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How Can Artificial Intelligence (AI) Help Increase the Efficiency of Chittagong Port?

**Welcome
Adviser to the Ministry of Shipping
and Chairman of Chittagong Port**

**First Foreign Operator Begins Operations at
Patenga Container Terminal**

**Harnessing the Bay of Bengal
Blue Economy Potential of Bangladesh**

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Rear Admiral S M Moniruzzaman
OSP, ndc, ncc, psc

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Editorial

The potential of Artificial Intelligence (AI) will help to stay competitive in the global shipping industry

In this issue's editorial, we focus on the critical role of Chittagong Port in Bangladesh's economy and explore how modern innovations can address its pressing challenges. As the primary gateway for trade, Chittagong Port faces mounting issues such as congestion, delays, high operational costs, environmental concerns, and security risks. In our lead story, we examine the potential of Artificial Intelligence (AI) to transform the port's operations. AI technologies, such as predictive analytics for traffic management and automated container handling, offer a promising solution to these problems. By embracing AI, Chittagong Port can enhance its efficiency, reduce delays, and minimise environmental impact, helping it stay competitive in the global shipping industry.

A significant milestone was recently achieved with the Patenga Container Terminal (PCT), which welcomed its first commercial vessel under foreign management. This event marks a transformative moment for the port, reflecting its growing international presence. The collaboration with foreign operators is expected to bring more efficiency, faster turnaround times, and stronger global connectivity, positioning Chittagong Port as a critical player in global trade.

Beyond operational improvements, we turn our attention to the Blue Economy and the immense potential of the Bay of Bengal. Bangladesh's efforts to sustainably utilise marine resources can create new jobs, improve livelihoods, and protect the marine environment. By balancing economic growth with sustainability, the country can forge a resilient future.

For insightful industry updates and informative articles, do not forget to explore our 'News Bytes' section. Additionally, your feedback is invaluable! Share your thoughts and suggestions on how we can improve CPA News and continue to be your one-stop source for maritime knowledge.

Thank you for being a part of our journey. We look forward to setting sail with you into the future!



Lead Story

How Can Artificial Intelligence (AI) Help to Increase the Efficiency of Chittagong Port?

06

Explore our captivating Lead Story as we navigate through the challenges faced by Chittagong Port, Bangladesh's economic cornerstone. Congestion, delays, soaring costs, environmental concerns, and security risks create a complex landscape. Join us on a quest for innovative solutions as Chittagong Port aims to revitalise its efficiency, ensuring a competitive edge on the global stage.

02 Editorial

04 Welcome

Adviser to the Ministry of Shipping and Chairman of Chittagong Port



Brigadier General M Shakhawat Hossain (retd), a defence and international political analyst, has assumed the role of adviser to the Ministry of Shipping as well as the Ministry of Jute and Textiles in the interim government. He previously served as an Election Commissioner from 2007 to 2012.



Meanwhile, **Rear Admiral SM Moniruzzaman**, OSP, ndc, ncc, psc, has taken up the position of Chairman of the Chittagong Port Authority. Prior to this, he served as Commander of the Bangladesh Navy Fleet.

11
Horizon

**Harnessing the Bay of Bengal
Blue Economy Potential of Bangladesh**



By responsibly utilising marine resources in sectors like fisheries, aquaculture, renewable energy, coastal tourism, shipping, and ocean minerals, the country can create jobs, improve livelihoods, and protect its marine environment. Read the article in 'Horizon' to explore how balancing economic growth with environmental sustainability can pave the way for a prosperous and resilient future for Bangladesh.

15
Milestone

**First Foreign Operator
Begins Operations at
Patenga Container Terminal**



Discover the transformative moment for Bangladesh's maritime industry as the Patenga Container Terminal (PCT) at Chittagong Port welcomes its first commercial vessel under foreign management. This historic event signifies a leap forward in enhancing the efficiency and global connectivity of Chittagong Port. Dive into our article to explore the implications of this milestone and what it means for the future of Bangladesh's maritime sector.

16 News Bytes

Maritime Business, Logistics, Connectivity and Infrastructure

- World Bank Approves USD650 Million Loan for Bay-Terminal Project
- Chittagong Port Retains Position in Lloyd's List Three Millionaire Club
- Contract Signed for the Establishment and Operation of Laldia Container Terminal
- Accelerating Progress on the Bay Terminal Project
- Waiver Certificate Requirement for Foreign Ships Suspended for Six Months
- Bangladeshi-Flagged Ships Surpass One Hundred
- BAFFA Calls for License Rules Aligned with Logistics Policy
- Chittagong Port's Growth in the Recently Ended Financial Year
- A Move Made to Establish Rules for Inland Waterway Goods Transport
- Chittagong Port Sees Benefits from Increased Use of Larger Ships for Cargo Transport
- Government Waives Seven-Day Port Damage Charges for Garment Sector

And more...

Shipping Adviser

Brigadier General Dr M Sakhawat Hossain (retd)

CPA News desk



Since taking on his new responsibilities, Brigadier General Dr M Sakhawat Hossain (retd) has been actively involved in promoting development by regularly visiting various ports and organisations under the ministry. He has emphasised the importance of cost-saving and transparency in project implementation.

Brigadier General Dr M Sakhawat Hossain (retd), a defence and international political analyst, has assumed the role of adviser to the Ministry of Home Affairs with the establishment of the interim government. He previously served as an Election Commissioner.

Commissioned into the Pakistan Army in 1966, he returned to independent Bangladesh in 1973 after spending nearly two years in a Pakistani detention camp. He served as a staff officer in the 46th Brigade in Dhaka until December 1975. From 1979 to 1981, he worked in the important Operation Directorate at Army Headquarters. Later, as a brigadier, he commanded two infantry brigades and one artillery brigade. He graduated from the US Command and Staff College and earned a Master's degree in Strategic Studies from the Pakistan National Defence College. He retired from the Bangladesh Army as a Brigadier General in 1994.

Brigadier General Dr M Sakhawat Hossain (retd) served as Election Commissioner from 2007 to 2012, overseeing over 5,000 local elections, including national ones.

Since 2019, he has been a senior fellow at the South Asian Institute of Policy and Governance (SIPG) at North South University. He earned his PhD from Bangladesh University of Professionals (BUP). In addition, he has attended numerous national and international seminars as a keynote speaker. In 2006, he was honoured by the South Asia Community in Luton, UK, for his contributions to raising public awareness against terrorism and promoting international peace. As a defence and international political analyst, he regularly contributes articles to both domestic and international newspapers. He is also well-known as a historian and geopolitical scholar, having published more than twenty-three widely read books.

After assuming his role on 27 August this year, Brigadier General Dr M Sakhawat Hossain (retd) has been actively advancing development efforts by periodically visiting various ports and organisations under the ministry. He has urged those responsible to implement projects with cost efficiency and transparency. Additionally, he has provided numerous directives regarding foreign investment in the shipping sector, improving the quality of work of mariners, and resolving issues in seaports. ◀

Chairman of Chittagong Port Authority

Rear Admiral S M Moniruzzaman

CPA News desk



On 11th August 2024, Rear Admiral S M Moniruzzaman, OSP, ndc, ncc, psc, assumed the esteemed position of Chairman of the Chittagong Port Authority. Having

been adorned with his current rank on 25th January 2023, Rear Admiral Moniruzzaman brings a wealth of experience and leadership to this vital role. Before his appointment, he served as the Commander of the Bangladesh Navy Fleet, overseeing key operations and strategic initiatives.

A native of Kushtia, Rear Admiral Moniruzzaman's distinguished career began after his graduation from Cumilla Cadet College in 1987. He joined the Bangladesh Navy as an officer cadet in 1988 and was commissioned into the Executive Branch in 1990. Over the years, his operational assignments have spanned both national and international duties, highlighting his versatile and dedicated service to the nation.

Throughout his extensive career, Rear Admiral Moniruzzaman has held a range of command and staff appointments. His

leadership has been felt across various ships and naval establishments, including commanding the Bangladesh Navy's flagship, BNS Bangabandhu. As the pioneer Commander Flotilla West (COMFLOT West), he played a key role in the Western Flotilla of the Bangladesh Navy. His previous roles at the Naval Headquarters include Director Personnel Services (DPS), Director Blue Economy (Adhoc), and Director Naval Training (DNT). In addition to his naval responsibilities, he has also held prominent leadership positions such as Managing Director of Bangladesh Shipping Corporation and DEW Ltd.

Rear Admiral Moniruzzaman's illustrious career has been enriched by numerous professional courses and training sessions both at home and abroad. A graduate of the German Naval Academy (Marineschule Murwik, Crew VI/89), Pakistan's PN Communication School, Turkish Armed Forces War College, and the US Naval Command College, he holds two master's degrees and two Diplomas from institutions in Turkey and the USA. His fluency in German, Turkish, French, and English reflects his international outlook and expertise.

Notably, he played a significant role in the disarmament process of rebel groups in the Democratic Republic of Congo, contributing to a fair and credible national election under the UN umbrella.

