

**Association of Cargo Agents of Bangladesh  
(ACAB)**

**BANGLADESH**



**Country Report 2008**

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*For presentation to Delegates attending the*  
**36<sup>th</sup> EXECUTIVE COUNCIL MEETING OF THE  
FEDERATION OF ASIA PACIFIC AIRCARGO  
ASSOCIATION (FAPAA) SCHEDULED TO BE HELD AT  
BANGKOK (JUNE 5 & 6, 2009)**



## **ACAB Address**

**Will change recently**

### **Association of Cargo Agents of Bangladesh**

**House 45, 3rd Floor, Road 17**

**Banani Commercial Area**

**Dhaka-1213, Bangladesh.**

**Tel: 8802 9881663, 8836324-5**

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**Email: [acabhq@pradeshta.net](mailto:acabhq@pradeshta.net)**

Present Members : 636

AirPorts: Dhaka Zia International Airport, Chittagong Airport

Sea Ports: Chittagong and Mongla

Land Ports: Benapole, Burimari, Tamabil, Banglabanda & several others with India & Teknaf with Myanmar.

Members of International Organizations:

FAPAA, FIATA and SAFFFA.

Most Members involved in Multimodal Transport Operation.

### Profile and brief background:

ACAB stands for Association of Cargo Agents of Bangladesh. However, the history of ACAB dates back to the year 1992 when an organization under the title "Association of Air Cargo Agents of Bangladesh (AACAB)" was formed and registered. Later, in 1998 the senior freight forwarding leaders of the country felt the necessity to expand the activities in both Air & Sea cargo and thus amended the title as "**Association of Cargo Agents of Bangladesh** (ACAB)" with due approval from the Ministry of Commerce, Govt. of Bangladesh. Since its formation the leaders of ACAB have been participating in the activities of International organizations like FAPAA, FIATA and SAFFFA.

The present Executive Committee, after taking over charge in April, 2007, met in a meeting and reviewed the prospect of the different activities and actions plans previously initiated; identified different problems of the trade, prioritized the same, listed solution of the problems and adopted decisions for taking future action-plans and steps for implementation of the objects of the Memorandum.

### Executive Committee

As per Memorandum and Articles of Association of ACAB, the Executive Committee is elected for a term of two years. Accordingly, the present EC for 2007-2008 was elected and took over charge in April, 2007.

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>	<b>Company/Firm</b>
01	Capt. Md. Saifur Rahman	President	EBD Limited
02	Mr. Mohammed Faiz Khan	Senior Vice President	Cargo Plan International
03	Mr. Md. Nasir Uddin Mahmud	Vice President	Crown Logistics Ltd
04	Mr. Md. Abu Baker Sarker	General Secretary	All-trans Cargo Services Ltd
05	Mr. Zahid Hossain	Asstt. General Secretary	Awards Transportation Ltd
06	Mr. M. A. Sobhan	Asstt. General Secretary	Sunnytrans International Ltd
07	Mr. Sultan Ahmed	Treasurer	M/S Concord Express
08	Mr. Demien Gonsalves	Public Relation Secretary	United Services Agency
09	Mr. Md. Mafizul Islam	Port Affairs Secretary	Mukta Enterprise
10	Dr. Md. Saidur Rahman	Port Affairs Secretary	Prime Logistics Ltd
11	Mr. S.M Bakhtiar	Member	Active Logistics Ltd
12	Mr. Md. Anwar Iqbal	Member	Transparent Cargo Services Ltd
13	Mr. Khorshed Alam	Member	Marvel Freight Ltd
14	Mr. Mofizur Rahman Chowdhury	Member	Maple Consolidations Ltd
15	Mr. Sheikh Mohi Uddin	Member	TSL Container Line

## **Sub-Committees:**

**Besides, the EC formed the following Sub-Committee for dealing with different field of the trade.**

- 1. Membership Sub-Committee**
- 2. Air Affairs Sub-Committee**
- 3. Ocean Affairs Sub-Committee**
- 4. Foreign Affairs Sub-Committee**
- 5. Legal Affairs Sub-Committee**
- 6. Training Sub-Committee**
- 7. Govt. Affairs Sub-Committee**
- 8. Fund Raising Sub-Committee**
- 9. Arbitration Sub-Committee**
- 10. Custom Affairs Sub-Committee**
- 11. Publication Sub-Committee**
- 12. ACAB-IFFAB Co-ordination Sub-Committee**

The Sub-Committees have been conducting their activities successfully. After taking over charge of the Association, the Executive Committee sat several times and identified the obstacles to the freight forwarding trade of the country and listed out solutions. By this time several steps have been taken by the EC for solution of the obstacles and to implement the objectives of the Memorandum and Articles of Association.

