets due to the latest price hike of jet fuel.

Due to the unprecedented and rapid jet fuel price hikes, air fare has been increasing day by day.

In December 2020, the price of jet fuel, which accounts for up to 46 per cent of the operational costs of an airline, was BDT 48 per litre.

The price has increased 170 per cent in the last 20 months, according to reports. There is no logic behind BPC's latest move when the international rate is decreasing, said Mofizur Rahman, Secretary General of Aviation Operators Association of Bangladesh (AOAB) and Managing Director of NOVOAIR.

Citing a report of International Air Transport Association, Rahman claimed last week ended with the price down 8.4 per cent at USD 146.2 per standard barrel containing 42 United States gallons (bbl).

The price decreased 19 per cent worldwide compared to that last month while BPC increased it by 18 per cent, added Rahman.

He further mentioned BPC is making arbitrary moves.

"We want to get rid of BPC's monopoly business and its whimsical decisions," urged Rahman, adding, "The airline industry of the country is on the way to collapse over rapid increase of jet fuel price."

Furthermore, Kazi Wahidul Alam, Editor of The Bangladesh Monitor and an aviation expert said, the country's airline industry will not be able to survive unless the government extends its cooperation.

Kamrul Islam, General Manager for Public Relations, US-Bangla Airlines, said, "BPC is increasing the price of jet fuel almost every month. We are at risk of losing passengers if we increase the price of tickets accordingly."

"On the contrary, airlines are at risk of going bankrupt if we do not increase airfares in tune," he claimed.

Kamrul Islam also said the tourism and hospitality sector which involves 40 lac people would also go down with the aviation industry as they are codependent on one another.

Reports cited, a year and a half ago, the fare on a domestic route was around BDT 2,500 or so but has since gone up to around BDT 5,000.

On this issue, Dr Md Sher Ali, Additional Secretary (Operations), Ministry of Power, Energy and Mineral Resources, said otherwise.

"The price of jet fuel is set according to the international market. Based on the government's decision, following our neighbouring country India, BPC takes a decision in this regard," Sher Ali said while talking to The Bangladesh Monitor.

ABM Azad NDC, Chairman of Bangladesh Petroleum Corporation also said the opposite of what the aviation stakeholders are claiming.

Talking to The Bangladesh Monitor, he said, "The latest move is basically a price adjustment with the international market. The government is spending crores in compensation while importing jet fuel. Those who are capable should consider it."