

Internship report
On
Discussion of Four P's of Biman Bangladesh Airlines



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Letter of Transmittal

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Subject: Letter of Transmittal

Dear Madam,

It is my great pleasure to submit my Internship Report as a part of my BBA program to you that I am assigned to prepare under your direct supervision on the topic entitled “**Discussion on Four P’s of Biman Bangladesh Airlines**”. I am fortunate enough that I have got an experience and efficient professional team in the company. I have got the opportunity to work with them at different Marketing section as well as Human Resources department of Biman Bangladesh Airlines to learn their marketing process and procedure effectively.

I tried my best to show my skill, which is achieved by three (03) months, practical experience through this report. Finally, I would like to assure that I will remain standby for any clarification, explanation as and when required.

Thank you in advance for your kind assistance.

Sincerely yours,

.....

Syeda Maria Hossain

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Acknowledgement

My acknowledgement begins by thanking my Supervisor Afsana Akhter, who has provided me with suggestions for making this Final Internship Report and also provided me with the format for preparing this report.

I would like to show my warm-hearted gratitude to the Marketing department of Biman Bangladesh Airlines Ltd; which has provided me with great deal of information, adequate data and lastly cooperated me for the accomplishment of this report successfully. Finally, last but not the least, I would like to thank each and every Staffs of the different marketing section of Biman specially Mr Aftab Uddin Sharkar (Manager tariff), Mr Ali Osman Nur (Assistant Manager tariff), Md Shamsul Huda (Commercial Officer Tariff) Md Rafiul Alam, Md Hafizul Islam, Mr Maruf (Assistant Manager HR) for their kind assistance regarding the report Without whom it would not possible for me to complete this difficult task, I got all necessary guideline, cooperation, advice from them to complete this complicated task.

I am very much thankful to Biman Bangladesh Airlines, its management, especially employees of Marketing & Sales for their cordial support to prepare this difficult study with important information and data.

EXECUTIVE SUMMARY

Biman is the national flag carrier, which is fully owned and operated by the Government of Bangladesh. The corporate body of Biman, namely 'Bangladesh Biman Corporation', is doing business as Biman Bangladesh Airlines under the Ministry of Civil Aviation and Tourism. Biman was established as of a corporation on 27 October 1972 with a vision to protect Biman Bangladesh Airlines Ltd. in the aviation market as a world-class airline.

Biman has experienced man power that it is really a good strength though the management of Biman cannot work independently because of government intervention. At the same time considering the global standard of International Airlines, Biman is lagging behind. The staffs are not provided with modern technologies like Computer, internet facilities etc. The labor passengers have an extreme attraction for the national flag carrier for its home like hospitality. The returning residents also prefer national carrier for home essence. But the free entry of mega carriers like Saudia, Gulf, Etihad etc. is creating threat for International market. Even domestic private airlines are chasing with the similar pace of Biman.

Currently, Biman Bangladesh Airlines offers 16 Domestic and 102 International flights through its 13 local and 28 worldwide branch offices. A two-class service (J and Y) is operated on Biman's wide-body airliners and a single class service is available on the smaller aircraft. Biman also operates a cargo service using the cargo holds of its passenger aircraft to ship freight to international destinations. It has established Cargo Village at Shahjalal International Airport where the cargo is packaged and labeled before being loaded onto its aircraft. In addition to normal passenger the annual Islamic pilgrimage to Mecca for the Hajj is undertaken by thousands of Bangladesh's predominantly Muslim population. Air fare pricing is a complicated job. Being the member of IATA airlines has to follow the IATA pricing rules. IATA Tariff Coordinating Conference is the regulatory body of the Air Tariff worldwide both Passenger fare and cargo rate. Biman is far away from modern promotional activities. It has been coming up with all traditional promotional activities such as Tourism Travel Fair, Special Offers, Sponsorship, Media Conference etc. Distribution of product in airline marketing refers to all aspects of link between the airline and the passengers. Because of recent development

particularly in the area of electronic technology there are several approaches to reach it's product to the clients.

Bangladesh has an aviation market of about 3.5 million passengers in respect of passenger travel and about 10 million tons in respect of cargo .The market is expanding rapidly but due to the different cause Biman has lost its reputation and carrying less portion of the market. Biman Airlines is very much bureaucratic which makes delay in providing service to its customers. Nepotism is one of the barriers for not getting right resources. It is a good to mention that the management of Biman has realized the necessity of technological improvement for smooth operation although it's too late. The Board is not accountable to a higher authority because the Minister of Aviation is the Chairman of the Board himself. Biman has suffered from being politicized in many aspects. Corruption in different sectors of Biman is another significant barrier that is making it difficult for the organization to break away from loss making ways. Again, delay in flight has been a common phenomenon for Biman. To help Biman move out from its old-fashioned way of management, to accommodate the future opportunities and to avert the current crisis and threats, it is extremely essential for Biman to undertake some immediate initiatives such as policy revise modernization, proper planning, experienced and professional manpower and take a mechanism to stop corruption.

In this report, all aspects of 4 Ps of Biman Bangladesh Airlines including the problems that Biman is facing have been focused. Considering the present conditions, some suggestions have been made. It is really tough to comment any issue perfectly in this small work. But the strong and active support of my dissertation supervisor Afsana Akhter was my main inspiration to accomplish it. I express my heartfelt gratitude to her.

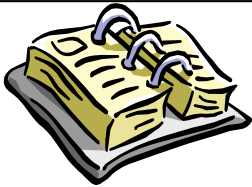


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1.1 Introduction of Biman:

Biman Bangladesh Airlines Ltd. The national flag carrier of Bangladesh has started its journey from scratch virtually with no aircraft, no ancillaries. It came into operation immediately after the war of independence. Despite many odds on its journey towards a long and challenging way to progress, Biman has been able to establish its reputation as an airline of welcome smile and an ocean of hospitality.

Biman now carries the national flag of Bangladesh to South Asia, South-East Asia and Far-East , Gulf and Middle-East region and European Countries. A steady progress has been made with better services ensuring increased passengers. To make Biman passengers feel “once Biman always Biman” the airline has recently brought in some qualitative changes in its service concept. Biman has been aiming in achieving the goal of being truly international commercially viable airline of the region with its warmth and friendliness, care, safety record, traditional hospitality and comfort of the services it offered. Biman is now flying even higher with great pride around the globe with the bi-color, the nation’s flag.

1.2 History:

Biman Bangladesh Airlines was established on 4 January 1972 as Bangladesh's national airline under the Bangladesh Biman Ordinance .The initiative to launch the flag carrier was taken by 2,500 former employees, including ten Boeing 707 commanders and seven other pilots of Pakistan International Airlines, who submitted a proposal to the government on 31 December 1971 following the independence of Bangladesh. The airline was initially called Air Bangladesh International but was soon changed to its current name.

In modern Bengali, the word *biman* refers to "aero plane", originating from the Sanskrit word *vimāna*, a name given to a flying machine mentioned in ancient Vedic literature. The logo, painted on the tail, is a stylized white stork (*bôlaka*) inside a red circle. The initial livery was a dark blue line extending across the aircraft along the windows and covering the tail section. This was replaced in the 1980s by dark green and red lines, matching the colors



of the Bangladesh flag, and has remained so for over two decades. The *bôlaka* has also given its name to the Biman headquarters, the *Balaka Bhaban* (*bôlaka bhôban*, Stork Building), and a landmark sculpture in Dhaka depicting storks is in front of Biman's former headquarters.

On 4 February 1972, Biman started its domestic service on the Dhaka–Chittagong, Dhaka–Jessore and Dhaka–Sylhet routes with a World War II vintage Douglas Dakota and Douglas DC-3, both gifts from the Bangladesh Air Force. On 10 February 1972, Biman experienced its first accident when the Douglas DC-3 crashed near Dhaka during a flight test, killing all five crew members. On 4 March 1972, Biman started its international operations with a once-a-week flight to London using a Boeing 707 chartered from British Caledonian. Eventually in the first year of operation, Biman operated 1,079 flights carrying just over 380,000 passengers.

The airline was wholly owned by the Bangladesh government through the Bangladesh Biman Corporation since its inception. In 1977, Biman was converted into a public sector corporation which afforded Biman limited autonomy, led by a government-appointed board of directors. The authorized share capital was increased to BDT 2 billion in 1987, and Biman was transformed into a public limited company, the largest in Bangladesh, in 2007.

During the late 1980s, Hossain Mohammad Ershad, President of Bangladesh at the time, served as president of Biman. After an early period of expansion and growth, Biman entered an era of nose-diving profits and slow growth exacerbated by incompetent and corrupt management, who padded purchases, falsified repair bills, and kept unprofitable routes in operation for political reasons. Research conducted in 1996 found that Biman had 5,253 non-flying personnel, 30 percent more than Singapore Airlines, a carrier who operated a fleet almost ten times the size of Biman's. The report described Biman as "poorly managed, overstaffed, undercapitalized, and subject to excessive political interference in its day-to-day management.

In the 1992–93 fiscal year, accounts under the Ministry of Civil Aviation and Tourism revealed that BDT 22 million in tax was not paid to the government. The audit carried out in 1999, also showed that Biman was owed BDT 2.2 million by travel agents from the proceeds of ticket sales, most likely with the collusion of Biman officials. Additionally, BDT 2.4 million was overpaid as incentive commissions to the sales agents in violation of Biman policies.

In 2007, the caretaker government launched an anti-corruption drive which saw the arrest of Shamim Iskander, the brother of ex-prime minister Begum Khaleda Zia and a former Biman flight engineer, on multiple corruption charges. This was shortly followed by the forced retirement of 35 other employees and officials, some of whom were close aides of Iskander.

1.3 Vision and Mission:

Vision:

To protect Biman Bangladesh Airlines Ltd. in the aviation market as a world-class airlines

Mission:

To provide safe, Reliable, Efficient and Economical air transport services and to satisfy customer's exceptions while earning sustainable profit and continuing to be a caring employer.

Goal:

To provide and develop Safe, Efficient, Adequate, Economical and properly coordinated air transport services, internal as well as international.

Name and logo:

Biman Bangladesh Airlines

White stork flying across the red sun





Head Office of Biman:

“Balaka Bhaban”, Biman Head Office, Kurmitola
Dhaka-1219, Bangladesh

Slogan:

Your Home in the Sky

Website:

www.biman-airlines.com

1.4 A Brief About Biman Bangladesh Airlines:

TURNING INTO PUBLIC LTD. COMPANY (PLC):

A committee under the chairmanship of secretary of Ministry of Civil Aviation and Tourism was formed on 19th February 2007 to provide recommendations regarding restructuring and commercialization of Biman. As per the recommendation of the committee, the council of advisors to the Caretaker government decided on 19th May 2007 to convert Biman into a public limited company (PLC) retaining 100% ownership by the Government and to reduce the manpower of Biman.

