COLOMBO INTERNATIONAL LOGISTICS CONFERENCE 2019



DEVELOPMENT OF BANGLADESH LOGISTIC INDUSTRY

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Bangladesh Status in

Logistic Index And Ease of Doing Business

BANGLADESH IS RANKED IN 100TH POSITION IN TERMS OF LOGISTIC PERFORMANCE INDEX BY WORLD BANK RANKING THE LPI 2018 ALLOWS FOR COMPARISONS ACROSS 160 COUNTRIES.

SOME OF THE NEIGHBOR COUNTRIES RANKED ARE - INDIA 44, SRILANKA 94
ASEAN COUNTRIES RANKED ARE - THAILAND 32, VIETNAM 39, INDONESIA 46, PHILIPPINES 60, CAMBODIA 98

BANGLADESH HAS GONE ONE NOTCH DOWN IN THE WORLD BANK'S RANKING OF EASE OF DOING BUSINESS AND RANKED 177 AMONG 190 COUNTRIES AROUND THE GLOBE.

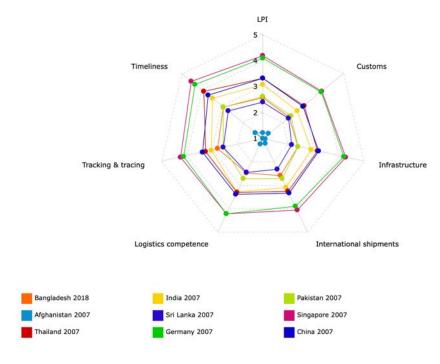
SOME OF THE NEIGHBOR COUNTRIES RANKED ARE INDIA 100, SRILANKA 111
ASEAN COUNTRIES RANKED ARE - THAILAND 26, VIETNAM 68, INDONESIA 72, PHILIPPINES 113, CAMBODIA 135

LOGISTIC INDEX OF BANGLADESH

- Bangladesh is ranked in 100th position in terms of logistic performance index by world bank ranking the LPI 2018 allows for comparisons across 160 countries.
- In terms of all the dimension of the logistic index we are lacking behind then all our SOUTH ASIAN neighbouring countries.
- The COST OF THE LOGISTIC in Bangladesh is way higher compare to any other south Asian countries.



Bangladesh 2018



EASE OF DOING BUSINESS

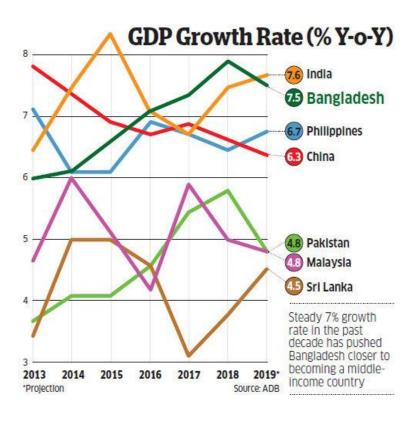


- Foreign direct investment (FDI) to the country has almost tripled for the last 10 years.
- The country received FDI worth \$961 million in 2008-09 while the inflow increased to \$3613 million in 18.
- The introduction of a one-stop service will ensure ease of doing business.
- Establishing the Bangladesh Economic Zones Authority and the Bangladesh Investment Development Authority are steps taken towards developing an environment for investment.
- The National Board of Revenue is currently working on developing the Authorized Economic Operator/ Trusted Traders system in Bangladesh, as part of its customs modernization program.

GOVERNMENT HAVE TAKEN INITIATIVES TO IMPROVE THE RANKING WITH A HIGH LEVEL COMMITTEE AT PMO OVERSEEING THE PROGRESS.

