

Facts About Bangladesh

Bangladesh is a fertile alluvial plain encompassing the deltas of three main rivers, the Ganges, the Brahmaputra and the Meghna. The country covers an area of 144,000 square kilometres and has a population of approximately 150 million, making it one of the world's most densely populated countries. Bangladesh is one of the world's poorer countries. Over 88 per cent of Bangladeshis are Sunni Muslims; the state religion is Islam.

State. First established as East Pakistan after the 1947 partition of India, the People's Republic of Bangladesh came into existence in 1971 after a "war of liberation" from Pakistan. In 1991 Bangladesh instituted a democratic parliamentary system of government (with a parliament of 300 directly-elected members).

Economy. A real GDP growth of 5.6 per cent was achieved in 2007. Sustained economic growth and inward investment have contributed to a gradual increase in the share of manufacturing in the GDP, and a decline in the share of agriculture. But Bangladesh remains an agricultural economy, with farming accounting for more than 23 per cent of the GDP, and employing over 60 per cent of the working population. The dominant crop is rice, making up as much as 70 per cent of the total output.



German Trade Show

What Germanischer Lloyd has to offer in Bangladesh with regard to Maritime and Industrial Services was presented by the team of Germanischer Lloyd Bangladesh at the "German Trade Show" in Dhaka. A seminar hosted by

Country Manager Mr Zaman gave an in-depth insight into the achievements and challenges of the emerging shipbuilding industry in Bangladesh. The cross-industry event organized by the Bangladesh-German Chamber of Commerce & Industry with the support of the German embassy and GTZ attracted exhibitors and visitors from the Bangladeshi and international shipping industry and maritime suppliers.

On the Move

Is Bangladesh a surprise competitor? *nonstop* examines the potential of the emerging shipbuilding nation of becoming a major player for small to medium ocean-going vessels on the international stage

Stella Maris" – Star of the Sea – is the name of the 3,000-dwt multi-purpose vessel handed over by Ananda Shipyard to Danish owner Stella Shipping in September. What makes this seemingly trivial statement noteworthy is the fact that Stella Maris was the first ship ever built for export by a yard in Bangladesh. And 27 more are to follow.

There are only a handful of companies building ships for export in the riverine country with its extended shorelines so frequently lashed by cyclones and natural disasters. Bangladesh has a significant local shipbuilding industry that has

produced ferries and small boats. In fact, nearly all of the more than 3,000 barges, oil tankers and cargo ships that ply their trade in Bangladesh's extensive waterways were made by national shipyards. Today, the country's shipbuilding industry is rapidly becoming a promising sector, having signed several contracts with Danish, Dutch and German owners to build multi-purpose vessels.

Not only Ananda Shipyard and Slipways Ltd. (ASSL) in Meghnaghat have ships on order for export. Chittagong-based builder Western Marine Shipyard Ltd. (WMSHL) has



PIONEER. "Stella Maris" by ASSL. The data: length over all 81.35 metres, breadth moulded 13.15 metres, depth moulded 6.20 metres. MAN B&W 8L21/31 engine (output 1,720 kW), CPP. The assigned class notation for the vessel is as follows: hull: + 100 A 5 E with freeboard 1.560 metres; SOLAS II-2 Reg 19 DBC; multi-purpose-dry cargo ship; equipped for carriage of containers; strengthened for heavy cargo. Machinery: + MC E AUT-16h.

won a contract from MK Shipping, Holland, for building up to twelve 5,200-dwt multi-purpose vessels with GL class. "The two orders have positioned these shipyards as serious players in the international shipbuilding industry in strong competition with Chinese and Vietnamese shipbuilders," says the Danish embassy in Dhaka on its website.

ASSL received their first order in 2005 from Stella Shipping and Sea Consult Ltd. of Denmark. WMSHL followed suit with a first export order in 2007. Other customers of the two shipyards are the Bangladesh Inland Water Transport Authority, the Chittagong Port Authority, the Bangladesh Institute of Marine Technology (BIMT), the Bangladesh Police, several local tourism and travel organizations, as well as international companies like Wessels Reederei GmbH and Komrowski Maritim GmbH of Germany. A market for shipyards focusing on producing smaller sea-going ves-

sels is emerging in Bangladesh. Industry leaders like China, South Korea and Vietnam go for larger containerships. Therefore, European buyers are now coming to Bangladesh for their smaller craft; shipbuilding in East Asian countries has become more costly due to steep wage increases.