His dedication to global peace efforts includes his participation in the multinational peacekeeping command post exercise GARUDASHIELD in Indonesia in 2009 and the Fleet Commanders' Conference in Australia in 2019. More recently, he attended the 8th IONS Conclave of Chiefs in Bangkok and the Pacific Amphibious Leaders Symposium in Bali as head of delegation.

Rear Admiral Moniruzzaman's exceptional contributions have been recognised with the prestigious 'Extraordinary Service Medal (OSP),' particularly for his leadership in COMFLOT West. The Chittagong Port Authority is set to benefit from his vast expertise, leadership, and vision in the years to come. ◀



Rear Admiral S M Moniruzzaman has been appointed as the 43rd Chairman of the Chittagong Port Authority

Senior officials at the Chittagong Port have extended a warm welcome to Rear Admiral S M Moniruzzaman, OSP, ndc, ncc, psc, as the newly appointed Chairman of the Chittagong Port Authority

How Can Artificial Intelligence (AI) Help Increase the Efficiency of Chittagong Port?

CPA News desk

In the heart of Bangladesh's maritime commerce beats Chittagong Port, a juggernaut of trade and economic activity. As the linchpin of the nation's import-export dynamics, this bustling seaport handles the lion's share of the country's commercial exchanges. However, beneath its robust facade, Chittagong Port grapples with a constellation of challenges: congestion clogs its arteries, delays dampen its efficiency, costs climb, environmental impacts loom large, and security concerns cast long shadows. In this intricate tapestry of complexities, a beacon of hope and innovation emerges: Artificial Intelligence (AI). This article delves into the transformative potential of AI in redefining the contours of efficiency at Chittagong Port. It explores how cutting-edge technology could be the key to unlocking a new era of operational excellence, sustainability, and security, steering this maritime titan towards a future where the waves of challenges give way to the tides of progress.

Situated along the shores of the Bay of Bengal, Chittagong Port emerges as a maritime colossus, proudly bearing the mantle of Bangladesh's largest seaport. Its vibrant waterfront serves as the epicentre of the nation's import-export nexus, facilitating the transit of nearly 90% of the country's trade. This maritime powerhouse is a cornerstone of the national economy; however, it is not immune to the formidable challenges accompanying its stature. Congestion echoes through its lively docks; delays linger, operational costs soar, environmental footprints weigh heavy, and the ever-looming spectre of security risks hovers. In the quest to surmount these

hurdles and secure a vantage point in the competitive global arena, Chittagong Port finds itself at a crossroads, inviting innovative solutions to rejuvenate its performance and augment its efficiency.

Amidst this transformative backdrop, Artificial Intelligence (AI) emerges as a beacon of promise, reshaping transportation across sea, land, and air. AI, an exquisite branch of computer science, aspires to birth machines and systems endowed with a profound semblance of human intelligence. It endows them with the capacity to undertake feats of learning, reasoning, decision-making, and problem-solving—functions traditionally reserved for the human intellect. In the



context of ports, AI unveils a panorama of opportunities. It holds the key to the optimisation of port operations, the trimming of operational expenses, the fortification of safety protocols, and the cultivation of a sustainable, eco-conscious future. Moreover, it catalyses enhanced collaboration amongst the diverse fabric of supply chain stakeholders—a pivotal stride towards the realisation of a more interconnected and efficient maritime domain.

AI can be applied to various aspects of port operations, such as:

Vessel Traffic Management

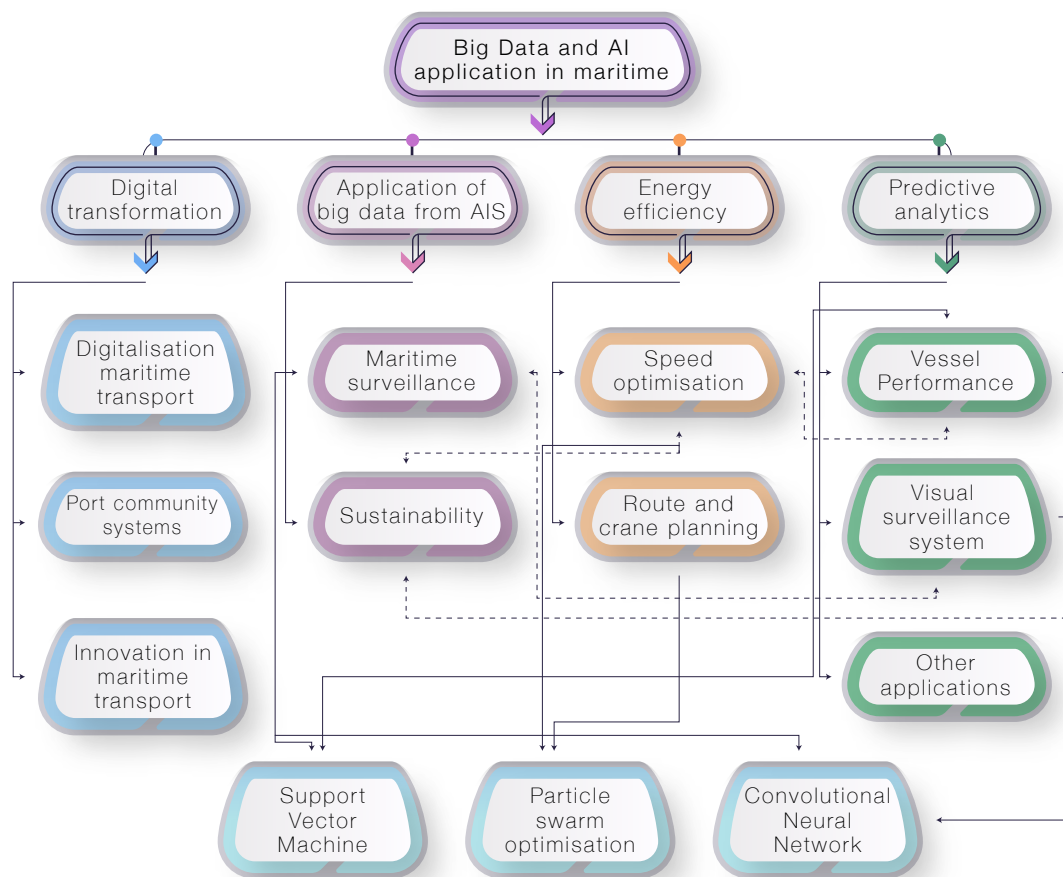
Artificial Intelligence (AI) is instrumental in monitoring and regulating vessel movements in and around ports, drawing upon many data sources such as sensors, cameras,

radar, satellite data, and others. As the analytical core, AI processes this data influx to provide real-time insights and predictions regarding vessel arrivals and departures, optimal berthing assignments, traffic congestion, and potential collision scenarios. This technological advancement can refine the planning and scheduling of port services, resulting in reduced waiting times, minimised fuel consumption, and an elevated level of safety and security.

Several notable instances exemplify the application of AI in vessel traffic management. For example, the Maritime and Port Authority of Singapore (MPA) conducted a field trial in collaboration with Fujitsu, employing AI to analyse the risks associated with marine traffic in the heavily traversed Singapore Strait.

This AI system integrates historical data with real-time information sourced from diverse platforms such as the Automatic Identification System (AIS), radar, and video streams, enabling the identification of vessels susceptible to collisions and providing early warnings and avoidance recommendations to operators. The VesselAI project, generously funded by the European Union, endeavours to construct a comprehensive AI-driven framework. This framework encompasses decision-support models, data analytics, and visualisations, serving as the crucible for developing digital twins and maritime applications. These applications span a range of scenarios, including simulations of vessel behaviour and manoeuvring, optimisation of ship energy design, autonomous navigation, and





Main Clusters in Big Data and AI Applications in Maritime sector, prepared by IEEE Transportation Electrification Community

fleet intelligence, guided by a consortium of 13 members from six countries. Lastly, the IEEE Transportation Electrification Community delves into the expansive domain of AI and Machine Learning (ML) in maritime transport through a research paper. This paper outlines four primary AI clusters underpinning maritime research within big data: vessel traffic management, ship performance monitoring, ship design optimisation, and the frontier of autonomous navigation. It expounds upon the intricate nuances of challenges and opportunities introduced by AI, thereby charting a visionary course for the maritime industry.

Container Handling

The integration of AI into container handling has emerged as a rapidly evolving domain, driven by a profound aspiration to enhance the efficacy, safety, dependability, and sustainability of port operations. The utilisation of AI techniques, such as data analysis, deep learning algorithms, image and voice recognition, and predictive modelling, offers ports the means to optimise the intricate choreography of

container movements – from ship to shore and onwards. Among the manifold advantages, AI bestows upon container handling:

Firstly, AI offers unparalleled precision in tracking containers, ensuring real-

time visibility into their location and condition, surpassing human operators' capabilities. Secondly, AI's predictive prowess extends to forecasting the arrival and departure schedules of vessels, trucks, and trains, thereby facilitating the efficient allocation of resources and equipment. Thirdly, AI's watchful eye can swiftly detect anomalies, equipment faults, or container damages, proposing timely preventative or remedial measures. Moreover, AI contributes significantly to environmental sustainability by curbing fuel consumption and emissions through idle time minimisation, route optimisation, speed control, and enabling autonomous driving. Furthermore, it fosters collaboration among various port stakeholders by harmonising their digital strategies and facilitating the seamless exchange of pertinent information.

