

# Separate Container Port is a Must

Continued from page 17

1998 they were supposed to purchase 17 of them, but at this moment on average only two are in service. The others are always out of order or have some problem about maintenance. Same with the fork lift. About 30 per cent is out of order always. All these things contribute to the mismanagement or slowing down of the port.

The new problem which emerged a few months back is the 'go slow' programme of the workers. This is a serious issue. It should be tackled immediately and properly within the law. If necessary, we suggested, the trade union or whatever they have, should be banned from the port because it is a place without which the country cannot run. The country cannot run without its import and export. If trade union strength is being used recklessly there and they don't allow you to develop your port facility, improve new installation and other things, they should be dealt with properly because they are working in a way which is not in the interest of the country.

**Mahfuz Anam:** I identify three sets of problems here. One is the efficiency of the existing level of facilities. What we have, we are not using efficiently. What can we do to use better what we have?

The second set of problems is that what we have is very inadequate. In other words, we need to modernise the port, get new equipment, install them and run them. This is another set of problems, or rather challenges, bringing them in, installing them, getting technical persons to run them.

The third category is the role of the labour. Now this figure of 26 days unannounced strike or work stoppage is alarming. When the notoriety spreads that this port is not dependable, many ships will avoid it. This reputation spreads them even if they come, they will charge you higher than normal fees. So the third challenge we have to discuss is the worker-related problem, their efficiency, their trade union rights, their human rights and the like. Then of course there is the question of privatisation. Let us say modernisation. The workers get very agitated over the word privatisation. Commercialisation may be an appropriate word.

**Kamaluddin Ahmed:** I want to brief you on the problems and recommendations on behalf of the users. I am Convenor of the Users Forum. At the same time I am President of the Chittagong Chamber and the Chamber is closely connected with the Chittagong Port. I am a member of the committee on Chittagong Port and Customs as well.

The problem is of control of the labour by the government and the port authority. There is no control at the moment. Neither the port authority nor the ministry can control or impose anything on the labourers.

Second is the inadequate equipment and shortage of space for storing the cargo. In the year 2000 the straddle carrier requirement will be 41. We have only eight but the government has no specific programme to buy rest of the 33 straddle carriers. The requirement for fork lifts is 35 and we have 17. We shall have to buy 18. As for empty container handling equipment, the fork lift requirement is 33, we have five only, 26 to buy. The government received a letter from the port authority to buy equipment, but there is still no programme for any tender or any move to give the equipment to the port within one or two years. So there is a vacuum of equipment for the containers. It is alarming.

I have mentioned control on the labourers. The labourers call strike without any notice, without obeying the ILO Convention or the labour laws of our country. There was a six-day strike called by the employees or labourers, without following the legal reason of calling strike. However, no punishment or show-cause notice was issued by the authority. So there is no control. On the other hand, all the political parties are involved with the port, that is the labourers and the port employees. There are 16 to 19 unions, all connected to the political parties. These political parties are also giving incentive or giving their blessing, whenever there is a strike action to stop the port. In the interest of better functioning of the port, we must request all political parties to declare to keep the ports outside

