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Bangladesh eyes improved trade on completion of Padma Bridge

Md. Rezaul Karim, Chairman, SCB says in an interview with Bangladesh Post



By : Promila Kaynna

Promila Kaynna The country's shipping industry will flourish further once Padma Bridge is completed, because this bridge will accelerate trade and commerce in the country with improved connectivity between the northern region and other parts of the country through a multi-modal transport system.

The much-expected Padma Bridge after completion will enhance export-import activities as Mongla Port will be used to its full potential reducing the pressure on the Chittagong port and bringing down the lead-time for export to great extent, which will ultimately enhance the country ranking internationally, especially in export markets.

Md. Rezaul Karim, Chairman, Shippers' Council of Bangladesh (SCB), said this in an interview with Bangladesh Post.

Elaborating the role of shippers' council, he said SCB is a national association of shippers like shipping agents, freight forwarders, C & F Agents and exporters in general. As an apex body of shippers, SCB acts as a representative body of shippers to protect their common interest on shipping lines and conferences, monitor shipping services and keep close contact with shipping lines on a continuous basis. Formed in 1977 through government initiative as a corporate body, SCB is also affiliated with Shippers' Council, a global platform of shippers and exporters working to promote and protect their interest. SCB, internally licensed under T.O. Ordinance and registered under Companies Act. 1913(revised 1994), is recognised globally by UNCTAD and ESCAP, he added.

The main mission of SCB is to bring together shippers from various parts of Bangladesh on a common platform for resolving various problems affecting the shippers with particular reference to export and to protect the common interests of shippers vis-a-vis railway, inland water ways, port authorities etc on any major policy issues.

Following is the excerpts of the interview.

Bangladesh Post: How many shipping lines are currently operating in Bangladesh?

Md. Rezaul Karim: There are about 500 local shipping agents of foreign shipping lines, while around 30 major global shipping lines and MLOs (main line operators) are running their business through local agents here. However, in most cases, mother vessels are not coming to our ports, but 8-10 feeder operators with 75-78 voyage per month are facilitating transportation of import-export cargos to connect the mother vessels at different regional relay ports.

Bangladesh Post: What are the major problems that maritime industries are now facing?

Md. Rezaul Karim: Country's blue economy comprising vast sea resources, especially the fishing industry, is reportedly under an external domination in absence of our credibility to support the local interest. Bangladesh maritime industry, despite 45-56 years, appears to be unsustainable due to improper policy support. In the name of free market economy, every country is protecting their national interest under the WTO mandate. We too should do the same.

With a strength of 3200 foreign vessels, our marine industry is large enough to support the country's annual foreign trade of USD 77 billion -- USD 34 billion from exports, USD 43 billion from imports that fetches USD 7.7 billion from freight charge, of which our share is only USD 1 billion while USD 6.5 billion is taken away by foreign lines.

Bangladesh Post: What consequences did the industry face during terminal strikes,?

Md. Rezaul Karim: Terminal strikes, like other shocks, cause immense harm to the industry. Besides, these raise the cost of doing business as well as make the industry unsustainable. These create bad reputation about the country before the international community. Sudden strike compels foreign vessels to depart without taking 1000 TEU export containers. Local conflicts also force foreign vessels stand idle at the sea for months.

Bangladesh Post: What are the flag vessel protection laws in Bangladesh and how do they affect foreign vessels operating in Bangladesh?

Md. Rezaul Karim: Flag Vessel Protection Law was introduced to protect BSC despite very limited capacity but it does not exist at present. BSC and private ship owners have to ensure efficient services to serve the customers. However, the existing 8 percent freight tax on foreign shipping lines whose regional/global assessment is done by reliable authorities should be reviewed.

Bangladesh Post: What domestic products do the foreign lines want to carry?

Md. Rezaul Karim: Since, IMO safety is mandatory, we need to comply with export cargos regarding domestic charcoal / ashes of jute sticks which are likely to be exported to China and nearby countries. Unfortunately, most of the MLOs are not willing to accept such cargos on security ground after one incident of fire. I think co-ordination at the top level may resolve such problems.

Bangladesh Post: Is port congestion decreasing the number of foreign vessels and having an impact on Bangladesh economy?

Md. Rezaul Karim: Despite congestion at port, annual vessels' arrival is not decreasing, but additional costs like congestion charge, demurrage recovery of USD 12,000-15,000 per day for delay beyond chartered rules and detention charge against containers for unusual /unjustified delay for days/months/years have been imposed by MLOs. This is one of the major issues that puts extra burden on citizens and taxpayers as they have to purchase most of the items at a higher price. Besides, import cargos worth billions of taka remain undelivered within containers for years which lead to loss of revenues for the government.

Bangladesh Post: Where do you see the shipping industry of Bangladesh twenty years down the line?

Md. Rezaul Karim: Once the Padma Bridge is completed, the Mongla port will be used to its full potential which will also reduce the pressure on Chittagong Port through increasing connectivity and creating a

multi-modal transport system.

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