



The initiative of Bangabandhu  
and the tale of Soviet heroes

## Clearing mines and shipwrecks at Chattogram port

1972-74



Bangladesh is one of the  
top three countries in  
achieving SDGs

Bangladeshi flag carriers  
back in business

Per capita income is now  
USD 2,227

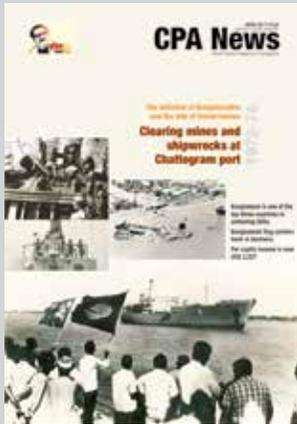


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## Editorial

### Bangabandhu resurrected Chattogram port with the help of Soviet heroes

Union of Soviet Socialist Republic or simply Soviet Union was the only veto wielding power of UN that stood tall for the Bangladeshi struggle for independence. It was also one of the first countries who came forward with humanitarian aid for the battle-scattered new republic. To get help from the Liberation War ally Soviet Union for demining and salvaging sunken ships in a war-ravaged and newly born maritime country, the Father of the Nation Bangabandhu Sheikh Mujibur Rahman paid a visit to Moscow and met with the then Soviet leader Leonid Brezhnev, Soviet Premier Kosygin and other important ministers and principle defence officials. With the Soviet navy's help, Chattogram port became free from mines by December of 1973. And, that heroic tale of historic demining and salvaging operation by the brave Soviet heroes is narrated in our Lead Story.

After a long period of backlog, Bangladesh's marine shipping industry has stepped on the track to explore the horizon. Actually, the private sector is prompting the expansion of Bangladeshi fleets. This ongoing development has also boosted Bangladesh's position in the International Maritime Organisation (IMO). Our article in 'Perspective' section elaborated the potential of maritime shipping from the perspective of Bangladeshi flag carrier ships.

The article in the 'Horizon' section suggests that to combat obstacles caused by climate change, the government has to take some necessary steps. It has to identify which marine areas are important for the economy and then take planned actions to conserve these areas. It is equally important for the government to pay attention to the parts of the marine ecosystems which are important and holds potential for developing the Blue Economy. At the same time, it is important to notice how climate change may be affecting these potentials.

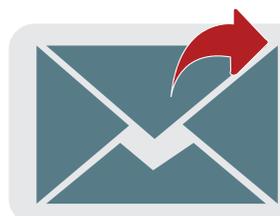
In addition, the 'Newsbytes' section will keep you up to date on all of the major maritime events and developments that occurred in the second quarter of this year.

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

Thank you so much.

**Zafar Alam**

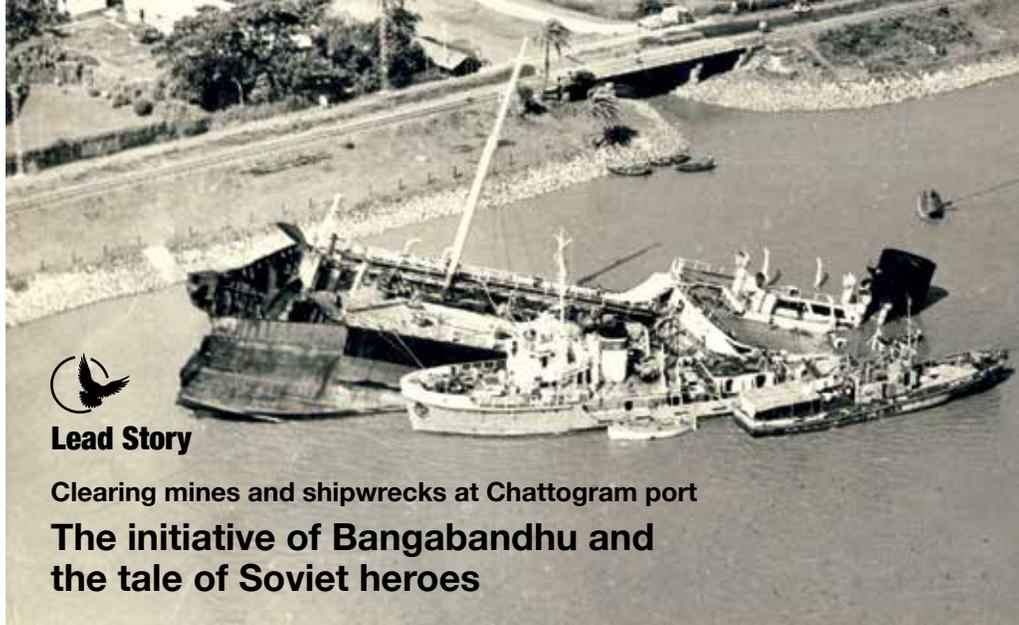
Editor



### 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.

email your views to [cpanews@gmail.com](mailto:cpanews@gmail.com)



**Lead Story**

**Clearing mines and shipwrecks at Chattogram port  
The initiative of Bangabandhu and  
the tale of Soviet heroes**

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*The Kremlin duly adhered to the call of Bangabandhu and on 6 March of the same year, directed the Soviet Pacific Fleet with instructions to urgently prepare an expedition to demine the Bay of Bengal and recover sunken ships.*

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- Per capita income is now USD 2,227
- Celebrating the 134th Port Day on a limited scale
- CPA deposited BDT 3,000 crore to the treasury
- 8 thousand workers of Chattogram port received incentives
- Chattogram port donated a grant of BDT 25 crore to the Prime Minister's COVID-19 fund
- Export of saplings for the first time by sea
- Board Member Md. Zafar Alam received the Innovator Award
- Entrepreneurs will get benefits if their ships are on sail
- CPA proposed to unload goods from private ICD during lockdown
- Construction materials for Bangabandhu Railway Bridge reached Mongla port
- Government approved the acquisition of khas land for the Bay Terminal project area



An opportunity has been created by the local shipping companies to save huge amounts of money. Earlier, these companies had to pay to the overseas shipping companies as freight charges. Bangladeshi merchandisers have to pay USD 8-9 billion as freight charge each year.

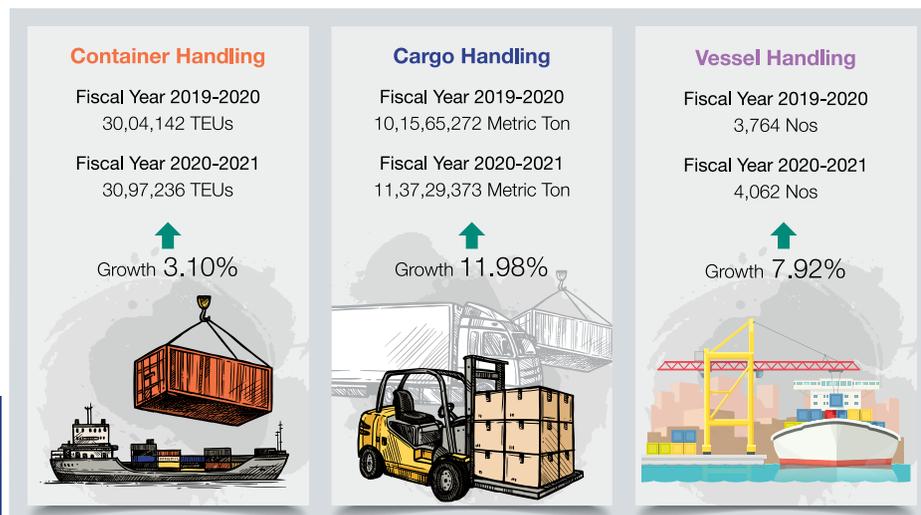
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Climate change poses a grave threat to coastal and marine habitats. It can affect fish production, cause more climate related disasters, which will in turn result in more death, destruction of infrastructure and livelihoods. To combat these obstacles caused by climate change, the government has to take some necessary steps.

Total Cargo, Container and Vessel Handling at Chattogram port during Fiscal Year 2019-2020 & 2020-2021





In 1973, Soviet Navy Day was celebrated in Chattogram port.

## Clearing mines and shipwrecks at Chattogram port

# The initiative of Bangabandhu and the tale of Soviet heroes

*After nine months of struggle, 16 December 1971 marked the beginning of an independent Bangladesh, free from enemy rule. After being set free, came the daunting task of nation building. The war left many important infrastructures of the country devastated. The country needed all the help it could get as it was suffering from abject poverty and hunger. The world was willing to help with supplies, but Bangladesh was not prepared to receive the help. The principal port of Bangladesh, its lifeline of trade, Chattogram port was not ready to function as a port. It was the same case for Mongla, the other sea port of newly independent Bangladesh. The navigation channels of Bangladeshi sea ports were filled with sea mines and sunken ships. The country needed aid for her ailing population, but it also needed to clear mines and ship-wrecks from the sea as well as the port channels for bringing in the ships of aid.*

### The History

The sea lines of Bangladesh bore the brunt of the war of 1971. After the conflict broke out on 26 March 1971, the only supply route for Pakistani military machine in her erstwhile Eastern wing was dependent in the sea as the land and aerial routes had to be traversed through India. Although India officially entered the war against Pakistan in

December of 1971, it had already sided with the Bangladeshi cause when the conflicts in East Pakistan broke out. A government-in-exile of newly founded Bangladesh was formed and training camps for the freedom fighters were set up inside India. The guerilla attacks of the freedom fighters over the Pakistani regular forces wreaked havoc on the Pakistani military machine, but the Indian strategists, who regularly coordinated with

Bangladeshi officers of freedom fighters in the struggle for independence, saw the relentless supply of arms and logistics through the sea kept the Pakistani armed forces up and running in the conflict. In order to crush the fighting capability of Pakistan armed forces in East Pakistan, this supply line had to be disrupted. Thus, the Operation Jackpot was conceived.

