

Why is the DoE dormant?

Its failure to contain single-use plastic unacceptable

It is disheartening that the Department of Environment (DoE) has completely failed to comply with a High Court directive to stop the use of single-use plastic in hotels, motels, and restaurants in the coastal areas. Reportedly, the HC gave the order in January 2020, asking the DoE to put an end to such plastic use by 2021. Already, two years have passed with no visible progress made to contain its use. Moreover, the department is yet to submit a compliance report in this regard to the HC.

What has it done in these two years then? Apparently, it undertook a project to stop the use of throwaway plastics in 12 coastal districts last year, and held one meeting with the hotel-motel owners in Cox's Bazar. That's it. Now, if a government department responsible for saving our environment has a lacklustre attitude towards such a serious problem, can we blame the owners of the hotels, motels and restaurants for not complying with the order (since using throwaway plastics is convenient for them anyway)?

Environmentalists believe that there is no reason why the DoE cannot do all that is required to stop the use of single-use plastics. With the support of law enforcers, they can easily monitor the situation on the ground and take action against those not complying with the order.

Meanwhile, plastic usage in the country has been increasing at an alarming rate. Bangladesh has already become one of the top plastic polluting countries in the world. According to a 2020 World Bank report, the per capita plastic use in the country has increased to 9kg in 2020 from 3kg in 2005. A majority of the plastics used eventually end up in the oceans, threatening the very existence of marine life. The situation calls for stronger commitment and greater action from the authorities concerned. However, we must also remember that, in order for the hotel, motel and restaurant owners to stop using throwaway plastics, there should be better and sustainable alternatives.

The government has a big role to play here. They need to come forward to support the scientists who have already invented biodegradable alternatives to plastics, such as jute molymmer and biodegradable packaging materials from corn, etc. Popularising the use of traditional jute bags can also help beat the use of plastic bags. Needless to say, the DoE has to lead the way. Since they, in cooperation with the World Bank, have prepared a roadmap to stop the use of single-use plastic in our coastal regions, and also undertaken a three-year project, they must now focus on implementing their plans and projects and bring us some results.

Time to be sensible about the Ukraine crisis

Dialogue, not military action, should be the way to resolution

We are deeply concerned about the escalating tensions between NATO and Russia over Ukraine. While the current crisis has been building up for years—some say even decades, since the USSR broke up in 1991 and Ukraine began leaning towards the West—it now seems to have reached a boiling point. The US claims that Russia is gearing up to launch an attack on Ukraine and that it has already assembled at least 70 percent of the military firepower it likely intends to have in place by mid-February. Though Ukraine only receives US and allied military support and training as of yet, it does wish to be a NATO member—something that Russia, especially President Putin, has been firmly against since long. But the biggest concern is how the safety of Ukrainian citizens is now hanging in the balance between Russia's wish to not let NATO get any closer to itself (via Ukraine) and the West's reading of Russia's behaviour as a threat to pro-West Ukraine.

Several questions arise here: Why has Russia reportedly amassed 100,000 troops on the Ukrainian border? And is the US correct in seeing this as an imminent threat to Ukraine and its NATO neighbours? While Russia's routine exercise of strategic nuclear forces may be one explanation for the gathering of its troops, the US may be right to wonder why it was shifted to be held from mid-February to March instead of in the Fall, as is usual. But if Russia was adamant before about NATO not taking Ukraine under its wing, this demand has become an ultimatum now—something which the West will never bow to. Russia's concern that NATO may be getting closer to itself by eventually taking in Ukraine is also not something that can be brushed aside. After all, will the West gain much in terms of security if Ukraine is made a NATO member?

This may all seem a faraway issue for Bangladesh, as it is happening between countries we are not regionally connected to and over issues that do not, at first glance, concern us directly. However, being ever-committed to world peace, and having first-hand awareness of the dire consequences of war, we would like to call upon NATO members (especially the US) and Russia to engage in diplomatic dialogue and make efforts to de-escalate tensions over Ukraine immediately. If the current situation is allowed to fester, it will only lead to more war-mongering and trading of arms and weapons. That may set precedence for existing conflicts between other regions to worsen as well. War cannot be an option.

