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# CPA News

Premier Maritime Magazine of Bangladesh

Policy reforms necessary for a  
transition to a Blue Economy

**The Bay of Bengal:**  
the key to sustainable economic development

Domestic and foreign companies will work together to develop waterways

**FDI proposal of USD 1.58 billion** for  
setting up a shipbuilding yard



Exclusive interview

with Mohammad Mezbah Uddin Chowdhury,  
Secretary, Ministry of Shipping

Direct freight route to  
Europe heralds a new era in  
the maritime sector of Bangladesh

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## CPA News

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NPP, BCGMS, ndc, psc, (BN)

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### Public Relation

A.N.M Faruk Hossain Chowdhury

### Photography

SM Shamsul Huda

### Design & DTP

Toufique Ahmed  
Abida Hafsa  
Mahmud Hossain Prince  
Mirza Nayeem Oliullah

### Production Logistics

Habibur Rahman, Alia Ferdoushi

On behalf of CPA

**Content Development, Writing,  
Editing, Design & Publication:**

ENLIGHTEN | VIBES

House 06, Road 03, Sector 05  
Uttara, Dhaka-1230, Bangladesh.  
Tel: +880 02-48956748  
Email: enlightenvibes@gmail.com

### Editorial Communique

#### CPA News

Chittagong Port Authority  
Bandar bhaban, Chattogram  
Tel: 02-333330869  
Email: bandarbartagmail.com

## Editorial

### Direct freight service is opening a new horizon in maritime transport sector

CPA News launched its voyage six years ago. This magazine allows interested readers, including the worldwide port community and stakeholders, to stay up to date on Bangladesh's maritime sector. It also promotes sustainable and eco-friendly maritime topics in addressing the global climate change crisis. On its journey to the 7th year, the publication vows to sensitise the maritime sector by regularly showcasing all domestic and international best practices in order to make Vision 2041 a reality. Moreover, this magazine also has an online presence at [cpanewsbd.com](http://cpanewsbd.com), where it covers important maritime news from Bangladesh with insights in addition to presenting regular magazine content.

Bangladesh is in the transition from a least developed economy to a developing economy. Although policymakers are apprehensive about anticipated obstacles in Bangladesh's foreign trade after the transition, the historic direct freight service has instilled confidence. While direct shipping began with Italy, it is expected to quickly spread to other European countries and even beyond. In this context, our lead piece highlights the possibilities and potential surrounding direct maritime freight between Bangladesh and Europe.

Mohammad Mezbah Uddin Chowdhury was appointed as the secretary of the Ministry of Shipping on 27 February 2020. Amid the COVID-19 pandemic, the Ministry of Shipping is instrumental in keeping Bangladesh's trade and commerce afloat, provides important and far-reaching measures such as maintaining seaports open 24 hours a day, seven days a week. He spoke with CPA News exclusively about his working experience, as well as the problems, opportunities and accomplishments of the maritime industry.

Bangladesh is developing policy guidelines to strengthen its maritime capabilities. Naval modernisation, the establishment of a maritime university, as well as chairing and participating in maritime symposiums and discussions are examples of such endeavours. Besides, the country has already taken up certain steps to boost up Blue Economy in the Bay of Bengal region. It is better positioned to devise a plan for the long-term exploration and utilisation of untapped maritime resources in the Bay of Bengal, as discussed in our story in the 'Horizon' section.

Bangladesh obtained sovereignty over more maritime space when maritime border disputes with Myanmar and India were resolved in 2012 and 2014, respectively, increasing the overall maritime space to 80% of the country's total land area. The government has identified this area as a major source of economic growth and adopted the Blue Economy model to develop it effectively. Our article in the 'Perspective' section addressed the issue and concluded that policy reforms are required for Bangladesh's Blue Economy to thrive.

Furthermore, the 'News Bytes' section will keep you up to date on all key maritime events and developments from the first quarter of this current year.

We gratefully accept your useful reviews and suggestions for new ways to enhance this maritime publication. Thank you for being with us all along, and please continue to be with us.

Thank you so much.

**Zafar Alam**  
Editor





## Lead Story

# Direct freight route to Europe heralds a new era in the maritime sector of Bangladesh

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The MV Songa Cheetah sailed from Chittagong Port to Italy on 8 February 2022, carrying 952 TEU containers of readymade garments for export. This direct freight service, albeit on a small scale, marked the beginning of a new era in Bangladesh's maritime transport sector. Many believe the industry has taken a step closer to reaching self-sufficiency in maritime trade. Read our lead article for more.

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**"Our vision is to ensure world-class port and shipping management in Bangladesh."**

**Mohammad Mezbah Uddin Chowdhury,**  
Secretary, Ministry of Shipping  
Government of the People's Republic of Bangladesh

Mohammad Mezbah Uddin Chowdhury, Secretary, Ministry of Shipping, has been advancing Bangabandhu's maritime vision under the leadership of the Honourable Prime Minister Sheikh Hasina. He provided CPA News with an exclusive interview in which he discussed the activities, accomplishments, and future ambitions of the Ministry of Shipping.

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Horizon



Bangladesh has already taken certain initiatives to enhance the Bay of Bengal region's Blue Economy. It is in a better spot to create a long-term plan for the exploration and utilisation of untapped maritime resources of the Bay of Bengal, as we described in our 'Horizon' section.

## News Bytes

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- HPM wants to build another shipyard in south
- Chittagong Port to lead regional maritime connectivity: State Minister for Shipping
- International Mother Language Day observed at Chittagong Port
- Bangabandhu Military Museum is a milestone for the Armed Forces: HPM
- Chittagong Port celebrated Bangabandhu's birthday
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- Chittagong Port paid homage to martyrs of Liberation War
- First Bangladeshi flagged vessel left Chilmari Port for India
- A draft export policy aimed at doubling export revenue
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- Bangladesh is seeking USD 22.4 million in insurance payouts for its wrecked ship
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Perspective



Bangladesh's government has identified the maritime sector as a vital source of economic growth and has embraced the Blue Economy strategy to efficiently develop it. Our article in the 'Perspective' section explored the topic and concluded that for Bangladesh's Blue Economy to grow, policy reforms are essential.



## “Our vision is to ensure world-class port and shipping management in Bangladesh.”

**Mohammad Mezbah Uddin Chowdhury**

Secretary, Ministry of Shipping  
Government of the People's Republic of Bangladesh



*Mohammad Mezbah Uddin Chowdhury started his career in 1991 as an Assistant Commissioner in the Barishal Deputy Commissioner's Office. Since then, he gained experience working at all levels of field administration as well as central government. Prior to joining the Ministry of Shipping on 27 February 2020, he discharged his duties as Additional Secretary at the Appointment, Promotion & Deputation (APD) wing of the Ministry of Public Administration. Working in this capacity, he acquired adroitness in the 'human resource management' of the government. In an interview with CPA news, he discussed the shipping industry's possibilities, opportunities, and constraints.*

**Bangladesh has been experiencing growth for a decade, and that has been possible by relying on various economic activities, especially import and export activities where ports play the major role. The Ministry of Shipping oversees both the country's maritime and land ports. Has your ministry's relevance and scope been constantly growing?**

**Mohammad Mezbah Uddin Chowdhury:** Bangladesh became an independent and sovereign nation on the world map on 16 December 1971, after a nine-month armed Liberation War based on the ideology of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. At that time the Ministry of Communications was established which combined the sectors of railways, shipping and road transport. The Ministry of Communications was later renamed the Ministry of Port, Shipping & IWT due to the expansion of its scope of work. However, in January 1988, the Ministry of Port, Shipping & IWT was renamed the Ministry

of Shipping. The Ministry of Shipping is responsible for executing tasks through 12 departments and agencies. These responsibilities include improving control, safety, and navigability in Bangladesh's waterway communication system, as well as developing seaport management, coordinating dredging projects, developing land ports, expanding international trade by sea and training domestic and international sailors. In addition, under the auspices of the Honourable Prime Minister and with the direction of State Minister for Shipping, a 'Blue-Economy' programme has been initiated by the Ministry of Shipping to extract and conserve marine resources. In this regard, short, medium and long term strategic plans have been made.

***The Ministry of Shipping oversees several departments and agencies. How is the Ministry dealing with the challenge of keeping so many departments and agencies in sync?***

I have already said that there are 12 departments and agencies are involved with the operation of this ministry. This ministry's responsibilities include:

- management of river ports, seaports and land ports;
- management, development and conservation of lighthouses;
- waterway dredging to maintain navigability;
- installation of buoy lighted indicators and PC poles for safe navigation;
- expansion of maritime trade;
- ensuring inland shipping, marine services and safe movement of water vessels;
- survey and registration of ships;
- development and conservation of navigability in inland waterways;
- necessary education and training in shipping;
- management and maintenance of inland shipping within the mainland and islands;
- coordination and research relating to the ministry;
- enactment of law relating to shipping and navigation;
- collaborating with international organisations and negotiating agreements and memoranda of understanding with a number of organisations.

The vision of the ministry is to ensure world-class management of ports, maritime and inland water transportation. Success follows when there is a strong commitment to the vision, then coordination becomes simple.

