

Bangladesh- a maritime wonder of the world

Optimizing the opportunities

Chattogram Port Museum and Monument Complex: Breathe free in beauty and pride

Seaport Security Management— Cultural Paradigm & Practices

PM calls for partnership on blue economy



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Editorial

Boosting maritime investment, sharing the yield!

Bangladesh sits in the front line of maritime nations in South Asia. Over the past years, the Government has also signaled its resolute intention to be more ambitious in both leading and supporting its maritime sector. The authority is delivering a noticeable step change in the overall maritime activity and its effectiveness. Time is high since analysts also predict, 2018 would be a defining year for the global port industry. This transformation is plainly visible everywhere around us now that is being driven by shifts in economic trends, trade flows and global demographic patterns in tandem with changes in port ownership and ongoing investment in modernization and expansion of maritime structure and logistics.

Maritime industry in Bangladesh is a booming sector ready to emerge as a major maritime hub in this region. For the world, it is a gateway to the east and southeast Asia, a bazaar of more than 3.5 billion people. The country offers the most congenial investment regime in South Asia supported by an industrial policy that welcomes foreign investment in all areas of economy and there is no restriction on the amount. Bangladesh is a member of almost all of the top trade bodies, regional and international, and provides peace of mind for investors. Our lead story in this issue tells you much more on untapped investment potential in our maritime horizon.

To remain unceasingly aware, in my view, could be a viable answer to the endless threats being posed to peace. We must protect the very things that make our ports so special. For this, we need to have strong national security and thoughtful and informed discourse. Security Chief at the Chattogram Port has penned his valuable observations and suggestions regarding the security and safety net at the Chattogram port, a good read to prescribe.

After years of planning and paper processing, the Chattogram Port Museum and Monument Complex project is now ready to shoot off. Among others, the international standard complex would feature 132-meter tall glass monument dedicated to the heroes of our liberation war. The museum beside preserving the age-old documents, memorabilia and artifacts related to the long heritage of the port will also serve as a research and learning center for all. Turn over the pages to learn more on this upcoming fabulous endeavor of Chattogram port.

The newsbyte will inform you of all the important maritime and trade events and developments that occurred during the last quarter. Dear readers, we will be using '*Chattogram*', instead of '*Chittagong*' while spelling the name of the city from this issue, according to a recent decision by the Government of Bangladesh.

Good news, *CPA News* has obtained its ISSN (International Standard Serial Number) that will enhance our credibility as well as expand our readership from now on over a global context. We would be truly indebted if you leave your invaluable feedback and suggest new ideas for further enrichment of this publication. Thank you for being with us all the while, and keep staying with us.

With thanks,

Zafar Alam

Editor



Lead Story

Bangladesh- a maritime wonder of the world

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Patenga Container Terminal (PCT)

Perspective



Considering the present and future needs, the capacity of Chattogram Port will be greatly increased after the construction of Patenga Container Terminal.



We value your thoughts

CPA news is open to submissions exclusively from the maritime enthusiast writers. We are looking for strong, authentic and thought-provoking articles on maritime issues.

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Bangladesh- a maritime wonder of the world

Optimizing the opportunities

Milton Molla, Rajeev Ahmed

Bangladesh is a maritime nation. Maritime success has shaped its glorious past and is an engine for its future growth being a vibrant and dynamic element of its economy.

Currently, the country is the 44th largest economy with its financial sector as the second largest in South Asia. With over USD 75 billion of foreign trade a year, Bangladesh is the dynamo of the worldwide apparel industry with an annual export of USD 30 billion. On a global index of improved business climate, its ranking moved three notches up to 28th rank. The country moved three notches up to 44th rank in infrastructure and transport connections. Accordingly, it has been dubbed as an emerging Asian target market featuring a seven-plus GDP. Its maritime positioning is a unique advantage over many others that can serve as the coolest gateway to the East and Southeast Asia as well as Bhutan, Nepal, India, and China, a bazaar of more than 3.5 billion people.

It is evident that the country has many untapped potentials in its maritime fields

and coastal areas. Resources in the Bay of Bengal are now accessible to investors which had never been so widespread and visible earlier in its history.

History of the maritime success of the Bengal dates back at least 2 millenniums. Through the Arab traders, the name and fame of its maritime advantages spread all over the world. During the twilight years of the Sultanate, Portuguese merchants came into the Bay of Bengal and established trading stations in both Chattogram and Satgaon in the mid 1530s.

The English, the French and the Dutch companies began their trading by the middle of the 17th century. However, in a short while, the British East India Company cleared their ways off the other contestants and established its sole authority over the Indian subcontinent.

The present socio-economic scenario

Bangladesh has steadily progressed over the past 4 decades, transforming itself from a laggard into a leader. Today, the country outperforms on multiple social development

indicators, given its level of economic development. The present government is committed to ensuring sustainable economic development, poverty reduction, gender equality and the elimination of all forms of economic and social exploitation to achieve the status of a middle-income country by 2021. The government has recently announced the approach of Public-Private Partnerships (PPP) Guidelines in industrial and socio-economic infrastructures to forge a strategic partnership with the vibrant private sector.

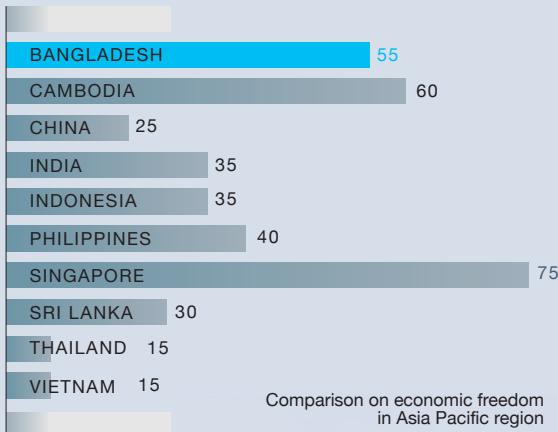
The government aims in particular to promote port-proximate industrial and manufacturing clusters. In order to boost the nation's fast-growing economy, the government also plans to increase its power generation capacity beyond its projected demand of 40,000 MW by 2030 and reach the target of 60,000 MW by 2041.

The investment policy

Bangladesh offers the most congenial investment regime in South Asia. According to the Industrial Policy 2016, Bangladesh

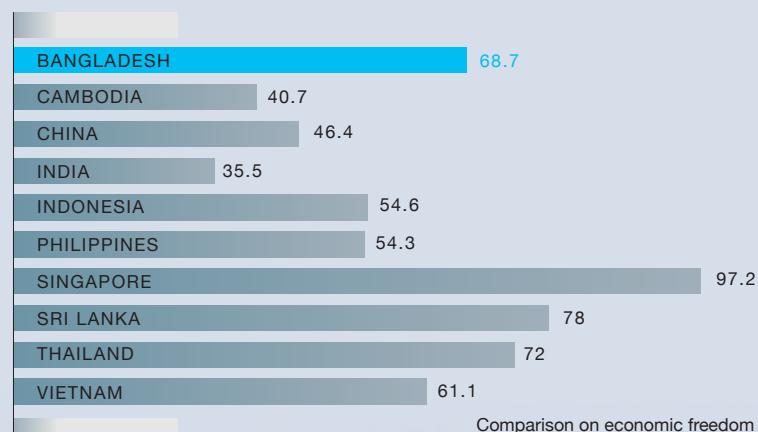


INVESTMENT FREEDOM (%) IN BANGLADESH



Source: Index of economic freedom 2012, the Heritage Foundation

BUSINESS FREEDOM (%) IN BANGLADESH



Source: Index of economic freedom 2012, the Heritage Foundation

welcomes foreign private investment in all areas of the economy and there is no restriction on the amount of share of the investment. Bangladesh is a signatory to MIGA, OPIC, ICSID, WAIPA, WIPO and WTO. Bangladesh also has signed bilateral investment treaties with following countries for promotion and protection of investment: Austria, DPR Korea, Thailand, Belgium, Republic of Korea, UK, Canada, Malaysia, USA, China, Pakistan, Uzbekistan, France, Poland, Vietnam, Germany, Romania, Singapore, Indonesia, Switzerland, Denmark, Iran, The Netherlands,

India, Italy, The Philippines, UAE, Japan, Turkey, and Belarus.

To ease the investors from paying double tax Bangladesh has signed Avoidance of Double Taxation Treaty with following countries: Canada, Poland, Norway, China, Romania, Turkey, Denmark, Singapore, Vietnam, France, Republic of Korea, Philippines, Germany, Sri Lanka, Indonesia, India, Sweden, Switzerland, Italy, Thailand, Oman, Japan, The Netherlands, Malaysia and UK.

In addition, Bangladesh has signed trade agreements with 45 countries for trade facilitation among the countries.

Investment climate

Bangladesh offers an unparalleled investment climate compared to the other South Asian economies. Here are eight key pointers to Bangladesh's investment climate today.

- Bangladesh is a largely homogeneous society with no major internal or external tensions and a population with great resilience in the face of adversity (e.g. natural calamities).
- Bangladesh is a liberal democracy. The population of this country irrespective of race or religion have been living in harmony and understanding for thousands of years.

The government aims in particular to promote port-proximate industrial and manufacturing clusters. In order to boost the nation's fast-growing economy, the government also plans to increase its power generation capacity beyond its projected demand of 40,000 MW by 2030 and reach the target of 60,000 MW by 2041.

- Broad non-partisan political support for market-oriented reform and the most investor-friendly regulatory regime in South Asia.
- Trainable, enthusiastic, hardworking and low-cost (even by regional standards) labor force suitable for any labor-intensive industry.
- The geographic location of the country is ideal for global trade, with very convenient access to the international sea and air routes.
- Bangladesh is endowed with an abundant supply of natural gas and water and its soil is very fertile.
- Although Bengali (Bangla) is the official language, English is widely used as a second language. The majority of the educated population can read, write and speak in English.
- There exists a thriving middle class with over 10% of the population. As economic growth picks up, the purchasing power will also grow substantially.

Most Bangladeshi products enjoy complete duty and quota-free access to EU, Canada, Australia and Norway. Though in a limited scale, Bangladesh products already found their access with lower duty in the markets of Thailand, India and Pakistan. Talks are underway with China, Russia, Malaysia and other neighboring countries in this regard.





Maritime opportunities

Bangladesh's maritime sector offers a suite of opportunities for sustainable, clean, equitable blue growth in both traditional and emerging sectors.