Several prominent ports are at the forefront of AI adoption in container handling. Singapore has unveiled CALISTA, an

innovative AI platform connecting shippers, carriers, customs, terminals, and other stakeholders within the supply chain. Meanwhile, in Rotterdam, the Pronto AI initiative aims to significantly enhance port call optimisation, reducing vessel

New robots—smarter and faster—are taking over Amazon warehouses



waiting times. The Hamburg port has implemented smartPORT, an AI system designed to oversee traffic, infrastructure, and environmental aspects within the port area, ensuring smoother operations. Finally, in Los Angeles, a collaboration with Wabtec, an AI company, has led to the automation of container movement within the terminal yard, streamlining processes and enhancing efficiency. These pioneering efforts underscore the transformative potential of AI in revolutionising container handling and port operations on a global scale.

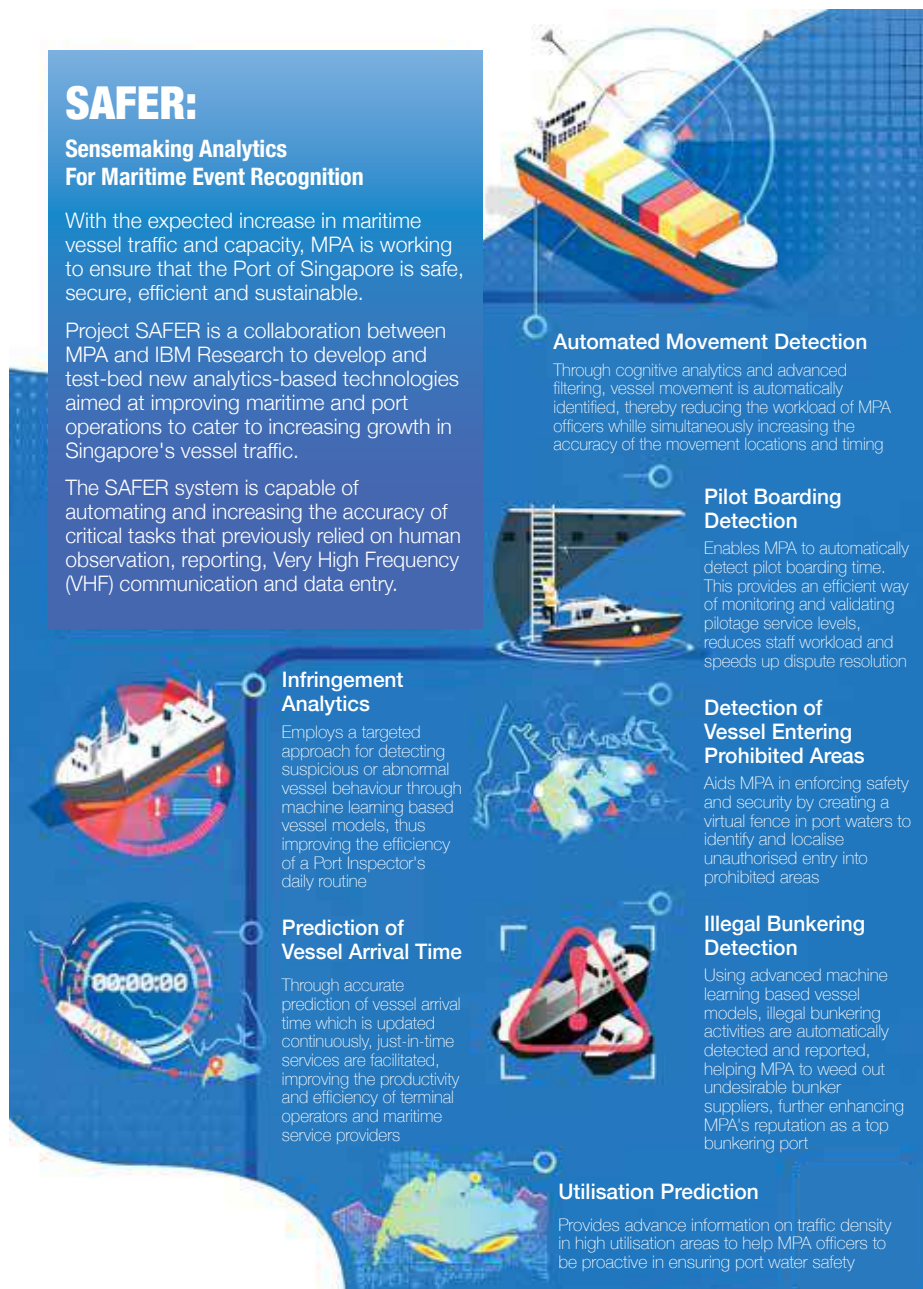
Port Logistics

AI holds immense potential to revolutionise the maritime industry. It can usher in transformative improvements across various facets, including logistics planning, automated warehousing, traffic management, and port operations. Several instances of AI integration in the realm of port logistics are illustrative. To begin with, AI can bolster demand forecasting and supply planning by harnessing real-time data and employing sophisticated machine learning algorithms. The Port of Rotterdam, for instance, leverages AI to predict ship arrival times with remarkable precision, subsequently optimising berthing schedules. Moreover, AI's reach extends to the realm of automated warehousing, where robots take on tasks such as picking, packing, sorting, and loading. The application of AI in this context significantly amplifies efficiency, accuracy, and workplace safety, exemplified by Amazon's deployment of over 200,000 robots in its warehouses to support logistics operations.

Additionally, AI streamlines port operations through data analytics, natural language processing, and computer vision, automating customs clearance, cargo inspection, and documentation tasks. Such automation significantly reduces errors, delays, and fraudulent activities, as evidenced by the Port of Antwerp's use of AI to scan container images and promptly identify any anomalies. These pioneering AI applications underscore the technology's capacity to revolutionise port logistics and amplify operational efficiencies.

Port Security

AI stands as a formidable force, wielding the potential to fortify security measures and augment the operational efficiency of ports and terminals. Its multifaceted utility within this context encompasses the detection and prevention of cyberattacks, the meticulous management of access control, the optimisation of cargo handling vessel operations, and the fostering of seamless collaboration among supply



The Maritime and Port Authority of Singapore (MPA) and IBM have jointly completed the pilot trial of three modules under the MPA-IBM SAFER project

chain stakeholders. Notably, some of the globe's largest ports, including Singapore, Rotterdam, and Hamburg, are harnessing AI tools to bolster their business operations and security protocols. Here are concrete instances showcasing AI's instrumental role in enhancing port security:

In the realm of cybersecurity, AI leverages machine learning and machine reasoning to scrutinise data derived from past hacking attempts, thus enabling real-time identification of anomalies and threats. AI is further instrumental in fortifying port defences and countering cybercriminals'

malicious use of AI technology. Meanwhile, AI assumes a pivotal role in access control through biometric and face detection devices, assiduously preventing unauthorised access to port premises. It also deploys image and voice recognition to verify the identities of port personnel, drivers, and visitors.

AI's surveillance capabilities extend to encompass the monitoring of port areas through an intricate network of cameras and sensors, deftly detecting intrusions, accidents, or any suspicious activities. Drones and robots, under AI's guidance,



AI will increase the present monitoring and management capacity of Chittagong Port in manifolds

patrol the port perimeter and meticulously inspect cargo containers. Moreover, AI optimises cargo handling processes by harnessing data from IoT devices to predict the arrivals and departures of vessels, trucks, and containers, thereby facilitating the efficient arrangement of yard layouts and crane schedules. It further deploys RFID tags and smart locks to track container location and status meticulously, thus ensuring their utmost security. Additionally, AI's influence extends to vessel operations, leveraging data from navigation systems, weather forecasts, and traffic information to chart optimal routes and speeds. Predictive maintenance, another AI facet, reduces breakdowns and emissions. Lastly, AI becomes the linchpin in fostering collaboration among supply chain stakeholders by harmonising digital roadmaps drawing data from Port Community Systems. Natural language processing further enriches communication and information exchange, facilitating seamless coordination among port authorities, cargo owners, third-party logistics providers, and various other key entities. These instances epitomise the pivotal role of AI in fortifying port security and elevating operational efficiency.

Chittagong Port Embraces AI Solutions

Chittagong Port is already taking steps to implement AI solutions in its operations. The port will use AI platforms to predict the arrival times of these larger vessels and allocate berthing slots accordingly. This will increase the port's container handling capability by

1,000 to 1,100TEU on each ship and reduce cargo handling operation costs.

AI does not possess an inherent, all-encompassing capability to single-handedly resolve the challenges Chittagong Port or any other sector faces. Its effective utilisation necessitates a meticulous approach, encompassing thorough planning, precise implementation, and comprehensive evaluation to ensure alignment with specific user needs and objectives. Collaboration emerges as a cornerstone within the port community and

beyond as different stakeholders converge to harmonise AI solutions with their distinct digital roadmaps. Furthermore, the dynamic nature of AI calls for perpetual monitoring and adaptation to keep pace with ever-evolving conditions and emerging challenges.

