



**Feasibility Study on**  
**Third Party EXIM Cargo Transportation**  
**through Coastal and Protocol Routes between**  
**Bangladesh and India**

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Government of Bangladesh**

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## Executive Summary

Bangladesh and India have long-standing bi-lateral trade relations, carried out mainly through land and seaports. In order to facilitate the seaborne trade between Bangladesh and India, two instruments are in place namely, the Coastal Shipping Agreement signed in 2015, and the Protocol on Inland Water Transit & Trade (PIWT&T). The present trade pattern is largely in favour of India and cargo ships and containers mostly return empty from Bangladesh to India. As a result, the freight charges get higher.

Considering the prevailing situation, the Government of India has proposed amendments and additions, respectively, to the Coastal Shipping Agreement and the PIWT&T Agreement with a view to allowing third party EXIM through the proposed ports (Chattogram, Mongla, Pangaon ports of Bangladesh and Kolkata, Haldia, Vishakhapatnam, Krishnapatnam ports of India) under the existing framework. The Indian side sees opportunity of exporting Bangladeshi products, especially RMG to USA and EU, through the proposed ports and aims to explore the potentials of the Pangaon port as most of the RMG factories are located around Pangaon. The idea of the Indian side was to avoid congestions of the Dhaka-Chittagong highway and to export RMG items from Pangaon to EU or USA, via the proposed Indian Ports.

The Bangladesh Foreign Trade Institute (BFTI) was commissioned by the Ministry of Shipping, Government of Bangladesh, to look into the feasibility of the proposed amendments considering cost-benefits of existing system vs. the proposed system, capacity of the proposed ports of both sides, expansion projects of the ports in Bangladesh, projected growth in trade volume and other relevant issues. A research team of the BFTI headed by its' CEO, visited the concerned ports of both Bangladesh and India to make an on-the-spot assessment of the points at case. The major findings from the research work are:

- Due to the lower draught of the Kolkata and Haldia ports, they can not receive mother vessels. Vishakhapatnam and Krishnapatnam ports at present have calls from mother vessels destined only to the Far-East and Middle Eastern countries, and that, too, of a very low frequency. As a result, exporting to North American and EU countries through those ports would mean to have an additional port in the existing system of transportation, leading to longer time and higher cost.
- In terms of time, the proposed system would take 2-5 days higher than the existing one through Chattogram that uses ports like Singapore, Colombo, and Port Klang, while exporting to EU, USA, Far-East and Middle-Eastern countries.
- Analysis of the costs suggest that the proposed system would cost the exporters an additional amount of around \$700 to \$1000, for any 40 ft. container and \$500 to \$900 for any 20 ft. container making the export more expensive.
- The frequency of vessels calling on the proposed Indian ports are much lower than that at the ports like Singapore, Colombo and Port Klang. As a result, the exporters may not be

much interested to use the ports, even if the time-and cost issue suits them. Moreover, as the proposed route is not, at present, commercially popular, the vessels do not get adequate number of containers to run the route.

- The roughness of the Bay of Bengal during the monsoon season from April to October becomes a risk for plying coastal vessels due to their small sizes.
- The Chattogram port may have some revenue loss in the short-run as the Pangaon port enjoys tariff preference. However, the loss is insignificant as the only 3% of the total trade could be diverted to Pangaon port, because of its capacity limitations, if the route becomes commercially viable.
- The Bangladeshi ports are now being more capacitated aiming at handling the growing trade volume of the country and, as a result, port congestions have been gradually reducing. Therefore, using an additional port for saving port-congestion time might not be an issue for the exporters.

The facts and figures suggest that the existing system is more cost-effective and time-saving than the proposed system. The study makes it clear that for the specific purpose of transporting Bangladeshi cargo (exports and imports) to and from international market destinations across the world, the proposed routes through the Visakhapatnam, Krishnapatnam, Kolkata and Haldia ports in India are not commercially viable at the moment. Analysing the data and other relevant issues, the study comes up with the following suggestions:

- Considering the issue of developing an alternative option for traders and operators, the Government of Bangladesh may accept the proposed amendments and allow the third country EXIM cargo to be carried between the designated ports.
- This could be particularly useful in case of any vulnerable situation disrupting the established transshipment route for Bangladesh's trade cargoes, and could be used by the exporters if, at any point of time, they find it viable.
- This may also enable international operators to assess and understand the viability of the route, and if they find it viable, importance of the proposed route may ultimately grow and businesses will also be created in the long run.
- The ongoing government efforts to modernise and develop the Chattogram, Mongla, Payra, and Matarbari ports need to be continued as the Bangladesh ports will remain as the principal points for our seaborne trade.
- In today's world of globalisation, connectivity is ultimately conducive to the growth of an economy. The amendments requesting for may, ultimately, lead to a development of our blue economy.

## Acronym

BGMEA	Bangladesh Garments Manufacturers' and Exporters' Association
BKMEA	Bangladesh Knitwear Manufacturers' and Exporters' Association
BIMCO	Baltic and International Maritime Council
BIWTA	Bangladesh Inland Water Transport Authority
BTMA	Bangladesh Textile Mills Association
CCA	Connecting Carrier Agreement
CFS	Container Freight Station
COL	Colombo
CPA	Chattogram Port Authority
CTG	Chattogram
DCCI	Dhaka Chamber of Commerce & Industry
EXIM	Export & Import
KoPT	Kolkata Port Trust
VIZAG	Vishakhapatnam
IMO	International Maritime Organization
MCCI	Metropolitan Chamber of Commerce and Industries
MLO	Main Line Operators
OOCL	Orient Overseas Container Line
PCT	Pangaon Container Terminal
PIWT&T	Protocol on Inland Water Transit & Trade (PIWT&T)
SIN	Singapore
TEU	20-foot equivalent unit

# Chapter 1: Introduction

## 1.1 Background:

Bangladesh and India have two bilateral instruments (the Coastal Shipping Agreement signed in 2015, and the Protocol on Inland Water Transit & Trade (PIWT&T)) for enhancing inland and coastal waterways connectivity between the two countries to facilitate the transportation of goods.

Under the existing framework, the vessels of these two countries are allowed only to transport goods between the two countries using the designated ports or ports of call. It appears that trade between Bangladesh and India is rapidly increasing. The trade volume, however, is largely in favour of India. Most of the vessels, therefore, return empty from Bangladesh to India as the volume of exports to India from Bangladesh is limited.

During the Shipping Secretary level meeting between Bangladesh and India, held in New Delhi on October 24-25, 2018, the Indian side proposed to include the provision of third party EXIM in the existing Coastal Shipping Agreement and the PIWT&T in order to allow exporters from both the countries to export their products to a third-country through the selected Indian and Bangladeshi ports. With this end in view, India also suggested an amendment to a clause of the Coastal Shipping Agreement and insertion of an additional article to the Protocol on Inland Water Transit & Trade .

The amendment and addition suggested by India are as follows:

### **The Coastal Shipping Agreement:**

*Existing Clause 1 of Article V: The shipping companies of either Contracting Country shall not be allowed to participate in the transportation of inward/outward cargo to and from the ports of any third country.*

*Proposed amendment: For the purpose of clause 1 of article V, the shipping companies of either contracting countries shall be allowed to participate in transportation of inward/outward cargo originating and/or from destined to the ports of any third country.*

### **Protocol on Inland Water Transit & Trade (PIWT&T):**

#### **Proposal for insertion of an additional article: Article 11.**

*(1): To promote commerce, both the countries agree to allow use of their waterways for passage of EXIM goods destined to 3rd countries. For this purpose, both countries will also allow transshipment operations of such goods at nominated Transshipment Ports among the ports already declared as the port of Call.*

*(2): One country will provide the facilities of Transshipment Port to the Vessels of the other country for transshipment of EXIM destined to third country. Number of such Transshipment ports will be equal in both countries. Both sides agree that the following would be treated as transshipment port in their respective country.*

India	Bangladesh
Kolkata	Pangaon
Haldia	Mongla
Jogighopa	Chattogram

Analysis of the present trade cargo transportation system in Bangladesh suggests that the Bangladeshi ports are not capable of handling mother vessels owing to draught limitations, and hence our traders use the ports of Singapore, Sri Lanka and Malaysia to export goods to European and North American markets. The concerned Indian authorities have shown their interest to explore options for new transshipment routes by using the Indian ports in addition to the existing ports Bangladesh has been using. The Indian proposal mentions that an export container from Dhaka takes around ten to twelve days to reach Chattogram due to congestion during the transit and at the Chattogram Port, whereas it would take only three to five days to reach the Haldia Port.

In this backdrop, this feasibility study has been undertaken on behalf of the Ministry of Shipping<sup>1</sup>, Government of Bangladesh, to examine the viability of allowing third party EXIM through proposed Indian ports and how that would impact trade, business and other related issues of Bangladesh. The study has closely looked into the pros and cons of the proposed route to come up with appropriate recommendations. The arguments made by the Indian side in their report, were also analysed and verified in this report using facts and figures. This study also attempted to give a close look at the stakeholders' perspectives toward this proposed Third Party EXIM Cargo transportation as they are the main actors and have direct stakes in this.

## 1.2 Objective of the Study & Specific Tasks:

To recommend the appropriate position Bangladesh should take with regard to the proposal by India for amendments and additions to existing trade agreements to allow third party EXIM cargo through the proposed ports, Bangladesh needs to examine and analyse the following issues:

1. Analysis of the existing ways of handling cargoes, capacity and efficiency of the ports of the East Coast of India viz., Kolkata, Haldia, Vishakhapatnam and Krishnapatnam (draught, capability of handling mother vessels, if any, frequency, turn-around time, seasonal impact, storage and handling capacity, lead-time, involvement of cost/TEU for export/ import to North America, Europe and other overseas markets);
2. Analysis of the ways of handling of export and import cargoes of Bangladesh through Singaporean, Sri Lankan, Malaysian ports to North American, European and other overseas markets (lead-time, involvement of cost/TEU);

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<sup>1</sup> The Bangladesh Foreign Trade Institute has been awarded the contract by the Ministry of Shipping, Government of Bangladesh to conduct the said Feasibility Study.

3. Storage and handling capacity and efficiency of the Chattogram, Mongla and Pangaon ports;
4. Plans for the near future and works in progress in the Bangladeshi ports to enhance capacity and efficiency of handling of outbound cargo; and a brief idea of projected improvements and the time they would take to complete;
5. 5/10 years' projection of the increase in volume of trade through each port and how it is proposed to be tackled;
6. Dhaka to Pangaon, Chattogram, Mongla connectivity and other infrastructural issues;
7. Impact of the under-construction Padma bridge and the proposed deep-sea Ports on existing connectivity/ economic corridors issues within the country;
8. Cost-benefit analysis of the existing system vs. the proposed system through the Pangaon Port; and
9. Costs/risks associated with changing of the route, including the revenue impact, on Chattogram and Mongla Ports.

### **1.3 Methodology:**

The methodology of this study is mainly based on data/ information collection and consultation with stakeholders to find out the existing scenario in related ports of the two countries. Structured questionnaire was used to find out the stakeholders' perspectives. Extensive desk review was conducted for reviewing the existing literature and for analysing relevant policies. A detailed methodology to conduct the study will be as follows:

1. **Desk Review:** Existing literature was reviewed to understand the prevailing situation, policy issues, details of the existing agreements and provisos under those, and the positions of both the countries in terms of considering the third party EXIM.
2. **Development of Questionnaire:** Understanding the views of stakeholders and their inputs was the major basis for the study. In order to have their views and to have a proper understanding of their positions, structured questionnaires were developed. Depending on the nature and role of different stakeholders, and considering the wide range of stakeholders involved in the overall process, a few sets of questionnaires were developed. For example, separate questionnaires were developed for-
  - a. Businessmen,
  - b. Chambers/Associations,
  - c. The Ministry of Shipping, Port Authorities, Customs and other related government agencies,
  - d. Freight Forwarders, and
  - e. Vessel Owners' Associations.

3. **Key Informant interviews (KII):** To collect proper information from the important and concerned agencies having direct stakes in the issue, and being well informed of the facts, in-depth interviews of these authorities were taken. The officials whose interviews were conducted under the KII included, among others:
  - a. Secretary, Ministry of Shipping;
  - b. Director-General, Department of Shipping;
  - c. Chairman, BIWTA;
  - d. Chairman and concerned Members of the NBR; and
  - e. Presidents of Leading Chambers and Associations; etc.
  
4. **Data/ Information Collection through Interview:** Using structured questionnaires, interviews were conducted of the concerned agencies for having their views. The interviewees included stakeholders from the afore-mentioned agencies and private sector representatives.
  
5. **Port Visit & On-site Survey:** Understanding the position and prevailing situation at the ports constituted the major activities under the Study. Therefore, on-site survey and visit to the ports were conducted to have a thorough understanding. For data collection, the following ports were visited
  - a. **Ports of Bangladesh:** Dhaka, Pangaon, Chattogram and Mongla
  - b. **Ports of India:** Kolkata, Haldia, Vishakhapatnam and Krishnapatnam
  
6. **Consultation Workshops:** In addition to the interviews and on-site visits, consultation workshops were organised to collect data from wider groups of participants. Collecting views of the stakeholders towards the proposed Third Party EXIM Cargo was one of the main objectives of this consultation. The consultations were grouped according to the category and relevance of the agencies. The number of participants in the consultations were small and mainly included the directly-related agencies. Three consultations, tentatively involving the following groups of participants, were organised.
  - a. **The Private Sector in Bangladesh:** The Federation of Bangladesh Chambers of Commerce & Industries (FBCCI), Dhaka Chamber of Commerce & Industry (DCCI), Metropolitan Chamber of Commerce & Industry (MCCI), Bangladesh Garments Manufacturers' and Exporters' Association (BGMEA), Bangladesh Knitwear Manufacturers' and Exporters' Association (BKMEA), Bangladesh Textile Mills' Association (BTMA), Vessel Owners' Association, Freight Forwarders' Association, C&F Agents Associations.
  - b. **The Government Agencies in Bangladesh:** Port Authority (Chattogram, Mongla & Pangaon Ports), Ministry of Shipping, Customs, Ministry of Commerce etc.
  - c. Related government agencies and private sector representatives from India.

