



# CHATTOGRAM PORT

## From archaic anchorage to modern marvel

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REAR ADMIRAL MOHAMMAD SOHAIL  
Chairman of CPA

DWAIPAYAN BARUA

If you get a chance to take a stroll inside the present day terminal of Chattogram Port, a world of mechanical marvels awaits. A row of gantry cranes lines the quay along the Karnaphuli riverbank, going skywards before almost melding into each other in the shape of an archway. The sight of these cranes gently swinging their mammoth arms and plucking containers from the decks of ships is a reminder of the wonders of a modern port.

But if the tides are on your side, you may witness the truly fascinating sight of a giant ship's arrival, humming rhythmically as it glides to a vacant quay. Most of the thirteen container jetties of the port remain perpetually busy, with 8,000 twenty-foot equivalent units (TEUs) being loaded and unloaded every day.

You can lose sight if you try to trace the adventurous routes that containers take from jetty points to seemingly boundless storage yards, especially as it is so easy to be distracted by the elegant, coordinated manoeuvres between vehicles, forklifts, straddle carriers, reach stackers and various other handling equipment.

The different yards of the port contain around 40,000 TEUs of containers, with more than 5,000 TEUs of goods being delivered from the port daily.

Chattogram Port, Bangladesh's premier seaport, handles roughly 90 percent of the South Asian country's annual \$125 billion trade with the rest of the world. Today, it is the 67th busiest container port in the world and, in 2022, it handled 31.4 lakh TEUs of containers.

But the picture was different five decades ago when the port was in no position to handle containerised cargo. On March 22, 1977, history was created when a small steamship – SS Tenacity – berthed at the port for the first time, carrying with it only six TEUs of containers.

In the 1970s, there were only five or six shore cranes, each capable of lifting merely three tonnes of cargo. Now, 18 giant gantry cranes can lift and suspend a 40-tonne container without strain.

“Chattogram Port has undergone a radical transformation in the past few decades,” said Rear Admiral Mohammad Sohail,

chairman of Chittagong Port Authority (CPA).

It was only after the Liberation War that the port saw tremendous infrastructural development, starting with the renovation of the old jetties in the late 1970s.

As readymade garments entered the country's export basket in the late 1970s and export earnings quickly became the mainstay of the economy, the port's transformation became the need of the hour and, from the 1980s onwards, the port authority initiated structural changes.

The first two dedicated container jetties under the Chittagong Container Terminal were built in 1986, but it took more than two decades to add necessary container-handling equipment like quayside gantry cranes. In 2005, the first four cranes were installed at the terminal.

With steady growth in container traffic, the authorities planned to build another terminal, eventually completing the New Mooring Container Terminal (NCT) with five container jetties in 2007.

However, delays in deciding on the appointment of a private operator and installing the required modern equipment prevented the NCT from operating in full swing for the next eight years.

Syed M Arif, chairman of the Bangladesh Shipping Agents Association, said port users suffered a lot from frequent and prolonged container congestion at that time as container traffic increased significantly but the port had not developed proper facilities.

However, the NCT's construction had given business leaders the scope to raise their voices and seek the enhancement of facilities at the port to cope with the fast-rising volume of foreign trade.

After handling a mere 6 TEUs in 1977, container throughput reached 1 million TEUs in 2008. That figure doubled to 2 million TEUs in 2015. The port reached the milestone of 3 million TEUs in 2019.

Since 2012, the CPA started planning additional expansion projects, including the conversion of a part of the general cargo berth

(GCB) into a multi-purpose terminal named Patenga Container Terminal, the development of the Laldia multipurpose terminal and the Bay Terminal mega-project. The GCB conversion plan was later cancelled, while the rest were significantly delayed.

The cabinet committee approved the Laldia project in 2013, with initial plans to start developing it by 2015. But it was only recently that a sister concern of Danish shipping giant Maersk Group proposed to build the terminal and the government started fresh talks.

