



BANGLADESH: POTENTIAL OF MULTIMODAL CONNECTIVITY

With the support of



Asian Development Bank



Unnayan Shamannay

MULTIMODAL CONNECTIVITY AND BANGLADESH

International multimodal transport is defined as the carriage of goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal transport operator to a place designated for delivery situated in a different country. Multimodal transport essentially facilitates door-to-door transport of goods. Bangladesh has immense potential to implement an efficient multimodal transport network thereby facilitating seamless transport of goods between suppliers and receivers. Bangladesh, following an export-led growth model, plans to become a developed nation by 2041 which will invariably strain the already under-pressure transport infrastructure. In light of the reality, multimodal transport system offers itself as potential model to enhance the efficiency of the transport network for Bangladesh by domestic, regional and international integration.

Unnayan Shamannay in association with CUTS International, India, Nepal Economic Forum, Nepal and Bhutan Media and Communication Forum, Bhutan has undertaken a research titled 'Enabling a Political Economy Discourse for Multi-modal Connectivity in the BBIN Sub-region (M-Connect)' supported by UK Aid and Asian Development Bank to understand the challenges and opportunities of establishing an efficient multimodal transport network in Bangladesh.

ABOUT PROJECT: ENABLING A POLITICAL ECONOMY DISCOURSE FOR MULTI-MODAL CONNECTIVITY IN THE BBIN SUB-REGION (M-CONNECT)

FOCUS

Policy practices and institutional framework

Logistics and transport infrastructure

Stakeholdership factors

Stakeholders engagement perception

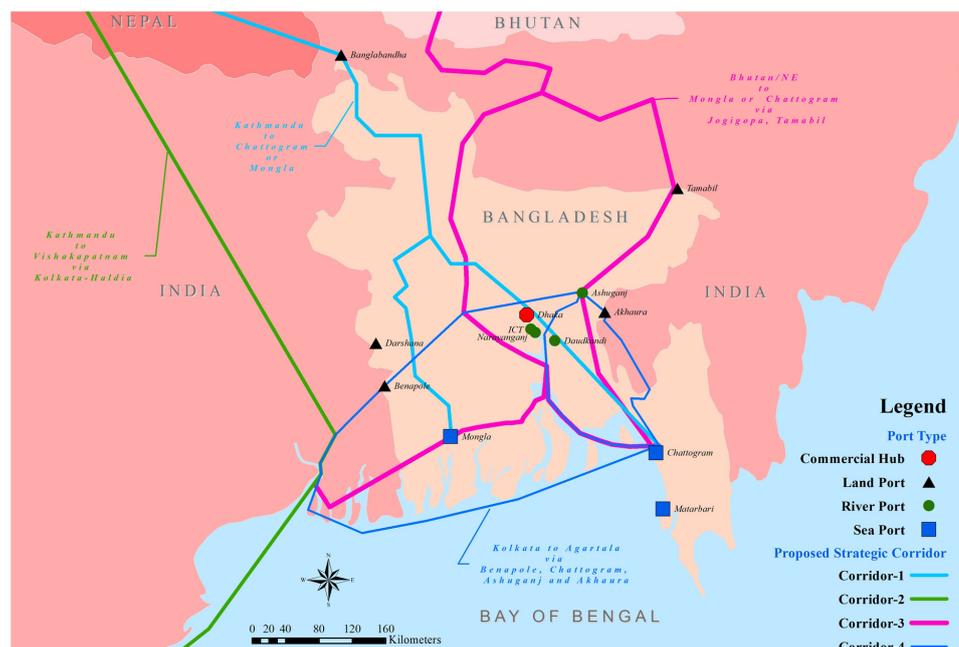
CORRIDORS

1. Kathmandu to Chattogram or Mongla via Banglabandha
2. Kathmandu to Vishakapatnam via Kolkata- Haldia

3. Bhutan/NE to Mongla or Chattogram via Jogigopa, Tamabil
4. Kolkata to Agartala via Benapole, Chattogram, Ashuganj, Akhaura

ACTIVITIES

- Multi-Stakeholders discourse mapping including the perspective of grassroots people through research
- Advocacy messages to address implementation changes of BBIN MVA and other agreements to promote multimodal connectivity
- Make a platform for multi-modal connectivity initiatives in the sub-region



M-CONNECT BANGLADESH FINDINGS

At a Glance

MAXIMIZED CAPACITY UTILIZATION

Nearly all the connectivity infrastructures of Bangladesh (except Mongla, Pangaon ICT, Akhaura LP) has been reported to have been running at max capacity and any further increase in trade volume is not possible without capacity enhancement.



