CHAPTER 11

TRANSPORT AND COMMUNICATION

Modern transportation and communication infrastructure is a significant benchmark for measuring the overall socio-economic development of a country. In the current context of globalisation and market economy, there is a critical need for evolving a developed and well-knit transport and communication system as well as linking the society with the information superhighway that should be able to integrate Bangladesh with the international transport and communication network. Realising this importance, the concerned ministries and their agencies continue to exert their concerted efforts to develop the system.

As of FY 2007-08 total expenditure stood at Tk. 3899.11 crore under revenue and development budget for Roads and Highway Division of the Ministry of Communication. The budget allocation for FY 2008-09 is TK. 5358.82 crore, estimated budget for FY 2009-10 is 5668.00 crore and projected budget for FY2010-11 is 6010 crore . In FY2006-07 the contribution of this sector to the GDP at constant prices is about 10.18 percent and provisionally 10.43 percent in FY2007-08. The transport and communication network in Bangladesh has evolved with roads, railways, water and air-transports as well as post, telecommunication and information technology.

Roads and Highways Department (R&HD)

In Bangladesh, among the various modes of transport, road transport system in recent years has been playing a significant role in transporting passengers and goods. According to data released by BBS (Bangladesh Bureau of Statistics), in FY 2007-08 the share of transportation sector in GDP at constant price is 6.39 percent.

A total of 132 development projects and 2 technical assistant projects are included in the Annual Development Programme (ADP) of Roads and Highway Department for FY2007-08. An estimated cost of Tk.1852.29 crore has been allocated for 134 investment projects. Of this GoB component is Tk. 1428.43 crore the remains cost of TK. 423.86 crore will financed through project aid.

The Roads and Highways Department manage several categories of road. As recorded in 2008 total length of road is 20865 km. RHD has under its control a total number of 3,790 bridges having the length of 130 km. and 10,981 culverts with a total length of 54 km. RHD are currently operating about 209 ferry boats in 103 ferry ghats on its road network throughout the country.

The road network under roads and highway division combining different types of roads built over a period from 1999 to 2008 is given table 11.1:

Table 11.1: Various Categories of Roads under Roads and Highways Department

Year	National Highway (km)	Regional Highway (km)	Feeder Road 'A' type (km)	Total (km)
1999	3090	1752	16116	20958
2000	3086	1751	15962	20799
2001	3086	1751	15962	20799
2002	3086	1751	15962	20799
2003	3086	1751	15962	20799
2004	3723	4832	13823	22378
2005	3570	4323	13678	21571
2006	3570	4323	13678	21571
2007	3570	4323	13678	21571
2008	3482	4128	13255	20865

Source: Department of Roads & Highways, The Ministry of Communication.

Local Government Engineering Department (LGED):

LGED is implementing a series of programmes with foreign and local funding for infrastructure development of urban and rural areas. Since its inception upto June 2008, LGRD has so far constructed a total of 1,16,398 km. (64,691 km dirt road and 51,707 km paved roads) upazila and union roads and 6,02,058 meter bridge/culverts. Besides these, LGED also implemented a number of important programmes which include development of 2,477 growth centre/rural shopping centre, 17,650 km tree plantation, construction of 2,305 UP complex buildings, 3,66,308 hectare Flood Control Drainage Irrigation (FCDI) and Command Area Development and construction of 386 cyclone shelters. The programmes of LGED for road infrastructure development during FY2002-03 and FY 2007-08 are shown below:

Table 11.2: Programmes of LGED for Infrastructure Development

Activities	Cumulative June-2002	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Cumulative figure up to June '08
Dirt Road (km)	41014	4770	6252	6040	6573	42	-	64691
Paved Road (km)	23110	3829	4804	5237	5872	5086	3769	51707
Bridge/Culvert (m)	339413	42937	49405	60908	39728	40067	29600	602058

Source: LGED.

After successful completion of Khilgaon flyover in Dhaka city using the expertise of local engineers without any foreign consultants, LGED has now taken-up an initiative for construction of another flyover from Mouchak-Mogbazar intersection to Mohakhali. Feasibility studies, design and estimate in this regard have already been completed with Kuwait fund.

Bangladesh Road Transport Authority (BRTA)

BRTA has been entrusted with the task to ensure constant supervision, proper management and effective control with a view to bring about discipline in the most road transport sector since its inception in 1998. Over the period, BRTA, with active support from the Ministry of Communication has successfully initiated marked improvement in almost all areas. This organisation is responsible for issuing registration and fitness certificate as well as for executing other regulatory activities as per Motor Vehicle Ordinance. In FY2006-07 and FY2007-08, BRTA recorded revenue collection of Tk. 401.00 and Tk 490.00 crore respectively. To bring discipline in this sector, the organisation has already adopted the following programmes:

Other measures adopted by BRTA include:

- Road safety cell has been set up and at the same time," Accident Research Centre" has also been set up in BUET.
- One stop service has been introduced.
- Citizen Charter was prepared and published widely among the people.
- Buses/Trucks aged over 20-25 years respectively were band from Dhaka city.
- Use of CNG run motor transports is encouraged.
- National Land Transport Policy has been prepared.
- High security driving licence has been introduced since June 2006.
- High Security Vehicle Registration and Fitness Certificates have been introduced.
- National Road Safety Strategic Action Plan 2008-2010 has been prepared.