## **7. Preparation of Draft Report**

Based on the findings from surveys, interviews and consultations, an in-depth report was prepared covering all the aspects mentioned in the specific tasks assigned by the Ministry of Shipping. To ensure quality of the report, specialists with prior background knowledge and experience on shipping business as well as transport and coastal connectivity issues were engaged throughout the process, including the preparation of the draft report.

## **8. Validation Workshop:**

The final step of the assignment was to validate the draft report by the stakeholders through a validation workshop. The validation workshop was organised in a larger manner ensuring participation of a higher number of related stakeholders from all sides, viz. vessel owners, container operators, freight forwarders, business chambers and associations, government agencies, port authorities, Customs etc. Based on the comments and feedback received from stakeholders, the report has been finalised.

## Chapter 2: Global Scenario of Sea-borne Trade

Maritime transport has a significant contribution in accelerating world trade, which comprises almost over 80 percent in terms of trade volume and more than 70 percent in terms of trade value<sup>2</sup>. The demand for shipping services increased by 2.6 percent in 2016, from 1.8 percent in 2015, and the total volume increased by 260 million tons of cargo. It is anticipated that, with the continuous expansion, the volumes may achieve an annual growth rate of 3.2 percent between 2017 and 2022. According to an estimation of UNCTAD in 2016, about 15 percent of the value of imports by countries is spent on international transport and insurance. Countries which are smaller and economically vulnerable spend higher on international transport compared to developed countries. The reason behind this persistent transportation cost burden for many developing and underdeveloped countries are inefficiency in their ports, inadequate infrastructural capacity, lower economies of scale, and less competitive domestic transport markets. Therefore, for any country it is very important to choose a costal route that turns out to be cost-effective and business-efficient.

In Southern Asia, Colombo, the capital of Sri Lanka, creates a linkage between Asia and Europe and has the highest connectivity in the sub-region. In South-East Asia, Singapore and Malaysia also connect Asia and Europe and both the countries have almost the same level of connectivity. For example, in 2007, Maersk, the largest shipping company chose Malaysia over Singapore for most of its trans-shipment operations. As the most sub-regional countries transport their products through trans-shipment services via Singapore and Malaysia, they did not experience any improvement by this decision of Maersk. In Eastern Asia, for many years China has the highest liner shipping connectivity index, as its ports are the world's major loading locations. Hong Kong (China) and Republic of Korea has the advantage of the linkage of Chinese and Japanese services to the global network, but the need for trans-shipment in Hong Kong (China) and the Republic of Korea has been reduced due to growing trade volumes and revised cabotage regulations for trans-shipment in Shanghai, China. On the other hand, small islands like Antigua, Barbuda, Sao Tome, Maldives, Mauritius, Nauru and Tuvalu are characterised as having lower levels of connectivity with the globe.

Less than 20 percent of coastal country pairs can transport between a country of origin and a destination without the need for trans-shipment through their direct maritime connection for containerised goods. Generally, the level of connectivity between neighbouring countries are higher compared to the countries at larger distances. In the case of neighbouring countries, ships may transfer only the bilaterally-traded goods between two neighbouring countries or ships may call at trans-shipment ports as feeder vessels and the same ships may transport exports from the two neighbouring countries to third countries. The highest level of direct bilateral connectivity is between China and the Republic of Korea. On the other hand, more than 80 percent of country pairs do not have a direct connection. However, even if there is no bilateral connectivity between the importing and exporting countries, any country can efficiently trade with its partner countries because of containerisation and trans-shipment facilities.

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<sup>2</sup> *The Review of Maritime Transport 2017*, published by United Nations Conference on Trade and Development (UNCTAD), and available at [https://unctad.org/en/publicationslibrary/rmt2017\\_en.pdf](https://unctad.org/en/publicationslibrary/rmt2017_en.pdf)

If we look at the issue of cabotage, we find that for any country where the alternative to road or rail transport is either costlier or not available at all, the potential for cabotage operations is higher, especially in the countries with longer coastlines or islands. But sometimes as many countries impose restrictions on international operators to transport domestically-traded goods or to provide feeder services, it leads to situations where a ship is allowed to call on two ports of the same country, but is restricted to transport cargo between the two ports. If in such a case, an international operator is restricted by any country to carry domestic cargo between two ports in a given country, it restrains the potential supply of transport services. In South Asia, Colombo gets the advantage from India's cabotage restrictions, as it gives a platform to the global liner operators to stop at the port of Colombo, and from there international feeder services can connect to seaports in India. Feeder services from Colombo to Indian ports may be done with ships holding any flag, as these services are not affected by the Indian cabotage restrictions. China has gradually relaxed cabotage restrictions within the Shanghai free trade area since 2013, with a view to promoting the area and boosting Shanghai's trans-shipment volume. The Indian government has relaxed cabotage restrictions from March 2016 to help develop trade capacity and competitiveness, and attain cost efficiency.

## Chapter 3: Existing System of Sea-borne Trade for Bangladesh

Trade is the engine of growth for Bangladesh. Since its independence, trade has not only been contributing to poverty reduction, but also increased employment opportunities through increased export-oriented industrialisation, and in that way has significantly contributed to the economic growth. Trade contributes around 34 percent of the country's total GDP.

As evident from the following tables (Tables 3.1, 3.2, and 3.3), the United States (US) and the European Union (EU) are the major export destinations for Bangladesh. In the East coast, Bangladesh's major export partners are Japan, China, Hong Kong. In terms of import, China is the largest supplier of imports for Bangladesh, exporting goods worth around US\$ 10 billion annually to Bangladesh.

*Table 3.1: International Trade Scenario for Bangladesh*

<i>Year</i>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017- 18</b>
<i>Imports</i>	35.52	33.97	36.99	40.58	43.12	47	51.53
<i>Exports</i>	24.3	27.03	30.18	31.19	34.25	34.66	36.66

Source: BFTI's calculation using data from Export Promotion Bureau (EPB) and Bangladesh Bank (BB)

*Table 3.2: Bangladesh's Major Trading Partners (1)*

<b>Partner</b>	<b>Import Share</b>
China	25%
India	15.2%
Singapore	6%,
Japan	4.2%

Source: BFTI's calculation using data from EPB & BB

*Table 3.3: Bangladesh's Major Trading Partners (2)*

<b>Countries</b>	<b>% share in 2017-18</b>
USA	16.32%
EU	58.18%
Canada	3.05%
Japan	3.09%
China	1.90%
India	2.38%

Turkey	1.44%
Hong Kong	0.85%
Others	12.79%
Total	100.00

Source: BFTI’s calculation using data from EPB & BB

Seaports are considered as one of the key gateways for contributing to the growth and development of a maritime nation. The growth rate of any country highly depends on how it handles its international trade and how efficiently its ports work for the efficient running of trade and business.

The major share of international trade in Bangladesh is carried on through her seaports. In FY2017-18, goods worth about US\$ 51.53 billion were imported into and US\$ 36.66 billion were exported from Bangladesh. In terms of volume, total trade (comprising both exports and imports) was approximately 11.62 crore tonnes in FY2017-18. Around 82 percent of these cargoes were transported through the seaports and the rest through the 11 land ports and three airports.

Among the sea ports, the most important ones are Chattogram and Mongla. These two ports handled goods of around 9.47 crore tonnes. Of them, the Chattogram Port alone handled 8.50 crore tonnes (27 lakh TEUs), which is around 90 percent of the total EXIM transported. 97 lakh tonnes (42,989 TEUs) were transported through the Mongla Port during FY2017-18.

In terms of export products, the major export item of Bangladesh is Readymade Garments which is mainly produced in the areas near Dhaka. The goods are then transported to the Chattogram Port via road and then shipped to destinations like the EU and the US. Most of the import products are also destined to Dhaka after being cleared from the Chattogram Port. 83 percent<sup>3</sup> of export-import containers from Bangladesh’s international trade are being transported via the Dhaka – Chattogram Highway.

### **The Transshipment Route:**

Most of the import and export consignments of Bangladesh are transshipped via the Singapore, Colombo and Port Klang ports. Of them, the major share of Bangladesh’s imports and the West-bound exports are transshipped through the Singapore Port.

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<sup>3</sup> “Bangladesh bolsters flagging Dhaka port”, a report published in JOC.Com on February 11, 2019, and available at [https://www.joc.com/port-news/asian-ports/port-Chattagram/bangladesh-looks-bolster-flagging-dhaka-port\\_20190211.html](https://www.joc.com/port-news/asian-ports/port-Chattagram/bangladesh-looks-bolster-flagging-dhaka-port_20190211.html).



At present, 4-5 operators are running 20 to 25 ships towards Colombo from Chattogram. Towards Singapore, the number of operators is 60- 70. In terms of frequency, 8- 10 voyages go towards Colombo every week. Buyers favour the Singapore Port for transshipment as the frequency of calling and availability of mother vessels at the Singapore Port are much higher. Also, as 80 to 90 percent of Bangladesh's imports come through Singapore, exporters are able to take the advantage of the availability and can load their export containers on the first available vessel, thereby reducing the waiting time. In addition, the container handling efficiency of the Singapore Port is much higher than that of Colombo or Port Klang.

At present, 78 feeder vessels are operating in Bangladesh transporting goods mainly to and from Singapore, Colombo and Port Klang. The feeder vessels are connected with the Main Line Operators (MLOs) through the Connecting Carrier Agreement (CCA). Of these 78 vessels, there is no Bangladeshi ownership.

In terms of routes, transportation routes are mostly determined by the MLOs, freight forwarders and buyers for exports and importers for imports. Traders (buyers and importers) enter into agreements with the MLOs, and MLOs, then, determine the routes and vessels for transportation of goods.

Although the West-bound containers are transported through Singapore for transshipment onto mother vessels, it is not the direct route. Around 10 days are added to the journey if West-bound containers are shipped through Singapore. The port of Colombo may be a more viable option in this regard, as it is a more direct route. According to stakeholders, lead-time and cost for exports and imports could be reduced by 20 to 30 percent, if goods are transhipped through the Colombo Port, and the port can also provide efficient services for transshipment.

## Chapter 4: Analysis of the Capacity of Bangladeshi Ports and their Proposed and On-going Expansion Programmes

This chapter provides an assessment of capacity of the ports in Bangladesh and makes a stock-taking of the on-going and up-coming projects to handle the growing volume of international trade in the country.

### 4.1 The Chattogram Port:

Considered as the heart of the economy, the Chattogram Port's geographic location gives it the advantage of getting cost-and time-effective connectivity with South Asian and Asian countries. Permissible draughts of vessels at the port range from 8.5 metres to 9.2 metres<sup>4</sup>. The maximum permissible LOA (Length Overall) of a vessel is 190 metres. Table 4.1 highlights the advantage of the Chattogram Port compared to other Bangladesh ports in terms of berthing.

The Chattogram Port is situated in the lower estuarial section of the Karnaphuli River, which meets the Bay of Bengal near its northeastern corner. The outer anchorage of the port lies in the Bay of Bengal.

*Table 4.1: Berthing Specifications of the Chattogram Port*

Port Specifications	Nb	Bulk Min (m)	Bulk Max (m)	Conventional Min (m)	Conventional Max (m)
<b>Anchorage</b>	No limitation	8.5 m	11,5 m	8.5 m	11.5 m
<b>Draught at anchor</b>	n/a	8.5 m	11,5 m	8.5 m	11.5m
<b>Draught at Berth</b>	n/a	8.55 m	9,2 m	8.55 m	9.2 m
<b>Length Over All</b>	n/a	No limitation	186 m	No limitation	186 m
<b>Beam (maximum)</b>	n/a	No limitation	No limitation provided length is 186 m	No limitation	No limitation provided length is 186 m
<b>Berths</b>	31	2.2 m	186 m	2.2 m	190 m

Source: Chattogram Port Authority

<sup>4</sup> <https://dlca.logcluster.org/display/public/DLCA/2.1.1+Bangladesh+Port+of+Chattogram#id-2.1.1BangladeshPortofChattogram-PortOverview>

*Table 4.2: Capacity of the Chattogram Port*

Berth Facilities:	Cargo Storage Facilities:	Container Handling Facilities:	Container Handling Equipment:
<b>General Cargo Berths: 06</b>  <b>Container Berths: 11</b>	Transit sheds (Nos – 9): 64,364.70 sq. m Warehouses (D, F, P, O; Nos -4): 20,712.41 sq. m	<ul style="list-style-type: none"> <li>– Holding Capacity : 38,917 TEUs</li> <li>– Yards: 22 Nos.</li> <li>– Container Freight Stations at General Cargo Berth (GCB): 05 Nos.</li> <li>– Container Storage Yards at GCB: 2,82,239 sq. m.</li> <li>– Container Storage Yards at Chattagram Container Terminal (CCT): 1,50,000 sq. m.</li> <li>– Container Storage Yards at New Mooring Container Terminal (NCT): 2,25,000 sq. m.</li> <li>– Container Storage Yards at NYC: 63,000 sq. m.</li> </ul>	<ul style="list-style-type: none"> <li>– Quay Gantry Crane (40 tons): 10 Nos.</li> <li>– Rubber-Tyred Gantry Crane (40 Tons): 21 Nos</li> <li>– Mobile Harbour Crane (84 tons): 02 Nos.</li> <li>– Straddle Carrier (04 High) (40 Tons): 36 Nos.</li> <li>– Straddle Carrier (02 High) (40 Tons): 02 Nos</li> <li>– Reach Stacker (45 Tons): 15 Nos.</li> <li>– Forklift Truck (42 Tons): 05 Nos.</li> <li>– Forklift (Spreader) (16 Tons): 17 Nos.</li> <li>– Reach Stacker (07 Tons): 06 Nos.</li> <li>– Container Mover (50 Tons): 05 Nos.</li> <li>– Terminal Mover (50 Tons): 43 Nos.</li> <li>– Terminal Trailer (50 Tons): 55 Nos.</li> </ul>

Source: Chattogram Port Authority

Table 4.2 above shows the capacity of the Chattogram Port in terms of berthing and cargo storage capacity, and container handling facilities and equipment. Recent introduction of six gantry cranes has enhanced the efficiency of the port to a great extent. This has raised its current handling capacity to over 41 million tons per year. At present, the port is handling 8,500 TEUs/day (4,200 TEUs of export and 4,300 TEUs of import cargo).