Conclusion

AI emerges as a potent instrument capable of elevating Chittagong Port's operational efficiency, productivity, and safety. Nonetheless, it cannot be wielded as a one-size-fits-all remedy, demanding a contextual and goal-oriented approach. AI projects necessitate meticulous design and execution, grounded in a clear vision delineating their objectives, metrics for gauging impact, and strategies to address potential risks and hurdles. To maximise efficacy, AI initiatives should seamlessly integrate with other ongoing digital endeavours within the port community, spanning technologies like cloud computing, blockchain, IoT, and big data analytics, fostering synergy and complementarity. Regular review and updates are essential, ensuring that AI solutions remain pertinent and robust, adept at tackling the dynamic and intricate challenges inherent to the port environment.

However, if done right, AI can offer significant benefits for Chittagong Port and many other domains in terms of enhancing their performance, efficiency and competitiveness in the global market. ◀

Keeping waters safe and secure with real-time visual monitoring and tracking of vessels up to expanded outer anchorage - thanks to VTMISS!





Harnessing the Bay of Bengal

Blue Economy Potential of Bangladesh

CPA News desk

Introduction

The Bay of Bengal, a vast expanse of water bordering Bangladesh, offers a wealth of opportunities for sustainable economic development. Historically, Bangladesh has relied heavily on agriculture and remittances, but the blue economy presents a new frontier.

The concept of the blue economy, centred around the responsible use of marine resources, has gained prominence in recent years. By focusing on sectors like fisheries, aquaculture, renewable energy, coastal tourism, shipping, and ocean minerals, Bangladesh can create jobs, improve livelihoods, and protect its marine environment.

As the country moves forward, it is crucial to balance economic growth with environmental sustainability. By adopting responsible practices and investing in research and development, Bangladesh can harness the power of the blue economy to build a more prosperous and resilient future.

Key sectors within the blue economy that hold immense promise for Bangladesh include:

1. Fisheries and Aquaculture

Fisheries: The Bay of Bengal, a vital resource for Bangladesh, is teeming with diverse fish species. These aquatic treasures form the backbone of the nation's economy

and food security. According to recent data from the Department of Fisheries, fish production in Bangladesh has steadily increased in recent years, driven by both marine and inland fisheries. However, overfishing, habitat destruction, and climate change pose significant threats to the sustainability of these resources.

By implementing sustainable management practices, such as regulating fishing quotas, protecting critical habitats, and promoting aquaculture, Bangladesh can enhance fish productivity, ensure long-term benefits, and improve the livelihoods of coastal communities. This involves investing in research and development, strengthening



Bangladesh to explore and utilise its marine resources for biotechnological advancements, emphasising innovation and sustainable development



Bangladesh to diversify its energy sources by investing in offshore wind farms, promoting a cleaner and more sustainable energy mix



It is time to boost regional trade competitiveness by advancing maritime transportation and shipping infrastructures of Bangladesh

enforcement mechanisms, and fostering collaboration among government agencies, fishers, and other stakeholders.

Aquaculture: Expanding sustainable shrimp farming in Bangladesh can significantly boost the country's export earnings and create jobs. As per recent data, shrimp exports from Bangladesh have been steadily increasing, contributing to the country's economic growth. By prioritising sustainable practices like reducing environmental impact, improving water quality, and promoting responsible sourcing, Bangladesh can further enhance its reputation as a dependable supplier of high-quality shrimp products while protecting its coastal ecosystems.

2. Marine Biotechnology

The Bay of Bengal's rich marine biodiversity presents a promising avenue for marine biotechnology. Recent studies have highlighted the potential of marine organisms, such as sponges, algae, and bacteria, to produce valuable compounds with applications in pharmaceuticals, cosmetics, and other industries. By investing in research and development, Bangladesh can tap into this untapped resource, create innovative products, and contribute to global advancements in marine biotechnology.

3. Renewable Energy

Offshore Wind Energy: The Bay of Bengal's coastline, with its favourable wind conditions, offers significant potential for offshore wind farm development. Recent studies have identified suitable locations for these renewable energy projects. By investing in offshore wind farms, Bangladesh can diversify its energy mix, reduce greenhouse gas emissions, and contribute to its climate change mitigation goals.

Tidal and Wave Energy: The Bay of Bengal's tidal and wave energy potential remains relatively untapped. While recent studies have explored the feasibility of harnessing this renewable energy source, technological advancements and cost-effective solutions are still required to make large-scale deployment commercially viable. Nevertheless, the potential benefits of tidal and wave energy, such as clean electricity generation and reduced reliance on fossil fuels, make it a promising area for future research and development.

4. Marine Tourism

Eco-Tourism: Bangladesh's coastal areas, with their diverse marine ecosystems, offer significant potential for sustainable marine

tourism. Activities such as scuba diving, snorkelling, and eco-tours can attract visitors, boost local economies, and raise awareness about marine conservation. By implementing responsible tourism practices, including minimising environmental impact, supporting local communities, and promoting sustainable practices, Bangladesh can develop a thriving marine tourism industry while safeguarding its precious coastal resources.

Coastal Tourism: Bangladesh's coastline, with its pristine beaches and natural beauty, offers immense potential for coastal tourism. Developing infrastructure, such as resorts, hotels, and recreational facilities, can attract both domestic and international tourists. By investing in tourism development, Bangladesh can create jobs, boost local economies, and showcase its unique coastal attractions to the world.

5. Maritime Transportation and Shipping

Ports and Shipping: The Bay of Bengal is a strategic maritime route connecting Bangladesh to global markets. By investing in port infrastructure, improving maritime logistics, and strengthening its shipping industry, Bangladesh can enhance its competitiveness as a regional trade hub. This will attract more foreign investment, create jobs, and boost the country's overall economic development.

Shipbuilding and Repair: Bangladesh's shipbuilding industry has experienced significant growth in recent years. The



A dual focus is necessary on economic benefits from seabed mineral extraction and the importance of preserving marine ecosystems for sustainable development of Bangladesh

country's strategic location in the Bay of Bengal provides opportunities to expand this sector, particularly in ship repair and maintenance services. By investing in modern facilities, skilled workforce, and quality standards, Bangladesh can position itself as a competitive player in the global shipbuilding market, attracting both domestic and international clients.

6. Seabed Mining

Mineral Resources: The Bay of Bengal's seabed is believed to contain valuable mineral resources, such as polymetallic

nodules. While deep-sea mining poses environmental risks, advancements in technology and sustainable practices are being explored to minimise these impacts. If managed responsibly, the extraction of these minerals could provide significant economic benefits for Bangladesh while ensuring the long-term health of marine ecosystems.

7. Marine Conservation and Sustainable Resource Management

Mangrove and Coral Reef Protection: Mangroves and coral reefs play a vital role in Bangladesh's coastal ecosystems.

The importance of responsible tourism practices should be a priority to minimise environmental impact, support local communities, and promote sustainability, ensuring the protection of Bangladesh's coastal treasures





Coastal areas should be designed to be resilient to climate change impacts, such as flood and extreme weather events

These delicate habitats provide essential services, including biodiversity conservation, coastal protection, and support for fisheries. Protecting and restoring these ecosystems is crucial to ensuring the long-term sustainability of Bangladesh's marine resources and coastal communities. Efforts to conserve mangroves and coral reefs involve habitat restoration, reducing pollution, and promoting sustainable fishing practices.

Marine Protected Areas (MPAs): Marine Protected Areas (MPAs) are essential for safeguarding marine biodiversity and promoting sustainable resource management. By establishing and effectively managing MPAs, Bangladesh can protect critical habitats, such as coral reefs, mangroves, and seagrass beds, from human activities like overfishing, pollution, and habitat destruction. This will contribute to the long-term sustainability of marine ecosystems and the benefits they provide, including fisheries, coastal protection, and climate regulation.

8. Climate Change Mitigation and Adaptation

The Bay of Bengal is increasingly threatened by climate change impacts. Intensified storms, floods and coastal erosion pose significant risks to Bangladesh's coastal communities and infrastructure. To mitigate these threats, it is imperative to invest in coastal protection measures, such as seawalls, mangrove restoration, and coastal afforestation. Additionally, enhancing disaster resilience through early warning systems,

evacuation plans, and disaster preparedness can safeguard livelihoods and minimise the impacts of extreme weather events.

Furthermore, adopting adaptive measures, such as promoting sustainable agriculture, diversifying livelihoods, and investing in climate-smart technologies, can help Bangladesh adapt to the changing climate and build a more resilient future. By taking proactive steps to address climate change vulnerabilities, Bangladesh can protect its coastal ecosystems, safeguard its population, and ensure sustainable development.

9. Marine Research and Innovation

Investing in marine research is crucial for unlocking the full potential of the blue economy in Bangladesh. By enhancing research capabilities in oceanography, marine biology, and environmental science, Bangladesh can gain a deeper understanding of its marine resources, identify new opportunities, and develop innovative solutions to address challenges such as climate change, pollution, and resource depletion.