Seaports of Bangladesh

Bangladesh, with the help of local and foreign investment, must enhance the existing handling capacities of ports and develop deep seaports with more capabilities and modern handling equipment in Sonadia, Matarbari and Payra to cater for increased trade and commerce.

Chittogram port: Chittogram port, plays the most essential role in Bangladesh economy handling over 92 percent of its EXIM trade featuring a growth rate of 15 to 16 percent. The port has more than doubled its container handling volume within a period of the past 6 years thanks to a continuous upgrading of its capacity and strength. The port was ranked 71st on Lloyd's List of top 100 container ports in 2017. The projected figures for container handling stand at 3 million TEUs by 2020 and 5.4 million TEUs by 2040.

To meet up the increasing demand of the trade volume, the authority envisaged to construct 5 new terminals i.e. Patenga Container Terminal (PCT), Laldia Multipurpose Terminal (LMT), Karnaphuli Container Terminal (KCT), Bay Terminal (BT), Sitakundu Terminal (SKT) and Matarbari Terminal (MT).

Mongla port: Mongla port, located on the east bank of the Pasur River, approximately 131 km from the Bay of Bengal, is one of the three major seaports of Bangladesh. It has the potential to establish greater regional connectivity between India, Nepal, Bhutan, and China. It offers VTMIS, one-stop service, 35 vessels (e.g. tugboat, survey vessel, fire-fighter tug, high-speed boat, crane boat, oil storage tug, pilot dispatch, water barge, dredgers), 80 KW solar panel, 84 lighted buoys, light tower, beacon, 5 lac liters of daily capacity fresh water supply, oil spill vessel. The regular dredging is 37.56 cubic metre.

Payra port: Payra seaport, with 6,500 acres of land, is the 3rd largest seaport in Bangladesh located on the bank of Rabnabad Channel under Kalapara, a sub-district of Patuakali.

Presently Bangladesh's value of export and import stands at about USD 67 billion and are carried out by 3,000 foreign ships visiting our ports. Against our import and export value, during last ten years, importers, exporters and buyers have paid USD 95 billion as freight and related charges to shipping companies, airlines and freight operators to carry goods in and out of Bangladesh. There are only 74 registered (2014) Bangladeshi merchant ships which are not sufficient to carry even a fraction of our cargo.



With a growth rate of 15 to 16 percent, Chittogram port handles 92 percent of EXIM trade

It is a fast-track project and construction started in 2013. By 2018 government is going to operate the port with at least one multipurpose and one bulk terminal where deep draught vessel with up to 12 metres can berth safely. Under Long-Term Plan, by 2023 the port would be fully operational with a 16 m channel where minimum 10 terminals with all other associated facilities like establishing EEZ, airport, port city, dockyard/shipyard, eco tourism etc. centering to the port.

Coal-Fired Thermal Power Plant (1,320 MW), Exclusive Economic Zone, EZ, Kuakata Airport, Shipyard, Liquid bulk, and LNG terminal will be developed. Bangladesh Railway and

UK's DP Rail signed a bill to develop a 240 km rail line between Dhaka and Payra seaport.

Matarbari port: Matarbari port, in Moheshkhali of Chittogram is a greenfield project. It is the center of the initiative undertaken by Japan in implementing their plan of developing the Big-B Industrial Growth Initiative around the Bay of Bengal. Construction work of a 1,200 MW coal-based power plant is underway which would come into operation in 2024. Besides this, Matarbari Port Development Project with the construction of a commercial port came into being with two terminals that would start operation in 2022.

The second largest seaport, the Mongla port is located in the South western part of Bangladesh





To serve Southern Bangladesh, India, Nepal and Bhutan, Payra seaport was inaugurated in 2016

Maritime trade and shipping

More than 92% of Bangladesh's external freight trade is seaborne—and ongoing globalization has made this flow even more important. The long coastline and age-old tradition of sea navigation have led to a relatively strong development of maritime services that support the sea trade and sea transport function ranging from shipping agents, freight forwarders, and insurance to classification and inspection, and maritime education in the Marine Academies/Dockyards/Shipyards/ Nautical Institutes etc. Presently Bangladesh's value of export and import stands at about USD 67 billion and are carried out by 3,000 foreign ships visiting our ports. Against our

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years) and export growth rate of 15.43% (last 10 years), projected freight value for next ten years would be around USD 435 billion. In order to retain parts of the USD 400 billion in the country, over the ten years, Bangladesh must facilitate local shipping companies to add more ships to the existing fleet, freight operators to establish freight services including container liner services to carry goods to/from Bangladesh using our own as well as chartered ships and freighters.

Coastal shipping/Feeder services

Coastal shipping forms an important means of transport within most of the transport system and this figure will be higher for Bangladesh having

Matarbari port: a greenfield project



Bangladesh has one of the largest inland water transport networks in the world covering 24,000 km long with 1,000 landing points and 29 inland river ports.

Pangaon Inland container terminal with 55,000 sq. m of container yards, 2,400 TEUS handling capacity and with two jetties have already been commissioned since Nov 2013.

Chattogram port handles about 1.5 million TEUs annually and 80% of them is bound for Dhaka and only 10% arrives Dhaka by rail.

extended coastlines along the rim of the Bay of Bengal. It caters to the transport needs of economies by providing maritime point-to-point transport of all kinds of commodities; provides the maritime link that connects the road network across the seas; serves as feeder transport distributing container flows from the major seaports' hubs to smaller ports, or other land locked countries. Hence, this sector will eventually see an investment boom in near future. It is expected that coastal shipping volumes may grow by reducing logistic costs. Already India and Thailand have shown interest in coastal shipping, and the government has signed a deal with India.

Inland ports and waterway transport

Bangladesh has one of the largest inland water transport networks in the world covering 24,000 km long with 1,000 landing points and 29 inland river ports. Pangaon Inland container terminal with 55,000 sq. m of container yards, 2,400 TEUS handling capacity and with two jetties have already been commissioned since Nov 2013. Chattogram port handles about 1.5 million TEUs annually and 80% of them is bound for Dhaka and only 10% arrives Dhaka by rail. Bangladesh can raise its GDP by 1% while foreign trade by 20% if the inland water transport logistics system is made efficient and competitive according to Asian development bank report. The principal objective of developing these river ports is to connect the major seaports of Chattogram, Mongla and Payra to boost including regional connectivity between India, Bhutan, Nepal and the Maldives. Inland ports of Bangladesh are a major sector that needs investment to flourish.

Shipbuilding

There are more than 300 shipyards and workshops in Bangladesh and almost 100% requirement of inland vessels, fast patrol boats, dredging barges, passenger vessels, landing craft, tug, supply barges, deck loading barges, speedboat, cargo coasters, troop-carrying vessels, hydrographic survey vessels, survey boat, pilot boats, water taxi, pontoons and water taxi are being built by these yards. Shipbuilding yards are constructing 10,000 DWT



At least 15 ships are being repaired annually in the dockyards of Bangladesh

Seagoing ships for export and are expected to upgrade their capacity to 25,000 DWT. In the dry docks of Bangladesh, about 15 ships are being repaired annually. Shipbuilding industry should be promoted and nurtured in all possible ways, including its horizontally and vertically linked businesses, and be given opportunities and incentives for growth and expansion.

Ship-recycling industries

During 2013, about 300 ships were dismantled, which is the highest number in six years and Bangladesh ranked 2nd considering a number of ships while ranked 3rd from the point of gross tonnage. It provides about 70-75% scrap steel as a raw material for steel and re-rolling mills, saving a lot of foreign currency. This industry not only met the growing needs of furniture, household fittings of all classes, boilers, lifesaving boats and generators but also created employment opportunities. There are about 125 ship breaking yards with an annual turnover of about USD 2.4 billion. With proper policy and investments, ship recycling must be turned into a modern industry with all eco-friendly infrastructure and compliance of international convention.

Fisheries

There are about 475 species of fish found in our Exclusive Economic Zone (EEZ) in the Bay of Bengal compared to 250 species on land. About 57,000 artisanal mechanized and non-mechanized wooden boats and 200 industrial steel body trawlers are

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engaged in fishing in the coastal waters up to 60 km (within 40 metres depth) from our coastline having the very limited capability in catching pelagic fishing-shoals closer to the surface. A considerable amount of fish is salted and dried, mainly for human consumption.

However, there are hardly any capabilities of catching demersal fishes below 50 metres depth of water. Long lines fishing is totally absent in deep waters. In the benthic zone, the lowest level of the ocean, crustaceans-shrimp and lobster are caught in limited quantities but fishes close to sea bottom at about 150-550 metres depth cannot be caught along with cephalopod-octopus and squid industrial fishing. In the Bay of Bengal, 8 million tons of fish are caught by other countries where Bangladesh's share is only 80,000 tons. There is tremendous scope for increasing marine catch introducing technology and long line, incentives for the bigger ocean-going trawler, huge scope for the high-end industry in venturing beyond 60 km of coastline.

Marine aquatic products

While cultivation of aquatic plants and algae is still to be evolved, farming of aquatic animals composed of three major sub-sectors: marine shellfish farming (e.g. oysters and mussels), marine finfish farming and freshwater finfish farming e.g. trout, carp and eel could be considered for cultivation. Algae extracts are used in cosmetic, nutraceutical and pharmaceutical markets (macroalgae and microalgae).

Marine Biotechnology

Exploration of the sea biodiversity is now helping us understand, for example, how organisms that can withstand extremes of temperature and pressure and grow without light could be used to develop new industrial enzymes or pharmaceuticals. It can provide bio-sourced products such as coating with anti-fouling or anticorrosive properties for maritime transport and shipbuilding. Marine biotechnology and industries based on biotechnology research are long overdue. Universities and research institutions should be encouraged and given funding & logistics for opening up this promising field for future industrial growth of this sector.

Energy and minerals

Oil and gas

The upstream offshore oil and gas value chain consists of exploration involving drilling rigs and research & specialized support ships, field development e.g. building of platforms, production and exploitation. Bangladesh is yet to assess the true potential of its offshore oil and gas prospects. Some 26 Tcf (trillion cubic feet) gas reserve has so far been discovered in Bangladesh, of which only about 1 Tcf is located in the offshore areas. Until 2014, 19 exploratory wells were drilled in the Bay of Bengal, resulting in only two gas discoveries, i.e. the Sangu and the Kutubdia, with small reserves. The Sangu reserves of 0.8

So far, 26 Tcf gas reserve has been discovered in Bangladesh



Tcf have already depleted, whereas the Kutubdia reserves 0.04 Tcf are yet to be developed. Moreover, the drilling of the Magnama (3.5 Tcf) and Hatia (1.0 Tcf) are yet to produce any commercial volumes of hydrocarbons. Due to close proximity to the discovered gas fields of Myanmar, some Bangladeshi blocks are likely to have comparable geological structures and gas/oil prospects. In fact, the country requires huge investment, massive exploration and drilling activities to increase its overall gas output.