No respite from high food prices



MACRO MIRROR

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PEOPLE around the world are grappling with inflationary pressure. Many have lost their jobs or are earning a lower income. Prices of daily essentials and fuel have spiralled, further draining people's purses. Businesses have also been affected, particularly small businesses, who are yet to recover from pandemic-induced shocks. Though countries are on the path to recovery, the emergence of Omicron coupled with the high inflationary pressure might slow down their recovery in the short term. Meanwhile, since global economy is recovering, demand has gone up while supply could not match the demand.

Bangladesh has been in the recovery trajectory, too. However, like other countries, high inflation has been a major concern for Bangladesh. The inflationary pressure on Bangladesh's economy started around June 2020 following the outbreak of the pandemic. According to Bangladesh Bureau of Statistics (BBS), point-to-point inflation rose to 6.05 percent in December 2021 compared to 5.29 percent in December 2020. Food inflation went up to 5.46 percent in December 2021, as opposed to 5.34 percent in December 2020.

The price hike in Bangladesh is often linked with the global price hike. Bangladesh is a net importer of fuel oil. It also imports edible oil, food, sugar, intermediate goods and raw materials for production. Therefore, any price increase in the global market is felt in Bangladesh almost immediately. This is a regular phenomenon and has been the case for decades. During periods of crisis, it becomes even more prominent. It may be recalled that during 2000-2008, increasing global fuel and food prices were transmitted into Bangladesh economy. The inflationary pressure started to ease following a global meltdown towards the end of 2008 and in 2009, which caused prices of major commodities to fall. However, inflation started to rise once the global economy started to turn around towards the end of 2009 and beginning of 2010. In the following decade, till the outbreak of the pandemic, the inflationary trend fluctuated.

In 2011, the global food price index increased significantly. After a decade, food prices are alarmingly high again. The Food and Agriculture Organization (FAO) estimates that the FAO Food Price Index in 2021 was 28.1 percent higher than in 2020. Globally, the cost of logistics such as



▲ **In the absence of high growth, good agricultural production and a proper market monitoring system, high food inflation may continue to be a reality.**

PHOTO: RASHED SHUMON

Higher domestic food prices are a dominant factor for high inflation in Bangladesh's urban and rural areas.

is one of the reasons for high prices. A key component of high inflation in Bangladesh is high food inflation in the domestic market. Since food comprises about 60 percent of the total Consumer Price Index in Bangladesh, higher domestic food price is a dominant factor for high inflation both in urban and rural areas. Lower production is a key reason for the high price. Before the harvesting season, there is a lean period when supply is relatively low. This is a time when prices tend to go up. However, often markets do not follow the rule of demand and supply. For example, vegetable prices continued to be high even after the winter supply came in. The impact of higher supply was not reflected in prices. The cost of transportation and other logistics also contributed to this. For non-perishable commodities, there are market manipulators, hoarders, and syndicates—all of them take advantage of moments of crisis.

The global prediction for agriculture production is not promising in view of the impact of climate change, which is manifested not only through flood and cyclones but also through drought and wildfire. In the absence of high growth and good agricultural production, the inflationary pressure will continue to prevail. Indeed, due to uncertain climatic conditions, high input costs and the

an exorbitant price.

Therefore, Bangladesh needs to take measures well in advance. As a climate vulnerable country, it faces a high risk in terms of production disruption. On the other hand, the demand for rice and other food items is increasing. Hence, to have a proper market signal and price stability, a correct demand estimation for rice is needed. It is also essential to monitor the role of market players, including rice millers and importers, who control prices by manipulation.

Inflationary pressure always has an adverse impact on the consumers through reduction of their purchasing power and income erosion. High inflation, particularly high food inflation, affects the poor and people in the fixed income group. They are yet to absorb the burden of diesel price hike in November 2021. Now, with the continuous price hike of essential commodities, they find it difficult to live a decent life. The government's support measures in the form of direct cash transfer to the poor, social protection to low-income families as well as stimulus for the small businesses, can provide some respite in the short term. In the medium term, higher production through higher investment will help create jobs and income, which is crucial for absorbing price shocks.