### **Exchange of Ideas:**

It has been observed that the Executive Committee members always discussed about the problems, reviewed progress thoroughly from time to time. In all General Meetings it was found that the new Freight Forwarders exchange ideas on different business activities with senior leaders in cordial atmosphere. So, these meetings have been very much helpful for the new comers to learn from seniors. Such meetings have been very much helpful to arrive at consensus on important issues. In this way, generally the Executive Committee takes decisions on all important issues on the basis of the consensus.

### **Achievements of ACAB**

#### **(a) ACAB Shed at Dhaka Airport:**

In absence of office space, Freight Forwarders/Cargo Agents had been facing serious obstacles in preparation of export documents at Zia International Airport. Since long past, attempts have been made to get office space within the precinct of cargo village or its adjacent areas. An administrative building was constructed in front area of cargo village by the Civil Aviation authority. But due to certain unavoidable circumstances allotment of office space could not be arranged there. The leadership of the Executive Committee had been trying utmost to arrange office space at ZIA during the last term also. However, the present EC succeeded in obtaining permission from Biman Bangladesh Airlines authority and as such a beautiful shed has been constructed in front premises of cargo village by ACAB at its own cost. In this shed, boxes of major companies have been placed and the personnel of member companies have been preparing export documents smoothly. Thus, a long pending problem of members has been solved. ACAB is grateful to Civil Aviation Authority of Bangladesh and Biman Airlines for their guidance and cooperation in conducting Freight Forwarding activities in the cargo village.

#### **(b) Gate Pass at Dhaka Airport:**

The ACAB management has been entrusted by the Biman authority to control the cargo village gate at Dhaka Airport. ACAB has been controlling the cargo village gate by issuing gate pass, through which trucks with goods get entry into the cargo village. And in this way the cargo village has been brought into discipline to a great extent.

### **(c) NBR Licensing Rules:**

Since 1998 the ACAB leadership had been working with NBR authority to prepare a licensing rules for the Freight Forwarders of the country. The intention was to fully legalise the Freight Forwarding Trade and bringing more discipline in this trade. After holding series of joint meetings between National Board of Revenue and ACAB leaders the SRO-2000 on licensing rules was issued. Here ACAB leaders actively helped the NBR high officials in preparation of the draft licensing rules. But the NBR did not implement the same due to reasons known to them. A few members of ACAB applied to NBR for licenses as per specified proforma, but in vain. All on a sudden, NBR framed a new licensing rules and issued SRO-2006, with many unfavourable provisions. So, ACAB itself as well as some ACAB members submitted writ petitions with Hon'ble High Court against those provisions of the SRO.

In the context of the above, a delegation consisted of ACAB, BAFFA & IFFAB representatives met in a meeting with the Chairman, NBR. The delegation placed some proposals for amendment of some provisions of the SRO-2008. The NBR Authority considered and accepted some amendments in the SRO in favour of the freight forwarders and the trade. It was also decided that the pending cases with the Hon'ble High Court and Supreme Court shall be withdrawn by ACAB & IFFAB. Accordingly, the pending cases with Hon'ble High Court and Supreme Court had been withdrawn. Thereafter, the NBR issued and amended SRO- 2008. As per the newly amended SRO-2008 the ACAB members had applied for license. So far, 402 License had been issued by Licensing Authority, Dhaka Custom House and 17 License had been issued by Chittagong Custom House, Licensing Authority. So, the long cherished objective of the freight forwarders have been achieved by issuance of License to the Freight Forwarders and bringing the trade under the umbrella of a legal framework. As a result the freight forwarding trade had been recognized as a legal business in home and abroad. Still Issuance of Delivery Order of LCL cargo from Private Warehouse or Outside Port Warehouse is a Pending Issue. Without which Custom License will not be worthy.

### **(d) New Adhoc Committee for BAFFA:**

In the meantime, in 2007, an Adhoc committee was formed at a joint meeting of representatives of ACAB, IFFAB, Chittagong Port Authority, Customs and BGMEA at the initiative of Chittagong Task Force-B for formation of one single Freight Forwarders National Trade Association under the title "**Bangladesh Freight Forwarders Association**" or BAFFA by merging ACAB and IFFAB. The Adhoc Committee has been leaving no stone unturned to complete formation of BAFFA within shortest possible time. The Memorandum and Articles of Association of BAFFA, with other relevant documents has been submitted to the Ministry of Commerce, Govt. of Bangladesh, for approval and registration since 2007.