On 23 July 2007 Biman Bangladesh Airlines Ltd. came into existence as a public limited company with 100% government ownership. But actual operation of the company began from the 1st August 2007 after signing of an agreement on 31 July 2007 regarding “Transfer of Undertaking” of Bangladesh Biman Corporation to the new company by the Ministry of Civil Aviation and Tourism and Biman became a PLC under the Company Act, 1994.

PRODUCT/SERVICE OFFERING:

An airline mainly sells service. It carries passenger or cargo or both from one point to another point. Biman Bangladesh offers 16 Domestic and 102 International flights through its 13 local and 28 world wide branch offices. From the last 2 decades Biman carried its passengers by using the following four types of aircrafts:

- McDonnell Douglas Dc-10-30



- Airbus Industries A310-300 series
- Fokker f-28
- British Aerospace ATP

Biman Bangladesh Airlines basically provides two categories of services:

- Domestic Flights
- International Flights

Domestic flights:

Currently Biman has the following domestic flights:

Sylhet
Chittagong
Cox's bazaar

International flights:

Bangladesh Biman provides 51 departure and 51 arrival fights per week.It has the following International flights from Dhaka to:

Abu Dhabi	Bahrain	Hongkong	Singapore	Mumbai
Delhi	Bangkok	Dubai	New York	Frankfurt
Jeddah	Calcutta	Karachi	Doha	Kuwait
London	Katmandu	Kualalumpur	Paris	Tokyo
Riyadh	Rome	Brussels	Muscat	Yangoon

MANAGEMENT:

The airline has been wholly owned by the Bangladesh government through the Bangladesh Biman Corporation since its inception. In 1977,Biman was converted into a public sector corporation which afforded Biman limited autonomy, governed by a board of directors appointed by the government .The authorized share capital was increased to Tk 2 billion in 1987,and Biman was transformed into a public limited company ,the largest in Bangladesh, in 2007.

Operational network organ gram

Biman has a Multi level organization structure. The board of directors is the highest authority .Where CEO is the top management. It has about 5 layer management supervision.



Authority is delegated from highest to downward level. The chart in the next page the current organ gram of Biman

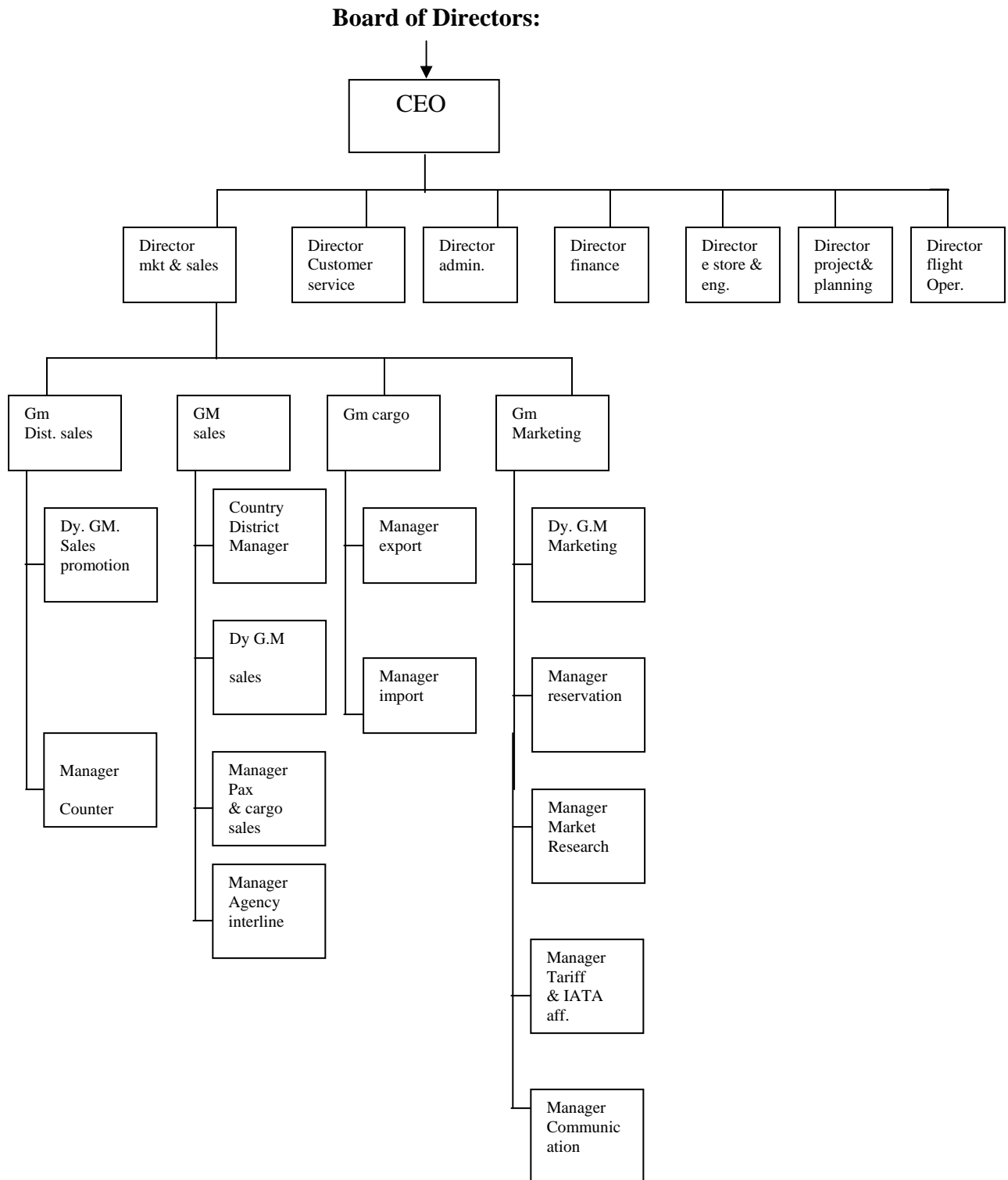


Figure 1: Biman Organization Structure

1.5 SWOT Analysis:

Strength of Biman:

- The experienced man power that it is really a good strength of Biman to lead the market .These efficient man power are mostly experienced in the field rather than the literary experts of present days. So if Biman can utilize the potentiality of these force effectively undoubtedly it will be the emerging tiger of this arena.
- Being the National flag carrier, Biman bears the symbol of our independence and sovereignty which is definitely strength of the marketing of Biman.

Weakness of Biman:

- The main weakness of Biman is the mismanagement. The management of Biman could never work independently since the government owned type of organization with having inevitable government influence in almost each and every corporate aspects of this organization and always there was pressure from outside to entertain personal interest.
- Even from the very initial period Biman could not be able to recruit or deploy the right professional person for the right place to achieve its desired objectives. This unavoidable government influence .As a consequence Biman has reached at this measurable stage with aging fleet and burden of debts.
- At the same time considering the global standard of International Airlines, Biman is lagging behind. The staffs are not provided with modern technologies like Computer, internet facilities etc. Therefore, information flow, faster customer services are not ensured from the part of employees.

Opportunity of Biman:

- The market is based on labor traffic, returning residents, business travelers, medical purpose and tourists. The cargo market based on RMG, leather goods, medicine, perishables. The labor passengers have an extreme attraction for the national flag

carrier for its home like hospitality. The returning residents also prefer national carrier for home essence.

- In terms of cargo, the perishables are mostly dependent on Biman services and also demanded for the RMG. In fact Biman has over flow demand for cargo from Bangladesh.
- More over the size of market in Bangladesh is around 3.5 million and 100 thousands tons of cargo which is a quite large aviation to operate for Biman.

Threats for Biman:

- The main threat is considered the free entry of mega carriers like Saudia, Gulf ,Etihad etc. Currently about 25 carriers are operating to/from Bangladesh. These carriers are mostly modern and have good financial strength and experience in this line. It would be very tough for Biman to survive in the market if Biman does not take necessary actions immediately to restructure the brand.
- The local private carriers are also doing well to be threat for Biman.

1.6 Competitors:

Market Liberalization/New Competition

Pressure from the private sector and the recognition of Biman's difficulties in effectively serving the aviation market, the CAAB (civil Aviation Authority of Bangladesh) has begin to liberalize the aviation market in Bangladesh and to provide authority for new airlines to operate both domestically and internationally.

From the foreign carrier side Biman is facing tough competition in almost all sectors. Especially the mega carriers Saudia, Emirates, Gulf, Etihad etc are moving very fast to occupy the market share of middle east bound passengers. Whereas the Cathay Pacific, Dragon Air, Singapore Airlines, Thai Airways, Malaysian Airlines are the great hurdle for the market of ASEAN bound passengers. Even for the regional sectors the Jet Airways, Indian Airlines, Air India, King Fisher are also becoming big factors to push Biman out of race.

According to government policy some domestic carriers are also spreading their wings internationally. As a result the local market is rolling in triangle motion. The promising private local carriers are:

GMG Airlines:

GMG Airlines is a fully owned subsidiary of the GMG Group of companies and commenced schedule service in April 1998. Now it operates a fleet of 3 MD-82, 2 Bombardier DASH8 Q100 and 2 Bombardier DASH 8 Q200 aircraft.

It operates domestic services at Dhaka, Barisal, Chittagong, Cox's Bazar, Jessore and Sylhet. It operates international services to Calcutta, New Delhi, Kathmandu, Kuala Lumpur, and Bangkok. It has two B767-200ER and one B777-300 on order and plans to introduce new international services to Karachi, Singapore, Hongkong, Dubai, Abu Dhabi and Muscat during late 2007 and 2008.

BEST Air:

Best Air is yet another start up airline and is planning to fly both domestically and Internationally (including flights to Bangkok- Suvarnabhumi, Chittagong, Guangzhou, Jaypur, Calcutta and Kunming).

Note: Best Air has been operating cargo services for a number of years.

UNITED Airways:

United Airways is a new start up airline that commenced service only in July 2007. It operates through Bombardier DASH 8-100 service from Dhaka to Sylhet and Chittagong and also started operation internationally for Bangkok and Kuala Lumpur.

1.7 Performance:

Bangladesh has an aviation market of about 3.5 million passengers in respect of passenger travel and about 10 million tons in respect of cargo. The market is expanding rapidly. Biman being the national carrier used to carry lion portion of this market but due to the different

cause Biman has lost its reputation and carrying less portion of the market. The different charts in the following pages will show the performance of Biman.

