

STAR BUSINESS

After ICDs, Ctg port hikes service charges by 41%

Businesses cry over higher trade costs, eroding competitiveness

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In the first major tariff review in almost four decades, the Chittagong Port Authority (CPA) has raised service charges at Chattogram port by 41 percent.

The increase took effect yesterday following a gazette notification issued on Sunday night.

Business leaders fear the hike will push up the cost of foreign trade and erode competitiveness just as Bangladesh prepares to graduate from least developed country status in November next year, when it will lose preferential market access.

The move follows increases at private inland container depots (ICDs), which from this month have begun charging up to 60 percent more for handling export cargoes and empty containers.

CPA collects fixed tariffs for services provided from the moment a ship enters Bangladeshi waters.

Officials say no other port in the world offers shipping services as cheaply as Chattogram and that

BY THE NUMBERS: Ctg port tariff hike

Service charges up 41%, biggest rise in four decades

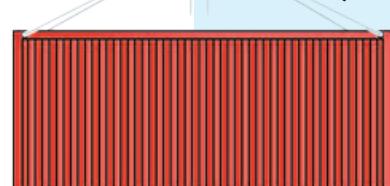
Average transport fee per TEU climbs by Tk 4,395 to Tk 16,243

Imported containers cost Tk 5,720 more each

Export containers cost Tk 3,045 more each

Container handling charge jumps by Tk 3,000 to Tk 8,296 (\$68)

Average cost per kg of cargo rises from Tk 1.28 to Tk 1.75



the previous tariff structure no longer matched current costs or demand.

After discussions with stakeholders, they say, the authority introduced a more realistic schedule.

Business leaders, however, have criticised the rise for being imposed all at once rather than gradually.

They argue that a phased

imposition would have eased the pressure, and question the hike without improvements in handling times, clearance procedures or congestion at the port.

At Chattogram port, a series of activities takes place from piloting a ship from the outer anchorage to the jetty, to tugboat services, water

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