DETAILS	PRESENT COST OF BANGLSDES H	AVG COST OF OTHER COUNTRIE S	N
Time to Export: Border compliance (hours)	168	36	4.67 times
Cost to export - Broder compliance (USD)	408	200	2.04 times
Time to export - Documentary compliance (hours)	147	4	36.75 times
Cost to export - Documentary compliance (hours)	216	72	3 times
Cost to import - Border compliance (USD)	900	210	4.28 times
Time to import - Documentary Compliance	144	24	6 times
Cost to import - Documentary compliance (USD)	370	50	7.4 times

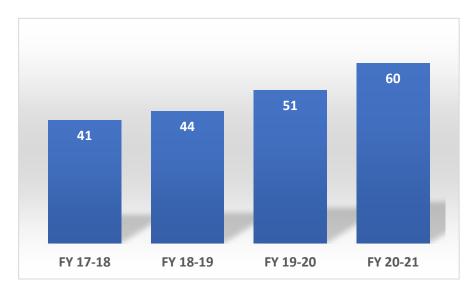
BD ECONOMIC GROWTH



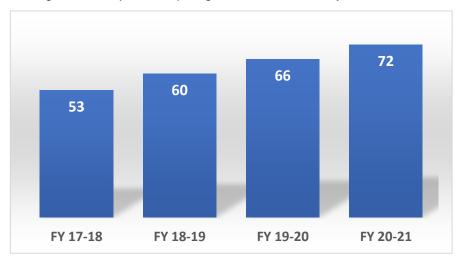
- One of the fastest growing economy in South Asia with 7.86% GDP growth
- Bangladesh is among the 10 fastest growing economies in the world and has made commendable progress on human development
- The apparel industry, employer of 4 million workers, mostly rural women, contributed 83.49% to Bangladesh's total export
- Bangladesh is now the 3rd largest producer of vegetables, the 4th largest producer of rice, and the 3rd largest producer of inland fisheries in the world
- ICT sector is thriving on 136 million mobile phone users, 73 million of them using mobile data,
- The electricity production capacity has reached 20,000 megawatts now, and it will increase to 40,000 megawatts by 2030 and 60,000 megawatts by 2041.
- Bangladesh has a vision to become a middle income country by 2021 and a developed country by 2041
- Bangladesh classified as a "Next 11" emerging market identified by Goldman Sachs.

BD EXPORT IMPORT GROWTH

Bangladesh Projected Export growth for the next 3 years in Billion USD



Bangladesh Projected Import growth for the next 3 years in Billion USD



- Annual export growth rate of 13.6 % over the last ten years
- In the year 1972 Bangladesh export was \$109 million (25 kinds of products)
- In the year 2017-2018 Bangladesh export was \$41 billion (700 different kinds of products and Services) to 199 countries.
- Top origin for foreign investment in Apparel segment
- 60% of total population are Economically active.
- Foreign currency reserve \$33.3 billion
- \$37 billion came from the export of commodities and the rest is services sectors
- Bangladesh economy is the 41st one in the world in 2019 and is set to be placed in 24th position by the year 2032.
- As per UK-based think-tank Centre for Economics and Business Research (CEBR)
 forecast countries like Malaysia, Singapore, Vietnam and South Africa will fall behind
 Bangladesh by 2033.

MAJOR BOTTLENECK OF LOGISTIC INDUSTRY IN BANGLADESH

- Trade growth is higher than the growth in Logistics Infrastructure.
- Bangladesh Freight cost is highest among South Asian nation with added congestion surcharge.
- Policy modernization across countries need to be implemented
 as some of the exiting policy hinders the movement to freight to
 neighboring countries.
- Transport and road infrastructure is not functioning at acceptance level.
- Delay in movement through the port and Goods Clearing process.



PORT GROWTH

Chittagong Port Volume Growth in Million TEUs



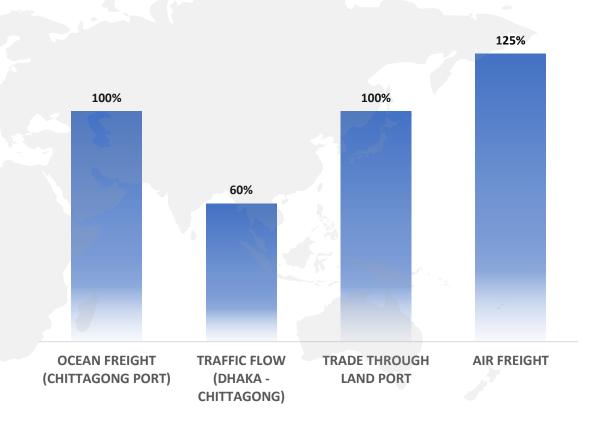
209% Growth in Ocean Freight compared with 2006