Operation Jackpot was one of the most daring naval commando assaults in the history of modern warfare. It achieved the goal of disabling the functionality of Chattogram port. 10 ships docked at the port were destroyed in the attack, including MV Harmuz containing 9,910 tons of weapons, MV Al Abbas containing 10,418 tons of military equipment, and Orient Barge No. 6, which was stationed in the jetty from 9 August containing 6,276 tons of weaponry. The attack shattered the morale of Pakistani military machine and propaganda network, which previously misled world community by saying that there was a state of complete normalcy in the eastern wing. International media covered the bold military operation with special attention.

### India lends a helping hand

India officially entered the war on 3 December, 1971 by enforcing a naval blockade at the Bay of Bengal through the deployment of its standard bearer aircraft carrier INS Vikrant. The naval blockade forced the war to its ultimate stage. Incessant aerial bombings by Indian aircrafts sunk much of the Pakistani vessels in the sea and left Chattogram and Mongla ports completely devastated. Prior to the end of the war, Pakistan laid naval mines near the entry points of both Mongla and Chattogram ports to deter the entry of Indian Navy and also food and emergency medical supplies. Prior to the Pakistan Army's surrender, Pakistan Navy sunk all the remaining ships at the anchorage to completely disable the functionality of both ports. As a result of intense fighting, about 150 ships sank. The ports and channels were partially blocked by submerged ships and the sea route were filled with mines. Describing the status of Chattogram port as a risky one, insurance company Lloyds raised its insurance premium on vessels headed towards Chattogram. This further discouraged shipping lines from coming to Bangladeshi waters.

After the war was over, the newly born country needed rebuilding. The

population was on the verge of a famine. However, without repairing the ports, the country would neither be able to receive emergency aid, nor participate in trade. The sea water surrounding the ports was infested by naval mines and sunken ships, which made the navigability around the port risky for any seafaring vessels. Salvaging the port from explosive sea mines and sunken ship debris was an enormous task for Bangladesh at that time as it had very limited naval capabilities. The newly founded Bangladesh even lacked the capacity to make the surrounding waters around the port navigable by removing ship debris and salvaging sunken ships. Moreover, the mines posed fatal threats to the settlements nearby, and on one occasion in 1972, 15 villagers lost their lives in a sea mine explosion and 10 huts burned down. The beloved leader of the nation, Bangabandhu Sheikh Mujibur Rahman foresaw the dire scenario that his fellow countrymen would face if the ports were not demined soon. At his urgent request, the Indian Navy got involved in minesweeping operation and salvaging sunken ships.

During late December 1971, India began its operation to clear the waters near the ports with its navy. After surveying the waters, Indian

*Salvaging the port from explosive sea mines and sunken ship debris was an enormous task for Bangladesh at that time as it had very limited naval capabilities.*

authorities set a timeframe of 3 years to completely eradicate mines and sunken ships from the waters. Through interrogation of captive Pakistani naval officials, Indian authorities learnt about the positions of several mines. By 23 December, 1971, the Indian Navy was able to set the perimeters of the minefields, along the edge of which ships having drafts of up to 4 metres could reach Chattogram port during high tides. Aircrafts from the Indian carrier at the Bay of Bengal bombed those minefields in order to detonate the sea mines. During mid-January of 1972, Indian minesweepers Cannanore and Bulsar were deployed along the Pashur river to clear mines near Mongla port. Minesweeping along Pashur river was apparently easier as most of the mines were triggered when the ships were blown up, and the rest, presumably, self-destructed by a special device installed in the mines. After completing operation near Mongla port, the Indian minesweeping ships were then deployed near Chattogram port.

While clearing the waters near Chattogram port, the Indian navy started to face difficulties. Drifting mines posed constant threats towards ships. On 5 February, 1972, Indian ship Vishwa Kushum was blown apart by one such drifting

Members of the Soviet navy are busy clearing mines at the deck of MS Khabarovsk.





*Bangabandhu was warmly received by the Soviet leader Leonid I. Brezhnev at the Kremlin Palace on 2 March 1972.*

mine. Several other ships were also struck by these mines in the following days. The minesweeper ship *Bulsar* getting hit by mines and being towed back to Kolkata took a severe toll on the Indian minesweeping operation. The Indian navy had to face the uphill battle of clearing Chattogram port waters as they had inadequate experience in carrying out such a large minesweeping operation. As a result they began to face similar setbacks more frequently.

## Soviet Union agrees to help

Announcement was made from New Delhi that all Indian troops had to leave Bangladesh by 25 March, 1972. As it was now impossible for Indian Navy to complete the minesweeping operation within such a short notice, Bangladesh now had to explore options elsewhere to clear her seas. Indian Navy had to withdraw completely by handing over Chattogram port to Bangladeshi authorities but kept a token presence of few ships for continuing the minesweeping operation. As the token help was not enough, Bangladesh reached out to international community for help through the United Nations. Dhaka also asked for assistance from Soviet leadership; Soviet Union responded to the call by sending in help.

Union of Soviet Socialist Republic or simply Soviet Union was the only veto wielding power of UN that stood tall for the Bangladeshi struggle for independence, supplying financial aid, arms and military equipment through India, which undoubtedly shifted the balance in favour of the freedom fighters. It was also one of the first to come forward with humanitarian aid for the new republic. On 10 February, 1972, Soviet ship *Salsk* came to Chattogram port with rice followed by *Partisan Spark*, another ship laden with food aid. Father of the Nation Bangabandhu landed in Moscow on 3 March, 1972. In his mind, among many matters, was the freeing up of the sea waters laden with dangers and obstacles. He met with the then Soviet leader Leonid Brezhnev, Soviet Premier Kosygin and other important ministers and principle defense officials. During that meeting the Bangladeshi leader requested assistance from Soviet Union regarding demining of Bangladeshi waters and salvaging sunken ships.

The Kremlin duly adhered to the call and on 6 March of the same year and directed the Soviet Pacific Fleet with instructions to urgently prepare an expedition to sweep mines and recover sunken ships from the sea area of Bangladesh. At the same

time, a group of Soviet experts went to Chattogram from Moscow on a direct flight, which included navy mine laying personnel and deep sea divers. For almost two weeks, experts surveyed the status of the water around the port using vessels and helicopters in order to draw up a plan for the clearing operation. After the survey, the team submitted a report to Soviet Navy, where they expressed confidence about fully clearing the minefields, but also addressed the difficulty surrounding the submerged vessels. They argued that, since floating cranes made in Soviet Union lifted loads less than one hundred tons, it would almost be impossible to salvage ships weighing more than thousand tons and deeply stuck in the ground. Excessive sediment caused poor visibility underneath water and it would have been futile to engage divers in this situation, where the speed of current averaged around 8 nautical miles. They concluded that the use of pontoon under such conditions was also impossible. After a 34 hours of long discussion, Bangladesh and Soviet Union reached an agreement on 22 March, where Soviet Union agreed to complete the total clearing and salvaging operation and Soviet Union alone would bear all the costs associated with the tasks. Moscow

*An old photo of Soviet navy's salvage operation at Chattogram port.*



Naval Headquarters gave the task of the entire operation to the prudent veteran officer Rear Admiral Zuenko.

Zuenko reached Chattogram on 28 March, 1972 with a team of expert engineers. He read the experts' report and despite the reservations opined by them, Admiral Zuenko, known as a talented Soviet Naval Officer, expressed full confidence in being able to rescue all the submerged vessels. In his quest, he was to be helped by leading specialists of the CHO Research Institute of the USSR Ministry of Defence.

The situation of the Chattogram port was nevertheless a nightmare. Only a daring soul could lead a ship amidst a plethora of piers, funnels, and masts, sunken and damaged ships protruding from the water. And amongst those numerous distractions lurked mines.

Despite the lurking challenges, the Soviet team jumped into action. Chattogram Port Authority fully cooperated with them. On 2 April 1972, a floating workshop reached the Chattogram port. Upon reaching, the personnel started arranging their tools and machineries. A day later, 22 ships and 700 sailors under the Soviet Pacific fleet reached the port. The vessels included minesweepers, rescue vessels and other assisting vessels. Rear Admiral Zuenko now led an 800 member contingent to conduct a risky and dangerous operation.

Initially, the Soviet team aimed for joint Indo-Soviet minesweeping and rescue operation. However, the move did not succeed as the Indian ships, mostly of British origin, failed to co-ordinate with the Soviet ships. As a result the Indian ships had to be withdrawn completely by November 1972.

The Soviet crews started their work in the midst of unprecedented and indefinite challenges. Minesweeping even under normal conditions is a dangerous task. Here the port was surrounded by trails of destruction. Even the approach roads of the ports were mined. 12 of the 18 anchorage points of the port were destroyed during the war. New land,



August 1972. The Soviet navy is busy searching for mines in the Karnaphuli river channel.

new weather conditions, and warm water were totally new experiences for the Soviet navy minesweepers and rescue teams. They began to act by touch — to find ships with their hands, to find holes, to navigate in the rubble of ship structures. They worked mainly during the period of the change of the current, when the waters were calm, that is, when there was neither high tide nor low tide. This period lasted 35-45 minutes and changed every 6 hours, four times a day. As a result, only 2-4 hours of a day could actually be used for work daily. Moreover, the sailors could not stay more than 40-45 minutes in the water. They were simply unaccustomed with the hot and humid climate of Bangladesh, which is the polar opposite of the cold climate of Vladivostok. Even the standard of food and living conditions of the war ravaged country was difficult for them to adapt to.