Market Share:

<i>Ex-Bangladesh</i>			
Passenger		Cargo	
BG:FC	32:68	BG:FC	29:71

<i>To-Bangladesh</i>			
Passenger		Cargo	
BG:FC	38:62	BG:FC	0.765972

<i>Total</i>			
Passenger		Cargo	
BG:FC	35:65	BG:FC	25:75

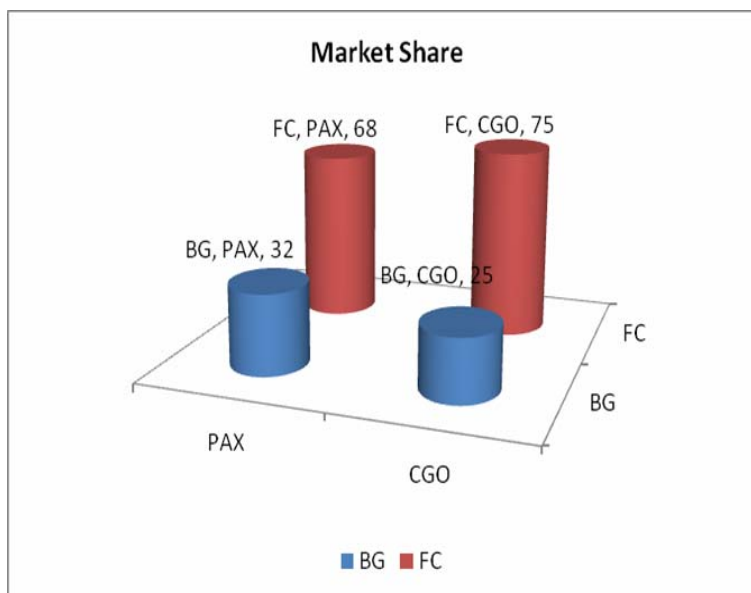


Figure 2: Market Share

Sources wise Contribution:

Source wise Contribution	
Source	Year 2007-2008 (BDT in Lac)
Passenger	185241.00
Cargo	30257.00
Ex-Baggage	3918.00
Total	219416.00

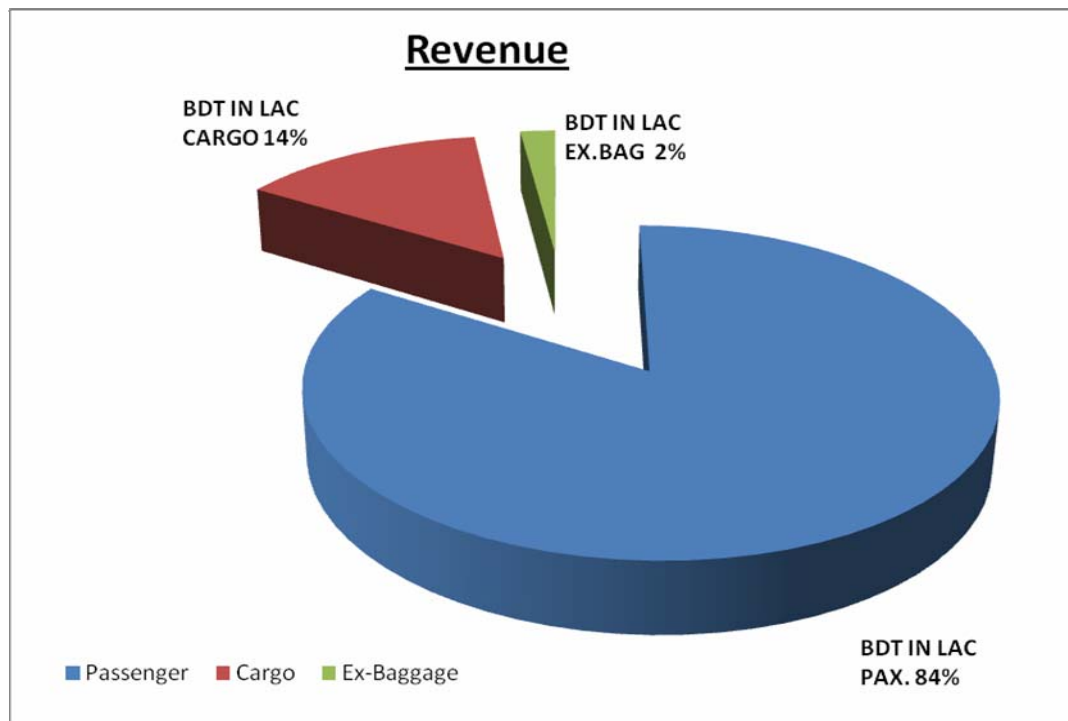


Figure 3: Revenue Earning region wise

Region wise Contribution (2008-2009):

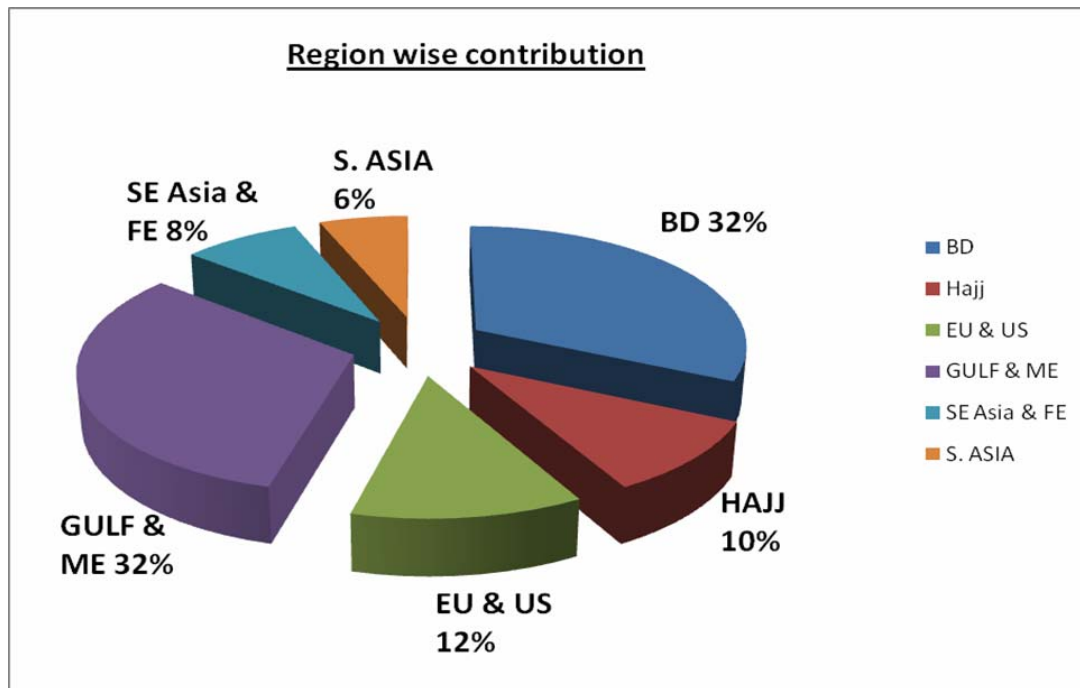


Figure 4: Region wise contribution

From the above figure, there is brief picture of the performance of Biman Bangladesh Airlines. Currently, Biman is not performing well as per expectation. The present Prime Minister of Bangladesh, Sheikh Hasina, has taken some initiatives to re-design Biman. But it is a matter of regret that Biman management has not taken remarkable action to improve the condition even after the urge of Prime Minister. A recent article by **Abdullah Mohibuddin**, former DC10 flight engineer, has clearly mentioned the recent scenario of Biman. Let us take you in to the article:

“In her speech the Prime Minister called for stern action against corruption and irregularities in Biman. She asked Biman officials to start Dhaka-New York flight and also introduce e-ticketing as this would help stop the irregularities involving ticket booking.

Biman management promised her that New York flights would be resumed in March, 2010. But we are yet to see any sign of it. If anyone visits Biman's website, he/she will find

nothing about online ticketing, but a bunch of useless information. Biman management will always have an answer: “we are trying our best”. Ultimately, this is a sort of dileman.

The delay in arrival of Biman's 2nd leased B777-200 ER aircraft is a big question. What is the reason for this delay, we do not know. But we can assume now that Euro Atlantic has failed to supply the 2nd aircraft. If so, then why does not Biman cancel the contract for 2nd aircraft and start looking for another source? The aircraft is readily available in the market. Biman's present CEO said last October that Biman will start flying to New York on 24th November, 2009. But we might wait for another November to see the operation of the flight.

Perhaps, both the CEO, and Director of Marketing & Sales have no time to look into the website. These days new technology is a blessing to mankind. E-ticketing is not the new technology in the market, but Biman still has not introduced the system to smooth operation.

Now days, not only are we able to buy Air tickets through airline websites, but we can also book hotel accommodation and other facilities through partner sites. Biman does not know that by introducing e-ticketing through website, not only are the passengers but Biman itself will be benefitted. Many hotels and tour operators will establish link with Biman as customers by which Biman can earn money. We can earn money and at the same time save hassle. That is why, the Prime Minister has given more importance to "Digital Bangladesh". This will generate more money than that of government revenue from tax and exports.

Websites are updated on a real time basis now and some airlines even offer boarding cards through their website so passengers can go straight to the Airport immigration counter. It is obvious that the automation of the ticketing process will save Biman on time, human resources expenses and efficient tracking system to prevent misuse of papers with more effectiveness.

The Prime Minister has told the present Biman management what is needed for Biman to improve. She outlined all important areas in brief. They are as follows: i) passenger handling on ground and in air, ii) introduction of Internet ticket booking, iii) on-time service. That is



the availability of the aircraft, IV) old aircraft either converted to carry cargo or used for Hajj & chartered operations for recovery of loss V) curb corruption in the organization.

But the present Biman management has not yet formed a committee to look into the corruption in the past as the Prime Minister has stated that the past government was mostly liable for the mishandling the organization. Hence, corruption cannot be uprooted without action.

With the adding of two leased B737-800 aircraft, Biman is still limping. Biman's market share is less than 11% currently. Emirates has taken the maximum share in our market. So Biman management has received guidelines from the Prime Minister. They just need to implement. Just changing logo will not enhance the operational capability of an organization. It is true for Biman that needs to work.”

2.1 Description/nature of the job/s:

In my three months period of internship basically I was assigned in to the marketing and human resource section of Biman Bangladesh Airlines. There are six different sections of marketing in Biman Airlines among which I was appointed in the tariff section as well as in the market research section. After completing my tenure of internship in marketing department I was finally sent to the HR Department of Biman Bangladesh airlines.