Sea salt production

Sea salt has been produced traditionally along the Cox's Bazar coast of Bangladesh for generations. In a longer dry season, the salt farmers can get about 20 tons/ha production. The annual salt production in the Cox's Bazar coastal segment of Bangladesh is 22 MT, where the Samut Sakhon of Thailand produces 43 MT. Community-focused land leasing systems, sufficient credit facilities, use of mechanical equipment (water pump, leveler, etc.) and reliable weather forecasting can enhance salt production.

Ocean renewable energy

Tidal energy, covering tidal range and tidal current activities provide important synergies with ocean renewable energies, e.g. wave energy converters may help to attenuate wave attack and generate electricity. Marine-based renewable energy can provide alternative employment opportunities particularly for maritime

communities who were formerly reliant on fisheries.

Blue energy (osmosis) and biomass

Osmotic energy is based on the salinity gradient between salt and fresh water. Nutrient loads from continents to oceans and the coastal zone have increased roughly three-fold from pre-industrial levels, primarily from agricultural run-off and poorly or untreated sewage. Low levels of oxygen make it difficult for marine creatures to survive. Investing in enhanced nutrient recovery and reuse would not only bring profits but also help to ensure that phosphorus, with finite reserves, is increasingly recycled to maintain sufficient supplies to meet the long-term needs of human society.

Aggregates mining

Several investigations have been carried out in the coastal region to find heavy materials in the sandy beaches of Bangladesh. Sands containing valuable heavy minerals are found intermittently over the length of a 250 km coastal belt from Patenga to Teknaf. The entire coastal belt has been explored with the discovery of 17 deposits of potentially valuable minerals such as zircon, rutile, ilmenite, leucoxene, kyanite, garnet, magnetite and monazite (Alam 2004). Proper extraction and commercialization of minerals from beach sand may enhance the growth of different industries such as welding electrodes, paper, glass, chemical and ceramic sectors in the country.

Marine-based renewable energy can open up employment opportunities as well



Annually Cox's Bazar coastal area produces 22 MT of salt

By 2020, an expected 5% of the world's precious minerals including cobalt, copper, zinc as well as rare earth can come from the ocean floors (up to 10% in 2030). Overall global annual turnover value of marine mineral mining can be expected to grow from virtually nothing up to € 5 billion in the next 10 years, and € 10 billion in the period up to 2030.

Tourism

Coastal tourism

Globally, coastal tourism is the largest market segment and represents 5 percent of world GDP and contributes to 6-7 percent of total employment. In 150 countries, it is one of five top export earners and in 60 countries it is the first. Coastal tourism includes a) beach-based recreation and tourism, b) tourist activities in proximity to the sea, and c) nautical boating including yachting and marinas. Sustainable tourism can create new jobs and reduce poverty.

Recreational water sports, yachting and marinas

Introduction of various water sports for recreational activities, construction and servicing of seaworthy pleasure boats and the required supporting infrastructure including marina ports could encourage the growth of coastal tourism in Bangladesh.

Cruise tourism

Tourism based on people travelling by small size cruise ships among the coastal islands and tourist areas. Much of the growth of cruise tourism



is dependent upon the sector's ability to develop sustainable business models, to invest in port infrastructure and to address a variety of security concerns.

Artificial islands

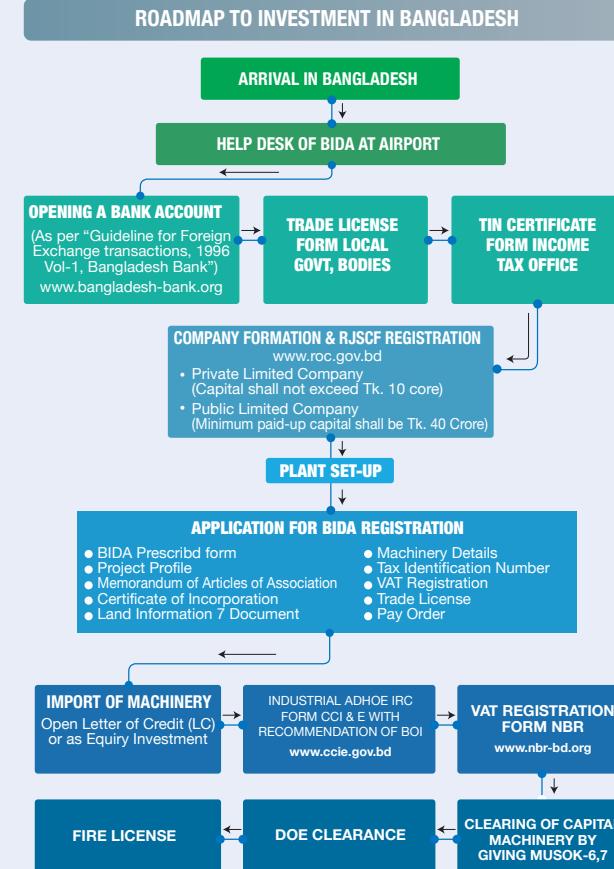
To reduce the demographic pressure on land, Bangladesh should adopt an appropriate strategy to construct new artificial islands in our Territorial sea and EEZ allowed by the UNCLOS 1982. Sustainability of existing 75 marine islands or newly built islands must be ensured through planting salt tolerant/mangrove plants.

Development of agriculture on saline soils through improving existing crops must be adopted. Desalination of seawater for freshwater usage for agriculture, irrigation, commercial use for habitant and animals of marine/offshore islands could be considered. Greening coastal belt will help reduce wind pressure of cyclones and also solidification of new lands.

Human resource, maritime surveillance and spatial planning

Well-trained, skilled and educated human resources are the driving force of the development of an economy, who can participate in the globalization of business and the accompanying technological revolution. A large eligible population places Bangladesh in a suitable position to produce skilled human resources in almost any sector imaginable. A thrust in maritime economic growth may come from a large army of skilled coastal and offshore engineers, navigators, merchant mariners, fisheries technologists, biotechnologists, etc. and in a variety of other professions. There is reportedly a shortage of marine officers and rating worldwide and shortage escalating about 20% every year. Bangladesh has enormous potential for seafaring job opportunities from its 18 private and public marine academies and only public maritime university can arrange onboard practical training facilities for its would-be seafarer and also can remain in the whitelist following STCW 95. Recently the National Oceanographic Research Institute (NORI) has been established for coastal and oceanic research. Therefore, there are opportunities for

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the investor to invest in the maritime education sector.

Why Bangladesh?

Bangladesh is a winning combination with its competitive business-friendly environment and cost structure that can give you best returns:

- Industrious low-cost workforce
- Strategic location, regional connectivity and worldwide access

The prevailing corporate taxes for various entities can be summarized as follows:

Status	Rate
Corporate Tax: (on net profit)	
Publicly Traded Company	25%
Non-Publicly Traded Company	35%
Bank, Insurances, Financial Institutions (listed)	40%
Bank, Insurances, Financial Institutions (not listed)	42.50%
Bank, Insurances, Financial Institutions (registered after 2013)	40%
Merchant Banks	37.50%
Cell Phone Company (40% if listed)	45%
Cigarette producing companies	45%
Personal taxes (Based on defined income slabs)	0%-25%

- Strong local market and growth
- Low cost of energy
- Proven export competitiveness
- Competitive incentives
- Export and Economic Zones
- Positive investment climate

The package of incentives is listed below:

Tax Holiday and Tax Exemption

1. Five to ten years of Tax Holiday and reduced tax depending on the area

• Dhaka and Chattogram divisions, excluding Dhaka, Mymensingh, Narayanganj, Gazipur, Chattogram, Rangamati, Bandarban and Khagrachari districts, for a period of five years

• Rajshahi, Khulna, Sylhet, Barishal and Rangpur divisions (excluding City Corporation Area) and Rangamati, Bandarban and Khagrachari districts, for a period of 10 years

2. 100% tax exemption on income and capital gain for certain projects under Public Private Partnership (PPP) for 10 years.

To promote non-traditional sectors export incentives are given on the FOB value of the export proceeds. The items wise details for the year 2016-17 can be summarized as follows:

Newmarket and product expansion of textile market (except US, Canada, and EU)	3%
Additional facility for SME textile,	4%
Export-oriented local textiles (instead of duty drawback and customs bond)	4%
Shipbuilding, SME in the textile industry, export of bone powder, potato, jute thread, crust leather from Savar leather park	5%
Exporting frozen shrimp and fishes	2-20%
Diversified jute products, Hessian and sacking (jute finished goods)	5-20%
Frozen fish (based on ice coating)	2-10%
Ship export, potato, PET	10%
Leather products	13%
Light engineering products, furniture, leather goods	15%
Handmade products using straw, sugarcane extract	15-20%
Agro-processing and agricultural produce (vegetable and fruit), potato export, halal meat, vegetable seed, carbon from jute straw	20%

3. 100% tax exemption from software development, Nationwide Telecommunication Transmission Network or Information Technology Enabled Services.

4. 50% of income derived from export is exempted from tax

5. Tax exemption on interest paid on the foreign loan

Accelerated Depreciation

- Accelerated depreciation for machinery and plants which do not enjoy a tax holiday

Exemption of export duties

- Exemption of customs duties on capital machinery
- Exemption of import duties on raw materials used for producing export goods

Tariff Refund

- Tariff (if paid) refund on the import of raw materials for export

Double Taxation Prevention

- Once tax paid benefits for countries with double taxation avoidance treaty

Bonded Warehousing Facilities

- For export-oriented industries
- For large import for local selling in certain items

Ownership

- 100% ownership is allowed

Repatriation of invested capital and dividend

Full repatriation of capital invested from foreign sources will be allowed. Similarly, profits and dividend accruing to foreign investment may be transferred in full. If foreign investors reinvest their dividends and or retained earnings, those will be treated as new investments.