Quality? Yes!

But before Bangladesh can establish itself firmly as an internationally-respected shipbuilding nation producing ocean-going vessels, there are some hurdles to take: yards must put international shipbuilding standards into practice and implement quality-management systems. Abundant access to coastal areas, infrastructure investments and skilled manpower are also necessary. Bangladesh has already made great progress in all of these areas. "As far as ship quality is concerned, I can say it is excellent", says →



→ Germanischer Lloyd's Country Manager Bangladesh, Choudhury Zaman.

Germanischer Lloyd has been represented in the country since the mid-1980's and has been supporting the shipbuilding industry ever since. Today the GL team oversees all of the country's newbuilding projects for international customers. The tenth anniversary of GL's exclusive representation will be celebrated in January 2009. Zaman is pleased: "We have achieved quite a lot since then. From a 'one-man show' we have evolved into a team of four fully-trained surveyors plus three trainee surveyors. The workload is increasing – instead of just surveying the fleet in service, we now also have newbuildings to attend."

A Long History, a Big Success

The flow of orders to Bangladeshi shipbuilders began on successful completion of comprehensive inspections of the ASSL and WMSH facilities by the shipping companies, followed by visits from European embassy representatives. The shipyards had to upgrade their infrastructure to meet the international standards that the shipping companies required. This included covered sheds even where the weather does not affect production, shipbuilding halls, state-of-the-art shipbuilding machinery, employee training as well as the introduction of environmental policies. Furthermore, safety measures such as compulsory use of helmets, goggles, gloves, boots and special suits on the premises were implemented.

Bangladesh actually has quite a long history of shipbuilding; there is also a pool of experienced workers: many workers in Singaporean and Dubai/UAE yards are from Bangladesh. Another advantage is the fact that many of the coun-



CEREMONY. Christening of ASSL's first export vessel. The "Stella Maris" was built for a Danish shipping company.

try's residents speak English. "Bangladesh does have a few technicians and engineers of its own, but we need to train more people. Maybe young people should study in Germany or other countries where shipbuilding industries have been established for a long period of time. In the meantime we will have to hire expertise from outside," Zaman comments the shortage of qualified personnel.

Traditionally Bangladesh has been known as a place for ship breaking rather than shipbuilding. But Dr Abdullal Bari, Chairman of Ananda Shipyard, is convinced that this will change: "We will soon appear as the shipbuilding harbour of the world. This is the start of the process to change things around."

INTERVIEW – DR ABDULLAHEL BARI

“We Are Very Cost-Effective, and We Have a Hard-Working, Well-Trained Workforce”

nonstop: Dr Bari, could you describe the development of Ananda Shipyard?

Dr Bari: The Ananda Group comprises nine companies. Apart from shipbuilding, we are also active in the textile industry. However, Ananda Shipyard & Slipways Ltd. is the flagship of the group. The group began operations 25 years ago, in 1983, with a focus on shipbuilding. We have built a considerable number of ships since then – about 300 in number – for rivers and coastal waters.

Building ships for export is something we began only recently. Our customers are based in Denmark, Germany, the Maldives and Mozambique. Currently the shipyard has an orderbook of about 58 ships, 24 of them for Germany: six units of 5,500 dwt, four units of 6,100 dwt and ten units of 7,250 dwt. In addition, we have four confirmed orders and four options for a 7,000-dwt multifunctional ship. The shipyard is also building four ships of about 3,000 dwt for a Danish owner.

Apart from this, the shipyard is currently producing six ferry boats for the

government of Mozambique, financed by the World Bank. In 2006, Ananda Shipyard built two fast patrol boats, bimetal ships capable of making 25 knots. The hulls are made of steel and the superstructure of aluminium. This vessel type has been very successful so far.

nonstop: How have you expanded your facilities?

