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# LPG beyond the kitchen

## United Aygaz LPG Ltd.

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In an era where energy security is critical to national growth, Bangladesh's LPG sector is becoming a key pillar of the economy. In this interview, Harun Ortaç, CEO of United Aygaz LPG Ltd., discusses the company's journey, industry challenges, and the future of LPG. United Aygaz entered Bangladesh as a greenfield investment, backed by Aygaz — a 65-year-old LPG leader of Türkiye's Koç Group — and United Group, bringing global expertise with a long-term commitment to Bangladesh.

**The Daily Star (TDS):** What are the biggest challenges in Bangladesh's LPG industry today, and how does competition affect them?
**Harun Ortaç (HO):** Bangladesh's young population and strategic location drew us to enter the market in 2021. Our Anwara plant at Chattagram holds the country's largest onshore LPG storage, while Rupganj near Dhaka has the largest cylinder filling capacity. The core challenge is stable, cost-efficient procurement. Heavy import dependence means global price fluctuations — particularly from Gulf geopolitical tensions — directly impact costs. Foreign currency pressures, financing constraints, and regional competition further intensify this.

**TDS:** What is the current LPG market split, and which segment is growing fastest?
**HO:** Around 85–90% of demand comes from household and commercial cylinder gas, while industrial use and autogas each account for 5–7%. Industrial demand is rising due to natural gas shortages, with many industries relying on LPG as a primary or backup source, while autogas is expanding steadily.

**TDS:** With fuel supply under pressure, how is the industry addressing rising demand from car users?
**HO:** Autogas is growing as consumers seek cheaper, cleaner alternatives to petrol, though infrastructure gaps and regulatory issues remain barriers. Türkiye's example — where 5.2 million of 17.4 million cars run on LPG — shows its potential. United Aygaz is investing in stations, equipment, and awareness to drive similar growth in Bangladesh.

**TDS:** What role does LPG play beyond household cooking in Bangladesh?
**HO:** LPG is increasingly used in commercial kitchens, agriculture, and transport, replacing natural gas, diesel, and furnace oil where piped gas is limited. Its portability enables decentralised energy access, making it vital for Bangladesh's expanding economy. LPG is evolving from a simple kitchen fuel into a critical economic fuel.

**TDS:** What role can better regulation play in supporting sustainable LPG growth?
**HO:** While the government and regulators are actively supporting the sector, stronger oversight is still needed to ensure safety, standardisation, and sustainable development. A balanced, enabling regulatory framework will encourage long-term investment while protecting consumers.

**TDS:** How important is technology in improving LPG distribution and safety?
**HO:** Technology is central to LPG's evolution — from leak detection and automated bottling to digital tracking and inventory management. It improves safety, efficiency, and supply chain visibility. We are investing in advanced infrastructure and working with global partners to maintain high standards.

**TDS:** What makes a customer choose one LPG brand over another? How can trust be built?
**HO:** Availability, safety, quality, and trust determine brand choice — uninterrupted supply being most critical. United Aygaz has maintained consistent availability since inception without facing shortages, and has supported other operators when needed. Beyond supply, we use a 360-degree approach spanning TV, radio, digital platforms, and on-ground activations, with a consistent focus on supply assurance and consumer education on safe LPG use.

**TDS:** How equipped is United Aygaz in terms of supply, storage, and distribution?
**HO:** We have strengthened our capabilities across the entire LPG value chain, from global sourcing to nationwide distribution. We have diversified sourcing across the Arabian Gulf, Argentina, the US, Australia, and Tanzania, ensuring continuity despite global disruptions. Our infrastructure includes the largest onshore LPG storage at Anwara and a major terminal in Rupganj. Over 250 distributors and 22,000+ retail points nationwide ensure strong last-mile connectivity.

**TDS:** How do you see Bangladesh's LPG market evolving in the coming years?
**HO:** We project the market to grow to 2.5–3 million tonnes, driven by urbanisation, industrial expansion, and natural gas shortages. Consolidation is also expected, with stronger players leading infrastructure investment — making the industry not just larger, but more efficient and structured.

**TDS:** Is LPG a cleaner alternative compared to other fuels used in Bangladesh?
**HO:** Yes, LPG is cleaner than coal, diesel, and furnace oil. It produces lower emissions, fewer particulates, and minimal residue — making it both environmentally friendly and operationally efficient.

**TDS:** What is United Aygaz's vision for contributing to Bangladesh's energy future?
**HO:** Our goal is to become Bangladesh's leading LPG operator by combining 65+ years of global expertise with strong local market understanding. We prioritise uninterrupted supply, world-class safety, and continuous investment in infrastructure and technology. We also believe in cooperation alongside competition — sharing infrastructure and supporting the supply chain to build a more efficient and sustainable LPG industry.

*Interview conducted by* **Marzia Bhuiya Tabenda**

**HARUN ORTAÇ**

**Chief Executive Officer**
**United Aygaz LPG Ltd.**

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