***The port sector is becoming increasingly vital around the world, and Bangladesh is no exception, as it is the primary driver of development. What is the government's plan for multidimensional growth in order to boost the port sector's capacity and efficiency? What potential do you see in Bangladesh as a regional hub for shipping?***

We are going forward intending to become a developed country by 2041 after graduating from the Least Developed Country (LDC) status. With this goal in mind, several mega projects are underway in the infrastructure and energy sectors. In addition, the government is establishing hundreds of EZs, SEZs, and EPZs to ensure that a vast volume of imported commodities arrives quickly and easily. When imported commodities reach our maritime territory, the Chittagong Port Authority plays a major role. If we are to maintain the country's pace of sustainable development, we must ensure that goods are delivered quickly and efficiently. To do so, we're working on projects to establish connections with the hinterlands, build a multimodal centre, and modernise the port's existing infrastructure. Environmental issues and the use of fossil fuels are also becoming increasingly sensitive to maritime organisations around the world. In terms of construction, we are taking great care to ensure that no harm is done to the environment. We're also attempting to ensure that this does not obstruct economic growth.

***Due to the COVID-19 pandemic, the years 2020 and 2021 were unprecedented and several of the world's most major ports came to a halt. In the case of Bangladesh, particularly Chittagong Port, things were different. Even in the throes of the pandemic, the port's operations did not cease for even a day. Growth has continued even at the end of the fiscal year 2021. What allowed this to happen?***

We were able to keep imports and exports running during the pandemic. The Chittagong Port Authority's timely and inventive plan, as well as its implementation, have made this feasible. Other government agencies, such as the National Board of Revenue (NBR), have also been assisting. To prevent the virus from spreading from ships to the rest of the country, the Chittagong Port Authority has taken preventative steps according to WHO guidelines. To avoid any disruption in import-export activity caused by container congestion, a special task force was formed. The task force made it possible to keep the

import-export process moving at a normal pace. Importers were also offered discounts on store rent so that they may release containers from the port premises. To maintain the port operational 24/7, port employees worked in shifts. As a result, despite the pandemic, Chittagong Port was able to maintain growth in cargo, container, and ship handling by the end of the fiscal year 2020-21.

***Let's discuss the Matarbari deep seaport. How optimistic are you that the port will be operational by 2026?***

The work on the 18.5-metre channel has already been completed. The breakwater is also ready. Through the channel, ships have begun to berth at the Matarbari Coal Power Plant jetty. Nippon Co., a Japanese consultancy firm, began work on the project as a consultant. Everything is progressing smoothly and we hope that by the year 2026, we will be able to start the operation of Matarbari, the first deep seaport of Bangladesh.

***What advantages would traders have after the Matarbari deep seaport is completed?***

In the case of Bangladeshi exports, the goods are initially transported to Singapore or Colombo through feeder vessels. The goods are then transported on mother vessels to their final destination. In the same way, imported goods arrive in Singapore and are transported to Chittagong Port by feeder vessels. If Matarbari deep seaport becomes operational, mother vessels can dock there. Imported goods can then be transported by lighter ship to Chittagong Port or other destinations, saving time on import-export activities. Traders will benefit as a result of this.

***Land ports play an important role both in internal trade and trade with neighbouring countries. Is the Ministry of Shipping considering an integrated policy for land ports and seaports?***

There are 23 land ports in Bangladesh for the operation of regional trade and the country shares about 4,000 km border with India. To increase trade with India, the government has chosen to create infrastructure for three new land ports in the districts of Sylhet, Satkhira, and Khagrachhari. The Benapole land port is also being modernised as part of the same initiative. Open yards, warehouses and other infrastructures are being built in these ports to facilitate communication and traffic. Bhutan and Nepal, on the other hand, have





expressed interest in utilising Bangladesh's Chittagong and other seaports. In national policy, an emphasis has been placed on implementing appropriate measures to ensure the integrated management of land ports and seaports.

**Logistics facilities and hinterland connectivity are vital aspects of the transportation system. What function does the present hinterland system play in the transportation sector? What initiatives have been implemented to improve hinterland connectivity?**

To match pace with the development of maritime ports and international trade, emphasis has to be placed on roads, railways and inland waterways. Hinterland connectivity is largely dependent on various forms of transport systems. In Bangladesh, 80% of commodities are transported by road, 16% by water, and 4% by rail. We must boost the use of waterways, continue road development, and make rail freight transportation more convenient. To do this, we are now engaged in a number of activities, including several megaprojects.

*“Success follows when there is a strong commitment to the vision, then coordination becomes simple.”*

- Mohammad Mezbah Uddin Chowdhury

**Bangladesh is now in possession of a vast sea area as the maritime boundary has been settled with the neighbouring countries. The Ministry of Shipping has developed short, medium, and long-term strategic plans to capitalise on the 'Blue-Economy' potential. What are the plans' major aspects?**

Bangladesh won the maritime delimitation dispute largely due to the success of the Honourable Prime Minister Sheikh Hasina's visionary diplomacy. As a result of this verdict, Bangladesh has been able to establish sovereign rights over 118, 813 sq. km of territorial sea area, 200 nautical miles of Exclusive Economic Zone (EEZ) and all species and non-species resources in the continental shelf up to 354 nautical miles off the coast of Chattogram.

The world's population will be around 9 billion by 2050. According to researchers, we will have to resort to the sea to feed this population. This is why scholars and experts are attempting to emphasise the value of the Blue Economy. Marine fisheries, flora and fauna are providing 15% protein to 4.3 billion people around the world. Various gas and oil reserves beneath the sea supply about 30% of the world's gas and fuel. Mineral deposits

are among the non-renewable resources found in the oceans. According to various sources, the coast of Bangladesh has about 1.74 million tons of mineral sand worth about USD 1.4 billion. Seawater is used to harvest around half of the world's magnesium. It is possible to make life-saving medicines from this natural source. Scientists hope that the next generation of medicines will come from the sea. Besides, we are developing and expanding capacity in seaports and deep seaports, improving the efficiency of coastal shipping so it can contribute more to economic development, advancing bilateral and regional Blue Economy agreements, working to expand international shipping through agreements and protocols, and dredging rivers to improve navigability in order to facilitate Blue Economy activities.

**Let us now move on to a different topic. The Bangladesh Shipping Corporation (BSC), which was founded in 1972, has been playing an important role in earning foreign currency as well as delivering diverse goods such as fuel, fertilisers and food grains. The agency fleet, on the other hand, has a relatively small number of ships. What initiatives are you taking to increase the number of ships in the fleet?**

The Bangladesh Shipping Corporation (BSC), founded on 5 February 1972 by the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, is currently a self-sufficient institution. The government intends to develop BSC, which is listed on both stock exchanges, into one of Southeast Asia's premier shipping companies. The fleet's size is being boosted in order to achieve this goal. Six ships have already been added to the BSC fleet, all of which are operated on sea routes and are subsidised by the Chinese government. Three of the ships are product tankers, while the other three are bulk carriers.

More efforts to purchase ships are in the works to strengthen the fleet in the future. The plans for the procurement of two mother bulk carriers with a capacity of 80,000



tons and ten bulk carriers with a capacity of 10,000 to 15,000 tons are certainly noteworthy. Apart from this, a project has also been undertaken to purchase two mother tankers with a capacity of 100,000 tons to 125,000 tons for the transportation of crude oil of Eastern Refinery Limited. Additionally, in order to transport diesel and jet fuel imported by Bangladesh Petroleum Corporation, two mother oil tankers with a capacity of 80,000 tons will be purchased.

LNG is being imported to meet the country's burgeoning fuel needs. As a result, BSC intends to expand its fleet with six LNG vessels to transport imported LNG. Two are 140,000 cubic metres, two are 174,000 cubic metres, and the remaining two are 180,000 cubic metres.

BIMSTEC member countries are now discussing the benefits of feeder service. In light of this, a new project for the procurement of four new cellular container ships with a capacity of 1,200 to 1,500 TEUs each has been launched. Cellular container ships will be built with the assistance of the Danish government. If this project is implemented, BSC will be transformed into a strong international shipping company.

***The Department of Shipping is the most important agency under the Ministry of Shipping. The Department is in charge of various matters including providing Certificate of Competency (COC), Certificate of Proficiency (COP), Continuous Discharge Certificate (CDC) and certificates for other qualifications of sailors. It's time to go beyond the old ways of doing things and digitise these services. What is the government's initiative in this regard?***

In today's age, it's important for the Department of Shipping to digitise everything so that the procedure becomes simple and efficient. We have made progress in this regard. Certificate applications for sailors onboard ocean-going ships and inland ships, such as COCs and COPs, are now accepted online. Besides, information on the certificate's status is sent to the applicant by text messaging. Apart from this, arrangements have been made for online submission of various types of applications including sailors' examinations, Safe Manning Certificate, Ship Surveyor Certificate and others. Sign-on and sign-off programmes have also been introduced online for sailors.

Steps have also been taken to stop CDC fraud. In order to prevent counterfeiting, CDCs



*More efforts to purchase ships are in progress to strengthen the BSC fleet in the future.*

- Mohammad Mezbah Uddin Chowdhury

are now printed by machines rather than by hands on special paper with security features such as ultraviolet, micro security line, anti-photocopy and quick response code.

