

The Patenga Container Terminal

A Catalyst for the
Country's Maritime Ascent

Prime Minister Inaugurated the Matarbari Channel
and Deep Seaport Construction



A Strategic Crossroads
for Maritime Future of
Bangladesh

Bangladesh Has Been
Elected as a Member of
The Council Of IMO

Bay Terminal to Transform
the Maritime Trade
of Bangladesh

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Editorial

Bangladesh: Where the Sea is the Highway to Prosperity

Welcome to the latest edition of CPA News! As we plot a course the ever-changing waters of the maritime industry, this issue brings you exciting developments and exclusive insights that promise a prosperous future for Bangladesh.

Bangladesh's maritime history enters a new era with the opening of the Patenga Container Terminal (PCT). This major development marks a turning point for the country's economy. Under the Prime Minister Sheikh Hasina's forward-thinking leadership, the PCT represents Bangladesh's first venture into foreign direct investment (FDI) for its port operations. This symbol of progress serves as a gateway to a more prosperous future and a driving force behind Bangladesh's rise in the maritime sector, as explored in the chapter titled 'Beacon of Hope'.

Bangladesh's dream of becoming a regional trade hub faces a hurdle: its dependence on the single port of Chittagong. To break this bottleneck and unleash its full maritime potential, the nation has launched the groundbreaking Bay Terminal project. This transformative initiative leverages Bangladesh's strategic position in the Bay of Bengal and its thriving export sector, vowing to revolutionise the country's maritime trade landscape, as explored in the chapter titled 'New Horizon' with the story, 'The Bay Terminal at Chittagong Port'.

For Bangladesh, the Bay of Bengal is not just a scenic coastline, it is a bustling marketplace. Two critical Sea Lines of Communication (SLOCs) crisscross the bay, serving as the lifeblood of the nation's economy. One route stretches eastward, connecting Bangladesh to the vibrant economies of Southeast Asia, while the other heads westward, linking the country to the Middle East and beyond. The article in the 'Perspective' chapter delves deeper into the significance of these SLOCs for Bangladesh, exploring the economic opportunities they present, the challenges they pose, and the strategies to ensure their smooth and secure operation.

As we navigate the exciting future of maritime trade, let us embrace collaboration, resilience, and innovation. Together, we can chart a course towards a brighter, more prosperous world for all.

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

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



Beacon of Hope

The Patenga Container Terminal A Catalyst for the Country's Maritime Ascent

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The nation's rich maritime tradition takes a bold step forward with the opening of the Patenga Container Terminal (PCT). This landmark development, driven by the visionary leadership of Prime Minister Sheikh Hasina, marks the first time Bangladesh has welcomed foreign direct investment (FDI) into its port operations.

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Perspective

A Strategic Crossroads for Maritime Future of Bangladesh



The Bay of Bengal transects two vital SLOCs. One stretches eastward, connecting Bangladesh to the booming economies of Southeast Asia and beyond. The other heads westward, linking the nation to the Middle East and beyond. These routes are the lifeblood of Bangladesh's economy. A 2020 World Bank report emphasises that efficient maritime transport is crucial for reducing trade costs and boosting export competitiveness.

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New Horizon

Bay Terminal to Transform the Maritime Trade of Bangladesh



Bangladesh's potential as a regional trade hub faces a challenge of capacity. To address this bottleneck and unlock its full maritime potential, the nation has embarked on the Bay Terminal project. This transformative initiative promises to reshape the country's maritime trade landscape, capitalising on Bangladesh's strategic location in the Bay of Bengal and its burgeoning export-oriented economy.



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Bangladesh and Saudi Arabia Strengthen Trade Ties: Prime Minister Sheikh Hasina Witnesses Signing of Patenga Container Terminal Concession Agreement

The Patenga Container Terminal A Catalyst for the Country's Maritime Ascent

CPA News desk

Bangladesh, a nation with a rich maritime history dating back centuries, has embarked on a transformative journey by opening its doors to foreign direct investment (FDI) in its port operations for the first time. This bold move, driven by the visionary leadership of Prime Minister Sheikh Hasina, signals a sea change for the nation's economy, promising to propel it towards maritime prominence. The centrepiece of this historic development is the recently inaugurated Patenga Container Terminal (PCT), a symbol of progress and a gateway to a brighter economic future.

A Paradigm Shift in Port Operations

The PCT, formally opened on November 14, 2023, marks a significant departure from traditional practices in Bangladesh's port management. The terminal, entrusted to RSGT Bangladesh, a subsidiary of the globally renowned Red Sea Gateway Terminal International (RSGTI), signifies a paradigm shift towards foreign-managed port operations. This collaboration, formalised through a concession agreement on December 6, 2023, represents not just a one-time financial transaction but a long-term strategic partnership. It paves the way for a continuous influx of FDI into the sector, fostering knowledge exchange, technology transfer, and the adoption of international best practices.

The concession agreement grants RSGT the right to operate the technologically advanced PCT under a Public-Private Partnership (PPP) established between the Bangladeshi government and Saudi Arabia. The PCT boasts an impressive 580-metre quay length and over 200,000 square metres of operational space, strategically positioned alongside the South Container Yard. With a deep draft of 9.5 metres, the terminal promises faster turnaround times for vessels due to shorter sailing distances, while also implementing guaranteed service windows, a first for Chittagong Port. To further enhance efficiency, RSGT plans to invest USD 170 million in cutting-edge equipment, including four advanced ship-to-shore cranes. Initially, the PCT will handle geared vessels with a capacity of 250,000 TEUs per year. However, this capacity is designed to double with the arrival of additional equipment, including STS cranes and Rubber-Tired Gantry cranes, allowing the PCT to accommodate the largest vessels calling on Chittagong Port.

A Technological Marvel for Efficiency and Capacity

The PCT is not merely a physical structure; it is a testament to Bangladesh's commitment to innovation and efficiency. Equipped with cutting-edge technology, including four advanced ship-to-shore cranes, the terminal boasts an initial annual capacity of 250,000 TEUs. However, this is just the first wave. The terminal is designed for scalability, with the potential to double its capacity upon the introduction of additional equipment and the ability to handle three vessels simultaneously. This transformative development, hailed by Prime Minister Hasina as a "beacon of hope" for economic growth, promises to significantly

enhance the capacity of Chittagong Port, Bangladesh's premier maritime gateway.

A Catalyst for Regional Trade and Economic Growth

The impact of the PCT transcends the realm of mere capacity expansion. By establishing Bangladesh as a more strategic and efficient trade partner, the terminal is poised to foster regional trade, opening doors to new markets, and creating a ripple effect across diverse sectors within the nation. This includes:

Enhanced Connectivity: The PCT's strategic location, closer to the Karnaphuli estuary, translates to shorter sailing distances for vessels lowering fuel consumption and operational costs. This makes Chittagong Port more competitive for shipping lines. Quicker turnaround times for ships at PCT translate to faster cargo movement through Chittagong Port. This benefits businesses by improving supply chain efficiency and reducing lead times. Patenga's location will help alleviate congestion at existing terminals within Chittagong Port, allowing for smoother operations and faster cargo handling. The additional capacity offered by PCT can significantly increase the volume of cargo handled by Chittagong Port, boosting Bangladesh's trade activity.

With the PCT, Chittagong Port can potentially offer more competitive rates and faster turnaround times, attracting new clients and diversifying its trade partnerships. The efficiency gains from PCT could encourage trade diversification

beyond traditional exports, promoting the growth of new industries in Bangladesh.

Job Creation: The project is expected to generate numerous employment opportunities across various sectors, including logistics, transportation, and related services, contributing to economic growth and poverty reduction.

Terminal operations: Crane operators, cargo handlers, truck drivers, security personnel, administrative staff.

Supporting industries: Warehousing, freight forwarding, customs brokerage, repair and maintenance of equipment.

Indirect jobs: Catering, transportation for workers, IT services for port operations.

Skill levels: The jobs will range from entry-level (labor) to skilled positions (engineering, IT). This offers opportunities for various segments of the workforce.

Entrepreneurship: The improved trade environment fostered by the PCT will incentivise the creation of new businesses, particularly in export-oriented industries, stimulating economic diversification and innovation.

The Patenga Container Terminal's improvements in Chattogram's trade environment are expected to have a significant impact on entrepreneurship, particularly in export-oriented industries. Let's delve deeper into this by exploring the potential incentives, diversification, and innovation:

Incentives for New Businesses: The improved efficiency of the terminal can lead

Prime Minister Sheikh Hasina inaugurated Patenga Container Terminal on November 14 through video conference. The third terminal of the Chittagong Port made a formal journey through it





After signing the agreement with PCT, Saudi Investment Minister Khalid Al-Falih, Prime Minister's Private Industry and Investment Advisor Salman Fazlur Rahman, Senior Secretary of the Ministry of Shipping, Md. Mostafa Kamal, Port Chairman Rear Admiral Mohammad Sohail and members of the Saudi investment delegation visited the terminal

to faster processing times and potentially lower shipping costs. This makes exporting more attractive for businesses, especially smaller players who might have previously found it cost-prohibitive. The increased

capacity and efficiency of the terminal can open doors to new international markets. Businesses can now consider exporting goods that were previously difficult or expensive to ship.

A Saudi Arabian company to operate Patenga Container Terminal



First foreign company in Terminal management in Bangladesh



RSGT has a combined annual container handling capacity of 2 crore TEUs



22 years concession agreement



RSGT plans to invest USD 170 million in equipment additions



RSGT is one of the 10 largest terminal operators in the world



The first terminal built with indigenous talent

- Inauguration on November 14, 2023
- Third terminal of Chittagong Port
- There are three container jetties and a dolphin jetty for oil discharge

- Annual container handling capacity is five lakh TEUs
- Feasibility study, detailed design done by BUET

The faster turnaround times and potentially lower costs can make Bangladeshi exports more competitive in the global market. This can lead to increased demand for locally produced goods, encouraging new businesses to enter the export sector.