Research can lead to breakthroughs in areas like aquaculture, renewable energy, marine biotechnology, and coastal management. It can also support evidence-based policymaking, ensuring that decisions are informed by scientific knowledge. By strengthening its marine research capacity, Bangladesh can position itself as a leader in the blue economy and contribute to global efforts for sustainable ocean development.

10. Sustainable Coastal Urban Development

Developing coastal cities and communities sustainably is essential for Bangladesh's economic growth and environmental protection. By prioritising sustainability, resilience, and environmental protection, these urban centres can balance economic development with the preservation of natural ecosystems. This involves implementing green infrastructure, promoting sustainable transportation, and investing in renewable energy.

Furthermore, coastal cities and communities should be designed to be resilient to climate change impacts, such as flood and extreme weather events. This can be achieved through measures like coastal protection, flood management, and disaster preparedness. By adopting a sustainable and resilient approach to urban development, Bangladesh can create thriving coastal cities that contribute to the country's economic prosperity while safeguarding its natural heritage.

Conclusion

The Bay of Bengal presents a significant opportunity for Bangladesh to harness the power of the ocean for economic growth and sustainable development. As a strategic maritime hub with vast marine resources, the country's blue economy potential is immense. However, realising this potential requires a multifaceted approach.

Sustainable practices are essential to protect marine ecosystems and ensure long-term benefits. Improved governance and effective regulation are crucial for addressing challenges like illegal fishing, pollution, and habitat destruction. Investing in research and development can drive innovation and promote sustainable practices. Finally, ensuring that local communities benefit from the economic gains of the blue economy is vital for fostering social equity and building support for sustainable development.

By adopting a holistic and sustainable approach, Bangladesh can position itself as a leader in the blue economy, contributing to both economic prosperity and environmental protection. ◀

First Foreign Operator Begins Operations at Patenga Container Terminal

CPA News desk

In a historic development for Bangladesh's maritime industry, the Patenga Container Terminal (PCT) at Chittagong Port witnessed a significant milestone as it welcomed the first commercial vessel under the management of a foreign operator. The MV MAERSK DAVAO, a commercial ship operated by the Red Sea Gateway Terminal (RSGT), was berthed at the PCT on the afternoon of June 10, 2024, marking the beginning of a new era in the operations of Chittagong Port.

This event follows the signing of a landmark 22-year concession agreement between the Chittagong Port Authority (CPA) and Saudi Arabia's RSGT in December 2023. The agreement represents a major shift in the operational framework of Chittagong Port, transitioning from the traditional tool port model to the landlord model. This transition is expected to enhance the port's efficiency, competitiveness, and capacity to handle increasing volumes of cargo.

RSGT's involvement in the management of PCT is part of a broader \$240 million investment in the port. This investment is aimed at modernising the terminal's infrastructure, enhancing operational efficiency, and ultimately, boosting the overall capacity of Chittagong Port. The entry of RSGT as the first foreign operator is a testament to the growing importance of Bangladesh as a key player in global maritime trade and logistics.

The MV MAERSK DAVAO, which sailed from Port Klang, Malaysia, arrived at the RSGT-operated Chittagong Terminal to load and unload approximately 800 TEUs (Twenty-foot Equivalent Units) of export goods and empty containers. Following its operations at PCT, the vessel departed for the Port of Belawan, Indonesia, signifying the commencement of what is expected to be a series of regular operations under RSGT's management.

The significance of this event was underscored by the presence of high-ranking officials and stakeholders during the vessel's berthing. Among those present were the Chairman of the Chittagong Port Authority, the CEO of RSGT Bangladesh, senior port officials, and representatives from various port user groups. Their attendance highlighted the importance of this development in the broader context of Bangladesh's economic and infrastructural growth.

The PCT itself is a state-of-the-art facility, featuring three jetties with a combined length of 584 meters, capable of accommodating three container vessels simultaneously. In addition to the container jetties, the terminal also boasts a separate dolphin jetty, measuring 204 meters in length, specifically designed for oil discharge operations. The strategic design and advanced facilities of PCT are expected to play a critical role in alleviating congestion at Chittagong Port, which has historically struggled with capacity issues.

The operationalisation of PCT under RSGT's management is projected to significantly enhance the port's container handling capacity. The terminal is expected to handle approximately 500,000 TEUs annually once fully operational, providing much-needed relief to the port's existing infrastructure. The increased capacity will not only help reduce the pressure on other terminals but will also improve the overall turnaround time for vessels, thereby boosting the efficiency and competitiveness of Chittagong Port on the global stage.

Furthermore, the addition of PCT to Chittagong Port's operational terminals brings the total number of port terminals to four, with the number of main jetties increasing to twenty-one. This expansion is expected to have a cascading effect on the port's overall operational capacity, enabling it to handle a larger volume of cargo and reducing the waiting time for vessels to berth.

The commencement of RSGT's operations at PCT marks a significant step forward for Chittagong Port and Bangladesh's maritime sector. It not only symbolises the successful integration of foreign expertise and investment into the country's port operations but also paves the way for future growth and development. As the port continues to expand and modernise, it is poised to play an increasingly vital role in supporting Bangladesh's economic growth and its integration into the global trade network. ◀

Enhancing Bangladesh's trade capacity with state-of-the-art facilities and strategic positioning along the Karnaphuli River, Patenga Container Terminal is set to revolutionise container handling and boost economic growth





▶ World Bank Approves USD650 Million Loan for Bay-Terminal Project



The World Bank has approved a loan of USD650 million to support the development of deep-sea port infrastructure at the Bay-Terminal in Bangladesh. The bank's board of executive directors gave the green light to the loan on 29th June. This significant investment aims to enhance Bangladesh's global trade competitiveness and improve

port performance, ultimately reducing import and export costs. Additionally, the project is expected to accelerate private investment.

As part of the Bay-Terminal Marine Infrastructure Development Project, a 6-kilometre climate-resilient breakwater will be constructed to shield the port from strong currents and extreme weather conditions, according to a World Bank statement. The project will also include dredging activities in the port basins, inlets, and channels. This state-of-the-art Bay-Terminal is set to be operated by leading international terminal operators.

The statement also highlighted that the project would facilitate the easier manoeuvring of large vessels, such as Panamax ships, making operations more efficient than before. The World Bank anticipates that this will save approximately USD1 million per day.

In a related statement, the World Bank Country Director for Bangladesh and Bhutan noted that Bangladesh's international trade is heavily reliant on Chittagong Port, which currently faces several constraints. The Bay-Terminal project is expected to be a transformative initiative, boosting Bangladesh's export competitiveness by expanding port capacity while reducing transport costs and time. Furthermore, the project is set to unlock new opportunities in key global markets.

Hua Tan, Senior Transport Specialist at the World Bank and head of the project, commented that the Bay-Terminal will play a crucial role in modernising Bangladesh's seaport infrastructure and improving its connectivity to regional and international markets.

The Bay-Terminal is projected to handle 36% of Bangladesh's total container traffic. Over 1 million people, including those in the shipping industry, business community, as well as importers, exporters, and freight forwarders, are expected to benefit directly from the project.

▶ Contract Signed for the Establishment and Operation of Laldia Container Terminal

A significant agreement has been signed between the PPP Authority, Chittagong Port Authority, and the International Finance Corporation (IFC) to establish and operate the Laldia Container Terminal at Chittagong Port under a Public-Private Partnership (PPP) model. The contract was signed on 1st June, with key figures present, including the CEO of the PPP Authority, Md. Mushfiqur Rahman; Director General of the Prime Minister's Office-1 (Additional Secretary), Nafiul Hasan; Chittagong Port Authority Member (Harbour & Marine), Commodore M. Fazlar Rahman; IFC Regional Manager (PPP Transaction Advisory Services-Asia), Thomas Lubeck; IFC South Asia PPP Hub Leader, Moazzam Ahmed Mekan; Director Generals of the PPP Authority, AKM Abul Kalam Azad and Md. Anwarul Habib, along with other senior officials.

▶ Chittagong Port Retains Position in Lloyd's List Three Millionaire Club



Chittagong Port has successfully maintained its position in the prestigious "three-millionaire club" of Lloyd's List, despite facing significant challenges, including disruptions in trade due to the dollar crisis and the resulting difficulties with Letters of Credit (LC). The port managed to handle 3,168,690 TEU containers, with fewer than 282 vessels, representing an increase of 161,315 TEUs compared to the previous year.

During the recently concluded fiscal year (2023-2024), the port transported 3,168,690 TEUs, marking a 5.36% growth in container handling. However, the number of ships arriving at the port decreased to 3,971, compared to 4,253 in the fiscal year 2022-2023.

The Chittagong Port Authority attributes this consistent performance to the increasing capacity of Chittagong Port, which continues to expand day by day. The port is currently equipped with adequate facilities and equipment for container handling, providing ample opportunity for further growth. Additionally, the port and the government have made several effective decisions to enhance operations.

The Karnaphuli River, which plays a crucial role in container handling at the port, has seen improvements in its draft (depth). The port has increased the river's draft, allowing it to accommodate ships with a 10-metre draft more easily. As a result, when larger ships are berthed, the number of vessels decreases, but the volume of containers handled increases. This adjustment has contributed to the port's continued success and its ability to retain its esteemed position in Lloyd's List three-millionaire club.