***Skilled manpower is the only way to succeed in any industry. What steps has the ministry taken to develop skilled manpower for the shipping industry?***

The Marine Academy and the National Maritime Institute under the Ministry of Shipping are conducting activities to train skilled manpower. The Bangladesh Marine Academy has been preparing sailors and marine officers for 4 decades. Maritime disciplines are also taught at several maritime institutes and some science and technology-related universities. Following this and after the maritime boundary settlement with our neighbouring countries under the guidance of the Honourable Prime Minister Sheikh Hasina, the first maritime university named after Bangabandhu Sheikh Mujibur Rahman was established in 2013. The government is correctly addressing the skilled manpower deficit.

***Almost two decades ago, the existing national shipping policy was developed. On the other hand, both domestically and globally, there have been significant changes in the infrastructure and features of the shipping sector. Experts also believe that now is the best time to develop a new shipping policy. What are your views on the topic?***

There is a pressing need to modernise our existing shipping policy, and there is no other option than to liberalise the shipping industry with encouragement in order to maintain our economy's vibrancy. Bangladesh is a riverine and coastal country with a developing demand for a robust and appropriate shipping policy to transport local commodities, passengers, and to facilitate international feeder shipping. The policy is required for commercial development and increased export earnings. Over the last 10 years, the shipping industry has provided a significant number of jobs. Furthermore, the shipping industry's contribution to national revenue is evident and it has made indisputable contributions to internationalising our economy. The government is taking measures and this policy dilemma will undoubtedly be resolved shortly.

***Thank you so much for taking the time to talk to CPA News .***

Thank you, too. CPA News' continuous efforts over the last several years to solidify the maritime sensitisation practice are very admirable.



# Direct freight route to Europe

heralds a new era in the  
maritime sector of Bangladesh

Shariful Alam Shimul, Omar Faroque Emon





*On 8 February 2022, the MV Songa Cheetah sailed directly from Chittagong Port to Italy carrying 952 TEU containers of readymade garments for export. Although on a small scale, this direct freight service ushered in a new era in Bangladesh's maritime transport sector. Many believe, the sector moved a step closer to achieving maritime trade self-sufficiency.*

Bangladesh's economy is in the process of transitioning from a least developed to a developing one. While policymakers are concerned about Bangladesh's possible hurdles in foreign trade following the transition, this historic freight service has brought a feeling of confidence. Although the direct freight started with Italy, it will soon spread to other European countries, and even beyond Europe. The more we can solidify our position in and with Europe as a favourable export market for Bangladesh, the stronger our economic basis would be.

### History speaks for itself

The Indian subcontinent and Bengal have a long history of maritime trade relations with Europe. In ancient and medieval times, several maritime routes were used to transport commercial goods between Europe and the Indian subcontinent. One route is from Venice, Italy, to Alexandria, Egypt, via the Mediterranean Sea, and then to Bombay (now Mumbai) on India's west coast via the Red Sea. It should be mentioned that there was no Suez Canal at the time, therefore ships couldn't sail directly on this route.

Another route was from Genoa, Italy, via the Mediterranean to Constantinople (modern-day Istanbul), and then via the Black Sea, the Tigris-Euphrates River and the Persian Gulf to the Indian Ocean.

Another option for getting to India from Constantinople was to take the Black Sea-Caspian Sea-Amu Darya River-Indus River route.

However, those ancient trade routes were blocked when the Turks captured Constantinople and the East-Mediterranean coast in 1453. Then came the need to find alternate routes to keep the Indian peninsula connected to Europe, which led to Vasco da Gama's discovery. The route travels from the port of Lisbon in Portugal, crosses past Africa's Cape of Good Hope, and ends in the port of Calicut in southern India. On this journey, however, the ships had to cross the vast Atlantic and Indian Oceans. The Suez Canal, which was built 150 years

ago, eventually provided a solution to this complication.

While direct shipping between Europe and the Indian subcontinent existed in ancient and mediaeval times, it is no longer a tough or impossible task. All we have to do now is a plan and determine whether or not it will be more profitable. Profit should not be determined just based on immediate numbers in this scenario. But it's also about ensuring a long-term market.

### Containers are shipped directly to Europe

Bangladesh has traditionally been a leader in garment exports because of its low labour costs and skilled workforce. However, in order to keep ahead of the competition in the world market, items must be delivered to international buyers as fast as possible. This necessitates long-distance direct freight service. The recent unnatural surge in freight fares during COVID-19, as well as the uncertainty caused in goods shipment due to bottlenecks in transshipment ports, have allowed that opportunity, albeit to a lesser level.

On 23 December, for the first time since the beginning of container transport in 1977, direct freight started between Italy and Chittagong with 952 TEU containers. On the first voyage, empty containers were carried from Italy, and when the testings were satisfactory, the containers were exported. Following this, a ship named MV Songa Cheetah set sail for Italy, a country 6,500 nautical miles away from Chittagong.

The ship sailed through the Karnaphuli River and travelled close to Hambantota Port in Sri Lanka, passing through the Bay of Bengal. It then cruised across the Arabian Sea, Indian Ocean, Gulf of Aden, Red Sea, Suez Canal, and the Mediterranean Sea to berth in an Italian port, Ravenna.

### What motivates this initiative?

It usually takes 24 to 26 days to deliver goods from Bangladesh to Europe by transshipping to the ports of Singapore or Sri Lanka. But, the delivery may take

more than 30 to 35 days due to booking delays on large ships in Singapore or Sri Lanka. The Chittagong-Italy direct shipping service, on the other hand, is lowering the time it takes for goods to be exported from Bangladesh to Italy. According to experts in Bangladesh's ready-made garments sector, the service will take at least a week or two less time than Vietnam's shipment to Italy.

The importance of launching this service has been felt even more amid the COVID-19. Especially during last year's congestion, when containers full of ready-made garments heading for Europe had to spend several days in the transshipment hubs of Singapore and Sri Lanka. Because there was no place for containers and the large ship was already hauling Vietnamese and Chinese containers, no one knew when the container on the large ship would be loaded. As a result, fares have increased 5 to 10 times over normal.

Foreign buyers' freight forwarders receive goods at private Bangladeshi depots, which they then transport to their respective nations on their own dime. Because transshipment ports are used in the case of importing from Bangladesh, European buyers must spend more time and money to receive goods from Chittagong.

As a corollary, Italian buyers who are releasing goods from Chittagong are experiencing some difficulties. However, after more than six months of suffering of the Italian buyers for the congestion in transshipment ports, RifLine Worldwide Logistics, a freight forwarding company from Italy, came forward with a solution. RifLine planned to send ships to Chittagong Port for direct container shipping and sought approval plus help from the Chittagong Port Authority. After reviewing the broader context, the chairman of the Chittagong Port Authority approved the start of the procedure and directed to give priority to provide all sorts of port facilities. Kalypso Compagnia di Navigazione SPA, a subsidiary of Reef Line, then launched the direct freight service.

According to RifLine representatives in Bangladesh, this is not a one-time stop because the ship will unload the container in Ravenna, Italy, and then return to Chittagong to ship the export goods. This initiative expands Bangladesh's export opportunities by allowing Italian buyers to receive the goods for 30% less cost and in less than a week or two.

At present, the transport of a 40 feet long container from Chittagong Port to Europe via Singapore or Colombo ports costs around USD 14,000 to USD 15,000, whereas the newly launched direct shipping service costs USD 10,000.

## Bangladesh-EU Trade Scenario

Trade in Goods (in billion Euro)			
Year	Bangladeshi Export to EU	Bangladeshi Import from EU	Surplus
2018	15.2	3.2	12.0
2019	16.3	3.0	13.0
2020	13.3	2.2	11.4

Trade in Service ( in billion Euro)			
Year	Bangladeshi Export to EU	Bangladeshi Import from EU	Deficit
2017	0.4	0.6	0.2
2018	0.5	0.6	0.1
2019	0.5	0.6	0.1

Source: European Commission

Bangladesh enjoys a competitive advantage in trade with Europe

### Prospects

There was a period for Bangladesh when shipping goods by transshipment was more cost-effective than sailing long distances with a small number of goods in small vessels. However, due to the unavailability of large ships, abnormal increase in freight charges as well as congestions at transshipment ports, it is now considered cost-effective to transport container goods directly to Italy in small vessels. If freight costs are decreased to USD 2,500-USD 3,000 per container (40

feet), the scenario may change. However, the rate is not returning to normal overnight, as multinational corporations have hinted.

This hike in freight charges isn't going to last forever. Will there be direct shipping between Europe and Bangladesh once things have returned to normal? In order to survive in such a situation, industry analysts say the number of ships must be increased, and larger ships must be added. If the new route becomes popular, many major shipping lines may step ahead.

Bangladeshi traders say that with the opening of a deep seaport at Matarbari in Cox's Bazar, it will be possible to transport containers directly to Europe and the United States on large ships. They'll have to wait a few more years for this to happen.

### The goal is to cover all of Europe, beginning with Italy

Bangladesh's seventh most important export destination is Italy. During the fiscal year 2020-21, the country exported a total of USD 1.3 billion to Italy, with readymade clothes accounting for 95% of the total. Simultaneously, products worth USD 436.9 million were imported from Italy, with capital equipment accounting for half of the total.