Others

- No restriction on issuance of work permits to project related foreign nationals and employees
- Facilities for repatriation of invested capital, profits and dividends

Bangladesh at a glance

Bangladesh Trade	Amount in 2017	Unit
Balance of Trade	-109.40	BDT Billion
Exports	211.88	BDT Billion
Imports	321.31	BDT Billion
Terms of Trade	86.05	Index Points
Capital Flows	2.06	BDT Billion
Remittances	1316.93	USD Million
Gold Reserves	14.00	Tons
Foreign Direct Investment	1706.00	USD Million
External Debt	28.57	USD Million
Terrorism Index	6.18	BBL/D/1K

Source: World Bank Data

- Provision of transfer of shares held by foreign shareholders to local investors
- Reinvestment of remittable dividends would be treated as new investments
- The Foreign Private Investment (Promotion and Protection) Act. 1980 ensures legal protection to foreign investment in Bangladesh against nationalization and expropriation
- An equal treatment for both local and foreign investment
- Bilateral and multilateral investment agreements ensure the protection of investment
- 100% FDI, Joint Ventures, Partnerships, PPPs, Non-equity mode (Technology transfer, licensing, Franchising, contracting etc.) and Foreign Lending are allowed
- 100% FDI or Joint Venture FDIs are allowed to participate in the primary and secondary stock markets
- Foreign Investors are allowed to have access to local banks for working capital requirements
- An Intellectual Property right is protected by the law

New opportunities are emerging in traditional and new sectors as well. It is projected that Bangladesh will have a two-digit GDP growth in coming years even in the backdrop of a global economic meltdown. The fiscal, investment, monetary and other sectoral policies of the government are earnestly supportive of its private sector growth.

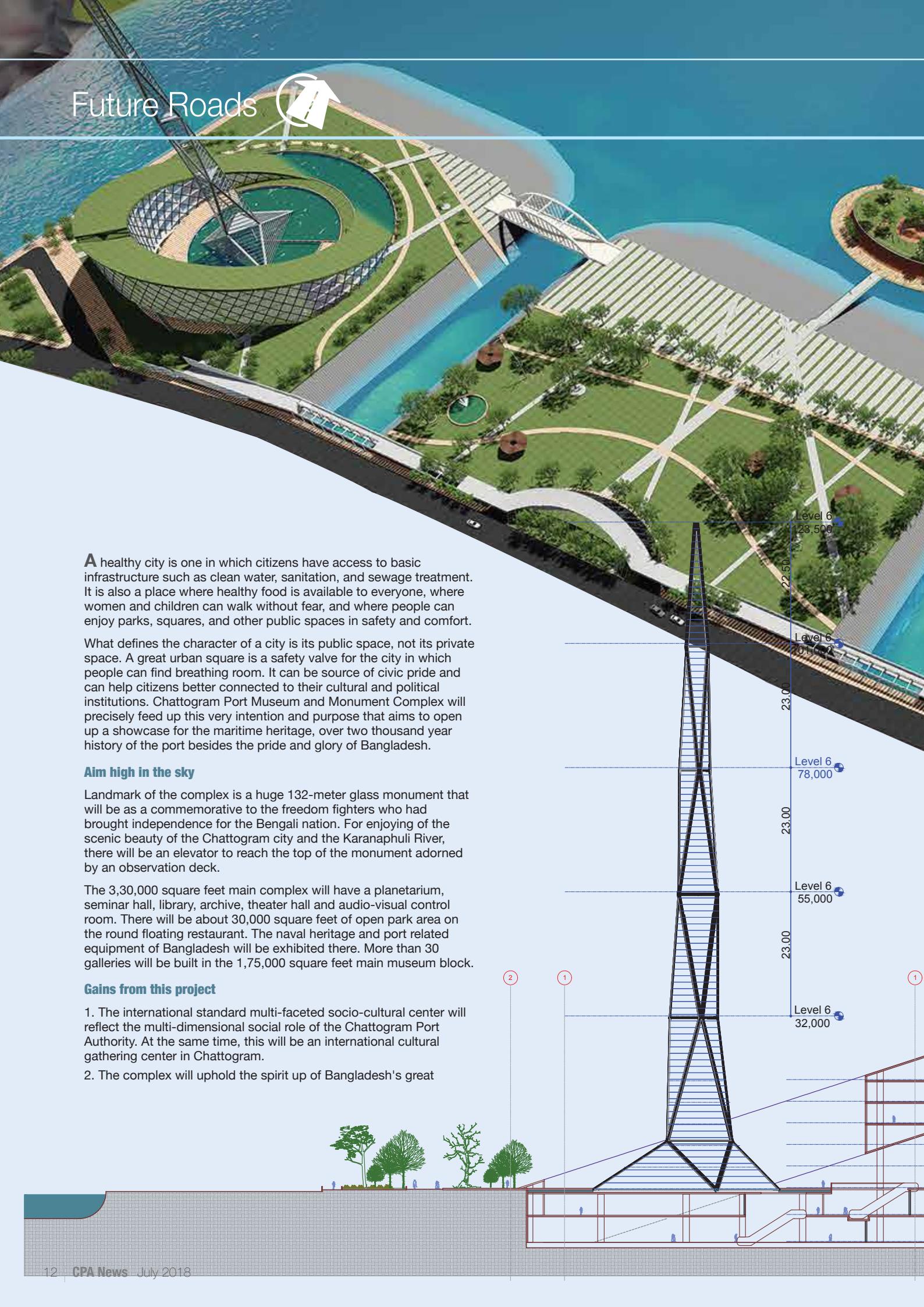
Bangladesh: the next destination for world's maritime business

Bangladesh offers the most liberal and business-friendly economy in the South Asian region. The country with its immense possibilities still remaining untapped in the maritime arena also has a large vibrant young working force with the flexibility to match in job demands.

Driven by a determined soul to emerge and stand out as a developed nation like Japan and Singapore, who had made it earlier mainly optimizing their maritime opportunities, Bangladesh is quite ready to launch its development crusade in the likely sector, implying, to adopt, to improvise and to grow.

Milton Molla
Writer & Journalist

Rajeev Ahmed
Senior Editor, CPA News



Chattogram Port Museum and Monument Complex

Breathe free in beauty and pride



This fabulous and modern architectural beauty has been conceptualised by Rammya Rahim Choudhury and Enlighten Vibes, while, Bayejid Mahbub Khondker and Nakshabid Architects has designed and made the architectural executions of the whole complex.



liberation war, the historic role of Chattogram port in the war in addition to the long and glorious history of Chattogram port. Preservation of important relics with proper dignity will be possible for this complex.

3. The demand for an international standard port museum will be fulfilled in the country.

4. A 132-meter glass monument will be built in honor of the valiant freedom fighters.

5. Planetarium and amphitheater as well as sightseeing floating restaurant will attract visitors.

7. Through the expansion of socio-cultural and recreational activities in the regional context, beauty enhancement and lifestyle development will occur.

At a glance

Under the proposed Chattogram Port Authority Museum and Monument Complex project, the following facilities will be achieved:

- 31,000 square meter (3,3,500 sq ft) Port Museum and Monument Block
- 132 meter high glass monument
- Planetarium of 900 square meters
- Around 3400 square meters of spectacular floating restaurant
- Amphitheater of 2100 square meters
- The parking block of 600 square meters
- A 600 square meter office and service block, 2500 square meter pivot walkway, pedestrian
- Security post and gatehouse, repair factory, fuel station and substation
- The 40000 square meter wide landscapes, reservoirs and parks

The Bengalis have a glorious maritime history that dates back more than two thousand years of. The preservation of this majestic heritage has begun. The government has taken several timely steps to promote Bangladesh to a middle-income country by 2021. In relation to that, the government has taken a grand scheme called the Chattogram Port Authority Museum and Monument

Around 200,000 square feet area is allocated for various types of exhibitions at the complex. There will be arrangements for displaying ancient monuments, information and materials related to the port.

Moreover, the liberation war, its weapons and tactics will be displayed by 3D light and sound shows.

Complex Project in Chattogram Port area. This megaproject has emerged from the vision of establishing an international standard socio-cultural center in Chattogram port since the place is a witness of countless glories of Bengali maritime civilization.

The liberation war of Bangladesh, the historic role of Chattogram port in the war of liberation, and the history of the two thousand years of the port will be showcased at this ultra-modern port museum. A beautiful 132-meter-high glass monument will be visible from the ships of the deep sea and the airplane passengers. Additionally, a floating restaurant on the Karnaphuli River, a green and spectacular park, and an amphitheater will be set up to entertain and amuse the visitors and the audiences.

Gems of this complex

As a continuation of the ancient glory, the complete history of Bangladesh will be exhibited at the museum and monument complex. The great liberation war, the emergence of independent Bangladesh, as well as the ancient history and naval heritage of this land will be on display. There will be opportunities for everyone to see the murals and memorabilia of historic Naval Commando Operation, termed as 'Operation Jackpot', and the brave SWAT resistance by the people of Chattogram during the liberation war of Bangladesh. The 132-meter-high glass monument will pay the nation's deep respect for the freedom fighters. In addition the history and tradition of this land, and the historical events of Chattogram port, especially of the ancient times, will be showcased. The Chattogram Port Authority Museum and Monument Complex is being constructed in the port area at Sadarghat.

The international standard museum will be an education and entertainment center for the visitors. The Chattogram Port Authority Museum and Monument Complex will spread over an area of 16.2 acres of land. Of these, the size of the museum and monument block will be 3,30,000 square feet. At the center of

the complex, a 430 feet high glass monument will be built and dedicated to the martyrs of the great liberation war.

Round floating restaurant will be built in the river Karnaphuli. Besides, there will be more attractions e.g. a planetarium, amphitheater, parking block for cars, office and service block, paved walkway, pedestrian and spectacular landscapes, reservoirs and parks.

Around 200,000 square feet area is allocated for various types of exhibition at the complex. There will be arrangements for displaying ancient monuments, information and materials related to the port.