Measures to Control Pollution of Environment: To control pollution, two-stroke three-wheelers have been withdrawn while encouraging the use of CNG -driven motor vehicles has been encouraged and the age of imported reconditioned motor vehicles has also been reduced from five years to four years. Two pollution detective mobile vehicles have been procured. These vehicles will detect the transports emitting black smokes. Revenue target and collection of BRTA from FY2002-03 to FY2007-08 are shown in Table 11:03.

Table 11.03: Revenue target and collection of BRTA from 2002-03 to 2007-08

(Taka in Crore)

Fiscal Year	Target	Recovery	Recovery rate (%)
2002-03	225.00	222.00	98.67
2003-04	240.00	245.00	102.02
2004-05	267.00	251.00	94.09
2005-06	326.00	335.00	102.08
2006-07	382.00	401.00	104.97
2007-08	441.00	490.00	111.11

Source: BRTA

Jamuna Multipurpose Bridge Authority (JMBA)

The Jamuna bridge has made the communication between eastern and northern region of the country easier. It also resulted in increased production of agricultural commodities in the northern region of the country. Side by side, with the establishment of industries new employment opportunities have also been created.

In order to maximise the benefit from high investments in Jamuna Bridge, a dual gauge railway link with the northern region of the country has been established. This new link has made possible direct rail communication between the capital city and other district towns like Rajshahi, Lalmonirhat and Khulna. In addition, this has created an opportunity to manage railway with greater efficiency. Besides, the road and railway communication facilities, electricity and gas pipelines have also been laid on the bridge.

There is an increasing trend in tolls collection from the users of Jamuna Bridge. Set out below is a table that shows yearwise tolls collected by Jamuna Multipurpose Bridge Authority (JMBA) during FY 1997-98 to FY 2007-08:

Table-11.4 Toll Collected by JMBA

(Taka in crore)

Fiscal Year	Target	Collection	Revenue as % of target
1997-98*	1.06	0.99	93.26
1998-99	54.17	58.81	108.56
1999-00	66.03	64.77	98.09
2000-01	78.09	81.15	103.91
2001-02	84.94	91.99	108.30
2002-03	95.03	107.02	122.62
2003-04	106.21	129.30	121.70
2004-05	117.6	150.43	127.92
2005-06	131.11	156.08	119.04
2006-07	146.19	171.50	117.30
2007-08	163.03	199.55	122.40

Source: Jamuna Multipurpose Bridge Authority. * from 23 June, 1998

Other Projects for Construction of Bridges

After successful completion of the Jamuna Bridge, the government has taken decisions to build bridges over the other major rivers to develop an integrated transportation network throughout the country. Building bridge over the river Padma is one of these initiatives taken by the government. The proposed Padma bridge will provide direct link between Dhaka and the south-west region of the country that includes Patuakhali, Khulna, Jessore, Magura, Gopalganj and Faridpur. Japan International Cooperative Agency (JICA) has concluded feasibility study of the project combining road, railway, telecommunication and energy facilities.

The JICA study has confirmed the viability of the project with the railway provision. The total cost of the 5.58 km. long bridge has been estimated at Tk. 10,161.75 crore with a local and foreign currency of Tk. 3,281.09 crore and Tk. 6,880.66 crore respectively. Moreover, the project includes

12.163 km approach road and 16.30 km river training works. As recommended in the JICA feasibility study, preparation of land acquisition plan (LAP), Resettlement Action Plan (RAP) and Environmental Management Plan (EMP) has been completed in FY 2005-06. Land acquisition of the project is expected to commence from FY 2007-08 subject to completion of the detailed design and other pre-construction activities and availability of foreign fund from the potential development partners. Actual construction of the bridge is expected to commence from 2009. It will take about five years to complete the project on the proposed bridge which will represent a significant milestone in the transportation network of Bangladesh.

With the growing population in Dhaka city, it has become imperative to connect the adjoining areas by an integrated transportation network. As a step towards establishing this link, the construction of 6th China-Bangladesh Friendship Bridge at Mukterpur over the river Dhaleswari on Dhaka-Munshigonj road was completed in February 2008 at cost of Tk. 208.35 crore which included Tk. 129.20 crore as Chinese foreign assistance. This initiative will also result in increased economic activities in Munshigonj and other adjoining areas. The construction of the bridge will bring further momentum in the ongoing economic development and poverty reduction efforts of Bangladesh.

Dhaka Transport Co-ordination Board (DTCB)

The main objectives of Dhaka Transport Co-ordination Board (DTCB) are to plan and coordinate transport infrastructure facilities and traffic management, to build institutional capacity of different organisations working in Dhaka Metropolitan Area (DMA) to prepare a long-term transport development plan. In order to develop transport facilities, DTCB has implemented Dhaka Urban Transport Project (DUTP) with the collaboration from different organisations like, Dhaka City Corporation (DCC), Roads and Highways Department (RHD), Bangladesh Road Transport Authority (BRTA) and Dhaka Metropolitan Police (DMP).

The main deliverables of the project include construction of Mohakhali fly over, widening and improvement of arterial road networks, development of intersections and installation of electronic traffic signals, construction of pedestrian facilities, rehabilitation of roads damaged by flood, and improvement of inter-district bus terminals.

