Early Warning System

ADB-46452-003

South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 - Tranch

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Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	A
Voting Date	2016-09-30
Sectors	Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 300.00 million

Project Description

DESCRIPTION

The SASEC Chittagong-Cox's Bazar Railway Project, Phase 1 (the Project) will support the government of Bangladesh in constructing the new, 102 kilometers (km) Dohazari-Cox's Bazar section of the Chittagong-Cox's Bazar railway corridor in southeastern Bangladesh. The government is upgrading the 47 km section Chittagong-Dohazari with its own funds. The project will also strengthen the capacity of the railway sector in project management and implementation. By connecting the Cox's Bazar district to Bangladesh's railway network, the project will not only boost the national economy through further development of Cox's Bazar into a major tourist destination, but also facilitate access for the population and products to subregional markets and trade. The Chittagong-Cox's Bazar railway corridor is part of the Trans-Asia Railway network. The project has been endorsed by the SASEC trade facilitation and transport working group meeting held in Tokyo on 26 November 2015.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Cox''s Bazar is developing towards becoming a major domestic and regional tourist destination. To date, tourists can travel to Cox's Bazar only by car and bus using the two-lane national highway or in a very limited scale by air. More than 9 million annual bus trips from Chittagong to Cox's Bazar are made and around 1.875 million incoming tourists are visiting Cox's Bazar city annually, which stay in the more than 200 Hotels and numerous guesthouses and dormitories in Cox's Bazar. Tourism in Cox's Bazar is expected to grow by at least 5% annually and the government of Bangladesh intends to develop Cox's Bazar to a regional tourist hub and seaside resort benefiting from its more than 120 km of sandy beaches, while it intends to develop other areas of the district and the Chittagong Hill Tracts into eco-tourist destinations.

The development of tourism in Cox's Bazar district is expected to contribute significantly to the economic growth in the district and generate employment in the tourist sector and supporting sectors. As tourists are visiting Cox''s Bazar mainly from the urban centers in Bangladesh, such as Dhaka, which is located 470 km north of Cox's Bazar or Comilla and Chittagong, it is expected that the market share of the railway for the tourist traffic will be high at around 50% of incoming rips currently using buses; the project will hence help to reduce greenhouse gas emissions and improve road safety by the expected modal shift of tourists from road to rail. Special tourist trains will be operated to accommodate the demand.

In addition, a significant local demand from the around 2.2 million population of the Cox's Bazar district is expected from trips related to work, education or for social, medical and administrative reasons. To accommodate this local demand, all stations will be equipped with multimodal facilities and local as well as mail trains will operate on the line. Demand from freight is expected inbound and outbound. Inbound will be mainly supplies for the district and the tourist sector in Cox's Bazar, while outbound freight will cover goods from the district, such as salt, fish products and timber. Facilities for cargo handling for freight trains will be integrated in the Ramu Station, around 12 km outside of the Cox's Bazar terminal and at the national highway N1 Chittagong Cox's Bazar Teknaf, which is located at the border to Myanmar. The Project is part of the Trans-Asia Railway network and by constructing the line in dual gauge, it will also provide future direct connectivity by railway towards northeastern India and to Bhutan and Nepal through the Indian railway network, which is constructed mostly in broad gauge.

Road map. The government's Vision 2021 intends to reach middle-income status by the 50th anniversary of the nation in 2021. To achieve this, the Seventh Five Year Plan (SFYP, 2015-2020) aims to accelerate economic growth, employment generation and rapid poverty reduction and therefore aims to raise the annual average growth rate to 7.4%. The Project is part of the government's strategy to connect more districts of the country to the railway network. It will further support the objectives to (i) generate employment through development of the tourist sector in Cox's Bazar, (ii) improve the subregional connectivity and trade, (iii) increase the market share of the railway system especially for long-distance passenger and freight traffic and (iv) improve the multimodal integration of different modes of transport.

Investment Description

- Asian Development Bank (ADB)

Loan 3438-BAN: South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 - Tranche 1
Ordinary capital resources US$ 210.00 million

Loan 3439-BAN: South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 - Tranche 1
Concessional ordinary capital resources / Asian Development Fund US$ 90.00 million

TA 9193-BAN: Capacity Development for Project Implementation Management
Technical Assistance Special Fund US$ 1.00 million

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

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Bank Documents

- Project Disclosure PDF

Other Related Projects

- ADB-46452-002 South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1
- ADB-46452-001 SASEC Railway Connectivity Investment Program
- ADB-46452-004 South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 - Tranch
- ADB-46452-005 South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 (Tranche 3)