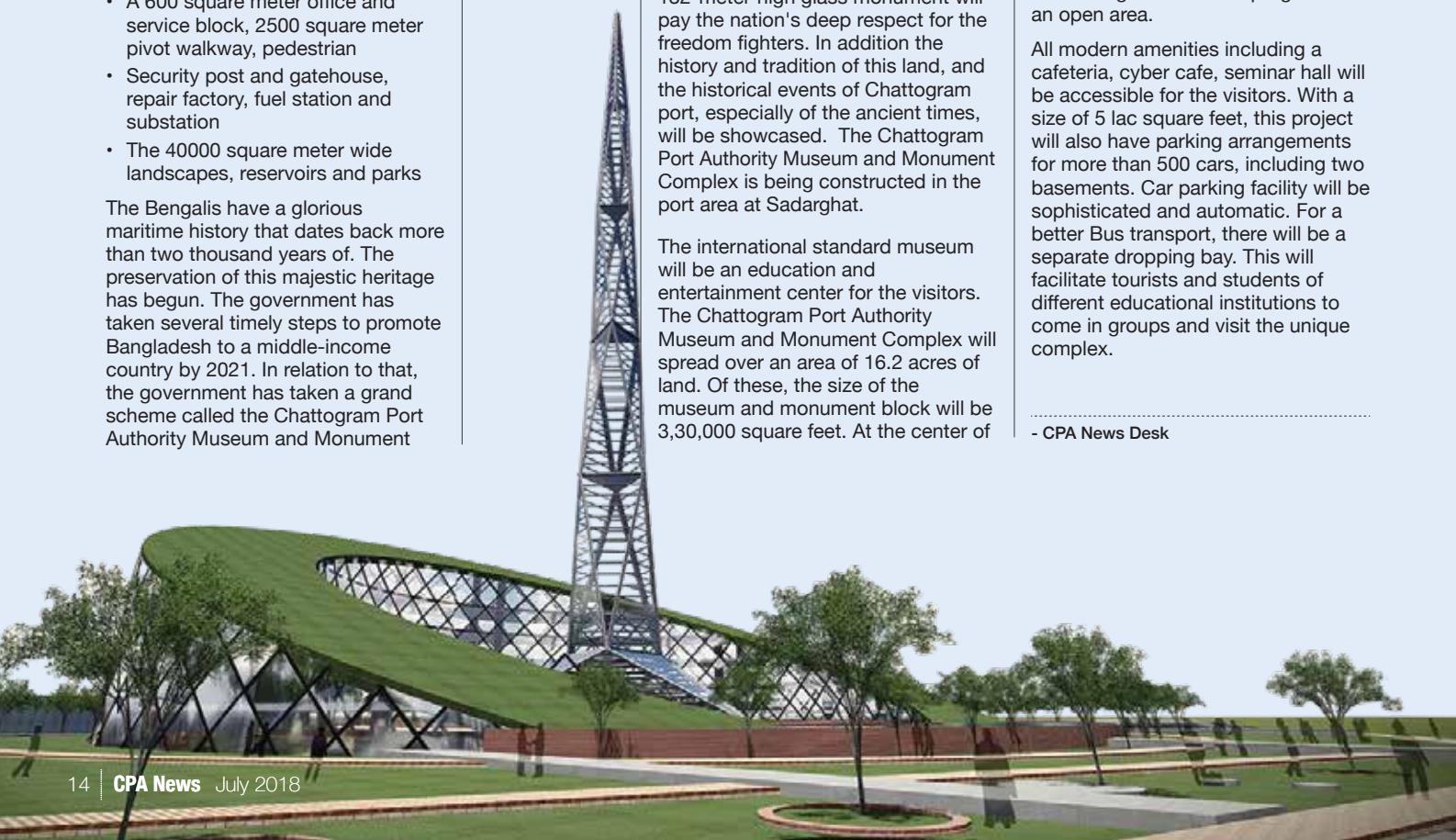
There will be opportunities to see the murals and memorabilia of historic Navy Commando operation, named as 'Operation Jackpot', and the brave SWAT resistance during the liberation war of Bangladesh. Moreover, the liberation war, its weapons and tactics will be displayed by 3D light and sound shows. The museum will also store important information and data on various ports and ports management as well as history of the world. The archives and libraries will be to assist in research.

Heart will go on

For the showing of films and documentaries of different countries based on their own independence war, there will be an audio-visual auditorium. An amphitheater will be built to organize cultural programs in an open area.

All modern amenities including a cafeteria, cyber cafe, seminar hall will be accessible for the visitors. With a size of 5 lac square feet, this project will also have parking arrangements for more than 500 cars, including two basements. Car parking facility will be sophisticated and automatic. For a better Bus transport, there will be a separate dropping bay. This will facilitate tourists and students of different educational institutions to come in groups and visit the unique complex.

- CPA News Desk





Patenga Container Terminal

For uninterrupted trading at the port

Omar Faruq Emon

Bangladesh has surpassed many countries of South Asia by some 10 indicators of economic and socioeconomic development. Trade and industry expansion, foreign investment and infrastructural development have been achieving incessant growth over the past decade. The impact of unprecedented economic development of the country has influenced Chattogram port as well. As a result, EXIM cargo and container handling pressure are also increasing at the port. At the moment, Chattogram port is working at the highest level of its ability to cope with the growing economy. There is no alternative to increase the capability of Chattogram port except building new and modern infrastructure and addition of latest technologies to tackle future economic challenges.

The need to provide services to meet up the ever-increasing demand and to comply with the strategic master plan of the port, it needs additional terminals. The pipeline of building new terminals includes Bay Terminal, Laldia Multipurpose Terminal, Karnaphuli Container Terminal (KCT) and Patenga Container Terminal (PCT). Among them, the Karnaphuli Container Terminal(KCT) will be a modern transformation of the current

General Cargo Berth (GCB). It needs to be rebuilt by breaking the existing infrastructure. There is a good opportunity of building Patenga Container Terminal in a short time before the construction of KCT is complete without posing further interruption to the current cargo and container handling operation of the port.

The existing GCB, CCT and NCT terminals of Chattogram port have 19 jetties with a length of 3.63 km for EXIM cargo and container ship berthing. And the area of the container yard is approximately 850,000 square meters. Container transport is increasing at the rate of 15 percent, according to the statistics for the last five years. Container handling was about 2.2 million in 2015-16 fiscal year and in 2016-17 FY the number reached 2.4 million. At this rate of growth, Chattogram port will have to handle approximately 2.9 million containers in 2019. Capacity has been improved by improving and expanding existing infrastructure over the past few years. There are good opportunities to increase the capacity by 10 thousand TEUs each year. According to the master plan, Karnaphuli Container Terminal and Bay Terminal will start their operation respectively in 2020 and 2023. But it is not possible to start the construction of KCT while keeping existing





cargo container transport activities normal.

Berth Occupancy Rate at the port is currently 75.81 percent. According to the guideline of UNCTAD (United Nations Conference on Trade and Development), if the Berth Occupancy Rate is more than 60 percent, construction of new jetty is needed. Therefore, in order to overcome EXIM growth without delay, there is a necessity to start building at least 12 to 15 percent new jetty and container yards every year. Jetty number 1 to 6 were built in the 1970s and number 7 to 12 in the 1950s. Currently, the structures of these jetties are quite vulnerable. Experts of Bangladesh University of Engineering and Technology (BUET) visited the area and urged the authorities to break the old jetties and build new ones.

Why PCT?

Steps have been taken to construct the Karnaphuli Container Terminal (KCT) with modern amenities in the GCB area by abolishing the old jetties and backward facilities. But in the present situation, without the construction of new container yards and jetties, the construction work of KCT will hamper the EXIM activities. For an uninterrupted EXIM trade and to keep Chattogram port fully operational with new jetties and yards, there is a need to construct Patenga Container Terminal before building the Karnaphuli Container Terminal.

Special features of PCT

Three container ships will simultaneously be able to berth at three jetties of the Patenga Container Terminal. For this purpose, with all necessary facilities, a total of 600-meter long jetties will be built on

Therefore, steps have been taken to construct the Karnaphuli Container Terminal (KCT) with modern amenities in the GCB area by abolishing the old jetties and backward facilities. But in the present situation, without the construction of new container yards and jetties, the construction work of KCT will hamper the EXIM activities.



Concurrently, three container ships will be able to berth at three jetties of the Patenga Container Terminal

32 acres of land. Additionally, a 220 metres dolphin oil jetty will be built to berth oil vessels. The terminal will have 89,000 square meters of internal container yards and roads, where 4,500 containers can be stored.

There will be separate yards for loading and unloading of containers. Separate parking spaces have been kept for a certain amount of covered van parking.

Besides, the CFS (container freight station) shed, 2128-meter customs bonded walls of 6-meter height, port office building, mechanical and repair facilities, security post, gatehouse, fuel station, labor rest room and canteen will be located around the terminal. Container handling equipment for the terminal will be purchased step by step along with the construction of infrastructural facilities in order to facilitate loading and unloading of three container ships at the same time.

Feasibility study survey

The Bangladesh University of Engineering and Technology (BUET) expert team conducted a feasibility study to implement the project. Experts have said that the project is feasible considering the ongoing and future projects of the Port Authority, the current transport system, evaluation of current infrastructure facilities, requirements for container handling, options evaluation, necessity of PCT, environmental and social impact assessment, project cost and economic importance. The blueprint of the terminal was designed upon the findings of this study.

Project cost

The total cost of the project has been estimated at BDT 1868 crore. In the first financial year (2017-18), 235 crore, second year (2801-19) 566 crore and third fiscal year (2019-20) 67 crore will be spent. Approximately, BDT 800 crores will be spent on purchasing the Container Handling Equipment. The remaining amount will be spent on infrastructural construction.

Details of the project

The Patenga Container Terminal project will be implemented in three phases. The first phase is to reconstruct a 6-lane road by relocating the existing 1 kilometer highway road, transfer and reconstruction of the existing Red Crescent's structures in the project site, and the reconstruction of the two-storied to relocate a portion of customs office, police outpost and the reconstruction of the two-storied building with three-storied bastion, relocation of the mosque and the reconstruction, relocation of 1.2 km electricity, gas and water supply lines and reconstruction, the development work of 22 acres of land after digging and necessary filling work, CCTV security surveillance system, construction of 270 meter box culvert drain on Canal No. 10, construction of yard drainage, fire service office, fire extinguisher and other equipment purchase, line connection for water supply and fire hydrant, construction of 16 acre RCC yard and roads and construction of 600 meters of jetty with 200 meter length, construction of pavement related facilities, yard

Every transport has to go through sophisticated security system at PCT





According to primary design 4500 containers can be stored at PCT with modern facilities

electrification, construction of 225 meter dolphin jetties, construction of 1100 meter steel sheet pile retaining wall, construction of 2,128 square meter of CFS shed and customs house, construction of overhead water tank and pump station, construction of underground water tank, electric sub-station, equipment and HT line connections, construction of terminal gates and gate complexes, construction of safety booths, construction of 6 meter high and 1,750-meter-long boundary walls, construction of 5,580 square meter port office and medical center, construction of 1,200 square meters of mechanical and repair facilities, construction of 58 square meter fuel station, driver / labor shed, 250 square meter canteen and toilet, 2. 50 kilometer railway track and railway locomotive purchase (1400 hp shunting engine), 40 feet rolling stock purchase, construction of 420-meter flyover, signal tower, pre-dredging at the proposed jetty area and digital port solution (terminal operation system, enterprise resource planning, hardware, design, and capacity building).