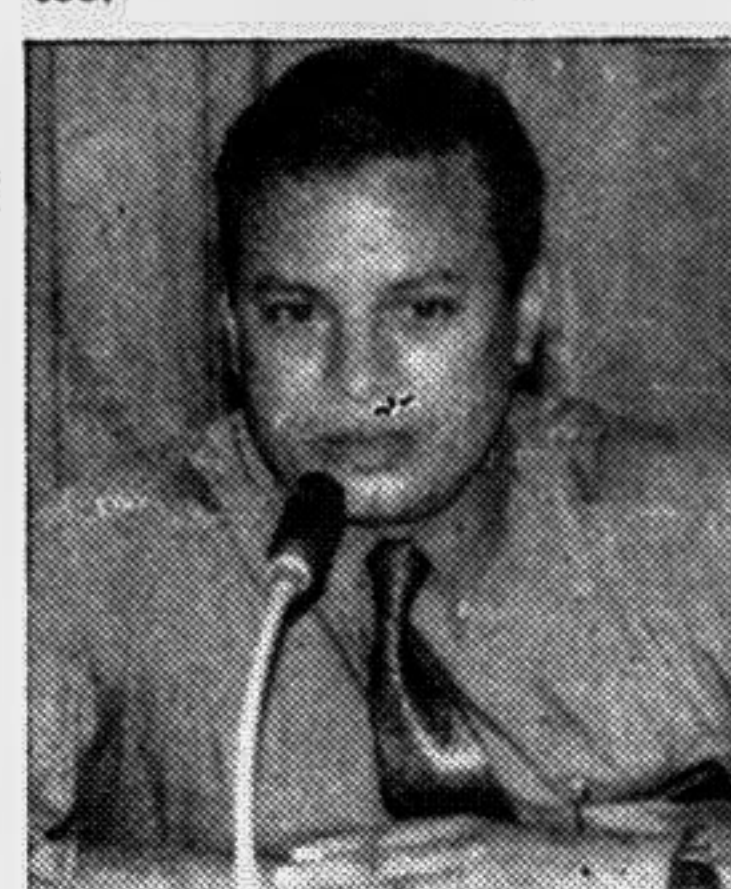
their politics. The management does not have any power for better management of the port. Whatever power it has is very limited, and restricted to financial and administrative measures. My opinion is to reform the board of management of the port authority, comprising the private sector participants so that it may take any decision and should not wait for the decision of the ministry in financial and operation matters. Sometimes we observe that there are a multiple group of people working inside the port. If one unit is not working, then the other units also stop. If one link is closed, the entire chain is closed. This is the system on which the port is working.

When problems arise, the port authority fails to minimise or settle the issue. Sometimes it takes six or seven days. The secretary or minister will come to settle it. I requested our minister in the advisory committee to form an umpiring committee in the port so that they can minimise any sort of problem arising from any corner, from the labourers, from the unions as well as from the users. Sometimes it comes from the users, the stevedores, the clearing forwarding agents and other users. So there is a requirement for a committee who can settle the problems immediately. The law and enforcing authority can also be a member of the committee.

their politics.

The management does not have any power for better management of the port. Whatever power it has is very limited, and restricted to financial and administrative measures. My opinion is to reform the board of management of the port authority, comprising the private sector participants so that it may take any decision and should not wait for the decision of the ministry in financial and operation matters. Sometimes we observe that there are a multiple group of people working inside the port. If one unit is not working, then the other units also stop. If one link is closed, the entire chain is closed. This is the system on which the port is working.

When problems arise, the port authority fails to minimise or settle the issue. Sometimes it takes six or seven days. The secretary or minister will come to settle it. I requested our minister in the advisory committee to form an umpiring committee in the port so that they can minimise any sort of problem arising from any corner, from the labourers, from the unions as well as from the users. Sometimes it comes from the users, the stevedores, the clearing forwarding agents and other users. So there is a requirement for a committee who can settle the problems immediately. The law and enforcing authority can also be a member of the committee.



Kamaluddin Ahmed

Our government always declares that private entrepreneurs are welcome to invest in our port facilities development or services. But when any private company comes forward with investment or equipment, the port employees become aggrieved and start working to subvert it. Three years ago, Classic Corporation imported four straddle carriers and it took one and a half years to start and pass through the union protection. So when the government is interested and we all are recommending privatisation, why doesn't the government issue a circular or a public notice or gazette declaring what functions the private sector can do, what services the private sector can get into? It is essential that this is declared by a notification so that the government cannot go back on its commitment.

**Laila Kabir:** I am going to read bits of a report to reinforce what the two previous speakers have said. These bits refer to one of the problems, the equipment problem. Here it says that almost four berths are permanently out of operation.

**Laila Kabir:** I am going to read bits of a report to reinforce what the two previous speakers have said. These bits refer to one of the problems, the equipment problem. Here it says that almost four berths are permanently out of operation.



Laila Kabir

It says, "Priority category vessels are supposed to be given berth on arrival. Reasons above vessels suffer berthing delay are that four berths have been taken out of use by port authority for maintenance. These are berths number 3 and 4, not allowed to be used for reasons of survey and fender fittings, whilst berths number 11 and 12 are kept idle for dredging."

So whatever berths that are there are not being fully utilised because of maintenance purposes.