European markets account for more than half of Bangladesh's overall exports. Readymade garments are at the top of the list of these export products (90% of the total exports). Apart from that, leather, jute, and tea are also sent to Europe in large quantities. It should be noted that 300,000 TEU containers were shipped to Europe from the total of 729,000 TEU containers exported through Chittagong Port last year.

### Time for plans

Bangladesh will be officially upgraded from Least Developed Country (LDC) to the Developing Country category in 2026. Currently, the EU's Everything but Arms (EBA) scheme provides favourable GSP benefits to 98% of the country's exports. However, there is much conjecture as to whether this advantage will remain in the sphere of commerce after Bangladesh's transformation into a developing country, or what problems it will encounter.

Bangladesh, on the other hand, has negotiated a temporary solution to the matter with the EU. Even after the transition, the European Union has agreed to extend duty-free trade for three years, until 2029. This is excellent news for Bangladesh, as it will help to ensure that the country's post-transition trade runs smoothly. But what happens when this time span comes to an end? Now is the time to get ready.

Backward linkage industry deficits are a major impediment to Bangladesh's industrialised trade, but the country is on the mend. Because numerous other Asian countries are posing a threat to the country's export volume, it has no choice but to strengthen its position in the backward linkage industry to meet the challenge.

Not just in terms of production, but also in terms of timely delivery of items to customers, if the country fails it will lag behind its competitors. It is true that in the absence of a preferential trade agreement,



### A direct freight route to the transatlantic can also be established

**Faruque Hassan**  
President, BGMEA

This is a pivotal moment in Bangladesh's history. Bangladesh's trade will be considerably boosted by direct freight connectivity with Europe. It might be regarded that this marked the start of a new era in Bangladesh's maritime trade history.

With the launch of direct freight route, it will be possible to send goods to Europe in just 16 days. It's not just about saving time; the cost of transporting goods will drop by around 40% as a result. Bangladesh's economic growth is rising, and trade with foreign countries is consolidating, something we are proud of. We were able to demonstrate this by sending the container straight to Italy. I'd want to express my gratitude to everyone who helped with this project.



### Excellent instance of bilateral trade expansion

**Charles Whiteley**  
Ambassador of the European Union to Bangladesh

With this direct freight, I believe we can see how trade between Bangladesh and the European Union (EU) is growing. It has created new avenues for the sale of Bangladeshi-made garments and other products to EU countries, significantly lowering shipping costs for exporters and, more importantly, for buyers. This game-changing development, in my opinion, will send a favourable message to EU member countries.



European purchasers may choose to source their goods from another nation that they consider more convenient.

In terms of competitors, Vietnam has posed a serious challenge to Bangladesh in the readymade garments sector in recent years. Bangladesh currently has duty-free access to EU exports thanks to the GSP, and Vietnam has similar advantages according to the EU-Vietnam Free Trade Agreement (EVFTA), which was signed in early 2020 for 10 years. In other words, when Bangladesh's GSP programme expires in 2029, Vietnam's garment exports to the EU will continue to benefit for another year.

### Direct freight to other markets

For a long time, Bangladesh has placed a strong emphasis on expanding its export market and diversifying its product portfolio, and as part of this, Bangladesh has signed a cooperation agreement with the Eurasian Economic Commission (EEC)-the executive body of the Eurasian Economic Union. This agreement will play a positive role in achieving duty-free and quota-free access to Bangladeshi products.

There are no customs borders between the five members of the Eurasian Economic Union (EEU) in Eastern Europe and Central Asia: Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan, who are also members of the Commonwealth of Independent States (CIS). As a result, goods may be exported without difficulty from one country to another. All EEU member states have the same tariff rate and trade policy when it comes to overseas commerce.

Bangladeshi textiles, jute and jute goods, frozen fish, medicines, potatoes, and vegetables have great market potential in EEU nations, particularly in Russia. Ready-made garments, jute, frozen shrimp, and potatoes are currently shipped to Russia, but in small quantities compared to the market potential.

Despite the fact that there is no direct maritime route between the two nations, the United States is an established market for Bangladesh. However, Bangladesh's competitors have made significant progress in terms of exports to the burgeoning US market, where retailers have expanded imports in response to rising consumer demand. According to entrepreneurs in Bangladesh's ready-made garments industry, US buyers are making a large number of orders.

Because of containers and large ship inadequacies, transporting containers to the United States now takes more time and costs more money; consequently, direct freight service may be a reasonable option



### Chittagong Port will provide all kinds of assistance to direct freight service

**Rear Admiral M Shahjahan**

*Chairman, Chittagong Port Authority*

The launch of direct container shipping to Europe strengthened the country's maritime transport sector. This initiative will assist in creating competitive advantage in the export of ready-made garments. In this regard, Chittagong Port will provide all kinds of assistance to direct freight service to Europe.

Another challenge is the requirement for large ships to make direct shipping profitable and secure. When completed, the deep seaport at Matarbari in Cox's Bazar will be able to accommodate larger ships with deeper draft. As a result, shipping companies will view direct container transport from Bangladesh as more secure and profitable. Large corporations will want to use this port as well. And we want Matarbari to be a transshipment hub.

in this scenario. The Philippines has recently sailed ships to the United States with export containers, recognising the importance of this. Bangladesh can also take such a step by examining and resolving a variety of relevant issues.

### Conclusion

We recently celebrated the country's Golden Jubilee of Independence, and the country's maritime transportation industry witnessed a new chapter in its history. The establishment of a direct freight link with Europe, out of the dependent maritime transport system, has added a fresh feather to the crown of the country's sovereignty and self-reliance.

Once war-torn independent Bangladesh was dubbed a "bottomless basket." The country is now a role model for economic development, and such a direct freight programme was urgently needed to speed up that. Policymakers must now consider whether this service can be maintained and expanded to other regions in the future. Because now is the perfect time to build a long-term development strategy for Bangladesh.

**Shariful Alam Shimul**

*Contributor, Bandarbarta*

**Omar Farooque Emon**

*Reporter, Bandarbarta & CPA News*

*The chairman of the Chittagong Port Authority Rear Admiral M Shahjahan approved the start of direct freight procedure between Bangladesh and Italy and directed to give priority in providing all sorts of port facilities*



# The Bay of Bengal:

## the key to sustainable economic development

CPA News desk



The Bay of Bengal (BoB) is a bay in the Indian Ocean's northeastern region. It has the shape of a triangle and is bordered on the east by the Malay Peninsula and on the west by India. The Bengal area, which includes the Indian state of West Bengal and the country of Bangladesh, is located on the northern tip of the "bay," hence the name. The southernmost reaches Sri Lanka's island nation and the Indian Union Territory of the Andaman and Nicobar Islands.

The Ganges River (or Ganga), Meghna River, and Brahmaputra River rivers run west to east into the Bay of Bengal, as do the Mahanadi River through the Mahanadi River Delta, Godavari River, Krishna River, Irrawaddy, and Kaveri River (often spelt as Cauvery) rivers in the south. On the Bay of Bengal, the Sundarbans mangrove forest is formed at the confluence of the Ganga, Brahmaputra, and Meghna rivers. Myanmar's

Ayeyarwady River also feeds into the bay.

The Andaman, Nicobar, and Mergui groups are among the many islands in the bay. Cheduba and neighbouring islands in the northeast, off the coast of Myanmar, are notable for a network of mud volcanoes that are periodically active.

Cox's Bazar, on the bay's northeastern shore, has one of the world's longest continuous natural beach. Bakkhali, Digha, Chandipur, Puri, Waltair, and Marina Beach in Chennai are some of the other beaches around the bay.

### The climate

The climate in the Bay of Bengal is mainly dominated by the monsoons. From November to April, the northeast winds (the northeast monsoon) blow over the northern part of the bay. This is produced as a result

of a continental high-pressure system. And from June to September, the rain-bearing southwest monsoon prevails, as intense heat produces a low-pressure system over the sub-continent, and as a result, air flows over the ocean. During spring (April- May) and fall (October- November), tropical storms of high winds and heavy rainfall in the form of cyclones occur over the Bay of Bengal.

### Geopolitical and geostrategic positioning

Bay of Bengal lies at the centre of 2 huge economic blocks, the SAARC and ASEAN. This influences China's southern landlocked region in the north and major seaports of India and Bangladesh. China, India, and Bangladesh have established naval cooperation agreements with Malaysia, Thailand, and Indonesia to increase cooperation in checking terrorism on the high seas.



## Physical properties of BoB

A distinctive feature of the bay is its utmost variability of physical properties. In the offshore areas, the temperature is however warm and markedly uniform in all seasons which somewhat decreases towards the north. Surface densities are comparatively greater in spring than in fall when the river discharge is the highest. An oxygen-poor intermediate layer is present below the surface layer which has high salinity and undergoes weak circulation. Quite weak outbursts occur in the northeast during the northeast monsoon.

Surface movements of the waters keep changing the directions along with the seasons. The northeast monsoon encourages a clockwise circulation while the southeast monsoon results in a counter-clockwise circulation. Severe storms occur at the change of the monsoon, particularly to the south in October.

In addition to water level changes resulting from waves and tide, the average sea level varies throughout the year. The bay also experiences occasional tsunamis. One such event, caused by an undersea earthquake near the Indonesian island of Sumatra in December 2004, devastated extensive coastal areas of the bay, particularly in Sri Lanka and the Andaman and Nicobar Islands.

