Logistics available in Bangladesh remain inadequate given the country's export-import volume as some 98 per cent of local freight forwarding agents suffer from a lack of modern equipment. However, this situation could be resolved through increased investment and policy reforms, experts say.

PHOTO: STAR/ FILE

Reform key to cutting logistics bottlenecks

Speakers say at virtual discussion

Star Business Report

Structural reforms are required to mitigate key bottlenecks of the domestic logistics system as most private sector entities suffer for a lack of adequate facilities, according to business leaders.

"The government should declare logistics as a high-priority thrust sector and provide enough incentives to attract both local and foreign investment," said Abul Kasem Khan, chairperson of Business Initiative Leading Development (BUILD), a public-private dialogue platform.

Most developing countries invest 9 per cent to 10 per cent of their gross domestic product to improve their local logistics environment. Success stories of China, India and Vietnam set the perfect example for the benefits of maintaining the best practices in logistics, he said. "The return on investments in the sector is one of the highest in the world," he added.

These comments came at a virtual discussion on the national logistics strategy, jointly organised by BUILD and the Prime Minister's Office yesterday.

Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh, urged for the proper utilisation of the Pangaon port and Dherasram project, which should be linked with temperature-controlled logistics.

Some 98 per cent of the country's freight forwarding operators suffer from a lack of modern technology and equipment, he added.

Mahbubul Alam, president of the Chattogram Chamber of Commerce and Industry, said there was no policy focusing time schedules for the movement of container trucks in Chattogram.

So, establishing a central truck terminal may reduce the traffic congestions that stem from this issue. Additionally, water connectivity may reduce over-dependency on road transport, Alam added.

The formulation and implementation of a National Integrated Logistics Policy could help attract investment and increase the country's export competitiveness to realise the targets of its eighth Five-Year Plan and Perspective Plan 2041, said Ferdaus Ara Begum, chief executive officer of BUILD.

Kabir Ahmed, president of Bangladesh Freight Forwarders Association, urged for proper utilisation and equipping of Hazrat Shahjalal International Airport, one of the most important gateways for local exports.

READ MORE ON B3

Could we have avoided the fuel price hike?

OPINION

Mamun Rashid

There is an uproar, at least among civil society forums, the media and common people, regarding a recent government decision to increase the price of diesel and kerosene by Tk 15 per litre each.

The situation quickly deteriorated as transport operations called a nationwide strike soon after the price hike was announced, causing untold sufferings for commuters.

The state-owned Bangladesh Petroleum Corporation (BPC) reportedly incurred losses of Tk 11,478 crore in diesel sales over the past five-and-a-half months for not adjusting local fuel prices in line with that of the international market.

However, many vested quarters feel that a sudden increase in fuel prices of this magnitude is not the right way to offset these losses.

Although the non-partisan caretaker government almost decided to tag local fuel prices with that of the international market in 2007-08, the World Bank previously recommended that increments can be periodic and so, major communication campaigns should be launched beforehand to inform people about the rationale behind a potential increase.

It could be considered common knowledge that the Bangladesh Energy Regulatory Commission (BERC) was assigned to this task.

Available statistics indicate that the prices of diesel and kerosene make up just a small portion of spending by lower-income groups, providing the government stronger ground for the necessary upward price adjustment.

Still though, the abrupt decision that is seemingly void of good administrative diligence, has put the concerned authorities on the back foot as they are struggling to convince larger stakeholders of the correctness of their decision.

As such, almost all felt that the authorities should have discussed the matter with stakeholders in the greater interest of growing their businesses.

But despite the recent hike in the local price of diesel, Bangladesh still offers the fuel at a cost lower compared to most of its South Asian peers.

Data shows that only Pakistan and Sri Lanka sells diesel at lower prices than Bangladesh while the fuel is more expensive in India, Bhutan, Maldives, and Nepal when taking its equivalent value in taka into consideration.

Diesel costs about Tk 109 per litre in India, Tk 96 per litre in Bhutan and Tk 83 per litre in Nepal, just three taka more than the price in Bangladesh.