In order to improve the transport system of DMA, the government has prepared a-20 year (up to 2024) Strategic Transport Plan (STP). This plan will be implemented by integrating land use plan and transport plan. Identified projects to be implemented in the 1st Phase (2005-2009) include: Preliminary Highway Design Package; Elevated Expressway System in Dhaka; The Public Bus System in Dhaka; Mass Rapid Transit System for Dhaka; The Metro System in Dhaka; Re-planning and Reconstruction of Old Dhaka Traffic Planning and Management etc; Tongi-Ghorasal (via Kaliganj) Road.

Bangladesh Road Transport Corporation (BRTC)

Although this organisation remained a losing concern for many years, it has now been able to infuse dynamism, skill and discipline in management and other areas following several reforms after 1990. In FY 2006-07, the operating surplus of the entity was TK. 10.71 crore and in FY 2007-08 the surplus stood at Tk. 11.30 crore.

Besides its Strategic interventional role, BRTC arranges special bus services with treatment facility at the time of Eid and Bishaw Ijtema at less fare. There are reserve seats for freedom fighters, women and disabled persons. BRTC imparts training in the trade of driving and auto mechanics with a view to creating a critical mass of efficient drivers and auto mechanics, which eventually will help reduction of unemployment, pollution and accident etc.

Bangladesh Railway (BR)

Bangladesh Railway is one of the oldest service-oriented, environment-friendly; less hazardous and cheap transport services. BR has got a total network of 2835.04-route kilometer (Broad Gauge 659.33 km, Dual Gauge 374.83 km and Meter Gauge-1800.88 km). Train services between Dhaka-Kolkata have been commenced on 14 April 2008 in order to establish communication between Bangladesh and India. After inclusion of railway track over the Jamuna Bridge, railway link between East and West Zone has been established. The overall activities of Bangladesh Railway from FY 1995-96 to FY2007-08 is presented in table 11.5.

Table 11.5: Overall Activities of Bangladesh Railway

Fiscal Year	Passenger traffic km (million)	Freight traffic km (million)	Revenue earnings (crore Tk)	Revenue expense (crore Tk)
1995-96	3333.25	689.02	284.09	401.59
1996-97	3753.61	782.43	330.64	414.17
1997-98	3855.50	803.85	350.91	433.36
1998-99	3678.00	896.40	374.27	461.15
1999-00	3940.69	777.10	341.49	469.86
2000-01	4209.00	907.88	366.39	523.87
2001-02	3972.00	951.82	388.40	535.48
2002-03	4024.20	951.99	420.10	586.71
2003-04	4341.50	895.50	394.17	639.41
2004-05	4164.13	816.80	445.62	695.09
2005-06	4387.45	820.49	444.27	814.73
2006-07	4586.04	775.58	452.76	933.13
2007-08	5111.30	903.79	568.24	981.24

Source: Bangladesh Railway, Ministry of Communication.
*PSO and welfare grants are included.

In order to turn BR into a commercially and financially viable organisation and to run it with professional expertise, a decision has been taken to give it more autonomy and change its

organisational structure. To meet this requirement, a technical assistance project titled "Organisational Reforms" was taken up with the assistance of ADB.

Water Transport

Chittagong Port Authority (CPA)

Chittagong Port is the major sea port of Bangladesh. About 85 percent of imports and 80 percent of exports are handled by this port. With the remarkable change in cargo handling in international maritime trade, introduction of open market economy with trade liberalisation during the nineties, cargo handling at Chittagong Port has increased over time. Consistent with the improvement of modern ports around the world, efforts are continuing to develop CPA as a modern port. With this end in view, a range of development programmes has been undertaken. These include building a container terminal in the New Mooring area, procurement of container handling equipment including granty cranes, capital dredging in Karnaphuli river, computerisation of the activities of Port under the Chittagong Port Trade Facilities project, environment management and building of local roads. Statistics of income and expenditure of the CPA during FY 1996-97 to FY 2007-08 are shown below:

Table 11.6: Income and Expenditure of CPA during FY 1996-97 to FY 2007-08

(Taka in Crore)

Fiscal Year	Income	Expenditure (except the contribution in govt. treasury)	Surplus
1996-97	324.31	213.33	110.98
1997-98	345.22	242.72	102.50
1998-99	374.51	262.17	112.34
1999-00	421.81	295.17	126.64
2000-01	477.00	302.28	174.72
2001-02	531.37	396.10	135.28
2002-03	530.66	373.75	156.91
2003-04	557.36	325.60	231.76
2004-05	649.78	319.65	330.13
2005-06	741.13	376.11	365.02
2006-07	830.02	451.26	378.76
2007-08*	991.55	531.57	459.98

Source: Chittagong Port Authority, Ministry of Shipping (* provisional)

Mongla Port Authority (MPA)

Mongla is the second seaport of Bangladesh. About 13 percent of total export and 8 percent of the import are handled by this port. In FY 2007-08, 5.18 lakh metric tons of goods have been imported and 2.05 lakh metric tons of goods have been exported through this port. Income and expenditure have been shown in table 11.7.

Table 11.7 Income, Expenditure and Profit/Loss of Mongla Port.