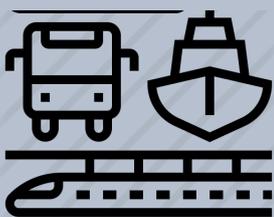
PAPERLESS TRADE IN NASCENT STAGE

Effective implementation of Paperless Trade initiatives and adoption of the National Single Window requires stronger implementation support. All the stakeholders voiced their support for incremental progress in port and customs automation.



LACK OF CONTAINER HANDLING CAPACITY

Excluding Chattogram, Mongla and Pangaon ICT, none of the transport hubs currently possess container handling capacity.



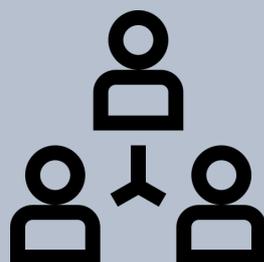
FOCUS ON INFRASTRUCTURE

Government is prioritizing infrastructure development to facilitate regional and international trade which becomes apparent with the fact that all the connectivity hubs are continuously receiving funds to improve infrastructure



DOMINANCE OF MANUAL LABOUR

Land Ports and River Ports face a shortage of transshipment infrastructure as the process is still heavily dependent on manual labour adding to the cost of doing business. Any attempt at mechanizing the process will need to take labourers into confidence.



COORDINATION AND CONSULTATION

Nearly all the stakeholder felt that interagency coordination has scope for improvement. Moreover, calls were raised for a systematic mechanism for stakeholder identification and consultation were.

LOCATION SPECIFIC FINDINGS

Knowledge gathered during the course of field visit to thirteen strategic connectivity infrastructures of Bangladesh uncovered the immense potential of multimodal connectivity in Bangladesh. The implementation of an efficient multimodal network requires identification of gaps in terms of infrastructure and policy. This report elaborates on the issues and stakeholder considerations found which was unique to each location.



COMMERCIAL HUB



DHAKA

- **Available infrastructure:** Kamlapur ICD, ICT Pangaon and numerous private ICDs, testing facilities, Export Processing Zones, Industrial Parks and Industrial Hubs.
- **Connectivity:** Well-connected with the rest of the country through the road network with N1, N2, N3, N5, N8 and the Asian Highway (AH) Network, AH1 and AH2, as well as to the AH 41. Railway connectivity is based on Kamlapur Railway Station and Kamlapur ICD. River connectivity is centered on Buriganga and Shitalakhya Rivers.
- **Challenges:** Construction of express highways and numerous bypass roads are ongoing to ease the traffic congestion problem. Land scarcity in the area pose issue for the construction of new transport hubs.
- **Stakeholder Consideration:** Every policy and decision making stakeholders are based in Dhaka.
- **Ongoing Infrastructure Projects:** Padma Rail Link Project will connect Jashore with Dhaka (169 km New Broad-Gauge Line)–completed by June 2024

SEAPORT



PORT OF CHATTOGRAM

Connectivity: Connected to the rest of the country with NH 1. Potential for connection with Northeast India via Ashuganj-Akhaura, Ramgarh-Subroom. Well-connected with Bangladesh's rail network and inland waterways.

Challenges: It is currently operating at maximum capacity, thus delays are experienced in loading and unloading frequently. Despite the Port Link Road and Port Access Road and Chattogram Outer Ring Road, the traffic congestion has not reduced. No focus on consequential low emission technology adoption and sustainability (such as electric crane, gantry crane, bulk ship loaders)

Stakeholder Considerations: Stakeholders called for systematic consultation mechanism.

Ongoing Infrastructure Projects: Chattogram Elevated Expressway, CPA Bay Terminal, Patenga Container Terminal, a 600-metre long facility with three berths with 9.5 metres of depth.



PORT OF MONGLA

Connectivity: Mongla-Khulna roads NH-805 (part of AH-41) needs to be upgraded (Class-1). Padma bridge will facilitate direct railway connection with the rest of the country: Potential for Nepal and Bhutan to utilize the port for their foreign trade.

Challenges: Lack of available draft at berth, absence of Inland Container Depots (ICD), weaker access to hinterland, absence of a dedicated RO-RO service for Mongla-bound cargos at Daulatdia-Paturia

Stakeholder Considerations: Stakeholders feel that Public Private Partnerships (PPP) will help in bridging the infrastructure gaps of Mongla Port. Interagency coordination and stakeholder consultation protocol needs to be established.

Ongoing Infrastructure Projects: Under-construction Khulna-Mongla Railway line will greatly enhance Mongla Seaport's capacity, a project to dredge 19-kilometer inner bar has commenced.