Stimulating Economic Diversification:

Shift beyond traditional exports: Bangladesh's export sector has traditionally relied on garments. The improved trade environment can incentivize businesses to explore new export opportunities in areas like processed foods, electronics, or light manufacturing. As export-oriented businesses flourish, there will be a rise in demand for supporting industries such as packaging, logistics, and marketing. This can create a ripple effect, diversifying the overall economy. The improved trade environment can make Chattogram a more attractive destination for foreign investors. This can bring in new technologies, expertise, and capital, further diversifying the economic landscape.

Fostering Innovation: Easier access to international markets can encourage businesses to move beyond simply exporting raw materials or low-value-added products. This can lead to innovation in product development and design. The influx of foreign investment and expertise can create opportunities for collaboration between Bangladeshi and international businesses. This can foster innovation through knowledge sharing and the exchange of ideas. Increased export earnings can provide Bangladeshi businesses with the resources to invest in R&D. This can lead to the development of new products, processes, and technologies, further driving innovation.

Strengthening Bangladesh's Position in the Maritime Landscape

The PCT's strategic location plays a crucial role in solidifying Bangladesh's position as a vital link in the global supply chain. Situated on a 580-metre quay with a 9.5-metre draft, the terminal offers several advantages:

Reduced Fuel Consumption: Shorter sailing distances for vessels entering and leaving the port lead to significant fuel savings, contributing to environmental sustainability and enhancing the competitiveness of Bangladeshi businesses in the global market.

Improved Trade Facilitation: The terminal's proximity to international shipping routes

streamlines trade between Bangladesh and the wider world, facilitating the seamless movement of goods and fostering international trade partnerships.

Gateway to Emerging Markets: The strategic location positions Bangladesh to capitalise on the growth potential of emerging economies in Southeast Asia, offering a gateway for trade and investment opportunities.

A Synergy of Expertise and Resources

The success of the PCT transcends its physical structure and hinges on the collaborative spirit fostered between RSGT Bangladesh and the Chittagong Port Authority. This partnership offers several advantages:

Knowledge Transfer: RSGT Bangladesh brings to the table its expertise in international port operations and best practices, which can be transferred to local stakeholders, fostering long-term capacity building within the Bangladeshi maritime sector.

Technology Adoption: The collaboration facilitates the adoption of cutting-edge technologies and operational advancements at the PCT, enhancing efficiency and competitiveness.

Shared Resources: By pooling resources and expertise, both entities can leverage their strengths to optimise operations,

minimise risks, and ensure the long-term success of the project.

Illuminating the Path to a Brighter Future

The inauguration of the PCT is not just a ceremonial event, but a transformative milestone marking a new chapter in Bangladesh's maritime history. As the nation embraces foreign investment, leverages international expertise, and invests in cutting-edge technology, a vibrant future filled with economic prosperity and enhanced regional connectivity lies ahead. The PCT stands as a beacon of hope, illuminating the path towards a brighter future not just for Bangladesh, but for the entire region.

Challenges and Opportunities

While the inauguration of the PCT marks a significant step forward, challenges remain. Ensuring smooth integration of foreign expertise with local operations, streamlining regulatory frameworks to navigate potential complexities, and fostering a culture of continuous improvement will be crucial for the terminal's long-term success. Additionally, capitalising on the opportunities presented by the PCT requires a multi-pronged approach:

Developing Supporting Infrastructure: Upgrading roads, railways, and logistics facilities surrounding the port will ensure

efficient movement of goods to and from the terminal, maximising its potential.

Investing In Skilled Workforce

Development: Equipping the local workforce with the necessary skills to operate and maintain sophisticated equipment and navigate the complexities of international trade will be essential to ensure the terminal's long-term sustainability.

Promoting Trade Facilitation: Streamlining customs procedures, implementing digital trade solutions, and fostering trade partnerships will play a critical role in attracting international businesses and maximising the terminal's impact on regional trade.

Conclusion

The Patenga Container Terminal represents a pivotal moment in Bangladesh's journey towards becoming a major maritime player. By harnessing the potential of this transformative project, fostering international collaboration, and addressing emerging challenges, Bangladesh is poised to redefine its position on the global map and establish itself as a key player in the evolving world of maritime trade. The success of the PCT will not only reshape Bangladesh's economic landscape but also serve as a testament to the nation's unwavering commitment to progress and its ability to navigate the complexities of the globalised world. ◀



A Strategic Crossroads for Maritime Future of Bangladesh

CPA News desk



For Bangladesh, a nation cradled by the world's largest bay, the Bay of Bengal is not just a geographical feature; it is a pulsating artery. The Bay serves as a critical Sea Line of Communication (SLOC) – a maritime highway for over 90% of the country's trade – and a treasure trove of untapped resources. Understanding the Bay's intricate dynamics is paramount to securing Bangladesh's economic prosperity and maritime security.

Sea Lines of Communication

The Bay of Bengal transects two vital SLOCs. One stretches eastward, connecting Bangladesh to the booming economies of Southeast Asia and beyond. The other heads westward, linking the nation to the Middle East and beyond. These routes are the lifeblood of Bangladesh's economy. A 2020 World Bank report emphasises that

efficient maritime transport is crucial for reducing trade costs and boosting export competitiveness. Chittagong Port, nestled on the Bay's shores, stands as a testament to this. It is the lifeblood of Bangladeshi trade, handling over 90% of containerised cargo.

However, the Bay's strategic location also presents challenges. A 2023 report by the

International Institute for Strategic Studies (IISS) highlights the increasing presence of foreign militaries in the Bay raising concerns about potential militarisation and its impact on the freedom of navigation. Bangladesh, with its modest naval capabilities, needs to tread carefully, fostering regional cooperation to ensure the Bay remains a zone of peace and free navigation.

Riches Beyond the Surface of the Bay

The Bay of Bengal is not just a transportation corridor; it is a vast reservoir of untapped resources. Recent explorations by the Government of Bangladesh (GoB) point towards a treasure trove of potential beneath the waves.

1. The Blue Gold: Fisheries

Bangladesh boasts one of the world's most productive Exclusive Economic Zones (EEZs) – a maritime zone where the nation has exclusive rights to explore and exploit resources. The Bay's fertile waters teem with a rich diversity of fish species, supporting the livelihoods of millions of coastal communities. A 2022 research paper published in *Frontiers in Marine Science* found a concerning trend of overfishing of commercially valuable species like Hilsa shad. This emphasises the urgent need for Bangladesh to invest in sustainable fishing

practices, strengthen maritime surveillance to combat IUU fishing, and explore aquaculture to meet the growing demand for seafood while preserving biodiversity.

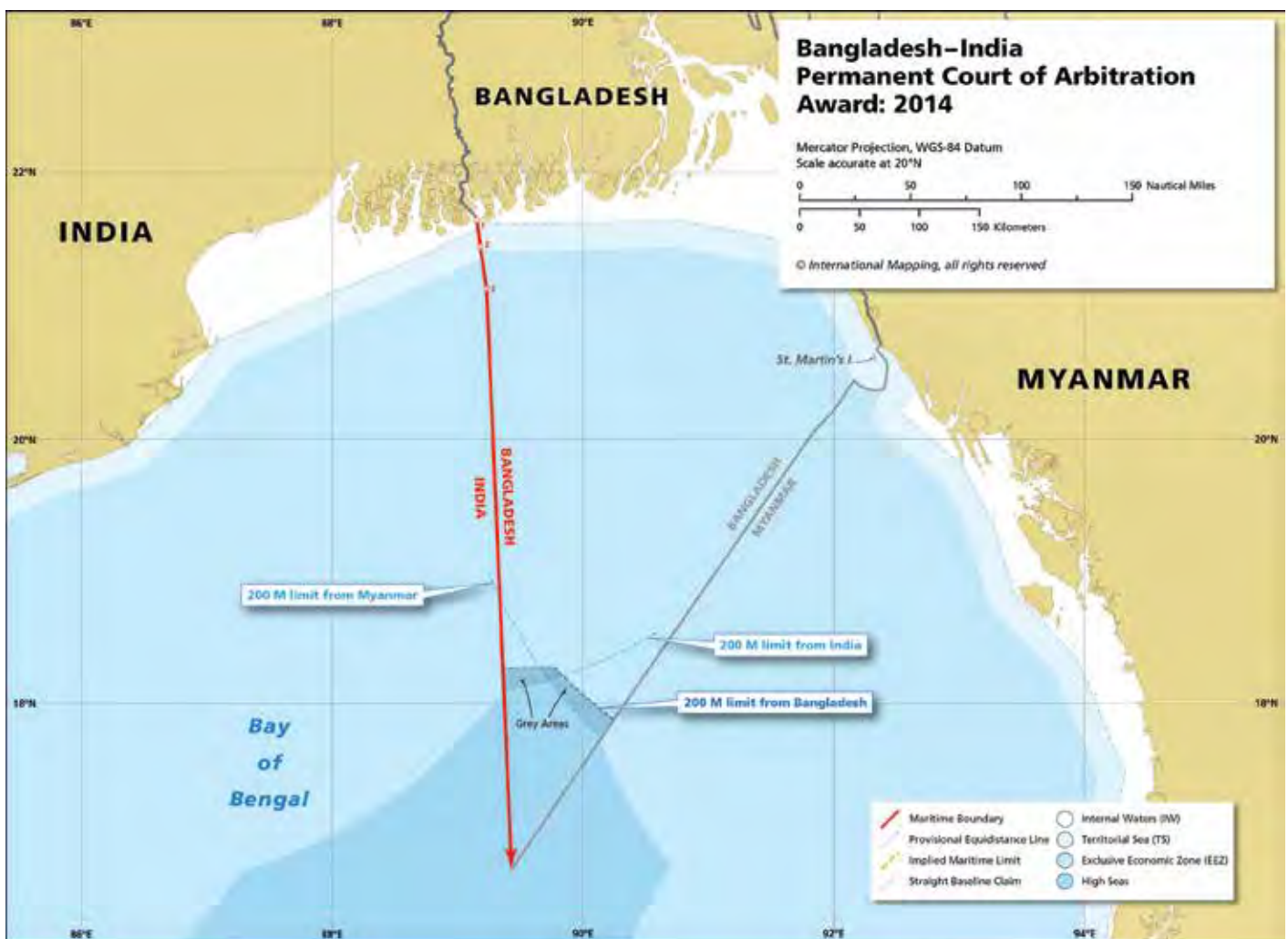
2. The Black Gold Beneath the Waves: Hydrocarbons