Sediments in the Bay of Bengal are subjected to terrigenous deposits from the rivers that are derived mainly from the Indian subcontinent and the Himalayas. Calcareous clays and oozes are found near the Andaman and Nicobar Islands and above the Ninety East Ridge.

## The age of exploration

An early Greek manual named the Periplus of the Erythraean Sea, written in the 1st century AD describes the sailing routes from the Red Sea (Maris Erythraei) to the coastal areas along the Arabian Sea and Bay of Bengal to eastern India north of the Ganges delta. During the 2nd century AD, Ptolemy described voyages from the Ganges across the Bay of Bengal to the Strait of Malacca.

As per the information provided by Ptolemy, it is assumed that Indian and Malayan sailors had been crossing the Bay of Bengal on trading voyages for quite some time.

The colonising voyages began in the 1st century AD and can be divided into 2 periods: gradual colonisation between the 1st and 6th centuries and development journeys between the 7th and 10th centuries.

The Chinese maritime dominance of the Bay of Bengal began during the Nan (Southern) Song Dynasty (1127-1279).

The famous Vasco Da Gama was the first man to lead the first European voyage to India. Later, the other major European voyages from the 16th to 19th century passed well to the south of the Bay of Bengal.

By the 20th century, especially after World War II, interest in the scientific study regarding the Bay had grown. An initiative was taken by the National Institute of Oceanography, established in India in 1966, to extend the research by utilising the vessels Sagar Kanya and Gaveshani.

## BoB's economic resources

The Bay of Bengal has been gifted with a distinct tropical marine ecosystem. As a result of huge river drainage into the northern part of the bay and the presence of wetlands, marshes and mangroves increase the productivity of fish species. Activities like small-scale fisheries and commercial fishing in deeper waters done largely by countries bordering the bay are proving to be hazardous for these marine lives. Despite

being the major export crop, the annual catch of prawns has remained stable, although its harvesting has intensified. Another important fish found in the bay is tuna.

Other important discoveries in the bay, notably offshore of the Godavari and Mahanadi deltas, include the discoveries of petroleum and natural gas. Hydrocarbon resources are found in the deeper areas of the Bay of Bengal, as compared to those in the Arabian Sea. Apart from this, placer deposits of titanium and rare earth are found off northeastern Sri Lanka and northeastern India respectively. Also, heavy mineral sands that consist of ilmenite, garnet, sillimanite, zircon, rutile, and manganite are found around Nagapatnam (in Tamil Nadu state) on the southeastern Indian coast, near Chennai (Madras) and in coastal areas around Vishakhapatnam.

## Trade across and beyond the Bay of Bengal

Oceanic transportation is limited to carrying cargoes to and from Sri Lanka,

*The Bay of Bengal is rich in biodiversity and a blessing to the coastal countries*





*Activities like small-scale fisheries in coastal waters done largely by countries bordering the Bay of Bengal*

Bangladesh, and the east- coast of India. Principal ports on the east coast of India are Kolkata, Haldia, Vishakhapatnam, Chennai, Cuddalore, and Paradeep. Important ports of Sri Lanka are Colombo and Trincomalee. In Bangladesh, the major ports are Chittagong Port, Mongla, Payra, and Matarbari, while Myanmar's chief port on the Bay of Bengal is Akyab. Haldia, Vishakhapatnam, and Paradeep are well developed as iron ore terminals, reflecting India's profitable exportation of raw materials.

### **Bangladesh, BoB and Blue Economy**

Bangladesh has already taken up certain steps to boost up Blue Economy in the Bay of Bengal region. One such example is the development of the deep seaport Matarbari Port Development Project (MPDP)

in Bangladesh. Additionally, the Japan International Cooperation Agency (JICA) has agreed to provide fund for the project and a Japanese consulting company- Nippon Koei Joint Venture, has been selected to provide engineering-related services.

By 2026, the MPDP is expected to start its commercial operations and will be in a position to receive 8,500 TEU post-Panamax vessels. Plans have also been made to enhance the port's capacity to 2.8 million TEUs annually by adding more berths in the future. Under the influence of MPDP, Bangladesh and the Bay of Bengal region are expected to benefit from at least 2 spin-offs. First of all, it will help Bangladesh to reduce her dependency on the feeder vessels to ferry export-import goods from different foreign ports. Nearly 90% of Bangladesh's trade is carried onboard

ships that operate in 3 ports- Chittagong, Mongla, and Payra. In 2017-18, Chittagong Port accounted for 98.43% of Bangladesh's seaborne container trade, and the balance was moved through Mongla Port.

Secondly, the MPDP paves the way for short sea shipping in the Bay of Bengal. According to Bangladesh's State Minister for Shipping, Khalid Mahmud Chowdhury, the MPDP could develop as a "regional transshipment hub of connectivity." Short sea shipping in the Bay of Bengal region has been in demand in the regional countries' agenda and a start has been made with the commencement of services between Port Blair in India's Andaman and the Nicobar Islands and Aceh in Sumatra, Indonesia.

### **A call to unite**

A common scenario among the littoral states of the Bay of Bengal is that most of the countries are known as rising economies. The sea lies at the centre of two behemoth economic blocks, South Asia and Southeast Asia. The maritime domain of the Bay of Bengal is expected to contribute to littoral states immensely towards the growth of prosperity. Sustainable use and management of fishery resources of the Bay of Bengal would promote the creation of employment and food security. Judicious management of the expanding offshore oil and gas industry of the region can also spur socio-economic development and thus enhance South Asia littoral states' energy security.

### **The perspective of Bangladesh**

Right after the independence, the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, as he was desperately seeking new resources to build up the war-torn nation, his vision extended over the horizon of the



mighty blue waves of the Bay of Bengal and he instantly foresaw the possibilities lying in it. To claim our legal rights in the ocean, Bangabandhu promulgated the 'Territorial Waters and Maritime Zones Act, 1974' (Act no. XXVI of 1974) which eventually paved the way for the proper management and protection of coastal marine resources today.

About 30 million people in the country directly depend on economic activities related to the ocean. Hence, the concept of a Blue Economy has been placed high on the national sustainable development agenda of Bangladesh. The policymakers are giving priority to tying up nexus with other states and international organisations that are working in the field of ocean research and resources.

From Bangladesh's perspective, cooperation in Blue Economy refers to collaboration in the sphere of research, surveillance, and information sharing that should take place based upon the accepted universal principles of engagement, i.e. mutual trust, respect, mutual benefits, and equitable sharing of benefits.

### Blue Economy, leading all the way

The Ministry of Foreign Affairs of Bangladesh has been spearheading the Blue Economy concept in the regional and international arena. In September 2014, the Ministry of Foreign Affairs of Bangladesh organised an international workshop on the Blue Economy. The purpose of organising such an event was to discuss ways for proper exploration of untapped resources in the Bay of Bengal. In 2016, during the 37th session of the SAARC Council of Ministers meeting in Nepal, concept notes on Blue Economy



*Nearly 90% of Bangladesh's trade is carried onboard ships that operate in 3 ports- Chittagong, Mongla, and Payra*

had been circulated by Bangladesh to get the opinions of the South Asian states. Such endeavour is the initial attempt of Bangladesh to host an expert-level meeting on the Blue Economy within the South Asia region. A similar intention was reiterated by the Honourable Prime Minister of Bangladesh at the 18th SAARC Summit in Nepal.

Oceans and seas are deemed as global commons. For that reason, Bangladesh proceeds onward with the vision of the 'Bay of Bengal Partnership for Blue Economy' to ensure sustainable development among the littoral states of the region.

Bangladesh is putting together policy guidelines to improve its maritime capabilities. Such efforts include navy modernisation, the construction of a maritime university, and chairing and

participating in naval symposiums and debates. Bangladesh has added the BNS ANUSHANDHAN to its navy fleet to conduct maritime research and hydrographic and oceanographic surveys. The Honourable Prime Minister of Bangladesh commissioned the research vessel 'RV 'Meen Shandhani' on November 19, 2016. As a result of the survey's findings, Bangladesh is better positioned to design a plan for the long-term exploration and utilisation of marine resources protected beneath the Bay of Bengal's mighty blue waves.



# Policy reforms necessary for a transition to a Blue Economy

CPA News desk

Once the maritime boundary disputes were settled with Myanmar and India in 2012 and 2014 respectively, Bangladesh gained ownership of more marine space, bringing the total marine space up to 80% of the country's entire terrestrial area. The government has identified this area as a key source of economic growth for the country and to develop this space appropriately, the government has adopted the Blue Economy concept. This concept provides a framework according to which all ocean related activities may be carried out while still remaining environmentally sustainable.

The Government's Eighth Five Year plan focuses strongly on the Blue Economy concept as a means for greater economic

growth. The concept also featured in the more recent Bangladesh Delta Plan 2100. In 2017, a new department under the name "Blue Economy Cell" was launched, and its main task was to increase cooperation between different ministries so that a definite path for sustainable development of the ocean could be forged. It also had the secondary task of answering important questions regarding the implementation of the five-year development plan.

