

Civil aviation tariffs, ground-handling charges likely to reduce: CAAB

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Dhaka: The Civil Aviation Authority of Bangladesh and Biman Bangladesh Airlines—the sole ground handler of all the airports in the country—are jointly reviewing civil aviation tariffs and ground-handling charges to improve competitiveness in the global air cargo transportation market, said Chairman of the Civil Aviation Authority of Bangladesh Md Monjur Kabir Bhuiyan to the media on April 26.

The move is part of efforts to facilitate the recovery of the country's cargo transportation industry from the significant impact of India's suspension of third country transshipment, effective since April 8.

According to freight forwarders, about 600 tons or roughly 18 percent of the country's weekly garment air exports, during lean seasons, were routed through Indian airports before the suspension took effect. That is due to faster lead times and lower costs compared to transporting

directly out of Dhaka.

Including overland transport costs, shipping garments to Europe via India used to cost about USD 2.6 per kilogram, compared to USD 2.9-USD 3.2 per kilogram through Dhaka airport during off-peak periods and up to USD 4.5 during peak season, as per freight forwarders.

To reduce dependency on India, the government is ramping up efforts including reducing civil aviation tariffs and ground-handling charges; launching air cargo operations from Sylhet Airport; strengthening Chattogram Airport's cargo transportation facilities; and expediting the launch of the Third Terminal at Dhaka Airport; among others.

"We expect to announce reduced ground-handling charges very soon," informed CAAB Chairman, adding that the government plans to form a task force led by the Ministry of Civil Aviation and Tourism to coordinate the reforms.

Commerce Secretary Mahbubur Rahman also claimed, the government moved to expand shipment facilities at Sylhet and Chattogram airports to serve a wider range of exporters.

Rahman acknowledged that it would be difficult to meet competitive rates of other country's airports, without substantial reductions in ground-handling charges at ours.

"The government will substantially cut ground-handling charges and lower aircraft refueling costs to reduce operational expenses. Overall logistics costs for air cargo shipment will fall significantly," he concluded.

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