Why we should move to inland waterways for transportation of our containers and containerized cargo
Dhaka; epicenter of Bangladesh’s Foreign trade

- Outside Chittagong, majority located in the Greater Dhaka region.
- 80% of Containerized Cargo bound for/Originates from this Region
Existing DC Surface Transport Scenario

- WB Study states the Dhaka-Chittagong (DC) Economic Corridor contains:
  1. 32% Population
  2. 50% Of GDP
  3. 85% International Trade

BUT

Most of the freight & passenger traffic moves on a congested TWO lane DC highway And on a Capacity & Equipment constrained Railway System
Dhaka CTG Highway

- 12-15% Growth since the last Decade
- Resulting in Depilated driving conditions
- Constant Traffic Gridlocks
Continued…

• Even with 4-lane expansion, the DC highway will not be able to cope with increasing traffic.

To quote a World Bank report, “improvements to the existing railway, port and dry port infra-structure in the Dhaka-Chittagong (DC) transport corridor will be fundamental to even maintain, or let alone improve, the international competitiveness of the tradable sector of the Bangladeshi economy……this could further erode the global competitiveness of the Bangladeshi economy as a whole and that of the ready-made garments (RMG) sector in particular.”
• GOB has decided to activate ferry services for heavy load trucks due to safety concerns

• In other words, MORE lead time for the movement of exp-imp cargo
Covered van vanishes with RMG items for export

Tk 300cr logistics yard set for launch

Sonamasjid land port lags behind revenue target

Transit promises to bring big opportunity to Bangladesh

Container transport on rivers can slash export, import costs

Containers ports have to be built on Sitalakhya and Buriganga banks
T-shirts worth Tk 47 lakh recovered in Ctg

The six arrested thieves and the stolen garments with a container truck seized at Pahartali Police Station in Chittagong city yesterday.
Business leaders have expressed concern over maintaining the cutoff time for delivery of their cargo to CTG Port under computerized terminal management system (CTMS) in Ctg. Port
Bangladesh Railway

- Only about 25% of the Dhaka bound & origin ‘containerized goods’ moves inland in ‘containers’

- BR picking up about 80,000 TEU’s annually. Railway throughput remarkably shown negative growth ( -22%) in 2009 and the trend continuing due to multiple reasons but primarily for;

1. Long queue for railway space (10-14 days) in Chittagong Port.

2. Day time restrictions on cargo movement in Kamalapur ICD
Daytime ban on goods vehicles hurts exports

Container handling delay piles up Tk 325cr loss

Hijack on highways: Transport owners threaten strike
## Container Handling in DHK- CTG Surface Corridor
### By Different Mode of Transportation

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Port (TEU's)</th>
<th>Growth Rate at CTG</th>
<th>ICD/BR (TEU's)</th>
<th>Growth Rate at ICD/BR</th>
<th>Road Trailers (TEU’s)</th>
<th>Growth Rate of Road Trailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>6,88,771</td>
<td>13.73%</td>
<td>68,567</td>
<td>2.87%</td>
<td>79,548</td>
<td>13%</td>
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<td>2005-06</td>
<td>7,83,353</td>
<td>13.73%</td>
<td>78,660</td>
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<td>91,481</td>
<td>15%</td>
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<td>2006-07</td>
<td>8,76,186</td>
<td>11.85%</td>
<td>77,567</td>
<td>-1.39%</td>
<td>1,05,203</td>
<td>15%</td>
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<td>2007-08</td>
<td>9,60,603</td>
<td>9.63%</td>
<td>80,714</td>
<td>4.06%</td>
<td>1,19,931</td>
<td>14%</td>
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<tr>
<td>2008-09</td>
<td>10,69,999</td>
<td>11.39%</td>
<td>82,458</td>
<td>2.16%</td>
<td>1,35,522</td>
<td>13%</td>
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<td>2009-10</td>
<td>12,12,652</td>
<td>13.33%</td>
<td>65,867</td>
<td>-20.12%</td>
<td>1,49,074</td>
<td>10%</td>
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<tr>
<td>2010-11</td>
<td>14,68,914</td>
<td>21.13%</td>
<td>65,187</td>
<td>-1.03%</td>
<td>1,72,925</td>
<td>16%</td>
</tr>
</tbody>
</table>
Container Handling CPA Terminal (2010-11)
1,468,914 TEU's

Containers Dhaka Bound & Origin
1,175,131 TEU's (80%)

As Loose Cargo
937,019 TEU's

BR/ Dhaka ICD
65,187 TEU's

Road Haulers
172,925 TEU's

2010-2011 Scenario
Introduction to the inland waterways of Bangladesh

A WB study titled “Revival of Inland Water Transport: Options and Strategies”, IWT has the potential to become a major actor in the transport of ‘containers’ between Dhaka and Chittagong and between India and Bangladesh.
Bangladesh has one of the largest inland waterway networks in the world, connects almost all the country’s major cities, towns, and commercial centers.

Occupying about 11% of the country, some 700 natural rivers & tributaries with an overall 24,000 km-long network crisscrossing the country.
With the space of time and ignorance in maintenance dredging, 12000 km of classified waterways in 1970 have now dwindled to almost 6000 km, down to 50%.