**Recently on 5 May, 2009 The Ministry of Commerce of the Govt. of Bangladesh assured to consider the unification of the 2 Association with few months.**

### **(e) SAFFFA Conference:**

The fourth General Meeting of South Asia federation of Freight Forwarders Associations (SAFFFA), was held in 2004 in Bangladesh. ACAB hosted the conference and organized all the events at its own. In this connection an Organising Committee was formed with Mr. Helealuddin Akbar, Past President, ACAB, as convenor. The inauguration ceremony was held at Hotel Sheraton where the then Hon'ble Minister of Commerce, Govt. of Bangladesh, was the chief guest. Prominent business leaders, high Govt. officials and other stake holders attended the ceremony. In the inauguration ceremony Mr. Helaluddin Akber, convenor SAFFFA organizing Committee, Capt. Saifur Rahman, President, ACAB, Mr. Sree-Ni-Bhashon of India, Chairman of SAFFFA spoke. In the business session, progress of SAFFFA was reviewed and the new Board of Directors for the next term was elected where Mr. Islam Salim of Pakistan was elected Chairman and Capt. Saifur Rahman, Secretary General, Mr. Syed Golam Mowla, Executive Board Member and Mr. Helaluddin Akbar was elected Advisor of the Board. A souvenir was published on this occasion. **Late Mr Namgayal Lama & Mr Sunder participated from**

Nepal. And several others from Srilanka, India & Pakistan. In this souvenir goodwill messages from the then Minister of Commerce, Minister of Shipping, President FBCCI, Chairman, Chittagong Port Authority, Managing Director, Biman were published. The foreign delegates thanked the organizing committee members and the ACAB management for successful organization of all events of the conference. Obviously, this went a long way in improving the image of ACAB.

**(f) Impasse of the Trade in Bangladesh:**

1. The Bill of Lading issue has been creating much confusion in conducting transportation of goods. The problem was originally created by the Bangladesh Bank through issuance of a circular in 1996. The problem is that All Bills of Lading has to be consigned to the Bank at Origin in case of Sea Shipment. This has created a serious obstacle to our freight forwarding business. The Executive Committee had filed writ petition (case) with the Hon'ble Supreme Court of Bangladesh, High Court Division, which is pending for hearing. Meanwhile, a circular reference no.: 4 had been issued by Central Bank on 29 March, 2006 allowing Freight Forwarders to issue FCR and HAWB.
2. It is not permitted by the Bangladesh Bank to remit any money from Bangladesh. Therefore it is difficult to run the trade in lieu with international standard.

**(g) Publication of ACAB News Letter:**

ACAB started publication of the monthly news letter under the title, "ACAB News" since 2001. At the initial stage, Asia Foundation extended financial assistance. However, since 2003, ACAB is publishing "ACAB News" at its own cost. In its first issue of September 2001, messages of the then advisor of Ministry of Agriculture and shipping, Syed Manzur Elahi, and Dr. Karen L. Casper representatives of Asia Foundation gave messages wishing its success. In several issues, a few valuable articles were written by experts of the trade as under.

<u>Name</u>	<u>Topic</u>
<b>01. Mr. Helaluddin Akbar The then President, ACAB</b>	<b>"The Role of Freight Forwarders in Facilitating National Exports".</b>
<b>02. Capt. Saifur Rahman President, ACAB</b>	<b>"Freight Forwarding and Bangladesh Scenario". -- Issue no.: 01</b>
<b>03. Mr. Tanveer Madar Past General Secretary, ACAB</b>	<b>"ACAB Our Trade Association" -- Issue no.: 01</b>
<b>04. Mr. Zahid Hossain Firoze Asst. General Secretary, ACAB</b>	<b>"Freight Forwarders B/L Impasse in Bangladesh" -- Issue no.: 55</b>
<b>05. Mr. Zahid Hossain Firoze Asst. General Secretary, ACAB</b>	<b>"Remittance Impasse from Bangladesh" -- Issue no.: 59</b>

The articles were extremely important and dealt with both conceptual and operational aspects of the trade and those are still the source of ideas, information, and inspiration for Freight Forwarding Trade. The monthly ACAB News letters were being regularly distributed to ACAB members, Journalist, Airlines, Shipping lines, different Ministries and Departments/Agencies and intelligentsia of the country. The "ACAB News" contained Articles, News, Views, Ideas, on the trade which have been very much helpful in disseminating ideas, concepts, the what and why of Freight Forwarding industry in Bangladesh.

**(h) Police Verification of ACAB Members' Personnel :**

Since 2006 year, the Civil Aviation Authority of Bangladesh (CAAB) has been attaching much importance of improving the security situation of the ZIA cargo handling areas of Zia International Airport. As desired by the CAAB, the ACAB management have successfully completed police verification of the personnel of member companies engaged in handling process of cargo in preparation of export documents etc. The matter is still under process.