The Chattogram Port provides several facilities for export cargo. For example, there is priority berthing facility for 100% of the export vessels. Stuffing is done in private ports, which has significantly reduced clearance time. The Chattogram Port Authority allows 7 days’ free time for export containers and four days’ time for import containers.

✓ **Container Handling and Number of Vessels Called:**

The growth trend of the Chattogram Port until FY2016-17 is highlighted in Table 4.3. Since then, it has shown further rise. For example, the Port posted 9 percent growth in container handling in 2018, and handled around 2.80 million TEUs of import-export and empty containers in that year, which was 2.57 million TEUs in the previous year. The port handled 2.30 lakh TEUs more containers in 2018 than in 2017, as the figure was 2.19 lakh TEUs in 2017. As mentioned earlier, the port congestion scenario improved after the installation of six gantry cranes recently.

*Table 4.3: Growth Trend of the Chattogram Port*

Fiscal Year	Import (MT)	Export (MT)	Total (MT)	Growth in Total EXIM Handling	Total Container Handled (Tons)	Vessels	Total Income (Crore Tk.)	Total Expense (Crore Tk.)
2016-2017	66464285	6709759	73174044	13.81%	23480533	3092	2407.65	1352.34
2015-2016	58324786	5971634	64296420	17.37%	21140984	2875	2029.25	1065.83
2014-2015	48941406	5839986	54781392	15.82%	18668369	2566	1876.83	860.95
2013-2014	41960170	5338377	47298547	9.05%	16106668	2498	1634.32	815.65
2012-2013	38312028	5059640	43371668		14556134	2318	1570.37	803

Source: Chattogram Port Authority

In terms of vessel calling, 3,092 vessels called at the port of Chattogram during FY2016-17. The number was 2,875 in FY2015-16.

**Expansion Projects:**

The Chattogram Port Authority has undertaken several expansion programme in order to cope with the growing volume of trade.

• **Patenga Container Terminal:**

The Patenga Container Terminal is being built with a handling capacity of 6500 TEUs to 7000 TEUs/day. The length of the jetties would be 800 metres. The construction of the first jetty would be completed by 2020 and the remaining 3 jetties by 2022. As per the information provided to us, 16% of the project has already been completed.

• **Matarbari Deep-Water Port (container terminal):**

With 4 jetties having an approximate length of 3 km, the port will have a draught of around 18 metres. The first jetty of the port will be ready by 2022.

• **Chattogram Bay Terminal:**

The Bay Terminal is one of the priority projects for the trade and business growth in Bangladesh. The draught of the Bay Terminal would be around 12-13 metres. The terminal will have a capacity

three times higher than that of the Chattogram Port, and will be able to cater to the needs of neighbouring countries, including the North-Eastern states of India.

The Bay Terminal will have 3 terminals.

- ✓ Bay Multipurpose Terminal: The length of this jetty would be 1,500 metres and the handling capacity would be 50,000, 00 ton/year.
- ✓ Bay Container Terminal-1: The length of this jetty would be 1,225 metres and the handling capacity would be 18,49,969 TEUs /year.
- ✓ Bay Container Terminal-2: The length of this jetty would be 800 metres and the handling capacity would be 12,33,313 TEUs /year.

### **Growth Projection:**

According to a study by Bangladesh Supply Chain Management Society (BSCMS), the country will be dealing with 35 million TEUs by 2021, which is expected to be 53 million in 2025. Bangladesh will also need an additional warehouse space of 26.74 million square feet by 2021-22 to meet the growth.

It is expected that, in 2021, the capacity of the Chattogram Port will exceed the demand by 1.26 mn TEUs.

- **Connectivity and Infrastructural issues:**

The existing Dhaka-Chattogram four-lane national highway plays an important role in the national economy. The highway carries about 60 percent of commercial traffic. Considering the growing trade volume of the country, the highway is found to be incapable of accommodating the ongoing growth in commercial traffic. It takes as long as 24 to 36 hours to ply between Chattogram and Dhaka, where normally it should take around 9 hours. The road congestion leads to higher cargo transportation cost. Transportation cost on the Dhaka-Chattogram highway is one of the highest in the world.

The containers transported to the Chattogram Port from the greater regions of Dhaka get delayed due to traffic congestion. In order to reduce the road transport time, a US\$ 2.2 billion project has been taken up to build an Expressway to connect Dhaka to Chattogram. The new, four-lane, access-controlled expressway will facilitate much quicker transport of export-import cargo. There will be scopes for expansion of the roads to six lanes. The road will be 217.5-kilometres long (135.1-mile), whose work will begin soon, and is expected to be completed by 2028. In addition, there are on-going and up-coming railway projects for faster cargo transportation to Chattogram. Railway transport is substantially cheaper and quicker for shippers. To reach Chattogram from

Dhaka, a truck may require 10 to 16 hours, whereas freight train takes 10.5 to 12 hours. Cost is also around \$50- \$<sup>5</sup>100 less per container.

## 4.2 Pangaon Inland Container Terminal:

The Pangaon Inland Container Terminal (PCT) is the first inland water container terminal located on the bank of Buriganga River at Pangaon in South Keraniganj. The terminal is built jointly by the Bangladesh Inland Water Transport Authority (BIWTA) and the Chattogram Port Authority (CPA). Investment in setting up the Pangaon Container Terminal is around Tk. 1.54 bn. The port has been operating since 7<sup>th</sup> November, 2013.

The annual handling capacity of the PCT is 116,000 TEUs, and the storage capacity is 3,500 TEUs. It has a 180-metres-long and 26-metres-wide jetty. Two ships of 70-75 metres each may take berth at a time in the jetty of the PCT. Total Yard Area within the boundary wall is 55,000 Sq. m. Total area of van pool (Overflow yard) is 9,100 Sq.m and the container holding capacity of the yard is 3,500 TEUs. The area of container freight station (CFS) is 5,815 Sq.m. Existing capacity of the PCT in terms in handling equipment and facilitates is shown in Table 4.4.

*Table 4.4: Equipment in Pangaon Container Terminal*



While the terminal saw a downfall of 12 percent in FY2016-17, it gained momentum in FY2017-18, as the handling went up by 140 percent. The port handled around 28,702 TEUs in FY2017-18. In terms of volume, handling of containers rose 126 percent to 179,000 tonnes. For the very first time in FY2016-17, the terminal handled export cargoes of 2,180 TEUs.

In order to make the port vibrant, the government has been providing priority berthing to vessels carrying containers for the PCT. Majority of exports and imports of the country are sent to the capital city of Dhaka from Chattogram by road, which implies that the capacity of the PCT is underutilised. Some exporters are hopeful that the priority berthing would facilitate the transport of industrial raw materials to Dhaka through the port, avoiding the current road congestion at the Dhaka-Chattogram highway. In addition, the port has been given a tariff concession of 70 percent. Only 30 percent of the actual tariff is being charged to exporters and importers in order to promote

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<sup>5</sup> Railway transport is substantially cheaper and quicker for shippers. To reach Chattogram from Dhaka, a truck may require 10 to 16 hours, whereas freight train takes 10.5 to 12 hours. Cost is also around 50- 100 less per container.

trade through the port. The concessional rate is available for three year starting from October 10, 2016.

One important reason for the low utilisation of the PCT is the difficulty in roadways to reach the port with goods. Majority of export consignments originate from the greater Dhaka region, and it is time-consuming to reach from Savar and Ashulia to Pangaon via road. The exporters have been demanding adequate and efficient rail and roadways facilities from and to the Pangaon Port. There was a plan to construct an expressway connecting the terminal with Dhaka Export Processing Zone (DEPZ), though no visible work has so far been done in that regard. Another obstacle to utilising the port is the restriction on truck entrance in the metropolitan areas during daytime. As shipment of goods, especially exports of RMG, are time sensitive, this acts as a disincentive to traders using the PCT.

### 4.3 Mongla Port:

Though Mongla is the second largest port of the country, it has remained underutilised. It has the capacity to handle 70,000 TEUs per year. The Port handled around 42,989 TEUs in FY2017-18. In terms of volume, this was 29.3 percent higher than that in the previous year. It was 1.56 percent of the total sea based trade transport.

The turnaround time for ships at the Mongla Port is 2.2 days which is half of that of the Chattagram Port. The draught is 7-8 metres and therefore relatively bigger container vessels cannot anchor at the jetties at the Mongla Port.

*Table 4.5: Cargo Handling by the Mongla Port*

Category	Fiscal Year (2015-16)		Fiscal Year (2016-17)		Fiscal Year (2017-18)	
	In Volume	Growth (%)	In Volume	Growth (%)	In Volume	Growth (%)
<b>Ship Handling</b>	482	15.87	623	29.25	784	25.84
<b>Cargo Handling (MT)</b>	5796000	27.99	7512000	29.61	9716000	29.31
<b>Container Handling (TEUs)</b>	41953	-0.44	26952	-35.76	42989	59.50
<b>Export (MT)</b>	87000	-13.86	86000	-4.16	148000	74.12
<b>Import (MT)</b>	5709000	28.09	7428000	29.59	9568000	28.83
<b>Total Trade (Export + Import)</b>	5796000		7514000	29.64	9716000	29.31
<b>Total Income (Crore)</b>	195.23	14.73	226.56	16.05	265.81	17.32
<b>Total Expenditure (Crore)</b>	130.82	19.74	155.15	18.60	170.30	9.76
<b>Net Profit (Crore)</b>	64.41	6.13	71.41	10.87	95.51	33.75

Source: Mongla Port Authority

The Mongla Port is currently implementing an expansion programme of Tk. 3,000 crore. The projects include construction of four jetties and two yards, four-lane roads, purchase of 11 survey and tug boats and modern machinery for handling cargo and containers.

It is expected that the completion of the under-construction Padma Bridge will help the Mongla Port achieve its full potential. It should also be mentioned here that upon completion of the ongoing expansion programmes, the Mongla Port is expected to be in a position to provide transshipment facilities to countries like India, China, Nepal etc.

## Chapter 5: Capacity Assessment of the Proposed Indian Ports and their Expansion Programmes

In order to provide a comparative analysis of the existing vs. the proposed system of sea-borne trade, it is important to understand the capacity issues of the Indian ports as well. This chapter provides a picture of the existing and projected capacities of the Indian ports proposed to be part of the agreement.

### 5.1 Krishnapatnam Port:

To diversify Indian transshipment from the ports of Colombo, Port Klang and Singapore, Krishnapatnam, the largest transshipment port on the East Coast of India, is offering feeder vessel services connecting Kolkata, Haldia, Vizag, Paradip, etc. on the East, and Cochin, Mangalore, Mundra, Kanddla, Hazira and Nhava Sheva on the West. The NCT Krishnapatnam is having a higher volume of cargo handling since the Government of India waived cabotage restrictions.

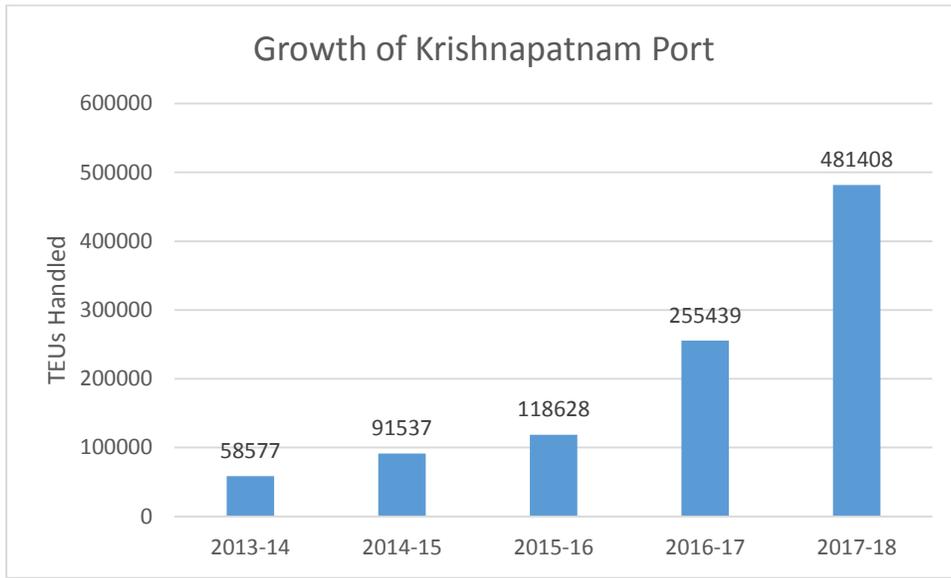
The Krishnapatnam Port is located on the East Coast of India, and, as per the Krishnapatnam Port Authority, the location is ideally suited to handle ocean trade of Bangladesh, both bilateral and third country.

