

# Welcome to the Presentation on **Management for Rail Freight Development**

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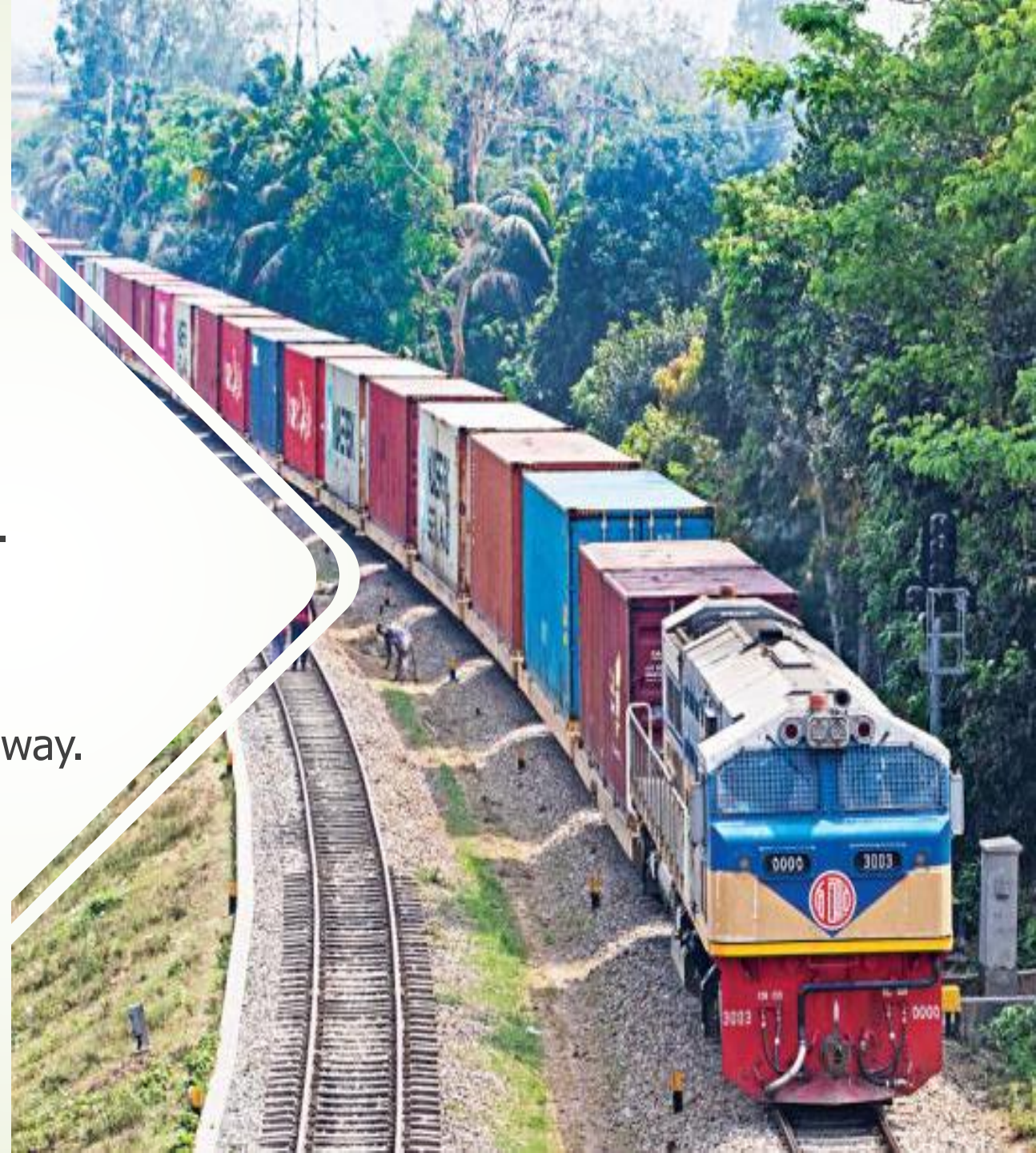
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# Objective

- Increased freight volume and revenue.
- Improved reliability and customer confidence.
- Reduced logistics cost for industries.
- Lower subsidy burden on passenger services.
- Stronger financial position of Bangladesh Railway.
- Integrating with ports, economic zones, and regional trade corridors.



# Benefits

- **Economic Growth:** Supports export-import (RMG, pharmaceuticals, ceramics) and domestic distribution.
- **Efficiency & Cost:** Potentially lower cost per ton-kilometer compared to road for bulk goods.
- **Sustainability:** Significantly lower carbon footprint than road transport; aligns with climate goals.
- **Decongestion:** Shifting freight from road to rail reduces highway congestion and maintenance costs.
- **Strategic Vision:** Integral to "Vision 2041" and achieving Smart Bangladesh for a robust multimodal logistics network.