**(i) Cargo Handling at Dhaka International Airport:**

Position of cargo handling in Zia International Airport is shown in the following table.

**Outbound Perishable Cargo:**

Year	MT
2003-2004	26746
2004-2005	27688
2005-2006	27800
2006-2007	26500

**Outbound Dry Cargo:**

Year	MT
2003-2004	72831
2004-2005	72739
2005-2006	73300
2006-2007	74110

**Inbound Dry Cargo:**

Year	MT
2003-2004	39887
2004-2005	45000
2005-2006	44540
2006-2007	46310

It may be noted here that ACAB member companies have handled almost 90% of the outbound dry cargo traffic from Bangladesh.

**(j) ACAB Jackets:**

As per decision adopted in a joint meeting of ACAB management, Civil Aviation authority and the Bangladesh Biman authority, ACAB has already arranged to supply ACAB Jackets which is binding upon all the personnel of member companies engaged in cargo handling process at Dhaka Airport to wear those during duty period. The personnel are now wearing jackets which have helped to Identify them for Security reasons & to improve the over all performance and discipline.

**(k) Issuance of ID Cards by ACAB Management at Zia Intn'l Airport:**

For a few years past, the Civil Aviation Authority of Bangladesh and Bangladesh Biman authority have been seeking cooperation of ACAB Executive Committee representatives in formulation of policies and Action Plans for improvement of management, discipline and security of the entire area of cargo handling process at Zia International Airport. In almost all meetings of the Civil Aviation Authority and Biman Bangladesh Airlines, ACAB representatives are regularly invited and they actively participate in the same.

For a few years past, ACAB has been issuing Identity Cards **to both personnel and management of the ACAB member companies** for facilitating entry into cargo handling area of the Zia International Airport. Without ACAB ID cards no civilians are allowed to enter into the said cargo handling area.

**(l) Role in Facilitating National Exports and in National Economy:**

More than 90 percent of our export earnings from wearing apparels, knit and woven combined comes from the markets in Europe and the USA. RMG exports fetched approximately \$10.70 billion during the period 2007- 2008. The total exports grew by 15.87 percent during this fiscal. But the exporters fear fallout from the global financial turbulence on the local garments industry as the country's major export destinations are hit by the economic turmoil stemming mainly from the crises in US economy. Eventually the local readymade garments exports may suffer in the wake of the global financial crises. According to exporters associations of knit and woven garments, the impact has caused the rate of export orders already falling compared to the same period last year. Obviously, this alarming trend would adversely affect the freight forwarding companies of Bangladesh.

However, in order to avert the situation or to make it less aching, the business leaders and the Government have already taken some important decisions which would be beneficial for the economy as a whole, viz,

i) Making renewed efforts to diversify the product and export markets to cope with the global recession.

ii) Enhancing productivity and number of skilled manpower.

iii) Reducing bank interest rate and, as a temporary measure, enhance subsidy to the RMG and other export sectors, and

iv) Undertaking more intensive management activities and close monitoring of various factors with a view to ensuring proper redress.

It is hoped that both the government and the business community of the country would be able to face the problem efficiently, as they did in the past and that the trend of exports would be maintained undisturbed. The RMG sector alone have employed over two million workers. The RMG exports has contributed much to maintain healthy economic growth of the country.

It may be recalled that the ACAB member companies had been contributing much in facilitating national exports abroad. The Freight Forwarders/Cargo Agents have been performing the responsibilities of handling, loading, palletizing, and shipment documentation, putting the cargo on board, delivery at port or of the consignee. ACAB members have been performing these functions most accurately and professionally. ACAB members have been performing a vital role as financier of national exports in the form of credit facilitating on freight terms to the exporters and importers. In this way the ACAB members have been directly facilitating export.

Needless to say, a huge amount of valuable Foreign Exchange are being earned which are vital for National Reserve, as well as for the imports of vital capital goods, chemicals and scientific instruments, machinery, medicines and other important items. These foreign exchanges have also a positive impact on our national economy. So, here the role of ACAB members is noteworthy. Members have been very successfully handling and transporting goods for expediting exports. The member companies of this association have also employed a large number of unemployed educated youths of the country. Thus to some extent these companies have solved the employment problem of the country too.

So, it can be concluded with confidence that ACAB members have contributed much to develop the national economy.

**Prepared by: Hafeejul Alam, Executive Secretary, ACAB.**

**Dated: MAY 03, 2009**

**Edited by: Zahid H.Firoze, Asst.General Secretary, ACAB.**

**Dated: MAY 06, 2009**