(Taka in crore)

Year	Income	Expenditure	Profit/ Loss	Contribution to exchequer
2000-01	75.86	60.12	15.74	0.00
2001-02	70.59	62.25	8.34	4.00
2002-03	55.89	70.90	(-) 15.01	4.00
2003-04	51.98	63.59	(-) 11.61	4.00
2004-05	45.48	60.30	(-) 14.82	1.50
2005-06	47.25	58.34	(-) 11.10	0.00
2006-07	43.42	59.90	(-) 16.49	0.00
2007-08	40.28	57.21	(-)16.93	0.50

Source: Mongla port

Bangladesh Shipping Corporation (BSC)

To provide an efficient shipping service and to carry out all activities related to international sea trade, Bangladesh Shipping Corporation (BSC) was established in 1972. In spite of limited resources, BSC has built up a mixed fleet of 13 vessels where 10 vessels are ordinary cargo carriers, 1 container carrier & 2 lighter oil tankers. BSC can switch 6-7 percent of our export and import by its present fleet. The main objective of BSC is to transport the major share of export and import. With this end in view, BSC had a plan to build up a mixed fleet of vessels through acquisition of 6 new and 2 second-hand container vessels under a three year rolling investment programme from FY2005-06 to FY2007-08. Despite being a public sector entity, the performance of BSC is no less than the private shipping companies. Table 11.8 shows gross income-expenditure and net profit-loss during FY 1995-96 to FY 2007-08:

Table-11.8: Statement of Income-Expenditure and Profit-Loss of BSC

(**Taka in crore**)

Fiscal Year	Total Income	Total Expenditure (including depreciation & interest)	Net Profit	Depreciation & Interest	Profit/Loss excluding depreciation & interest
1995-96	218.90	233.78	(14.88)	27.00	12.12
1996-97	206.84	232.03	(25.19)	37.79	12.60
1997-98	207.23	216.44	(9.21)	18.94	9.73
1998-99	153.96	183.93	(29.97)	20.87	(9.10)
1999-00	142.92	174.49	(31.57)	21.40	(10.17)
2000-01	212.59	225.49	(12.90)	24.72	11.82
2001-02	200.33	200.21	0.12	20.05	20.17
2002-03	208.20	207.64	0.56	21.12	21.68
2003-04	257.49	242.24	15.25	15.12	30.37
2004-05	315.69	282.44	33.25	15.30	48.55
2005-06	324.07	293.20	30.87	16.38	47.25
2006-07	294.41	278.45	15.96	15.98	31.94
2007-08*	414.65	375.53	39.12	16.37	55.49

Source: Bangladesh Shipping Corporation, Ministry of Shipping.* Provision

Bangladesh Inland Water Transport Corporation (BIWTC)

BIWTC is a service-oriented government-owned organisation. It is also the largest inland water transport organisation. Currently, there are 195 vessels in this organisation. Of these, 142 are commercial and 53 are auxiliary vessels. Most of the vessels of the organisation are very old. As a result, the Corporation has to incur heavy expenditure for their repair and maintenance. Despite that it continues to provide its service for the sake of public interest.

BIWTC is also continuing its coastal and inland service on subsidy in the interest of public. Although, it set out its journey as a losing concern, now it has been able to augment its revenue by streamlining its management. BIWTC are implementing several projects under ADP 2007-08 programmmes which include:

- Rehabilitation of BIWTC's existing 2 coastal passenger vessels (MV. Abddul Matin & MV.Monirul Hoq) (Rehabilitation Cost: 1950.00 Lakh).
- Rehabilitation of 6 Ro-Ro ferries, 2K –type ferries & Pontroons of BIWTC3.
- Construction of 4 Sea-Trucks for carrying passengers in the coastal belt and in the risky water routes of the country.
- Rehabilitation and Reconstruction of Infrastructures and other Facilities damaged by cyclone, SIDR (2 pontoons and 7 steel gangways for installation at the different ghats in southern region will be constructed under the project).
- Construction/Acquisition of 4 Self Propelled Cellular Container Vessels for BIWTC

Table 11.9 shows gross income and expenditure of BIWTC during 1998-99 to 2007-08.

Table 11.9: Income and Expenditure Statement of BIWTC during FY 1998-99 to FY 2007-08

(In crore Tk)

Fiscal Year	Income	Actual Expenditure	Operational Profit (+)/Loss (-)	Interest & depreciation	Remark
1998-99	68.64	61.21	7.43	13.75	- 6.32
1999-2000	77.80	64.66	13.14	14.38	- 1.24
2000-01	88.72	69.60	19.12	16.18	2.94
2001-02	99.73	72.03	27.70	17.18	10.52
2002-03	109.61	69.66	39.62	21.04	18.58
2003-04	118.16	70.54	47.62	22.27	25.35
2004-05	121.61	73.20	48.41	21.91	26.50
2005-06	134.05	85.57	48.48	21.30	27.18
2006-07	146.09	96.40	49.69	21.14	28.34
2007-08	157.98	129.48	28.50	--	--

Source: Bangladesh Inland Water Transport Corporation, Ministry of Shipping.