The Blue Economy concept has become popular in recent years among the governments of coastal countries and islands. Nevertheless, it has still not been possible to finalise a proper definition of what the Blue Economy concept entails and

how it can be applied. Once the Bangladesh government decided to implement this concept, they ran into a number of questions. Firstly, what would be a better way to measure the current economic uses of the ocean? Secondly, clearly identifiable targets need to be set for the sustainable use of this ocean space. And thirdly, a policy pathway needs to be set for getting there. The European Union (EU) and the World Bank collaborated to come up with a two-year technical assistance programme which is meant to help the government answer these questions. A study (Toward a Blue Economy: A Pathway for Sustainable Growth in Bangladesh) was conducted under that programme to create the primary measures of ocean based economic activity in the country. These measures were by no means able to provide a complete picture of economic activities, but they were an important starting point. The exercises which assessed these measures also led to identifying some gaps in the information and suggested some ways in which the government could fill those gaps. Examples of this include providing an estimate of the costs of environmental degradation caused to the oceans and the size of economic costs and benefits of development pathways. Since the government has decided to implement the Blue Economy concept, this study provided the government with some baselines according to which policy and development pathways can be evaluated and economic growth measured.

As it has been mentioned previously, a proper definition of what the Blue Economy concept entails is often lacking. According to EU and World Bank definition, the Blue Economy is the range of economic sectors and related policies that together determine whether the use of oceanic resources is sustainable. The Blue Economy concept actually evolved from the concept of an ocean economy. Ocean economy basically points to a specific segment of national economies, and on a broader scale, the global economy itself which is measured by GDP and GVA. Through this came up ways of measuring the part of the economy which is linked to ocean related activities. This was similar to other concepts which also take into consideration segments of the economy in which industries are linked to one another by one or more common features. They are linked in such a way that they function as one whole system instead of separate sectors. Although there are varying definitions of the ocean economy too, the OECD has come up with a definition



Source: GED, Bangladesh Planning Commission

The Government of Bangladesh has approved Bangladesh Delta Plan-2100 that calls for a secure, safe, resilient and prosperous Bangladesh





ITLOS & PCA delimitation lines with Bangladesh India coastlines

which defines the ocean economy as the sum of the economic activities of ocean-based industries, and the assets, goods, and services of marine ecosystems (or simply 'ecosystem assets'). This definition considers four groups of assets: natural capital, produced capital and urban land, human capital and net foreign assets. These four groups together create an ocean economy which consists of many sectors, and each of those sectors in turn are responsible for specific industries or services. Different sources have identified different groups of industries as being parts of these sectors, but a few core groups remain similar. These are: living resources, marine construction, tourism and recreation, boat building and repair, marine transportation, and minerals (oil and gas). This study considered the ocean economy

of Bangladesh as the sum of all ocean based economic activities which occur in areas which are under the government's jurisdiction and the assets, goods, and services which are obtained from the marine ecosystem of Bangladesh.

The study may not have been a complete one, but it was able to provide a baseline measure of the ocean economy of Bangladesh. It constitutes to a little over 3% of the country's economy in the 2014-2015 fiscal year, and this finding has helped the government set specific targets in relation to the country's Blue Economy objectives. Some of the reasons why the baselines provided by this study are incomplete are:

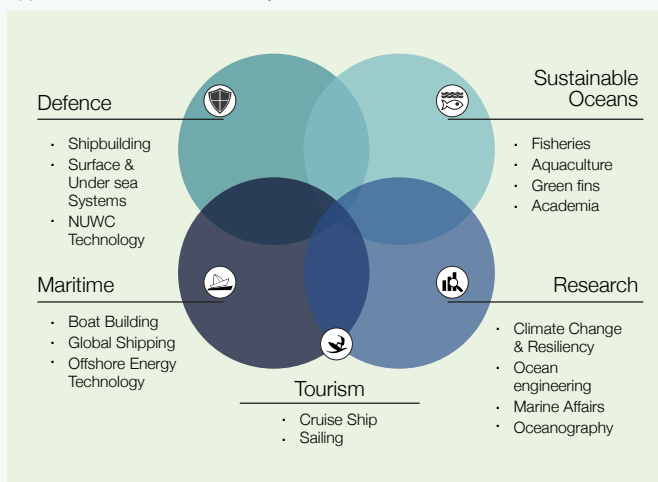
- 1) The output measures exclude some ecosystem services because they are not traded in markets, but that doesn't mean they are not significant. For e.g.: carbon sequestration and coastal protection services of the mangrove forests of Bangladesh.
  - 2) The measures also do not include the costs which the country has to bear due to the environmental degradation which result from activities in the ocean economy.
- Examples include pollution from

shipbreaking. Keeping these limitations in mind, there are some obvious benefits in measuring ocean-linked economic activities which take place under Bangladesh's jurisdiction. The baselines help to identify that these industries and services do not exist in a vacuum, rather they interact with one another by having one common ground, which is the dynamic, three-dimensional ocean. The findings and analyses of this study can make policymakers more aware of the importance of these industries and ecosystem services, which in turn will help them to formulate a more comprehensive approach towards developing them. By raising their awareness, it can help them to lower costs by sharing infrastructure, technologies and infrastructure, reducing the negative effects on the oceans, and in general guide them to use the ocean space more effectively.

Although it would be beneficial for Bangladesh to take a more comprehensive and strategic approach to developing its ocean economy, a policy framework and planning process are still missing. Neither are there any measurable targets, nor suitable monitoring of the process. Currently, it is difficult for Bangladesh to even collect data on its economic output from industries which are included in the definition of ocean economy. Therefore, the most obvious first step is to increase the collection of data from the ocean economy, to better aid with policy making. The next step could be to design various policy scenarios which can be used to develop the country's ocean economy, using information from the initial assessment of the scope of this section of the country's economy. Following this, forecasting models can be used to analyse the different scenarios of growth which could take place in Bangladesh's ocean economy. Through this, policymakers would get an advanced knowledge of the costs and benefits they would be getting if different development pathways for the ocean economy were followed.

Through taking these steps, it is possible for Bangladesh to meet its Blue Economy goals. It is even possible for Bangladesh to become one of the first countries who were able to go from having aspirations to concrete policies and measurable outcomes of progress in their journey of transitioning to a Blue Economy.

Opportunities of the Blue Economy





## ▶ HPM wants to build another shipyard in south



The Honourable Prime Minister Sheikh Hasina expressed her desire to set up another shipyard in the southern part of the country. She expressed her aspiration on the occasion of the 27th founding anniversary of Bangladesh Coast Guard on 15 February.

The Prime Minister said that the country has a large sea area, and the Father of the Nation adopted the Territorial Waters and Maritime Zones Act in 1974 to establish the country's legal rights over the sea and marine resources. Bangladesh is the first South Asian country to recognise such legislation.

She stated that there is a plan to establish another shipyard in the south, and that "we will see it in the future." "We have identified the site."

9 ships and a base for the Bangladesh Coast Guard were commissioned last year, and hi-tech ships, hovercraft as well as high-speed boats will be added soon to modernise and strengthen the force. Furthermore, an initiative is being undertaken to establish a digital connection with Bangabandhu Satellite-1 in order to bring about a revolutionary transformation in the communication system of the Bangladesh Coast Guard in the deep sea.

## ▶ Chittagong Port to lead regional maritime connectivity: State Minister for Shipping

Not just at the national level, but also in regional maritime connectivity, Chittagong Port will be a leader. The Chittagong Port has a number of projects in development, including Patenga, Terminal and Matarbari deep seaport. If these projects are completed, Chittagong Port will be at the forefront of regional connectivity. On 2 January, the state minister for shipping made these remarks as the chief guest at the inauguration of Chittagong Port Authority's newly constructed service jetty and recently purchased support vessel (tug boat) Kandari-6. He later inaugurated the newly constructed New Mooring Overflow Container Yard and Swimming Complex at the port. The chairman of Chittagong Port Authority Rear Admiral M Shahjahan presided over the occasion.

On that occasion, the chairman of the Chittagong Port Authority stated that the port had broken a 135-year-old record in container handling by dedicating itself to implementing the Honourable Prime Minister's directives. With a total of 4,209 ships handled, the port also handled a total of over 3,214,548 containers, setting a new high. Furthermore, 116,600,000 metric tons of cargo were handled.

Senior officials from the Chittagong Port Authority, stakeholder organisations, and Nazrul Islam Chowdhury, Member of Parliament for Chandraish, Chattogram, were also present at the occasion.



## ▶ International Mother Language Day observed at Chittagong Port



On International Mother Language Day and Martyrs' Day, the Chittagong Port Authority paid tribute to the language movement's martyrs. The chairman of the Chittagong Port Authority, Rear Admiral M Shahjahan, and board members paid their respects to the language martyrs by laying flowers at the Shaheed Minar at the start of the day on 21 February. Wreaths were afterwards placed by the Port Officers' Association, the Port Employees' Council and the port's educational institutions.

Online essay and handwriting competitions were held as part of the day's activities, with students participating. Aside from it, prayers were offered at the port's mosques for the martyrs' on the occasion of the day.



## ➤ Bangabandhu Military Museum is a milestone for the Armed Forces: HPM



Bangabandhu Military Museum (BMM) would motivate the young generation to join the military services to safeguard Bangladesh's independence and sovereignty, according to the Honourable Prime Minister Sheikh Hasina. On 6 January, she said this as the chief guest at the opening of the Bangabandhu Military Museum. Through video teleconference from Ganobhaban, the HPM took part in the main ceremony conducted at the museum premises.