Air Port Volume Growth in Thousand Tons

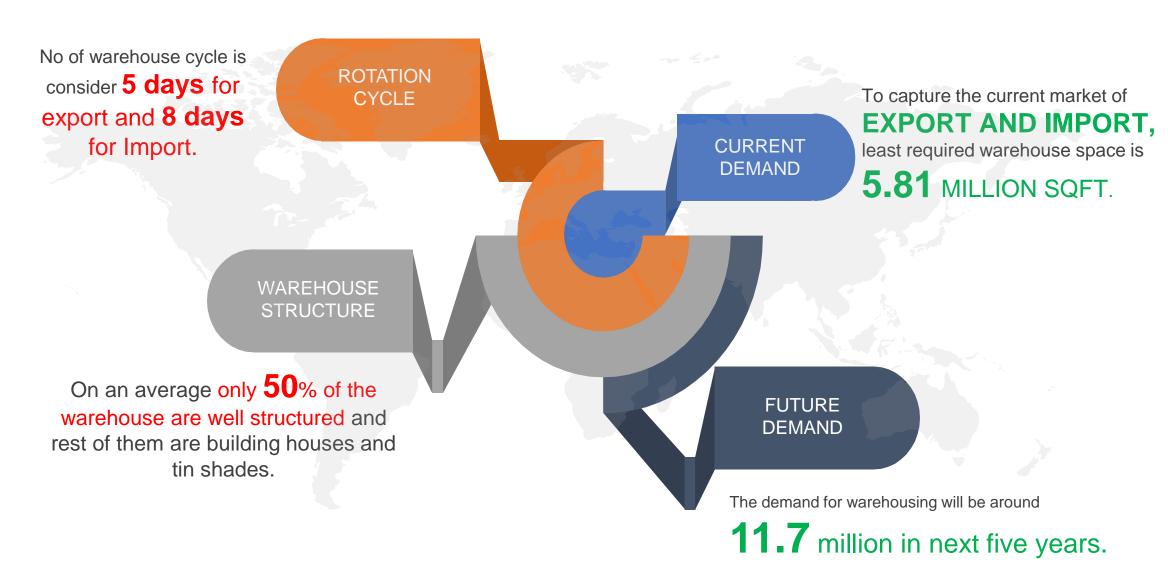


223% Growth in Air Freight compared with 2006

Projected Growth for the next Five Years



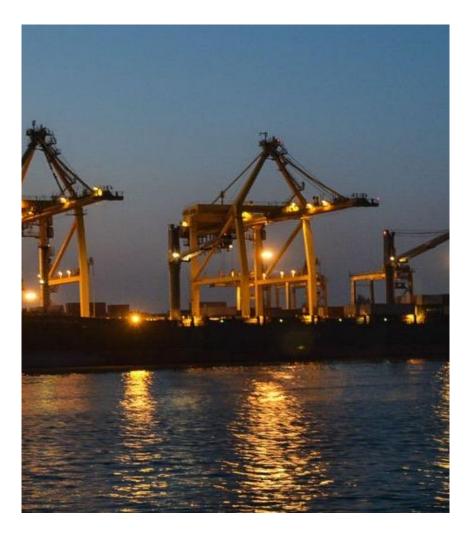
CURRENT WAREHOUSE MARKET UPDATES



SOURCE: THE WORLD BANK REPORT.