- **Infrastructure:**

The Krishnapatnam Port has a capacity of 1.2 m TEUs and has 5 super post panama twin lift quay cranes and 650 m quay length. Draught of the port is 16m and it is a 24-hour, all-weather port. The transshipment volume of the port has grown from an average of 13,000 TEUs per month to around 24,339 TEUs in December, 2019.

Navayuga Container Terminal (NCT) is the expansion project of the KPCL. This will have 250 m of berth-length to the existing 650 m and erection of three more quay cranes (QCs). With the expansion programme, the terminal capacity will be increased to 2 mn TEUs with an extended quay length of 900 m and 8 super post panamax twin lift quay cranes. The expansion work is expected to be completed by the fourth quarter of FY2018-19.

**Figure 5.1: Growth of the Krishnapatnam Port**



Container handling in Krishnapatnam has seen a growth of 88 percent in FY2017-18 from FY2016-17, and handled 481,408 TEUs.

- **Container Vessel Services:**

The NCT at the Krishnapatnam Port was the first on the East Coast of India, which was chosen by a foreign flag carrier, the Xpress Feeders of Singapore. Xpress is now operating 3 customised vessels for low water depth from the NCT to Kolkata. Total number of feeder vessels operating in the NCT per week is 5.

Mainline vessel services to and from China, Korea, South-East Asia and the Middle-East are calling at the NCT. Other than these, Krishnapatnam is also being used as a transshipment port for other East and West coast ports. Operators in this route include Maersk Line, Hyundai Merchant Marine, MSC, SCI, Zim etc. Feeder vessel Xpress Feeders, OEL, Samudera etc.

*Table 5.1: Services Being Operated at Krishnapatnam Port*

**A. Feeder Vessel Services**

Service	Operator	Coverage Area	Frequency
<b>ECX</b>	Shreyas	Colombo	Weekly
<b>VCH 1 &amp; 2</b>	FAR Shipping	Colombo	Weekly

**Coastal Vessel Services**

<b>ECS</b>	Shreyas	Krishnapatnam-Haldia-Paradip/ Vizag/Kakinada-Krishnapatnam	Tri-weekly
<b>Bharat Feeder</b>	Samudera	Krishnapatnam- Kolkata- Krishnapatnam	Tri- Weekly

<b>EXX</b>	XCL	Krishnapatnam- Vizag- Kolkata- Krishnapatnam	Bi-Monthly
<b>KPBS</b>	SCI	Krishnapatnam- Kolkata- Krishnapatnam	Weekly
		Krishapatnam- Kolkata- Krishnapatnam	Fortnightly

### B. Mother Vessel Service at the NCT

Sector	Service	Operator	Coverage Area	Frequency
<b>Far East</b>	CHX	Maerk	Tanjung Pelepas- Xingang- Qingdao- Busan- Donghae Shanghai- Nansha	Weekly
	ACS		Port Klang- Singapore-Cai Lan-Busan- Ulsan Shanghai- Ningbo Yantian	Weekly
<b>Middle East</b>	Shuttle		Colombo Salalah Colombo	Weekly
	PIX 2		Tuticorin Cochin Jebel Ali Mundra	Weekly
	CCG		Colombo Jebel Ali	Tri Monthly

Source: Krishnapatnam Port Authority

Mother vessels services calling at the Port of Krishnapatna are destined to Far--East and Middle East. The services are weekly and only one service under the CCG is going to Jebel Ali tri-monthly.

- **Prospects of Connectivity with Bangladesh:**

According to the Krishnapatnam Port Authority, vessel operators are keen to deploy ships for commencing the Krishnapatnam-Chattagram connectivity. At present the volume of trade is not enough to run this route. But the Indian side is expecting to have higher cargoes for both directions if transshipment of Bangladeshi cargoes via the NCT is permitted, as it would be efficient in terms of both time and cost. In addition, the Krishnapatnam Port can be used as the transshipment port for Bangladesh's imports from China and exports to the Middle East.

### 5.2 Port of Vishakhapatnam:

The Vishakhapatnam Port is one of the largest ports located on the East Coast of India. The port was established in 1933 during the British colonial period. Terminal capacity at the Vishakhapatnam Port is 0.7 million TEUs. The port has 27 berths, which can handle 120 million tonnes. It is equipped with 4 Post Panamax RMQC's, 6 RTGC's and 6 Reach Stackers.

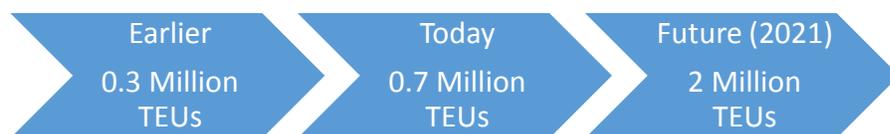
The port had handled 63.5 million tonnes of cargo in FY2017-18, which is expected to rise to 67 million tonnes during FY2018-19, as per the target set by the authorities.

The Container Terminal (VCTPL) is being operated by Vishakha Container Terminal Pvt. Ltd. The terminal is the deepest terminal in India, and can accommodate main line vessels with draught

of up to 14.50 M. A dedicated rail facility, which can handle full rake of 45 wagons is operating in Vishakhapatnam.

Due to the locational advantage, the Vishakhapatnam port may be developed as the “Container Hub Port” on the East Coast of India.

**Figure 5.2: Projected Capacity of the Vishakhapatnam Port**



The projected capacity of the Vishakhapatnam Port Authority is 1 million TEUs per year once the capacity development and infrastructural projects are completed. This will grow to 2 million TEUs by 2021.

- **Vessels and Services**

The Vishakhapatnam Port Authority is also running weekly services to the Far-East and the Middle- Eastern countries. These are the same services that the Krishapatnam port is offering with the same shipping lines. The route of these mother vessels are mostly from Vishahapatnam, then destined to the Far-East and the Middle-East touching the Krishnapatnam Port.

*Table 5.2: Services from Vishakhapatnam and Their Frequencies*

Service	Route	Frequency
<b>KMTC/CMA - APL / RCL / COS / TSL / Feedertech</b>	Vishakhapatnam - Port Klang - Manila - Busan - Qingdao - Shanghai - Shekou - Singapore - Chennai – Vishakhapatnam	Weekly
<b>BTL –EGI / WHL</b>	Vishakhapatnam - Singapore - West Port Klang - Port Klang - Singapore - West Port Klang - Port Klang - Chennai – Vishakhapatnam	Weekly
<b>CHX</b>	Vishakhapatnam - Tanjung Pelepas - Xingang - Qingdao - Busan - Shanghai - Nansha - Shanghai - Nansha - Tanjung Pelepas - Chennai - Krishnapatnam – Vishakhapatnam	Weekly
<b>CCG Service</b>	Vishakhapatnam - Krishnapatnam - Kattupalli - Colombo - Cochin - Jebel Ali - Cochin - Colombo - Chennai - Vishakhapatnam	Weekly
<b>FSL Colombo</b>	Vishakhapatnam - Krishnapatnam - Colombo – Vishakhapatnam	Weekly
<b>SECOS</b>	Vishakhapatnam - Krishnapatnam - Haldia – Vishakhapatnam	Weekly
<b>SECOS</b>	Vishakhapatnam - Krishnapatnam - Haldia – Vishakhapatnam	Weekly
<b>SBF</b>	Vishakhapatnam - Kolkata - Vishakhapatnam	Every 10 days

Source: Vishakhapatnam Port Authority

The Vishakhapatnam Port has services connecting the ports of Krishnapatnam, Haldia and Kolkata. It also operates weekly vessels towards Colombo via Krishnapatnam. One weekly service is operated towards the Far-East, touching ports like Port Klang, Manila, Busan, Qingdao,

Shanghai and, then, Singapore. It is also connected with the Indian ports of Cochin and Chennai and the United Arab Emirates (UAE).

- **Opportunities of Connectivity with Bangladesh:**

As per VCT, there is option to integrate Bangladeshi cargo in the system. Bangladesh’s export to Far-East, Gulf may be routed through vizag.

*Table 5.3: Far East Opportunities – Chattogram Via the VCT*

EXIM	Exports	Imports	Total
<b>TEUs</b>	380000	1203000	1583000
<b>Per Month</b>	31667	100250	131917

The VCT has direct service to the ports of Shanghai, Xingang, Qingdao, Port Klang, Singapore and other Far-East ports. Chattogram-bound traffic may be routed through the VCT direct that may, then, be transshipped from Vizag.

The Cargo shipping (TP) volumes of Chattogram may be done through the ideal gateway of Vizag. Vizag is about 40 hours away from Chattogram. In terms of cargo shipping (TP)cost: US \$ 60 per 2 moves @ the VCT - Singapore & Colombo is about \$ 120.

### **5.3 Kolkata Port Trust:**

The Port of Kolkata is a riverine port in the city of Kolkata, India, located around 203 kilometres (126 mi) from the sea. It is the oldest operating port in India. The Port has two distinct dock systems - Kolkata Docks at Kolkata and a deep water dock at Haldia Dock Complex, Haldia.

Kolkata Port Trust (KoPT) has a plan for a 40 percent capacity augmentation to handle 90 million tonnes of cargo annually through both Haldia and Kolkata docks. The increase is expected over the next four to five years. While the Haldia Port will see a near 45 percent increase in its annual capacity to 65 million tonnes from the existing 45 million tonnes, the Kolkata dock will see a 47 percent capacity rise to 25 million tonnes from 17 million tonnes of cargo annually.

There are two dry docks in the Kolkata Port: Kidderpore Dock, Netaji Subhas Dock. At the Kidderpore Dock, there are 20 Multipurpose Berths, 1 Passenger Berth, 6 Buoys and the dock mainly handles bulk cargo. Holding Capacity of the Kidderpore Dock is 400 TEUs. Netaji Subhas Dock has 5 Container Berths, 4 Multipurpose Berths, 1 Liquid cargo Berth and 1 Heavy Lift Cargo Berth (a 200- ton- capacity Cantilever Crane has been installed). The dock mainly handles containers. The installed capacity at the Netaji Subhas Dock is 0.8 mn TEUs.

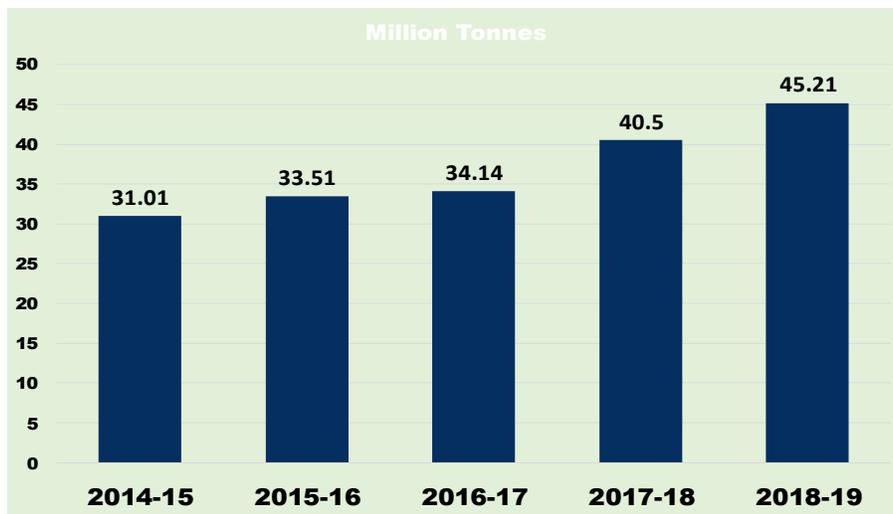
Apart from this, there are around 80 major riverine jetties, and many minor jetties, and a large number of ship breaking berths.

### **Haldia Dock Complex:**

The Haldia Dock Complex (HDC) is a modern dock system under the Kolkata Port Trust, and is equipped to handle vessels with higher draughts. It is referred to as the Gateway to Eastern India. The National Highway 41 (Port Connectivity) connects the port city with National Highway 6 (part of Golden Quadrilateral) at Kolaghat. It is the only port in India connected through, rail/road and inland waterways.

In FY2017-18, the Haldia Dock Complex has handled 40.5 million cargoes using 2,113 vessels. The HDC recorded growth rate of 11.63% during 2018-19, which is the 2<sup>nd</sup> highest among the major Indian Ports.

**Figure 5.3: Cargo Handling at the HDC**



The KoPT has a projected growth of the port at 55.1- 65.1 million tonnes by 2025. The average vessel-turn around time for the port is 1.4 days.

*Table 5.4: Highlights of the Haldia Port*

<b>FEATURES &amp; FACILITIES</b>	
•	<input type="checkbox"/> Quay length - 432 metres
•	<input type="checkbox"/> Permissible draught is 8.50 metres. ( Tide dependent)
•	<input type="checkbox"/> Handling capacity – 0.2 million TEUs p.a.
•	<input type="checkbox"/> 2 In Gate Lanes, 2 Out Gate Lanes.
•	<input type="checkbox"/> Rail siding within the terminal.
•	<input type="checkbox"/> CY 1400 ground slots
•	<input type="checkbox"/> 24 New Reefer Plug Points Inside the Terminal + 8 Reefer plugs in G.C.Berth
<b>EQUIPMENT</b>	
•	<input type="checkbox"/> Rail-Mounted Quay Crane – 02 ( 3rd RMQC expected to be installed by 2020)
•	<input type="checkbox"/> Rubber-Tyre Yard Gantry Quay Cane - 04
•	<input type="checkbox"/> Reach stacker: 3
•	<input type="checkbox"/> Internal Transfer Vehicle - 16

Source: Kolkata Port Trust

The Kolkata Port Authority has taken-up several expansion programmes to increase its capacity. They are investing Rs. 800 crore in 2 liquid cargo facility and one dry bulk facility where a total of around 9 million tonnes will be added to the existing handling capacity of Haldia, which at present is of 43 million tonnes. With the increased capacity and completion of a number of connectivity projects, the port is expecting to attract Nepalese importers. On-going and proposed expansion projects under the Kolkata Port Trust are highlighted in Table 5.5.