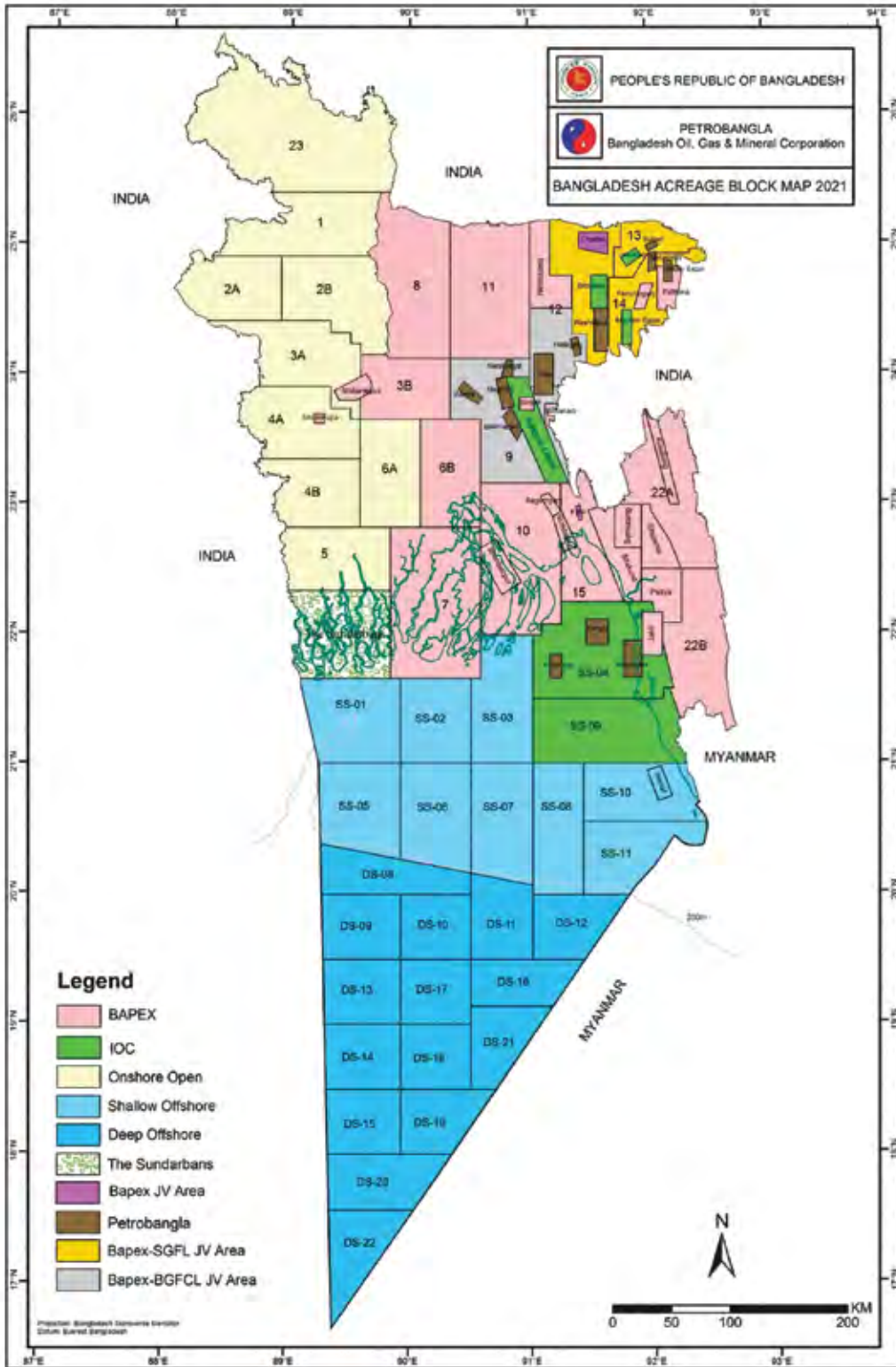
The Bay of Bengal holds immense potential for hydrocarbon reserves, particularly natural gas. Recent discoveries by international oil companies like Reliance Industries in neighbouring India have heightened interest in exploring Bangladesh's own potential reserves. These discoveries, coupled with the depletion of domestic gas reserves, have spurred the GoB to intensify exploration efforts. However, navigating the complex legal and environmental considerations of offshore drilling requires careful planning and international collaboration. A 2023 study by the Stockholm Environment Institute emphasises the need for robust environmental impact assessments and

mitigation strategies before embarking on large-scale offshore drilling projects.

3. The Unexplored Frontier: Deep-Sea Minerals

Beyond fish and hydrocarbons, the Bay's seabed holds the promise of deep-sea minerals like polymetallic nodules, containing valuable metals like cobalt and rare earth elements, crucial for modern technology. Though commercially unexplored in the Bay, these resources offer a potentially lucrative future prospect. However, responsible, and sustainable mining practices are vital to prevent environmental damage in these fragile ecosystems. The International Seabed Authority (ISA) is currently developing regulations for deep-sea mining in international waters, and Bangladesh needs to be actively involved in shaping these regulations to ensure responsible exploitation if it chooses to pursue this path.





Bangladesh's offshore region, comprising a major part of the central Bay of Bengal, is globally known for its high hydrocarbon potential. It has 11 shallow-water blocks and 15 deepwater blocks

Challenges and Opportunities at the Bay

While the Bay offers immense potential, several challenges need to be addressed.

1. Climate Change and Rising Sea Levels

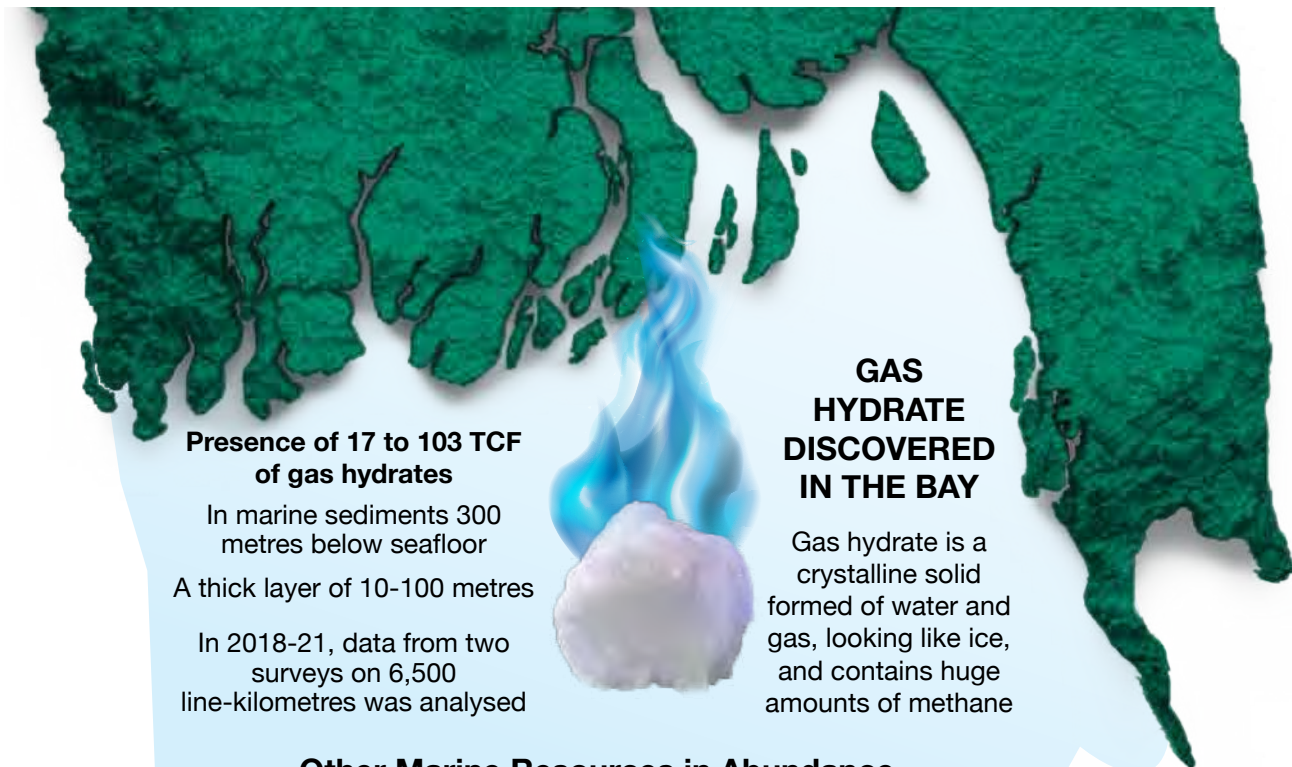
Bangladesh is one of the countries most vulnerable to the rising sea levels caused by climate change. Increased storm surges and coastal erosion pose a significant threat to coastal communities and infrastructure. The GoB needs to invest in coastal protection measures, develop climate-resilient infrastructure, and raise awareness among coastal communities. A 2023 report by the Intergovernmental Panel on Climate Change (IPCC) emphasises the need for urgent global action to mitigate climate change and invest in climate adaptation strategies in vulnerable regions like Bangladesh.