BANGLADESH LOGISTIC DEVELOPMENT INITIAVIES

BANGLADESG INFRASTUCTURE DEVELOPMENT



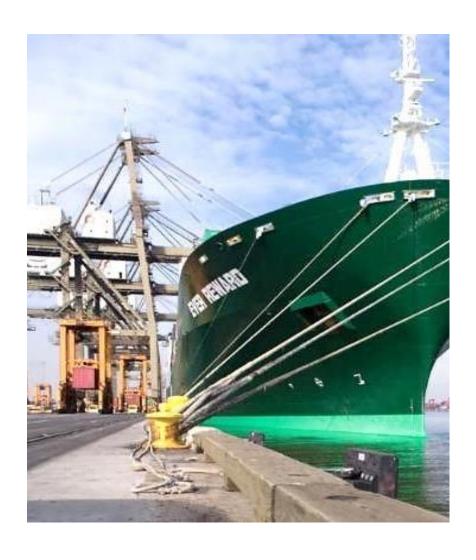
- Logistics infrastructure and improvement in airport physical infrastructure, cargo village, including common user courier/ express cargo facilities.
- There are number of Sea port development projects in Bangladesh which will be finished by 2025.
- Infrastructure development in other international airport (CTG AND SYL) in Bangladesh to disbursement of the load from HSIA which currently handle 98% of the air cargo movement.
- More system automation and integration is needed in the port and customs operation (Port community system, National Single window, Port Vehicle Management).
- Development of Freight corridor with neighboring nations
- Capacity planning is needed to tackle future logistics challenges.
- \$40 Billion invested on Infrastructural Development

BANGLADESH LOGISTICS POLICY DEVELOPMENT



- Government took initiatives along with World Bank develop the policy and implement IT system (National Single Window) to link all the stakeholders.
- Government and private sectors are working together to make the process easier, remove bureaucracy and give incentive
- Governments Implemented initiatives already improved the efficiency of cross-border trade, reducing border and documentary compliance time for both exports and imports.
- Government and Private sectors have a working group towards improvement of the logistic services in Bangladesh.
- Policy modernization by government to Streamlined customs processes to promote transshipment which is cost effective, quick, efficient and seamless.

CHITTAGONG PORT DEVELOPMENT



- Recently there is an instalment of Six ship-to-shore gantry crane by Chittagong
 Port Authority (CPA) to boost the operation and Four more gantry cranes will be
 installed this year.
- The CPA will build a 1 million-square-meter (1.19 million-square-yard) megacontainer yard
- The port will add 130 pieces of equipment, including quay gantry cranes (QGCs), rubber-tire gantry cranes (RTGs), and rail-mounted gantry cranes, to near further to increase handling
- Vessel waiting time reduced to 0 2 days (Jan March' 2019) from 12-21 days (August October) from last year and the overall efficiency increase 30% more then the previous year.
- CTG port initiates no of projects towards implemented the advanced IT system in all major operations towards achieving efficiency.

CHITTAGONG PORT FUTURE EXPANSION



- Patenga Container terminal by 2020 will have three jetties 600 meters long and will have advantages of berthing three vessels at a time. The terminal will have 250,000-TEU annual capacity
- Bay Terminal by 2022. Will have 3.5 km long jetty that can berth 10 ships at the same time to facilitate growing external trade. The Bay Terminal alone will have 13 jetties.
- bank of Chittagong port between Khal no 14 and 15 and will meet the increasing bulk cargo volumes as well as improve the performance of port operations
- Karnaphuli Container Terminal by 2022. Transformation of 50-year-old "General Cargo Berth" into a modern port which will provide clean and green maritime transport services with a reduced carbon footprint.