*Table 5.5: On-going and Proposed Expansion Projects of Kolkata Port Trust*

Sl. No.	Name of the Project	Expected Capacity addition, (in million Tonnes)	Expected date of award.
1	Construction of liquid Cargo Handling Jetty (Outer Terminal-II) near 2nd Oil Jetty on the river at Haldia Dock Complex.	<b>2.00</b>	Completion by March 2021.
2	Procurement of 1 no. 40 Tonne Rail-Mounted Quay Crane (RMQC) at HDC, KoPT.		Completion by Sept'2020.
3	Mechanisation of Berth No. 3 at HDC	<b>3.5</b>	Completion by 2021
4	Setting up of a liquid cargo handling jetty along with associated facilities at Shalukkhali, Haldia Dock – II, on DBFOT basis	<b>2.43</b>	Concession Agreement signed with M/s. Hooghly Oil & Gas Terminal Pvt. Ltd. Completion by Dec'2022

Source: The Kolkata Port Trust

The major issue for the ports under the KoPT is that they need to depend on tides for berthing and sailing. For Kolkata dock, berthing and sailing of ships are possible only in daylight with a single tide per day. For Haldia, 2 tides are available per day for berthing and sailing at 24\*7. The Kolkata Dock can only receive less loadable ships due to its lower draught than that of the Haldia dock.

Assessment of the capacities of the Indian ports suggest that the ports of Kolkata and Haldia are not in a position to handle large vessels at present, and despite their expansion programmes, may not have that capacity due to their low draught. On the other hand, draughts of Krishnapatnam and Vishakhapatnam ports are higher, and these are handling some mother vessels destined to the Middle-East and the Far-East. However, their capacities are not similar to, or as efficient as, those of the ports of Colombo or Singapore, and these ports are yet to become hub ports even for India. At present, the chances of mother vessels calling and board for the EU, Europe, or of handling cargoes as efficiently as Colombo or Singapore, are very slim.

After assessing the capacity of the selected Indian and Bangladeshi ports, a comparison between the Indian and the Bangladeshi ports reveals that the Bangladeshi ports, especially the Chattogram Port, with their expansion programmes and facilities provided would be more efficient in terms of handling international cargo than any of the proposed Indian ports. The Bangladeshi ports will be more capable to handle the growing and projected volume of international trade in the near future.

## Chapter 6: Comparative Analysis of the Existing and the Proposed System

In order to analyse and understand the commercial viability and the feasibility of the proposed system, a number of factors viz., transit time, cost of transportation, frequency of vessel calling, regulations and laws, other associated systems etc. need to be taken into consideration. This chapter aims to provide a comparative analysis of the existing and the proposed system from the perspective of the said factors. Information presented in the chapter reflects the present transportation system of some leading MLOs, interview findings from relevant stakeholders and the existing literature on maritime transport.

### 6.1 The Time to Transit:

Findings of the analysis of the present system of exports through the ports of India, namely Kolkata, Haldia, Vishakhapatnam and Krishnapatnam, show that these ports are not among the main transshipment ports for India's own exports. The bulk of Indian exports are shipped through the Mumbai, Chennai and other ports. Also, due to the low draughts at Kolkata and Haldia, no mother vessel calls on these two ports. If Bangladesh needs to export through the ports of Kolkata or Haldia, the goods will first be sent to Kolkata/ Haldia and from there to Singapore/ Colombo. Exporting through those ports, therefore, would mean including an additional port in the transportation system, resulting in an increase of cost and time.

If we consider exporting goods from the Pangaon Port direct to Kolkata and Haldia ports, it could take around one-and-a-half to two days, whereas the road transportation of cargo from Dhaka to the Chattogram Port will take around 20 hours. Moreover, it is expected that the on-going and proposed road and railway infrastructure projects will reduce the transportation time for goods.

Table 6.1 shows the time for export of goods from the East Coast Indian ports, e.g. Kolkata and Haldia, where, at present, goods are transshipped in Singapore. The destination is New York and the figures suggest that from Kolkata the time taken to reach New York is 34-40 days and for Haldia that is 33-45 days.

*Table 6.1: Time for Transshipment to New York through Kolkata and Haldia*

Origin	Transshipment Port	Time taken at transshipment Port	Destination	Est. Transit Time
Kolkata	Singapore(Transshipment time 2-5 days, depending on the availability of mother vessels)	Singapore to NewYork Transit time (20-28 days)	New York	34-40 Days
Transit time 4-5 days				
Haldia	Singapore (Transshipment time 2-5 days, depending on the availability of mother vessels)	Singapore to New York (Transit time 20-26 days )	New York	33 - 45 Days
Transit time (7-10 days)				

If we add the time taken from Pangaon to Kolkata, the approximate time taken for vessels to reach Kolkata is 1.5 to 2 days. Therefore, exporting from Pangaon to New York Via Kolkata is 36-42 days and for Haldia that is 35-47 days.

*Table 6.2: Time for Shipment to New York through Chattogram*

Origin	Transshipment Port	Destination	Est. Transit Time
Chattogram	Singapore(Transshipment time 2-5 days, depending on the availability of mother vessels)	New York	31-37 Days
Transit time 4-5 days		Transit time (22-25 days)	

Source: OOCL

Looking at the figures from Chattogram to New York via Singapore (Table 6.2), the number of days is around 31-37. Even adding another day to the system for transporting goods from Dhaka to Chattogram, number of days becomes 32-38, presuming that continuing with the existing system of shipment will save more than 3 days if the proposed system is adopted.

If Europe is considered as the destination where Rotterdam is the destination port, transportation time is **33-42 days** for Haldia and **33-40 days** for Kolkata via Singapore. If the goods are exported through the Chattagram Port, the estimated shipment time is **31-38 days**. In this case as well, continuing with the existing system will save more than 2 days of transportation time. Adding the number of days from Pangaon to Kolkata, Haldia and from Dhaka to Chattogram, the number of days saved using the existing system will be around 3-4 days.

*Table 6.3: Estimated Time to the EU from Kolkata, Haldia and Chattogram Ports*

Origin	Transshipment Port	Destination	Est. Transit Time
Haldia	Singapore (Transshipment time 6-7 days, depending on the availability of mother vessels)	Rotterdam	33 - 42 Days
Transit time (4-5 days)		Transit time (22-30days)	
Origin	Transshipment Port	Destination	Est. Transit Time
Kolkata	Singapore (Transshipment time 6-8 days, depending on the availability of mother vessels)	Rotterdam	33-40 Days
Transit time (4-5 days)		Transit time (20-30days)	
Origin	Transshipment Port	Destination	Est. Transit Time
Chattogram	Singapore (Transshipment time 6-8 days, depending on the availability of mother vessels)	Rotterdam	31-38 Days
Transit time (4-5 days)		Transit time (20-30days)	

Source: OOCL

The statistics presented above in Tables 6.1 to 6.3 suggest that for both the destinations, namely Europe and North America, which are the major export destinations for Bangladeshi exports, using the Chattogram Port is preferable in terms of time to using the ports of Haldia and Kolkata, for

introducing Haldia and Kolkata would mean simply adding another transshipment port to the existing system, which would also mean an addition to time and cost.

The ports of Krishnapatnam and Vishakhapatnam are deeper in draughts and have the greater capacity than the ports of Kolkata and Haldia. Mother vessels destined to Europe or the US, however, do not call on these two ports. From Krishnapatnam, a vessel under the Maersk line goes to the ports of Vishakhapatnam, Tanjung Pelepas, Xingang, Ulsan and Qingdao ports. The vessel starts its journey from Krishnapatnam. No vessel from these two ports are destined to the ports of the US or Europe. For exporting goods to Europe and the US, the vessels again use the Singapore/ Colombo or Port Klang as the transshipment port.

**Table 6.4: Time for Transshipment to Rotterdam through Vishakhapatnam**

Origin	Transshipment Port	Destination	Est. Transit Time
Vishakhapatnam	Colombo (Transshipment time 4-6 days, depending on the availability of mother vessels)	Rotterdam	26- 38 Days
Transit time (4-5) days		Transit time (18-24days)	

Origin	Transshipment Port	Destination	Est. Transit Time
Vishakhapatnam	Singapore (Transshipment time 6-8 days, depending on the availability of mother vessels)	Rotterdam	33- 39 Days
Transit time (5-6 days)		Transit time (20-25days)	

Source: OOCL and Maersk

Under the OOCL network, the destination of Rotterdam from Vishakhapatnam via Colombo takes 26- 38 days, which is 33-39 days via Singapore. Adding the days of transport for reaching Vishakhapatnam from Pangaon, which is around 3-4 days, the total estimated time increases to 29-41 and 36-43 days, respectively. For the destination of New York from Pangaon, the time, as a transshipment point, is 32-37 days for Colombo and 37- 42 days for Port Klang.

**Table 6.5: Time for Transshipment to New York through Vishakhapatnam**

Origin	Transshipment Port	Destination	Est. Transit Time
Vishakhapatnam	Colombo (Transshipment time 2-5 days, depending on the availability of mother vessels)	New York	28-33 Days
Transit time (4-6 days)		Transit time 20-25 days	
Origin	Transshipment Port	Destination	Est. Transit Time
Vishakhapatnam		New York	33-38 Days

	Port Klang (Transshipment time 3-5 days, depending on the availability of mother vessels)		
Transit time (4-5 days)			Transit time (25-30 days)

Comparing the time shown above with that taken from the Chattogram Port, the proposed route is, again, found to be more time consuming as it adds 2-5 days of transit time. Exporting Bangladeshi goods through the Vishakhapatnam Port would, therefore, mean an addition of 3-4 days of time for transporting the goods from Pangaon or Mongla port to the port of Vishakhapatnam.

**Table 6.6: Time for Shipment to New York through Chattogram**

Origin	Transshipment Port	Destination	Est. Transit Time
Chattogram	Port Klang (Transshipment time 2-5 days, depending on the availability of mother vessels)	New York	31-35 Days
Transit time 4-5 days		Transit time (22-25 days)	

For the Krishnapatnam port, containers destined to New York, again, go via Colombo transshipment taking a transit time of 26-35 days.

**Table 6.7: Time for Shipment to New York through Transshipment in Krishnapatnam**

Origin	Transshipment Port	Destination	Est. Transit Time
Krishnapatnam	Colombo (Transshipment time 2-5 days, depending on the availability of mother vessels)	New York	26-35 Days
Transit time (4-6 days)		Transit time 20-25 days	

The ports of Los Angeles have a higher transit time both from Vishakhapatnam and Krishnapatnam via Colombo and Xiamen ports under the Maersk line. The estimated transit time is 36- 43 days for Vishakhapatnam and Krishnapatnam, which is only 33-36 days from Chattogram if goods are sent through Tanjug Pelapas.

**Table 6.8: Time Comparisons of Existing vs. Proposed system for destination China**

Origin	Transshipment Port	Transshipment Port	Destination	Est. Transit Time
Chattogram	Tanjung Pelepas, Malaysia (Transshipment time 6-8 days, depending on the availability of mother vessels)	Xiamen - Xiamen Hairun Terminal (Transshipment time 2-6 days, depending on the availability of mother vessels)	Los Angeles	33-36 Days
Transit time Chattogram to Tanjung Pelepas (10-12 days)	Transit time Tanjung Pelepas to Xiamen (6-8 days)		Transit time Xiamen to Los Angeles (13-15 days)	
<b>Origin</b>	<b>Transshipment Port</b>	<b>Transshipment Port</b>	<b>Destination</b>	
Krishnapatnam	Colombo (Transshipment time 6-8 days, depending on the availability of mother vessels)	Xiamen - Xiamen Hairun Terminal (Transshipment time 2-6 days, depending on the availability of mother vessels)	Los Angeles	36 -43 Days
Transit time Krishnapatnam to Colombo (4-5 days)	Transit time Colombo to Xiamen (10-12 days)		Transit time Xiamen to Los Angeles (13-15 days)	
<b>Origin</b>	<b>Transshipment Port</b>	<b>Transshipment Port</b>	<b>Destination</b>	<b>Est. Transit Time</b>
Vishakhapatnam	Colombo (Transshipment time 6-8 days, depending on the availability of mother vessels)	Xiamen - Xiamen Hairun Terminal (Transshipment time 2-6 days, depending on the availability of mother vessels)	Los Angeles	36 -43 Days
Transit time Vishakhapatnam to Colombo (5-6 days)	Transit time Colombo to Xiamen (10-12 days)		Transit time Xiamen to Los Angeles (13-15 days)	

The ports of Visakahpatnam and Krishnapatnam have some direct services to the Middle-East and Far-Eastern countries. The services are run on a weekly basis and the Indian port authorities are interested to target Bangladesh’s export to the Far East and the Middle East via the ports of Vishakhapatnam and Krishnapatnam.

Considering Bangladesh’s connectivity with China, it is found from Table 6.9 below that the Shanghai may be reached within 10- 22 days via Singapore and 15- 20 days via Port Klang from

Chattogram, whereas it takes 19 days from Vishakhapatnam and 24 days from Krishnapatnam to Shanghai. In this case as well, the existing system is found to be more time-efficient.

