4 OPPORTUNITIES FOR BANGLADESH RAILWAY

It is important to note that Bangladesh Railway has been providing the services with a network which is not suitable for and oriented to the traffic requirements of the country. The railway network was inherited from British Indian railways with two-different gauges; metre (MG) gauge and broad gauge (BG), and three-pockets of networks. With the railway link over Bangabandhu Multipurpose Bridge, the east-west railway system has been inter-connected using a dual-gauge configuration. But the east part of the railway network is consists of meter gauge. The reorientation of the railway network and rationalisation of gauges are yet to be accomplished.

Over the last three-decades, the railway received a relatively meagre allocation of resources through ADPs, whereas the road sector received the lion's share of allocation in the transport sector. As a result, the railway became marginalised. Indeed, the paved road network expanded from 3,000 km in 1971 to over 50,000 km to-day. The road sector now carries more than 85% of passengers and around 80% of freight traffic, compared to 4% of both passengers and freight by railway.

In a land scare country like Bangladesh, such an emphasis on the road sector is not sustainable in the long-term. A high capacity, efficient and environmentally sound transport system is required; this is where rail can play a huge role.

The draft Integrated Multimodal Transport Policy (IMTP) has already recognised the need for a paradigm shift away from continued investment in the road sector, to developing the railway network and improving its level of service.

In order to determine the areas where BR should focus its attention during the plan period, an analysis was made of the potential areas where it could provide competitive services, which is shown in Table 4.1. From this analysis, it is clear that BR shall have to focus on inter-city passengers, long haul freight traffic along certain corridors, and container traffic. It is only though adoption of such an approach that BR will be in a position to compete effectively with road transports, and makes a significant change to the modal share. Hence the Master Plan focuses on overcoming the shortcomings and problems of BR in these key strategic markets.

In addition, BR has great potential in the regional traffic market, which depends on the revival of historical railway links and connections. Most of these are part of the Trans Asian Railway (TAR) network and its agreement, to which Bangladesh is already a signatory.

The future of railway depends on a concerted intervention from the Government to address the adverse economic, social and environmental consequences of road building and road transport operations. This intervention has to be policy-based, following an analysis of the economic and environmental costs of competing modes. A beginning has already been made by the Council of Advisors when they considered a draft Integrated Multimodal Transport Policy (IMTP) in October 2007. The Council felt that there should be a stronger emphasis on rail and inland water transport, vis-à-vis road transport, which had received a biased support of the government and donors over past several decades. The IMTP has already been redrafted in the light of the above decision the Council, and added emphasis has been laid in the draft policy for the development of railway and inland water transport. This Railway Master Plan, therefore, provides an opportunity to put greater emphasis on the rehabilitation and further development of the railway, focusing on the areas indicated above, where BR has the greater potential.

Table 4-1: Bangladesh Railway Potentials

Sector/Business	Potential	Constraints	Opportunities
Containers	• Massive growth through Chittagong • Ideal for rail transport • Rail only carrying 10% of market, but potential exists to carry higher share	• Capacity of Dhaka ICD almost reached • Line capacity on Dhaka-Bhairab, and Lakhsam-Chinkiastan limits container trains to 2 per day each way • Distance relatively short compared to international standards • No rail connection to Mongla port	• New ICD at Dhirasram could increase capacity • Tongi-Bhairab dual track by 2010; and • Lakhsam-Chinkiastan dual track by 2011 will open up opportunities • Railway can take up to 25% of market • Could remove 500 trucks (carrying container goods) per day from roads • New ICD in North-West Bangladesh could be set up
Other Freight	• Petroleum products • Stone/sand non-perishables • Food grain • Fertiliser	• Relatively short haul distances • Lack of infrastructure facilities at transfer points • Poor marketing initiative to capture traffic	• Improved handling • Competitive tariffs • Removal of trucks from road
Commuter Services	• Massive public transport market in Dhaka and other large cities	• Lack of network and track capacity • No institutional experience in railway mass movement	Though BR has capacity constraints, at present BR carries around 15000 passengers daily which is equal to the capacity of approximately 204 number of buses. BR is taking initiative for capacity enhancement to capture commuter traffic to reduce traffic congestion in Dhaka and Chittagong.
Inter-city services	• Longer-distance travel suited to railway (average trip length on main corridors 173 km) • Higher value of time (Tk 29 per hour) than average rail passenger (Tk 24)	• Relatively low value of time, so may not pay much more for faster service • Poor quality rolling stock	• Long trip lengths provide opportunities to capture high end of market • Current low use of AC and 1st class seats, could be increased

Sector/Business	Potential	Constraints	Opportunities
Local and rural passenger services	• Around 30 branch lines in country	• Low fares – very unprofitable • Poor infrastructure	• Limited scope for BR to provide such services
Regional freight traffic	• Around six railway connections with the region	• Poor connectivity and involves transhipments	• Improved direct connectivity could open up large market
Other businesses	• At present around 30% of BR earning is from other business	• Lack of autonomy • Poor marketing initiative to capture other business	• Leasing out fixed. Assets • Leasing out non-core services. • Public-Private partnership.