Industries Yet To Get Additional Supply Of Gas As Promised

Engr. Razeeb Haider

We need to add domestic production and launch another FSRU within the next 18 months. Without that, industries won't be able to sustain operations amid high prices and severe gas shortages. The government must act with wartime urgency to expand LNG import infrastructure and accelerate exploration — otherwise, the situation will deteriorate beyond recovery.

Even if emergency measures similar to those taken during wartime are required, the government must ensure an uninterrupted gas supply to the industrial sector. Without this, existing industries will move from ailing to terminally ill—and ultimately collapse. No new investments will come, a massive workforce will be left unemployed, and job creation will stall. Despite the government's sincere intent to resolve the issue, gas pressure remains unchanged. Although the crisis began earlier this year, it has reached a critical stage since April.

In an interview with Energy & Power Editor ***Mollah Amzad Hossain,*** Razeeb Haider, Director of the Bangladesh Textile Mills Association (BTMA) and Managing Director of OutSpace Spinning Mills Ltd., elaborated on the ongoing crisis.

The Energy Adviser had promised an additional 250 MMCFD of gas supply to industries. Have you noticed any improvement?

Not at all. My factory has seen no improvement. For several months now, gas pressure has consistently remained at or below 3 PSI. Most industries in the country are supplied by the Titas Gas Transmission and Distribution Company, which accounts for about 70% of national gas demand. Any increase in total supply must be proportionally allocated to Titas. In my view, Petrobangla, GTCL, and Titas must work together in a coordinated manner to resolve this issue.

Petrobangla claims that more gas was supplied to industries between January and April 2025 than during the same period in 2024. Your thoughts?

The gas crisis has persisted for a long time. Last year, pressure fluctuated but never continuously dropped. If pressure fell for two days, it usually normalized on the third. This year, however, the situation is far worse. Since January, gas pressure has rarely reached the required level. Since April, we've consistently received pressure at or below 3 PSI, resulting in a 30–35% drop in production. If this continues, industries will further deteriorate and ultimately collapse.

Experts analyzing Petrobangla and sector data say there's little hope for improved supply before 2029. What do you expect from the government to keep industries running?

Petrobangla estimates current demand at 3,800 MMCFD, while supply hovers around 2,700–2,750 MMCFD. Recently, it has even dropped to 2,600—and down to 2,400 MMCFD on May 29. To keep industries running, the total supply must exceed 2,800 MMCFD. This can only happen by fully utilizing LNG import capacity.

Though the Energy Adviser mentioned plans to import more LNG cargoes, we've seen no impact. We believe Petrobangla should ensure 1,050 MMCFD of LNG supply daily. To maintain this, at least 15 additional LNG cargoes must be procured, with the government providing the required financial support. We hope the government will step in.

Media reports suggest many small weaving factories have shut down due to the gas and power crisis. Is this accurate?

Yes, the reports are accurate. These factories, mostly producing for the local market, rely heavily on grid electricity. Unfortunately, rural electricity cooperatives cannot deliver stable, high-quality power. Additionally, small industries often lack strong banking relationships, leaving them vulnerable to shutdowns.

Gas prices for industry and captive power were raised significantly, to Tk 30 and Tk 31.50 per cubic meter, with a promise of assured supply. What has been the impact on production?

The sharp price hike has hit the spinning and dyeing sectors hardest. Higher costs for yarn and fabric production have made it difficult to compete with Chinese and Indian products. Despite this, we are trying to operate at full capacity to stay competitive. But paying high prices without receiving gas is unjustifiable.

We're willing to pay the highest rates as consumers, but not receiving the corresponding service is unacceptable. The government must therefore ensure a gas supply to industries. That requires wartime-level urgency in expanding LNG import infrastructure and accelerating domestic exploration. We must boost domestic production and commission another FSRU (Floating Storage Regasification Unit) within the next 18 months. Without this, industries will not survive amidst high prices and severe shortages.

Gas prices have increased again for both new and existing industries using additional gas. The rate for process gas is now Tk 40 per cubic meter and Tk 42 for captive power. Is this justified?

When Petrobangla cannot ensure a reliable gas supply, raising prices is simply unjustified. Industry leaders have conveyed this to the BERC, but our concerns were ignored, and the hike went ahead. I believe this was a wrong decision. Without a guaranteed supply, high gas prices deter new investments. Any price hike in power and energy must be accompanied by guaranteed and dependable delivery.

Some argue that textile producers use gas at 80% efficiency for captive power, but experts believe an additional 30% could be saved across captive, boiler, and other sectors. What is your perspective?

This has long been discussed. We've already made investments to improve gas efficiency in response to rising prices. If we had a stable and reliable supply, industries could consider alternative technologies. But the current reality is stark: we're facing production losses of 30–35%. On top of that, bank interest rates have risen from 9% to 14%. The textile sector is in an extremely fragile condition. So, investment in new technology isn't a practical priority right now.

The gas crisis persists. Are industries considering alternative fuels?

Currently, the textile sector has no viable substitute for piped natural gas. Some garment factories have resorted to diesel generators due to their inability to run captive power units. Other sectors are using LPG. But for textiles, switching fuels and staying competitive is simply not feasible.

You've spoken about domestic gas exploration and attracting foreign investment in offshore drilling. The government is working on this—what's your assessment?

Petrobangla plans to drill 150 wells for oil and gas exploration by 2028 using its own resources. The first phase aimed to complete 50 wells by 2025, but only 16 have been drilled so far. Petrobangla claims the remaining 34 will be completed by June 2026. After that, the second phase—covering 100 wells—is expected to begin. This is a good initiative, but the government must ensure timely execution. State-run entities often miss deadlines.

The deadline for offshore bid submission in the Bay of Bengal was December last year, but no foreign companies participated, despite the region's potential. The government must actively engage international firms; otherwise, this initiative will suffer further delays.

Meanwhile, Petrobangla is conducting onshore exploration using local resources. The government must also attract foreign investment for onshore drilling. Because over the next 3–4 years, we have no alternative but to pursue large-scale exploration.

You've advocated for increased LNG imports. But current infrastructure allows for a maximum of 1,100 MMCFD. How can this be expanded?

Our industrial sector is heavily reliant on gas. But domestic production and current import capacity are inadequate. Therefore, the government must take urgent steps to commission another FSRU by next year. A special initiative is needed for this.

Additionally, the roadmap for developing a land-based terminal must be finalized immediately so that implementation can proceed without delay.

Financial constraints are affecting LNG imports—especially as the country is also importing coal for power and diesel for irrigation and transport. What's your view?

As I've said before, a coordinated strategy is essential. For coal-fired power, we should start utilizing our own reserves in the northern region. For irrigation and transport, we must accelerate the shift to solar irrigation pumps and electric vehicles. The financial savings from these transitions should be redirected to LNG imports.

There is no alternative to ensuring an adequate gas supply if we are to keep the economy running. EP