

Domestic air travel gets costlier over jet fuel price hike

A Monitor Report

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Dhaka : With the latest price hike of jet fuel, the 12th time in 16 months, to BDT 87 per liter, domestic air travel took no time to get even costlier. All the carriers of the country, Biman Bangladesh Airlines, US-Bangla and NOVOAIR, increased their airfares on different domestic sectors by BDT 300.

For instance, earlier, airfare on Dhaka-Chattogram route was about BDT 4000, which, on March 14, stood at BDT 4300.

The latest price hike of jet fuel has dealt a severe blow to the aviation industry and, in turn, the passengers on both domestic and international routes.

The most affected are to be the migrant labours who are already struggling to afford the sky-high airfares to the Middle-Eastern countries.

Jet fuel price now stands at BDT 87 per litre as the subsidiary of Bangladesh Petroleum Corporation (BPC) Padma Oil Company raised it by BDT 7 per litre. In December 2020, jet fuel price was BDT 48 per litre.

Jet fuel occupies 46 per cent of the operations costs of an airline. Hence, the effect of the latest round of hike was passed on to the passengers, especially migrant labours, as now the airlines have a new excuse to increase airfare, said Tipu Sultan, President, Oikya Parishad, a recruiting agency.

It may be mentioned here, in January 2021, the lowest airfare on the domestic route

was BDT 3,200. In February 2022, it rose to BDT 4,000 for the jet fuel price hike in February.

Airfare will increase by at least BDT 300 for the latest hike, said Mofizur Rahman, Secretary General, Aviation Operators Association of Bangladesh.

This can put off many passengers from air travel, leaving a serious impact on the airline industry and its recovery following the pandemic, added Rahman, who is also the Managing Director of NOVOAIR.

In comparison with Bangladesh's neighbouring and peer countries, the jet fuel price in Bangladesh is already very high, said aviation expert Kazi Wahidul Alam.

He stressed that the local airlines would have to buy jet fuel from Bangladesh at this sky-high price while foreign carriers operating to and from Dhaka would buy jet fuel at a much lower price from their respective countries.

As a result, there will be uneven competition in the market and our local airlines will suffer while foreign airlines take over.

However, according to reports, BPC Chairman ABM Azad earlier claimed, the local price of jet fuel corresponded to those in the international market.