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<b>Seminar Date:</b>	September 14, 2013
<b>Venue:</b>	VVIP Terminal HISA, Dhaka Bangladesh
<b>Chief Guest:</b>	Mr. A M A Muhith, MP, Hon'ble Minister of Finance, Govt. of Bangladesh
<b>Special Guest:</b>	Muhammad Faruk Khan, MP, Hon'ble Minister of Civil Aviation & Tourism
<b>Name of Seminar:</b>	Daylong Seminar on "Sustainable Development of Aviation Industry in Bangladesh"
<b>Organizer:</b>	Civil Aviation Authority, Bangladesh (CAAB)

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### **Establishing Bangladesh in the Aviation Industry by Sustainable Development**

Bismillah Airlines Ltd. (BML) is the pioneer in private airlines of Bangladesh both in international & domestic routes. We started as cargo airline and currently is the largest and leading cargo airlines of Bangladesh. As Bangladesh has 170 Million population, surrounded by Himalayan Mountain at North & Bay of Bengal at South and a strategic location between two mega economic power like China & India we feel that Bangladesh can catch the Global Aviation business share. Especially in the field of Airlines (Passenger, Cargo, Mail and Executive Flights), Hangar & MRO (Maintenance Repairing Organization), Flying Academies, Helicopter Services, Airport (International & domestic), Air Cargo Warehouse (Export, Import, Mail), Ground Handling, Education & Training, Aviation Security Forces, Flight Catering, ATC & Air Navigation, OEM (Original Equipment Manufacturer) Manufacturing, GSE (Ground Support Equipment) and other related equipment manufacturing, Export of skilled Human Resource that may include AME (Aircraft Maintenance Engineer), Technician, Cockpit Crews, Flight Attendants, Flight operations staffs.

The aviation industry of Bangladesh has a scope to invest with lucrative ROI (return on investment) of US\$ 5 Billion by next two years. At the same time, the image and direct foreign investment will increase for the benefit of whole Nation.

Please follow below recommendations from Bismillah Airlines for Sustainable Development of Aviation Industry in Bangladesh:

#### **1. Policy Adaption:**

- 1.1. CAAB (Civil Aviation Authority of Bangladesh): Should be an Authority EXCLUSIVELY for the development Aviation Industry, without getting involved on any commercial businesses like Airport, Cargo warehouse, Security of Airports, collection of Navigation & Airport fee etc.
- 1.2. ADA (Airport Development Authority): This organization will be responsible for development of Airports, their maintenances and non-aviation services. ADA should be established by the soonest possible time by Govt. for the development of Aviation Industry and running all Airports in the country and utilize those properly, especially for the old Airports. This is a standard practice to isolate the authority like this in other neighboring countries.
- 1.3. Aviation Security Force: This organization also need to establish by the soonest possible time for security of Airports, CAAB, Hangar, Aerodromes, Cargo warehouse, and Aviation Free Zone. It should be separate from CAAB and ADA. All members of Aviation Security Force may join from Police & Defense and also from existing CAAB security after full scanning.



- 1.4. ATC & Navigation Board (ANB): This is for collection of Navigation fees & development of ATC and looking the Borders from space via satellite station and monitoring aerospace. ANB also need to be establish by soonest time which will increase the income potentials and service will improve gradually.
  - 1.5. Presently CAAB is doing the jobs all the above mentioned points (1.1, 1.2, 1.3, 1.4), but those have to separate from CAAB by soonest time to achieve significant results.
  - 1.6. Aviation & Aerospace Development Board: For development of Aviation & Airspace activities including Airlines of Bangladesh and setup Global Air network/Hub.
  - 1.7. Aviation Policy of Bangladesh need to be included in to Govt. Budget for every year with the target of development and sourcing of funds.
  - 1.8. Include Aviation sector as Industry with BOI (Board of Investment) and Ministry of Industry, which is currently use as service sector.
  - 1.9. Setup Aviation Economic Free Zone (EFZ) in Bangladesh like Dubai (DXB), Sharjah (SHJ) in airport
  - 1.10. Setup Aviation National Committee organized by Govt. & Private Airlines, Aviation personnel including BAF (Bangladesh Air Force) for development and policy making for Aviation Industry.
  - 1.11. Protection of local Airlines by the ASA arrangement with other countries for Cargo and Passenger operations. Now all foreign carriers enjoy the big benefit including 5<sup>th</sup> freedom to/from Bangladesh and increasing the frequency.
  - 1.12. DFS & R (Director Flight Safety & Regulation) of CAAB should remain on service for 5 (Five) years, so that CAAB can achieve more benefits for development in Aviation sector.
  - 1.13. Policy and training to setup by the Govt. for transfer of Aviation Human Resource abroad. (target of income US\$ 2 Billion per year)
2. **Financial Policy, Risk Management:**
- 2.1. Need Government support to gain funds through ADB, IDB, IFC, local & foreign Banks and local & foreign investors (DFI) for invest in Airlines, Airport, MRO & other Aviation business.
  - 2.2. Allotted seed money for Airlines, Airport development, R&D, Risk Management, Branding, and International Networking.
  - 2.3. Accept International L/C, SBLC, BG, Counter guarantee for purchase of Aircraft, equipment's through local Banks and allow DFI (direct foreign investment) on the same process for loan and investment from investor and include into Bangladesh Bank policy.