# Current State: Data & Market Share (FY 2022-23)

- Freight Volume: Approximately 3.2 Million Metric Tons annually.
- Revenue: Contributes significantly to BR's earnings.
- Key Commodities: Fertilizer, cement, clinker, grain, coal, containers, and petroleum products.
- Market Share: Still low (~4-6% of total inland freight), dominated by road transport (~70%+).
- Fleet & Infrastructure: Aging locomotive fleet, limited dedicated freight wagons, meter-gauge dominance causing transshipment delays.

# Key Challenges in Rail Freight Management

- ❑ Infrastructure Bottlenecks: Single tracks, lack of double-line, weak bridges, terminal congestion.
- ❑ Operational Inefficiency: Slow average speed, manual scheduling, poor wagon turnaround time.
- ❑ Gauge Problem: Mix of Broad, Meter, and Dual Gauge requires transshipment, increasing time and cost.
- ❑ Limited Intermodal Connectivity: Poor road-rail and port-rail connectivity at key terminals like Chattogram Port and Dhaka ICDs.
- ❑ Administrative & Policy Hurdles: Bureaucratic processes, tariff rigidity, competition from subsidized road transport.

# Required Management System for Rail Freight Development

Rail freight in Bangladesh has strong potential, but realizing it depends more on management reform than on infrastructure alone. While Bangladesh Railway has a strategic advantage in transporting bulk goods efficiently and sustainably, this advantage is not fully realized due to management and operational weaknesses.

# Management for Rail Freight Development

## Organizational Management System

### ❖ Key Features:

- Separate Rail Freight Unit within Bangladesh Railway.
- Headed by a Additional Director General (Freight).
- Own operational, commercial, and planning teams.
- Direct reporting to the Director General.

### ❖ Responsibilities:

- Freight planning and operations.
- Customer contracts and pricing.
- Wagon and terminal utilization.
- Revenue growth and cost control.

# Management for Rail Freight Development

## Operations and Capacity Management System

### ❖ Key Elements:

- Freight-Centric Operations Planning.
- Scheduled freight train paths.
- Time-bound delivery commitments.
- Priority freight windows on key corridors.

### ❖ Recommendation:

Develop semi-dedicated freight corridors on high-demand routes such as:

- Chattogram Port – Dhaka – Economic Zones.
- Mongla Port – Western Bangladesh.

# Operations and Capacity Management System

## Recommendation:

- ❖ Align freight strategy with:
  - Chattogram and Mongla Port master plans.
  - Special Economic Zones (SEZs).
  - Inland Container Depots (ICDs).
  - Create a Port–Rail Coordination Committee for planning and operations.
  
- ❖ Allow private participation in:
  - Freight terminal operation.
  - Wagon ownership and leasing.
  - Dedicated freight services under license.

# Management for Rail Freight Development

## Financial and Commercial Management System

### ❖ Proposal:

- Creating separate Freight Accounting.
- Maintain separate Profit & Loss accounts for freight services.
- Track cost per ton-km and revenue per train-km.

### ❖ Benefits:

- Transparent financial performance.
- Clear subsidy justification (if any).
- Better investment decisions.
- Market oriented pricing and contracts.
- Long-term bulk freight contracts.
- Volume-based discounts.
- Time-sensitive premium services.
- Shift from fixed tariffs to flexible, negotiated pricing for major customers.

# Management for Rail Freight Development

## Digital Transformation in Freight Management

### ❖ Key Features:

- Freight Operation Information System (FOIS): Being implemented for real-time tracking of wagons, consignments, and locomotives.
- Digital Payment and E-Booking: Initiatives to move away from manual systems for booking and payment.
- GPS Tracking: Pilots for GPS-enabled wagons for better asset utilization and customer visibility.
- Integration with National Single Window (NSW): Aim to streamline customs clearance for rail-borne EXIM cargo.

### ❖ Benefits:

- ✓ End-to-end visibility and reliability.
- ✓ Human Resource and Capacity Development.
- ✓ Specialized Freight Skills.

# Management for Rail Freight Development


## Terminal, Wagon and Asset Management

- Introduce performance-linked incentives for freight staff.
- Safety and Risk Management.
- Dedicated freight safety protocols.
- Risk assessment for hazardous goods.
- Independent safety audits.
- Safety must be treated as non-negotiable, even in commercial expansion.
- Wagon allocation, leasing, maintenance.
- Private wagon ownership under access charges.
- Improve wagon utilization and turnaround time
- Develop multimodal freight terminals through PPP.
- Develop the yard with mechanized loading/unloading and container handling facilities.

# Key Suggestions for Implementation

- Start management reform gradually and in phases.
- Pilot new management models on major corridors such as Dhaka–Chattogram.
- Align all ADP and Master Plan projects with financial and operational sustainability criteria.
- Strengthen institutional capacity before expanding PPP and JV initiatives.
- Ensure transparency, accountability, and public communication throughout reforms.

# Conclusion



Rail freight will grow when it is managed as a business, supported by public infrastructure, and driven by customer demand. Rail freight development in Bangladesh requires a shift from administrative handling to strategic, business-oriented management. If implemented the reformed management system effectively, rail freight can become the engine of modernization and financial sustainability for Bangladesh Railway and a key enabler of national economic growth.

***Thank you all***