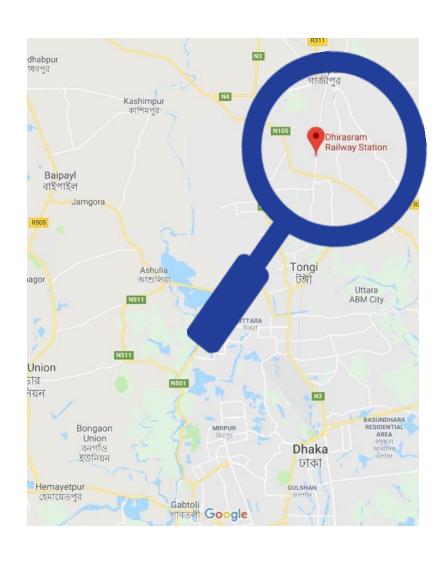
DHAKA INLAND CONTAINER DEPOT



- Kamalapur ICD handle 75,000 TEUs of container
- There are 2 train service each day out of ICD
- Container Handling Capacity 4067 TEUs
- CFS capacity 8,182 square meter
- Equipment Reach Stacker 7, Low Mast Forklift 4, Tractor Trailers 8
- Each day, three trains leave Chittagong ICD for Dhaka ICD carrying 120 TEU to 160 TEU. A similar number of trains also are transported to Chittagong ICD from Dhaka ICD.
- Earlier this year the Asian Development Bank (ADB) granted the railway \$360
 million to buy modern rolling stock, luggage vans, and wagons to help promote a shift
 in cargo transport from road to rail.
- Bangladesh Railway will buy 40 broad gauge locomotives, 125 luggage vans, and 1,000 wagons for a capacity of freight trains.
- Double railway track between Dhaka and Chittagong will be completed by 2020.
 After this container cargo transport will increase from 6% to 12% to and from Chittagong. The running time comes down to 8 hours from 14 hours.

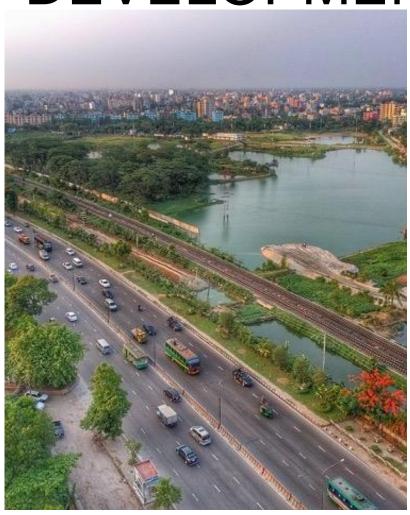
FUTURE EXPANSION

DHIRASRAM INLAND CONTAINER DEPOT



- Government is planning to establish a container terminal on an area of 55 hectares of land at Dhirasram, Gazipur attached to Dhaka Eastern by-pass road
- The ICD will have a handling capacity of 354,000 TEUs per annum.
- Industries at Savar, DEPZ, Tongi, Dhamrai, Gazipur and those on Dhaka-Sylhet highway will be benefitted from this ICD.
- The Handling capacity of this ICD is almost 20 percent of the container handling capacity of Chittagong port.
- Establishment of this ICD will certainly impact positively on the transportation of containers by rail and reduce the transportation cost for import and export commodities.
- The Government also considering building a two-way dedicated railway line from Dhirasram to Chittagong port.
- It is also ideally suited for containerization of Indo-Bangla trade.
- Construction of the Dhirasram ICD involves \$146 million investment and expected to be completed by 2025

ROAD DEVELOPMENT



- 70 percent of export-import goods are now being transported to and from Chittagong port by road, while 25 percent are transported by waterways, and only 5 percent by train.
- Each day, about 3,000 containers are transported across the country from Chittagong port and 17 inland container depots to or from off-docks. Of the total, about 2,000 are FEU, and the rest are TEU.
- In the next five-to-ten years, traffic on the Dhaka-Chittagong highway will rise by 60%
- Opening of Kanchpur, Meghna and Meghna-Gumti bridges will ease the traffic congestion in Dhaka-Chittagong highway
- Bangladesh is in the way of the major trade route through the land, waterways and sea. World Bank and Asian Development Bank are funding in infrastructure in Bangladesh to facilitate trade in the region.

DHAKA-CHITTAGONG ELEVATED EXPRESSWAY

- Bangladesh is now moving forward with its project to build a \$2.2 billion highway to connect Dhaka to Chittagong port
- The new, four-lane, access-controlled expressway a toll road will enable quicker transport of export-import cargo
- The bulk of construction work on the 217.5 kilometre (135.1-mile) road will begin and is expected to be completed by 2028