Bangladesh Land Port Authority (BLPA)

As trade volumes with the neighbouring countries of Bangladesh through land routes have increased substantially, the government decided to establish Bangladesh Land Port Authority under the Ministry of Shipping with its headquarters in Dhaka. Out of 13 land ports only Benapole port is operated by the government directly. Facilities have also been created in the India-Bangladesh border customs check posts especially in those check posts through which large volume of export-import takes place. It has been decided by the government that all ports except Benapole land port will be operated through private port operators on BOT (Build, Operate and Transfer) basis. Included among them are Benapole, Darsona, Sona Masjid, Hilly, Burimari, Birol, Bhomra, Bibir Bazar, Bangla Bandh, Akhaura, Tamabil, Haluaghat and Teknaf check posts. Besides these , infrastructural development and extension project of Benapole Land Port is being implemented with a cost of TK. 20.66 crore. The infrastructural development work includes eight warehouses, two weighbridges, stack yards, and 5.905 acres of land acquisition including development. After the completion of the project, the warehousing capacity of Benapole Land Port will be increased from 22,000 mt to 36,700mt.

Improvement of land ports will result in increased volume of trade, prevention of smuggling and reduction of evasion of customs duty. It would also promote and expand the area of co-operation between government and private sector in different areas of development. Private investment in the peripheral area of the country will increase which will also augment government revenue income. In FY 2007-08 BLPA's earned Tk. 21.56 crore while its expenditure stood at Tk. 22.26 crore.

Department of Shipping

Department of Shipping is a regulatory body under the Ministry of Shipping. The prime objectives of this department are to ensure secured movement of domestic ships, coastal fishing ships and ships bound for foreign destinations and to protect the trade interest of Bangladeshi ships. The Department, therefore, implements the provisions of ordinance made by international organisations and also prepares its rules and regulations to ensure more safety in this sector. This department plays an important role in employment generation by providing training facilities to seamen. Bangladesh is included in the IMO (International Maritime Organisation), STCW (Standard of Training Certification and Watch kipping) white list as the Department of Shipping has been able to revise its examination and certificate system conforming international criteria. This has resulted in the expansion of employment generation opportunities for the Bangladeshi officers and sailors.

Fees for registration and survey of inland and seagoing vessels, competency examination fees for officers and sailors, light house dues, penalty for violations of shipping rules are the sources of income of this department. In FY 2006-07 and FY 2007-08 , the Department of Shipping earned revenue to the tune of Tk.7.40 and Tk.8.03 crore respectively.

Air Transport

Civil Aviation Authority of Bangladesh (CAAB)

As a member state of the International Civil Aviation Organization (ICAO), the CAAB as part of its responsibility is putting in place necessary infrastructural facilities for movement of domestic and international aircrafts. To ensure quick and secured movement of foreign and domestic aircrafts in the Bangladeshi sky territory, the CAAB builds and maintains airports, air traffic, air navigation and installs telecommunication services and provides other facilities for the passengers. It is now maintaining 3 international airports and 5 domestic airports. Apart from this, 1 domestic airport and 5 STOL ports have been built for the convenience of airlines.

Out of 14 operative and 13 non-operative airports and STOL ports, Zia International Airport is the only airport, which has an operating surplus. The financial position of CAA during FY 1998-99 to FY 2007-08 is shown below:

Table 11.10: Financial Position of CAA during FY 1998-99 to FY 2007-08

(Taka in Crore)

Fiscal Year	Revenue income	Revenue Expenditure	Net Profit
1998-99	1564.07	752.76	811.32
1999-00	1949.44	850.35	1099.10
2000-01	2079.44	1038.83	1040.60
2001-02	1976.85	1087.52	889.33
2002-03	2010.38	1099.02	911.36
2003-04	2121.84	1333.60	788.25
2004-05	2185.74	1412.64	773.10
2005-06	3166.70	1791.81	1374.88
2006-07	2871.52	1974.02	897.50
2007-08	3015.01	2075.44	939.66

Source: Civil Aviation Authority.

Biman Bangladesh Airlines Limited

The national flag carrier Biman Bangladesh Airlines Limited makes significant contribution towards establishing air links within the country and with other countries.

Despite various constraints, Biman is continuing its development efforts with its fleet of aircrafts. Biman is operating flights to 3 domestic and 18 international destinations. Out of the International destinations, Biman now is operating to 4 destinations in the SAARC countries, 3 in South-East-Asia, 1 in Far-East, 8 in Gulf and the Middle East and 2 in Europe. However, due to significant rise in aviation fuel price in Bangladesh, Biman's expenditure has increased. Biman suspended its operation to New York, Brussels, Paris,

Frankfort, Mumbai, Narita, Yangon in 2006 and Manchester in 2007due to operating loss and shortage of aircrafts. In spite of fleet constraints, Biman operated more than 200 additional flights to Malayasia and United Arab Emirates during last one year to meet labour traffic demand. In FY 2007-08, Biman carried 1,56,762 passengers in domestic and 12,18,248 passengers in international routes, which recorded an increase of 41.35 percent and 11.72 percent respectively over FY2006-06. Biman's system wide passenger carriage has decreased by 12.27 percent in FY2006-07.

A committee under the Chairmanship of Secretary of Ministry of Civil Aviation and Tourism was formed to provide recommendations regarding restructuring and corporatisation of Biman. As per the recommendation of the Committee, the Council of the Advisers to the Government decided on 19 May 2007 to convert Biman into a Public Limited Company (PLC) retaining 100 percent ownership by the government and to reduce the manpower of Biman. Corporatisation of Biman will provide more autonomy to Biman management for taking commercial decisions. A total of 1862 employees have also been retrenched under Voluntary Retirement Scheme. Biman earned around TK. 271.00 crore from ground and cargo handling services in FY2007-08.