The groundbreaking of the Patenga terminal was held in September 2017, with a plan to complete construction by December 2019. The construction was finally completed in June 2022, due to the Covid-19 pandemic and other complexities.

In December last year, the CPA reached an agreement with Saudi firm RSGTI to equip and operate the Patenga terminal, but it is scheduled to take two more years for the installation of gantry cranes, which means operations at the port will be limited until then.

The Bay Terminal project, comprising three terminals, was also delayed. In August 2021, State Minister for Shipping Khalid Mahmud Chowdhury expressed hope that the first of the three terminals would be completed by 2024. The start of operational activities is now expected to begin in 2026.

Despite such delays, however, the port has not faced much of a logjam as the country's foreign trade has also experienced a slowdown due to the lingering impacts of the pandemic, the Russia-Ukraine War, the Middle East Crisis and the Red Sea impasse.

Mahbulul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, says the prevailing slowdown in foreign trade is a challenge but has given some time to the port authorities to complete the projects.

He stresses the need to expedite projects and implement them on time since the economy may rebound in the coming days.

CPA Chairman Sohail, however, said all the projects have gained momentum and progressed significantly in recent times. “Major development work is about to start this year.”

He said the construction of the multi-purpose terminal, one of the three terminals under the Bay Terminal, would start by the middle of 2024.

## Management of the port enters new era

DWAIPAYAN BARUA

In December, a historic deal marked the start of a new era for port management across the country as Bangladesh welcomed its first foreign port operator.

The Chittagong Port Authority (CPA) signed a deal with a Saudi firm, permitting it to maintain, equip and operate the Patenga Container Terminal (PCT) for 22 years.

In exchange, Red Sea Gateway Terminal International (RSGTI) pledged to invest around \$170 million to install heavy container handling equipment at the terminal.

This signalled a shift away from the traditional system of management for ports in the country, paving the way for raising efficiency.

Over the years, significant investments have been made to modernise the facilities at the Chattogram Port, which serves as a gateway for 90 percent of Bangladesh's



import and export activities. These included the construction of new terminals, dredging of navigational channels, and implementation of smart services.

But the burden for these tasks, from overseeing development work to securing funds, has always fallen on the shoulders of the CPA. This is because the port had always followed the ‘tool port’ model, under which the port authority owns, develops, and maintains infrastructures as well as cargo handling equipment.

The system is different from those that have been put in place in neighbouring nations like India, Pakistan and Sri Lanka. These countries switched to the ‘landlord port’ model in the late 1990s to bolster productivity and efficiency.

Under the landlord port model, the port authority – which still maintains the ownership of the land – acts as a regulatory body while port operations, especially cargo handling, are carried out by private companies.

In a strategic masterplan chalked out by three foreign firms for the CPA, the transformation to a landlord port model was recommended. A transition to a landlord port model will be in line with the best practices worldwide and it is expected to deliver significant improvements in port performance.

In a show of its commitment to the new management system, CPA Chairman Rear Admiral Mohammad Sohail said two of the three proposed terminals at the Bay Terminal of the Chattogram Port would also be managed under the landlord port model.

The government has already selected global giants in port operations – PSA Singapore and DP World of the United Arab Emirates – to construct and operate two terminals.

The shift to the new management model has opened the door for the significant investments that are being made.

In August, the CPA chairman said he believed there was potential to attract \$5 billion to \$7 billion in foreign direct investments over the next three years.

Just a week later, Danish shipping giant AP Moller Maersk expressed interest in investing between \$300 and \$400 million to construct the Laldia Container Terminal under a build-operate-transfer project.

The landlord port model encourages efficiency and innovation stemming from competition among private operators, leading to improved productivity and service quality. It is hoped that increased investment will lead to such gains alongside increased employment and adoption of modern technologies.

The only thing that remains to be seen is how quickly the system can be implemented to make the most of the benefits it offers.