On the other hand, Sri Lanka and Pakistan, have so far managed to keep prices at staggeringly low levels. In Sri Lanka, diesel is sold for about Tk 47, or around 60 per cent less than its cost in Bangladesh. While it is around Tk 72 per litre in Pakistan.

Besides, both countries charge well below the average international price, which currently stands at about $1.13 per litre, or roughly Tk 97.

We have seen that fuel prices differ from country to country as rich nations usually have significantly higher fuel prices compared to their poorer counterparts, especially those that produce oil.

Countries like Bangladesh have been subsidising fuel prices regularly to help consumers cope with the higher oil prices in the global market.

We have heard ministry and BPC sources saying that in determining the price of diesel and kerosene, many issues have been given priority, including the prices of fuels in neighbouring countries as well as the internal subsidy architecture.

The BPC also issued a letter to curb fuel smuggling in border districts, echoing what we have heard from the state minister pf power, energy and mineral resources. As fuel prices have been rising in the international market since the beginning of the current fiscal year, the BPC has been facing losses in the case of diesel -- the most-used fuel.

READ MORE ON B2

GLOBAL BUSINESS

Johnson & Johnson plans to split into two companies

AFP, *New York*

US pharmaceutical giant Johnson & Johnson on Friday announced plans to break up, splitting its consumer health arm that sells Band-Aid and Tylenol from its pharmaceutical division that includes the single-shot Covid-19 vaccine.

The spin-off will create "two global leaders that are better positioned to deliver improved health outcomes for patients and consumers through innovation," Johnson & Johnson said in a statement.

It is the third major company to announce plans to break up its business this week after General Electric and Toshiba. Johnson & Johnson is still dealing with the fallout from thousands of lawsuits over talcum powder containing traces of asbestos causing ovarian cancer in some people. A US court last year ruled it would have to pay $2.1 billion in damages.

The firm has never admitted wrongdoing but stopped selling the talc-based baby powder in the US and Canada in May 2020. The separation is expected to take 18-24 months, creating two publicly-traded companies, and the transaction will "qualify as a tax-free separation. "Alex Gorsky, executive chair and CEO of the 135-year-old company, said the decision to create a new consumer health business was made following a "comprehensive review.

UAE accepts future is not oil: US delegation

AFP, *Dubai*

The United Arab Emirates accepts that oil is not its future despite being one of the world's top exporters, a visiting delegation of US politicians told AFP on Friday.

The UAE's leaders "recognise that their future is not going to be in oil", Senator Ben Cardin said at the end of a trip that also included the COP26 climate summit in Glasgow.

Both the UAE and neighbouring Saudi Arabia, the number one oil exporter, announced net zero carbon goals in the build-up to the UN environmental meeting, which ends on Friday. The targets were set despite plans to ramp up oil production.

Net zero refers to emissions created within a country, not by products sold and consumed abroad. But UAE officials "recognise reality", delegation member and House of Representatives Majority Leader Steny Hoyer said after talks with Dubai ruler Sheikh Mohammed bin Rashid Al-Maktoum.

"They know the world is working very hard not to be in a position to buy their product anymore, because they're going to alternative energy," he said at the Dubai Expo world fair, which has sustainability as one of its major themes.

Singapore migrant workers suffer under Covid curbs

AFP, *Singapore*

Bangladeshi migrant worker MD Sharif Uddin used to spend his days off with friends outside his cramped Singapore dormitory, but coronavirus curbs have for 18 months left him stuck inside during his spare time.

More than 300,000 migrant workers, many of them from South Asia, live in dorms in the prosperous city-state, where they are typically packed into shared rooms and sleep on bunk beds.

The vast complexes were hit by Covid-19 and locked down at the start of the pandemic, while restrictions were introduced across the whole country for a period to prevent a broader outbreak.

Curbs have been eased for most in Singapore, where -- despite currently facing a renewed virus wave -- vaccinated people can go out shopping and to restaurants, and borders are gradually re-opening.

But it is a different story for the low-paid migrants, who remain subject to far more onerous restrictions that mostly allow them to travel only between their work and accommodation.