In the second phase, construction of 6 acres of internal RCC yards and roads, construction of pavement facilities and construction of 400-meter boundary walls of 20 feet height will be executed. Container handling equipment, fire vehicle, tugboats, pilot boats and fast-speed boats will be purchased in the second and third phase of implementation of the project. The PCT can go into operation as soon as the construction work is done.

Will handle 4.5 million containers

GCB, CCT, and NCT handle 100 percent containers at the Chattogram port. Among them, GCB handles more than 50% of containers. If the PCT is implemented, the capacity of the container handling will be increased to a number of 4,50,000 TEUs annually.

Like the current capacity of the Chattogram port, vessels of 9.5 meter draft will be able to berth at the Patenga Container terminal. According to the Hydrography department, the draft is good, hence, 9.5 meters draft vessels can berth easily at the Patenga Container Terminal. At present, the draft is 7 meter but the remaining draft will be deepened through dredging.

Road communication for construction of terminal and road communication, a one-kilometer inner road will be relocated and a 6-lane road along the border wall of BAF Shaheen Golf & Country Club will be constructed.

Rail communication

The South Container Yard, which is at the final stage of its construction with an area of 16 acres of land in the adjacent area of Ruby Cement Factory, is situated to a distance of 2.5 km from the PCT, and it will be connected with the existing road communication along with the railway line. Since the PCT has fewer storage facilities for containers, the south container yard can be used as a backup yard. Therefore, around 2.5 kilometers of railway track will be built under the project. Two railway locomotives will be purchased with 8

rolling stocks for transporting of containers.

Security

Chattogram port is following the ISPS code for security. CCTV cameras will be installed across the entire terminal for security purposes. Every vehicle and person will have to cross the security check post at the time of entering the terminal. Besides, trained personnel of the port will remain on full-time security arrangements.

Fulltime fire extinguishing system

Fire Service Station will reduce the risk of fire at the terminal. In the first phase of the implementation of the project, the construction of fire service office, fire extinguisher and other machinery will be purchased and in the last phase, 3 fire vehicles including 2 fire truck and 1 fire car will be purchased.

How to implement it

There is no alternative to constructing the Patenga Container Terminal within the best possible time in order to increase the capacity of the Chattogram port by 2019. For this reason, Bangladesh Army has been given this responsibility considering its ability to implement such a big project. Bangladesh Army will construct the Patenga Container Terminal as a vested work.

There is no alternative to constructing the Patenga Container Terminal within the best possible time in order to increase the capacity of the Chattogram port by 2019. For this reason, Bangladesh Army has been given this responsibility considering its ability to implement such a big project. Due to the steps were taken by the government to achieve the middle-income country status by 2021, the scope and range of economic activity have increased. Growth and development of import-export trade are increasing as well as the container handling of Chattogram port- the gateway of Bangladesh's economy. Considering the present and future needs, the capacity of Chattogram port will be greatly increased after the construction of Patenga Container Terminal. The PCT will serve as an important establishment in achieving the year 2021 goal of exporting USD 60 billion, including USD 50 billion alone in the garments sector.

Omar Faruq Emon

*Reporter
Bandarbarta and CPA News*

*Thanks to, 1. Mahbub Morshed Chowdhury, Chief Planning Officer
2. Md. Mizanur Rahman Sarkar, Executive Engineer (Civil) and Project Director, PCT*



Security for a safe port

Seaport Security Management– cultural paradigm & practices

Lieutenant Colonel Md Abdul Gaffar

‘Security versus Business’ or ‘Security for Business’ is an ostensibly different doctrine to many. The need for security to create a business-friendly environment is otherwise very hard and challenging since their respective goal is often misunderstood. The synergy of security to trade is only understood when there is a lasting effect. Security has always been considered as uncomfortable, draggy and extravagant. But in the recent past, an emerging paradigm has identified security as a component feature of many aspects of organizational productivity.¹ The need for being responsive to national economic interest and making sure a safe and secure harbor for shipping operation as per international standard from the foundation to survivability is a priority in the projected trade war. But we should remember that “Foreign ships create temporary borders between countries that normally don’t share a border”.² Globally the strategic nature of security is constantly evolving. No nation in the world is isolated from the challenge of security. Increasingly, security and development concerns have become interlinked. Over 90% of the world’s trade is carried by sea and it is, by far, the most cost-effective way to move en masse goods and raw

materials.³ Ports of Bangladesh are hubs of all economic and developmental activities. The port of Chattogram historically is the most important one that deals with about 92% export and import and about 98% containerized trade of the country. The contribution of the port of Mongla though seems meager but is important and the Payra port is yet to be operational. Nevertheless, as a member state of the United Nations (UN), the ports of Bangladesh obviously have to adhere to the terms dictated by the International Maritime Organization (IMO). IMO’s global mandate is ‘safe, secure and efficient shipping on clean oceans’.⁴ In conforming to the IMO mandate the Chittagong Port Authority restates its vision as– to provide safe, efficient, quality port facilities, services and emerge as a leading regional port in an environmentally sound manner.

Seaport environment and port security

Seaports are important hubs of their respective country. Over the years, the range of criminal activity around seaports is found to be extensive, including the smuggling or illicit import of illegal drugs, contrabands, stowaways, and aliens, restricted or prohibited merchandise, and munitions.⁵ This phenomenon is likely to persist in most of the

ports of the world unless respective nations have carefully dealt with them.

Security is a deliberate measure in order to safeguard lives, places and assets from impending danger, damage, loss, injury, destruction or intrusion. Breach of security is considered man-made disaster at any scale. Interestingly, breach or compromise of security is mostly staged or organized by human. Human versus human; the able conquers. The right versus the wrong, the good versus bad, we choose who wins.

The port security in simple terms refers to the security and law enforcement measures employed to safeguard a shipping port from terrorism and other unlawful activities and activists. It also refers to the measures employed to see that the treaties with other countries are enforced appropriately. In addition, port security also deals with maritime security– security of the marine commercial areas, coastlines, and beaches.⁶

Port security management- historical context

Security can be defined in many ways. From the perspective of the seaport management, security refers to all the measures and degree of protection that are taken to protect a port against danger, damage, loss or crime.

Unfortunately, security is the most discussed, barely perceived and least adhered affair. The importance of security is realized only when there is a breach or compromise of it. Besides, the security situation has never been identical to the countries across the globe or even places within the same country, so as the security threat.

In the history of maritime, there are four distinct doctrines.

Firstly, the beginning of the 17th century can be termed as 'Freedom of Sea' implies a country's maritime jurisdiction to a relatively narrow 3 miles and rest of the oceans were open to all nations and could be claimed by none.⁷

Secondly, the International Convention for the Safety of Life at Sea (SOLAS) was adopted in 1914 after the Titanic disaster and the convention dictated maritime practices and ship design.⁸ The SOLAS convention is regarded as an important International treaty that had several amendments with the passage of time. The 1960's amendment was the first effort of the International Maritime Organization (IMO) pertaining to the safety of merchant ships.

Thirdly, for effective regulations in the maritime sector, United Nations Convention on Law of the Sea (UNCLOS) resulted from 1973-1982. UNCLOS is an international agreement which is also known as the Law of the Sea Treaty.⁹

Last but not the least, referring to the fear of terrorist attack of September 11, 2001, IMO adopted International Ship and Port Facility Security Code known as ISPS Code. The ISPS code dictates minimum security standards for ships and port facilities for the member states.¹⁰ Increase in maritime crime, piracy, smuggling and terrorism led to formulate robust regulation for affecting ports and ships. ISPS Code is designed to counter acts of

terrorism, drug smuggling, cargo thefts and other forms of cargo crime, the increased maritime crime, piracy and smuggling,

Also in 1992, the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, popularly known as SUA Act came into being where states agree to prohibit and punish behavior threatening the safety of maritime navigation.

Seaport security compliance– an obligation to maritime transportation

A port is not only a national but also an international asset. Any country intended to get involved in international trade through maritime means of transportation must comply with international regulation and standard. It should be remembered that the aftermath of the dreadful attack of 9/11 in New York, persuaded the US and its allies to anticipate similar attack originating from the maritime sector. World observed a paradigm shift towards enhanced security after the 9/11 attack and after three years, the ISPS code era began. The Code prescribes responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade. Bangladesh became a signatory of ISPS Code in June 2004. Following the promulgation of ISPS Code, the US Coast Guard developed a strategy to operationalize the ISPS Code both in the USA and abroad naming it as an International Port Security (IPS) program. IPS program is designed to inspect all the port facilities across the globe affiliated with a view to reducing the risk of US ports and ship and maritime industry. IPS is not an IMO program rather 'US Maritime Transportation Security Act-2002' mandates USCG to inspect all of the world's maritime trading ports. USCG

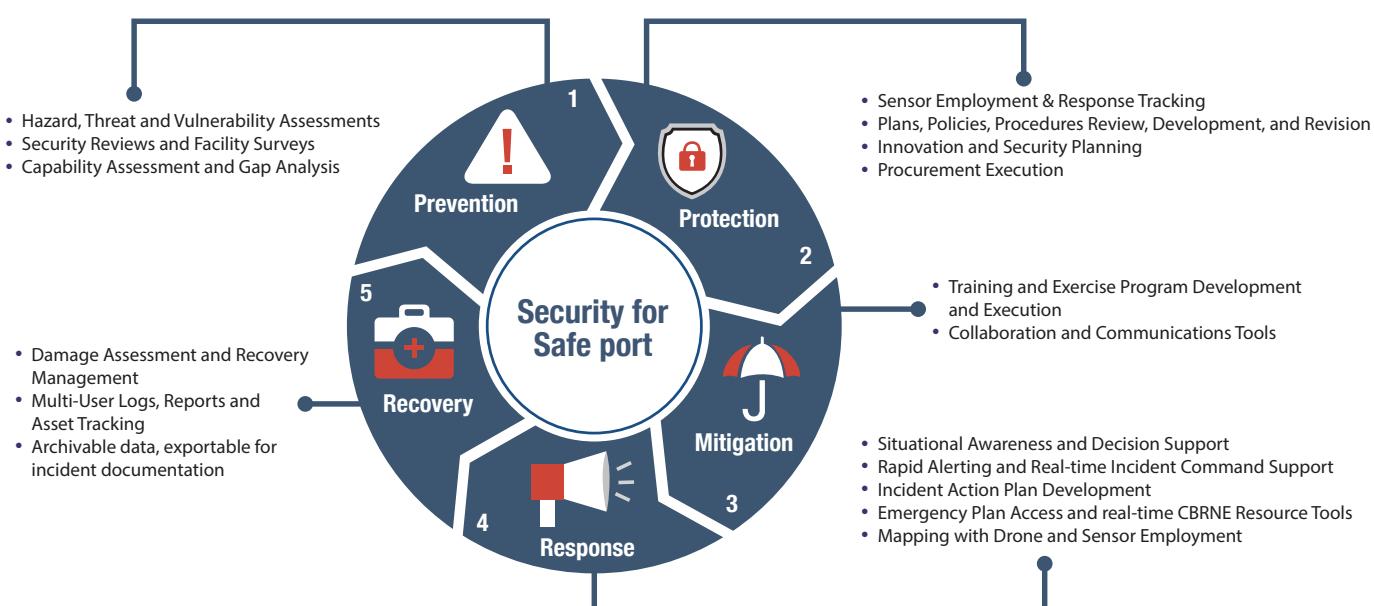
carries out an audit of the compliance of the ISPS Code of the ports and other port-related facilities on a regular interval across the globe comprising roughly about 150 countries of the world.¹¹ Though ports of Bangladesh are regulated by the national legislation, the ISPS Code or IPS program necessitates something more that demands a comprehensive security system. It also calls for the development of the security consciousness and attitude of the people entangled to the ports. To foreend any embargo on security issues, the compliance of the ISPS Code combining men and machines seems significant.