Bangladesh can raise it’s GDP by 1% and foreign trade by 20% if the inland water transport logistics systems are made efficient and competitive says an ADB report.
Government Initiatives for IWT System

Capital & Maintenance dredging

Until recently, however, the maintenance of river network by dredging and development of IWT sector had received little attention from the subsequent Government of Bangladesh with only limited resources allocated to its development.
The GOB now have taken extensive measures to equip itself with new dredgers, enhanced fund allocation by many folds, invited private sector participation in dredging in bigger scale to revive the dwindling river network.
Advantages for the Stakeholders in River Terminals around Dhaka

• Cut off time for export shipment can be brought down to 6 hrs. Or less.

• Export loose cargo can be stuffed in containers closer to home under self control.

• LCL import cargoes can be de-stuffed closer to home and brought to respective warehouses within city limits in short spell without fear of pilferage/ damage on the way.

• Raw cotton and textile products in FCL can now reach factories in greater Dhaka within 24 hrs of landing in Ctg. Port

• Refrigerated or temperature controlled cargo from Khulna/ Dhaka area can be shipped from these river terminals without having to drive up the Reefer truck to Chittagong Port.
Advantages for the Stakeholders in River Terminals around Dhaka (contd.)

- Importers of fresh fruits can now release their cargo from reefer containers close to their warehouses to avoid wastage.

- Heavy industrial chemicals/ raw materials/ machinery laden containers will avoid best part of the bumpy road of the Dhaka-Ctg corridor.

- Back haul of empty Containers will be safer and cheaper.

- Most importantly, no hold ups in the river route, as like roads.

- The list is endless.
Bangladesh- India Container transport through inland waterways

• Currently about 220 plus 700- 1200 DWT dry cargo vessels ply between Kolkata/ Haldia Port and Dhaka regions through the bordering inland waterways of Bangladesh & India.

• With the ICT projects in Dhaka, the conditions will be in place to set up container transport services by inland river barges from Kolkata Port that would be faster, safer cheaper of transport Bangladesh and India. and than the current mode of transport.
Container Terminals that are being developed

**Dhaka ICT** or Pangaon Port jointly owned by CPA and BIWTA located on Buriganga River

**Summit Alliance Terminal** owned by Summit-Alliance Group, located southwest of Dhaka city on the bank of river Dhaleshwari close to Mukhtarpur Bridge on the same river.

**Rupayan Port & Logistic Services Ltd. (RPL);** sponsored/owned by Rupayan Group, located east of Dhaka city and north east of Narayangonj city on the bank of river Sitalakhya in Dhamgarh, N.gonj.
Proposed River Terminals that are on the drawing board and have secured government nod

**Kumudini Container Terminal**; located within the city limits of Narayanganj adjacent to Khanpur Port of BIWTA

**Ananda Container Port**; sponsored by Ananda Group, the proposed site is located 30 km east of Dhaka city and north east of Narayanganj city on the bank of river Meghna in Ashariar Char, Meghna Ghat.

**AK Khan Container terminal**; sponsored by AK Khan Group of Chittagong the proposed site is located northeast of Dhaka in Polash area of Narsingdi district, on the bank of river Sitalakhya.
3D View of Proposed Ananda Container Port
Challenges & Opportunities in the Container shuttle service business;

River Route between Dhaka & Chittagong

Water Draft
Air Draft
Estuary draft
River traffic in rivers around Dhaka
Fishing Nets menace
Inadequate facilities for navigation at night in the Meghna estuary

MoS has already taken initiative to increase the pilot stations, buoys and have taken up the safety issues very seriously by forming an inter Ministerial Committee for recommending measures to mitigate these challenges.
Vessel for Container Shuttle service between Dhaka river Terminals & CTG Port

- Container Vessel size & Dimension

- Department of Shipping requirement for coastal vessels*

- JICA Study (1993) recommendations on the procurement of Container Vessels

- Ministry of Shipping Gazette Notification regarding container vessels of 140 TEU without mentioning basic dimension

- Only New Build vessel with an original design taking into consideration of inland river parameters can meet all challenges.

- Old Vessel imported may not necessarily meet the river and air draft and dimension parameters as stipulated by the Department of Shipping (picture)
GOB Policy on Vessel Licensing for Container Shuttle service between Dhaka river Terminals & CTG Port

- One Company one vessel do not conform to ground reality*

- High financing cost in the country is an impediment in procuring vessels, particularly new build vessels

- The upcoming two river terminals in mid 2013 may not get adequate number of vessels in time

- Cannot import or build Container Vessel under any JV finance from foreign source
Foreign Financing may be the key to build and operate new Vessels

• Significantly lower interest rate
• Freight revenue is pegged to USD, hence repayment of loan is non-inflationary
• BB will allow foreign loan
• With 7 return voyages per month return on investment possible within 5 years
• Financing will be extremely difficult for a single vessel
Road Map to Perfect launching

MOS will have to review and perhaps reconsider some of their recent policy decisions in regard to foreign investment and restrictions on single licensing system.

A task force may be created by the Government which will be represented by both the GOB and private stakeholders;

• to make binding recommendations leading to the perfect launching of the

• environment friendly ‘new avenue’ of transport of containers through inland waterways

Thank YOU