

Biman chosen as ground handler at Dhaka Airport's Third Terminal

- A Monitor Report

Date: 16 November, 2024



Dhaka : Biman Bangladesh Airlines has been chosen as the ground handler at the new Third Terminal of Hazrat Shahjalal International Airport in the capital. However, the flag carrier has been chosen to operate ground services for two years initially.

"Biman Bangladesh Airlines Ltd will be primarily assigned to deliver ground handling services (for both passengers and cargo) under the Concession Agreement for Terminal Three," read a letter signed by Md Ali Azam Al Azad, Director (Investment Promotion), Public Private Partnership (PPP) Authority under the Chief Adviser's Office.

The letter, issued on October 24, 2024, stated, "Accordingly, a Service Level Agreement (SLA) will be executed between Biman Bangladesh Airlines Ltd and the Private Sector Partner (PSP)."

It also added, Biman Bangladesh Airlines Ltd may enter into an agreement with the PSP for ground handling (both passenger and cargo) based on the KPIs set by the PSP for the first two years of the Concession Agreement.

The decision has been approved by the Chief Adviser for the PPP project titled "Operation and Maintenance of Third Terminal at Hazrat Shahjalal International Airport (HSIA)," according to the letter.

The letter further mentioned, if Biman fails to meet the KPIs for ground handling (passenger and cargo) based on the evaluation during these two years, the PSP will be allowed to appoint an internationally renowned foreign company as a second ground handler in addition to Biman.

Earlier, during the previous administration, a move to assign the aforementioned role to a Japanese firm was being pondered due to concerns expressed by foreign carriers regarding the national airline's service quality.

In July 2023, then Civil Aviation Authority of Bangladesh (CAAB) Chairman Air Vice Marshal M Mafidur Rahman said Japan will get the ground handling work at the Third Terminal.

Still, the interim government now has provided Biman with the opportunity to show its prowess, however, for a limited tenure and under specific performance conditions.

Currently, Biman Bangladesh Airlines, apart from its own flights, carries out ground handling services for all international airlines at all airports in the country, with an annual turnover ranging from BDT 1,000 to BDT 1,200 crore.

However, their services are questioned by passengers and other airlines, criticising delays and inefficiencies. Nevertheless, Dhaka Airport authorities claimed the delay in receiving luggage has significantly improved in the last one year.

Biman's former Managing Director and CEO Shafiul Azim was also confident in the airline's expanded capacity, reinforced by newly added equipment, during his tenure.

In January 2024, Azim informed, "Around 3,600 motorised and non-

motorised pieces of equipment, valued at BDT 1,000 crore, have been added to Biman's Ground Support Equipment (GSE) department in the last one year."

Biman officials expressed, with over 57,000 flights handled in 2023, Biman's GSE department is ready to serve Third Terminal with a team of 600 personnel, along with 376 motorised and 4,000 non-motorised equipment.

According to them, procurement of 105 new equipment is underway and will be added within December 2024, strengthening the airline's ground handling capacity further.