Security challenges– a need for concerted efforts

Apparently, it might seem that security is the only concern of port security organization. However, in reality, it is not. A seaport is now the concern of maritime industry professionals, port operators, employees, users, stakeholders and port custom.

At this stage of discussion, it appears pertinent to specify security challenges in the port environment. These challenges may not be common to every country. But from both the academic and practical perspective, addressing these challenges seemingly would help risk management for a safe port environment. Terrorism, Weapons of Mass Destruction (WMD) to carrying of hazardous material, internal criminal conspiracies, piracy, cargo theft, vandalism, stowaways, poorly trained security personnel, crimes against passengers and crews, general civil unrest, workplace violence, economic espionage and commercial conspiracies are listed as security challenges.

After a careful look in the list, it is clear that all security threats, of course, are to be directly swayed by human resources. Most importantly, 'Poorly Trained Security Personnel' are also subject to security threats.



Here comes the role of custodian of the security. Scholars state, 'Seaport risks exposure to the higher level of crime and infiltration by internal conspiracies if the personnel responsible for security have inadequate training. Developing appropriate knowledge, skill and abilities among security personnel is an essential component reducing risk to seaport.'¹²

Gray areas

According to port management structure and ownership model, port of Chattogram can be described as 'tool port' where the public port ascendancy owns all equipment and those are operated by private firms along with stevedoring. In such a scenario, more on the port's core operation and growth, property administration strategies are accentuated than those of safety and security and there seems nothing erroneous in it. This phenomenon poses certain susceptibilities that could be exploited by any adversaries. Therefore, we may not waive that a seaport is a benison and strategic facility to a country like Bangladesh. Because the grandness of a port to a regime is better realized during a conflict and heightened security situation. At this juncture, it is quite consequential to understand port 'security environment' prior to determining its 'security assessment'.

Security is vested in the hand of port security, but from the functional perspective, it never is. The statement surely demands justification. If we examine the port Operation and Customs activities from the security point of view, the matter may expatriate further. Port Authority, an autonomous body under the Ministry of Shipping and Customs Authority working under the National Board of Revenue (NBR) are the key stakeholders in the port function. All kinds of container scanning, cargo inspection is regulated and controlled by the customs. Port security has no means to learn about the cargo inside the container. Similarly, port security does not exercise authority over scanners designed for radiation detection. In addition, a port has no function with 'economic espionage' or 'commercial conspiracies'. Similarly, to deal with piracy, petty theft cases at outer anchorage area, the capability of port security is not enough to operate in the deep sea. The task of antipiracy/antitheft at outer anchorage is performed by the Bangladesh Coast Guard (BCG) which is equipped with high-speed vessels, trained manpower, weapon and equipment including legal authority to deal with them. Thus, it states the responsibility and accountability of Customs and other

security agencies. In the Bangladesh context, Port Protected Area is often a custom bonded area. Practically port and Customs having different entities, goals and working procedures should complement each other. But in reality, a faster port operation is often hindered due to customs activity. Besides, there remains a gray area in overall security parameters since some security objectives remain in the hand of Customs. Furthermore, to operate in the outer anchorage for customs function, there are no vessels for Customs Authority to supervise the discharge of cargo in the outer anchorage. It is pertinent to know that about 48% of import cargo is discharged directly from SOLAS ships to Lighterage/inland water vessels. Thus, there is scope to integrate BCG and Customs efforts and that would enhance better security environment.

It is also vital to discuss that the responsibility of the physical security of the port itself. But some of the key element, command and tools of the port security are vested upon Custom authority. The other name of Port Protected Area is Custom Bonded Area. Among important security challenges like deterring Weapons of Mass Destruction, commercial conspiracies, economic espionage etc. are the key areas of Custom responsibilities. The 'Megaport Initiative' to deal with illegal/illicit transportation of Radioactive Materials through the port facility is vested on Chattogram Customs House. Over and above challenges related to trade fraud and commercial conspiracies and defend nation's trade strategy, Customs is the key and only authority in the port function. The container scanners, weighing machines are duly supervised by the Customs Authority. At this outset, a foolproof security system is otherwise very difficult to achieve once there are multiple authorities involved with the diverged mission.

More so, in port of Chattogram, the Vessel Traffic Monitoring and Information System (VTMIS) to track and coordinate ships' arrival, berthing and departure basing on Automatic Identification System (AIS) is dealt by Marine department of CPA. Whereas, to prevent piracy, petty theft and other seaborne threat within the port limit is supervised by the Bangladesh Coast Guard. Bangladesh Navy comes into action to deal with security matters in EEZ. But then again, the port security remains responsible to coordinate and to deal with the security matters occurring within the river and the port limit. Having meager or no resources with the port

security becomes both colossal and quixotic for the port security to ensure effective security of the port.

Another gray area is obtaining early information on security breaches. Effective intelligence gathering is very important for a proactive security strategy. Collection and collation of information to reveal effective intelligence from different security and intelligence agencies always had been sporadic and were never consistent and regular task of the port security.

Security compliance- a matter of culture

It is revealed there are several observations on non-compliance of ISPS Code pointed out by USCG during their recent audit. Most of the observations made are not based on security incidences like terrorism, extortion, piracy or stowaway, rather they were all related on non-compliance of security practices like the inefficiency of security personnel and attitude of port users to adhere ISPS Code. These problems could be resolved by changing the culture and attitude towards security instructions. In addition, employment of security gadgets would complement human effort to ensure the security of the Port Protected Area as per ISPS Code. But the development of security consciousness and the change of culture cannot be influenced overnight. It is a mammoth task that needs political will, strong determination and motivation of millions of port users of different walks and the port and customs officials.

Conclusions

An organization's security culture requires time and motivation, care and feeding. We must invest in a security culture. A sustainable security culture is bigger than just a single event, it transforms security from a one-time event into a lifecycle that generates security returns forever.

Shipping is truly an international industry, and it can only operate effectively if the regulations and standards are themselves agreed, adopted and implemented on an international basis. For the betterment of our country, we have this obligation to comply with International regulations and practices.

- Lieutenant Colonel Md Abdul Gaffar

The author is the Director (Security) of Chittagong Port Authority and an M Phil researcher on Port Security Management of Bangladesh University of Professionals.

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► 131st anniversary of Chattogram port observed



On April 25, the 131st founding anniversary of Chattogram port (Port Day) was celebrated through the reception of the freedom fighters, traditional Mezban and cultural program. In 1887, the 'Chattogram Port Commissioner Act' was enacted. From April 25, 1888, the official journey of Chattogram Port began under this Act. Since then the port day has been celebrated on 25th April every year.

In celebration of the day, a reception was given to the freedom fighters. Chattogram's traditional Mezban ceremony was held at the Bandar Republic Club. On the occasion of the Mezban, the employees, staff and official of the port and the stakeholders were present. In the evening, a cultural program was held at the Bandar High School ground. Noted singers from Dhaka performed at the function. Earlier, on 24 April morning, exchange of views was held with the media to highlight the present situation of Chattogram port, its ongoing development activities and future plans.

► Action plan to speed up port services

The authorities have taken an 'Action Plan' to speed up the services of Chattogram port. According to 'Action Plan', all public and non-governmental organizations associated with Chattogram port and Customs department have decided to remain open twenty-four hours a day, seven days a week. These companies include the Atomic Energy Commission, quarantine station, food department, sugar and food industry, BGMEA, BSTI, C & F agents, shipping agents and all the banks of Agrabad commercial area. In March, the Chairman of the Chittagong Port Authority Commodore Zulfiqur Aziz, (E) psc, BN introduced the Action Plan at a meeting at the Prime Minister's Office (PMO) as the PMO's Chief Coordinator of SDG Abul Kalam Azad presided over the meeting.

Further action has been taken to increase the speed and capacity of the port of Chattogram port according to the Action Plan: to initiate the launch of Patenga Terminal and Laldia Terminal, to collect extra 20 percent of the requisite (including emergency and reserve) modern and faster scanning machines, to buy the necessary equipment in the shortest possible time for the port, to transfer the auctioned goods to the Customs Department within the 45 days of the arrival at the port, to accelerate allotment of land for the Chattogram port for the construction of the Bay Terminal, to increase the financial and administrative power of the Port Authority, to appoint a consultant by the railway department to establish a double railway track for the transportation of container and to inform Chittagong Port Authority about progress in this regard.

► Prime Minister calls for partnership on blue economy

Prime Minister Sheikh Hasina has urged the G-7 countries for the sea protection and said, "Partnership is very important among the G-7 countries for sustainable management and protection of the sea and coastal environment for risky countries like Bangladesh." The Prime Minister's urges the G-7 countries to focus on the principle of sea-based mutual partnership and to utilize their innovation to protect and preserve the Blue Economy for sustainable development.

On June 11, she called on the G-7 outreach session in a seminar titled 'World Ocean Affairs'. Pointing out the importance of adaptive technology development and original technology handover, the Prime Minister said, "Therefore, we need to look at the marine biotechnology." She said, "Bluewater is a 'tradition' to our people. As per the demands of time, we are committed to protect and preserve our bay."