- 2.4. Low interest rates from local Bank for big investment with directive to local Bank by Bangladesh Bank (BB) for investment into Aviation Industry.
  - 2.5. Undeclared money for investment into Aviation Industry as equity participation.
  - 2.6. No interests for certain period (could be 2 years) of time after lending to Aviation Companies
  - 2.7. Involvement of local insurance companies with competitive price on the Aviation policy and risk management & protection policy for Aviation industry (3<sup>rd</sup> Party, Passenger, Cargo, Aircraft, Risk Management, Stores, etc with proper underwriting).
3. **Reducing the service charges of Biman, CAAB:**
- 3.1. Rate to be reduced for Biman GH (Ground handling). Current GH rate 800% higher than other International Airport and service is too poor.
  - 3.2. Reduce the charges of Biman, CAAB, Cargo Warehouse, THC (terminal handling charges) and Scanning (for export) by Air. Unfortunately charges are 600% higher than other International Airport. Almost US\$ 0.25 per Kg cost at Airport for all services at Dhaka. Whereas, the cost in Thailand is US\$ 0.04 per Kg. In order to increase the Air Cargo (Export) especially RMG, medicines, vegetables, fish, crab, flower, etc, which are not competitive at all.
  - 3.3. No landing charges for Bangladeshi Airlines.
  - 3.4. Reduce the rent of Airport offices, Hangar, open spaces at Airport for local Airlines. Currently all rates are same compared to shops, foreign Airlines, duty free shops, restaurants at airport
4. **Infrastructure support under PPP or and Private Investment or Govt. investment for Aviation (Investment amount about US\$ 5 Billion for the Aviation sector by next two years):**
- 4.1. Setup new International Airport(s) with two runways and provision of 3<sup>rd</sup> runway facility as per International Standard covering the policy of ICAO, IATA, EASA, FAA etc. this will be a big Hub for Asia especially for China and India. (Investment amount about 3.6 Billion)
  - 4.2. Setup more than two different ground handling companies in all International Airports of Bangladesh. (Investment about US\$ 100 Million)
  - 4.3. Setup more than two different refueling companies at International Airports and at least one at each domestic Airport. (Investment about US\$ 150 Million)
  - 4.4. At least two different MRO setup at each International Airport with the provision up to B747 and compliance & approval of EASA, FAA, ICAO etc. (Investment about US\$ 300 Million)



- 4.5. Setup more than two different Cargo warehouses handling companies at International Airports. (Investment about US\$ 50 Million)
- 4.6. Setup one Aviation public University with Institute under PPP. (Investment about US\$ 250 Million)
- 4.7. Setup one foundation under Aviation & Aero Space development of Bangladesh (AAFB) for R&D, counter agreement, space technology. (Investment about US\$ 60 Million)
- 4.8. Setup at least two different modern catering centers at International Airports of Bangladesh under private or PPP. (Investment about US\$ 20 Million)
- 4.9. Setup Aviation Commercial Free Zone at International Airport targeting income US\$ 0.50 Billion income & Export per year. (Investment about US\$ 350 Million)
5. **Development of Aviation HR (Human Resource):**
  - 5.1. Biman Bangladesh Airlines and other Airlines are still using Crews and AME (Aircraft Maintenance Engineer) from foreign countries with extremely high salaries and the country is losing hard currencies. CAAB shall take plan of creating at least 500 AME/certified staffs by next 5 years target time (Dec, 2018). Countries try like Honduras has more than 5,000 AME and Philippines has around 6,000 AME, unfortunately Bangladesh has around only 650 AME.
  - 5.2. CAAB shall plan of making at least 500 Pilots and 2,000 ground staffs for next 5 (Five) years.
  - 5.3. CAAB may collect data from local Aviation Academies, Training Centers, and Universities and give the support with approval for development of Aviation HR and give training to the foreign students.
6. **Promotion & Branding:**
  - 6.1. Govt. will take care for branding of Bangladesh Aviation Industry through Govt. channels including foreign Missions of Bangladesh in abroad.
  - 6.2. Govt. may include one/two representative(s) from Aviation Companies during the foreign visit (ASA Meetings, ICAO Seminar, fair, workshops, meetings, etc) on Gov Delegation Team for introducing to foreign counterpart.
  - 6.3. Govt. accesses and arrange to all International financial Institutes for funding to Bangladesh Aviation Industry and signing all International MOU, agreement, TT for getting easy & soft fund for procurement of Aircraft, equipment and in R&D.
  - 6.4. Aviation Branding needs to develop by the all related Authorities, organizations, agencies, companies through fair, workshops, seminars, publications on regular basis.

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(Founder of private Airlines, Deep Sea Trawling at Bay of Bengal and Counter trade/Batter trade business in Bangladesh)