The HPM said, "I believe it is one of the world's top technology-based military museums. Young and old will be able to learn about the activities of the Army, Navy, and Air Force thanks to different exhibitions for each, and the younger generation will be more interested in joining the armed forces. We'll be more motivated to defend our sovereignty and independence."

Senior Secretary of the Ministry of Defence Abu Hena Mostafa Kamal, Chief of Army Staff General SM Shafiuddin Ahmed, Chief of Naval Staff Admiral M Shaheen Iqbal and Chief of Air Staff Air Chief Marshal Sheikh Abdul Hannan spoke on the occasion from the museum. Besides, members of the cabinet, members of parliament, senior civilian and military officials were present on the occasion.

The Bangabandhu Military Museum is established on ten acres of land on the west side of the Bangabandhu Sheikh Mujibur Rahman Novo Theatre. Various pieces of military equipment that were used before and after independence are displayed. The museum is divided into six divisions, including galleries dedicated to the Bangladesh Army, Navy, and Air Force, as well as Bangabandhu Corners within each area.

There is a multipurpose exhibition gallery with an art gallery, a briefing room, a souvenir shop, a first aid corner, an open stage, a 3D cinema hall, a multipurpose hall, a seminar hall, a library, an archive, a sculpture, a mural, a cafeteria, a fountain, and a wide lawn, all of which contribute to the opulence of the environment.

The Bangladesh Military Museum was established in 1987 in Mirpur Cantonment to inform the people about the glorious history of the Armed Forces. Later in 1992, the museum was shifted to its present location on the west side of Bangabandhu Sheikh Mujibur Rahman Novo Theatre on Bijoy Sarani Road in Dhaka.

## ➤ Chittagong Port celebrated Bangabandhu's birthday



The Chittagong Port Authority celebrated the 102nd birth anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and National Children's Day with various programmes.

On the morning of 17 March, the chairman of Chittagong Port Authority Rear Admiral M Shahjahan, the port's Board Members and Hadi Hossain Babul, a former member and heroic freedom fighter, laid a wreath at the portrait of the Father of the Nation in the premises of Bandar Bhaban (Port Building) and cut a cake with the children.

A symposium on the vibrant life and works of Bangabandhu was held at Shaheed Fazlur Rahman Munshi Auditorium under the theme 'Commitment of Bangabandhu's Birthday is the equal rights for all children'. Chairman of the Chittagong Port Authority Rear Admiral M Shahjahan was present as the chief guest and distributed prizes among the winners of different competitions. In the afternoon, a cricket match was organised among the children and teenagers at Chittagong Port Sports Complex. Board Member (Engineering) Captain Mohammad Mahbubur Rahman distributed prizes among the players.

## ➤ Bangladesh is free from maritime piracy

Two piracy events occurred on a cargo ship cruising in Indian waters in January of this year, while five additional incidents occurred in Singapore waters. Seven piracy incidents were reported on cargo ships plying the Asian seas in January, however, piracy did not take place in Chittagong Port or the country's territorial waters. Previously, the Chittagong Port's port limit was free of pirates throughout the entire year of 2021.

Every month, the international organisation ReCAAP publishes this piracy-related information. ReCAAP, which has been fighting to prevent armed robbery, piracy, and theft onboard merchant ships since 2006, published this information in its February newsletter.





## ➤ Chittagong Port paid homage to martyrs of Liberation War

On the Independence Day and National Day of Bangladesh, Chittagong Port Authority paid homage to the memory of the heroic martyrs who were killed in the war of liberation. Rear Admiral M Shahjahan, the chairman of Chittagong Port Authority and Board Members laid a wreath at the monument at the Port Republic premises on the morning of 26 March. Following that, the Port Freedom Fighter Command Council, the Port Officers' Association, the Port Employees' Association, port-run educational institutions, and other organisations paid their tributes by placing wreaths one by one. After placing the wreath, the chairman of the Chittagong Port Authority exchanged greetings with the leaders and students of various organisations. Later in the day, he was the chief guest at a symposium, award distribution and cultural programme organised to observe the day at the Shaheed Fazlur Rahman Munshi Auditorium.

At the symposium, the chairman stated that, because of Bangabandhu's capable and foresighted leadership, we now have Bangladesh, an independent territory, a map and a flag. With the assassination of Bangabandhu, the country's growth came to a halt. It is now our job to carry out Bangabandhu's vision of constructing a Sonar Bangla (Golden Bengal). Under the leadership of the Honourable Prime Minister Sheikh Hasina, the worthy daughter of Bangabandhu, we are making strides toward becoming a prosperous country.

Board Member (Administration and Planning) Md. Zafar Alam, President of the Port Employees' Council Md. Azim, General Secretary Nayeul Islam Fatik, a student of Port Women's College Fairuz Humaira Munni and a student of Port Authority High School Zakaria Omar spoke at the occasion.



## ➤ First Bangladeshi flagged vessel left Chilmari Port for India

The historic Chilmari river port, located in Kurigram, reached a new milestone as a Bangladeshi flagged vessel left for India carrying goods for the first time since independence. On 6 February, a Bangladeshi vessel named Shan Abid-1 set out from Chilmari river port's Kanchkol point carrying cargo towards Dhubri, India.

Customs Clearing and Forwarding (C&F) Agent Zaman Ahmed said the cost of transporting goods from India to Chilmari Port is relatively low. Although stones are usually imported from India, this is the first time commodities are being transported to India in a Bangladeshi vessel from the Chilmari river port. Legend Consortium Limited's Shan Abid-1 left Chilmari river port with 27 tons of cargo on the first day.

## ➤ A draft export policy aimed at doubling export revenue



The Cabinet Committee on Economic Affairs (CCEA) has adopted a draft of a new export policy that aims to boost annual export revenues to USD 80 billion within three fiscal years. To meet the aim, export earnings must climb by doubling from the previous financial year to the next three. At the cabinet committee meeting held on the virtual platform on 12 January, Finance Minister AHM Mustafa Kamal reported on the approval of the draft export policy.

The new export policy, according to the Finance Minister, comprises a variety of prospective new products and services tied to Industry 4.0. It also devised post-transition programmes to assist our country in making the shift from a Least Developed to a Developing Country.

In the future, incentives will be provided for Information and Communication Technology (ICT) and freelancing service sectors, the finance minister said, adding that the concept of 'Made in Bangladesh' is emphasised in the new export policy. The top priority sectors are high-value ready-made garments and denim, synthetic fibres, garment accessories, medicines, plastics, shoes, jute products, agricultural products, light engineering, furniture, etc. The special development sectors identified are electronics, ceramics, frozen fish, printing and packaging, rubber, silk, arts and handicrafts. The list of export banned products includes jute seeds, rice (scentless), firearms, archaeological objects, human skeletons, pulses, onions, garlic, ginger, etc.



## ➤ Chittagong Port observed the historic 7th March



The Chittagong Port Authority observed the historic 7th March through symposiums, photo exhibitions and award distribution events. On the morning of 7 March, a symposium was held at

Shaheed Fazlur Rahman Munshi Auditorium of the port. The chairman of Chittagong Port Authority Rear Admiral M Shahjahan was present as the chief guest. Besides, heads of the department, deputy heads of the departments, heads of port-run educational institutions, CBA leaders, students and guests were present on the occasion.

As the symposium's chief guest, Rear Admiral M Shahjahan highlighted that the speech of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, on March 7th is a source of national inspiration. On this day in 1971, the unarmed Bengali nation was thrust into the armed Liberation War by Bangabandhu's epic statement at the Suhrawardy Udyan formerly known as Ramna Race Course ground.

Md. Zafar Alam, Board Member (Administration and Planning), stated that Bangabandhu's speech on 7th March energised Bengali nationalism. Under his leadership, the Bengalis earned freedom through a full-fledged people's war.

Before concluding with the launch of a photography exhibition commemorating Bangabandhu's life and work, the chairman of the Chittagong Port Authority gave prizes to the winners of various competitions held among students from various educational institutions.

## ➤ Danish Ambassador exchanged views with Chittagong Port officials



Winnie Estrup Petersen, the Danish Ambassador to Bangladesh, met with senior officials from the Chittagong Port Authority on February 14. Chairman of the Port Authority Rear Admiral M Shahjahan, Board Member (Administration and Planning) Zafar

Alam, Member (Finance) Md. Kamrul Ameen, Member (Engineering) Captain Mohammad Mahbubur Rahman, and Port Secretary Mohd. Omar Faruk attended the meeting, which was held in the meeting room of Chittagong Port. Various trade-related topics were explored throughout the discussion. Later, the Danish Ambassador and other Embassy officials visited Chittagong Port's operational activities.

## ➤ Bangladesh-India trade portal launched

Bangladesh is emphasising on developing connectivity and strengthening people-to-people contacts to improve trade and commerce through maritime, rail and air freights. During his visit to India from 23 to 26 February, the Minister of Information and Broadcasting Dr Hasan Mahmood MP made the remarks at an event organised by the Indian Chamber of Commerce.

At this time Bangladesh-India trade portal was also launched. Dr Hasan Mahmood also stated that the portal will assist India-Bangladesh commercial cooperation by uploading datasets of exporters and importers from both countries. This will improve buyer-seller cooperation and enable business transactions and negotiations between the two sides.