► Chattogram and Haldia port connecting service begins

Under the Indo-Bangladesh Coastal Protocol, India is going to transport goods from the Haldia International Container terminal directly to the Chattogram port by waterways. The bilateral trade of at least six billion US dollars per year is seen between these two neighboring countries, of which 3.4 billion dollars of goods are transported through Benapole-Petrapole. The land port, located 90 miles away from Kolkata, has managed 70 percent of the total trade in the financial year 2016-2017.

It takes about 22 days for a loaded truck to reach Haldia, whose main reason is the delay for border clearance. Eventually, there is a need for an alternative and effective route. Now, because of the introduction of the maritime shipping service through waterways, it will now be possible to transport goods from Dhaka and Chattogram to Calcutta in a short span of time.

► CPA acquiring land for Bay terminal



The Port Authority is going to acquire the land required for the Bay Terminal construction. In the initial stage, the process of acquisition for 68 acres out of 907 acres of land and leasing from the government for rest of the land is underway.

Since 68 acres of land is private property, the requirement for an acquisition is decided. As the rest of the land is public property, the work has started with the goal of getting the land as a lease from the government at a nominal price. However, there is a possibility of complication due to the land-disputes and cases filed in the court. Considering the situation, the port authorities and the district administration will consult each other and take decisions for land acquisition.

The Bay terminal will be built on an area of 6.5 kilometeres which begins from the back side of the Patenga EPZ to the south Kattli Rasmoni Ghat. If the Bay Terminal project is implemented, there will be no need for a new port in the next 50 to 100 years in Bangladesh.



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► All banks in Agrabad remains open 24/7

Bangladesh Bank has ordered all banks in Agrabad Commercial area of Chattogram to remain open for 24 hours a day. The central bank has given this directive in response to long-standing demands of traders. On April 8, a circular was issued from the bank's supervision department. At the same time, an official letter has been sent to the chief executive of all scheduled banks of the country. In that letter, instructions have been given to ensure proper security of the banks associated with the Chattogram port and customs house, located in Agrabad commercial area, and to take necessary measures to keep them open twenty-four hours a day, seven days a week. The letter also said that banks could take the necessary steps to keep the concerned branches open through bilateral talks with the Chattogram Port and customs authorities.

► India handovers 373-ton humanitarian aid



In the second phase of delivery of Indian humanitarian aid for persecuted Rohingyas from Myanmar's Rakhine state, 373 metric tons of relief was

brought by the Indian Navy ship 'Oirabat'. On August 9, the Indian High Commissioner, Harsh Vardhan Shringla, handed over the relief, which came from Visakhapatnam to Chattogram port, to district commissioner. Minister for Disaster Management and Relief Mofazzal Hossain Chowdhury Maya was present during the handover occasion.

The relief minister said, "We want a permanent solution to the Rohingya Crisis. India is our friendly country with a mutual understanding of going forward with bilateral supports. But humanitarian aid is not the solution to the problem, as we want India to play a unique role for the repatriation of Rohingyas to Myanmar."

► Two more land ports in the Chattogram Hill Tracts

Shipping Minister Shajahan Khan MP said, "The proposed bridge on the Feni River will establish a direct link between Tripura and Bangladesh's commercial capital Chattogram. As a result, business and trade between the two countries will benefit the entire region for the development of tourism and human resources. This will bring economic prosperity, and create employment. Two more land ports will be built in the hill areas." The minister said this while he was visiting the Land Port built in Mahamuni area of Ramgarh on April 21. The minister also directed the concerned authorities to increase the pace of work by visiting the construction site of India-Bangladesh Moitree Bridge-1.

To use the Chattogram Sea Port, Bangladesh and the Indian government have taken initiatives to construct Ramgarh-Sabroom land port in order to expand trade with seven northeastern Indian states including Tripura, Meghalaya, Assam, Manipur, Mizoram, Nagaland and Arunachal. Meanwhile, two countries have finalized land acquisition for the construction of the terminals, warehouses, and other infrastructures.

► Blue Economy Authority legislation underway

Prime Minister Sheikh Hasina has said that the legislation is underway for the formation of Blue Economy Authority. On June 20, the Prime Minister said this in response to Chattogram's MP M Abdul Latif's question at the question-answer session of the parliament.

She said, "After the conquest of the sea, the Blue Economy cell of the Department of Energy and Mineral Resources has been formed to strengthen Blue Economy activities. The legislation is underway for the formation of Blue Economy Authority. With the potential of Blue Economy, including energy, mineral and fisheries resources, the determination for economic development will continue."

She further said, "Because of these two rulings, Bangladesh has achieved 1,18,813 square kilometers of sea area in the Bay of Bengal, which is equal to 81 percent of the mainland area. Surrounded by the sea area of Bangladesh, we have identified the ocean economy or the Blue Economy as a new field of possibilities. The range of the ocean economy or the blue economy is huge."

► BDT 30,000 crore for 7 mega projects in new ADP

The Planning Commission is going to propose an annual development program (ADP) of BDT 1 lac 73 thousand crores for the last budget of the present government. The proposed allocation for the seven mega projects for the development of the infrastructure sector will be BDT30 thousand crore. The proposed ADP size is 16.59 percent more than the revised ADP of the current fiscal year 2017-18. And in comparison, to the Gross Domestic Product (GDP), the size of the allocation for development sector will be 8.28 percent. Of this, the highest allocation of BDT 11 thousand 100 crores will be on the Rooppur nuclear power project. The second highest bid of BDT 5,330 crore has been proposed for the Padma Rail Link project. The third highest allocation will be Tk 4,395 crore for Padma multipurpose bridge project. Apart from this, BDT 3,902 crores for Metro Rail Project, BDT 2171 crores for Matarbari Ultra Super Critical Coal-fired power Project, BDT 905 for Karnaphuli tunnel construction project and allocation of BDT 1,450 crores for Dohazari-Ramu-Cox's Bazar-Ghumumum project have been proposed.

► Farewell reception held for retired officers and employees

For the first time in the history of Chittagong Port Authority, a farewell reception of retired officers and employees has been arranged. The reception was held at Shahid Fazlur Rahman Munshi Auditorium on 24th April, on the celebration of the port day. Last year, 260 officials and employees of various departments were retired and they were given a farewell reception. Commodore Zulfiqur Aziz, chairman of the Chittagong Port Authority, was present as the chief guest.

The Port Chairman Commodore Zulfiqur Aziz said, "Being a member of Chattogram Port you are blessed. We commemorate your contributions to the development of the port. Due to your hard work, the port of Chattogram has reached a prestigious position today."

Outgoing officials and employees of different departments spoke on the occasion. They expressed their gratitude to the authorities for arranging such a farewell ceremony for the first time.

► Record container handling in 72 hours

At Chattogram port, in a 72-hour period, a record amount of 3,304 containers have been handled in a vessel. Generally, 3,000 containers can be handled in 72 hours in a single ship. Container vessel named Sea Trade Blue reached the outer anchorage of the port on March 29 with 1,339 imported cargo containers from Colombo Port of Sri Lanka. On 1st April, it docked at jetty number 11 and began unloading the containers. On 4th April the ship left the jetty of the port with 1,965 export containers. This record container handling, on the one hand, has reduced the transport costs of traders, on the other hand, consumers are getting their cargo within a short period of time.

Chittagong Port Authority says, "Coordination has been accentuated to bring the dynamics of the port work. Berth operators are putting the highest importance on coordination. As a result, a greater number of container handling has been possible within a short period of time. Everyone gets the benefit."

► Customs to implement pre-arrival processing

The National Board of Revenue (NBR) has taken initiatives to implement pre-arrival processing (PAP) in import-export to simplify the country's trade. However, the traders say that, in Bangladesh, the system should be evaluated according to the reality. Nevertheless, NBR said, there is a need to introduce this system in Bangladesh as a member of the World Trade Organization (WTO).

NBR's Customs modernization and project management department took all the preparations to start the PAP system. In the meantime, NBR is organizing training workshops in Custom Houses beside the seaport to train concerned stakeholders. The workshop will train the participants through detailed discussions on PAP management.

The second secretary of the National Board of Revenue (Customs: Modernization and Project Management Division) said, "PAP is a world-recognized management. It has been running in different countries of the world. Bangladesh has signed the World Trade Organization's Trade Facilitation Agreement and is obliged to initiate this system."

► Reception of freedom fighters and their families



Like every year, Chittagong Port Authority on the occasion of the port day gave a reception to the employees and their family members of the port who participated in the great liberation war. The freedom fighters and their family members were present at the ceremony held on 25 April. Chattogram City Corporation Mayor A J M Nasir Uddin was the chief guest at the program. M A Latif, a parliament member from the port constituency and Secretary of the Shipping Ministry Md. Abdus Samad were present as the special guests. Chairman of the port authority Commodore Zulfiqur Aziz presided over the reception ceremony.

Speaking as the chief guest, Chattogram City Corporation mayor A J M Nasir Uddin said, "Today's Bangladesh is the result of the sacrifices of our freedom fighters. The development of Bangladesh has been achieved through independence. If we were in captivity, we could not have developed the country. The West Pakistanis would have enjoyed all the fruits of our hard work and sacrifices."

Parliamentarian MA Latif said, "In last eight or 9 years, the Chattogram Port moved from 98th to 71st position in the Lloyd List. If we can implement our plans, Chattogram port will go much further."

► Port's development projects in line with vision 2021

The Chairman of the Chittagong Port Authority, Commodore Zulfiqur Aziz, (E), psc, BN said, "The construction work of the Patenga Container Terminal will be complete by December next year, the dredging of Karnafuli river will start next month. After getting lands from the district administration, the construction of delivery yards and truck terminal in the Bay Terminal areas will start soon. Apart from this, call for tenders for operating the lighter jetty at Sadarghat was declared and the equipment being procured for the total operation of the NCT."

He said these at a meeting with media people held at the Shaheed Fazlur Rahman Munshi Auditorium on 24 April on the celebration of the 131st founding anniversary of Chattogram port. Commodore Zulfiqur Aziz also said, "Purchasing of 51 types of equipment for the New Mooring Container Terminal (NCT) was proposed. Meanwhile, 44 purchases have been completed. Some of them have already arrived and the rest are in the process."

Referring to the making of a film in memory of the liberation war and titled Operation Jackpot, he said, "Besides producing the film, the work of DPP is underway for the construction of monument and museum of liberation war."



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