2.2 Specific responsibilities of the job:

When I was assigned in to the marketing department of Biman Bangladesh Airlines I had to work both in market research section and the tariff, pricing and e-ticketing section for two months. The final one month of my three month duration internship period, I was placed to employment section of human resources department. During the tenure of my internship I was assigned some job responsibilities for marketing and human resources department. The following are the tasks of the respective departments for which I was responsible:

- **Responsibilities for Market Research**
 - Collect the Flight performance report in a telex version from traffic
 - Plot the collected data in an informative version into the manual sheet
 - Convert and compile the data in computerized form to a presentable report
 - Compare the flight performance report with that of other foreign carriers provided by Performance Intelligence Service Association
 - Conduct gap analysis and provide report regarding any short fall or surplus with proper justification
 - Conduct analysis for new route and recommend the management
 - Prepare budget for the company
- **Responsibilities for tariff, pricing and e-ticketing:**
 - Fix, revise the price through STC (Special Tariff Committee) by arranging weekly meeting

- Update the revised price in system through GDS (Global Distribution System) weekly
- Update pricing rules and regulation timely
- Maintain liaison with different foreign carriers with the help of SPA (Special Prorate Agreement) and SRA (Special Re protecting Agreement)
- Develop the system software for launching e-ticketing
- **Responsibilities for the employment section of Human Recourses department:**
 - Designing and preparing recruitment advertisements
 - Initial screening applicants for basic compliance with position qualifications, summarize CV for easier evaluation
 - Correspondence with candidates as and when required
 - Oversee other HR Services (transfer issue, forwarding letter, leave management) rendered to respective employees.

2.3 Critical observations of operation of Biman:

Biman Bangladesh Airlines is a vast area to work on. In comparison to the international airlines, Biman is also operating well being maintained the international standard of service though they are unsuccessful in many aspects. In Biman, there are so many aspects to consider and so many issues to look into. During my internship period, I observed the functionality of Biman Airlines very closely and in some areas, I felt improvement which may generate better service quality for the customers of Biman and goodwill for Biman as a whole. Let me mention some of the critical observations where Biman should focus on to improve their service:

- **Bureaucracy:** Bureaucracy is required for an organization for operational purpose but too much bureaucracy consumes lot of time to complete a simple task. Biman Airlines is very much bureaucratic which makes delay in providing service to its customers as well as internal cross functional departments. In this case, inter-dependency is reduced among different cross functional departments through good

personal and professional relationship for smooth functioning of day to day operation.

- **Conflict among governing body:** Though Biman Bangladesh Airlines is a private organization, the government has right to ask question regarding any operational issue of the organization. Therefore, conflict arises between the chairman of Biman and the government when both can't comply with any issue. Though employees suffer most in such a situation like this but it is the employees who are managing their work within this with utmost sincerity and motivation for the survival of the company.
- **Lack of proper planning and organizing:** Biman Bangladesh Airlines is suffering from lack of proper planning. Because of this, the organization is falling short of organizing the company as a whole. The management of Biman can't lead the company to proper direction for which mishap often takes place and as a result, Biman is losing crores of money every year. Above all, the operation is running with the pace of other airlines. This is only possible for having proper coordination of work by making short planning among employees.
- **Nepotism in recruiting resources:** During working in human resources department, one thing has come out is that nepotism is one of the barriers for not getting right resources. Because of favoritism, right people are not getting promotion whereas incapable candidates are placed at the higher positions. Although some unfortunate thing is going on in work place, the employees are expecting better result in future. In connection to this, trade union is becoming stronger day by day.
- **Technological disadvantage:** Considering the global standard of International Airlines, Biman is lagging behind. The staffs are not provided with modern technologies like Computer, internet facilities etc. Therefore, information flow, faster customer services are not ensured from the part of employees. It is a good to mention that the management of Biman has realized the necessity of technological

improvement and hence, Biman has the plan to convert its operational work in computerized system.

- **Paperwork:** Paperless office is a demanding condition for Biman although the company has partially become online services provider. For better performance and saving working hour, Biman should implement at least computerized operational system within the company so that huge paper work can be reduced. Above all, the efficient manpower of Biman is handling the tasks very smoothly within the huge competitive market. The devotion and sincerity of employees have made it possible.

3.1 Description of the project

Objective of the project:

The objective of the internship project incorporates so many things. It provided me invaluable practical knowledge about different type of marketing strategies of Biman Bangladesh Airlines as well as some knowledge regarding the airlines marketing. In this report I have tried to concentrate on the Product, Price, Promotion & place/distribution strategy of Biman, what are the products of Biman, how do they fix the price, what are the promotional activities taken by them and the distribution system of Biman Bangladesh Airlines. Moreover, the present condition of Biman, its competitors and the challenges that Biman is facing have also been clear to me. Furthermore, I have also come to know about the human resources activities of Biman Bangladesh Airlines.

Methodology:

Actually any single type of data collection may not enough for such a wide study like marketing strategy of airlines. So both type of data collection method i.e. primary, secondary data collection have been applied in this study. A relevant questionnaire has been prepared (The questionnaire has been attached with the report) and distributed among the front manager and randomly chosen customers for the findings primary data. All sorts of data those kept in Biman head office specially in the Market research Department have been consulted to prepared this report

Limitations:

The study has been carried out under a time of 12 weeks. As the program is BBA and I had to work on it side by side my daily official internship work. So definitely it was not possible to address all relative elements. More over being an official of Biman Bangladesh Airlines it was not possible to bring it publicly all the policy matters. Some web site information of different sites also were not dependable due to not matching with the actual situation.

3.2 Main body of the project report

Biman has been coming up as a government owned organization till 2007. In 2007 Biman turned in to PLC but yet the ownership lying with the government 100%. So the traditional scenario of public sector is obvious in this organization also. Basically Biman has to follow the government instruction so far through they had their own marketing policy. But it was not possible to exercise this policy perfectly due to the political pressure. In spite Biman was coming up in a moderate way to survive in the market. Though it had to leave space for the OAL and local private carriers day by day. But the situation became worst when Biman failed to acquire new aircrafts in due time. After becoming PLC Biman is trying to emerge again with new promise. It has entered in to agreement with Boeing Company for new generation aircrafts.

4 Ps of Biman:

PRODUCT:

An airline mainly sells service. It carries passenger or cargo or both from one point to another point. Biman Bangladesh offers 16 Domestic and 102 International flights through its 13 local and 28 world wide branch offices. From the last 2 decades Biman carried its passengers by using the following four types of aircrafts:

- McDonnell Douglas Dc-10-30
- Airbus Industries A310-300 series
- Fokker f-28
- British Aerospace ATP

Biman Bangladesh Airlines basically provides two categories of services:

- Domestic Flights
- International Flights

When they procure these aircrafts in 80's then these fleet were fit to the satisfaction of customers. After operating about 20 to 30 years these fleet has gone out dated. So Biman is currently procuring a series of modern aircrafts phase by phase. It has concluded agreement

with Boeing Company to acquire about 10 modern aircrafts starting delivery from 2013. The aircrafts are four B777, four B787 and 2 B737. Mean time, Biman procuring some aircraft according to the demand on lease basis to cover until full delivery of new Boeing aircraft. So due to the old fleet Biman always facing a schedule disruption and irregularity on regular basis for last couple of month. It has tarnished the image drastically. The current management is hardly trying to come out from this awkward situation leasing some big aircraft like B747 for Middle East market and B737 for regional and South East Asian market.

In addition, since the aviation market is very competitive world wide, Biman is trying to modify its products according to the requirement of market. Biman has introduced almost all type of automation in respect to sell its service. They are improving ground and in-flight service to complete with the mega carriers. It is upgrading in-flight catering menus, transit facilities. It is also making the product available easily through different distributing channels including internet. Auto E-Ticket, Bar-coded boarding pass, Auto check-in, Radio Frequency Identification etc are being activated by Biman.

Hajj-flight: In addition to normal passenger the annual Islamic pilgrimage to Mecca for the Hajj is undertaken by thousands of Bangladesh's predominantly Muslim population. Biman carries a loin portion of these pilgrims. In 2002, the government opened up the service to private operator Air Banglades. The initial private flights were plagued with delays, with both outgoing and return flights postponed for as long as nine days, which caused the Bangladesh government to return the Hajj flights monopoly to Biman. In June 2007, the caretaker government approved a three year Hajj policy to alleviate the problems encountered during the previous two years. Hajj flights of Biman used to continued from Bangladesh's two other international airports, Shah Amanat International Airport and Osmani International Airport.

Biman Cargo: Biman also operates a cargo service using the cargo holds of its passenger aircraft to ship freight to international destinations. It has established a Cargo Village at

Hazrat Shahjalal International Airport where the cargo is packaged and labeled before being loaded onto its aircraft. While the air cargo industry in Bangladesh grew by 16.5%(fiscal 2008-09).Biman's cargo operations remained stagnant when private operators such as Bismillah Airlines ,Best Aviation and Air Bangladesh witnessed a 108%growth from the previous year. The private operators increased their share of the cargo market by 10.6% and were responsible for handling 24% of the total 99,000 tons of cargo at the expense of both Biman and foreign airlines which saw a reduction in their shares by 4.6% and 6% respectively. Foreign airlines handled 47% of the total cargo with Bismillah Air taking on the remaining 29%.

Biman Maintenance:

The Biman maintenance and Engineering Department is well organized and staffed with qualified licensed personnel.

The Airlines is capable of heavy aircraft maintenance.Complete aircraft paint facilities are also available and functioning. Biman has own Engineering Hanger Complex. Interior maintenance including full cabin, galley and lavatory replacement is also available. The maintenance facility has an upholstery repair shop including the ability to rebuild cabin seats. Biman also has avionic and instrument repair capability. Biman maintenance saves the cost of Biman as well as earn a huge money by providing the maintenance and repairing service to the other foreign and local airlines and utilizes this sector to earn a lot of money.

BATC:

Bangladesh airlines training centre BATC used to train a large number of newly recruited as well as the existing employees of Biman for the skill development of their manpower.

BATC trains not only the staffs of Biman but also the higher officials of some other local and foreign airlines and earns money from this program.

Foreign Flight Handling Service:

Foreign flight handling services is provided to the foreign airlines operating to Bangladesh which can be considered as a non-core business of Biman.It is one of the major sources of income of Biman Bangladesh airlines. Foreign flight handling service includes the services

of unloading the foreign airlines passengers from the aircraft, receiving luggage's from the aircraft and handed those over to the respective passengers, unloading the cargo from aircraft and handed those over to the concerned cargo section etc. Ramp support and different type of technical supports are also provides by Biman Bangladesh Airlines as and when required to the foreign airlines.