Then there is another bit which says, "River mooring number 3 of Chittagong Port is used for tankers carrying soybean oil and tallow etc. There is no other mooring where vessels carrying above cargoes can discharge. This mooring is frequently declared by port authority to be out of commission on grounds of displacement of



buoys. As a result, ships arriving with cargo are suffering berthing delay. They incur demurrage, etc."

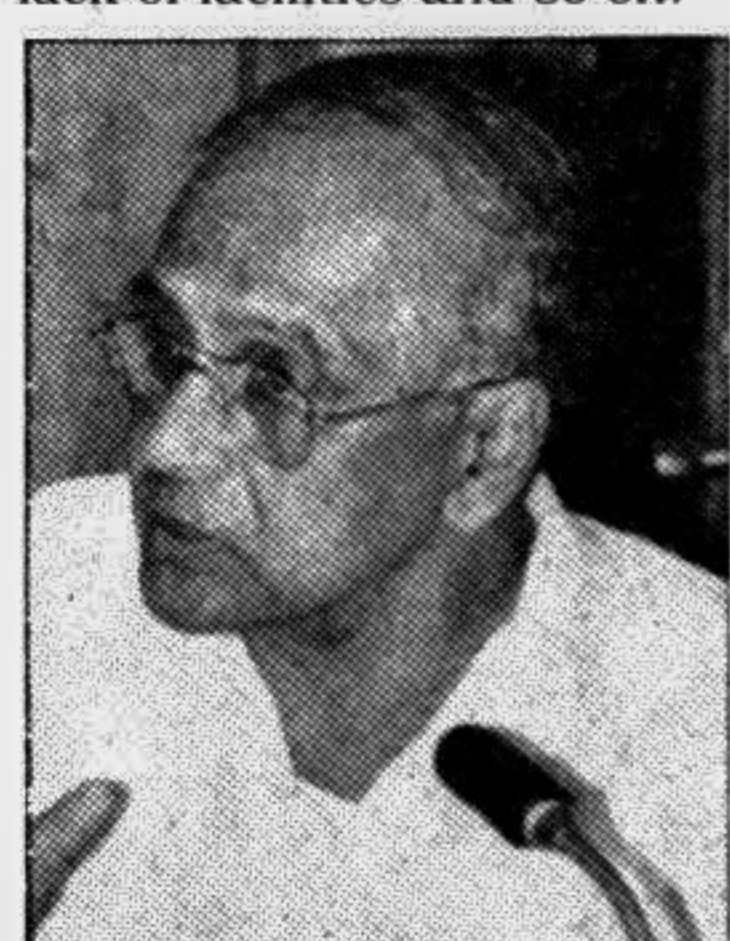
So there is another problem and there are several others. It appears that this maintenance problem causes a lot of delay.

Then about labour. Let me read this: "Presently Chittagong Port's labour is managed by the Dock Labour Management Board and the stevedores appointed by the shipping agents are required to book gangs with the Dock Labour Management Board. The labour unions, under the protection of the political parties, always create trouble on different grounds and the actual number of labourers for each gang never remains present during working time. Particularly the sardar and the mate of each gang never remain present but their wages are paid. Moreover, the labour unions always press the appointing authority to pay them incentives and overtime, otherwise they refrain from working at normal speed, hence the delays."

It is not only the unions. The authorities have operators too. They are extremely difficult to handle. If they just decide they are going to go slow, nobody can do anything.

**Mahfuz Anam:** It seems that a national port is in the control of people who work there. Gradually, over the years, they have become so powerful that they dictate everything that goes on there and so the question arises, where is the government's authority?

**Alamgir Farook Chowdhury:** The port has apparently been functioning very efficiently because their target is 1.9 and they are doing 2.3 in spite of the one month go-slow strike, lack of facilities and so on.



Alamgir Farook Chowdhury

I would strongly suggest that the minimum essential equipment that has to be bought, maybe under the garb of a project or whatever one has to form to purchase it, that has to be purchased immediately. If necessary, the Planning Commission will have to be influenced so that they can adjust this against other schemes on the basis of priority. This is a priority in the sense that our exports are dependent on the port. If we fail to export it through the port, we will have to resort to air shipping which is very, very expensive.

As it is, we are facing some problems with the European Union, the GSP problem, the fish problem and on top of that if you have a problem in exporting out from the country, then you will have to look at it much more seriously. Our price stability is so dependent on the port because we now import a lot of our essentials including onions, chilies, garlic, soybean and so on.