2. Piracy and Maritime Security Threats

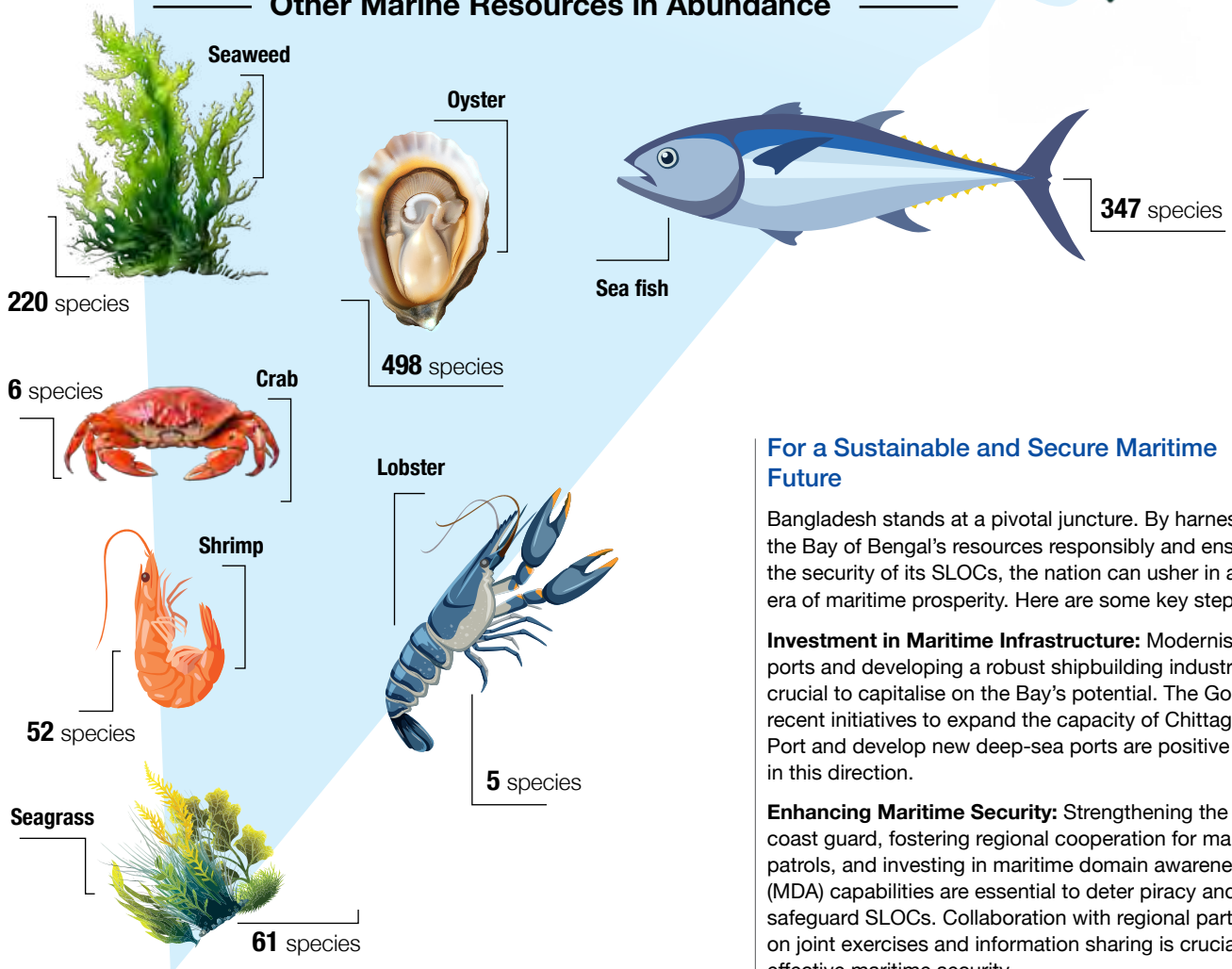
Piracy and armed robbery at sea remain a concern, particularly in the eastern Bay. While Bangladesh has made strides in strengthening its coast guard, regional cooperation to ensure maritime security is crucial. Collaboration with neighbouring countries and international bodies like the Regional Cooperation Agreement on Combating Piracy and Armed Robbery at Sea in Asia (ReCAAP) is vital. A recent 2023 report by ReCAAP highlights a shift in piracy tactics, with a rise in kidnappings for ransom targeting fishers. This necessitates enhanced regional intelligence sharing and coordinated patrols to effectively combat these evolving threats.

3. Balancing Interests: Geopolitical Competition

The Bay of Bengal has become a stage for the intensifying geopolitical competition between regional powers. Bangladesh needs to navigate these complex dynamics carefully, pursuing a policy of neutrality while fostering regional cooperation to ensure the Bay remains a zone of peace and collaboration. A 2024 article published in the journal "Security Dialogue" argues that promoting a rules-based order in the Bay of Bengal, with adherence to international law and freedom of navigation, is crucial for maintaining regional stability. Bangladesh can play a key role in advocating for such an order.



Other Marine Resources in Abundance



For a Sustainable and Secure Maritime Future

Bangladesh stands at a pivotal juncture. By harnessing the Bay of Bengal's resources responsibly and ensuring the security of its SLOCs, the nation can usher in a new era of maritime prosperity. Here are some key steps:

Investment in Maritime Infrastructure: Modernising ports and developing a robust shipbuilding industry are crucial to capitalise on the Bay's potential. The GoB's recent initiatives to expand the capacity of Chittagong Port and develop new deep-sea ports are positive steps in this direction.

Enhancing Maritime Security: Strengthening the coast guard, fostering regional cooperation for maritime patrols, and investing in maritime domain awareness (MDA) capabilities are essential to deter piracy and safeguard SLOCs. Collaboration with regional partners on joint exercises and information sharing is crucial for effective maritime security.

Blue Economy Initiatives: Promoting sustainable fishing practices, exploring aquaculture, and harnessing renewable ocean energy sources like wind and wave power can create new economic opportunities while protecting the environment. Investments in marine research and development are also critical for understanding the Bay’s ecosystem and identifying sustainable blue economy opportunities.

Developing a Legal and Regulatory Framework: A robust legal framework for maritime activities, including exploration, exploitation, and environmental protection, is crucial to attract responsible investments and ensure sustainable development. Bangladesh can learn from best practices in other maritime nations to develop a comprehensive legal framework for its blue economy endeavours.

A Shared Future for Bangladesh and Bay of Bengal:

The Bay of Bengal is not just a resource for Bangladesh; it is a shared maritime space.

By fostering regional cooperation with its neighbours, Bangladesh can ensure the Bay becomes a zone of peace, prosperity, and collaboration.

BIMSTEC Cooperation: The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) offers a platform for regional collaboration on maritime security, resource management, and disaster preparedness. Bangladesh can actively participate in BIMSTEC initiatives to promote a rules-based order in the Bay and address shared challenges.

Free Trade Agreements: Negotiating free trade agreements with regional partners can boost maritime trade and economic integration. Focusing on trade agreements that promote sustainable maritime practices can be particularly beneficial.

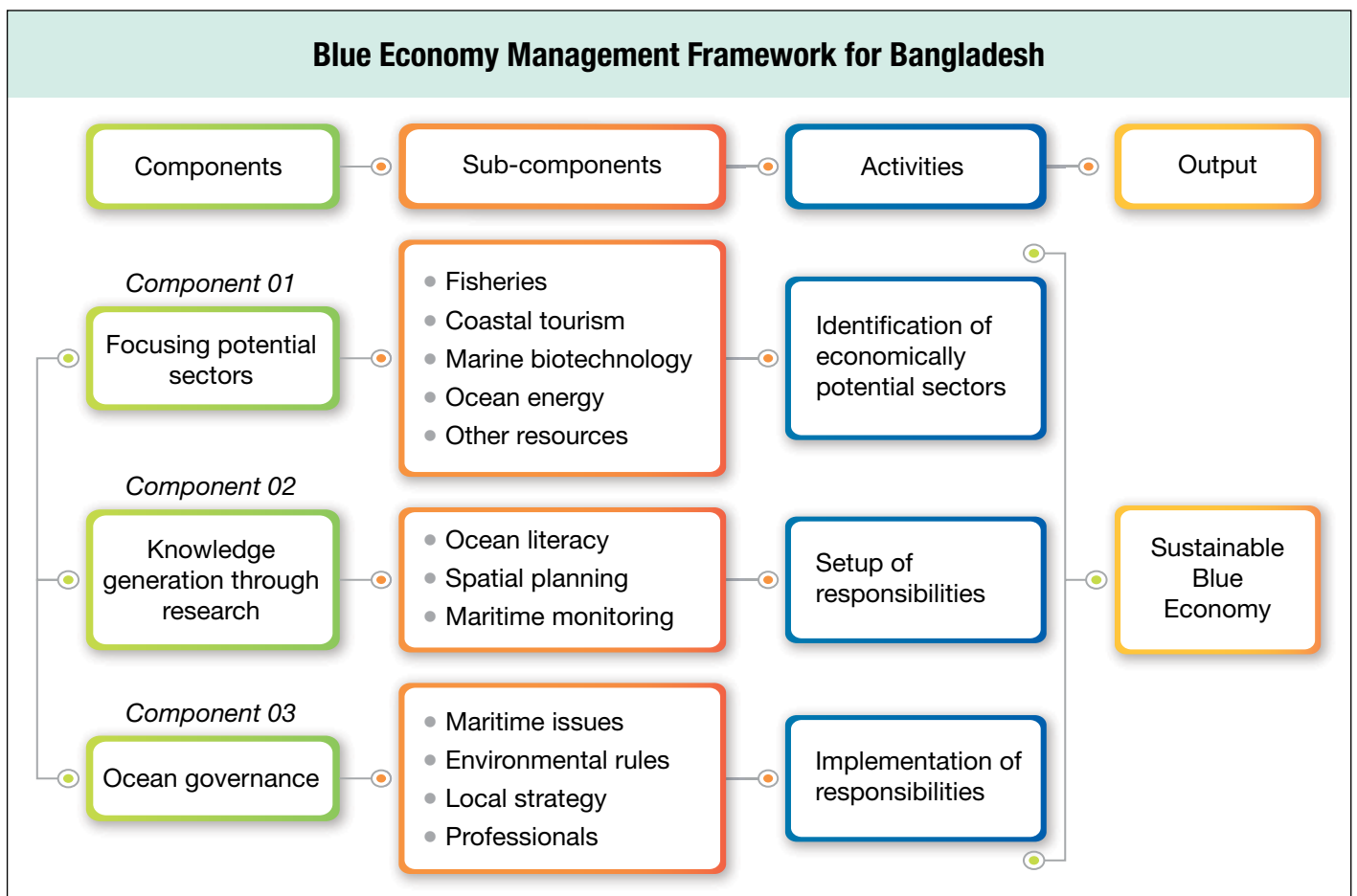
Joint Marine Research: Collaborating on marine research initiatives with regional and international partners can lead to a deeper understanding of the Bay’s ecosystem and promote sustainable resource management practices. Participation in international

research programmes can provide access to innovative technologies and expertise.