Flight Classes and Amenities:

- A two-class service (J and Y) is operated on Biman's wide-body airliners and a single class service is available on the smaller aircraft. The Executive Class cabin on its Airbus A310s is set up in a 2–3–2 configuration while the setup on the Douglas DC-10-30s is a more spacious 2–2–2 configuration. The economy class cabins are set up in a typical 2–5–2 configuration.
- English and Bengali language newspapers are available on board the aircraft along with Biman's in-flight magazine, *Digonto* (Horizon), which is published quarterly. It contains mainly English content and has an emphasis on tourist destinations in Bangladesh and elsewhere reachable by Biman.

The interior of the economy class cabin of Biman's first Boeing 777-200ER

- In-flight entertainment aboard Biman aircraft is rated "very poor" by Skytrax. The Douglas DC-10-30s are equipped with a projector in each cabin, while the Airbus A310s have monitors that drop down from the ceiling below the luggage racks in the center of the aircraft. While other airlines using modern aircraft are able to provide more personal in-flight experiences via seatback LCD screens, Biman's ageing fleet has maintained the standard equipment available when the planes were manufactured.
- Biman operates a **frequent flyer program** which awards customers a free round trip flight on production of passenger's coupon for ten round trip journeys on Biman. The free ticket is for the passenger's most often traveled route. Journeys on local routes are excluded from the offer.

An agreement was signed with Amadeus in 2007 to upgrade Biman's ticketing system with an e-ticketing solution to comply with IATA rules, which set out a deadline of 31 December

2007 for all member airlines to switch over their ticketing systems. E-ticketing has enabled the passengers of Biman traveling with least risk and sufferings.

Biman Flight Catering Center (BFCC):

The national airline's flight catering center emerged as its most profit-making wing thanks to regular order from five foreign airlines operating in Bangladesh.

Biman Flight Catering Center (BFCC) earns around tk 10 crore profit in a year, Apart from supplying food regularly to Biman Bangladesh Airlines, British Airways, Qatar Airways, Dragon Air, Uzbekistan Airways and Iran Air, the BFCC gets casual order from all 18 international airlines operating in Bangladesh.

The United Nations chartered flights also order meals from the BFCC. On average, the five foreign airlines take 25000 meals and Biman 1.70 lakh meals a month from the catering centre. The other international airlines also place unscheduled orders for 1500 meals a month, sources said. Started its operation in October 28, 1989 as a subsidiary of Biman, the only in-flight food producer and supplier in Bangladesh saw first profit in 1993.

In fiscal year 2002-2003, the BFCC's total earning was tk 15 crore of which tk 5 crore was profit. The profit made in 2001-2002 was tk 3 crore. However Biman continues incurring losses in its flight operations, specially on international routes.

The cost of an economy class meal ranges from \$8 to 10 and business class meal about \$20. Manned with 550 skilled people, the catering center has a daily capacity of producing 6,000-7000 meals.

The chefs and their helpers are imparted overseas training and asked to maintain the highest hygienic standard to maintain reputation. For its quality food, BFCC earned "Excellent Quality" award from British Airways. Although the BFCC was established to produce and supply food for Biman, it started getting regular orders from international airlines from the beginning.

Besides meals, BFCC also supplies medical items, blankets, reading materials, children's games and gifts to passengers during flights. It also supplies cutlery, linen, baby towel, crockery, pillows, and toiletries, sources said.

Every day the ingredients and prepared foods undergo random testing by BFCC microbiologists to meet hygienic requirements of international airline clients, what they said. As the number of international airlines operating to Dhaka keeps growing, the Biman management is planning to increase capacity of the catering centre and introducing electronic food checking.

Biman Poultry Complex:

The BFCC used to consume 90% of the eggs and chicken from the Biman Poultry Complex(BPC),another profit-making subsidiary of Biman formed in 1976 and put into operation in November 1980 to rearing poultry at farms in Dhaka. The poultry industry in Bangladesh was partly pioneered by the Biman subsidiary in the mid-1970,through the first poultry in Bangladesh was a private venture named Eggs and Hens established in 1964.The Biman Poultry Complex is situated at Svar,40 km North-west of Dhaka city ,on 75 acres (300,000 meter sqr) of land including 5 acre poultry shed ,residential area and 69 acres of agricultural land.

PRICE:

Air fare pricing is a complicated job .Being the member of IATA airlines has to follow the IATA pricing rules. IATA Tariff Coordinating Conference is the regulatory body of the Air Tariff worldwide both Passenger fare and cargo rate .It introduces all tariff related rules regulations for the commercial air transport through resolutions passed time to time. The IATA tariff Committee publishes Normal and special fares through Air Tariff Publications. As the Airline market is very competitive and perishable the carriers can not depend on the IATA published fares. They widely uses private fares which are very low than the fares of IATA.

It is very important to fix the appropriate fare in line with market demand. A carriers may fail to achieve goal due to correct pricing even it fulfill all sorts of standard service

requirement for the customers. So the airline pricing department must be manned with the experienced pricing specialists'. The name of Biman pricing department is Tariff and IATA affairs. It basically deals with price fixing. It has the right to raise or reduce the fare of passengers as well as cargo carriage based on different kind of situation, demand etc. Not only fare for passenger or cargo but also the rate for carrying stretcher, wheel chair and excess baggage are being fixed by the tariff and pricing section of Biman.

Factors behind fluctuating price:

- **RBD Maintenance:**

RBD or Reservation Booking Designator is nothing but nesting or allotted of seats in different fare levels in the same compartment in order to maximize revenue. This is also referred as fare mix. There are 26 RBD's can be used in a flight, like J,D,C,A,P,R,Y,S,M,Q,T,N,L,H,O,K,U,G etc. RBD maintenance is a kind of business policy which is taken by Biman for maximizing their profit.

- **Seasonal factors (High time/Low time):**

Demand of air space not remains same throughout the whole year. Sometimes demand becomes very high and sometimes demand becomes very low based on different seasons. For an example: Since most of the target passengers of Biman are ethnic passengers or labor class. So during different type of occasion like Eid season the flow of passengers becomes very high and demands for air space increases. Sequentially the price of Air ticket increases in this situation. So, different seasons play vital role for the fluctuation of the price of Air tickets.

- **Competitors fare fixation:**

Although IATA (International Air Travels Association) has published a fixed fare for all the airlines, each and every airlines fixes its own fare through making some manipulation into its published fare to survive within the excessive competition among the Airlines. Mainly Biman Bangladesh Airlines used to fix its fare by comparing the fare fixation of other local and International airlines to become forwarded within the excessive completion of current Aviation market. So the fluctuation of the Fare of Biman Bangladesh Airlines sometimes depends on the competitors fare fixation rather not basically depend on the cost coverage.

- **STC decision:**

STC (Special Tariff Committee) of Biman plays a vital role for establishing pricing policy and fixing special fares, cargo rates and related charges throughout the network. It has the special right to take the decision of reducing or raising the fare of air ticket during the crisis period or in different season based on the situations

- **Promotional fare:**

Biman used to offer different type of discount on its fare which is considered as promotional fare during launching flights in a new route for the market penetration. For example: When they launch their flight in the route Dhaka-Bahrain, they offered 20% commission for selling Biman ticket to its GSA (General Sales Agent). So that the Agency could also share that discount with the ultimate passengers of Biman for traveling that new route and get them benefited.

Special Tariff Committee:

Biman has constituted a Special Tariff Committee (STC) for the purpose of establishing pricing policy and fixing special fares, cargo rates and related charges throughout the network.

- The Director Marketing & Sales is the chairman of STC where the Manager tariff acts as the member secretary. The STC is constituted with some other members from different departments.

The formation and functions of the committee are as under:

a. Director Marketing & Sales	Chairman
b. General Manager Marketing/Sales	Member
c. Controller of Accounts	Member
d. D.G.M Internal Audit	Member
e. D.G.M Sales	Member
f. Manager Tariff & IATA Affairs	Member Secretary

STC chairman may co-opt any officer as additional member as and when required.

- **Terms of reference:**

- a. Fixation and revision of all kinds of special and discounted fares and cargo rates
 - b. Fixation and revision of all kind of charges/levy/fees
 - c. Approval of incentive program of General Sales Agent/PSA/CSA
 - d. Fixation of commission level for PSAs.
 - e. Fixation of FBA and special Ex-Bag charges
 - f. Decision on any fare/rate related matters.
 - g. Decision on Short collection waiver.
- The quorum fulfills if at least 4 members including the chairman are present in the meeting. In absence of C.A(controller of accounts) and D.G.M Audit the DGM/Manager of the respective department shall attend the meeting.
 - The meeting will be presided over by the senior most member of Marketing & Sales in absence of the STC chairman.
 - All proposals are to be raised through the Member Secretary for the consideration of the committee .Decision will be passed according to the opinion of the majority. Minutes of the meeting must be approved by the Chairman of the committee. In case of a “tie” situation, subject matter may be referred to the M.D & C.E.O with detailed analysis for decision.
 - The DMS himself may take decision in writing on urgent proposal if he is convinced that the interest of Biman may be hampered if the decision is taken lately holding the STC meeting .It should be placed in the next STC meeting for post facto approval.
 - At least two meetings will be held in a month.
 - STC minutes record must be maintained in the computer.

The process how the fares of Biman is fixed:

The Country Manager and District managers send their proposal according to market requirement and it is discussed in the STC thoroughly and they take the decision

accordingly. On emergency if the front line Manager feels it would be delayed and Biman may lose if they get any decision through holding STC meeting ,they can discuss it with the DMS .The DMS can provide any instant decision for the interest of Biman which will be approved by STC on post facto basis later on.

SITA (Society International Telecommunication de Aeronautics):

Biman is using SITA electronic Air Fare System for its pricing and e-ticketing. SITA has always been a trusted IT partner for Biman Bangladesh Airlines. This air fare system enables Biman to start looking at applications such as e-ticketing and online reservations, which will clearly help the bottom line as well delivering better services to passengers .It distributes the fares through GDS .The main GDS are

- 1.AMADUCE
- 2.ABACUS
- 3.GALILIO.

In addition shortly Biman will introduce IBE (Internet Booking Engine System for direct customer ticketing through internet.

E-ticketing:

Electronic ticketing is a method to document the sale and track usage of passengers transportation without requiring the issuance of paper value documents .The electronic tickets is used in exactly the same way as a paper .However instead of processing a paper document, all the data relating to the passenger's itineraryfare, class,payment and TFCs ,etc is stored in an ET record in the database of the validating carrier. Tariff, pricing & E-ticketing section of Biman deals with the E-ticketing . Biman Bangladesh Airlines is going to initiate the E-Ticketing system through the IBE (Internet Booking Engine) system from the 1st November through which passengers will be able to create the online ticket Booking by sitting at home but for making the purchase they have to go to the sales outlet or the sale counters of Biman. Finally for the direct selling of E-ticket Biman is going to develop the online ticket selling program with the help of internet through the credit or debit card system from the 1st January of 2011.The Electronic Ticketing will hopefully enables faster

processing, reduce time and cost consumption and will provide the convenience to the passengers.