Bangladesh RMG: Old perceptions die hard



RMG NOTES

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MOSTAFIZ UDDIN

IN Bangladesh's RMG industry, we view ourselves as fighting for a position as the world's second most important garment sourcing hub. We are neck-and-neck with Vietnam and also forged ahead of our nearest competitor this year after we posted record garment export receipts. Of course, both Bangladesh and Vietnam lag behind China, a textile powerhouse which will take some considerable time to catch up to because of the huge investments it has made in technology and innovation.

So, it was quite sobering to read a recent UN-World Trade Organization report which appears to place Bangladesh in a tier below Vietnam (and China) in terms of apparel sourcing. I have to say, my eyes did a double-take when I read this report, which claims that executives ranked Vietnam higher in 10 out of 12 indices. These covered such issues as production quality, lead time, innovation, vertical integration and sustainability.

The only two areas where Bangladesh was ahead of Vietnam were price and tariff advantages. The latter of these is hardly anything to shout about, while the former simply confirms the idea that Bangladesh is where executives go for cheap prices.

The findings led the authors to conclude that Bangladesh, along with other Least Developed Countries (LDCs) such as Cambodia, are "part of [fashion's] diverse sourcing base... Overall, China and Vietnam are regarded as more critical sourcing bases."

"However, these LDC countries are not

regarded as competitive in terms of speed to market, flexibility of order quantity, or innovation and ability to develop products. There are also concerns about the relatively high social and environmental compliance risks when sourcing from such significant suppliers as Bangladesh and Cambodia," the report states.

I would not be so presumptuous as to question the findings of a report by two organisations as prestigious as the UN and the WTO. These findings are also based on a survey of representatives from fashion brands and retailers, therefore, the UN/WTO would argue that they are only reporting back what they have been told.

Even so, to see that brands have concerns about relatively high social and environmental compliance risks in Bangladesh comes as a real surprise. It cannot be repeated enough that Bangladesh has undertaken the largest safety overhaul of any industry on record in recent years, thanks to the pioneering work of the Bangladesh Accord and the Alliance for Bangladesh Worker Safety. This work is ongoing, and Bangladesh remains a global leader in this area.

On the issue of environment, while we are not perfect, let us remember that we now have 155 LEED-certified green factories—the highest number of green garment factories in the world. What more can we do to show our credentials and efforts in this area?

Other areas where the report says Bangladesh scores less than Vietnam include production quality, ability to create value-added products, innovation, efficiency, lead time, flexibility of order quantity, and financial/political stability. While it is a concern that those surveyed ranked Vietnam higher than Bangladesh in all these areas, I am confident we are making sufficient progress in each one that we will soon completely close the gap, and may even have done so already.

I am inclined to think that in some sense, old perceptions die hard where Bangladesh RMG is concerned. The

message of us being low-cost and not much else has been repeated so often that perhaps people are now incapable of looking beyond this idea.

To go through the above criteria one by one, I would firstly dispute the issue of production quality. Quality is very high from Bangladesh, and I struggle to believe how we are behind Vietnam in this area. The only issue one might raise is that we are producing different garment types in many cases, so perhaps we are comparing apples with oranges.

In terms of the ability to produce value-added products, yes, that is an area where we trail Vietnam (and some other textile sourcing hubs), although we are making progress. We have invested heavily in areas such as outerwear and are looking more into technical textiles presently. Watch this space.

Two other areas mentioned—innovation and efficiency—are very general and hard to quantify. The only thing to say on these is that our productivity levels are historically lower than those of Vietnam and this serves to reinforce the need to invest in skills, training and leadership. On lead time, there is always room for improvement. The BGMEA is constantly lobbying on this issue to improve our logistics, roads, rail to port and so on. We must move urgently on this area.

I would question the report's finding around flexibility of order quantity. Our industry is very flexible in this area and has successfully pivoted towards shorter runs during the pandemic.

Finally, to the issues of political and financial stability. The latter of these will always be a challenge for Bangladesh until we shift towards more specialised, high-value-added products, a process which is thankfully underway. As for the former, well, Vietnam may be more stable politically than Bangladesh but it is a communist country—this, some might argue, brings its own challenges.