In FY 2007-08, Biman suffered provisionally a financial loss of TK. 98.20 crore which was mainly due to high aviation fuel price especially in Bangladesh. Income and expenditure of Biman during 1998-99 to 2007-08 is presented in table 11.11

Table 11.11: Income and expenditure of Biman from FY 1998-99 to 2007-08

(TK. In crore)

Fiscal Year	Revenue Income	Expenditure	Net Profit(+)/Loss(-)
1998-99	1,330.13	1330.16	-0.03
1999-00	1561.51	1552.00	9.51
2000-01	1735.50	1828.56	-93.06
2001-02	1858.83	1932.55	-73.72
2002-03	1918.60	1962.89	-44.29
2003-04	2213.63	2179.46	34.17
2004-05	2453.79	2645.45	-191.66
2005-06	2653.73	3108.44	-454.71
2006-07	2463.67	2753.84	-272.17
2007-08*	3072.98	3171.18	-98.20

Source: Bangladesh Biman Airlines Limited. * Estimated,

Information and Communication

Bangladesh Telecommunications Company Limited (BTCL)

For modernisation, improvement and extension of a telecommunication system of the country, the government has taken a series of initiatives. In the present era of information technology, telecommunication system as a productive and profitable industry has both direct and indirect impact on the socio-economic development of a country. In FY 2007-08, an allocation of Tk. 265.87 crore has been made in the ADP for implementing 8 projects of BTTB. To provide high speed data communication and broadband Internet service, Digital Data Network (DDN) nodes have been established at 71 places in 41 districts.

To modernize the telecommunication system upto upazilla level , the former BTTB installed exchange digital exchange throughout the country under the program of "Asset Acquisition" and other running projects. Up to June 2008, a total of 397 upazillas/growth centres were equipped with digital exchange under this programmes.

Implementation of "10 lakhs T &T Mobile" project by former BTTB was completed in June, 2008 and the mobile phone services had already been launched through a Public Limited Company named "Teletalk Bangladesh Ltd". Up to June 2008, 3 MSC, 13 BSC, 632 BTS and 287 BTS Towers were installed. Expansion /Installation work of Mohakhali ITX & Mohakhali Satellite E/S were also completed in the past fiscal year.

A project named "Billing Automation'' otherwise called by the name of "Computerized Ledger Management System", financed from the revenue budget was taken up by former BTTB to improve its subscriber service quality and billing system. The system is now functioning in Dhaka, Chittagong , Khulna, Bogra, Sylhet, Narayangonj, Barisal, Patuakhali, Dinajpur, Mymensingh, Comilla & Noakhali. The service will be extended to other cities very soon. Through this system the valued customers can get their up-to-date billing information and print bill if necessary from the web site of BTCL. It will enhance the revenue earning in addition to the improvement of services to the valued subscribers.

On Ist July 2008, the erstwhile BTTB has been declared abolished and Bangladesh Telecommunications Company Limited (BTCL) , a 100-percent government owned Public Limited Company registered under the Companies Act, 1994, has taken up all the assets and liabilities of the erstwhile BTTB through a " Deed of Agreement'' signed between the Government of Bangladesh and BTCL. It is expected that BTCL will take forward all the works of the erstwhile BTTB faster than ever.

BTTB (now BTCL) earns revenue by providing telecommunication services. A statement showing revenue target, collection, expenditure and surplus during FY 1995-96 to FY 2007-2008 is given below:

Table 11.12: Revenue Target, Collection, and Expenditure and Surplus of BTTB during FY 1995-96 to FY 2007-08

(In Crore Tk.)

Fiscal Year	Target	Revenue collection	Revenue expenditure	Surplus	Achievement against target (%)
1995-96	900.00	837.32	290.41	546.91	93.04
1996-97	1205.25	1072.48	573.81	498.67	88.98
1997-98	1475.18	1245.18	720.17	525.01	84.41
1998-99	1380.00	1254.25	616.78	637.46	90.89
1999-00	1500.00	1400.68	486.48	914.19	93.38
2000-01	1600.00	1305.22	390.45	914.77	81.58
2001-02	1603.00	1583.05	463.54	1119.51	98.76
2002-03	1602.15	1544.80	588.43	956.37	96.42
2003-04	1702.00	1531.15	609.02	922.12	89.96
2004-05	1650.00	1424.78	818.92	605.86	86.35
2005-06	1772.00	1316.28	824.56	491.72	74.28
2006-07	1822.00	1666.71	928.51	738.20	91.48
2007-08	1927.00	1565.33	1691.78	(-)126.45	81.23

Source: BTTB, The Ministry of Post & Telecommunication.

Bangladesh in Information Super Highway

In order to deploy Optical Fibre Network throughout the country, Optical Fibre links between Dhaka-Chittagong, Chittagong-Cox's Bazar, Bogra-Rangpur-Panchagarh, Khulna-Satkhira, Chittagong-Hathazari-Betbunia-Rangamati and some other spur links of the country have been completed. Installation works of Optical Fibre networks between Dhaka-Bogra and Dhaka-Munshigonj are underway.