In spite of these harsh conditions and climate, the Soviet personnel carried on with their assigned tasks. Soon, their perseverance started to bear fruits of success. By 27 April, they removed 3 ships weighing around 50,000 tons and freed up three terminals. In order to rescue the debris of sunken ships, Soviet

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sailors depended on explosions under the sea, which was a very clever technique on their part. But the Karnaphuli river had numerous turnings. Applying such a technique would have damaged the ships. It would have also disturbed the habitats of various sea creatures living under the water. Hence they had to switch to the alternative option of sunken pontoons, which was more labourious, difficult and time consuming. By connecting the debris of ships with the pontoons, the ships were pulled up above with the application of compressed air.

Bangabandhu was deeply involved with the proceedings of Chattogram port operations of Soviet Navy. At the beginning of May, Soviet ambassador Popov informed Admiral Zuenko that Bangabandhu himself wanted to learn about the proceedings from the Admiral. In the personal chamber of Bangabandhu, the Admiral described the professionalism showed by Soviet sailors and the initial success of his crews. The leader of Bangladesh became ecstatic and expressed his earnest gratitude by embracing the Admiral and joyfully mentioned the importance of opening the port soon. At the end of 1972, he again called Zuenko at his official residence and personally gave him

some directives on the progress of the work. At the beginning of May, 15,000 tonner tanker Shudarshana Hong Kong made entry to the port, which preserved the initial success of the Soviet operation. Gradually overcoming many hurdles, the Soviet team recovered many ships, like Al Abbas (16,000 tons), Ali Boks (15,000 tons), and so forth. In the process, the Soviet rescuers also pulled out an 8,000 tonner sea going vessel that sunk during the calamitous cyclone of 1960.

The number one priority of the Soviet team was to salvage Shonar Tori, the largest ship that sunk in the Bay. During a UN session, the US representative accused the Soviet Union of intentionally delaying the salvaging of the ship, for which many ships destined towards Bangladesh were not able to reach their destination. Also, the international media were constantly raising suspicions about Soviet activities by publishing fabricated reports on delays, lack of transparency in demining operations, Soviet incapability of fulfilling promises, failure of rescue operations, etc. In order to answer these allegations and critiques, Soviet Union sailors pushed their limits and completed the impossible

*During a UN session, the US representative accused the Soviet Union of intentionally delaying the salvaging of the ship, for which many ships destined towards Bangladesh were not able to reach their destination.*

task on 10 August through sheer determination and commitment. After Shonar Tori was rescued, the Karnaphuli channel became free from submerged vessels.

Soviet divers salvaged battleship Jashore, which sank in 1971. The ship was completely covered by sediment and the rescuers brought the ship back to the surface after 50 tireless days. A Bangladeshi navy official who was present during its rescue operation proudly declared that this ship will be the first battleship of Bangladesh Navy. After serving for 36 years, the ship, which was later renamed BNS Bishkhali, was decommissioned in 2014.

According to the plan, on 2 May, demining operation started along with salvaging of sunken ships. With the ringing of bells, all the ships left anchorage of Chattogram port. There were 4 BT minesweeping ships who took part in the demining operation, each capable of holding 20 anti-mine explosives. They used trailers as tools for neutralising the mines. By July 1972, Soviet sailors were able to completely clean up the channels of Chattogram port. Although there were some mines and sunken ships, the port was able to reopen by 10 July. Western and the UN led experts

had assumed that it would take at least 2-3 years to bring back the functionality of the Chattogram port. Soviet professionalism brought back life to the port in just 3 months, and even went on to raising the capacity of the port. Statistics available showed that in June 1972, the port was able to handle 5 lac metric tons more cargo than the amount handled in June 1971.

In October, Soviet divers able to recover 2.2 million metal coins, 70.05 kg of silver and 52.75 tolas of gold from sea, thought to be sunk by Pakistanis.

## The end of a long journey

Most of the Soviet ships returned to their home base and main fleet once the navigational channels were cleared, only some ships remained for trawling and carrying out minesweeping and rescue operations. Chattogram port became free from mines by December of 1973. Soviets ships were supposed to leave Bangladeshi waters by that time. But another deal was signed between Soviet Union and Bangladesh, where Soviet Union agreed to take part in rebuilding Chattogram port and rescue more ships till June 1974. The Soviet navy also trained 44 Bangladeshi divers, gifted diving equipment and as a token of friendship, handed over 3 rescue vessels to Bangladesh. Most remarkably, for all these endeavors, Soviet Union did not demand any monetary compensation, a remarkable gesture made by a superpower towards a newborn nation. By first week of March 1974, the last of the Soviet ships departed Bangladesh, thus ending their mission three months in advance. On 12 June, 1974, rest of the remaining Soviet sailors and officials left Bangladesh, boarding MS Khabarovsk towards Vladivostok.

During their two year long stay in Bangladesh, Soviet sailors rescued 26 ships of over hundred thousand deadweight tonnages and sent them to the Bangladeshi ship breaking yards. The ships included 15,000

*The MV Al-Abbas, a salvaged ship, is being prepared to leave the port.*



tonner freighters, coastal and inland vessels, sand vessels, fishing vessels and so forth. Alongside, they were also able to extract 1,900 tons of metal and other sunken objects.

The Soviet campaign of minesweeping will remember a 22 year old young Soviet sailor named Yuri Redkin, who laid down his life while clearing Bangladeshi waters. He lost his life during a rescue operation on 13 July, 1973, where he was taken away by a giant sea wave. He was buried at the compound of Bangladesh Naval Academy. His mausoleum is a solemn reminder of Soviet contribution in securing the economic lifeline of Bangladesh.

## Remembering Soviet Union's contributions

The Soviet Union's unique contribution of securing the waters of a newly emerged country's sea ports is a notable chapter in the history of the bilateral relations of Bangladesh and Russia, the successor of Soviet Union. The Soviet sailors defied all odds and biased propaganda and took on a dreaded campaign. In 2013, Bangladesh gave formal reception to the Soviet Navy sailors who took part in the campaign of clearing waters of Bangladeshi sea ports. In the same light, Bangladesh also remembers its supreme leader Bangabandhu, whose visionary leadership was impeccable in asking Soviet Union for assistance



Soviet and Bangladeshi officials are seen paying their respects at the grave of sailor Yuri Redkin, who was killed during a demining operation at Chattogram port.

with removing the obstacles laid beneath the sea ports of a country once dubbed bottomless basket. After the heinous assassination of Bangabandhu along with his family and the subsequent political turmoil borne out of volatile military regimes, Bangladesh went off track and lost many friendly ties. He had only had three years after independence to restore two of the country's seaports, which were left devastated, non-functional and buried in a sea of mines. Today, Chattogram port is at the 58<sup>th</sup> position of the acclaimed Lloyd's list, an exclusive member

of 3 million TEUs container handler port club. All this started when Bangabandhu took a pragmatic diplomatic decision, thus heralding the march of Bangladesh towards its destiny of growth.

*Chattogram port is at the 58<sup>th</sup> position of the acclaimed Lloyd's list*

**Afroza Bithi**  
Contributor, Bandarbarata

*(This article is translated and edited from a special story published in Bandarbarata March 2021 issue)*

Bangladeshis bid farewell to MS Khabarovsk, a Soviet naval vessel that left Chattogram port for Vladivostok in 1974 after completing the demining and salvage operation.





# Course of action for Bangladesh to fulfil its Blue Economy vision in the face of climate change concerns

Karin Ahmed

*The Blue Economy is a concept which brings together economic development and conservation of marine resources. If this framework can be implemented, it can ensure food security, protect the ocean environment, employ more people, and can utilise new sources of energy, and provide resources for manufacturing drugs, chemicals, food, etc. The ocean based economy is very profitable and makes large contributions to the world economy, i.e. USD 500 billion.*

The government of Bangladesh has recently started to acknowledge the importance of Blue Growth and has decided to focus on achieving the Sustainable Development Goals (SDGs) which will incorporate using ocean based resources. Some of these resources include aquatic bio-fuels and renewable energies, which could be an innovative way to meet the growing demands of energy. Marine resources can also be used to manufacture many valuable products such as pharmaceuticals, antifouling paints, etc. The marine ecosystem also provides jobs and a means of earning their livelihoods to millions of people who live in the coastal zones of Bangladesh.

*When talking about the potentials for Blue economy, what is referred to are the economically important marine resources.*

The coastal and marine ecosystems of Bangladesh are faced by multiple changes, caused both by climate change and human intervention. As of right now, the changes caused by climate change pose a greater threat to coastal and marine habitats. These changes can affect fish production, cause more climate related disaster, which will in turn result in more lives lost, destruction of infrastructure and livelihoods. To combat these obstacles caused by climate change, the government has to take some necessary steps. It has to identify which marine areas are important for the economy and then take planned steps to conserve these areas. It is equally

important for the government to pay attention to the parts of the marine ecosystems which are important and holds potential for developing the Blue Economy. At the same time, it is important to notice how climate change may be affecting these potentials.