*Table 6.9: Comparative Picture of Time for Shipment to Shanghai, China*

Origin	Transshipment Port	Destination	Est. Transit Time
<b>Chattogram</b>	Singapore (Transshipment time 1-3 days, depending on the availability of mother vessels)	Shanghai	10-22 Days
<b>Transit time (4-5) days</b>		<b>Transit time (4-15) days</b>	
Origin	Transshipment Port	Destination	Est. Transit Time
<b>Chattogram</b>	Port Klang (Transshipment time 3-7 days, depending on the availability of mother vessels)	Shanghai	15-20 Days
<b>Transit time (5-6) days</b>		<b>Transit time (9-15) days</b>	
Origin	Transshipment Port	Destination	Est. Transit Time
<b>Haldia</b>	Port Klang (Transshipment time 3-6 days, depending on the availability of mother vessels)	Shanghai	17- 20 Days
<b>Transit time (5-6) days</b>		<b>Transit time (10-12) days</b>	
Origin	Destination	Est. Transit Time	
<b>Vishakhapatnam</b>	Shanghai	19 Days	
<b>Krishnapatnam</b>	Shanghai	24 days	

Source: OOCL & Maersk Line

From Haldia and Vishakhapatnam, the estimated transit time is 17-20 and 19 days, respectively. The Haldia route uses Port Klang as the transshipment port as no direct services are there from Haldia to Shanghai. The existing routes from Chattogram to the US or Europe are more time competitive than any of the routes using the transshipment ports of Vishakhapatnam and Krishnapatnam.

## 6.2 Cost of Transport:

In addition a consideration of the estimated time of transportation to export goods, another important indicator needing analysis is freight, that ultimately adds to the cost of the product. The

following tables provides a cost comparisons between the existing and the proposed system of export.

**Table 6.10 Existing container freight rate (USD) from Chattogram via Singapore (SIN)/Port Klang (PKG)/Tanjong Pelapas (TPP)/Colombo (CMB)**

Origin	Destination	20 ft Container (\$)	40 ft Container (\$)
Chattogram	Far East	300	600
Chattogram	Europe	800	1,600
Chattogram	USA East Coast	2,000	2,600
Chattogram	USA West Coast	2,200	2,800

*Source: Calculation based on interview findings and secondary sources.*

The table shows the average ocean freight of exporting goods from Chattogram to Europe, and USA (East and West coast) via ports of Singapore (SIN)/Port Klang (PKG)/Tanjong Pelapas (TPP)/Colombo (CMB). In the proposed system, where the vessels would take the coastal route from Pangaon to Haldia, Vishakhapatnam, Krishnapatnam, and then to the Destination port of Europe and USA via transshipment ports of Singapore, Colombo etc., the total freight, including the T/S port cost, is much higher than that under the existing system.

Where the cost of reaching Europe from Chattogram is USD 1600 for a 40 ft. container, it is USD 2400 and USD 2600 if the goods use the route from Pangaon to Vishakhapatnam and Krishnapatnam, respectively.

**Table 6.11: Cost of Transportation through the proposed route**

Destination	Coastal passage to VTZ + to destination		Coastal passage to KRI + to destination		Indian T/S port	Total freight including T/S port cost	
	20 ft	40 ft	20 ft	40 ft		20 ft	40 ft
Europe	400	800	500	1,000	VTZ:	1,700	2,400
	1,300	1,600	1,050	1,600	KRI:	1,550	2,600
USA East Coast	400	800	500	1,000	VTZ:	2,500	3,370
	2,100	2,570	2,200	2,650	KRI:	2,700	3,650
USA West Coast	400	800	500	1,000	VTZ:	2,150	3,300
	1,750	2,200	1,750	1,950	KRI:	2,250	2,950

Source: BFTI's compilation from various secondary sources in primary interviews.

The costs are even higher for destination USA where the Vizag and Krishnapatnam port route is around USD 700- USD 1000 more costlier than exporting from Chattogram.

The cost comparisons are reflecting that the proposed system of export is not cost viable for the exporters at present. As there are no mother vessel calling on the ports of Vizag and

Krishnapatnam, the Bangladeshi export will have to go through 2 transshipment, if wants to avail the proposed route, which raises the cost further.

### 6.3 Frequency of calling mother vessels:

Even if the cost and time are found to be efficient, frequency of vessel is an important issue while planning the routes for export. This poses more importance in terms of time sensitive and perishable goods which, if are kept for a long time in the que for vessels, may lose its quality or demand.

Analysing the frequency it suggests that due to the low draught, mother vessels do not call on the ports of Haldia and Kolkata. For the ports of Krishnapatnam and Vishakhapatnam, mother vessels destined to Malaysia, China and South Korea in the Far East and to Middle East. The frequency for these vessels are as follows:

*Table 6.12: Services from Krishnapatnam*

Destination	Service	Operator	Coverage Area	Frequency of Calling
Far East	CHX	Maersk	Nansha New Port, China - Tanjung Pelepas, Malaysia - Ennore Chennai – Krishnapatnam – Vishakhapatnam - Tanjung Pelepas, Malaysia – Xingang, China – Qingdao, China – Busan, South Korea – Donghae, South Korea – Shanghai, China	Weekly
	ACS	Hyundai/Zim	Pusan - Shanghai - Ningbo - Yantian - Singapore - Port Klang - Madras - Kattupalli Port - Krishnapatnam - Port Klang - Singapore - Cai Lan – Pusan	Weekly
Middle East	Shuttle	Maersk	Colombo – Salalah – Colombo	Weekly
	PIX-2	Shreyas	Tuticorin – Cochin – Jebel Ali –Mundra	Weekly
	CCG	Simatech EMC	Colombo – Jebel Ali	Tri Monthly

Source: Krishnapatnam Port

From the table above and analysing the services operating from Vishakhapatnam and Krishnapatnam, it is found that services like ECX, CHX etc. are running from Krishnapatnam touching the ports of Tanjung Pelepas, Xingang ,Qingdao, Busan, Shanghai and Nansha on a weekly basis. It has been observed that the frequency of calling of mother vessels is much higher at the port of Singapore and Colombo where the export or import containers do not have to wait even for a single day for getting their cargo transported. However, it should also be mentioned here that if the businesses find the routes and the proposed system more business-efficient, the

frequency and number of vessels calling from the East Coast ports of India might increase, making the system more efficient.

#### **6.4 Other Issues to be considered:**

- **Limited number of containers:**

In the existing integration system of container vessels with MLOs, there is an issue of limited number of containers available through certain routes as routes are mostly decided by the MLOs, buyers and freight forwarders. As a result, it is not viable or feasible for shipping lines to continue transport through the ports, where those factors are not in their favour.

For example, Fast shipping line had introduced this route last year and operated 3 voyages for transporting containers. It took 2 days to reach at the VIZAG port and waited there for 2-3 days and again took 2 days to reach the Colombo port. Again, on the down trip to start from Colombo to VIZAG and then VIZAG to CTG. Even though this route took less time to transport containers from CTG to VIZAG and VIZAG to CTG, the shipping line had to shut the service down due to lesser number of containers to transport. The service was operated under ocean route, not the coastal route between Bangladesh and India.

- **Revenue loss to the Chattogram Port:**

In the proposed system, the goods are to be exported through the Pangaon port. In terms of port charge, Pangaon port is given 70% tariff concession. As a result, there is an issue of revenue by the Chattogram Port, initially. However, this would not be much as a maximum of 3% trade could be diverted to Pangaon from Chattogram given their capacities and in terms of growth, the Chattogram port could lose 1% of its growth given the 8% growth of the port annually.

- **Size of the vessels:**

As per the stakeholders of Bangladesh, if the agreement is amended, there should be restriction of vessel size. The size should be restricted below 6000 Tonnes as the Bangladeshi vessels are of that size as Pangaon would not be able to handle ships of the sizes bigger than that.

- **Possible Compulsion for the Exporters from Bangladesh:**

Some stakeholders have stressed that the amendment could create a possible compulsion for the exporters if the government develops any regulatory mechanism to make the route viable, even if that is not cost-effective for the exporters. However, as the routes of exports are mainly determined

by buyers and exports generally are not regulated, others have nullified the scope of imposition of legal tool to use the proposed route, if that is not efficient.

- **Probable Coastal Shipping Agreement with Sri Lanka:**

Bangladesh is negotiating a Coastal Shipping Agreement with Sri Lanka at present. It is expected that the cost of exporting through Colombo instead of through Singapore, the lead time and cost for export and import could reduce by 20 to 30 percent, if Colombo port provides with efficient and required services like mother vessels availability and handling. At present, on average 8 to 10 voyages are made from Chattogram to Colombo per week.

- **An Alternative Option:**

The Bangladeshi sea-borne trade is heavily dependent on the Chattogram port and 92% of the country's sea-borne trade is handled by the port. Amending the agreement and allowing for the third party EXIM through Indian ports would open up another option for exporting Bangladeshi products in any vulnerable situation. The opening of the India East Coast ports to Coastal shipping through amendments to the Agreement and the PIWT&T would keep an option open for Bangladeshi EXIM cargo just in case there are some unforeseen circumstances leading to closure of the Chattogram Port, even temporarily. Whether and how much that proposed opening might be taken advantage of by the traders will, of necessity, depends, first, on the profitability and other advantages, if any to the traders of the two countries and, second, if and when there might arise a need for an alternative route. In the present world of greater connectivity, it is advisable to have an additional connectivity leading to more openness of the country and of the economy.

## Chapter 7: Conclusions and Recommendations

The feasibility study was commissioned by the Ministry of Shipping, Government of Bangladesh, following a request from the Government of India for the inclusion of third country exports and imports (EXIM) under the existing Coastal Shipping Agreement and Protocol on Inland Water Transport & Trade so that exporters and importers of both Bangladesh and India may ship their products to third countries using the selected ports of both the countries. After getting awarded the task by the Ministry of Shipping, the BFTI conducted an extensive research to understand the viability of allowing third country EXIM through the concerned routes and ports, and how that would impact trade, business and other related issues on Bangladesh. Although the proposed amendment, if brought about, would equally apply to both the countries, our focus has been on the probable impact on Bangladesh imports and exports through the four Indian ports.

The study analysed the existing transshipment and transport-related aspects of selected ports in both India and Bangladesh, namely Pangaon, Mongla and Chattogram ports in Bangladesh, and Haldia, Kolkata, Vishakhapatnam, and Krishnapatnam ports located on the East Coast of India. In the case of four Indian ports, this involved a detailed analysis of the existing ways of handling cargoes, capacity and efficiency of Kolkata, Haldia, Vishakhapatnam and Krishnapatnam ports. It included an assessment of draught, storage and handling capacity, capability for handling mother vessels, frequency of vessels, vessel turnaround time, etc. at those ports, and costs/ TEU for export/ import to North America, Europe and other overseas markets using those ports. It also included an analysis of the seasonal impact in terms of using the proposed routes and the probable impact on the lead-time for Bangladeshi exporters.

In the case of Bangladeshi ports, this involved an analysis of the storage and handling capacity and efficiency of the Chattogram, Mongla and Pangaon ports, an assessment of modernisation and expansion works currently in progress in those Bangladeshi ports and plans for the near future to enhance their capacity and efficiency of the handling of outbound cargo, and a forecast of projected improvements in international trade logistics and a futuristic (5 to 10 years) projection of the increase in the volume of trade through these ports and their preparation to handle that growth. It also examined the existing connectivity and other infrastructural issues from Dhaka to Pangaon, Chattogram and Mongla ports and ongoing programmes to improve the situation, including the probable impact of the under-construction Padma Bridge and the proposed deep-sea ports at Payra and Matarbari.

The study analysed the existing ways of handling Bangladeshi export and import cargoes through Singaporean, Sri Lankan and Malaysian ports to North American, European and other market destinations, including overseas markets, and assessed the lead-time for exporters and costs/ TEU.

Finally, the feasibility study attempted a cost-benefit analysis of the existing system of EXIM trade through Chattogram, Mongla and Pangaon ports in Bangladesh in comparison to the proposed system of transshipment through the four selected Indian ports. It also analysed risks associated with the possible change in the trade route arising out of the rather unlikely government

decision to allow third country EXIM using Indian ports. Including the revenue impact on Bangladeshi ports have also been touched.

In addition to the desk review of the existing literature, the Study conducted in-depth interviews of relevant stakeholders, including chambers/business associations, freight forwarders, vessel owners, other logistics operators including port and government officials, and business people including those from the Bangladesh Garments Manufacturers' and Exporters' Association. Consultation workshops were also conducted to gather views of stakeholders on the proposed third party EXIM cargo. Moreover, field visits were made to the Bangladeshi ports of Pangaon, Chattogram and Mongla and the proposed Indian ports of Kolkata, Haldia, Vishakhapatnam and Krishnapatnam to make on-site surveys and acquire a thorough understanding of the prevailing situation.