International Telecommunication System of Bangladesh was dependent on satellite which was slow and having narrow band width. According to Telecommunication Policy of the government, International Telecommunication Network system is being regulated by BTCL. Bangladesh has formally been connected with Information Super Highway through Submarine Cable since May, 2006. International Voice Circuits have been increased by more than 200 percent. IPLC (International Private Leased Circuit) has been opened with different companies. BTCL is connected with Singapore and France and Italy for Internet through 12 X STM-1. BTCL is earning revenue through Submarine Cable. This will

enhance the overseas voice communication. The Router capacity of BTCL has been enhanced through up-gradation of digital Data Network. Installation of NGN TAX (Next Generation Trunk Auto Exchange) is going on. It will enhance the inter district Telecommunication facilities. Access Network through Copper Cable, Optical Fiber, x-DSL, Wi-MAX is under process with a view to bring broadband connectivity and other facilities of the Submarine Cable System to the door-step of the subscribers. This will pay an important role in ICT development and development of overseas voice communication. Software export, data entry, call center services, e-commerce, tele-madicine, tele-education. E-governance and other entertainment services like Games, Chat, and Video on demand, information download and VOIP services are the other enhanced utilities of the Submarine Cable System and these are gradually getting popular in our country.

For the upcoming generation, the Submarine Cable System will provide unhindered access to the information super highway and will also augment new employment opportunities in the country.

Bangladesh Telecommunication Regulatory Commission

In order to ensure development of telecommunication services in Bangladesh and to regulate it all over the country, Telecommunication Regulatory Commission was formed as an independent statutory body under the Telecommunication Act 2001. All relevant powers, responsibilities and pertinent matters related to telecommunication regulation have been vested with the Commission.

According to telecommunication policy, tele-density targeted 10 percent following the next 10 years. According to BTRC forecast, telephone subscribers will rise to 5 crore by 2010. The tele- density will stand around 34 percent, which is more than three times than that of predicted density. The aim of the Commission is to progressively rely on competitive market-oriented system. In keeping with this objective, the Commission is committed to ensure effective control on telecommunication and to introduce new services and to create a favourable atmosphere for the local and foreign investors who intend to invest in the telecommunication sector in Bangladesh.

Table: 11:13 Subscriber number, Growth and Teledensity of Mobile and Fixed phone.

Category	2004	2005	2006	2007	2008*
Mobile Subscribers	41,50,787	92,69,095	2,08,03,696	3,43,78,658	4,37,00,000
Fixed Phone Subscribers	8,31,000	8,71,000	10,18,791	11,87,048	12,94,281
Total Subscriber	49,81,787	1,01,40,095	2,18,22,487	3,55,65,706	4,49,83,179
Growth of mobile phone	117.57%	123.31%	124.44%	65.25%	35.00%**
Growth of Fixed phone	16.06%	4.81%	16.97%	16.52%	15.26%**
Year wise Tele density	3.62%	7.25%	15.39%	24.71%	30.00%

*June 2008 **Growth June07-June08

According to BTRC's database, the total number of subscribers of six cell phone operator company recorded 4.37 crore up to June 2008. Along with fixed phone, the total number

of subscribers is 56642810. Table 11.14 shows the number of subscribers that grew during the period from 2001-2008:

Table 11.14: The number of Fixed Phone and Cell Phone Subscribers during 2001-2008

Year	Grammen	AKTEL	Bangla Link	City Cell	Teletalk	Warid	Fixed	Total
2001	471371	80368	69700	41109	0	0	564800	1227348
2002	774881	161265	112900	91348	0	0	682000	1822394
2003	1140531	401680	186500	179058	0	0	716721	2624490
2004	2388158	1096620	369500	296509	0	0	831280	4982067
2005	5540000	2072328	1026100	439389	191278	0	1081450	10359267
2006*	8467000	2505664	2313900	686494	235255	0	1108990	15317303
2007*	13970000	5050000	6040000	1300000	890000	470000	--	27720000
2008*	20310000	7850000	9460000	1700000	1070000	331000	12942810	56642810

Source: BTRC * June

It is evident from the table that the number of cell phone subscribers is growing rapidly compared to the fixed phone subscribers in Bangladesh. The growth rate of fixed phone subscriber was 15.26 percent in 2008. Against this, the growth rate of cell phone subscribers stood at 117.57 percent in 2004 and 35 percent in June 2008.

Postal Service

Bangladesh Postal Department (BPD)

The Postal Department is an attached department of the Ministry of Post and Telecommunication. This department provides postal services through 9886 post offices. The principal aim of the postal department is to ensure least costly, regular and quick transmission of postal services to the people. Although the Postal Department is basically meant for rendering services in terms of collection, transmission and delivery of postal articles, it also renders a number of other services to the people, such as Parcel (Domestic and International), Registration, Insured Article (Domestic and International), VPP, Money Order Services, GEP services, EMS, Intel post (Fax Services), Registration of Newspaper and E-post. In exchange of these services, the Postal Department receives commission at a specified rate.

Besides core services, BPD provides agency services. Through these services BPD receives commission at a precise rate. Agency services as follows: Post Office Savings Bank (Ordinary and Fixed Account), Postal Life Insurance (PLI), Savings Certificate (Sale and Encashment), Prize bond (Sale and Encashment), collection of motor vehicle taxes and renewal of driving licences, sale of revenue and non judicial stamps, collection of presumptive income taxes, motor vehicle tax and fees.