When talking about the potentials for Blue economy, what is referred to are the economically important marine resources. These resources are highly profitable and there has been an increasing trend in the revenue from exporting these resources. Marine resources are divided into four categories: living, non-living, renewable resources, and trade and

commerce. Each of these categories have ecological and socio-economic importance.

- **Living resources:** Marine living resources include fisheries, mangroves, seaweed, coral, etc. There are multiple species of crabs, turtles, shrimps, lobsters, dolphins, bony and cartilaginous fishes. These provide huge economic returns. The largest unbroken mangrove forest in Bangladesh is the Sundarbans, and this forest is home to 345 plant species, out of which 245 are economically valuable. Yet there has been a downward trend in revenue from mangrove forests in recent years compared to the 80s and 90s. Saint Martin's island is the only island in Bangladesh which has coral reefs. 20-22 species of seaweeds also grow on this island which are profitable. According to the Encyclopaedia of Flora and Fauna of Bangladesh, species of algae, phytoplankton, and zooplankton have also been recorded in the coastal regions of Bangladesh.

- **Non-living resources:** These include crude oil, gas, and sea salt. There are also 17 different heavy mineral deposits which have commercial value, e.g. Zircon, Garnet, Ilmenite, etc. Since the boundary dispute with India and Myanmar was settled, the Bangladesh government decided to increase the number of exploratory blocks in the EEZ to 27. Besides, 6000 ha of coastal area is dedicated to sea salt farming, and the tourism sector employs more than a million people.

- **Trade and commerce:** The coastal regions consist of many popular tourist destinations such as Cox's Bazar, which is one of the longest sea beaches in the world, the Sundarbans, which is the largest unbroken mangrove forest in the world, and also other parks and islands. Some other commercial uses of marine waters include development of ports (Chattogram, Mongla, and Payra ports), shipbuilding and ship-recycling industries. The ship-recycling industry alone has an estimated turnover of USD 1.5 billion.

Additionally, these four categories also benefit the ecosystem by

stabilising the shoreline, maintaining biodiversity, reducing pollution, etc. From the socio-economic angle, they provide benefits such as food security, economic security, empowerment, etc.

It is impossible to ignore the significant effects that climate change will have on Bangladesh. The way Bangladesh is located geographically makes it even more vulnerable to the effects of climate change. Records show that in the last 5 decades, the number of cyclones have tripled. Some of the effects of climate change include increased number of floods, droughts, cyclones, changes in rainfall patterns, ocean acidification, etc. The data from 1990 to 2014 show that the most drastic changes have been observed in the frequency of floods, storms, and increase in temperature. Among all these, the highest mortality rate was of cyclones, and the most economic loss was caused by floods and cyclonic storms. It has been predicted that by 2080s, 40% of productive land in the Southern region of Bangladesh will be lost due to a rise in seas levels. Saline water intrusion has already caused a shortage of clean drinking water and almost 20 million people have been affected by this. These changes in climate will also affect the process of transitioning into Blue Economy which is ongoing in the country.

*The data from 1990 to 2014 show that the most drastic changes have been observed in the frequency of floods, storms, and increase in temperature. Among all these, the highest mortality rate was of cyclones, and the most economic loss was caused by floods and cyclonic storms.*

Extreme weather events are affecting marine resources which play a vital role in the smooth implementation of the Blue Economy concept. To combat these changes, it is essential to build up the resilience of marine ecosystems. The various ways in which marine ecosystems are affected by climate change and how resilience can be built against these changes is outlined below.

- Rising temperatures can directly affect the life cycles of marine species, disrupt marine food chains, cause coral bleaching. Cyclones can result in loss of coastal resources and degrade coastal habitats. A rise in sea levels can reduce the rate of photosynthesis of off-shore plants, and affect the mangrove ecosystem. As this is affecting the primary producers of marine food chains, it will have consequences which will ultimately affect the fisheries. Erosion can degrade the coastal habitats, cause loss of coastal resources, and increase the mortality of fishes by clogging their air bladders. The acidification of ocean waters can cause changes in the life styles of different marine fishes, loss of biodiversity, coral bleaching, etc. Some of the ways in which these problems can be combated are by planting and restoring mangroves, conserving sea salt and mussel beds, and protecting coral reefs.

- Droughts, saline water intrusion,

*Marine living resources include fisheries, mangroves, seaweed, coral, etc. provide huge economic returns.*





and changes in rainfall patterns can cause damage to crops in coastal areas and also change species habitats. Insuring the crops can be a way of helping those whose livelihoods depend on these crops.

Considering all the adverse effects Bangladesh is currently facing due to climate change, strengthening the Blue Economy is a smart solution to sustainably grow the economy and also ensure livelihood security. A four-step framework has been put forward which can help to build a climate change resilient Blue Economy in Bangladesh.

1. Identification of issues: This step will identify which issues will be faced when building a climate change resistant Blue Economy. Climate change issues are affecting

*Considering all the adverse effects Bangladesh is currently facing due to climate change, strengthening the Blue Economy is a smart solution to sustainably grow the economy and also ensure livelihood security.*

Blue Economy potentials, and activities for building Blue Economy are also affecting climate change, and both sides need to be looked at.

2. Prioritising critical issues:

Currently climate change is affecting coastal ecosystems, displacing people, and destroying the sources of livelihoods. It is essential to shift focus to those areas which can help to bring about a sustainable Blue Economy. Some of these areas are energy efficiency, building environmental resilience in coastal areas, restoring ecosystems affected by climate change, etc. There are various activities which can be undertaken to conserve the health of ecosystems. Cysts can be produced in salt pans and these in turn can be used in shrimp hatcheries. Floating aquaculture and agriculture can protect crops from erosion and salt water intrusion. There are many devices which will allow potted crops to grow without coming into contact with sea water. Islands can be converted to model islands which will utilise different strategies and technological inputs to convert islands into economically beneficial areas. For example, Maheshkhali island has salt extraction, fisheries, and agriculture as its main activities. There is a small mangrove forest which provides protection and provides goods and services for enhancing coastal livelihoods. If oyster farms are built, the oysters can filter water and this filtered water can be directed to ponds where it will be useful for aquaculture. If different activities and resources are integrated in this manner, it can

provide food, employment, and coastal protection. Farming oysters, seaweed, and other fishes can also be profitable for locals living in Teknaf and Saint Martin's Island. If oysters can be farmed commercially, a family will be able to meet their monthly expenses by selling 125 kg of oyster meat in a month. Similarly, a family will need to cultivate seaweed in an area of 34 m<sup>2</sup> to meet monthly expenses. Ecosystems need to be sustainably managed, conserved, and restored as part of ecosystem-based adaptation so as to help those who are affected by climate change.

3. Performing activities to achieve goals: The first step to achieve the goal of implementing a successful Blue Economy is to tackle all the obstacles in its way. Few of the biggest obstacles standing in the way of achieving this are lack of structured plans, no proper integration between different sectors, lack of suitable infrastructure, and improperly educated manpower. Training and education about sustainable management is vital, and therefore courses on this topic should be taught at schools, while also providing higher education on the matter to develop skilled manpower. Fisheries are a highly profitable area, so focus needs to be shifted there too. New fishing areas should be explored, while expanding current commercial fishing areas. New species of fishes such as sea bass, mud crab, turtles can be domesticated. To make the coastal communities more financially stable, they need to be given direct access to financial support. Stakeholders



can be offered loans and also made aware of other means of generating income. Surveillance and enforcement for better governance is important for utilising the ocean resources in a way which does not damage them. Coastal communities can be provided with financial incentives to encourage them to protect mangrove forests, coral reefs, mussel and oyster habitats. There should also be policies which protect the ocean environment. Some steps which can be taken are making hotels more 'green', sustainable aquaculture to prevent catching of wild fish, treating sewage line, etc.

There has to be better collaboration between countries which share borders so as to protect the underlying ecosystems they also share. Operationalising Sustainable Development Goal 14, which states that the oceans, seas, and marine resources must be conserved and used sustainably, is imperative. Research work needs to be undertaken to engender knowledge and right now, the monitoring of ocean areas is of the highest importance. Marine spatial planning and development tools will be required to help with deciding how to sustainably use ocean areas. Marine reserves and fish sanctuaries should also be established in protected areas.

4. Achieving the goal: If all the aforementioned steps can be implemented, then the goal of creating a sustainable Blue Economy which is resilient to the effects of climate change can be achieved.



Coastal communities should be encouraged to protect mangrove forests, coral reefs, mussel and oyster habitats.

The Bangladesh government has recently started to look into exploring and managing marine resources. All this time marine resources had been overlooked in comparison to other resources. But to achieve the Blue Economy goals, the oceans have to be utilised sustainably. Currently, the two major threats facing the oceans are both climate change and human activities. If the Blue Economy concept is going to become functional in Bangladesh, it is necessary to take a structural approach which will make it easier to implement other plans and activities. These activities can include planting, restoring, and conserving mangroves, conserving salt marshes, mussel beds can help

*If the Blue Economy concept is going to become functional in Bangladesh, it is necessary to take a structural approach which will make it easier to implement other plans and activities.*

with reducing atmospheric carbon, protection from cyclones and floods. Marine resources can help in another way by providing employment opportunities to people. And lastly, practicing salt tolerant agriculture will prevent intrusion of saline water and pollution, while utilising renewable energy will ensure that energy is being used in a more sustainable fashion, provide food security and also protect the environment.