MATARBARI DEEP SEAPORT

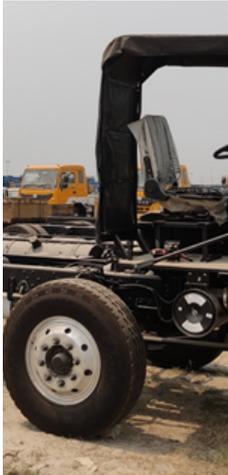
Connectivity: Only Deepwater seaport of Bangladesh (up to 18 meter/Chartered Depth 16 Meter). It is part of expansion project of Chattogram Port Authority.

Available Infrastructure: Two jetties available only for transporting the infrastructure development materials of power-plant.

Challenges: Logistical support service will be required after the port operation commences. It will be ready for commercial operation from 2024. Railway connectivity will require another 4 to 5 years

Stakeholder Considerations: Locals expect employment opportunities in the port after operation commences.

LAND PORT AND RAIL PORT



BENAPOLE LAND PORT

Connectivity: Well connected with road network, rail connection is available up to Jamuna bridge. Kalna Ferry Ghat is a missing link in this route.

Challenges: Extreme traffic congestion, No cold storage, private garage syndicate in Bongaon in India, cargo handling capacity at maximum, Padma Bridge to reduce transport complexities, full body truck scanner not operational due to pandemic and absence of BSTI or BCSIR office

Stakeholder Considerations: Stakeholders feel that Paperless Trade measures should be implemented fast and also called for establishing railway connectivity with Mongla.

Ongoing Infrastructure Projects: Alternative port connecting roads under construction, BDT 155 crore-project for port modernization under processing. Construction of cargo vehicle terminal with facility to park 1250 trucks at a cost of BDT 287 crore underway.



DARSHANA RAIL CROSSING

Connectivity: Connected with Bangladesh railway network, road connectivity still require more investment.

Challenges: Unable to handle containerized cargo, wagon handling capacity needs to increase, no cold storage, nighttime security is an issue, no PQ, AQ and Banking services in close proximity, currently trains can travel upto Jamuna Bridge and rail crossing authority restricted in terms of decision making capacity.

Stakeholder Considerations: Stakeholders voiced opinion to establish a Land Customs Stations in Darshana and opined the need for master-plan for a multimodal hub.

Ongoing Infrastructure Projects: Railway connection with Agartala is being established, rail yard is being constructed in Ullahpara, Sirajganj , double line track from Darshana to Khulna has been approved and rail bridge over Jamuna River is under construction.



BANGLABANDHA LAND PORT

Connectivity: Banglabandha Land Port is connected with AH-2, railway connectivity is not available.

Challenges: No container handling infrastructure, Integrated Check Post (ICP) facility unavailable, poor security facility, no cold storage, unreliable internet connection, prolonged power outages , lack of ancillary services (PQ, AQ, Banks), and underdeveloped cargo and vehicle management.

Stakeholder Considerations: Port stakeholders felt a visible lack of coordination among agencies and also opined that the roads should be improved and planned considering future traffic projections.



TAMABIL LAND PORT

Connectivity: Tamabil LP is well connected with AH 1 but no railway connectivity exists as of yet.

Challenges: No container handling infrastructure, lack of integrated services, no cold storage, Meghalaya's bar on trucks weighing more than 12 tons and poor cellular and broadband internet connectivity.

Stakeholder Considerations: Stakeholders of Tamabil LP were pleased with the availability of ancillary services (PQ, AQ, Banks) in close proximity but rued the lack of proper coordination among EXIM traders association, C&F Association, Customs House, Labor and Truck Association. They also voiced demand for construction of a four-lane road from Tamabil to Sylhet.

Ongoing Infrastructure Projects: Improvement of the road from Jaintia to Jaflong (including Tamabil Land Port Connecting Road and Balla Ghat Connecting Road) of Dhaka-Sylhet-Tamabil-Jaflong National Highway underway



AKHAURA LAND PORT

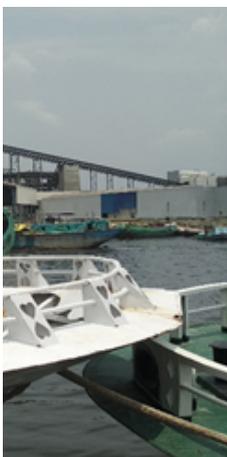
Connectivity: Well-connected with the road network of Bangladesh and AH1 is 41 km away. Railway connection with Agartala is under construction.

Challenges: Container handling infrastructure unavailable, no ICP, security issues persist, no cold storage, poor internet connection, lack of backup generators, and Banks not in close proximity.

Stakeholder Considerations: Stakeholders felt a lack of coordination among agencies. Locals expect that the land port will reduce informal trade and will increase employment. Traders demanded a four-lane road between Ashuganj to Akhaura and called for increased capacity enhancement and skill-building.

Ongoing Infrastructure Projects: Rail connection with Agartala is under construction.