Dr Bari: The shipyard covers about eight hectares. It has two slipways, each 225 metres long, with a light ship-weight capacity of 5,000 tonnes. The two slipways can be used simultaneously to handle a ship 30 m wide and 150 m long. The slipway is fitted with a gantry crane with a 100-t capacity and has two shipbuilding halls. Just recently we added a shipbuilding hall that is 140 m long, 37 m wide and fitted with gantries capable of lifting 10, 40 and 50 tonnes, respectively. Other usual shipbuilding amenities are provided, as well. The shipyard has also very recently added a priming plant and a CNC cutting machine. The priming plant has a capacity of 90,000 tonnes of steel per year. The CNC machine can cut 60 tonnes of steel per day.

Our shipyard is planning to build up enough capacity to produce 32 ships per year, including handymax vessels. So what has made all this possible in Bangladesh? We have a very hard-working, intelligent, well-trained workforce. This potential, coupled with sincere government support, positions us as a very cost-effective location for building ships.

nonstop: What is the value of the investment?

Dr Bari: We recently invested 15 million US dollars following a previous investment of 25 million US dollars. One of the best things that have happened in Bangladesh is that Germanischer Lloyd has taken a

SUCCESS.
Dr Abdullahel Bari, Chairman of Ananda Shipyard.

Photo: Ananda Shipyard



big load off our shoulders and taken the lead in guiding us towards achieving good quality. Not only by supervising our activities, but also by advising us what to do and how to do it. We have all it takes to make good ships in Bangladesh.

nonstop: Why is the offshore market attractive to you?

Dr Bari: Well, in its early years, the shipyard was mainly a builder of tug boats. They are not very big, but very successful. From the beginning the shipyard was relatively small by design but capable of making offshore vessels, tug vessels, supply vessels, things like that. Not very big in size, but they can be built! When I say the shipyard has a 4,000-tonnes lifting capacity, that means sustaining a 4,000-tonnes weight over a length of 60m. Therefore, the slipway can actually bear a load of 12,000 tonnes over a length of 150 m. In making all of these investments, we always made sure to keep open the option of building heavier craft.

nonstop: What will your shipyard be doing in five years' time?

Dr Bari: In five years' time we'll be delivering handymax and anchor-handling tugs up to 200 tonnes. Ananda Shipyard has a speciality: it can process aluminium, and it has experience in building fast boats. That is why we will be supplying many of these aluminium-built boats to customers in different countries. We plan to set up another shipyard along the bay near Chittagong, close to the sea, which will be ready to build ships of 100,000 dwt.



CONTRACT. GL's COO Torsten Schramm, GL's Executive Dr Hermann J. Klein (f. l.), Mrs. Afrooja Bari (Managing Director of ASSL) and Ananda's Chairman Dr Abdullahel Bari (r.).

An important step towards achieving this goal would be rigorous support – including financial support – from the government. “The cost of financing the building of a ship can be as high as 25 per cent of the total,” says Dr Bari.

In addition, bank guarantees from Bangladeshi banks are not accepted in Europe. “We are very hopeful that the government of Bangladesh, which is very keen to support export industries, will be coming up with support in this sector to avoid such excessive costs for buyers from other countries, otherwise our shipbuilding industry will lose its competitive advantage,” says Bari, emphasizing the prospects of new employment, foreign currency earnings and infrastructure investments for Bangladesh.

The fact that an entire group of shipyards is standing ready to enter the international shipbuilding stage became clear at the SMM trade fair in Hamburg last September.

Apart from Ananda, Bengal Shipyard Ltd. (Dhaka), Karnafuly Ship Builders Limited (Chittagong) and Khan Brother Shipbuilding Ltd. (Dhaka) all presented their capabilities; three additional yards attended the fair as visitors. “The SMM has been a great success for Bangladesh,” says Zaman. “The yards entered into serious discussions and negotiations with prospective clients from Germany and France.”

“Stella Maris” is a milestone not only for Ananda Shipyard, but for all of Bangladesh. “This is a landmark and a historical event for us in Bangladesh. The gates of opportunity in the shipbuilding sector are now open to us. The quality, everything is excellent. We just need more people to help us grow,” says Zaman. ■ SNB

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