Conclusion

The Bay of Bengal is a double-edged sword for Bangladesh. It offers immense potential for economic growth and security, but also presents significant challenges. By adopting an initiative-taking approach that balances resource exploitation with environmental protection, fostering regional cooperation, and investing in a robust maritime infrastructure, Bangladesh can navigate these challenges and transform the Bay of Bengal from a geographical feature into the cornerstone of its maritime future.

This future hinges on Bangladesh’s ability to harness the Bay’s resources responsibly, ensure the security of its SLOCs, and emerge as a leader in promoting a peaceful and prosperous Bay of Bengal for all littoral states. The Bay’s destiny is intricately intertwined with maritime future of Bangladesh, and the nation stands poised to write a new chapter in its maritime saga, ensuring a secure and prosperous future for its citizens. ◀





Bay Terminal at Chittagong Port

To Transform the Maritime Trade Landscape of Bangladesh

CPA News desk

A Maritime Nation on the Rise

Bangladesh, a nation steeped in rich maritime history, is experiencing exponential growth within its export-oriented economy. With a coastline stretching over 710 kilometres and a strategic location in the Bay of Bengal, Bangladesh boasts immense potential as a regional trade hub. However, the nation's reliance on a single port – Chittagong Port – has posed significant challenges for handling the ever-increasing volume of international trade. To address this bottleneck and unlock its full maritime potential, Bangladesh embarked on the ambitious Bay Terminal project, a transformative initiative set to reshape the country's maritime trade landscape.

Understanding the Context: Challenges and Opportunities

Chittagong Port, established in the 17th century, has historically been the lifeblood of Bangladesh's maritime trade. However, the port has struggled to keep pace with the rapid growth of international trade in recent years. Some of the key challenges faced by Chittagong Port include:


Limited Capacity: The existing infrastructure lacks the capacity to handle larger vessels commonly used in contemporary shipping, making it necessary to rely on transshipment through regional hubs, leading to increased costs and delays.

Congestion and Inefficiency: Existing berths are often congested, resulting in longer turnaround times for ships, further hindering operational efficiency.


Outdated Infrastructure: Much of the existing infrastructure at the port requires modernisation to meet the demands of modern cargo movement.


These challenges present a significant bottleneck for Bangladesh's trade ambitions. Recognising this, the government of Bangladesh identified the need for a strategic intervention to address these limitations and unlock the nation's true maritime potential.


BAY TERMINAL PROJECT

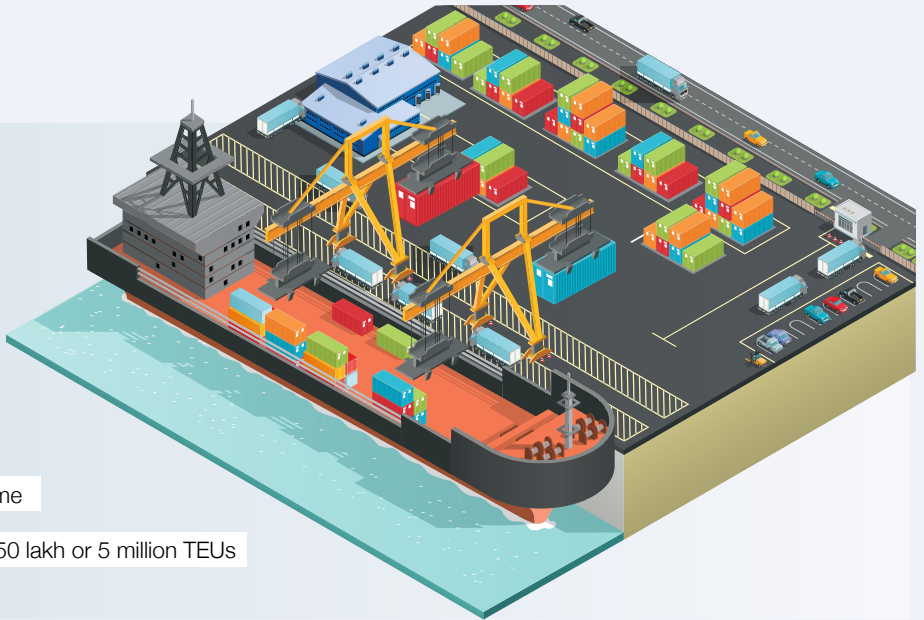
 Expected to be complete in 2026

 Will have road, rail connectivity

 Ship fares to reduce by 30-40%

 35 ships will be able to berth at a time

 Container handling will increase by 50 lakh or 5 million TEUs



Component →	Container Terminal 1	Container Terminal 2	Multi-purpose Terminal	Break water	Dredging of terminals and entrances
Size →	1.225km (90 Hectares)	1.5km (60 Hectares)	1.5km (56 Hectares)	5 km	18.3m Cubic metres

Chittagong Port's Bay Terminal: A project at a glance

The Bay Terminal: A Vision for Transformation

The Bay Terminal project emerged as a comprehensive solution to address the challenges faced by Chittagong Port. Envisioned as a state-of-the-art deep-sea port facility, the Bay Terminal is poised to revolutionise Bangladesh's maritime sector, bringing about several key transformations:

1. Enhanced Infrastructure:

1500-metre Jetty: This extended jetty will allow the port to accommodate larger vessels with greater cargo capacities, eliminating the need for transshipment and reducing costs.

Dredged Approach Channels: Deepening the approach channels will enable the smooth navigation of larger ships, further enhancing the port's capabilities.

Modern Gantry Cranes: Installation of advanced gantry cranes will significantly expedite container loading and unloading, streamlining cargo movement and reducing turnaround times.

Supporting Infrastructure: The project encompasses the development of essential supporting infrastructure, including storage yards, dedicated roads, and IT systems, to create a seamless and efficient port operation ecosystem.

2. Increased Efficiency and Competitiveness:

Reduced Turnaround Times: The Bay Terminal's modernised infrastructure will facilitate faster loading and unloading of cargo, resulting in quicker turnaround times for vessels, leading to significant cost savings for shipping companies and exporters.

Direct Berthing of Larger Vessels: By enabling direct berthing of larger vessels, the Bay Terminal will eliminate the need for transshipment, significantly reducing transportation costs and increasing the competitiveness of Bangladesh's exports in the global market.

Improved Connectivity: The project will enhance Bangladesh's connection to

regional and global trade routes, facilitating smoother movement of goods across international markets.

3. Economic Growth and Job Creation:

Stimulating Economic Activity: The Bay Terminal, upon completion, is expected to attract increased investment and trade, fostering economic activity in the surrounding regions, and creating numerous job opportunities in various sectors.

Infrastructure Development: The project has spurred infrastructural development in surrounding areas, including the construction of improved road networks and logistics facilities, further supporting economic growth.

Skills Development: The project will necessitate a skilled workforce to operate and maintain the modern infrastructure, leading to skill development initiatives and fostering a more skilled workforce in the maritime sector.

The Bay Terminal: An Ongoing Journey

The Bay Terminal project, while still under development, has progressed significantly. As of October 2023, the construction of the 1500-metre jetty has reached a completion rate of 80%, with the remaining work scheduled for completion soon. Dredging of the approach channels is also underway, with significant progress achieved. The installation of modern gantry cranes and the development of supporting infrastructure are in the planning stages.

Expanding Capacity and Attracting Global Expertise

The project is designed to expand the capacity of Chittagong Port sixfold, creating four new terminals to efficiently handle the increasing volume of cargo. This ambitious initiative has attracted global giants like:

PSA Singapore: A world leader in port management and operations, expressing interest in container handling at the Bay Terminal.

DP World: Another major player in global container terminal operations, also showing interest in container handling opportunities.

These collaborations signify the international recognition of the Bay Terminal's potential and its ability to attract leading expertise in the maritime sector. Additionally, the project has received a significant proposal for:

Abu Dhabi Port Group: A USD 1 billion proposal for the development of a multipurpose terminal at the Bay Terminal.



This map pinpoints the Bay Terminal's strategic advantage

This multipurpose terminal will cater to various cargo types beyond containers, further diversifying the port's capabilities and catering to a wider range of trade needs.

Furthermore, a significant USD 3.5 billion investment is proposed for a dedicated terminal for gas and oil, aligning with global port standards and significantly enhancing operational capabilities in handling these crucial energy resources.

These investments, alongside the core infrastructure development, paint a

comprehensive picture of the Bay Terminal project's vision. It aims to:

Accommodate Larger Vessels: The expanded capacity and deeper approach channels will allow the port to handle the larger vessels used in modern shipping, eliminating the need for transshipment and reducing transportation costs.

Improve Cargo Handling Efficiencies: Modern infrastructure, advanced technology, and expertise from global partners will significantly improve cargo handling efficiency, reducing turnaround times and streamlining logistics for businesses.

Support The Country's Growing Trade and Economic Aspirations: By addressing the capacity constraints and enhancing operational efficiency, the Bay Terminal is expected to play a crucial role in facilitating increased trade volumes, attracting foreign investment, and propelling Bangladesh's economic growth.

A Catalyst for Transformation

The Bay Terminal project embodies Bangladesh's commitment to harnessing its maritime potential and propelling the nation towards a brighter economic future. The project's transformative potential extends beyond the immediate benefits of increased efficiency and economic growth. It signifies Bangladesh's ambition to establish itself as a key player in the global maritime landscape, fostering regional integration and contributing to the nation's overall economic development and prosperity. ◀

Entrance and exit of the Bay Terminal





▶ The Prime Minister Inaugurated the Matarbari Channel



The Honourable Prime Minister Sheikh Hasina inaugurated the 14.3 km man-made navigation channel of the Matarbari Deep Sea Port and commenced the construction of the port's first terminal on 11 November 2023. The Prime Minister revealed the inauguration plaque for the Matarbari Channel and initiated the first terminal at a ceremony

held in the Matarbari Deep Sea Port Project vicinity. The event was chaired by the State Minister of Shipping, Khalid Mahmud Chowdhury, with the presence of the ministry's senior secretary, Md. Mostafa Kamal and the Chairman of the Chittagong Port Authority, Rear Admiral Mohammad Sohail, who delivered the welcome address.