**Karin Ahmed**  
Contributor, CPA News





# Bangladeshi flag carriers back in business

Jinarul Islam and Omar Faroque Emon

## Preface

To get an insight into the marine shipping industry of Bangladesh and its neighbouring region, we need to visit to the distant past. We need to focus on ancient Indian history.

Persian historian Hamza al-Isfahani in the fifth century had witnessed Indian ships anchored in the Euphrates river. Those ships were then supervised by some merchandisers of Sindh and Gujrat.

World explorer Marco Polo, while visiting India in the 13th century, became amazed by shipbuilding techniques practiced in the region. He described that each of the big vessels carried at least 10 small boats like today's lifeboat. There were 60 well-decorated cabins beneath the weather deck. Some other European explorers also described the glorious chapter of the

shipbuilding industry in the region. Italian merchant Niccolò de' Conti admitted that Indian ships were larger than the Italian ones.

The Indian subcontinent continued to dominate the marine shipping industry till the 17th century. But the scene began to change with the defeat of Nawab Sirajuddaula in the battle of Plassey and the defeat of Tipu Sultan in the Mysore war. Although the trade by sea was growing, locals were losing control over it. Pioneers of the marine shipping industry had been going out of sight one by one. Restrictions were once made to prevent the entry of any Indian ship without a British sailor to the Port of London.

Attempts like these were taken to shutter the local shipbuilding industry. Due to the preferable ecosystem though, the shipbuilding industry had not been destroyed completely in the region. Rather,

it survived as a minor industry. Some of the old statistics prove the statement. There were around 80 registered shipping companies in India between 1836 and 1918. The number of companies declined to only seven by 1946. Only the small-range companies could survive that time.

After the partition in 1947, the Pakistan Steam Navigation Company was the sole private-run marine shipping enterprise in the then East Pakistan. AK Khan founded the Chattogram-based company that had two marine ships—Fatehabad and Jahangirabad. Both of the ships retired in 1969. After the 1971 Liberation War, the Pakistan government took back all ships of Pakistan National Shipping Corporation to its inventory. As a result, Bangladesh had lost ship both in the public and private sectors after its independence.

## Reconstruction phase

There was the sea as well as seaports but no marine ship. It was the ground reality in the newly independent Bangladesh. And there was no alternative to restart the marine shipping for the import and export of food, fuel, edible oil, tea, hide, chemicals etc. Moreover, Bangladesh, being a coastal as well as a riverine country, had to facilitate transport of local and foreign goods by the sea. Considering this fact, Bangladesh Shipping Corporation (BSC) was established on 5 February 1972 by a presidential order. An organisation was formed without a ship. The government then put attention to collect ships. After five months of its establishment, BSC had its first-ever ship in the fleet. Then more ships were added to the fleet. Gradually, the number of ships in the BSC fleet stood at 38.

As the government was set to open up the private sector, private investors became interested in the sector. The first private seagoing ship arrived in the country in the late 1970s. Later on, private investment in this sector gained momentum. New ventures started to register their name in shipping. The number of ships continued to increase. After five decades of independence, it can be said now that Bangladesh is on the track to become a maritime nation. At present, a total of 62 sea going ships are now transporting goods in the blue ocean.

## The golden episode of public sector

Since no ship was at its fleet, BSC initially started working as an agent for some seagoing ships. After five months of formation, the first ship 'Banglar Doot' with a capacity of 12,812 DWT was added to BSC fleet. Around the time, another ship called 'Banglar Sampad' was added. Onward, the BSC had been adding more ships to its fleet. Within 10 years, the number of ships in the BSC fleet stood at 27. In 1991, BSC had 38 ships. It was the golden chapter in the history of BSC.

## Time to turn around

After 1991, no new ship was added to the BSC fleet for long period of time. Meanwhile, the existing vessels' lifespan was being shortened, so were they losing capacity. Gradually, the size of the BSC fleet became smaller. The number of ships dropped to 13 in the 2012-13 fiscal. As the BSC was incurring losses, five of its vessels were sold the next year. Following the decreasing trend, BSC had only two ships in its fleet in 2018.

However, the incumbent government took initiative to make BSC vibrating again. Following this, BSC has procured six ships from China at a cost of around BDT 1,737 crore.

Among the new ships, there were three product tankers and three bulk carriers. The ships have also been commissioned to operate in the marine transshipment. Including two tankers, there are eight ocean-going ships in the BSC fleet at present.

## Plan for more ships

Currently, the BSC has set its vision to explore the horizon. BSC wants to become one of the leading shipping companies in Southeast Asia. Given the ambition, plans have been made to purchase more ships in the future to strengthen the BSC fleet. The plans include the purchase of two mother bulk carriers of 80,000 tons and 10

*Bangladesh Shipping Corporation (BSC) was established on 5 February 1972 by a presidential order. An organisation was formed without a ship. The government then put attention to collect ships. After five months of its establishment, BSC had its first-ever ship in the fleet.*

bulk carriers with a capacity of 10,000-15,000 tons. Apart from this, Eastern Refinery Limited has a plan to purchase two mother tankers with a capacity of 100,000 to 125,000 tons each for crude oil transportation. Moreover, the authorities concerned are going to purchase two mother product oil tankers with a capacity of 80,000 tons so that the Bangladesh Petroleum Corporation-imported diesel and jet fuel can be transported.

The government is importing LNG to meet the growing demand of fuel. To transport the imported LNG by Bangladeshi vessels, the government has taken an initial plan to add two LNG vessels with a capacity of about 140,000 cubic metres, two of about 174,000 cubic metres and two more of 180,000 cubic metres to the BSC fleet.

Discussions are underway to introduce feeder services among the BIMSTEC member countries. To support the initiative, another project has been undertaken to procure four new cellular container vessels with a capacity of 1,200 to 1,500 TEU each. The Denmark government will support building the cellular container vessels. If the projects are implemented successfully, it can be said undoubtedly that the Bangladesh Shipping Corporation will be graduated into a self-reliant international shipping company.

Banglar Arjan is a bulk carrier that was built in 2018, sailing under the flag of Bangladesh.



## Foundation of private sector

No other private marine shipping took to the ground in the pre-independent period. Even for a long time after Bangladesh's emergence, the state-run Bangladesh Shipping Corporation remained as the sole marine shipping organisation. Although new ships were added to the BSC fleet, no initiative was seen in the private sector during this time. There was a logical reason behind this. The nationalisation of industry policy of the post-independence government put an impact in this regard. Later, as the private sector began to open up, interest in the ocean-going ship industry, like other ones, began to grow. Sanaullah Chowdhury was a pioneer of private investment in the ocean-going ship industry. Sanaullah, who joined Shaw Wallace (Pakistan) Limited in 1955 as an apprentice, soon attracted the attention of the higher officials of the Germany-based shipping company Hansa Lines. He got an opportunity of training from Hansa Lines headquarters in Bremen.

Sanaullah Chowdhury returned to Bangladesh after gaining extensive knowledge about the shipping industry in Germany, the Netherlands and Belgium. In 1966, he left his job at Shaw Wallace and established Atlas Shipping Service as a family business. Soon after Bangladesh's independence, his venture became an agent of Scindia Steam Navigation of India and India Steamship Company. A few years later, he also became an agent of the Shipping Corporation of India. Gradually, he evolved his business as diversified by agency, chartering, brokerage and other.

But Sanaullah Chowdhury's dream was much bigger. His dream realised in 1978 by opening a new chapter in the private shipping business in Bangladesh. Atlas Shipping bought an old ship of 10,000 GRT (Gross Register Tonnage) and started a marine shipping business.

A ship named Al-Salma got registered with the Chattogram Port. This was the first-ever private-run ocean-going ship in Bangladesh. Later on, Sanaullah added more ships to his company's fleet while



With the efforts of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, the first ship carrying the national flag 'Banglar Doot' was added to the BSC fleet in post-independence Bangladesh on 10 June 1972.

*Sanaullah Chowdhury was a pioneer of private investment in the ocean-going ship industry. Sanaullah, who joined Shaw Wallace (Pakistan) Limited in 1955 as an apprentice, soon attracted the attention of the higher officials of the Germany-based shipping company Hansa Lines.*

selling out the older ones as scraps. To the Atlas Shipping's fleet, Al-Sharmeen was added in 1980, Al-Shayesta in 1981, Al-Sana and Al-Salma-2 in 1985, Al-Shamrooz in 1986, Safar in 1989 and Al-Salmas in 1997. The company's last ship was Safar which was sold as scrap in 1999. By selling the Safar, the shipping company closed forever.

Atlas Shipping's ships were used to sail east from Japan to South Korea and west from Pakistan to the Persian Gulf. The company saved huge amount of money by hiring Bangladeshi sailors. Yet many Bangladeshi mariners working around the world had begun their career with Atlas Shipping.

After the Atlas Shipping, Abul Khair Chowdhury's Samudra Jatra Shipping, Wasiur Rahman Chowdhury's Aquatic Shipping, Abdul Awal Mintu's Bengal Shipping and Shah Alam's Continental Liner joined the shipping industry.

## Private-run shipping is dominating now

Pioneered by Sanaullah Chowdhury, currently, more than 10 private-run companies operating marine ships on international routes. The member companies of Bangladesh Ocean Going Ship Owners Association are—SR Shipping owned by the Chattogram-based industrial

group KSRM; Akij Shipping Limited owned by Akij Group, the state-run Bangladesh Shipping Corporation; Meghna Group; MI Cement; Vanguard Maritime Limited; Bashundhara Logistics owned by Bashundhara Group; BSA Shipping Limited; East Coast Shipping Lines owned by East Coast Group; Orion Oil and Shipping Limited owned by Orion Group; and HR Lines owned by Karnaphuli Group.