➤ A Move Made to Establish Rules for Inland Waterway Goods Transport

The government has initiated the formulation of new regulations aimed at addressing the ongoing issues in the country's inland waterway transport system, particularly with the introduction of a serial system. A high-level meeting was held on 16th July at the Ministry of Shipping to review the draft rules, which were prepared after a series of consultations.

The new rules, titled "Transport of Goods in Bangladesh Sea Ports by Lighter Vessels Rules, 2024," detail the operation and management of lighterage vessels, with the aim of ensuring a transparent and orderly process for the transportation of goods from Bangladesh's sea ports and adjacent areas. The regulations have been formulated under the authority of 'The Inland Shipping Ordinance 1976, Section 82' and 'The Bangladesh Merchant Shipping Ordinance 1983, Section 506.'

The draft also outlines the role of the Bangladesh Water Transport Corporation (BIWTC) as the coordinating body for all stakeholders, including lighter ship owners, importers, exporters, commodity agents, and local agents, in the allocation and deployment of vessels.

To oversee the implementation and functioning of the WTC, a Supervisory Committee will be established, chaired by the Director General of the Department of Shipping. The committee will include representatives from the Directorate of Shipping, Chittagong Port Authority, Custom House, Chittagong, and the Lighter Ship Owners Association.

➤ Government Waives Seven-Day Port Damage Charges for Garment Sector



The government has announced a waiver of seven days' port damage charges for containers belonging to

the garment sector that were stuck at Chittagong Port due to disruptions caused by the recent student protests. This decision, aimed at alleviating the delays in releasing goods, was made following discussions between the Ministry of Shipping and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on 28th July.

According to the Ministry of Shipping, the waiver is intended to ensure the smooth flow of import and export operations at Chittagong Port, as well as to assist in meeting the lead times specified by international buyers for garment exports.

➤ Chittagong Port Sees Benefits from Increased Use of Larger Ships for Cargo Transport



Chittagong Port is beginning to reap the benefits of using larger ships for the transportation of import-export goods. In the 2023-24 fiscal year, the port handled a total of 3,168,690 TEU (twenty-foot equivalent unit) containers, compared to 3,007,375 TEUs in the previous year (2022-

23). This represents an increase of 161,315 TEUs, marking a 5.36% growth in container handling.

Despite this increase, the number of ships arriving at and departing from Chittagong Port has decreased. In the 2023-24 fiscal year, 3,971 ships were processed, compared to 4,253 ships in 2022-23. This represents a reduction of 282 ships, reflecting a 6.63% decline in ship traffic.

The decrease in ship arrivals is attributed to the growing use of larger vessels, which can transport more goods in a single trip, reducing the overall number of ships required. By transporting larger volumes of goods on fewer ships, the cost of transportation is expected to decrease, benefiting both importers and exporters.

In terms of cargo handling, the port processed 123,242,748 metric tonnes of goods in 2023-24, an increase from 118,297,643 metric tonnes in 2022-23. This rise of 4,945,105 metric tonnes translates to a 4.18% growth in overall cargo handling.

➤ Government Approves 'Maheshkhali-Kutubdia Integrated Development Authority' Act

The government has given final approval for the establishment of the 'Maheshkhali-Kutubdia Integrated Development Authority' to oversee and manage development activities around the deep seaport in Matarbari, Cox's Bazar. The Cabinet approved the Maheshkhali-Kutubdia Integrated Development Authority Act on 29th July.

There had been a slight modification to the name. Initially, it was proposed as the 'Maheshkhali Integrated Development Authority,' but the revised title, 'Maheshkhali-Kutubdia Integrated Development Authority,' was approved to include Kutubdia, as the authority's jurisdiction covers areas of both Maheshkhali and Kutubdia.

The authority will manage a project area encompassing 55,968 acres of land, ensuring environmental preservation and protection of local industries such as salt and betel leaf cultivation. This initiative aims to provide institutional support for both domestic and foreign investments in the region.



➤ Accelerating Progress on the Bay Terminal Project



The long-awaited 'Bay Terminal' project, initiated a decade ago to expand Chittagong Port, is finally gathering momentum. Last May, the process of allocating 501 acres of land for the project at a nominal price was finalised, marking a significant step forward. Additionally, the World Bank's Executive Board has approved a loan of USD650 million for the construction

of breakwaters and for navigation and dredging activities.

With the approval of this new loan, the focus on accelerating the Bay Terminal project has been renewed. The project area is larger than the existing terminal area of Chittagong Port. The Bay Terminal project boundary will begin at the end of the port waters, starting from the sea behind the Chittagong Export Processing Zone (EPZ) and extending to Rasmanighat, near Zahoor Ahmed Chowdhury Stadium. The project area along the Bay of Bengal spans approximately 6.15 km.

According to authorities, work on the Bay Terminal project has already gained momentum, and the approval of the World Bank loan is considered an important milestone. The first priority before constructing the terminal is to create a shipping channel by dredging and building breakwaters. This task will be funded by the World Bank loan, and a proposal for the development of the breakwaters and dredging activities has already been sent to the government for approval. Once approved, a contractor will be appointed to carry out the work.

The Bay Terminal will primarily handle the loading and unloading of containers and goods from ships. While some goods can be transported by sea without a terminal, containers cannot be moved without one. The majority of export products are shipped in containers, and valuable items, including industrial raw materials, are imported in containers. When the Bay Terminal becomes fully operational, it is expected to handle more containers than the existing terminals at the port.

The World Bank was the first to initiate a study on the Bay Terminal project. That same year, three representatives from the World Bank visited the project area and prepared a 46-page pre-feasibility study. The report identified the project area as an ideal location for a container terminal, citing its proximity to rail and road connections for easy access to and from Dhaka. The report also suggested that the Bay Terminal would be a sustainable long-term option.

In 2017, the German consulting firm Schellhorn conducted a study on the technical, economic, and environmental feasibility of constructing the Bay Terminal. The study concluded that the terminal could initially accommodate ships up to 300 metres in length with a draft of 12 metres (the depth of the underwater part of the ship). The master plan and design for the project were finalised earlier this year, outlining the construction of four terminals in total. Two of these terminals will be built and operated by foreign companies under a Public-Private Partnership (PPP) model. The companies involved are PSA International of Singapore and DP World of the United Arab Emirates (UAE), who are expected to invest around USD3 billion. Their investment process is already underway.

Construction of the remaining two terminals is also progressing. Abu Dhabi Ports has proposed building a multipurpose terminal, which could involve an investment of USD1 billion. Additionally, East Coast Group, a domestic company, has offered to build and operate a gas and oil terminal. East Coast Group plans to implement this project in partnership with foreign organisations, with a proposed investment of USD3.5 billion.

With these developments, the Bay Terminal project is set to significantly enhance the capacity and efficiency of Chittagong Port, positioning it as a key player in global maritime trade.

➤ Waiver Certificate Requirement for Foreign Ships Suspended for Six Months

The High Court has suspended, for six months, the requirement for foreign-flagged vessels to obtain a waiver certificate in order to transport Bangladesh's import-export goods. As a result, for the next six months, container ships flying foreign flags will not need to secure a No Objection Certificate (NOC) or Waiver Certificate from the Mercantile Marine Office (MMO) to carry goods to and from Bangladesh via international sea routes.

This ruling was issued on 11th June by a joint bench of Justice Sheikh Hasan Arif and Justice Mohammad Bazlur Rahman, following a writ petition filed by the Bangladesh Container Shipping Association. The court also issued a show-cause order, questioning why the mandatory requirement for obtaining a waiver certificate should not be declared invalid.

In the writ, several government officials were named as respondents, including the Secretary of the Ministry of Shipping, the Secretary of the Ministry of Law, the Director General of the Department of Shipping, the Principle Officer of MMO, the Chairman of the Chittagong Port Authority, the Chairman of the Mongla Port Authority, the Chairman of the Payra Port Authority, and the Managing Director of Bangladesh Shipping Corporation.

The court further directed the third respondent, the Director General of the Directorate of Shipping, not to enforce the waiver certificate requirement for the carriage of goods by foreign vessels during this period.

The Government introduced the Flag Protection Act, 2019, to prioritise vessels flying the Bangladesh flag. Under this law, 50% of the goods involved in the country's foreign trade must be transported by ships registered under the Bangladesh flag.

In accordance with the Flag Protection Act, the Government established the Bangladesh Flag Ship Interest Protection Rules, 2023. These regulations make it illegal to transport goods without obtaining a waiver certificate from the Mercantile Marine Office.

➤ Bangladeshi-Flagged Ships Surpass One Hundred

The number of sea-going ships flying the Bangladeshi flag has now exceeded one hundred, marking a significant milestone for the country's maritime sector. The fleet currently consists of 101 vessels with either permanent or temporary registration. The latest addition to the fleet is MV Jahan-1, a vessel owned by the KSRM Group. Built in 2018, the ship is nearly new, and the average age of the ships added to the national fleet in recent years is less than ten years.