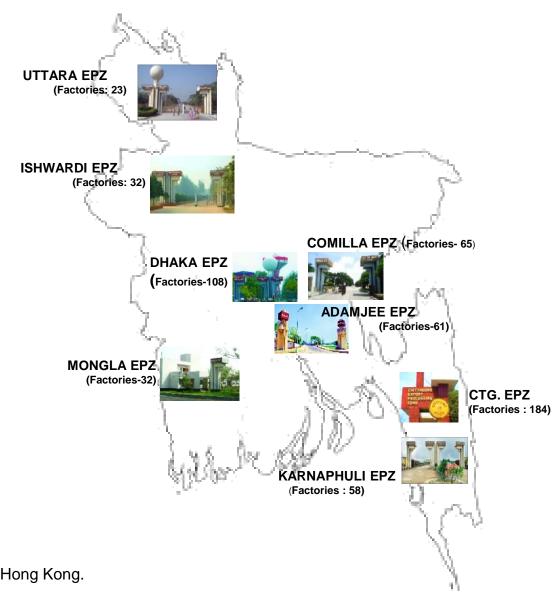
CURRENT DEVELOPMENT PLAN IN AIR PORT CARGO VILLAGE



- Third terminal will be constructed under JICA
- A new cargo village will be constructed
- Capacity will improve from 2 lakh tonnes to 5 lakh tonnes annually
- There will be 41,200 square meters cargo building
- The construction will be completed by 2022
- There will be a full-fledged warehouse in cargo village
- EU cargo ban has an adverse impact on overall operation
- Import canopy is under construction for safeguard of goods
- Capacity improvement work is going on for existing warehouse
- Chittagong also has a potential in Air Cargo facility
- Total cost of the terminal will be USD 1.6 Billion.

EPZ & FOREIGN DIRECT INVESTMENT

- 8 Major Export Processing Zone
- 59 government owned & 29 private Special Economic Zone
- 5-7 years Tax holidays
- Duty free imports
- Duty free exports of finished goods
- Relief from the double taxation
- Exemption from dividend tax for tax holiday period
- Full repatriation of profit, capital and establishment
- Enjoys GSP benefits in EU countries, Japan, Australia, Canada
- 100% foreign ownership permissible
- No ceiling on foreign and local investment
- Bangladesh is ranked 20th out of 187 countries for Investor Protection
- Manufacturing sector bagged the highest amount of FDI
- Top investing countries USA, UK, Singapore, Korea, Netherlands, India and Hong Kong.



FAST TRACK PROJECTS

The government has given top priority to eight fast-track mega projects in the upcoming budget, setting aside USD \$ 2.33 billion for FY 19-20.

- PADMA BRIDGE The bridge will be operational by 2021
- METRO RAIL The project will be completed by June 2024
- PADMA BRIDGE RAIL LINK Scheduled to be completed by 2022
- DOHAZARI-COX'S BAZAR-GUNDUM RAIL PROJECT By 2022
- MATARBARI COAL POWER PLANT Scheduled to be completed by 2023
- ROOPPUR NUCLEAR POWER PLANT Largest project ever by 2022
- OTHER PROJECTS
 - Rampal Power Project
 - Matarbari coal terminal
 - Bhola gas pipeline
 - Petrochemical industry in coastal area

















ANNUAL DEVELOPMENT PROGRAM

- The top 5 sectors have received 69.1% of total ADP allocation — concentration ratio to increase marginally from FY18
- Transport Sector once again has received the highest allocation (26.3% of total) for the second highest number of projects (225): 21.2% growth over RADP FY18
- For FY19, Physical Planning, Water Supply & Housing
 has received third highest share in ADP allocation:
 18.1% growth over RADP FY18 with the highest
 number of projects (231)

Sector	No of Projects	Share (%) ADP 2019	Share (%) ADP 2018	Growth %
Total Five Sector	786	69.1	71.4	12.69
Transport	225	26.3	25.3	21.2
Power	87	13.3	15.1	2.6
Physical Planning, Water Supply & Housing	231	10.3	10.2	18.1
Rural Development & Institutions	125	9.6	11.3	-0.2
Education & Religious Affairs	118	9.6	9.6	17.2
Other 12 Sector	553	28.9	26.2	28.3
Development Assistance	-	2	2.4	-2.3
Total	1339	100	100	16.6

BANGLADESH LOGITIC INITIATIVES FOR REGIONAL COOPRATIONS

NEW TRANSSHIPMENT HUB



- System integration with neighboring countries will reduce the process bottleneck and improve transparencies
- Bilateral meeting with government bodies to amend and develop policies to improve regional corporation to use freight corridor.
- Potential Freight Corridor with South Asia
 - Air-Air (Via Delhi Airport/ Via Kolkata Airport)
 - Sea-Air (Via Indian ports/airport)
 - Sea-Sea (Via Colombo, Singapore, Malaysia, Dubai)
 - Land-Air (Via Kolkata Airport)
 - Land- Sea (Via Nhava Sheva/other ports))
 - Rail-Ocean (Via Nhava Sheva/ Other Indian port)