Apart from these companies, several others had been operating ships on international routes. However, their ships are not transporting goods at present.

## Ranking

Among the private-run seagoing shipping companies, the SR Shipping—owned by Chattogram-based KSRM Group that had invested first time in the sector in 2004—is the most advanced one. The MV Fatema Zahan was the first ship in the SR Shipping's fleet. At present, the shipping company owns 22 ships. Registered as Bangladeshi flag carriers, all the SR Shipping's ships are now transporting bulk products. The largest marine ship in the company's fleet is the MV Nazia Jahan. The bulk carrier of 58,110 deadweight tonnage was built in 2010.

After the SR Shipping, Akij Shipping Line Limited, owned by Akij Group, has the largest number of ships in the fleet. Launched in 2010 as a

subsidiary of the Akij Group, Akij Shipping Line Limited currently owns 10 seagoing vessels in its fleet, all of which are bulk carriers.

According to the company's website, Akij Glory, Akij Heritage, Akij Pearl, Akij Ocean, Akij Noor, Akij Wave and Akij Globe are the busiest among others. The ships, each of 76,302 deadweight tonnage, are all built in Japan in 2006. Besides, there is also a cargo ship named Akij Nobel of 58,710 deadweight tonnage in the 10 year-old Akij Shipping's fleet. The cargo ship was too built in 2006. The two other ships in the company's fleet are Akij Moon and Akij Star.

Meghna Group, one of the leading business groups in the country, has been operating the shipping business for more than four decades. The Meghna Group owns a total of seven ocean-going ships—MV Meghna Paradise, MV Meghna Rose, MV Meghna Energy, MV Meghna Adventure, MV Meghna Harmony, MT Meghna Pride and MT Meghna Trader.

Another Chattogram-based industrial group MI Cement Factory also has a separate shipping business. The company currently operates four seagoing ships in its fleet. With the MV Crown Victory, MV Crown Voyager, MV Crown Vision and MV Crown Virtue, the MI Cement Factory Limited has been operating its shipping business.

*MV Nazia Jahan is the largest in the fleet of SR Shipping. Built in 2010, the bulk carrier has a capacity of 58,110 DWT*



Besides, there are three seagoing ships owned by Vanguard Maritime Limited. The Chattogram-based company is transporting goods by sea through the ships named Grand Royal, Star Royal and Grand Royal.

Considering the growing demand, Bashundhara Logistics was established in 2004 by Bashundhara Group, one of the leading industrial families in the country. Although the company has a large fleet of lighter ships, the number of seagoing ships it owns is minimal. At present, the company owns two seagoing vessels—Bashundhara-6 and Bashundhara-8.

Apart from these, a Chattogram-based company BSA Shipping Limited operates two ocean-going ships named Brief Royal and Great Royal and East Coast Shipping Line operates MT Omera Queen and MT Omera Legacy. And Orion Oil and Shipping Limited has Orion Express while HRC Shipping owns Sahare and Sarera.

### Reasons behind private investment

The country's economy has changed remarkably in the last decade. Industrial development, establishment of new economic zones, policy support by the government and some big development projects have reshaped the economy. As the consequences,



*Karnaphuli Group procured two ships named MV Sarera and MV Sahera which are carrying Bangladeshi's flags.*

imports to and exports from Bangladesh have multiplied. Taking advantage of this opportunity, the private investors are leaning towards the marine shipping business to transport their own as well as the other's goods. Policy support by the government has also helped to attract private investment in the industry. The government is favouring duty waivers for the import of seagoing ships. Due to government policy, the importers do not have to pay any duty on the import of ships less than 22 years old and of 5,000 deadweight tonnage. Earlier, importers had to pay about 27 per cent duty while importing seagoing ships. Due to the costly tariff, businesses did not show much interest in investing in this sector. For the same reason, many marine ship owners were discouraged from registering their vessels in Bangladesh.

Another reason behind the recent surge in the imports of the marine ship is the falling price of ships because of the COVID-19 pandemic. Considering the situation as a privilege, registration for ships in Bangladesh has increased at a remarkable rate in the last eight months. Besides, hassle-free registration, low-paid experienced mariners, and the obligation to transport 50 per cent of the goods on Bangladeshi flagged ships are contributing to the development of the sector.

*Meghna Group, one of the leading business groups in the country, has been operating the shipping business for more than four decades. The Meghna Group owns a total of seven ocean-going ships.*

## Year-wise number of vessels

In 15 years since 2005, Bangladesh saw the highest number of ocean-going ships carrying the native flag during the years of 2011, 2012 and 2013. In these three years, there were the highest 67 ships. According to the statistics of the mercantile marine office under the shipping department, 31 marine vessels were engaged in transporting goods in 2005, 28 in 2006, 27 in 2007, 27 in 2008, 34 in 2009, 46 in 2010, 63 in 2014 and 47 in 2015.

Among the subsequent years, 45 marine vessels were engaged in cargo transport in 2016, 36 in 2017, 37 in 2018, 47 in 2019 and 62 in 2020.

## Registered ships

According to the mercantile marine office, there are 62 Bangladeshi flag carrier ships in total including eight of Bangladesh Shipping Corporation currently engaged in cargo transport on international routes. The ships include Bangladesh Shipping Corporation-owned Banglar Jyoti and Banglar Saurabh. The two ships got registration in 1988. The other ships that had been registered in the following next two decades are not in operation at present. Twenty years after 1988, three ships got registration in 2009. Later on, three more were registered as marine vessels in 2010, seven in 2011, one in 2012, nine in 2013, four in 2014, three in 2016, two in 2017, four in 2018, 11 in 2019 and 11 in 2020. After the year 2013, the highest number of marine vessels got registered in 2019 and 2020. The good news for this sector is that six ships have been registered in Bangladesh recently amid the COVID-19 pandemic.

## A new cruise with container ship

After Bangladesh's independence, Sanaullah Chowdhury pioneered private-run marine shipping in 1978. But all the Bangladeshi flag-carrying seagoing ships in the following 20 years were bulk carriers and oil tankers. Although container handling at the Chattogram port



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*According to the mercantile marine office, there are 62 Bangladeshi flag carrier ships in total including eight of Bangladesh Shipping Corporation currently engaged in cargo transport on international routes.*

started in 1976, no Bangladeshi company-owned container ship that time. During 1996-1998, about a decade after the start of container transport in import and export, Bangladesh stepped in seagoing container shipping thanks to the HRC Shipping Company and QC Shipping Line. HRC had 10 container ships while QC had seven during their operational period. However, QC stepped back from container shipping in 2007, so did HRC Shipping in 2010 due to the global recession, high operational cost and other issues. For the next 12 years, no local company engaged in container shipping. As a result, local importers had no other option but to rely on foreign ships to transport the containers for the entire period. Foreign shipping lines fully cashed in the freight charges while transporting the containers.

Given the steady increase of container shipment centring the Chattogram Port, the private-run Karnaphuli Limited has initiated to bring back the lost heritage. Karnaphuli Group-owned HR Lines, with an investment of Tk116 crore (1.16 billion), has started operating two container ships Sahare and Sarera on the Chattogram port-Singapore-Port Klang, Malaysia, routes. On regular basis, the container ships capable of transporting 1,550 TEU containers are transporting goods on these routes.

## Increasing income opportunity

For several recent years, the demand curve of the ocean-going ships for facilitating import-export in Bangladesh has been quite upward. Data suggests that Bangladesh dealt with maritime shipping of export-and-import of 18,148,000 tonnes of goods maximum during the 1999-20 fiscal. In the 2017-18 fiscal, the amount of export-import goods stood at 94,764,000 tons. In that long time, the transport of import-export goods reduced only once and the time was the 2011-12 fiscal year.

In that particular fiscal, maritime shipment of goods centring Bangladesh fell to 43,541,000 tons compared to that of 46,691,000 tons of the previous fiscal. With this exception, the trend of Bangladesh's maritime import and export seems growing. Consequently, the demand for seagoing ships is increasing too. More enthusiastic companies have been investing in the maritime shipping sector and new ships getting registered in Bangladesh ports to capitalise on the growing demand of service.

According to the United Nations Conference for Trade and Development (UNCTAD), the size of Bangladesh's shipping industry market was around USD 1.72 billion

(172 crore) in 2005. The market size expanded to USD 6.98 billion (698 crore) by 2017. Currently, the shipping industry market is even bigger.

However, foreigners used to occupy the lion share of Bangladesh's market for many years because the country lacked seagoing ships. Although the situation has improved a little, revenue earning by the Bangladeshi flag carrying ships has been increased.

UNCTAD data shows that overseas shipping lines had earned USD 1.59 billion (159.70 crore) by maritime export and import for Bangladesh in 2005. The domination of the overseas shipping lines over the Bangladesh-based export-import has intensified steadily. Revenues of the overseas companies from Bangladesh increased to USD 3.44 billion (344.20 crore) in 2010. In 2015 and 2017, they earned USD 5.77 billion (577.40 crore) and USD 6.48 billion (648.60 crore) respectively from Bangladesh.