### **7.1 Findings of the Feasibility Study:**

A summarised version of the major findings of the feasibility study conducted by the BFTI are provided below:

- 1. Volume of trade through Bangladesh ports:** The volume of Bangladesh's international trade in goods in 2017-18 was approximately 11.62 crore tonnes, of which around 82 percent of cargo was transported through seaports and the rest through the 11 landports and three airports. Of the seaports, the Chattogram port handled about 8.50 crore tonnes (27 lakh TEUs) of cargoes, which is around 90% of the total sea-bound EXIM transport. The Mongla port handled about 0.97 crore tonnes (42,989 TEUs) of cargoes. This reflects a heavy dependence of our traders on the Chattogram port for their EXIM business.
- 2. Current scenario of transshipment from Bangladesh:**
  - (i) Bangladesh's EXIM cargoes are mainly transshipped via three ports, namely Singapore, Colombo and Port Klang, with the bulk of our imports and westbound exports being transshipped through the Singapore port.** At present, 78 feeder vessels have been operating in Bangladesh transporting goods mainly from and to these three ports. Of them, traders favour the Singapore port for transshipment, as the frequency of calling and availability of mother vessels at that port are much higher. Moreover, as 80 to 90 percent of Bangladesh's imports come through Singapore, exporters of Westbound containerised cargoes are able to take advantage of this availability and can load their export containers on the first available vessel, reducing waiting time. In addition, the container handling efficiency of the Singapore port is much higher than that of Colombo or Port Klang.
  - (ii) It is true that the Singapore port is not the direct route for transshipment of Westbound containers, as it adds about 10 days to the journey. Being a more direct route, the Colombo port could be a more viable option in this regard. Stakeholders opined that the lead time and costs of export and import could be reduced by 20 to 30 percent if Bangladeshi EXIM cargo is transshipped through the Colombo port. However, it is also true that transportation routes are mostly determined by the MLOs, Freight forwarders and traders (exporters and importers), but mainly importers.**

3. **The Chattogram port:** (i) Due to its geographic location, the Chattogram port has the advantage of providing cost-and time-effective connectivity with South Asian and other Asian countries. With its handling capacity of over 41 million tons per year, the port currently handles 8,500 TEUs/day (4,200 TEUs of export and 4,300 TEUs of import cargo). It handled around 2.80 million TEUs of import-export and empty containers in 2018 with an 8.95 percent growth over the previous year. Its popularity will be evident from the number of vessels calling in at the port. In FY2016-17, a total of 3,092 vessels called in. Although there were severe congestion at the port about a year ago, the situation has recently improved significantly after the installation of six gantry cranes. To further improve the port capacity and cope with the growing volume of trade, several expansion projects are currently in progress. These include- (i) Patenga Container Terminal with handling capacity of 6,500 TEUs to 7,000 TEUs/day, (ii) Bay Terminal with a draught of around 12-13 metres and a handling capacity of 50,000,00 ton cargo and 30.83 lakh TEUs per year, (iii) Matarbari Deep-Water Port (container terminal) with a draught of around 18 metres.

(ii) The main export product in Bangladesh is readymade garments, the bulk of which are manufactured in and around the Dhaka city. These are, then, carried to Chattogram for onward transportation to foreign markets. Again, most of the imported goods are also brought to Dhaka after clearance from the Chattogram port. However, about 83 percent of export-import containers are currently transported by road via the four-lane Dhaka-Chattogram Highway. It should normally take less than 9 hours to reach Chattogram from Dhaka. However, due to traffic congestion, it takes as long as 24 to 36 hours. This leads to higher cargo transportation cost, which is currently one of the highest in the world. As the Highway is found to be incapable of handling the growing volume of traffic, a \$2.2 billion six-lane access-controlled Dhaka-Chattogram Expressway project is currently being undertaken with a completion deadline of 2028. In addition, there are on-going and up-coming railway projects for faster cargo transportation to and from Chattogram.

4. **The Mongla port:** The study found that despite being the country's second largest port and having a capacity to handle 70,000 TEUs per year, the Mongla port is obviously underutilised. It handled around 42,989 TEUs in FY2017-18, which is only 1.56 percent of Bangladesh's total sea-borne trade. Although the turnaround time for ships is 2.2 days, which is half of that in the Chattogram port, ships tend to avoid Mongla mainly for two reasons. First, its draught is 7-8 metres, which is insufficient for relatively bigger container vessels to anchor at its jetties. Secondly, the poor road infrastructure leading to Dhaka affects cargo transport from Mongla to Dhaka or vice versa. To improve the port capacity, expansion projects of BDT 3,000 crore are currently under way. These include construction of four jetties and two yards, four-lane roads, purchase of 11 survey and tug boats and modern machinery for handling cargo and containers. Again, it is expected that the completion of the Padma Bridge and the Dhaka-Bhanga expressway by 2020 will facilitate the Mongla port to reach its fullest potential.

5. **The Pangaon port:** The country's first inland water container terminal has a handling capacity of 116,000 TEUs per year and a storage capacity of 3,500 TEUs. The port handled around 28,702 TEUs in FY2017-18, which in terms of volume was 179,000 tonnes. In FY2016-17, the port handled export cargo of 2,180 TEUs. In order to turn the port into a vibrant one, the government has been providing priority berthing to vessels carrying containers for the port. In addition, the port has been given a tariff concession by 70 percent for a three year period commencing from 10th October, 2016. Despite all these, the capacity of the port is still underutilised. One reason for its low utilisation is the difficulty to reach the port with goods via roads. The major share of export consignments originate from the greater Dhaka region, and the endpoint connectivity with the Pangaon port via roads from Savar or Ashulia or Gazipur is very poor. Another obstacle to proper utilisation of the port is the restriction on the entry of trucks into the metropolitan areas during daytime.
6. **The Krishnapatnam port:** (i) The Krishnapatnam port has a capacity of 1.2 million TEUs and has 5 super post Panamax twin-lift quay cranes and 650 m quay length. Having a draught of 16m, the port handled 48,1408 TEUs containers in FY2017-18, exhibiting an 88 percent growth over the previous year. Under the ongoing expansion programmes at the Navayuga Container Terminal at the port, the capacity of the terminal will be increased to 2 million TEUs with an extended quay length of 900 m and 8 super post Panamax twin lift quay cranes. The Navayuga Container Terminal is being used for container vessel services by the Xpress Feeders of Singapore, which currently operates 3 customised vessels for low water depth from Krishnapatnam to Kolkata. Total number of feeder vessels operating in the Terminal per week is 5. Mainline vessel services to and from China, Korea, South East Asia and Middle East are calling at NCT.
- (ii) Krishnapatnam is also being used as a transshipment port for other East and West coast ports of India. Operators in this route include Maersk Line, Hyundai Merchant Marine, MSC, SCI, Zim, etc. Feeder vessel Xpress Feeders, OEL, Samudera etc. Mother vessels also use the port. The transshipment volume of the port was around 24,339 TEUs in the month of December, 2019. According to the Krishnapatnam Port Authority, vessel operators are keen to deploy ship for the Krishnapatnam-Chattogram route. Although the current volume of trade is not enough to run this route, the port authority expects to receive higher volumes of cargo for both directions if the third country EXIM is permitted and the transshipment of Bangladeshi import and export cargo via the Krishnapatnam port begins. The port may be used as a transshipment point for Bangladesh's imports from China and exports to the Middle East.
7. **The Vishakhapatnam port:** (i) The port has 27 berths which can handle 120 million tonnes of cargo. It is equipped with 4 post Panamax RMQC's, 6 RTGC's and 6 Reach Stackers. The current handling capacity is 0.7 million tonnes, which is projected to grow to 2 million tonnes by 2021. It handled 63.5 million tonnes of cargo in FY2017-18 which is expected to rise to 67 million tonnes in FY2018-19. The Vishakha Container Terminal at the port is the deepest terminal in India, and can accommodate main line vessels with draught up to 14.50 metres.

Due to the locational advantage, the Vishakhapatnam port can be developed as the “Container Hub Port” on the East Coast of India.

(ii) The Vishakhapatnam port operates weekly vessels towards Colombo via Krishnapatnam. One weekly service is being operated towards the Far East, touching the ports like Port Klang, Manila, Busan, Qingdao, Shanghai and then Singapore. It is also connected with the Indian ports of Cochin and Chennai and the United Arab Emirates. However, no mother vessel destined to Europe or USA calls in at this port. For exporting goods to Europe and USA, the vessels use the Singapore port, Colombo port or Port Klang for transshipment.

(iii) If the Third Country EXIM is permitted and the transshipment of Bangladeshi export and import cargo via the Vishakhapatnam port begins, Bangladesh’s exports to the Far East and the Middle East or Gulf may be routed through the Vishakhapatnam port. Again, Chattogram bound import traffic may be routed through transshipment facility at the Vishakhapatnam port. But in that case, an additional transshipment port, and further costs, would be added to the cost of trade.

8. **The Kolkata port, including the Haldia Dock:** (i) The Kolkata port has two distinct dock systems - Kolkata Docks at Kolkata and a deep water dock at Haldia Dock Complex, Haldia. The port currently handles 62 million tons of cargo annually. The Kolkata Port Trust has planned to augment the capacity of the port by 40 percent so as to handle 90 million tonnes annually through both Haldia (65 million) and Kolkata (25 million) docks by the next 4-5 years.

(ii) Apart from the two dry docks in the Kolkata port, namely the Kidderpore Dock and the Netaji Subhas Dock, there are around 80 major riverine jetties, and many minor jetties. The Haldia Dock Complex is equipped to handle vessels with higher draught, and is the only port in India connected through rail, road and inland waterways. The Haldia Dock handled 40.5 million tonnes of cargo in FY2017-18 using 2,113 vessels. The average vessel turnaround time at the Kolkata port is 1.4 days.

(iii) Due to low draught in Kolkata and Haldia, no mother vessel currently calls in at these two ports. If Bangladesh needs to export through the ports of Kolkata or Haldia, the goods will first be sent to Kolkata/ Haldia and from there to Singapore/ Colombo. Since goods can directly go from Chattogram to Singapore/Colombo, adding an additional port (Kolkata/Haldia) would mean an increase in time and cost.

9. **Comparison of time:** (i) Comparing the time taken using the Kolkata and Haldia ports, we find that transporting goods from Pangaon direct to Kolkata and Haldia could take around one and a half to two days, whereas transporting goods via road from Dhaka to the Chattogram port could take around 20 hours. The ongoing and proposed road and railway infrastructure projects in Bangladesh will reduce the Dhaka-Chattogram travel time further. The Study found that the time taken for goods destined for New York using the Kolkata and Haldia ports via

the Singapore route will be considerably higher than goods for the same destination using the Chattogram- Singapore route. While the Pangaon-Kolkata-Singapore-New York route will take around 36-42 days and the Pangaon-Haldia-Singapore-New York route will take around 35-47 days, Chattogram-Singapore-New York route will take only around 32-38 days. Again, the time taken for goods destined for Europe (Rotterdam) will be 33-40 days using Kolkata, 33-42 days using Haldia, and 31-38 days using the Chattogram port. Such findings suggest that for both the destinations, namely Europe and North America, which are the major export destinations from Bangladesh, the Chattogram port is more suitable than the Kolkata and Haldia ports in terms of time taken for transportation.

(ii) Comparing the time taken using the Krishnapatnam and Vishakhapatnam ports, the Study found that the time taken for goods destined for New York using the Vishakhapatnam and Krishnapatnam ports will be considerably higher than the time taken for the same destination using the Chattogram port. For example, while the Vishakhapatnam-Colombo-New York route will take around 31-37 days, the Vishakhapatnam-Port Klang-New York route will take around 36-42 days and the Krishnapatnam-Colombo-New York route will take around 29-39 days, the Chattogram-Port Klang-New York route will take only around 31-35 days<sup>6</sup>. Similarly, the time taken for goods destined for Europe (Rotterdam) will be 29-42 days using Vishakhapatnam-Colombo, 36-43 days using Vishakhapatnam-Singapore, and 31- 39 days using the Chattogram port. Such findings suggest that for both the destinations, namely Europe and North America, which are the major export destinations from Bangladesh, the Chattogram port is more suitable than the Vishakhapatnam and Krishnapatnam ports in terms of time taken for transportation.

(iii) Considering Bangladesh's connectivity with China, the Study found that Shanghai may be reached within 10-22 days via Singapore and 15-20 days via Port Klang from Chattogram. But the estimated transit time is 17-20 days from Haldia. The time taken from Vishakhapatnam to Shanghai is 19 days under the OOCL, and 24 days under the Maersk line.

**10. Comparison of costs:** The Study found that while the cost for sending goods to Europe from Chattogram using a 40 feet container is US\$1,600, it will be US\$2,400 and US\$ 2,600, respectively, if the ports of Vishakhapatnam and Krishnapatnam via Pangaon are chosen instead. Cost will be even higher for destinations in the United States, as the Vishakhapatnam and Krishnapatnam routes are around US\$700- US\$1000 costlier per 40 feet container compared to the Chattogram route. Such findings reflect that the proposed system of transshipment allowing the third country EXIM is not viable for the exporters at present in terms of costs.

**11. Frequency of calling of mother vessels:** Owing to low draught, mother vessels do not call on the ports of Haldia and Kolkata. From the ports of Krishnapatnam and Vishakhapatnam,

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<sup>6</sup> We add 3-4 days for the transport of goods from Pangaon and Mongla to Vishakhapatnam and Krishnapatnam with the standard time for transportation from Vishakhapatnam and Krishnapatname to New York and Rotterdam.

mother vessels carry cargoes destined for Malaysia, China and South Korea in the Far East and to the Middle East. They do not go to the ports in the United States or Europe. For exporting goods to Europe and the US, the vessels use the Singapore port, Colombo port or Port Klang for transshipment. Mother vessels use the Krishnapatnam port on a weekly basis for the Tanjung Pelepas- Xingang- Qingdao- Busan- Donghae Shanghai- Nansha route and the Port Klang- Singapore- Cai LAN-Busan- Ulsan Shanghai- Ningbo Yantian route catering to the Far East, and Colombo- Salalah-Colombo route and the Tuticorin- Cochin- Jebel Ali- Mundra route catering to the Middle East. They also use the Colombo-Jebel Ali route on a tri-monthly basis.