RIVER PORT



NARAYANGANJ RIVER PORT

Connectivity: Well connected with both the road and inland waterways network of Bangladesh. Railway line exists 100 yards from the port entrance.

Challenges: The road from Narayanganj Port to Madanpur Station is in poor condition, manual mode of transshipment and land dispute regarding BIWTA and Narayanganj City Corporation hindering ICT construction.

Stakeholder Considerations: Stakeholders expect digital infrastructure in Narayanganj River Port and opportunity of participation for grassroots stakeholders.

Ongoing Infrastructure Projects: Port connecting Road from Madanpur Port Station with 3rd Shitalakhya Bridge and further extension up to Dhaka-Mawa Expressway is under construction and DTCA is currently monitoring initiatives concerned with Narayanganj's multimodal connection under their RSTP.



ICT PANGAON

Connectivity: Distance between Pangaon and Port of Chattogram only 290 km (157 nautical km). Pangaon is also connected through road network to Bibirbazar and the distance is about 110 km. Elevated expressway planned for future.

Available Infrastructure: Storage capacity of 3,500 TEU, annual handling capacity 116,000 TEU, a 180-meter-long and 26-meter-wide jetty and equipment to handle containerized cargo available.

Challenges: Lack of LAD in Choukighata and Selim Bazaar, technical issues with ICT connecting road, existence of a transport syndicate and more than 7 days required to unload an average ship.

Stakeholder Considerations: Stakeholders feel that as Pangaon ICT is a bonded customs area, it will help increase the trade volume in future. But they complained about the high toll rate (3500 taka) of Postogola Bridge.



ASHUGANJ RIVER PORT

Connectivity: Well-connected with Port of Chattogram and Port of Narayanganj. Railway line goes through Ashuganj River Port premises. It is also connected with AH-1.

Challenges: No container handling facilities, no dedicated customs house, no PQ or AQ near the port, lack of LAD in dry season, bridge clearance becomes an issue during monsoon, inadequate digital infrastructure and ICT construction slowed down due to delayed disbursement from credit lines

Stakeholder Considerations: River pollution was a top agenda for stakeholders. They also asked for strict policy measures with proper incentives and hoped that ICT will boost local economy.

Ongoing Infrastructure Projects: ICT at Ashuganj



DAUDKANDI RIVER PORT

Connectivity: Due to the lack of draft, Daudkandi River Port is connected through only small bulkheads plying the river. Railway connection not available. It is connected with AH-41 and its nearest Land Port is situated in Bibirbazar.

Challenges: Acute navigability crisis, loading and unloading done manually, no PQ or AQ, no guiding light and no rescue boats.

Stakeholder Considerations: Stakeholders informed that the volume traded domestically through the port in FY 2019-20 amounted to 1.77 million MT and also hoped that establishment of container cargo handling facilities may encourage businessman. Nonetheless, they also cautioned that there is need for further potential assessment of the port before deciding on a mega project.

Ongoing Infrastructure Projects: Nil

CASE IN POINT

Uncovering the reason behind underutilization of ICT

Inadequate number of ships are the biggest reason behind underutilization of ICTs. Due to the low number of ships, export consignments take longer to reach their destination thus diminishing ICT's utility. To overcome this issue, Port of Chattogram has designated a special jetty reserved only for berthing ships arriving from Pangaon and Muktarpur to make the shipment process faster and promote ICTs. But this service has not been activated yet which means ships from Muktarpur and Pangaon cannot use that private jetty yet as delay continues to take place. Moreover, the freight rate of ships coming from Chattogram to Pangaon or Muktarpur is much higher. For example, a ship coming from Singapore to Chattogram charges 300 USD per container whereas a ship coming from Singapore to Muktarpur via Chattogram charge 500 USD.

INFRASTRUCTURE AND POLICY SUPPORT

- Navigability is the biggest issue plaguing India Bangladesh Protocol Routes. (New IBP routes requires master-plan for capital dredging-Rajshahi to Aricha and Daudkandi to Sonamura).
- Jogigopa to Chilmari to Aricha IW routes need to be revived (high potential for future trade).
- Sirajganj point can be utilized as multi-modal hub. (Sirajganj to Rangpur direct railway connection is a very important missing link).
- Ashuganj ICT development process should be expedited.
- Private sector linkages among BBIN needs to be facilitated.
- Narayanganj River Port's capacity should be increased and be turned into a multi-modal hub (utilizing the ICT Pangaon and Muktarpur SAPL connecting Port of Mongla and Port of Chattogram).
- Stand-alone customs clearance facilities for seamless transportation.

**Synchronised
customs procedures
in BBIN and Single
Window Clearance
System**

**Road Transport
Conventions- TIR
help the effective
implementation of
this BBIN MVA**



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