"It's a very painful life... like prison," said construction site worker Uddin, adding that before the pandemic he used to meet friends at the weekend to drink coffee, recite poetry and gossip.

"We're only allowed to go to work and home, back and forth, and nowhere else. It's like living under house arrest," added the 43-year-old, who has worked in Singapore for 13 years and written two books about his experiences.

Beyond heading to work, the migrants are allowed occasional trips to specially-built "recreation centres" that typically comprise shops set around a square, and sports facilities.

When the dormitories -- self-contained and usually in out-of-the-way parts of Singapore -- became the epicentre of the city's first Covid-19 wave last year, it sparked national soul-searching.

AFP/FILE

Migrant workers are seen resting after lunch time on the staircase of a dormitory that houses foreign employees. Many of these facilities have been made into isolation areas to prevent the spread of Covid-19 in Singapore.

Calls mounted to improve the livelihoods of migrants who have for decades done the back-breaking work of constructing the financial hub's gleaming skyscrapers, cleaning housing estates and maintaining public transport.

The government pledged to take steps such as building new dormitories with more modern facilities and more space for residents.

But the continued restrictions faced by the workers -- who typically earn from Sg$500 to $1,000 (US$370 to $740) a month in one of the world's most expensive cities -- highlight how little has changed in reality, critics say.

"Our government doesn't quite see them as fully human," Alex Au, vice-president of migrant rights group Transient Workers Count Too, told AFP.

Authorities treat the migrants like "an economic commodity", and fail to "accord them the same rights, the same freedoms that our citizens have," he said.

As criticism mounted, authorities in the city-state of 5.5 million started a scheme that allows a limited number to make organised trips to designated areas.

About 700 participated in the scheme's first month in September, and it was expanded at the end of last month to allow up to 3,000 workers a week from the dorms to participate.

But this still represents only a tiny proportion of the workers.

The government maintains that continued curbs on migrants -- who come from countries including Bangladesh, India and China -- are necessary as there is a higher risk of virus transmission due to their living conditions.

This is despite the fact 98 per cent of dorm residents have been fully vaccinated, higher than the city-state's overall rate of 85 per cent.

"Any easing of movement restrictions will need to be done in a careful and calibrated manner," Minister for Manpower Tan See Leng told parliament last week.

He also said authorities have improved access to mental health services.

But this is little comfort for dorm resident Amir from Bangladesh, who longs to have the freedom to go where he wants.

"I miss nature, open space," said the 32-year-old construction site supervisor, who spoke using a pseudonym.

"We can only see our dormitory life and our construction site. We cannot travel... cannot see outside."

For Uddin, change can't come soon enough for the increasingly stressed migrant workers.

"We are facing psychological problems," he said, adding their "fundamental rights as workers and human beings" had been breached.

"This imprisoned lifestyle won't let a person live a healthy life."

US consumer confidence hits 10-year low

AFP, *Washington*

Rising prices taking a bite out of American wallets caused consumer sentiment to drop to a 10-year low in November, a sign inflation is increasingly a political liability for President Joe Biden.

While the world's largest economy has bounced back strongly from the Covid-19 pandemic impact, global shortages of key components and supply chain snarls have added to a US worker shortage, raising costs and pushing prices higher.

Following a government data report Wednesday showing consumer price inflation jumped to a 30-year high of 6.2 per cent in October, a survey released Friday with the sharp drop in sentiment came as another blow, although economists do not expect shoppers to pull back on spending. The University of Michigan said its preliminary sentiment index dropped to 66.8 this month, a 6.8 per cent decline. Survey chief economist Richard Curtin said one in four families suffered eroding living standards but lower income families were feeling the most pain.

Biden on Wednesday pledged to make putting a lid on inflation was a "top priority," but Curtin attributed the dismal sentiment reading to "the growing belief among consumers that no effective policies have yet been developed to reduce the damage from surging inflation. "The US central bank has stuck to its view that most of the inflation pressures will fade once the global supply issues -- including ongoing manufacturing shutdowns, especially in Asia, due to coronavirus infections -- are resolved.