12. **Limited number of containers:** The experience of Fast Shipping Lines that operated three voyages using the Vishakhapatnam port last year suggests that as routes are mostly decided by the MLOs, buyers and freight forwarders, the number of containers available through certain routes, such as Vishakhapatnam, are limited. Fast Shipping had to shut the operation down due to no availability of adequate numbers of containers.
13. **Seasonal effect:** The Study found that the plying of vessels, especially the smaller-sized ones, along the coastal routes between Bangladesh and India generally becomes problematic during the monsoon season, such as between April and October, due to rough weather. This seasonal effect poses a risk to the smooth functioning of third country EXIM, as the vessels on the Coastal route are relatively small in size.
14. **Revenue loss to the Chattogram Port:** If third country EXIM is allowed as proposed by India, goods will mostly use the Pangaon port. As the Pangaon port currently offers a tariff concession of 70 percent, diversion of cargoes from Chattogram to Pangaon will cause some revenue loss to the Chattogram port, at least initially. However, this would not be much as a maximum of 3 percent trade could be diverted to Pangaon from Chattogram given the capacity of the Pangaon port. Again, in terms of growth, the Chattogram port could lose 1 percent of its growth annually given the 8 percent annual growth of the port.
15. **Size of vessels:** The Study found through stakeholder consultation that the Bangladeshi vessels have the maximum capacity to carry 6,000 tonnes while the Indian vessels are of higher size. Therefore, if the Coastal Shipping Agreement is amended, the size of vessels that could ply along the coastal route to those four Indian ports need to be restricted to below 6,000 tonnes. Because the small riverine port like Pangaon on the Coastal route does not have the capacity to handle larger ships.
16. **Compulsion for exporters:** Among the exporters, some expressed fear that even though the selected Indian routes are less cost-effective than the Chattogram route, the proposed amendment could create a compulsion for exporters if the government creates any obligatory provision to make the routes viable. Such a regulatory compulsion could cause a loss of business efficiency. However, others opined that since exports are generally unregulated and

the routes are mainly determined by buyers, the proposed amendment will not create any compulsion, and instead would create an alternative for them.

- 17. The Proposed Bangladesh-Sri Lanka Coastal Shipping Agreement:** Bangladesh is currently negotiating a Coastal Shipping Agreement with Sri Lanka. It is expected that once the Agreement is reached with Sri Lanka, the lead-time and the cost of exports and imports could be reduced by 20 to 30 percent, if the Colombo port provides efficient and required services like availability of mother vessels and handling. At present, on average, 8 to 10 voyages are made from Chattogram to Colombo per week.

## 7.2 Recommendations:

The findings highlighted in sub-section 7.1 make it amply clear that for the specific purpose of transporting Bangladeshi cargo (exports and imports) to and from international market destinations across the world, the proposed routes through the Vishakhapatnam, Krishnapatnam, Kolkata and Haldia ports in India are not commercially viable at the moment. This is because they cannot compete with the Chattogram port in Bangladesh in terms of time and cost. Some of the Indian ports, namely Vishakhapatnam and Krishnapatnam, are more efficient than the Bangladeshi ports, have higher draughts and are able to receive mother vessels which the Bangladeshi ports cannot. However, there is no direct mother vessel services from these ports to North America or Europe, and such cargo requires to be transshipped through the Singapore port, Colombo port or Port Klang. This implies that if third country EXIM occurs through the selected Indian ports, Bangladeshi cargo will have to go through one additional port requiring additional time and cost. Another possible obstacle for the proposed Indian ports could be the scarcity of adequate number of containers as the routes are decided by buyers, MLOs or freight forwarders. The seasonal effect, that is, the rough weather prevailing along the coastal route during the monsoon season (April-October) for smaller draught vessels, is another obstacle.

However, it is also necessary to keep in mind that the proposed Indian routes are not currently available for third country EXIM cargo, while the Bangladeshi ports, especially the Chattogram port, are up and running, and are being used by traders to their fullest potential. It is indeed difficult to compare the performance of non-functional routes (Vishakhapatnam, Krishnapatnam, Kolkata and Haldia via Pangaon) with that of a running route (Chattogram).

As the Bangladeshi sea-borne trade is too heavily dependent on the Chattogram port that handles 92 percent of the country's sea-borne trade, amending the India-Bangladesh Coastal Vessel Agreement and the Protocol on Inland Water Transit and Trade to allow third party EXIM through the proposed Indian ports would open up an alternative option for exporters and importers to conduct the trade of the Bangladeshi goods. This could be particularly useful in case of any vulnerable situation disrupting the established transshipment route for Bangladesh's trade cargoes. Further, opening an alternative avenue for our trade will also enable international operators to make an assessment of the Indian routes, and if they find the East Coast route viable, the

importance of the proposed routes may ultimately grow. Again, if the traders find them efficient and viable, businesses will also be created in the long run.

Considering the above factors, the following actions may be taken with respect to the proposal for allowing third country EXIM cargo:

1. The proposed Indian routes are not commercially viable compared to the existing Chattogram route in terms of time and cost. However, considering the issue of developing an alternative option for traders and operators, the Government of Bangladesh may allow the third country EXIM cargo to be carried between the designated East Coast ports of India, namely Vishakhapatnam, Krishnapatnam and Haldia, and the ports and Inland Containers Terminals of Bangladesh.
2. In order to legalise such third country EXIM trade, necessary amendments may be made in the Coastal Shipping Agreement between Bangladesh and India (Clause 1 of Article V), and additional articles may be inserted in the existing Protocol on Inland Water Transit and Trade.
3. To ensure that Bangladeshi vessels are not adversely affected by the new provision of third country EXIM and does not lose their business, the Coastal Shipping Agreement requires to adopt a new provision that would restrict the size of vessels that could ply along the coastal route to below 6,000 tonnes, especially because the small revenues part of Pangaon is not suited to handle ships of larger sizes.
4. It is to be kept in mind that allowing the third country EXIM through selected Indian ports has very little possibility of causing a large scale diversion of trade traffic from the Chattogram route. The Bangladesh ports will remain as the principal points for our sea-based trade. Therefore, the ongoing government efforts to modernise and develop the Chattogram, Mongla, Payra, and Matarbari ports need also to be continued.
5. Over and above all these, it may be kept in mind while deciding on the issue, that more and more connectivity is ultimately conducive to the growth of an economy. In the instant case, it might be ultimately lead to a development of our blue economy without any foreseeable threat to the export and import trade of the country which the traders will conduct in a way that serves their own enlightened self-interest.

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## Annex 1: Questionnaire

**A research work on  
The Feasibility of Third Party EXIM Cargo Transportation through Coastal and Protocol  
Route between Bangladesh and India**

**Part A: General Information**

<b>Name:</b>	<b>Organisation</b>
<b>Email:</b>	<b>Ph no.</b>
<b>Operating Since</b>	
<b>Signature of the Interviewee</b>	<b>Signature of the Interviewer</b>

**Part B**

1. What is the existing system for export from Bangladesh to Europe and American countries?  
(Ports, route etc.)

Route	Lead Time				Total export cost/TEU
	Ex-Factory to Port of departure (BD)	Export Clearance time at the port	BD Port to port of transshipment	Port of Transshipment to the port of destination	

2. Do you export through the Pangaon Port? If yes, please give your idea on the following:

a) Route (Port of departure ► transshipment port - destination port)
b) Lead Time (Ex-factory + Export clearance + shipment to next port):
c) Total Cost/CEU:
d) Capacity of Pangaon Port:
e) Procedural issues:

3. Do you have any idea on the existing systems to export through the Kolkata port?

a. Draught at the Port
b. Turn-around time
c. Frequency of calling by mother vessels
d. Total cost/ TEU in the case of transshipment through the Port
e. Efficiency of the Port (Storage, handling capacity, export clearance time/ time taken for the shipment, any other aspect)
f. Any legal issues

4. Do you have any idea on the systems to export through the Haldia port?

a. Draught at the Port
b. Turn-around time
c. Frequency of calling by mother vessels
d. Total cost/ TEU in the case of transshipment through the Port
e. Efficiency of the Port (Storage capacity, handling capacity, export clearance time/ time taken for the shipment, any other aspect)
f. Any legal issues

5. Do you have any idea on the systems to export through the Vishakhapatnam port?

a. Draught at the Port
b. Turn-around time
c. Frequency of calling by mother vessels
d. Total cost/ TEU in the case of transshipment through the Port
e. Efficiency of the Port (Storage capacity, handling capacity, export clearance time/time taken for the shipment, any other aspect)
f. Any legal issues

6. Do you have any idea on the systems to export through the Krishnapatnam port?

a. Draught at the Port
b. Turn-around time
c. Frequency of calling by mother vessels
d. Total cost/ TEU in the case of transshipment through the Port
e. Efficiency of the Port (Storage capacity, handling capacity, export clearance time/ time taken for the shipment, any other aspect)
f. Any legal issues

7. What could be the challenges if you export through using the transshipment facility at the Indian ports instead of those in Singapore, Sri Lanka, and Malaysia, etc?

8. Is there any challenge in terms of business if you export through the Indian ports using the Third Country EXIM process through Bangladesh-India coastal route?

9. Other issues that could have impact on exporting through Indian ports:

a. Seasonal Effect:
b. Types of vessels:
c. Lead Time:
d. Additional Cost:

10. In your view, would it be beneficial for Bangladeshi businesses to carry out third party EXIM through the Indian Ports (Kolkata, Haldia, Vishakhapatnam, Krishnapatnam)?

11. Do you have any idea about the legal or procedural issues that could obstruct this option?

12. Please give idea on the existing system and capacities of the Bangladeshi ports:

**A. Chattogram Port:**

a. Handling Capacity:
b. Storage Facility
c. Lead Time to Export to Europe and American Countries:
i. Within the country time:
ii. Waiting time at the port:
iii. Time to Reach Destination:
d. Infrastructural Issues:
e. Connectivity Issues:
f. On-going Expansion activities

**B. Mongla Port:**

a. Handling Capacity:
b. Storage Facility
c. Lead Time to Export to Europe and American Countries:
iv. Within the country time:
v. Waiting time at the port:
vi. Time to Reach Destination:
d. Infrastructural Issues:
e. Connectivity Issues:
f. On-going Expansion activities

13. What are the existing challenges in the Bangladeshi Ports (Chattogram, Mongla)?

14. Do you have idea on the proposed and on-going projects of the government to develop the ports of Bangladesh? What would be the potential implication of those expansion activities to the export-import of Bangladesh?

15. How do you think the Payra Port will contribute to the existing port capacity of Bangladesh?

16. Do you think these projects will solve the capacity-related issues of the ports?

17. If the Third country EXIM is allowed through the Indian Ports using the coastal routes, what do you think will be the most useful and popular port of departure: Pangaon/Mongla/ Payra/ Chattogram?



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তারিখ: ০৬-০১-২০১৯ খ্রিঃ

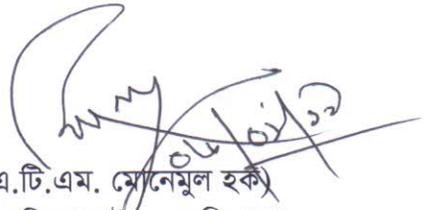
বিষয়: বাংলাদেশ ও ভারতের মধ্যে Coastal ও Protocol রুটে 'Third Country' EXIM Trade Cargo পরিবহনের বিষয়ে গবেষণা ও সমীক্ষা কার্য পরিচালনা প্রসঙ্গে।

সূত্র: বাংলাদেশ ফরেইন ট্রেড ইন্সটিটিউট এর ২৩ ডিসেম্বর ২০১৮ খ্রী.'র বিএফটিআই/প্রশাসন/গবেষণা (নৌপরিবহন মন্ত্রণালয়)/২০১৮/১৮৫৭ সংখ্যক পত্র।

সদয় অবগতির জন্য জানানো যাচ্ছে যে সূত্রস্থ পত্রের মাধ্যমে বিষয়োল্লিখিত গবেষণা ও সমীক্ষা কার্য পরিচালনার লক্ষ্যে বাংলাদেশ ফরেইন ট্রেড ইন্সটিটিউট (বিএফটিআই) কর্তৃক যে প্রস্তাব প্রেরণ করা হয়েছে তা নৌপরিবহন মন্ত্রণালয় কর্তৃক গৃহীত হয়েছে। এব্যাপারে নৌপরিবহন মন্ত্রণালয় এবং বিএফটিআই কর্মকর্তাগণের আলোচনার ভিত্তিতে চূড়ান্তকৃত সমীক্ষার কর্ম পরিধির (Terms of Reference) একটি কপি তাঁর সদয় জ্ঞাতার্থে এসাথে সংযোজন করা হলো।

এমতাবস্থায় সত্বর উক্ত গবেষণা ও সমীক্ষা কার্য পরিচালনার লক্ষ্যে এ মন্ত্রণালয়ের সাথে একটি চুক্তি স্বাক্ষরের প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদ্বারা তাঁকে বিশেষভাবে অনুরোধ জানানো হলো।

সংযুক্তিঃ বর্ণনা মোতাবেক - ০২ (দুই) পাতা।

  
(এ.টি.এম. মোমেনুল হক)  
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ফোনঃ ৯৫৭৪৪৮০  
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প্রধান নির্বাহী কর্মকর্তা  
বাংলাদেশ ফরেইন ট্রেড ইন্সটিটিউট  
টিসিবি ভবন, কারওয়ান বাজার  
ঢাকা ১২১৫।

অনুলিপিঃ

- ১। সচিব মহোদয়ের একান্ত সচিব, নৌপরিবহন মন্ত্রণালয়, ঢাকা।
- ২। অতি: সচিব (প্রশাসন) এর ব্যক্তিগত কর্মকর্তা, নৌপরিবহন মন্ত্রণালয়, ঢাকা।