

Partex Petro opens BD's first jet fuel plant to meet one-third of country's yearly demand

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Dhaka : Partex Petro Ltd, Bangladesh's new and biggest private sector oil refinery plant by Partex Group, has become the first and only in the country's history to produce jet fuel at home, allowing the government to save millions of dollars from importing the energy component essential to domestic and international airlines, private helicopter operators, Bangladesh Air Force, and Bangladesh Army.

"Starting commercial production in May, we have delivered 10 lac litres of jet fuel to Padma Oil Company Ltd through Bangladesh Petroleum Corporation on October 22," said Syeda Shaireen Aziz, Chairman, Partex Petro Ltd while talking to The Bangladesh Monitor at her office in the capital recently.

"Bangladesh has a jet fuel demand of 4.5 lac metric tonnes yearly and we will be able to meet one-third of the country's yearly demand," she added.

"Until now, the country had to be fully dependent on importing jet fuel. However, now, we are bringing raw materials and manufacturing the finished product at home while adding value."

"Partex Petro's value addition is around USD 50 per barrel as it imports base oil. If the government imports finished oil, it has to spend USD 150 per barrel. Hence, the value addition of USD 50 will remain in the country, the government will earn VAT and save millions of USD yearly from importing jet fuel," claimed the Chairman of Partex Petro Ltd.

"As the aviation industry is growing, we wanted to help the country be less import dependent and look for import substitutes. Moreover, this initiative of ours is driven by the company's pursuit of doing something new for the welfare of Bangladesh."

At a cost of BDT 1600-1700 crore, the biggest private sector oil refinery plant over 40 bighas of land, located opposite of the Chattogram sea port, on the bank of the Karnaphuli river in Anwara, is producing not only jet fuel but also octane, diesel, petrol, and jute batch oil - that too first ever in Bangladesh.

"We have a production capacity of 12 thousand barrels or 1,425 metric tonnes per day - highest in the private sector," mentioned the Chairman.

"There are three other oil refineries in the country. Together, we will be saving the country BDT 3000 crore from imports," said Shaireen Aziz.

Syeda Shaireen Aziz, Chairman of Partex Petro Ltd, further noted, that the plant will go in full-fledged production from November, 2022. Meanwhile, BPC will give them a yearly requirement as per the plant's capacity.

Also, Partex Petro Ltd is generating employment for 250 skilled manpower, helping the country's economy and people further.

However, the new local jet fuel manufacturer does not want to suffer from the lack of government's policy support, like the country's aviation industry is.

Hence, the Chairman asked the government to provide them with incentives just like how they do to the garments industries as Partex Petro Ltd will now save the country millions of foreign currencies.



Partex Petro Ltd also urged Bangladesh Bank to lift bar on dollars existing currently for a single party to do LC for the raw material importers. If the bar is lifted, they will be able to help the country step

forward greatly, stressed the Chairman.

Govt leaves a catch

Even to the new local manufacturer of jet fuel - Partex Petro Ltd - the government left a catch.

BPC has limited Partex Petro Ltd to sell jet fuel at 1 per cent less than the price incurred while importing the finished product by the government. Whereas, it should be at par, claimed Syeda Shaireen Aziz, Chairman of Partex Petro Ltd.

"Also, we cannot sell jet fuel to any party but the government," she also said.

"Neither can we determine the price for the airlines. It is in BPC's hands. The government will decide what it will charge the airlines for our jet fuel. We don't have any communication, marketing, distribution or sales channels with the airlines," further stressed the Chairman.

Jet fuel price hiked for 17th time

Padma Oil Company Ltd, a subsidiary of Bangladesh Petroleum Corporation, increased the price of jet fuel by BDT 5 per litre to BDT 130. The new price came into effect on October 26.

BPC, however, slightly decreased jet fuel price for international routes. The price for international routes became USD 1, as opposed to the previous price of USD 1.09.

This is the 17th time Padma Oil Company increased the price in the last 23 months.

Due to the price hike, air travellers will have to pay more now.

A year and a half ago, the average fare on domestic routes was around BDT 2,500. However, that has gone up to around BDT 5,000 currently, about 30-50 per cent, due to the consecutive hikes, said industry insiders.

It may be mentioned here, jet fuel price in our country is the highest in the region. Hence, foreign airlines do not take jet fuel from us. This discourages international carriers to opt for transit facilities or technical landings in Bangladesh.

Due to the excessive and whimsical price hikes of jet fuel, as per industry insiders, the government's dream of making Bangladesh an aviation hub will not come true.

In this context, jet fuel production at home should give us a ray of hope. However, the government must make the pricing convenient to the local airlines to allow this new development become a milestone for the country's aviation industry.