PROMOTION:

Biman is far away from modern promotional activities. It has been coming up with all traditional promotional activities. It has very poor budget on publicity and advertising. It has only some publicity campaign through sports sponsorship. But these are not sufficient. It has some yearly incentive plan for the agents. But the actual benefits of this incentive does not reach to the original customer. So Biman should restructure its promotional activities in the line with modern concept as under:

Promotional work of Biman Bangladesh Airlines:

To create awareness and to bring Biman to the door of Customers, Promotional work must be run on properly and timely. Biman is not an exception to this. Each and every year a lot of money is spent for the promotional purpose. Several initiatives are taken every year to attract more customers to fly with Biman. The followings are some of the initiatives that the company takes:

- ❖ **Tourism Travel Fair:** Tourism Ministry arranges tourism travel fair every year in Dhaka Sheraton or Shonargaon to enhance the tourism market of Bangladesh. In this tourism fair, Biman participates with lot of offers. During this fair, several packages are presented so that customers become more curious to fly with Biman.
- ❖ **Special Offers:** To convince customers experiencing the service of Biman Bangladesh Airlines, special offers are accessible. In different occasions especially in off-pick time, discounts of different amount (but not more than 25%) are offered. During Dhaka Tourism Fair (DTF), a special offer for customers is that if a purchase a ticket from Biman, it has the validity of three months. This year, Biman is going to announce this offer with validity from October to December. **Free tickets** will also be distributed to its loyal customers during the fair.

- ❖ **Newspaper Ad/ Magazines:** A certain fund is reserved for newspaper advertisement and publishing magazines. Every year, Biman publishes a magazine named **Digonto** which is available to all flights of Biman. Though the magazine is currently being published, management is taking this issue very seriously to make it available within soonest possible time. Biman also maintains trade journal named **Balaka** for the internal staffs.
- ❖ **Radio/TV Advertisement:** For promotional purpose, Biman used to provide ad in radio and television. Because of budget constraint and internal conflict among management, this provision is stopped currently.
- ❖ **Car Advertisement:** By branding with the logos of Biman Bangladesh Airlines in Bus, Micro or car, the organization also gets promoted. Stickers, posters are pasted on the glass car or micro for promotional purpose.
- ❖ **Sponsorship:** Biman sponsors in various programs specially games and sports. In annual functions of different schools, Biman acts as a sponsor by providing financial and logistic support. In some sports program specially indoor games, proactive initiatives are taken by Biman to host the program.
- ❖ **Media Conference:** Public Relations department of Biman Bangladesh Airlines arranges media conference quarterly or occasionally. In the conference, The chairman and the Directors of Biman, different stakeholders, media personality, the honorable ministers of Biman and Tourism Industry are invited to participate the program with their queries. Last media conference was held on 18th August, 2010 at which the chairman has shared his view in favor of Biman. During the conference, new flight launching, logo, new routes, new aircraft, accident or even any crisis for Biman maintenance are discussed with the concerned persons. The chairman of Biman has to go through different Q&A session.
- ❖ **Non Promotional Activities:** There are some non promotional activities like tender announcement etc. which create awareness of activities of Biman Bangladesh Airlines within the country.

PLACE:

Distribution of product in airline marketing refers to all aspects of link between the airline and the passengers. Because of recent development particularly in the area of electronic technology there are several approaches to reach it's product to the clients. Airline has to choose the suitable one depending on it's existing capacity, demand, market condition and competitors activities.

The core product for the airline passenger is transportation of person in an aircraft in a seat with the facility to carry along with the personal belongings. To ensure this core of product to the valued customers, Computerized Reservation System(CRS) has taken a vital role with its progressive technology. Central Reservation Control is the management through which such product is efficiently distributed to all of it's sales outlet with the help of CRS. Biman Central Reservation Control continuously working to maintain effective reservation system which can divert demand into expected services to the valued passengers by giving better, over all utilization of the available seats. The central reservation is formulating total reservation policies and procedures are properly followed by all of the stations in the network. It also monitor seat requirement of various stations and take appropriate measures so as to produce the optimum utilization of space to meet overall revenue and tariff target of Biman.

Objectives of the Central Reservation System:

1. Ensure space for passenger
2. Maximum utilization of space
3. Enhance revenue and achieve economy of operation
4. To meet station's demand when extra capacity is required
5. Achieve systematic functioning and streamlining of work.
6. Analyze different reservation discrepancies and to make solutions.

Biman has mainly following category passengers:

- a) Labors
- b) Ethnic foreign residents
- c) Hajj passenger

d) Business, tourist, Medical treatment.

CARGO:

- a) Perishable Product (fruit & veg, fish, shrimp, crabs, beetle leaf etc)
- b) RMG
- c) Leather & leather product
- d) Non traditional-medicine, post mail, handy crafts

These target customers are mainly focused in Biman marketing policy. As like as other reputed Airlines Biman distribution channel is mainly agent based .It has some direct selling outlets in all most ‘on lone’ operation cities, in some cities it has GSA biased outlets. It has been using the GDS IT terminals for the selling of its product. Mainly ABUCUS, GALILIO, AMADUES AND SABRE GDS are being used globally in these selling outlets.

AGENCY SALES:

Biman sells it’s services mainly through GSA (General Sales Agent) and PSA (Passenger Sales Agent)/CSA (Cargo Sales Agent) in addition to its own network offices.This GSA s and PSA/CSAs are entitled for different level of commission on their sales in accordance with the corporate policy and local policies /BAR decisions.

Mainly Biman has two types of agents:

- a)IATA accredited agents
- b)Non IATA agents

Within a very short time Biman is going to introduce the IBE system for booking ticketing through internet. As the GDS cost is very high the IBE system will help to reduce the cost. The performance report says that direct office is much effective than the GSA system. As the GSA also sells ticket of other airlines, GSA sees his own interest instead of principles interest. Therefore Biman should establish direct own office control in all station.

3.3 Biman's Problems and Administrative Limitations

Biman's Dilemma:

Biman is obliged, by legislation, to priorities national interest over commercial ones, and not to be a purely commercial airliner. The government is exercising the power as given by the ordinance in its activities. In this context, the government is utilizing Biman to render services for the nation, e.g. operating government VVIP flights, relief flights and hajj flight, and carrying perishable items at cheaper rates. In practice, the government is, on the one hand, receiving these services from Biman, but, on the other, creating an environment which dictates that Biman should run itself on its own finances by making profits. While it is passing through the most difficult period in terms of a financial crunch in its history of 35 years, to judge Biman's performance on profitability alone, without giving any consideration to the wider service it has rendered for the national interest and at the behest of its owner, would not only be biased and partial, but also a great travesty of justice. Due to this dilemma Biman cannot operate itself distinctively either as commercial organization or as Service organization.

Lack of Authority and Accountability of the Executive Body:

The Board is not accountable to a higher authority because the Minister of Aviation, who is the designated chief of the organization, is the Chairman of the Board himself. Therefore, the Board is neither directly accountable to any other body, nor is it under obligation to report to any other authority for its activities and performance. This existing hierarchy creates problem in delegating the duties for the Managing Director, CEO of Biman.

Lack of Aviation Experts in the Authoritative bodies:

It is noteworthy that there is no aviation expert in the Board who can guide Biman to operate in an efficient and effective manner in its technical as well as commercial aspects. Biman has never seen a professional as its CEO.

Political Influence:

As a consequence of being a state-owned corporation,

Biman has suffered from being politicized in many aspects. It has been politicized in the following manners.

- Operating domestic flights with wide bodied aircraft
- Continuing flights in loss-making routes
- Political Intervention in Recruitment and Promotions
- Decision-making under political influence

Corruption:

Corruption in different sectors of Biman is another significant barrier that is making it difficult for the organization to break away from loss making ways. Incidents of corruption are evident in purchase and leasing of aircraft, store and purchase of spare parts, in the tender process and in ticketing and reconfirmation.

Corruption in Purchase and Lease of Aircrafts:

Corruption and irregularities in leasing process of Biman leads excess payment of US\$ 45 million (estimated) in last five years. The following anomalies have been identified:

- Decisions arbitrarily taken by the Chairman
- Technical personnel not involved in the tender preparing process
- Due to lack of skill and expertise technical and legal sides not ensured
- Lack of planning
- Lack of scope of the board members and CEO to get involved in the leasing and purchase process

Corruption in repair and maintenance:

Corruption in repair and maintenance of aircrafts leads to huge loss of Biman every year, e.g. in last four years, the cost of repair and maintenance went up more than double from Tk 214.525 crore to Tk 489.08 crore even though the numbers of aircraft has fallen from 17 to 13, and total flight hour decreased by 25%. Over the last 10-12 years, the repair orders

mostly were given to 1 or 2 agencies which provide evidence of nepotism and significant political influences in the processes. Findings also reveals that, if the cost of component repair is to the tune of Tk 90 crore per year, then, out of this amount, around Tk 50 crore is wasted by corruption. In addition following irregularities found research team during study period in store and purchase:

- Most of the agents take certification giving bribe to CAAB
- Agents use fake name and address
- No engineer in store and purchase to receive spare parts ensuring quality
- Store has never been scrutinized/adjusted since its inception
- ICAO certification are not checked during tender process
- Unnecessary spare parts are purchased which will never be used

Corruption in relating to outstations of Biman:

Every on-line station has employees posted from many sections like sales, finance, operations, traffic and field service. However, bulk of the services can be outsourced. In addition following irregularities revealed during study period:

- Posting on outstation made on political consideration
- Allegation of misappropriation of money by country managers
- Never investigated any irregularities of out station
- Over staffing in out stations
- Large set up of outstation –which is not cost effective
- Office station exist even the route is closed

Corruption in tender process:

Irregularities in tender process of Biman include lack of transparency in tender process, political influence to bag illogical and unauthorized commissions, tainting of selection process in every sort of tender by political influences. These are well-known in such extent that no reputed airline manufacturer wants to get involved with these tender processes.

Corruption in buying tickets and reconfirmation:

One third of the passengers (37.6%) who reconfirmed/purchased tickets from Biman sales centers reported about encountering problems. Major problems faced during reconfirmation and purchase are wasting time (59.4%), take extra money for reconfirming/ticketing (21%), creating artificial ticket crisis (15.1%). In addition, some travel agents are illegally favored, the Travel agents' purchased amount of money is not deposited to Biman and submission of everyday statement and money deposit on weekly basis is not maintained by the travel agents properly.