BD CARGO MOVEMENT THROUGH AIR-AIR SOLUTION



- Currently in Bangladesh readymade garment items are acutely affected due to lack of airfreight space and other operational challenges at the Hazrat Shah Jalal International Airport in Dhaka On the other hand, Indian airports have underutilised cargo capacity
- Bangladesh and India in recent years having various bilateral agreement which opens up the potential to use each other port facilities
- On average, 40 per cent of the cargo space at the Kolkata airport is being used and other international airport is also underutilized.
- The Indian route will facilitate exports to the EU and the USA by reducing time and cost
- Bangladesh will also able to avoid third countries secutiry scanning for the shipment through CCU

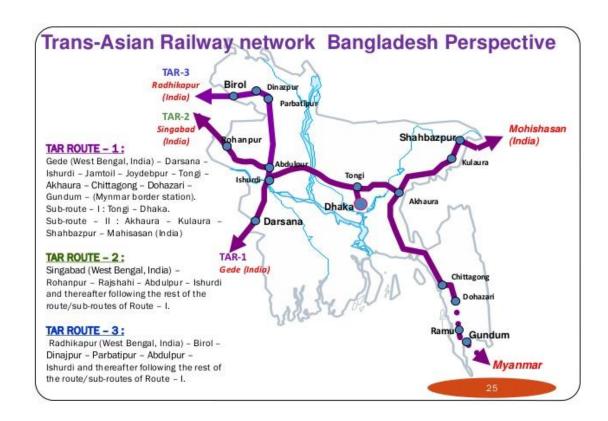
BD CARGO MOVEMENT THROUGH ROAD AIR/SEA SOLUTION



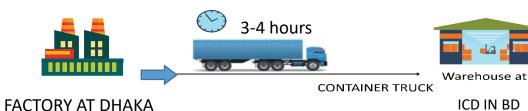
- Road- Air/ Sea solution from Bangladesh has open up new freight corridor with India.
- This transport mode have already proven cost effective and gain a lot of interest from International buyer to use this route. A combination of Road & Air transportation is used to minimize expenses, choose optimal logistic itineraries.
- In Pick Season it took 10/12 days for a cargo to Move to Europe destination through Dhaka Airport. Land-Air cargo movement through Kolkata to EU took 6/8 days, which has a huge advantage in terms of time benefit.
- Due to congestion at Chittagong port and cost, some cargo can also moved through Indian sea ports.



BD CARGO MOVEMENT THROUGH RAIL - SEA











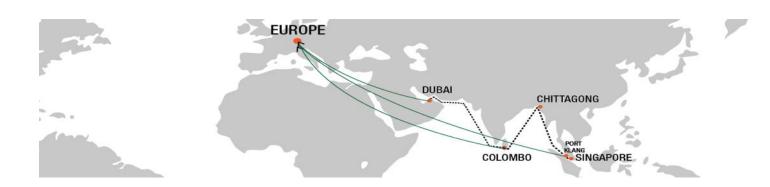
10=14 hours



BD CARGO MOVEMENT THROUGH SEA/AIR or AIR/SEA FREIGHT

- Sea- Air is a median service between air and ocean, depending on the Hub used, this combine transport mode manages to save 35 to 55% of ocean transit time.
- Sea Air Service offers customers cost effective rates to all parts of the globe.
- Air Sea services assist you in connecting the mother vessel at transshipment hub

TRANSSHIPMENT HUBS	ROUTING	TRANSIT TIME
DUBAI	CGP > CMB > DXB > FINAL DEST	VIA – Dubai > 17 - 18 Days to Europe
COLOMBO	CGP > CMB > FINAL DEST	VIA – Colombo > 12 - 14 Days to Europe
SINGAPORE	CGP > SIN > FINAL DEST	VIA – Singapore > 8 - 10 Days to Europe
KUALA LUMPUR	CGP > KUL > FINAL DEST	VIA – Kuala Lumpur > 8 - 10 Days to Europe