With the inclusion of more local companies in this sector, Bangladesh's market share in marine shipping has increased more than ever. According to UNCTAD, revenue earning by the Bangladeshi shipping companies was only USD 122 million (12.20 crore) in 2005. In 2017, the amount stood at USD 500 million (50

crore). The obligation to transport 50 per cent of the local products through Bangladeshi flag carriers gives strength to the local shipping lines to grab the business opportunities.

Although the private-run Bangladeshi flag carriers can earn more from the maritime export and import, the state-owned Bangladesh Shipping Corporation for long was driven in the opposite direction. BSC, though, made USD 52 million (5.20 crore) in 2005, had earned USD 12.6 million (12,660,000) in 2017. However, officials are expecting that BSC's revenue would be increased a bit as the new six ships have been added to its fleet while procurement of some more ships is underway.

## Conclusion

After a long period of backlog, Bangladesh's marine shipping industry has stepped on the track to explore the horizon. Actually, the private sector is prompting the expansion of Bangladeshi fleets. This ongoing development has also boosted Bangladesh's position in the International Maritime Organisation (IMO). The logic is too simple. The greater a country has its marine vessels' Gross Register Tonnage (GRT), the greater the status of that country with the International Maritime Organisation. Considering Bangladesh's development in the

particular sector, it can be said that Bangladesh is on the right track to becoming a maritime nation.

Most important thing is that an opportunity has been created by the local shipping companies to save huge amounts of money while paying the overseas shipping companies as freight charges. Because Bangladeshi merchandisers have to pay USD 8-9 billion as freight charge each year. When the country lacked local ships, there was a mere scope to save only 2 per cent of the charges. As the number of Bangladeshi flag carrying ships increases, an opportunity is being created to claim local share into the freight charges. Marine shipping industry experts now say that additional 2 per cent GDP growth in the national economy will be possible every year if the potentials of marine shipping are fully exploited.

*With the inclusion of more local companies in this sector, Bangladesh's market share in marine shipping has increased more than ever.*

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*(This article is translated and edited from a lead story published in Bandarbarata October 2020 issue)*





➤ **Bangladesh is one of the top three countries in achieving SDGs**



Bangladesh is one of the top three countries in achieving the United Nations Sustainable Development Goals (SDGs). This information has come up in the report of the Sustainable Development Solutions Network of the United Nations. The other two countries leading the SDGs are Afghanistan and Ivory Coast. Achieving SDGs is being hampered by the COVID-19 pandemic. The United Nations enacted the SDGs in 2015, with a 15-year implementation period. Its main goal is to

ensure peace and prosperity by 2030. It has set 17 targets. And there are 169 specific targets. Some of the goals of the SDGs is to eradicate poverty, ensure food security, improve health, improve education and prevent gender inequality.

Bangladesh's overall score in this year's SDG index is 63.5%. Last year this score was 63.26%. When SDG was adopted in 2015, Bangladesh's score was 59.01%. Bangladesh ranks 109 out of 165 countries in the world. Bangladesh is ahead of India and Pakistan in this regard.

Finland is at the top of the list this time. The country's score is 85.9%. The next four countries are Sweden, Denmark, Germany and Belgium. The countries at the bottom of the list are the Central African Republic, followed by Sudan and Chad. The three countries that have dropped in the list are Venezuela, Tuvalu and Brazil. Bhutan is the most advanced in South Asia. The country ranks 70th. It is followed by Maldives, Sri Lanka and Nepal. Their positions are 79th, 87th and 96th respectively.

➤ **Celebrating the 134th Port Day on a limited scale**



Due to the Corona Pandemic, the 134th Chattogram Port Day has been celebrated on a limited scale this time. On the occasion of the day, Rear Admiral M Shahjahan, chairman of Chattogram Port Authority raised

the national flag and port member Md. Zafar Alam raised the port flag on the morning of 25 April. All the members of Chattogram port, all the department heads and CBA leaders were present during the flag raising.

At this time the chairman of Chattogram port greeted all those present on the occasion of the Port Day. He said, "During the lockdown announced by the government, the employees and workers of Chattogram port have been working 24/7, following the hygiene rules under the direction of Hon'ble Prime Minister and overall supervision of State Minister for Shipping in the interest of keeping the supply chain of the country uninterrupted."

He thanked the officials and employees of the port and urged the officials and employees of the port to work tirelessly in compliance with the hygiene regulations to keep the wheel of the country's economy in motion.

➤ **Rear Adm. Md. Khurshed Alam (retd) elected as the head of an international maritime organisation**



Rear Admiral Md. Khurshed Alam (retd), Secretary of Maritime Affairs Unit, Ministry of External

Affairs, has been elected as the Chairman of the Regional Committee of the IOC Central Indian Ocean. He was elected on 19 May at the company's virtual meeting.

A statement from the foreign ministry said Admiral Alam has been elected for two years. This is possible because the international community has confidence on him and can rely on him.

Founded in 1982, the organisation has a total of 19 members. The member countries are Australia, France, India, Indonesia, Iran, Iraq, Kuwait, Malaysia, Maldives, Myanmar, Oman, Pakistan, Qatar, Saudi Arabia, Sri Lanka, Thailand, United Arab Emirates and United Kingdom.

➤ **Per capita income is now USD 2,227**

The per capita income in the country has increased to USD 2,227. In Bangladeshi currency it is BDT 1 lac 88 thousand 873 per year.

On 16 May, in an unofficial speech at the cabinet meeting, Planning Minister MA Mannan disclosed this information. Cabinet Secretary Khandaker Anwarul Islam said this in a briefing after the meeting. Hon'ble Prime Minister Sheikh Hasina took part in the meeting virtually from Ganobhaban.

Every person, from children to old people of Bangladesh, including expatriate Bangladeshis earns 15 thousand 739 per month.

According to data provided by the Bangladesh Bureau of Statistics (BBS) last year, the per capita income for so many days was 2 thousand 64 US dollars. Compared to that, per capita income has risen by 163 dollars, up 9% from last time.

The International Monetary Fund (IMF) estimated that Bangladesh's GDP growth could fall to 3.8% in 2019-20. According to the organisation's calculations, this will have an impact in the current 2020-21 fiscal year as well.

## ▶ Board Member Md. Zafar Alam received the Innovator Award



The Ministry of Shipping has given 'Innovator Award 2021' to six officials of the ministry and agencies including Md. Zafar Alam, joint secretary to the Government and board member of the Chattogram Port Authority for special contribution to innovative work. The award was given on 29 June in the meeting room of the Ministry of Shipping. State Minister for Shipping Khalid Mahmud Chowdhury was the chief guest at this meeting. Secretary of the Ministry of Shipping Mohammad Mezbah Uddin Chowdhury presided over the function.

Md. Zafar Alam received the award for the innovation of 'Re-engineering of CPA One Stop Service: A Sustainable Solutions to Combat Pandemic (COVID-19) Situation'. Besides, Additional Secretary of the Ministry of Shipping Sanjoy Kumar Banik and Bangladesh Marine Academy exhibitor Md. Khaled Salauddin received the award for the innovation of non-invasive ventilator, disinfectant oven, and automatic hand sanitiser for

the prevention of COVID-19, Joint Secretary (Administration and Budget) of the Ministry Dr ANM Bazlur Rashid and Systems Analyst GM Faisal Ahmed for 'ICT Equipment Management System', and Private Secretary to the Secretary to the Ministry Md. Abdullah Al Mahmud received the award for 'enhancing the management of meeting rooms and facilitating the planning of various programmes'.

Speaking on the occasion, Khalid Mahmud Chowdhury said, "Innovative initiatives are important in all fields. The world is moving forward because of the power of innovative thinking. Bangladesh is also moving forward. Innovative thinking is a force. This energy is necessary. If we can harness this energy, development will be more dynamic."

## ▶ CPA deposited BDT 3,000 crore to the treasury

In the fiscal year 2020-21, the government had set a target of raising BDT 15 thousand and 800 crore from nine autonomous organisations. Accordingly, eight companies have made full payment and the other partial. In all, BDT 15 thousand 200 crore has been deposited in the state treasury. According to the finance department of the Ministry of Finance, the 9 autonomous organisations had a balance of BDT 91 thousand 202 crore till last January.

In the first phase, the finance department asked six companies to deposit BDT 4 thousand 800 crore in the state treasury from their surplus funds for the current fiscal year. The agencies were Chattogram Port Authority, Mongla Port Authority, National University, Bangladesh Standards and Testing Institution (BSTI), National Curriculum and Textbook Board (NCTB) and Export Promotion Bureau (EPB). Then last December, the finance department asked three more companies to deposit BDT 11 thousand crore. These were Bangladesh Petroleum Corporation (BPC), Petrobangla and Bangladesh Power Development Board (BPDB).

Till May, 8 out of 9 companies have deposited the amount of money determined for them. As a single company, BPC has deposited a maximum of BDT 5 thousand crore in the state treasury. As of 31 January, BPC had a surplus of BDT 32 thousand 583 crore. Petrobangla is the second highest depositor. They have deposited BDT 4 thousand crore from the balance of BDT 19 thousand 290 crore. Chattogram Port Authority has deposited the third highest amount of BDT 3 thousand crore. The balance of Chattogram port is BDT 11 thousand 835 crore.

BPDB has deposited BDT 2 thousand crore from the balance of BDT 22 thousand 503 crore. Besides, EPB has deposited BDT 300 crore, National Curriculum and Textbook Board (NCTB) BDT 200 crore, Mongla Port Authority BDT 200 crore and BSTI BDT 100 crore to the state treasury.