Post Office Savings Bank: During FY2007-08, the deposit at Post Office Savings Bank stood at TK. 917.00 crore and the amount of withdrawal stood at TK. 870.00 crore. In FY 2006-07, amount of deposit at Post Office Savings Bank was recorded TK. 5526.00 crore and the amount of withdrawal recorded TK. 2661.00 crore.

Savings Certificate: During FY2007-08, the sale of Savings Certificate was recorded TK. 2409.00 crore and the amount of encashment recorded TK. 870.00 crore. Analyzing data on transaction of savings certificates for the year 1995-96 to 2007-08, it is evident that the amount realized through sale of savings certificates has registered a positive average annual growth of 26.52 percent.

Postal Life Insurance: During FY2007-08, the number of new policies issued was 20957, sum assured TK. 171.00 crore, PLI receipt TK. 70 crore and PLI payment recorded 34 crore. In FY 2005-06 to 2007-08 PLI policies recorded an annual growth of 5.15 percent.

Information and Communication Technology (ICT) Sector:

Bangladesh intends to use ICT as the key driving element for socio-economic development. Considering the importance of ICT, the government has taken a number of steps for the development of ICT in Bangladesh. The ICT law has already been promulgated in 2006. A draft ICT policy has also been prepared by the Ministry of Science and Information Communication Technology (MOSICT). Incorporating issues related to ICT/software, Copyright Act 2000 has been amended to help the ICT sector flourish in the country and to create a favourable environment for ICT.

In order to develop software industry in the country, an ICT Incubator has been established in Dhaka. 48 software and IT enabled service companies invested Tk. 38 crore and 1700 software professionals are employed for export of software in the global ICT market.

Currently more than 50 software and IT service companies in Bangladesh are exporting software and their services to 30 different countries which include among others USA, UK, Australia, Canada, Denmark, KSA, Japan, Sweden, UAE, Germany, Italy, Netherlands, Norway, Switzerland, France and Nepal. Some important users of Bangladeshi software are Nokia, Japan Airlines, World Bank, HP, US Postal Department, and US Department of Agriculture. IT industries are flourishing in Bangladesh. The contribution of IT sector to our foreign currency is increasing day by day. Exporting IT software in FY 2007-08, Bangladesh earned foreign currency amounting to US$ 24.09 million.

Software applications and IT-related services are also available in the field of custom business application, contract programming services, Web content development, Internet/e-government software tools, data conversion and transcription services, call centers and BPO (Business Process Outsourcing) services etc. To meet the growing need of skilled IT professionals at home and abroad, the Bangladesh-Korea Institute of

Information and Communication Technology (BKIICT) has been established in Bangladesh with the technical assistance from Korea.

The government within its limited budget has already taken initiatives to introduce e-governance in the country. Major ministries, divisions and departments have already launched their websites. The official website of the Government of Bangladesh, www.bangladeshgov.org, contains link to other ministries and government agencies. A project "Support to ICT Task Force" primarily for introducing e-governance is being implemented by the Planning Commission under the Ministry of Planning initially covering 6 Divisional HQs, PM office and 8 ministries. The purpose of this project is to establish a communication network for voice, data and video communication.

Science and Technological (S&T) Development Programmes

Government of Bangladesh realizes the growing importance of Science and Technology (S&T) in Bangladesh. Science and Technological development is the corner stone of socio-economic development in Bangladesh. Consistent with the government objectives, Ministry of Science and ICT provides different kinds of fellowships and grants under science and technological programmes which are contributing the human resources development.

Table -11.15: Fellowship/Grant

Kind of fellowship/ Grant	No of Students /Projects				
	2003-04	2004-05	2005-06	2006-07	2007-08
NSICT Fellowship	231	71	200	166	319
S & T Programme (Special Grant)					85
Research Grant(R & D)	86	97	87	-	34
Science Club Grant				-	16
Non-government School/ College	-	-	-	-	22

Source: MOSICT

Every year selected students of different universities receive national Science and Information & Communication Technology (NSICT) fellowships. The MOSICT provided NSICT fellowships to 319 students of Masters, M.Phil and Ph.D levels in the FY2007-08. Researchers of research institutions and Scientists of universities of the country also get science and technological grant. Ministry also provides grants to the non-governmental science related organisations/institutions and also non-government Secondary and Higher Secondary School and Science Clubs. Under this Ministry, Science and Technological Research Institutions like Bangladesh Atomic Energy Commission (BAEC), Bangladesh Council of Scientific and Industrial Research(BCSIR),Bangladesh Computer Council (BCC) provide different kind of research facilities to the students and trainees on Science and Technology.

To develop skilled computer professionals within the shortest possible time, MOSICT has taken up a programme to conduct PGD (Post Graduate Diploma) Course in ICT through public universities. All public and private universities are conducting undergraduate and postgraduate courses on ICT and the government is allocating more funds to these institutions. The government has undertaken the programme called "Conducting standard computer training course in divisional headquarters" in order to expand the use of computer and information technology outside the capital city. In view of the above, computer centres six divisional headquarters: have been established. To provide a range of modern infrastructure and administrative support services and to create an efficient working environment for the development of information technology, electronics, telecommunications, engineering, biotechnology and other knowledge-based industries, the government has planned to establish a Hi Tech park in the country at a cost of Tk. 25 crore.