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Inditex first to use new land-air corridor out of BD via India for export

-A Monitor Report



Dhaka: Inditex appears to be the first shipper to use a new land-air corridor out of Bangladesh via India, following a bilateral agreement.

The first freighter service, a 747-8F operated by Atlas Air, departed from Delhi Airport on March 20 for Zaragoza in Spain, where Inditex has a logistic centre, carrying some 124 metric tonnes of cargo.

The consignment was mainly ready-made garments (RMG), the mainstay of Bangladesh's export trade, which has expanded market share as global importers increasingly search for alternative markets to doing business with China. Booked RMG exports from Bangladesh for the first half are up 15.5 per cent, year on year, as per reports.

The first transshipment move from Bangladesh to Delhi involved a five-

day journey by road, using a fleet of some 20 trucks, according to reports.

The shipment followed a trial, handled by Delhi Air Cargo on March 3, under the cross-border transshipment arrangement. The Indian transshipment connectivity is a big boost for Bangladesh exporters that are reeling under direct/reliable supply chain constraints. Delhi Airport has expansive international flight connections and wider market reach than Dhaka, reports added.

However, in this month of Ramadan, the cost of land transport in Bangladesh is expected to spike. On March 21, trucking rates in Chattogram increased between 40-100 per cent.

Reports cited Chowdhury Zafar Ahmed, Secretary General of Bangladesh Covered Van-Truck-Prime Mover Goods Transport Owners Association, saying that some truckers were now charging up to USD 450 for a Chattogram-Dhaka trip, up from about USD 240.

He added that trucks and covered vans were now charging about USD 200 to carry cargo to Dhaka, or garment district Narayanganj, from Chattogram, compared with USD 150 on March 21.

"The supply of export cargo is now very scant. Some truckers are now charging two-way rates, [backhaul and fronthaul] despite carrying goods only one way," he added.

However, rates are expected to fall again when Ramadan ends in Bangladesh.

Road access between India and Bangladesh has seen significant improvement, thanks to a 1.9-km bridge over the Feni River that now connects Sabroom (Tripura) in India with Ramgarh in Bangladesh, providing a shorter and more economical alternate route.