BD CARGO MOVEMENT THROUGH SEA FREIGHT

- Chittagong port which handles nearly 90 percent of the Bangladesh seaborne trade.
- The private sector inland container depots (ICDs) provide some storage container relief for Chittagong port; the ICDs can handle 1.56 million TEU per year.
- The west Bound cargo are mostly connected by Colombo, but also connected by Singapore and Kualampur because of less feeder vessel in the Colombo- CGP route.
- The east bound cargo are mostly connected by SINGAPORE and KUALA LUMPUR.

TRANSSHIPMENT HUBS	ROUTING	TRANSIT TIME
DUBAI	CGP > CMB > DXB > FINAL DEST	VIA – Dubai > 22 - 28 Days to Europe
COLOMBO	CGP > CMB > FINAL DEST	VIA – Colombo > 22-25 Days to Europe
SINGAPORE	CGP > SIN > FINAL DEST	VIA – Singapore > 18-22Days to Europe
KUALA LUMPUR	CGP > KUL > FINAL DEST	VIA – Kuala Lumpur > 20-22 Days to Europe

PROMINENT CARRIER FOR OCEAN FREIGHT

























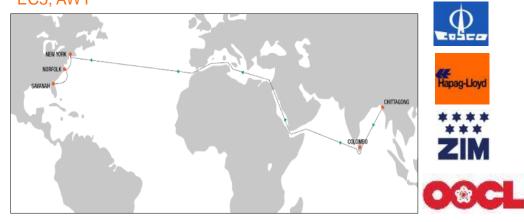






SRILANKA (COLOMBO) – STRATEGIC PARTNER FOR BANGLSDESH LOGISTIC HUB

ROUTING – EAST COST (VIA COLOMBO) Z7S, SEAP/SB, EC5, AWT



SERVICES OFFER BY CARRIER IN THIS ROUTING

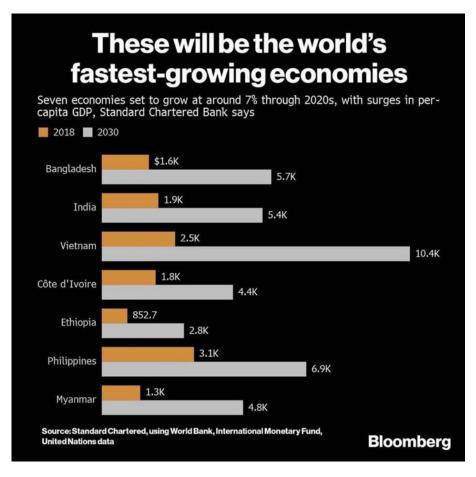
ROUTING – EAST COST (VIA COLOMBO) MECL2, HIMALAYA, MECL1.



SERVICES OFFER BY CARRIER IN THIS ROUTING

- BD export to westbound is around 73% and import is around 46%, where Colombo (Sri Lankan) port working as a main transshipment hub.
- In an average every week there are only 4 feeder vessel
 movement from Colombo and Chittagong, so increasing the
 no. of fleet can be optimize the cargo movement between two
 cities. (Vessel movement from SINGAPORE is around 8 and
 from Malaysia is around 6 every week)
- Sea-Air option via Colombo can help Bangladesh towards reducing the cost of trade as the airport current volume is exceeding the capacity in Bangladesh.

LOGISTICS AS INDUSTRY



- To attract more investment in logistics sector it has to be declared as Industry in Bangladesh
- Logistics industry size approximately 6 % of the total trade of Bangladesh which is \$ 94 billion (EXPORT & IMPORT) and it makes the logistics a \$5.64 billion industry.
- Logistics industry implies a broader spectrum and refers to the whole 'flow'
 management of freight, customs, transport, warehousing etc.

HUMAN RESOURCE & SUPPLY CHAIN



- Lack of skilled human resource in the supply chain management
- Need of dedicated Supply Chain Management Courses.
- Maritime University
- BAFFA initiates Supply Chain course in collaboration with IATA & FIATA.

Thank You