The ceremony was attended by cabinet members, members of the parliament secretaries, Chiefs of various forces, and high-ranking officials from both public and private sectors.

Following the port's development, it will accommodate direct berthing for container ships, ranging between 8,000 to 10,000 TEUs. The Matarbari Port Development Project, marking the nation's first deep seaport, entails an investment of approximately BDT 17,777 crores and is scheduled for completion by 31 December 2026. The Coal Power Generation Company Bangladesh Limited (CPGCB) officially transferred the responsibility of the constructed channel, part of the Matarbari Ultra Super Critical Coal Fired Power Project, to the Port Authority on 20 September 2023.

▶ Bangladesh Has Been Elected as a Member of The Council Of IMO

Bangladesh secured victory in the 'C' category during the International Maritime Organisation (IMO) Executive Council elections. At the 33rd session of the United Nations shipping-related specialised agency in London on 1 December 2023, Bangladesh was elected to the new 40-member IMO Council for the year 2024-25.

In the 'A' category, the focus is on countries most interested in providing international shipping services, while the 'B' category comprises nations keen on international seaborne trade. The 'C' category includes countries not selected in 'A' or 'B' but with special interests in maritime transport or navigation. These twenty countries represent all major geographical regions worldwide.

This year's 'C' category council member elections feature twenty-five competing countries. Bangladesh secured its position with an impressive 128 votes out of 168 valid votes.

▶ Chittagong Port Celebrated Victory Day



The Chittagong Port Authority commemorated the Great Victory Day with a full day of dignified programmes. At the stroke of midnight, all ships and vessels stationed within the port's waters sounded their whistles in unison for a minute. As dawn broke at 6:00 a.m., the national flag was raised at all offices, buildings, residential quarters, vessels anchored in the channel, educational institutions, clubs, and parliament buildings within the Chittagong Port Authority. Port Chairman Rear Admiral Mohammad Sohail and board members led the flag-hoisting ceremony, followed by a salute and wreath-laying at the monument located within the Republic Club premises. Later, at 10:00 a.m., the Chairman distributed winter clothing and blankets to the underprivileged.

To mark the occasion, a discussion meeting and a documentary screening focused on the Liberation War were organised at 11:00 a.m.

During his speech as the chief guest, the Port Chairman announced plans to construct a "Freedom Tower" within the port to honour the sacrifices of the freedom fighters. He urged all present to carry forward the spirit of the Liberation War and the ideals of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, for the betterment of the country and its people.

A special prayer service was held for the deceased freedom fighters, the well-being of surviving veterans and war-wounded individuals, and the continued prosperity of the nation. Additionally, special prayers and religious ceremonies were organised at all mosques, shrines, temples, and Buddhist monasteries under the port's jurisdiction.

The afternoon saw a friendly football match played at the Shaheed Engineer Shamsuzzaman Stadium between the Chittagong Port Officers Association and the Chittagong Port Employees Parishad, followed by a match between the Muktijoddha Sangsad Command and the Port Republic Club.

Furthermore, the Chittagong Port Authority distributed special incentives to its workers in recognition of Victory Day.

➤ Contract for the Construction and Operation of Two Terminals is Likely to be Signed in June



An agreement with two foreign companies is anticipated to be signed in June for the construction and management of two terminals within the proposed Bay Terminal of Chittagong Port. These two companies are Singapore's PSA and the United Arab Emirates' DP World.

Rear Admiral Mohammad Sohail, Chairman of Chittagong Port, shared this information during discussions with reporters on 14 December 2023. During this interaction, he highlighted the progress of three port expansion projects: the Bay Terminal, the Patenga Container Terminal (PCT), and the Matarbari Deep Sea Port Project.

The Chairman explained that on 14 November 2023, the Prime Minister unveiled the master plan for constructing the Bay Terminal at Patenga. This signifies that the master plan has been finalised. The project's design will be prepared by next March. Under this initiative, the World Bank is providing financing for the construction of shipping channels and breakwaters.

The Bay Terminal will consist of three distinct terminals. While the port itself will construct and operate one terminal, the remaining two will be developed and managed through a government-to-government (G2G) arrangement. PSA Singapore and DP World, both renowned entities, will oversee these terminals as part of a public-private partnership. Activities have already commenced with the goal of finalising an agreement with these two organisations in June.

Regarding the Matarbari deep seaport terminal, construction is scheduled to commence in February or March. Matarbari is expected to be operational by 2026.

As for the Patenga Container Terminal (PCT), the Chairman mentioned that the terminal operated by a Saudi Arabian company is projected to become operational within four months of the agreement. While the company will import equipment from Saudi Arabia and commission the terminal, the installation of modern cranes for lifting and unloading containers from ships will require additional time. It may take up to two years for the terminal to become fully operational with state-of-the-art equipment.

➤ The Government's Emphasis on the Search for Domestic Energy Sources to Reduce Imports

The government is prioritising the exploration of domestic energy sources to minimise reliance on imports, driven by significant price surges and scarcity on the international market. According to the Power Division, there will be a concerted effort to maximise output from currently operational mines within the nation. Additionally, the search for gas will be expanded in areas with similar geological features to those mines, with an aim to boost the availability of domestic gas by approximately 600 to 1000 million cubic feet per day.

Nasrul Hamid, the State Minister for Power, Energy, and Mineral Resources, has indicated that the reserves at the Bibiana field could see an increase of up to one and a half trillion cubic feet. This potential was identified following exploratory work in a new zone allocated to Chevron Bangladesh, with expectations of an imminent announcement regarding this development.

Two years prior, the Chevron Bibiana field was producing 1,200 million cubic feet of gas daily; however, this figure has now dwindled to 140 million cubic feet. Following governmental approval, Chevron initiated explorations in the vicinity of the Bibiana gas field, instilling new hope with the expanded exploration area.

Bapex has identified two gas fields in Bhola, yet despite having the capacity, it has been impractical to transport gas from these locations. Nevertheless, with the discovery of additional gas, the government is keen on establishing a new pipeline, a commitment made by Prime Minister Sheikh Hasina prior to the elections. This initiative aims to foster industrial growth in Barisal and Khulna by utilising Bhola gas.

Furthermore, Bapex plans to drill five additional wells in Bhola, with the prospect of extending exploration to nearby areas should these wells prove fruitful. The organisation also anticipates discovering new gas reserves across the expansive island.

The Power Division has outlined plans to drill fifty new wells between 2025 and 2028, with a total of one hundred wells by 2030. This endeavour is expected to significantly enhance domestic gas production, potentially increasing it by 600 to 1000 million cubic feet per day.



▶ China is Developing Mongla Port



China is actively engaged in the expansion and development project of Mongla Port. This project, valued at BDT 4,282.76 crore, will see BDT 500.39 crore funded by the Bangladeshi government, with the remaining BDT 3,782.36 crore provided by China through a G2G (Government-to-Government) agreement.

The project will be implemented by the Ministry of Shipping and contracted to the Chinese firm, China Civil Engineering Construction Corporation (CCECC).

Approval for the project, titled “Expansion and Development of Mongla Port Facilities,” was granted by the Executive Committee of the National Economic Council (ECNEC) on 12 September 2023. The project awaits final approval

from the Cabinet Committee on Government Procurement (CCGP) before commencement.

According to the project proposal, Mongla Port’s strategic location offers advantages for cargo handling in Bangladesh’s north and southwest regions, along with India, Nepal, Bhutan, and China’s border areas. This presents potential for handling transit cargo for these countries. Furthermore, the newly established Khulna-Mongla railway is anticipated to significantly increase cargo movement through Mongla Port, justifying the project’s economic significance.

The project breakdown includes BDT 229.46 crore for administrative and temporary works, BDT 327.16 crore for land development, BDT 557.73 crore for pavement (RCC works), BDT 669.99 crore for marine structure construction, and BDT 1,562.11 crore for handling equipment procurement.

Mr Zahirul Haque, Head of the Planning Department at the Mongla Port Authority, estimates project completion by June 2027. The project will incorporate a smart equipment handling system, a designated hazardous cargo storage area, two container jetties, a container delivery yard, a multi-storey car park building, and dredging for a deeper navigable channel.

Mr Haque further elaborated that the smart equipment handling system will enable the automated raising and lowering of containers, with each system boasting a handling capacity of 400,000 TEUs.

▶ The Scope of RMG Industry has Increased Even in Economic Crisis



Despite the challenges posed by a dollar shortage and economic pressures, the global value of garments produced in Bangladesh has seen a notable increase. Furthermore, Bangladesh has achieved the distinction of being the leading exporter of denim garments, prompting garment industry entrepreneurs to establish new factories. Remarkably, Bangladesh boasts 206 green factories, leading the world in this respect, as per data from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) covering the period from 2018 to 2023. During these six years, 603 new factories were established, with 565 of these securing permanent membership in BGMEA, half of which occurred in the last two years, specifically in 2022 and 2023.

In 2023 alone, entrepreneurs launched 134 new garment factories, with many investors being newcomers to the sector. Farooq Hasan, the President of BGMEA, highlighted the necessity of exploring new markets to navigate through multifaceted challenges, emphasising the shift towards green factory initiatives. He noted that the recent additions to BGMEA were not entirely new to the apparel industry, with some being expansions of existing units.

To boost exports, members have been encouraged to invest in factories equipped with modern technology to produce a diverse range of garments. Hasan underscored the goal of reaching an export value of USD 100 billion by 2030. To date, 206 factories in the sector have obtained Leadership in Energy and Environmental Design (LEED) certification, positioning Bangladesh at the forefront of the global green industry. A sizeable number of these green factories, specifically 129, received their LEED certification in the last five years.

Meanwhile, the export of garments from these factories continues to rise. Over six years, the export of ready-made garments has almost increased by one and a half times. In the first six months of the fiscal year 2023-24, there was a 1.72 percent increase in overall garment exports.