Institutional Capacity: Problem of Human Resource

Biman's Man-Equipment Ratio (MER) at present is 1:367, while the international acceptable standard ratio is 1:200. Compared to other airlines, the number of Biman staff is fairly high but their remuneration is fairly low. Biman does not recruit any staff directly (i.e. from external qualified candidates) in officer level. Maximum of them are promoted from lower positions. As a result, the scope of getting quality staff for Biman becomes lower. Hence in all directorates external efficient candidates are deprived, no competitive environment among the staff prevails, the existing staff remains reluctant as they feel that they will be promoted somehow. The promotions that occur are mostly executed through political lobby, which also deter internal competitions. Moreover, it has been alleged that Biman does not want to equip their staff with modern technologies, thus making their productivity even lower.

Lack of Planning

Biman is an organization with no vision and mission. Every professional airline has a master plan for at least plan for five years but Biman does not have any plan at all. There are significant gaps in planning in the following arena.

- Corporate vision and strategy
- Improvement of procedures
- Employee productivity
- Improved information technology
- Image of the airline
- Revenue enhancement

- Increase market share and improve yield
- Product improvement driven by total customer satisfaction
- Expense reduction
- Increase in-house capability in maintenance and engineering
- Phased fleet renewal

As a consequence, the corporation is lacking in proper implementation and monitoring of planned and routine activities for its existence and improvement. Biman does not follow the strategic route planning for its existing routes and for opening new routes. In the past, Biman opened many domestic and international routes without doing any cost-benefit analysis, which is unbelievable especially in a business sector that faces fierce and often cut-throat competition. Sometimes routes were operated on political intentions knowing that it is quite non-viable.

Poor Financial Situation

Biman incurred losses of Tk 249.51 crore and Tk 836.25 crore in the fiscal years 2004-05 and 2005-06 respectively. Biman is lacking its capital base and eventually also does not get sufficient finance from the Government to fill the deficit. Being an airline with a very narrow capital base, Biman was forced to borrow externally. These borrowings resulted in payment of huge amount of interest every year, draining a substantial portion of its income. Biman incurred losses from its inception to till to date about Tk 1,900 crore and its debt burden is over Tk 2,100 crore, payable to different organisations and now become unable for debt servicing and it cannot manage its spending without help from the government.

Flight Schedule Delay

According to the survey results, about 75% of the respondents had experienced flight delay during their last travel by Biman. This gives an indication of the large amount of funds that have to be spent by the airliner on a regular basis to compensate waiting passengers. Moreover, such schedule disruption creates negative impact on Biman's commercial viability and the members of the traveling public tend to choose other airlines.

Operating Flights with Old Aircrafts

Old aircrafts cause higher maintenance and operation costs, create scope of corruption, incident and accident, and impose higher insurance premium rate. It is very difficult to run an airline with old aircrafts. The operating cost of DC-10 is, according to an estimate, US\$ 1000 more per block hour than the new generation aircraft. It is calculated that if the new generation aircrafts are utilised 10 hours each per day, each aircraft will save US\$ 3,00,00 per month. Thus four new generation aircrafts will save Biman US\$ 1.2 million per month with regard to operation cost only. In addition, new aircraft and higher capacity are expected to generate higher revenue as well as much better schedule regularity.

Various Kinds of Aircrafts leading to Higher Operating Cost

Such a small fleet with only 13 aircrafts, Biman is comprised of three types of aircrafts manufactured by three different companies. To maintain this fleet, Biman needs to employ different categories of pilots, engineers and use various kinds of spare parts. This leads Biman into incurring higher operating cost.

Poor Quality of Customer Service:

After assessing the service level of Biman in terms of the satisfaction of the passengers, majority of the respondents (72%) termed the service quality of Biman as poor. It has been revealed from the survey that about 85% of the respondents were not provided any information about flight delays. Furthermore, 77% of the respondents reported that during the flight delay no one from Biman came and wanted to know, if the passengers were having any problem or not.

Social Movement against Corruption

About 65% of the respondents termed Biman's in-flight services to be worsening than poor. Pre requisition of quality in-flight services is sufficient number of crew. Our analysis shows that 42% of the surveyed domestic flights moved with under compliment, 87% of the surveyed shuttle flights moved under complement, while 82% of the surveyed international flights moved with under compliment. In terms of routes, the highest portion of passengers

who were found to be disinterested to fly with Biman in the future came from the East, Middle East and South East Asia (50%) while the lowest portion (15%) come from Gulf and Middle East. Greater portion of passenger (49 and 39 percent respectively) mentioned schedule problem and mismanagement respectively as reasons for not flying in Biman next. The other significant reported reasons were quality of in-flight service is not good, problem with ticket reconfirmation.

Due to the above-mentioned shortcomings Biman is now in a very bad shape. It has fallen into severe financial crisis. Furthermore, this organization is also suffering from lack of strategic planning to overcome all other drawbacks

3.4 Re-Branding:

The Brands department of Biman Bangladesh Airlines had taken an initiative namely re-branding program to reset the image of Biman. The purpose was to present its product with a new dimension in the market. In line with this program different sub committees were constituted with individual task. Currently, the program is inactive. The re-branding committee started its journey with lots of promises which all are missing now because of fund crisis and management dilemma. In present situation, immediate proactive initiatives can help Biman to re-brand it's to the market so that it may get back its goodwill. In that case, not only the management of Biman but also the government will have to come forward to taking various projects to re-establish and improve Biman service by changing its present get up and adding different attributes to it.

3.5 Conclusion and Recommendation:

Biman Bangladesh airline is 100% owned by the Bangladesh government. Bangladesh Biman Corporation is a commercial venture of the Ministry of Civil Aviation. The chief of this government-owned organization is by designation the Minister of the Aviation Ministry. This corporation is operated through a Board of Directors. Usually, this Board of Directors is headed by a Chairman who is supposed to be accountable to a higher authority. Biman provides different types of services such as passenger service, cargo service, mail service, catering, and training for the Biman staff. Biman has two categories of passenger services, provided through the domestic and international flights that it operates. Biman Bangladesh Airlines was formed on 4 January 1972 with 2500 skilled and unskilled manpower without any capital and aircraft. Biman was established as of a corporation on 27 October 1972 with a view to ensuring better operation and development of air transport service. Over the last decades, Biman faced a number of problems. Information on mismanagement and corruption in the organization has trickled out in recent years. Such incidents include mismanagement in ticket confirmation and reconfirmation, poor passenger service, corruption in purchasing spare parts, alleged corruption on aircraft lease, lack of planning with regard to scheduling, fleet planning, and human resource management and so on. Although Biman is one of the first choices for fly to many customers, in many aspects it lags behind. Therefore, the following recommendations are made to be considered for future improvement and development of sound operation system within Biman Bangladesh Airlines.

Recommendations:

To help Biman move out from its old-fashioned way of management, to accommodate the future opportunities and to avert the current crisis and threats, it is extremely essential for Biman to undertake the following steps set forth as recommendations.

Policy Level:

- ✓ Biman should have a clear vision and mission statement.

- ✓ The dilemmas in the governance system of Biman need to be settled down through bringing in necessary changes in the Ordinance.
- ✓ To ensure accountability, the Board of Directors needs to be reformed. The Minister for Civil Aviation should not be the Chairman of the Board of Directors. The responsibilities of the members of the Board should be specified.
- ✓ Experts on commercial airline and aviation industry must be included as members in the Board of Directors.
- ✓ Biman should abide by the current business methodologies as used in worldclass airlines to make it successful and profitable.
- ✓ The Annual Report should be made public. This report must include financial statements.
- ✓ Biman should not be exploited in the name of national interest. It should not operate unprofitable flights.
- ✓ Biman's existing procurement rules should be appropriately amended so that Biman can take its own business decisions.
- ✓ Biman should operate by Biman people without any interference from the Ministry.

Administrative:

- ✓ Consultants should be hired with regard to finance and store and purchase.

Planning:

- ✓ Biman should make a phased fleet renewal plan.
- ✓ Biman should develop and adopt a coping strategy addressing the market need. Leasing will reduce immediate capital requirements and will allow Biman to have flexibility in capacity which means that the airlines can scale-up or scale-down available seat capacity according to the market trend.
- ✓ Biman should consider closing down the loss-making routes and divert the flights entirely to the profit-making ones.
- ✓ Biman must discontinue operation of short sector flights by wide-bodied aircrafts.
- ✓ Biman must operate with similar types of aircraft to reduce operating cost.

Human Resources:

- ✓ Biman should recruit staff with required qualification directly at officer level.
- ✓ Analyzing current staff size and performing cost effective analysis, Biman should cut down its staff.
- ✓ Recruitment, transfer, and promotion on political consideration must be stopped.

Corruption:

- ✓ Biman needs to purchase new generation aircraft to save operation cost significantly.
- ✓ Leasing and purchase process of aircraft should be made transparent.
- ✓ During procurement of spare parts, technical experts must be included in the process.

- ✓ Punitive actions against corrupt staff of the in and out station of Biman must be taken.

Modernization of Biman:

- ✓ Modern cost effective inventory control system should be introduced.
- ✓ Biman needs to keep its website continuously updated so that the clients can get the latest and complete information from the website.
- ✓ Biman must go all out to introduce e-ticketing, e-reservation, and procurement of spare parts.

Flight Schedule Delay:

- ✓ Delay analysis should be undertaken as a routine process and necessary steps should be taken to maintain the schedule in a tolerable delay range.

In-Flight Services:

- ✓ In-flight service must be improved. Steps may be undertaken to ensure full complement of cabin crew, professionalism among the cabin crew, and provision of proper flight crew training to ensure that quality service can be rendered by the cabin crew at all times

In the last but not the least, it can be mentioned that the improvement of the can be possible if the above mentioned tasks or initiatives can be taken. Under the leadership of CEO and MD, Biman has engendered a restructuring program aimed at bringing the airline back to profitability. A detailed review the BASAs would be warranted to identity market segments which would be advantageous to Biman. The experienced and dedicated manpower of Biman along the proper direction of management can lead Biman to be the market leader in South Asian Regions.

Bibliography

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- 3.** .System Performance, Published by Biman Market Research Department
- 4.** Tariff manual 2010-IATA Air Tariff publication
- 5.** Boeing online tnformation-www.boeing.com
- 6.** Other lectures and theoretical concepts from different note and class lectures.