The minister went on to say that the Chittagong Port has had a long history with Assam and the region, dating back to the British era. The century-old seaport has been renovated, and it is closer to Guwahati than Kolkata's Haldia port. And because of the short distance, not only will transportation costs be reduced, but trade and commerce will also expand.

## ➤ Bangladeshi export suffers as 4 shipping lines halted shipments to Russia



In the context of Russia's current 'Special Operation' in Ukraine, four shipping companies have announced a

halt to shipments to Russia. Export commodities are stranded in Chittagong Port and private ICDs as a result. The Mediterranean Shipping Company (MSC) announced the closure of shipments to the Russian Federation on 1 March. Maersk Line, headquartered in Denmark, Hapag-Lloyd, based in Germany and ONE Line, based in Japan-Singapore, have all been added to the list.

Bangladeshi garment exporters are in difficulties, according to trade analysts, due to shipping companies' unwillingness to ship goods to Russia. Some products are being made in the facility for shipment to Russia, while others are awaiting export at private ICDs and the Chittagong Port. The garment industry's entrepreneurs are concerned about this predicament.



## ► Domestic and foreign companies will work together to develop waterways

Local businesses have been appointed to collaborate with three independent foreign engineering companies on the development of the Chattogram-Dhaka-Ashuganj waterway. The allocation of funding for the three phases of the project and the recruitment of contractors were finalised at a meeting of the Cabinet Committee on Government Purchase on 10 March, according to Md. Zillur Rahman Chowdhury, Additional Secretary to the Cabinet Division.

USD 121.5 million will be allocated in three phases for this joint venture between a local company and three distinct companies from China, India, and the United Arab Emirates.

After the meeting, the Additional Secretary said to the press that the money would be spent on the excavation of Chattogram-Dhaka-Ashuganj connecting waterways and the construction of ancillary facilities including training terminals under 'Bangladesh Regional Waterway Transport Project 1'.

The Government of Bangladesh has undertaken 'Bangladesh Regional Waterway Transport Project 1' to improve the capacity and security of the Chattogram-Dhaka-Ashuganj river corridor for the transportation of passengers and goods by inland waterways. The project's overall cost, which began in 2017, is anticipated to be USD 353.55 million. The funds will be used to excavate and maintain important rivers and tributaries for the Dhaka and Chattogram corridors in Ashuganj, Narayanganj, and Barishal. In December 2016, the government struck a funding deal with the World Bank to carry out the project. The Bangladesh Inland Water Transport Authority (BIWTA) and the Finance Department inked an agreement in March of the following year.

## ► Dutch Ambassador visited Chittagong Port



Ambassador of the Kingdom of the Netherlands to Bangladesh Anne van Leeuwen visited Chittagong Port on 16 February. As per the pre-arranged schedule, the Ambassador paid a courtesy call on the chairman of

Chittagong Port Authority, Rear Admiral M Shahjahan. He later exchanged views with senior officials in the port conference room.

During that time, the overall activities of the port were highlighted through a PowerPoint presentation. During that period, a PowerPoint presentation was used to highlight the port's overall activity. Later, he and his entourage met to discuss various bilateral matters before inspecting the port's operational activities, which were overseen by Port Secretary Mohd. Omar Faruk, Deputy Director (Security) Major Md. Wahidul Haque, and Assistant Terminal Manager Ashraf Karim Chowdhury.

## ► Women play a pioneering role in nation-building: Chittagong Port Chairman



The Chittagong Port Authority observed International Women's Day on 8 March with a symposium held at Shaheed Fazlur Rahman Munshi Auditorium. The chairman of Chittagong Port Authority Rear Admiral M

Shahjahan was present as the chief guest while Chittagong Port Board Member (Finance) Md. Kamrul Ameen, Board Member (Harbour and Marine) Commodore MD Mostafizur Rahman, Board Member (Engineering) Captain Mohammad Mahbubur Rahman present as special guests.

According to Rear Admiral M Shahjahan, women are pioneering in the development of society and the nation. Women, in addition to men, are now making their imprint on all levels of the government. The contribution of female port officers and staff to the progress of the Chittagong Port Authority is enormous.

At the time, he encouraged women to participate in the realisation of Vision-2041 at the call of Prime Minister Sheikh Hasina.

Heads of departments, deputy heads of departments, heads of educational institutions, employees' council leaders, women leaders, students and guests attended the event.

## ► Bangladesh is seeking USD 22.4 million in insurance payouts for its wrecked ship

State-owned Bangladesh Shipping Corporation (BSC) is seeking USD 22.4 million from its insurer for a cargo ship hit by a missile on 3 March in the first major marine insurance claim from the conflict in Ukraine.

An explosion on the night of 3 March rocked the Bangladesh-flagged Banglar Samridhi and killed a crew member. The vessel had been stuck in Olvia since 24 February after Ukraine closed its ports due to Russia's 'Special Operation'.

Ukraine accused the Russian military of targeting the port facilities in a missile strike, while Russia's embassy in Dhaka said the circumstances of the incident were "being established". Russia denies targeting civilians or merchant ships.

Since then the vessel's owner BSC has launched a claim with their insurer after abandoning the ship.



## ▶ VTMIS launched at Mongla Port



Vessel Traffic Management and Information System (VTMIS) is launched at Mongla Port to facilitate safe navigation and security of foreign ships. It was

inaugurated by State Minister for Shipping Khalid Mahmud Chowdhury on 16 March.

State Minister for Shipping Khalid Mahmud Chowdhury said after the inauguration of the VTMIS security system that Mongla port would soon take the lead in maritime trade because the government's ongoing projects and mega projects are being implemented with the dedicated supervision of the Honourable Prime Minister Sheikh Hasina.

Mongla Port is Bangladesh's second seaport, located in the country's southwest and about 131 kilometres upstream from the Bay of Bengal. For safe and uninterrupted shipping, the Mongla Port Authority has chosen and implemented Vessel Traffic Management and Information System (VTMIS), which was completed on 30 December 2021.

The Mongla Port Authority now operates ships with a draft of more than 10 metres at Harbaria Anchorage as a result of the project's completion.

## ▶ Steel is being transported by river from West Bengal to Assam via Bangladesh

A steel carrying barge sailed from the Indian port of Haldia to the Assamese port of Pandu on 16 February under the Indo-Bangladesh protocol route, carrying steel products weighing 1,798 metric tons manufactured by Tata Steel Limited.

Indian Union Minister of Ports, Shipping and Waterways Sarbananda Sonowal flagged off the barge 'Kalpana Chawla' carrying Tata Steel's finished goods.

Haldia Port Authority of Kolkata signed a memorandum of understanding with Assam's largest petrochemical company to speed up trade.

From now on, goods carrying ships will ply regularly on the Brahmaputra river, which is a part of the Indo-Bangladesh Naval Protocol route. According to various media sources in India, Brahmaputra Cracker or BPL, like Haldia Petrochem, is the largest state-owned petrochemical company in Northeast India. An agreement was reached for the import and export of their required raw materials and manufactured goods through Haldia port.

The signing of the new MoU, according to Minister Sarbananda Sonowal, has opened new vistas for trade and commerce in North-East India, strengthening the region's trade and economy.

## ▶ FDI proposal of USD 1.58 billion for setting up a shipbuilding yard

Two companies based in Singapore, the Netherlands and Australia want to set up an international standard shipyard near Payra Port in Patuakhali. The two companies have jointly shown interest in investing USD 1.58 billion in Bangladesh to build a shipbuilding yard. The two companies are Singapore and Australia based Gentium Solutions and the Dutch company Damen Shipyards Group. If the project is implemented, it will be the highest Foreign Direct Investment (FDI) in Bangladesh.

Md Kaikobad Hossain, adviser to Gentium Solution and Eef van den Broek, Damen Group's Senior Director (naval projects) along with Rabien Bahadoer, Damen Group Asia Pacific Regional Sales Director made the proposal during a meeting with Industries Minister Nurul Majid Mahmud Humayun on 24 January.

Bangladesh's Industries Minister stated that the government intends to transition from a "ship buying nation" to a "shipbuilding nation." He further said that the Honourable Prime Minister has announced that shipbuilding and ship repair industries will be established in the Payra Port area and that the government will provide all necessary assistance in the establishment of world-class shipbuilding yards.

## ▶ Feasibility study and design for Chakaria to Matarbari railway line are done



Bangladesh Railway has taken an initiative to build a 26 km railway line from Chakaria to Matarbari in Cox's Bazar at a cost of around

USD 15,310,521,218. Containers can be rail-transported directly from Matarbari deep-sea terminal to ICD in Dhaka if this project is accomplished. Bangladesh Railway has already finished the design work for the project, which will also be linked to the Matarbari power station.

Dhaka-Chattogram-Cox's Bazar double line dual gauge construction survey project director and director of Bangladesh Railway (Engineering) Abidur Rahman said that a 26 km railway line will be constructed from Chakaria to Matarbari. The feasibility study and project design have also been completed. He also specified that the project will require 400 acres of land. Because there are two major rivers and a few canals within 26 kilometres, 11 kilometres must be elevated.

Development experts believe, it is necessary to establish an uninterrupted double line in the Dhaka-Chattogram-Cox's Bazar corridor of Bangladesh Railway to meet the demand for passenger and freight transport.



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