Since 2017, Bangladesh has held the title of the top denim exporter to the European Union (EU), with one in three individuals in the region wearing denim pants made in Bangladesh. Bangladeshi entrepreneurs have invested approximately BDT 25,000 crores in the denim sector, resulting in the establishment of 42 modern factories capable of producing over 90 million meters of denim fabric annually.

➤ Emphasis on Speedy Implementation of National Single Window



During a workshop held in Chittagong, speakers highlighted the urgent need for the swift implementation of the 'National Single Window' system to diminish the time and expenses associated with conducting business within the nation. Concurrently, they advocated for the development of a national logistics policy and a reduction in port clearance times through enhanced automation. The workshop titled 'Trade Facilitation for Competitiveness Enhancement: Challenges and Ways to Move Forward' was organised on 4 November 2023 by the Economic Relations Department (ERD) in partnership with the Chittagong District Administration.

ERD Secretary Sharifa Khan served as the principal guest, with Vice Chairman of the Export Development Bureau (EPB) AHM Ahsan, Divisional Commissioner of Chittagong Division Tofail Islam, and a member of the Chittagong Port Authority, Habibur Rahman, as special guests. The workshop was chaired by Chittagong Deputy Commissioner Abul Basar Mohammad Fakhruzzaman.

The speakers noted that trade facilitation plays a crucial role in accelerating a country's commercial activities. It necessitates the modernisation and harmonisation of trade-related regulations, policies, and procedures, contributing to business efficiency, competitiveness, and the reduction of business operational costs and time.

The purpose of the workshop was to assess the current status of the Chittagong Port, as well as the communication, system, and logistics sector in the region, to pinpoint existing challenges and opportunities for trade facilitation. Based on this assessment, discussions were aimed at identifying measures to enhance the country's economic and trade competitiveness.

Chittagong Port Authority member Habibur Rahman remarked that by augmenting the capacities of ports, Bangladesh has the potential to become a pivotal maritime communication and trade hub in South Asia and between South and East Asia.

Dr Mustafa Abid Khan, the component manager of ERD's Support to Sustainable Graduation project, delivered a presentation outlining the workshop's key topics.

➤ World Bank to Rapidly Finance Bay Terminal Project

The World Bank is set to expedite funding for the construction of the breakwater and channel of the Bay Terminal project, aiming to boost the capacity of Chittagong Port, announced Abdoulaye Seck, the World Bank's Country Director for Bangladesh and Bhutan. He made this statement during a dialogue with members of the Chittagong Chamber on 1 November 2023 at the World Trade Centre in Chittagong.

Abdoulaye Seck explained, "This meeting was convened to gather insights from the private sector, which will inform the social and environmental feasibility analysis prior to financing the Bay-Terminal project." He highlighted that the project's successful implementation would transform Chittagong into a significant logistics centre by enhancing maritime connectivity. Moreover, it would benefit the ongoing connectivity initiatives linking Chittagong with India's landlocked northeastern territories, including Bhutan and Nepal.

He further remarked that Bangladesh is on course to attain middle-income status by 2026 and aims to become a developed nation by 2041. Concurrently, Bangladesh's import and export volumes are on the rise. The World Bank is supporting the country's progress through the financing of various projects, assessing the needs of end-users, especially from the private sector.

Omar Hajjaz, President of the Chittagong Chamber, noted that nearly 90% of the nation's import-export activities are processed through the Chittagong seaport. There is an increasing trend in domestic and international investments across five industrial zones in Chittagong and three in Cox's Bazar. Consequently, local businesspeople are eager to utilise the Bay Terminal to expedite the import-export operations and further their business growth. The implementation of the Bay Terminal project is anticipated to invigorate the Dhaka-Chittagong and Chittagong-Cox's Bazar Economic Corridors.





▶ Plans to Add Twenty-One More Seagoing Vessels to BSC



The Bangladesh Shipping Corporation (BSC), the national flag carrier, intends to progressively expand its fleet by incorporating twenty-one ocean-going vessels of several types. Established on 5th February 1972 by the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, BSC was formed with the aim of managing import-export activities through its own ships navigating international waterways.

These remarks were delivered by State Minister for Shipping, Khalid Mahmud Chowdhury, during his welcome address at the 46th Annual General Meeting of BSC, held at the Radisson Blu Chittagong Bay-View Hotel in Chittagong on 16 November 2023.

Highlighting 'Banglar Doot' as the inaugural vessel of BSC, the State Minister elaborated on the acquisition of six new ships to facilitate the corporation's development. He further mentioned the inauguration of the Matarbari deep seaport channel, the laying of the foundation stone for its first terminal, the inauguration of the Patenga Container Terminal at Chittagong Port, and the commencement of the Bay Terminal's master plan implementation.

Plans have been formulated for a floating LNG terminal, LNG transportation at Matarbari alongside the upgrading of Mongla and Payra ports. Additionally, the Flag Vessel Act prioritises cargo transportation through BSC. The corporation faced significant challenges during the COVID-19 pandemic, yet shareholders maintained their faith and trust.

The Annual General Meeting (AGM) approved a 25% cash dividend for BSC shareholders for the fiscal year 2022-23. The net profit after tax adjustments stands at BDT 246.29 crores. BSC's Managing Director, Commodore Ziaul Haque, revealed a total income of BDT 667.23 crore and a total expenditure of BDT 375.64 crore for the fiscal year 2022-23. The net income has witnessed a 20.48% increase compared to the preceding fiscal year. A foreign organisation is set to provide BSC with financial assistance of USD 3 billion.

BSC aspires to become the leading shipping company in the nation. Plans are underway to construct dual fuel container ships to minimise carbon emissions. The corporation intends to distribute higher dividends to shareholders as its earnings increase.

▶ Latin America is Becoming a Major Export Market for Bangladesh

Latin America is emerging as a significant export destination for Bangladesh's manufactured garments and additional products. Despite a 35% export tariff and a market comprising over 660 million consumers across more than twenty-five countries, Bangladeshi garment traders are experiencing success.

The establishment of embassies by various countries in Dhaka, enhanced interactions between commercial entities, and the duty-free access granted by Chile to Bangladesh have contributed to a positive trajectory in the export of Bangladeshi goods to the Latin American market.

Data from the Export Development Bureau reveals that Bangladesh's total merchandise exports to Latin American nations rose by 20.51% to USD 621.27 million in the fiscal year 2022-23, up from USD 515.50 million in the previous fiscal year.

In the initial two months of the ongoing fiscal year, export earnings have reached USD 107.75 million. Concurrently, Latin American countries, notably Brazil and Argentina, are becoming key sources of cotton, corn, oilseeds, and sugar. Brazil and Argentina, two principal economies in the region, have recently established comprehensive embassies in Bangladesh to promote trade and investment.

Anwar Shawkat Afsar, President of the Latin America-Bangladesh Chamber of Commerce and Industry remarked that the volume of goods Bangladesh exported to Latin American countries was significantly lower a few years ago. However, with improved communication, the export volume is rapidly increasing. Beyond garment products, there is a growing export of jute and jute goods, plastic items, pharmaceuticals, and leather goods.

Since 2015, Bangladesh has benefitted from a zero-duty arrangement with Chile, significantly aiding Bangladesh's market penetration in this region. Brazil is in the process of negotiating beef imports from Bangladesh.

According to the World Bank, the total exports from Latin America and the Caribbean in 2021 amounted to USD 1,210 billion, with the United States, China, Brazil, Germany, and South Korea being the top exporting countries.

Among these, China, the United States, India, Honduras, and Vietnam were the leading suppliers, exporting textiles and clothing valued at USD 38.37 billion. That same year, the region exported over USD 6.22 billion in footwear, with China, Vietnam, Brazil, Indonesia, and the United States as the main supplying countries.



➤ After 50 Years, the Russian Fleet Paid a Goodwill Visit to Bangladesh



A Russian naval fleet conducted a courtesy visit to Bangladesh, marking the first such visit by a Russian warship to Bangladesh in fifty years. The Pacific Fleet contingent comprised two anti-submarine destroyers, Admiral Tributs and Admiral Panteleyev, alongside the tanker Pechenga. Their arrival occurred on 12 November 2023.

This visit stands in stark contrast to the previous Russian naval presence in Chittagong Port following the 1972 War of Independence. Back then, a Russian fleet deployed to remove mines from the port, rendering critical aid to the newly independent nation facing a humanitarian crisis. The wartime saw numerous mines laid in the harbour, causing the sinking of several vessels.

Russian Ambassador to Bangladesh, Alexander Mantytskiy, highlighted that during the 1972 operation, Bangladesh appealed to numerous countries for assistance with mine clearance. While some

nations responded, they demanded exorbitant fees, which the fledgling nation could not afford. However, the purpose of the recent visit differed significantly, characterised as a “goodwill visit” reflecting the current positive state of relations between the two countries.

Echoing this sentiment, Ashiq Imran, Russia’s Honorary Consul in Chittagong, emphasised the return of Russian sailors without any operational purpose. He deemed their friendly visit a testament to the excellent bilateral relations currently enjoyed by both nations.

Ambassador Alexander Mantytskiy elaborated on the initial operation, stating that the then-Soviet Union (present-day Russia) stood alone in offering assistance to Bangladesh in 1972. Over eight hundred Soviet sailors tirelessly worked for 26 months to clear the mines from Chittagong Port, tragically resulting in the loss of a Russian diver. Upon achieving their objective, the Soviet naval forces departed the port.

This initial operation, known as “Mine Clearing Operation”, commenced in April 1972 and concluded in June 1974, subsequently opening the shipping route from Chittagong Port to international destinations.

Following their three-day goodwill visit, the three Russian warships departed Chittagong Port on 14th November. During their stay, the ship captains paid courtesy calls on the Commander of the Chittagong Naval Region, the Commander of the BN Fleet, and the Chairman of Chittagong Port. Additionally, officers and sailors from the visiting ships toured Bangladeshi naval vessels, the Naval Academy, the Naval Training Centre School of Maritime Warfare and Tactics, and the Navy-run school for children with special needs, “Ashar Alo”. Furthermore, friendly football and basketball matches were held between members of both navies.