Captain Sabbir Mahmud, Principal Officer of Mercantile Marine Office, Chattogram, highlighted that Bangladeshi entrepreneurs have been actively expanding the fleet by adding ships over the past few years. He anticipates that if this trend continues, the number of domestic ships could reach two hundred by 2028.

According to Chittagong Customs, the KSRM Group purchased this ship for USD27.2 million. The vessel, which is approximately 200 metres long, has a cargo capacity of 61,000 tons. With this latest addition, the KSRM Group's fleet now comprises 24 vessels, with a total investment exceeding USD300 million.

Shahriar Jahan Rahat, Deputy Managing Director of KSRM Group, noted that government policies in this sector have become much more investment-friendly, which has encouraged ongoing expansion. This growth is not only bringing foreign currency into the country but also providing employment opportunities for skilled professionals.

Captain Sabbir Mahmud further stated that since independence, 361 sea-going ships have been registered under the Bangladeshi flag. Of these, 101 vessels are currently in service, while the remainder were sold for scrapping due to being unfit for operation.

The private sector shipping industry in Bangladesh began 46 years ago. While early pioneers like Atlas Shipping are no longer in operation, large industrial groups are now leading the way in investment. These red-and-green-flagged ships are now operating from port to port across the globe, representing Bangladesh on the international stage.

➤ BAFFA Calls for License Rules Aligned with Logistics Policy

The government has approved the National Logistics Policy 2024, but the corresponding licensing policy has yet to be formulated. In response, the Bangladesh Freight Forwarders Association (BAFFA) has proposed amendments to the Freight Forwarders (Licensing and Operation) Rules, 2008. Khairul Alam Sujan, Vice President of BAFFA, raised this issue during a media discussion on the National Budget 2024-25.

Khairul Alam Sujan highlighted that although the Bangladesh government amended the Foreign Exchange Control Act, 1947, in September 2015, repealing Section 18(a), the Freight Forwarders (Licensing and Operations) Rules have not been updated accordingly. As a result, freight forwarders still require an approval letter from Bangladesh Bank when applying for a license. However, given the amendments to the Foreign Exchange Act, the need for authorisation from Bangladesh Bank is now redundant. To address this, BAFFA has suggested amending the Freight Forwarders (Licensing and Operations) Rules to remove the relevant Sections 6(e) and 9(d), which pertain to the "Approval of Bangladesh Bank under the Foreign Exchange Control Act, 1947, where applicable."

He also proposed that the requirement to submit copies of income tax return orders (IT-88 and IT-10B) for license applications should be eliminated from the licensing rules. Additionally, he suggested introducing the option to submit a buffer membership certificate in place of work experience related to freight forwarding services. Furthermore, BAFFA recommended that a temporary membership certificate issued by the buffer, and approved by the Ministry of Commerce, should be accepted for new licenses or renewals, replacing the current requirement for a BAFFA membership certificate.

➤ Chittagong Port's Growth in the Recently Ended Financial Year



Despite the challenges posed by the dollar crisis, Bangladesh's primary seaport, Chittagong Port, has managed to achieve commendable growth in the 2023-24 financial year. The port saw a 5.36% increase in container handling and a 4.18% rise in cargo handling. In the financial year 2023-24, the port handled 3,168,690 TEUs (Twenty-foot Equivalent Units) of containers, compared to 3,007,375 TEUs in the previous year, marking a 5.36% growth. Similarly, cargo handling reached 123,242,724 metric tons, up from 118,297,643 tons in the prior financial year, reflecting a 4.18% increase.

However, the number of ships arriving at the port has declined. In the just-ended financial year, the port handled 3,971 ships, down from 4,253 in the previous year.

Chittagong Port Authority attributes this growth in container and cargo handling to the introduction of modern handling equipment, increased automation, accumulated experience, efficient management, and the implementation of new development projects and strategic plans at the port during the financial year 2023-24.

▶▶ New Customs Act Comes into Force



The Customs Act, 2023, came into effect on June 6th, following a notification signed by Abu Hena Md. Rahmatul Munim, Chairman of the National Board of Revenue (NBR), on May 30th. The new law introduces several provisions, including rewards for officials who uncover tax evasion or legal violations, as well as financial incentives for exceeding revenue collection targets.

Under the new legislation, passengers arriving from abroad who provide false information about their luggage or bring undeclared goods will face fines ranging from BDT 50,000 to BDT 100,000. Additionally, any undeclared items in their luggage will be confiscated by the state. Carrying prohibited goods will result in penalties according to existing laws.

Section 253 of the Act stipulates that “No civil or criminal suit or any other legal proceeding shall be instituted against the Government or any Government servant for any act done or intended in good faith under this Act or the rules made thereunder.”

The Customs Act, 2023, was passed by the National Parliament on October 31st last year, replacing the older Act, which contained 223 sections. The new law includes 269 sections and incorporates international agreements and conventions approved by the World Customs Organisation (WCO) for revenue collection and trade facilitation. It also aligns with international best practices, such as Authorised Economic Operators (AEOs), Mutual Recognition Agreements (MRAs), electronic declarations, risk management, and Post-Clearance Audits (PCAs).

One of the key provisions of the new Customs Act is the requirement for goods to be cleared from ports within 10 days of customs clearance to prevent container congestion. If goods are not collected within this timeframe, an interest charge of 10% will be applied.

▶▶ Chittagong Port Provides Eid Incentives to 6,721 Employees



In addition to the regular bonus, the Chittagong Port Authority has granted

incentives to 6,721 workers for Eid-ul-Fitr. Each worker received an incentive of BDT 7,000, amounting to a total of BDT 47,000,000. On April 2nd, the Chairman of the Chittagong Port Authority symbolically handed over cash to 15 workers at the port building premises. For the remaining workers, cheques have been issued to the respective Berth Operators, Terminal Operators, and Ship Handling Operators.

Chittagong Port handles 92% of the country's imports and exports, earning it the title of Bangladesh's economic lifeline. The port workers, in turn, are considered the lifeline of Chittagong Port, with their well-being directly impacting the port's operations and success.

▶▶ NBR to Track Bonded Goods with GPS



The National Board of Revenue (NBR) is set to implement the use of Global Positioning System (GPS) technology to monitor the movement of bonded goods, replacing the previous analogue system. This move aims to prevent the illegal sale of bonded goods in the open market after they have left the custom house. By tracking where cargo containers are headed, NBR will be able

to verify whether these goods are being delivered to their designated warehouses. The relevant regulations have already been finalised.

For years, despite various measures to prevent the misuse of bonds, there have been allegations of significant revenue losses due to irregularities. Customs officials often lacked precise information about where bonded goods were being transported after leaving the custom house, relying solely on information provided by the establishment owners. Going forward, containers carrying bonded goods will be equipped with GPS-enabled seals and locks. Any tampering with these seals or locks, or any other irregularities, will result in penalties for the responsible organisation. Additionally, service providers handling bonded goods will be required to maintain a security deposit of BDT 50 million. NBR has already issued regulations and a notification regarding this matter.

The new rules, known as the Electric Seal and Lock Service Rules for Container Monitoring-2024, include several key updates. The GPS-enabled electric seals or locks can be remotely operated via a central monitoring centre, and can only be opened in the presence of, or with permission from, a customs officer. A Rapid Response Team will be established to address any irregularities immediately. This team will be formed in accordance with the new rules. Furthermore, a Central Monitoring Centre will be set up to enhance oversight, allowing customs officials to monitor container movements from their office. Under these rules, NBR will select and appoint service providers for the implementation of this system.

➤ Bangladesh and Qatar Sign 10 Agreements and MoUs Including Port Management and Maritime Transport



Bangladesh and Qatar have signed a total of five agreements and five memorandums of understanding (MoUs) to enhance cooperation across various

sectors. These agreements and MoUs were signed on 23rd April.

The five agreements include a mutual investment promotion and protection agreement between the two nations, an agreement on the avoidance of double taxation and prevention of tax evasion, a legal cooperation agreement, a maritime transport agreement, and an agreement to establish a joint business council between business organisations from both countries.

The five MoUs encompass a range of collaborative efforts, including cooperation in diplomatic training, higher education and scientific research, youth and sports, manpower, and port management.

➤ Foundation Stone Laid for New Labour Health Care Centre



To provide emergency healthcare for registered berth, ship, and terminal operators' workers, a modern two-storey labour health care centre is being constructed on a 3,000 square foot area

between gates 2 and 3 of the port. The centre will be equipped with all modern facilities, including a pharmacy, X-ray room, ECG room, doctors' rooms, an observation room, dressing room, nurse station, and a storeroom.

Additionally, in response to the requests of port workers, a dedicated cemetery for Chittagong port workers is being established. The 6.20th-century vacant land, located under the flyover adjacent to Golam Hossain Malum Road, opposite Chittagong Port Authority's CCT yard in the South Halishahar Newmooring area, has been designated for this purpose.

The Chittagong Port Authority laid the foundation stone for these two projects on April 3rd. The ceremony was attended by members of the Port Board, Heads of Departments, CBA leaders, and leaders and workers from the Berth, Ship, and Terminal Operators Association.