## ▶ 8 thousand workers of Chattogram port received incentives



Financial incentives and food items have been distributed to 8,000 workers of Chittagong port.

Rear Admiral M Shahjahan, chairman of Chattogram Port

Authority, inaugurated the event on 11 May at the New-mooring Container Terminal (NCT) Jetty as the chief guest.

As per the directives of the Prime Minister, it was decided to provide financial incentives and food items at the initiative of the Chattogram Port Authority and the district administration to keep the port workers motivated. According to the decision, financial incentives and food items (rice, pulses, sugar and soybean oil) were distributed to 8 thousand workers at the port worth BDT 1 thousand 500.

## ▶ Chattogram port donated a grant of BDT 25 crore to the Prime Minister's COVID-19 fund

The Chattogram Port Authority has donated BDT 25 crore to the COVID-19 Assistance Fund and House Construction Fund by Private Finance, which are running under the direction of Hon'ble Prime Minister Sheikh Hasina. Rear Admiral M Shahjahan, chairman of Chattogram Port Authority, handed over the cheque to the Principal Secretary to the Prime Minister of Bangladesh, Ahmed Kaikaus on 10 June in the virtual presence of the Prime Minister at Ganobhaban.

## ➤ Export of saplings for the first time by sea

For the first time, Bangladesh started exporting saplings by sea. On 9 June, a consignment of 3 thousand and 747 saplings of 8 species was brought to Chattogram port for exporting to Qatar. On 14 June, the ship of Maersk Shipping Line left Chattogram port with the consignment of Maersk Xiamen saplings. The consignment of saplings loaded in containers for export includes 795 saplings of Malta, 152 saplings of Jamrul, 950 saplings of lemon, 1 thousand 280 saplings of Neem, 40 saplings of Banyan tree, 320 saplings of Sofeda, 170 saplings of almonds and 40 saplings of thorny acacia. Al Naimi Landscaping, a Bangladeshi-owned company based in Doha, Qatar, imported the saplings from Bangladesh to Qatar.

Messrs. Bijra Enterprise of Bijra Bazar, Laksam, Comilla has exported the saplings. Prior to export, the saplings from Chattogram were loaded onto a 40-foot air-conditioned container at the Eastern Logistics Depot in Patenga.

Shamsul Islam, CEO of Bijra Enterprise, said, “During the inauguration of the country’s first World Trade Centre in Agrabad, Chattogram on 30 January, 2016, Prime Minister Sheikh Hasina asked traders to find new markets. Emphasising on agricultural products, the Prime Minister said, ‘This market will never shrink.’ Inspired by that, I have been trying to export saplings since 2018. Despite exporting saplings a few times by air while facing various difficulties, this is the first time I am exporting saplings from Bangladesh by sea. Exporting saplings by air is very expensive. So, I have started to export saplings by ship. Through this, I hope to be able to export about 1 crore dollars worth of saplings a year.”

Abu Sufian Maruf, owner of Al Naimi Landscaping, a Qatari importer, and Messrs. Bijra Enterprise in Comilla, said: “We have been trading saplings in Qatar for 20 years. We import and sell saplings from more than 20 countries to Qatar. But this is the first time I am taking saplings from my own country by ship.”

“Vietnam exports trees to many countries in the Middle East, including neighboring our country India,” he said. “Despite the huge potential, Bangladesh is lagging behind in this sector.”



## ➤ Entrepreneurs will get benefits if their ships are on sail



This year’s budget has given relief to the entrepreneurs of sea-going vessels. The Government has agreed with some of the demands of the entrepreneurs to increase investment in this sector. For a long time, entrepreneurs in this sector could import ships which were at a maximum of 22-years-old from abroad. And after they made the purchase, there was no opportunity to sell the ship before 5 years. They had to pay in advance. Therefore, the entrepreneurs demanded to lift the various restrictions imposed on the business in this sector including reducing taxation.

In his budget speech, Finance Minister A.H.M Mustafa Kamal recommended that the lifespan of old ships be changed from 22 years to 25 years and the period of sale after imports be fixed at 3 years instead of 5 years. Sea-going vessels have also been included in the circular of withdrawal of advance tax. In the circular, the finance minister also announced the withdrawal of advance tax on the import of sea-going vessels with a carrying capacity of more than 5,000 tons.

According to the data of the Shipping Office last April, the number of sea-going ships carrying the flag of Bangladesh is now 66. KSRM (SR Shipping), Meghna Group, Akij Group, Bashundhara Group, Karnaphuli Limited, MJL Bangladesh, Orion Group and 11 other industrial groups have sea-going vessels. The number of ships has increased in the last few years as compared to the past due to increasing the facilities for the entrepreneurs in this sector. This year, industrial groups like Meghna Group and Karnaphuli Limited have made new investments in the sector.

According to the data of the three seaports, more than 10 and a half crore tons of imported and exported goods are transported by sea in Bangladesh every year. Very little of this product is transported on domestic flagships. According to Bangladesh Bank, in the fiscal year 2019-20, USD 2.87 billion or BDT 24 thousand and 359 crore has been spent on importing goods by sea. However, according to the Bangladesh Ocean Going Ship Owners Association, the cost of transporting goods by sea will not actually be less than USD 8 billion. From this, only USD 300 million, or 4.5% share held by Bangladeshi flagships.

## ▶ CPA proposed to unload goods from private ICD during lockdown

The Chattogram Port Authority (CPA) has proposed to release all imported goods from the private ICD during the lockdown to keep the container free from container clutter. The chairman of the port authority has written a letter to the chairman of the National Board of Revenue (NBR) in this regard. To keep activities going during lockdown, a meeting was held at Chattogram port. Representatives of various stakeholder organisations including Customs, BGMEA, BKMEA, Shipping Agents Association, C&F Agents Association were present at the meeting held at the conference room of Chattogram port. During the meeting, port chairman Rear Admiral M Shahjahan agreed to deliver all imported goods from private container depots during lockdown. "A letter has been sent to the NBR chairman in this regard," he said.

Meanwhile, Syed Nazrul Islam, first vice-president of BGMEA, said, "The garment industry is in crisis due to the COVID-19 pandemic. Factories are closing. Buyers are canceling or suspending orders. At this time, it is not possible to unload products from the private ICD with extra charge."

Chattogram Port Secretary Mr. Mohammad Omar Faruk said, "Last year, the slowdown in container delivery due to COVID-19 and lockdown created a terrible container jam at the port, and a lot of difficulties were faced trying to come out of the situation. High-ranking government officials also had to hold meetings to decide what to do in the situation that arose. At that time all the containers were taken directly to the private container depot and the problem was solved by unloading them from there. Therefore, a letter has been sent to the NBR as a precaution so that the lockdown announced from 1 July does not result in the past situation being repeated."

## ▶ Construction materials for Bangabandhu Railway Bridge reached Mongla port



Panama's flagbearing ship MV Franbo Lohas has arrived at Mongla port with the construction materials for Bangabandhu Railway Bridge, the largest railway bridge in the country. On 14 June, the ship docked at the port's jetty no. 7 with construction

materials for the bridge. The ship's local agent Haque & Sons manager Md. Shawkat Ali said, "The ship has brought 3 thousand and 288 metric tons of steel pipes and piles for Bangabandhu Railway Bridge, which are being released by local workers."

Rear Admiral Mohammad Musa, chairman of Mongla Port Authority, said, "Goods for the Bangabandhu Bridge have arrived from Vietnam."

The foundation stone of the railway bridge was laid in November 2020, 300 metres north of the Bangabandhu Bridge over the Jamuna river. The construction cost of the longest bridge with a length of 4.8 Km has been estimated at BDT 16 thousand 781 crore.

## ▶ Government approved the acquisition of khas land for the Bay Terminal project area

The land acquisition complexity of the much-coveted Chattogram Port Bay Terminal construction project has been resolved. The land ministry has approved the acquisition of 803 acres of khas land (Government owned fallow land) proposed for the project. On 22 June, in a letter signed by Md. Asaduzzaman, the Deputy Secretary of the Ministry of Land Acquisition-2, directed the Deputy Commissioner of Chattogram to hand over the 803-acre land to the secretary of the shipping ministry under the State Acquisition and Tenancy Act. This has put an end to the complexity of the Bay Terminal construction project.

Chattogram port had bought 68 acres of land for the Bay Terminal using its own funds. The Central Land Allocation Committee was stuck with the acquisition of 803 acres of khas land proposed for the Bay Terminal. The port authority has taken another step towards the implementation of the project by approving a total of 803.17 acres of land, including 0.79 acres of privately owned land.

In the second stage of the acquisition process, the district administration will determine the value of the land subject to the existing infrastructure under section 7 of the land acquisition law. Section 8 will issue a notice to the port to pay the final fixed price of the survey conducted by various agencies including the Ministry of Housing and Public Works. The port will have to pay the nominal price within 120 days. Then, within 7 days of receiving the money, the land owners will relocate themselves. Chattogram district administration will hand over the land to the port starting the construction of Bay Terminal.

According to the plan, one of the three terminals will be built by Chattogram Port Authority alone and the other two on Build-Operate and Transfer (BOT) basis, which will be launched by 2026.

Chattogram Port Secretary Mr. Mohammad Omar Faruk said, "The work of the Bay Terminal project has been taken up by the port authority long ago. The port had bought 68 acres of land with its own funds. Now the letter from the land ministry shows new hope for the Bay Terminal project."





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