APPENDIX:

(Some questionnaire For Management)

Please feel free to fill the questionnaire .This is prepares to fulfill the academic purpose only. This information would not be disclosed to anywhere:

Questionnaire on analysis of 4p's of Biman Bangladesh Airlines Ltd:

Name of the respondent:

Present position:

Email Address:

1. How do you rate service of Biman:

On-Ground: a)* b) ** c) *** d) **** e) *****

In- flight: a)* b) ** c) *** d) **** e) *****

2. Which of the following you think the strength/opportunity in marketing of Biman service:

a) National flag carrier b) Labor traffic c) Ethnic passenger d)Service
e)Image

f) Perishable goods g) RMG h) Efficient managers and employees

3. Which are the weakness /threats of Biman

a)Old fleet b)Schedule disruption c)Competitors performance d)Wrong
policy

e) Logistic support f) Unskilled employees g) External Pressure

4. Do you think the fare of Biman on different destinations is competitive?

5. Main barriers in marketing Biman product

a) Lack of effective planning b) External influence c) Delayed decision
d) Lack of professionalism

6. What components of the following marketing mix may be treated most influential in marketing Biman product?

a) Product b) Price c) Promotion d) Distribution channel e) Period f) Probe
(Information)

7. Which components of the following Promotional mix should be emphasized?

a)Direct Marketing b)Sales Promotion c)Advertisement d) Personal selling/publicity

8. Current Market Share:

Passenger- a) Below 25% b) Below 50% c) Below 75%

Cargo- a) Below 25% b) Below 50% c) Below 75%

9. Where Biman is losing potential Market:

a)Homg Kong b)U.K c)Japan d)Thailand e)USA f)Yangon
g)Karachi h)delhi

i)Mumbai j)Kolkata

10. Main target customers:

Passenger: a) Labor b) Tourist c) Others

Cargo: a) RMG b) Perishables c) Others

11. Main competitor:

Passenger :a) SV b)EK c)GF d)QR e)BA f)SQ g)Z5 h)9W i)AI

Cargo: a) SV b)EK c)GF d)QR e)BA f)SQ g)Z5 h)9W i)AI

12. Do you think the jet fuel cost is very high in Bangladesh in comparison to other countries?

a) YES b) NO

13. What positioning strategy you suggest to improve Biman Market Share in Bangladesh:

a) Market Driver b) Market Follower

14. Do you think that the external environment influence such as Govt. policy ,political,Economic influences in an obstacles for the development of Biman?

a) YES b)NO

15. Which type of aircraft do you think most viable for marketing of Biman:

Short Range: a) b737 b) B757 c) AB 310 d) F28 e) Others

Long Range: a) B777 b) B747 c) AB 330 d) Others

16. Do you think that the different automation system of Biman is sufficient and up to the mark in the line with other Modern Carriers?

a) YES b) NO

17. Do you think professionalism is an important criterion to develop marketing of Biman?

a) YES b) NO

18. Do you think that Biman has good demand to operate freighter between some destinations?

a) YES b) NO

19. Do you think that Biman has good opportunity to expand market with code sharing operation?

a) YES b) NO

20. Can strategic partnership with other airlines improve Biman's marketing efficiency?

a) YES b) NO

*****THANK YOU *****

ABBREVIATIONS:

BFCC: Biman Flight Catering Center
IATA: International Air Transport Association
PLC: Public Limited Company
RFID : Radio Frequency Identification
STC: Special Tariff Committee
SITA: Society International Telecommunication DE Aeronautics
GDS : Global Distribution system
IBE : Internet Booking Engine
RMG: Readymade Garments
GSA: General Sales Agent
FC: Foreign Carrier
BG: Biman Bangladesh Airlines
RBD: Reservation Booking Designator

Different Airline Code

SV: Saudi Airlines
EK: Emirates Airlines
GF: Gulf Airlines
QR: Qatar Airways
SQ: Singapore Airlines
BA: British Airways
Z5: GMG
9W: Jet Air
AI: Air India
MU: Southern Airlines of China

Biman Bangladesh Airlines LTD.
Comparative Statement on Air Fare & Fuel surcharge (YQ/YR)
(From –Bangladesh)
As on 15
Aus' 2010.....
Dhaka-Dubai

Biman			Emirates		GULF AIR	
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)
K/OW	250	348+3128=3476			265 RBD-Q	4518+0=4518
H/OW	300	348+3128=3476	380	NIL		
K/RT	500	696+6256=6952	760 (Q)	NIL	600 RDB-M	9036+0=9036

Dhaka-Abudhabi

Biman			Etihad		GUIF AIR	
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)
K/OW	250	348+3128=3476	290 RBD-V	3475+NIL=3475	265 RBD-Q	4518+0=4518
H/OW	300	348+3128=3476				
K/RT	500	696+6256=6952	530 (L)	6950+NIL=6950	600 RDB-M	9036+0=9036

Chittagong-Dubai

Biman						
RBD	Fare (USD)	YQ+YR= (BDT)				
K/OW	250	348+3128=3476				
L/OW	300	348+3128=3476				
K/RT	500	696+6256=6952				

Chittagong-Abudhabi

Biman						
RBD	Fare (USD)	YQ+YR= (BDT)				
K/OW	250	348+3128=3476				
L/OW	300	348+3128=3476				
K/RT	500	696+6256=6952				

Dhaka-Muscat

Biman						
RBD	Fare (USD)	YQ+YR= (BDT)				
K/OW	255	348+3128=3476				
B/OW	275	348+3128=3476				
H/OW	305	348+3128=3476				
K/RT	510	696+6256=6952				

Chittagong-Muscat

Biman			Oman Air			
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)		
K/OW	255	348+3128=3476	260	4031+NIL=4031		
B/OW	275	348+3128=3476				
H/OW	305	348+3128=3476				
K/RT	510	696+6256=6952	550	8062+NIL=8062		

Dhaka-Kuwait

Biman			Kuwait Airways			
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)		
K/OW	380	348+3128=3476	355 (H)	348+1738=2086		
K/RT	750	696+6256=6952	709	696+2780=3476		

Dhaka-Doha

Biman			Qatar Airways			
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)		
K/OW	280	348+3128=3476	349 (V)	4031+NIL=4031		
B/OW	355	348+3128=3476				
H/OW	330	348+3128=3476				
K/RT	560	696+6256=6952	778 (H)	8062+NIL=8062		

Dhaka-Jeddha

Biman			Saudia			
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)		
K/OW	370	348+3128=3476	380	348+3128=3476		
K/RT	*800	696+6256=6952	800	696+6256+6952		

Dhaka-Riyadh

Biman			Saudia			
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)		
K/OW	360	348+3128=3476	360	348+3128=3476		
K/RT	740	696+6256=6952	720	696+6256=6952		

Dhaka-Damman

Biman			Saudia			
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)		
K/OW	360	348+3128=3476	360	348+3128=3476		
B/OW	380	348+3128=3476				
K/RT	740	696+6256=6952	720	696+6256=6952		

Dhaka-Kualalumpur

Biman			Malaysian Airways		GMG Airlines	
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)
K/OW	270	348+3128=3476	232	8688+NIL=8688		
B/OW	290	348+3128=3476				
H/OW	320	348+3128=3476	255 (Q)	8688+NIL=8688	325	348+2996=3344
K/RT	380	696+6256=6952	349	17376+NIL=17376	650	696+5992=6688

Dhaka-Singapore

Biman			Singapore Airlines		Air India Express	
RBD	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)	Fare (USD)	YQ+YR= (BDT)
K/OW	270	348+3128=3476	237	6256+NIL=6296	150	4453+NIL=4453
B/OW	290	348+3128=3476				
K/RT	380	696+6256=6952	387 (1M)	12512+NIL=12512	285	11600+NIL=11600

Biman Bangladesh Airlines LTD.

Comparative Statement on Air Fare & Fuel surcharge (YQ/YR)

(To –Bangladesh)

As on 15

Aus' 2010.....

London-Dhaka

Biman			British Airways		Qatar Airways	
RBD	Fare (GBP)	YQ+YR= (GBP)	Fare (GBP)	YQ+YR= (GBP)	Fare (GBP)	YQ+YR= (GBP)
L/OW	325	5+30=35	NOT AVLBL		235-255	55+NIL=55
LE/RT	475	6+60=66	293 (V)	197+0=197	275-365	106+NIL=106

London-Sylhet

Biman			Qatar Airways		Emirates	
RBD	Fare (GBP)	YQ+YR= (GBP)	Fare (GBP)	YQ+YR= (GBP)	Fare (GBP)	YQ+YR= (GBP)
S/OW	374	5+30=35	315-335	55+NIL=55	388	NIL
SE/RT	540	6+60=66	355-445	106+NIL=106	430-470	NIL

Rome-Dhaka

Biman			Qatar Airways		Emirates	
RBD	Fare (EUR)	YQ+YR= (EUR)	Fare (EUR)	YQ+YR= (EUR)	Fare (EUR)	YQ+YR= (EUR)
K(Low)	364	3.20+43=46.2	334	83+NIL=83	450	NIL+NIL=NIL
K(High)	452	3.20+43=46.2	513	83+NIL=83	475	NIL+NIL=NIL
K/RT (Low)	618	6.40+86=92.4	513	165+NIL=165	650	NIL+NIL=NIL
K/RT (High)	729	6.40+86=92.4	800	165+NIL=165	950	NIL+NIL=NIL

Jeddha-Dhaka

Biman			Saudia		Emirates	
RBD	Fare (SAR)	YQ+YR= (SAR)	Fare (SAR)	YQ+YR= (SAR)	Fare (SAR)	YQ+YR= (SAR)
K/OW	1100	19+125=144	1040 (Y)	19+169=188	1408	NIL+NIL=NIL
H/OW	1200	19+125=144				
K/RT	1950	38+250=288	1800 (Y)	38+338=376	2550	NIL+NIL=NIL

Domestic fare chart:

A specimen of domestic fare chart of Biman is given below:

DOMESTIC FARES

Effective from June 2010

<u>Sector</u>	<u>Economy class</u>	<u>Business class</u>
Between Dhaka &		
Chittagong	BDT-3075.00	4075.00
Sylhet	BDT-2700.00	3575.00
Cox's Bazar	BDT-3450.00	
Between Chittagong &		
Cox's Bazar-	BDT-1175.00	

Notes:

- There will be no fare for traveling on wide –body aircraft from June 2010
- Round trip will be double of above one way fares
- Child fare 67% and for infant 10% of above domestic Adult fares.
- Embarkation fee (BD) BDT 25.00 (infant exempted) and domestic air travel tax (DTT) BDT 200.00 for each domestic departure for each passenger to be collected at the time of issuance of ticket

Insurance surcharge (YQ) BDT 350.00 and fuel surcharge (YR) BDT 350.00 for each domestic departure for each passenger to be collected at the time of issuance of ticket