➤ Logistics Policy Crucial for Strengthening Global Market Position

The Principal Secretary of the Prime Minister's Office has emphasised that the National Logistics Policy-2024 is a crucial step towards enhancing Bangladesh's position in the global market and accelerating its economic development. The draft policy has been approved with the objective of reducing the cost of doing business, increasing exports, and integrating Bangladesh more effectively into the global value chain—key components in the nation's journey towards becoming a developed country.

These remarks were made by the Principal Secretary during a seminar titled "National Logistics Policy 2024: From Policy Framework to Execution," organised by the Foreign Investors Chamber of Commerce and Industry (FICCI) at a hotel in the capital on June 26th, where he served as the chief guest.

He highlighted that the government has developed this policy to simplify the business environment and attract investment. However, its successful implementation will require the collaboration of both public and private stakeholders. The Principal Secretary also urged all concerned parties to step forward and increase investment in this sector.

The seminar focused on strategies for implementing the recently formulated National Logistics Policy framework, with the goal of achieving sustainable economic growth and expanding both local and global trade and investment. The event was presided over by FICI President Javed Akhtar, with the Chairman of the Chittagong Port Authority attending as a special guest.

Dr M Mashroor Riaz, Chairman of Policy Exchange Bangladesh, moderated a panel discussion during which various proposals for reforming the logistics sector were put forward. Speakers included the Director General (Executive Cell) of the Prime Minister's Office and Member Secretary of the National Logistics Development and Coordination Committee, the Country Manager and Managing Director of Expeditors (Bangladesh) Limited, AmCham President Syed Ershad Ahmed, Vice Chairman of AK Khan & Co. Limited Abul Kasem Khan, and Nikhil D'Lima, Managing Director of Maersk Bangladesh.

Barrister Nihad Kabir, former President of the Metropolitan Chamber of Commerce and Industry (MCCI), delivered the keynote speech. He highlighted that if logistics management costs in the country could be reduced by up to 25%, exports could increase by at least 20%. Furthermore, a mere 1% reduction in transportation costs could boost exports by approximately 7.5%. He noted that the National Logistics Policy-2024 will serve as a catalyst for private sector investment in critical sectors such as ports and railways. Proper implementation of this policy is expected to attract investment, create jobs, and introduce new skills to the logistics sector, thereby encouraging public-private joint ventures.



➤ USD8 Billion Investment in Bay Terminal's Four Terminals



An investment of USD8 billion, both domestic and foreign, is being directed towards the construction of four terminals as part of the proposed Bay Terminal project at Chittagong Port. This substantial investment will be allocated across three terminals dedicated to the loading and unloading of goods,

an oil and gas terminal, and a channel created through breakwater construction. The Chairman of the Chittagong Port Authority shared this information during a meeting with journalists in celebration of the port's 137th founding anniversary, held at the Fazlur Rahman Munsir Auditorium. The meeting was attended by port members and department heads.

Highlighting this as the largest foreign investment in Bangladesh's history, the port chairman noted that the most significant portion of the investment will be directed towards the terminal for gas and oil discharge. East Coast Group, in collaboration with foreign organisations, will lead this project with an investment of USD350 million. Additionally, three terminals for container and goods handling will be constructed. Of these, PSA International from Singapore and DP World from the UAE will each invest USD150 million to build and operate two separate terminals. The multipurpose terminal has been proposed by Abu Dhabi Ports Group, potentially involving an investment of USD1 billion. Furthermore, an investment of USD590 million is being planned for channel construction through the creation of breakwater.

The chairman also mentioned that the master plan for the Bay Terminal has been finalised, with land acquisition and design work nearing completion. The next steps involve preparing cost estimates and determining the quality of work required, which are expected to be completed within the next two to three months. Following this, the tender process will commence.

He further announced that the construction of the country's first deep-sea port terminal will begin soon, with field-level work starting promptly after receiving government approval. The deep-sea port will be capable of accommodating large vessels.

Regarding Denmark's APM Terminals investment in Laldia, the port chairman mentioned that a survey for the terminal's construction has been completed. A contract with the Danish company to build and operate the terminal is expected to be signed later this year.

➤ Draft for Maheshkhali Integrated Development Authority Approved

The government has decided to establish an authority for the integrated development of Matarbari and Maheshkhali in Cox's Bazar. On 17th April, the Cabinet granted in-principle and final approval to the draft of the 'Maheshkhali Integrated Development Authority Act, 2024.'

Development activities in Matarbari were initiated by the Japanese government during the visit of the Prime Minister of Japan to Bangladesh in 2014, following a joint declaration between the two countries. Building on this, the initiative aims to create an economic zone centred around Matarbari, encompassing deep-sea facilities, essential infrastructure, and identifying key areas for comprehensive development.

Under the new law, the primary responsibility of the authority will be to implement a land use master plan within the designated area, ensuring that land is utilised effectively. The overarching goals include attracting foreign investment and reducing lead times for export and import activities.



➤ New Import-Export Law Introduced After 74 Years

The Bangladesh Import and Export (Control) Act of 1950 has been a cornerstone of trade regulation for decades. However, after 74 years, a new law is being introduced to modernise and expand the framework. This new legislation, known as the 'Import and Export Act, 2024,' aims to integrate the service sector with the trade of goods. Notably, the term 'regulation,' present in the previous law, will not be included in the new version.

The Cabinet has given its in-principle approval to the draft of the 'Imports and Exports Act, 2024,' which now includes provisions for the services sector. Under this new law, the import and export of services will require approval from the Ministry of Commerce. The approval for this updated legislation was granted during a cabinet meeting held on April 1.

The Cabinet Secretary highlighted that the new law introduces several updates to the previous legislation. While the earlier law focused solely on goods, the new act expands to cover commercial service activities as well. This means that both the import and export of services will now need the Ministry of Commerce's approval, marking a significant shift in the country's trade policy by including services alongside commodities.

► Bangladesh Calls for Collective Efforts in Responsible and Sustainable Ocean Management



At the 9th Our Ocean Conference held in Athens, Greece, Bangladesh emphasised the need for collective action in the responsible and sustainable management of the world's oceans. Speaking on 17th April during a high-level panel discussion of foreign ministers, Bangladesh's Foreign Minister highlighted the importance of this issue on the conference's concluding day. The conference had commenced on 15th April.

The Foreign Minister stressed that sustainable ocean management must strike a balance between the socio-economic development of coastal communities and the preservation of the marine environment. He underscored the necessity of responsible and sustainable use of ocean and marine resources to ensure the long-term well-being of our planet, which is the only home for humanity and future generations.

During the conference, various countries pledged approximately USD10 billion to support the development of systems for biodiversity conservation, ecosystem enhancement, and green shipping—initiatives aimed at reducing environmental impact beyond national boundaries. However, these commitments have yet to be fully realised.

The panel discussion also featured contributions from the foreign ministers of host countries Greece, Costa Rica, Cape Verde, and Sao Tome and Principe, among others.

► Majority of USD31 Billion Foreign Loan Allocated to Transport Sector



The transport sector continues to be the government's top priority, with one-third of the anticipated USD30.89 billion in foreign loans for the current and next two fiscal years earmarked for this sector. These funds are intended for projects approved by development partners.

Among the 115 projects listed by the Economic Relations Department (ERD), 30 are focused on road and rail connectivity, with a proposed loan allocation of USD10.7 billion. The energy sector follows, with USD4.77 billion expected in foreign funding for seven projects. Significant projects include Dhaka's Metro Line-5, the Kalurghat rail-road bridge in Chittagong, the Dhaka-Comilla railway line, a railway container depot at Dhirashram in Gazipur, and a container terminal at Chittagong Port.

These loan agreements are expected to be finalised over the next three financial years, up to 2025-26, with project implementation planned within five years of signing. The emphasis is on infrastructure development to support trade and investment, with USD10.7 billion allocated specifically for road and rail connectivity.

According to the ERD's monthly updated list of projects awaiting loan agreements, the Asian Development Bank (ADB) is anticipated to provide nearly half of the total loan, approximately USD14.95 billion. The World Bank has already approved USD3.73 billion, with an additional USD11.12 billion in loan agreements expected with other development partners, including the Asian Infrastructure Investment Bank, China, South Korea, and the New Development Bank.

ERD's latest report also highlights upcoming budget challenges, with a proposed budget of USD3.61 billion aimed at addressing the current economic situation.

ADB's pipeline loan projects include USD4.93 billion allocated for highways, railways, inland depots, and container terminal developments, making it the most heavily funded sector. The government has secured a USD2.6 billion loan from ADB for 12 projects, including the USD5.47 billion Dhaka Metro (Line-5) South Route, which is expected to commence next year.

The 17-kilometre underground metro rail line from Gabtali to Dasherbandi will be primarily financed by ADB and South Korea, with the first USD300 million from ADB expected to be available in October. Additionally, ADB has pledged USD600 million for the first phase of the Dhaka-Chittagong Broad Gauge Rail Line project.

The loan agreement with ADB for the USD250 million inland container depot project at Dhirashram in Gazipur is in its final stages. This railway depot will connect Chittagong and Matarbari ports with the capital, Dhaka, via rail.



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