**Mofazzel Karim:** May I throw some light on the points raised about labour? We are sometimes taken aback when we find it is not only the workers who are going on strike, but that the users are going on strike too. When we find the stevedores, the ship owners or the

agents going on strike for days, it is a bad example for the poor labourers who may have a reason to do so. I know there are good causes for the users too, but this should be the last weapon used by the users and the owners. In March 1997, I had been just two or three weeks old in this ministry when suddenly one afternoon I heard the labourers were on strike because of the carriers brought in by QC Shipping Lines. I at once said, try to open a dialogue to solve it. While this process was on, we found out that if we decided against the interest of the owners, they would go on strike.

**Mahfuz Anam:** What is the government's policy? **Mofazzel Karim:** The government's policy is to run it efficiently. There is a policy statement on the part of the government. Private participation can be allowed, shall be allowed and is being allowed. Not 101 per cent of everything in Chittagong Port is owned by the government. What about the hundreds of trucks which are being used in the port?

**Mahfuz Anam:** If government's policy is to allow private investment then it should be enforced. Take QC for example. They imported their machinery under some sort of government policy. You got a telephone call saying that the labourers don't want it and you said that, start a dialogue. My question is, you have a policy. You can say, labourers have no business to interfere in this. I know I am over simplifying the matter, but I am saying that if there is a policy, then at least you can take a policy position — please don't go on strike. You don't have a right to go on strike for this because government policy is to promote private investment.

**Mofazzel Karim:** Is it that simple that the labourers have gone on strike at three o'clock in the afternoon and after five minutes I say, stop them? Had it been that simple, then everything in this country would have been very, very easy. It is not so. You will have to adopt a strategy. You could not do it for one and a half years. These straddle carriers were imported during the regime of the last government. These could not be operated. Classic Corporation imported it three years ago in 1993-94. They could not operate it for three years. And then ultimately when it came to brass tacks, it was our turn to face it. Then we said let's try to do it tactfully. Remember, this government is not to arrest people, to impose things. After three days we could convince those labour leaders and they stopped their opposition. Then to our dismay, the users of the equipment went on strike. I requested them for three days, you please stop using them. After that, we will invite you. If you could hold your breath for a year and a half, just do it for another three days. They wouldn't listen. They said, you gave us permission to import these things. We imported it, now we want to use it and you are asking us to stop for three days. That is the problem, you see. We will have to be a little tactful with these labourers.

**Mashiur Rahman:** The stevedores, importers and workers all knew where their interests were and they were trying to get the best that they could. In a sense, their behaviour is predictable. If the demand for port services is increasing and the expansion of port service is not keeping pace with that, there is shortage of services required. In that situation, whoever has control over delivery of services would try to extract extra payment. All of them tried to take advantage of that.

The problem boils down

to one or two specifics. First, the port has a very strategic position in the whole economic system. All of us recognise that unless the port is modernised, unless its capacity is expanded, our import and export would be constrained. Constraint on export is very critical because without that economy will have a setback.

We should ask the question, from where should this investment, needed to improve our ports, would come? Some figures were mentioned like the traffic was increasing by 19 to 20 per cent. The capacity was increasing by 19 to 20 per cent. There were imbalances, some backlog. If we take into account the backlog, 20 per cent increase is also less than it should be. There ought to be a one-time increase telescoped into a shorter period. If the port capacity is to increase four times in a five or six year period, from where will the resources come? Fortunately for us, Chittagong Port has enough financial resources to make financial investment, if not the entire amount, a substantial amount. There is shortage of foreign exchange, but that is not for Chittagong Port only. That is for the whole country. If we have access to foreign exchange, Chittagong Port can provide the local currency required for that.



Mashiur Rahman

If the port services expand, how will it affect the workers? If the total services expand, the demand for workers will increase. Now we have to explain to the workers that if the port services expand which is necessary for the nation, they are not going to lose. Those who are going to lose are, maybe a small number of workers and they would lose because the present arrangement gives them a large amount of illegitimate income. They are extracting illegitimate rent and they would like to keep the service constrained. As for the other groups like stevedores, operators and owners of these equipment, it is also in their narrow interests to keep these constraints because then they can also extract a higher rent. So from the national point of view, the real solution is in modernisation and expansion of the services. The workers are not going to lose from expansion of services. It would be the responsibility of the government and the people who are present today here to explain to the workers convincingly that the majority of workers are not going to lose if there is investment in the port, if the port capacity increases.