The visit culminated in a joint exercise with the Bangladesh Navy in the Bay of Bengal. Bangladesh hopes that this visit strengthens bilateral relations between the two navies and fosters the professional development of their respective officers and sailors.

➤ Annual Revenue from Ship Recycling is USD 800 Million

The ship recycling industry in the country contributes over USD 800 million in annual revenue, with the government’s share amounting to approximately USD 10 to twelve million. Additionally, between 30,000 and 50,000 individuals are directly employed by this sector, while roughly 150,000 people are indirectly reliant on it. These statistics were shared by Zakia Sultana, the senior secretary of the Ministry of Industry, during a workshop held at the Sonargaon Pan Pacific Hotel in the capital on 8 November.

The workshop was a collaborative effort between the Ministry of Industry and the International Maritime Organisation (IMO). In her address as the chief guest, Zakia Sultana highlighted the significance of ship reprocessing as a promising sector for Bangladesh, noting the country’s position as one of the foremost ship recycling nations globally.

Bangladesh boasts 108 ship reprocessing facilities, predominantly located in Sitakunda Upazila, Chittagong, with around fifty of these yards currently operational. These facilities collectively possess the capacity to recycle over one million metric tons of ships annually. The ship recycling industry in Bangladesh experiences an average growth rate of about 14% each year.

The industry significantly contributes to the country’s iron ore needs, supplying 60 to 70% of the total demand. Moreover, over three hundred re-rolling steel mills are supported by the ship recycling sector, underscoring its vital role in the nation’s sustainable development.

The event saw participation from dignitaries such as the Ambassador of Norway to Bangladesh, Espen Rikter-Svendsen, the Ambassador of Japan, Mr Iwama Kiminori, and the Bangladesh Country Director of the International Labor Organisation (ILO), Tuomo Poutiainen. Zakia Sultana appealed to them for financial support towards Bangladesh’s ship recycling industry.

► Equipment Worth BDT 393 Crore Incorporated into Chittagong Port



Chittagong Port has expanded its machinery fleet with the addition of twenty-four new units across seven categories. These pieces of equipment, acquired for BDT 393.32 crore from five different countries, are set to enhance the port's container handling capabilities, thereby accelerating the pace of import-export activities and revenue generation.

The procurement includes four main gantry cranes from China for BDT 243.58 crore, six rubber-tyred gantry cranes also from China for BDT 70.83 crore, four reach stackers from Germany at BDT 14.13 crore, four variable reach trucks from Finland for BDT 25.76 crore, two container movers from Belgium at BDT 7.49 crore, and two sets of mobile cranes (100 ton) from France for BDT 20.09 crore, along with another two mobile cranes (50 ton) from France costing BDT 11.44 crore.

The Honourable State Minister for Shipping, Khalid Mahmud Chowdhury, officially unveiled the new machinery at the NCT yard of the port on 15th October. During the ceremony, the State Minister expressed his vision of showcasing Bangladesh's prowess to the world, stating that the nation is in stride with global standards. He highlighted the substantial progress in projects like the Matarbari deep seaport and the bay-terminal, marking significant milestones in modernising Chittagong Port and attracting international investment interests.

Rear Admiral Mohammad Sohail, Chairman of the Chittagong Port Authority, remarked that the introduction of this new equipment is poised to revolutionize the process of loading, unloading, and transferring containers. He anticipates a surge in import and export activities, benefiting the business community and boosting revenue collections. Furthermore, the enhanced training and efficiency of the operators are expected to significantly augment the port's overall capacity.

► Matarbari Coal Power Project BDT 16,000 Crore Loan Agreement



The Japan International Cooperation Agency (JICA) has agreed to provide a loan of approximately BDT 16,000 crore to the Matarbari coal-fired power project in Maheshkhali for its seventh phase. This agreement was formalised on 30 October 2024, during a ceremony held in the NEC conference room located in Sher-E-Bangla Nagar, Dhaka. The details of this development were shared in a press release by JICA.

As per the announcement, JICA will extend a loan of 217,556 crore Japanese yen to Bangladesh to support the seventh phase of the Matarbari Ultra Super Critical Coal-Fired Power Project. This sum translates to around BDT 16,000 crores. The loan agreement was signed by Mr Ichiguchi Tomohide, the Chief Representative of JICA Bangladesh, and Ms Sharifa Khan, the Secretary of the Finance Ministry. Mr Iwama Kiminori, the Japanese Ambassador to Bangladesh, was also in attendance.

Additionally, the first deep seaport of the country is being constructed as part of the Matarbari Coal Power Project. Initially intended for coal transportation, it was later decided to expand the deep seaport for commercial purposes with JICA's support.

JICA disclosed that trial power generation commenced from unit-1 of this project, which began construction in 2016, and it has a capacity of 600 MW. The commencement of commercial operations for unit 1 and unit 2 is planned for next January and July, respectively, with the second unit also boasting a capacity of 600 MW.

The expansion of the loan for the Matarbari project is aimed at contributing towards the diversification of water sources and ensuring stability in the power supply. The project encompasses a 1,200 MW coal-fired power plant, a 400 KV transmission line, and infrastructure development including roads and bridges. It is expected to significantly benefit the local community through social and economic development initiatives such as electrification, construction of schools, hospitals, playgrounds, and roads, in addition to creating employment opportunities and enhancing livelihoods.

The loan carries an interest rate of 1.6% per annum, with an additional 0.1% charged for advisory services. It is to be repaid over a period of 30 years.

The total estimated cost for constructing the 1,200 MW coal-based power plant, which includes two units of 600 MW each at Matarbari, is BDT 51,855 crore, with JICA covering approximately 83% of this expense.

▶▶ 15-Year Deal with US Company to Buy LNG

The government is set to finalise a contract with Excelerate Energy Bangladesh Limited, an American firm, for the provision of liquefied natural gas (LNG) to the private sector. Under the terms of this agreement, the company is committed to supplying LNG over a 15-year period starting from 2026. The Cabinet Committee on Public Procurement sanctioned the draft of the forthcoming contract on 25 October 2024, as conveyed to the media by Syed Mahbub Khan, the Additional Secretary of the Cabinet Division, following the committee meeting chaired by Finance Minister AHM Mustafa Kamal.

LNG, once imported, undergoes a conversion process for injection into gas pipelines. Currently, two floating terminals located at Maheshkhali in Cox's Bazar are operational for this conversion, one managed by Excelerate Energy and the other by Summit Group. The government is assessing long-term LNG supply proposals from these entities, following policy approval by the Cabinet Committee on Economic Affairs last August.

Excelerate Energy is expected to deliver between one million to 1.5 million tonnes of LNG annually under a 15-year agreement spanning from 2026 to 2040. The pricing formula for the LNG will be 13.35% of the crude oil price plus an added USD 0.35 per unit.

Moreover, an increase in the capacity of Excelerate's floating terminal has received approval, enabling the terminal to process sixty million cubic feet of gas daily, up from the current fifty billion cubic feet.

Additionally, the procurement committee has sanctioned the acquisition of a cargo ship of LNG from Singapore's Vital Asia Pvt Ltd under the 'Prompt Increase in Supply of Electricity and Energy (Special Provisions) (Amendment) Act-2021'. This procurement will cost USD 17.55 per unit, with the total for 3,360,000 units (MMBTU) of LNG amounting to BDT 762 crore thirty-seven lakh.

In related developments, the Cabinet Committee on Economic Affairs has given provisional approval to import 1.5 million tonnes of crude oil from Saudi Arabia and the United Arab Emirates (UAE) in 2024, utilising a Direct Purchase Mode (DPM), thereby circumventing the tender process. Bangladesh annually imports approximately 6.5 million tonnes of fuel oil, of which about 1.5 million tonnes are crude, with the rest being refined.

▶▶ Import Cost through Chittagong Port has Decreased by 9%



Imports through Chittagong Port showed a return to near-normal levels in July-September 2023 when compared to the same period in 2022. Although there was a 12.12% reduction in the volume of goods imported during these three months of the year, the cost of imports saw a 9% decline.

Data from the Chittagong Custom House indicates that 2.16 crore metric tons of goods were imported during July-August-September of the fiscal year 2023-24. This compares to 2.16 crore metric tons in the corresponding period of the fiscal year 2022-23, representing a slight decrease of 27,050 tons or 0.12%.

Between July and September 2023, the total value of imports amounted to BDT 1,09,429 crore, down from BDT 1,20,007 crore during the same period in 2022. This marks a decrease in the import value by BDT 10,577 crore or 8.81% compared to the previous fiscal year.

Mahfuzul Haque Shah, Director of the Chittagong Chamber of Commerce and Industry, explained that the reduction in the importation of capital equipment, luxury items, vehicles, and electronic goods directly impacts the total import cost. The decrease in the importation of these categories through Chittagong Port has contributed to the lower import costs. Furthermore, the decline in international market prices for various consumer goods, including wheat, sugar, and oil, has also played a role in reducing the overall import expenses.

During July to September 2022, Chittagong Custom House collected revenue of BDT 15,385 crore. In the same timeframe in 2023, revenue collection reached BDT 16,475 crore, indicating an increase of BDT 1,089 crore. This represents a revenue growth of 7.8%.

▶▶ Khulna-Mongla Rail Line Set to Boost Regional Trade

The much-anticipated Khulna-Mongla Rail Line is nearing completion, promising a significant boost to Bangladesh's economic development and regional connectivity. Prime Ministers Sheikh Hasina and Narendra Modi of India virtually inaugurated the project on November 1, 2023, marking a major milestone.

This critical infrastructure project will enhance trade ties with neighbouring countries like India, Nepal, and Bhutan. The 91-kilometre long Fultala-Mongla double railway line is nearing completion, with construction on the 5.13-kilometre Rupsha River bridge already finished. Work on the remaining stretch from Fultala Station to Mohammadnagar Station is nearing completion at 99.5%.

The total cost of the project is estimated at BDT 4,260.89 crore and includes the construction of nine platforms, 107 small bridges, and nine underpasses.

The completion of the Khulna-Mongla Rail Line is a significant development for Bangladesh. It will expedite the movement of goods and people, fostering regional trade and economic growth.



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