The other thing is, does the private sector have a legitimate role to play? I would look at it from two points of view. One is, if the port remains within the public sector, then whatever investment is made is treated as public sector investment and if the port has to borrow some money, if the government has to borrow some money, it becomes part of the public sector borrowing. Even if the port and the government have enough money to invest, the entire risk for investment is taken by them.

I presume that the investment in port is very highly

import intensive, so ultimately there is a question of investment in foreign exchange. From that point of view, private investment and foreign private investment should be a good answer to the present situation because that does not put pressure on your foreign exchange now and in the future.

If we borrow, we have to repay, so we have to earn enough to repay. If there is a foreign investment in equity, the pressure on foreign exchange reserve for the purpose of repayment is reduced. From the external economic point of view and from the macro-economic point of view, I think there would be strong justification for private investment and foreign investment.

Then there might be some partisan interest which motivates several political parties to use the trade unions at the port and any sensible political party should try to do it because it is very strategic. If you can have 150 to 200 workers in the port, in your control, you can hold the country to ransom. If you look at it from the other point of view, it makes political sense to reduce the strength of the trade unions to stop these activities. Banning trade unions is not going to solve the problem because it will go against the law of human rights, ILO Convention and so on. If the workers can be convinced that it is in their interests also to expand the capacity of the port, it is in their interests to have more investment, including private investment in the port, most probably the resistance would be reduced and strategically it would be a plus point for all political parties including those who are now in government, those who are now in the opposition because they want to be back in power some day. So it would be in the interests of all of them to motivate the workers not to use their power to hold the country to ransom. It would be good politics and good economics to allow the port to expand. It would be good for the economy, good for the country and workers would gain most from it because there is more employment and there is more demand for service.

**Mahfuz Anam:** Mr. Mashiur Rahman is a wise person, and he is suggesting a widespread and intensive dialogue with the workers to identify that there is mutual interest in modernising, in expanding, in involving the private sector. So perhaps where we are failing is that we have a communication gap. The workers have not been convinced that their self-interest lies in this direction.

**Ahsanullah Master MP:** We have not behaved well with the working people. And the working people have also at times not behaved well with the management. There certainly is politicisation. We must determine how much there is, how much there should be.



Ahsanullah Master

Look at Tongi. This is where it seemed as if they'd dig your grave if a single worker lost his job. But it is here that discussions were held with the workers and five mills were auctioned off. We should take care to

explain things to them, to draw close to them. They have substantial contribution to the building of this society.

**Mahfuz Anam:** Let's be specific. The government has made an agreement about a container terminal at Patenga. But we have read in the papers that the workers will go on strike if this terminal is to be made. What is the answer to this?

**Ahsanullah Master MP:** Initially I had been a few times to Chittagong to convince them, but later I couldn't quite make it for certain reasons. ASM Abdur Rab has also tried to tackle this as well as our Secretary.

Let me give you an example. Some time ago a Silk Foundation was set up. You will take all the good factories to private sector but the bad ones you will leave. You will take the ones where the government is making profits. Patenga is in the same situation. You will modernise the terminal. The workers will be no obstacle if they are handled properly. They should not be seen as the opponent. They must be shown that they are a part of this development.

**Mahfuz Anam:** Can you give a proposal as to what we can do to come close to them?

**Ahsanullah Master MP:** We must reduce this gap in understanding.

**Amir Khasru, MP:** How to make the port workable? We need to obviously look at the present management of the port. This discussion relates directly to ADB's proposed project.



Amir Khasru Mahmud Chowdhury

To start with, the question that comes very often to our mind, whenever any problem crops up regarding any port, though I am mostly referring to Chittagong Port, is it from the labour front, or is it from the users side, or is it from the stevedores, stakeholders side? Most of the problems bounce back from the management side unresolved. I am not blaming the management directly. Maybe we should have a new look at the management structure of the port authorities. Maybe we have to reinvent the management at the Chittagong Port, for that matter also of the Mongla Port. We have to see whether it should run the way it is running or whether it should have more autonomy, real autonomy. If so, what should be the representative character of the structure of the management?

If we look back, the Chittagong Port Authority used to be called Port Trust and the representative character was from the port users, mostly represented by the Chamber of Commerce. I think the person who used to represent the chamber automatically became Chairman of the Trust. Now the problem is that the total management consists of government persons. We should also consider whether we should look at the restructuring of the board. Maybe we should have some representative character. Then this board could perhaps respond better to a lot of the problems. Now the users call hartals, the owners call hartals, the stevedores call hartals. A board structure representative of the stakeholders can respond much better. Say, if we have somebody from CBA, I think you will be in a much more accountable position. He will be sitting on the board with the management and it is for him to decide because he, at the end of the day, has to come up with an efficient service for the port users. It will be obviously expected that he will be more reasonable and rational in his attitude and approach to a solution of the problems. Sitting in the management, he obviously has to solve the problems. He cannot linger because he is also responsible for decision-making.

Politicisation of the port, historically goes back to quite a long time. If we can make it independent, autonomous, a lot of problems will go away. I am not saying that it will resolve all

the problems. A lot of the problems will be interference from the ministry, from the political side. Now, with the politicisation of the port, the economy is still suffering. Some politicians feel if they can get hold of the port, they have everything.

**Mahfuz Anam:** Suppose you make this proposal that there will be no politics in port. Now can you take initiative from say, BNP's side?

**Amir Khasru:** You will have to get down to the labour front leaders. That will be more useful for you, to be quite honest. Politics is not as simple as that.

**Mahfuz Anam:** But this is the circle around which we are revolving. Everybody talks, but when it comes to doing, everybody says politics is not that simple. The country has to move forward.

**Laila Kabir:** You have said a representative of the labour union on the management board would make the unions more accountable. Now if there are 19 unions, first and foremost, I don't know whether the port follows the labour law that there can be only one CBA in a unit of enterprise. How can 19 unions function there? Labour laws are not being followed. I am not one for banning unions. You can't do that. You shouldn't. But we expect, if there are labour laws, they are to be followed by the government first. They must see that these laws are implemented. Why is it that any of the governments cannot implement these laws? This is number one.

Number two is that if they want to go on strike, nobody says they can't go on strike. But you have to give prior notice for strike, 21 days or something like that. There has to be a ballot to go on strike. Why is this not like that? If the labour laws are being broken or infringed all the time, then how is it that the labour department of the government does not take any action? Why do they not cancel the registration of the unions?

**Amir Khasru:** I was the Convenor of the port users' body and we called a strike. Let me explain why we did so. The employees and the labourers of the port called strike without notice just seeing that the equipment was coming. That equipment was brought on with gate pass and permission from the authority to get there.

And the port authority had earlier also given permission to import the equipment, they stopped the port for an entire two or three days. And the ministry failed to start the equipment the next day or the day after of seven days later or even in a month. It took three months to start the equipment. Without notice they went for strike. What action was taken by the ministry? Nothing. This question I raised in the ministry meeting but there was no action. Even from the Labour Ministry there was no show cause letter as to why this strike took place. So we went on strike only to show that the balance of power is there. When you stop me, I am also there to stop you.

**Mahfuz Anam:** Unfortunately in Bangladesh we are always competing to show the negative. I have not seen somebody who is competing to show the positive.

**Amir Khasru:** When I said representative nature of management, obviously it includes all the stakeholders and the people. Who will represent the working force, the labourers? I cannot answer. The obvious thing to do is to let the president of the CBA represent. I don't know if that is over-simplifying.

**Mofazzel Karim:** There is only one CBA for the paid employees of the Chittagong Port Authority. But there are thousands of others functioning in various capacities, in the form of truck drivers or labourers on the hatch, etc. And everyone of them is important. One goes on strike and the whole Chittagong Port is off.

**Amir Khasru:** If you can have a management structure of some representative character, it is much easier. It worked in the olden days. When the Port Trust was there, it worked very well. Why can't you bring it back? Since you can't privatise the port immediately now, you have to go a step forward for participatory management, at least the stakeholders should have a say in the management of the port. It will not resolve all the prob-

Continued on page 19