

## What good is price control if it isn't enforced?

Excuses won't do; people need solutions from the government

THAT consumers are having to pay an additional Tk 36-38 for every litre of non-bottled soybean oil over the price set by the government, despite record import of the item in the first quarter, is a textbook example of how the government has failed to enforce any form of price control as people keep suffering due to unbearably high prices. Moreover, each litre of palm oil is also costing Tk 21 more than the price set by the government.

Between January and March, more than one million tonnes of edible oils were imported into Bangladesh by businesses, which is nine percent more than the volume imported during the same period last year, according to data from the National Board of Revenue (NBR). In spite of that, wholesalers and retailers are claiming that supply shortages have been driving prices up. According to market insiders, this claim is false. They say oil refinery owners, dealers and brokers have been creating an artificial crisis to push the prices up.

At the end of March, the government fixed the wholesale price of non-bottled soybean oil at Tk 134 a litre and Tk 136 a litre at retail. But in Khatunganj, which is one of the largest wholesale markets in the country, the wholesale price was Tk 164 and retail Tk 174 on April 16. According to the president of the Chattogram chapter of Consumers Association of Bangladesh, this mismatch is the result of the government's poor market and refinery monitoring. On March 10, the government waived the 15 percent VAT on oil production and five percent VAT on retail until June 30 to cushion the blow of price hike in the international market. Yet, this duty waiver has not benefited the consumers. Wholesalers have alleged that some brokers and traders were hoarding edible oils, which resulted in the end consumers having to pay much more.

While this has been happening, the director-general of the Directorate of National Consumer Rights Protection told this newspaper that it was not possible for them to "control the market with limited manpower unless the SO [supply order] sales pattern of edible oil is changed." At present, refinery owners sell SOs to a limited number of dealers and brokers, and they change hands several times before products of those SOs go to wholesale markets. That's why the prices go up several times before the products reach the markets from the mill gates. The government urgently needs to address these problems. The number of intermediaries has to be reduced, and different government departments and local administrations need to work together to bring an end to such exploitation of consumers.

## Longest beach or biggest dumpster?

Advanced waste management system a must for Cox's Bazar

LIKE all other developing towns and cities in Bangladesh, Cox's Bazar has been growing at a tremendously rapid rate. And, not surprisingly, its municipal services have been unable to keep pace, particularly the conservancy service. Consequently, the humongous amount of garbage collected daily is piling up by the day due to a lack of proper waste management facilities. The only recourse is the dumping ground, which, in the current state in the heart of the city, is detrimental to the environment and to public health.

Unfortunately, like most towns and cities in the country, this tourist town is going through a phase of abjectly unplanned growth and urbanisation. Every empty space is being developed as a hotel or residential building, every pond being filled up to be gobbled up by real estate companies. There are already 750 hotels and 250 restaurants, according to one newspaper, in this small township. All these are happening without following a master plan—if there is one at all. The authorities, it seems, are not alive to the seriousness of the problem.

Reportedly, a town of 200,000, Cox's Bazar is visited by 10 million tourists every year. It is, therefore, no wonder that the services would be overwhelmed by the amount of waste and garbage the tourists generate in and around the city. Reportedly, the municipality collects 90 tonnes of waste from the municipal area every day on an average, which might go up to 130 tonnes during peak tourist season. The point to note is 90 tonnes of collected waste. No one knows the amount of waste that remains abandoned in situ. The waste generation is double that projected for 2021. And, as always, there are not enough staff to handle the garbage. But that's not all: the small town produces nearly 140 tonnes of sewage every day, of which only 20 tonnes can be treated.

This is a dismal picture for the tourist town, which claims to be home to the largest continuous sea beach in the world. We understand that a master plan is being prepared for the town by the Cox's Bazar Development Authority. In the meantime, unplanned growth has taken its toll, and unless addressed promptly, may prove to be irretrievable. An advanced waste management system is imperative for Cox's Bazar, whatever the cost may be. No price is high enough, unless one wants to see this once beautiful pristine township turn dirty and filthy.

# We can't let our guard down against Covid



A CLOSER LOOK

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WITH Covid-19 cases receding worldwide, our lives are entering a new phase, where the "normal" perhaps means a strategic co-existence with an ever-present, malevolent viral disease. The novel coronavirus, unfortunately, is highly unpredictable, with new variants and mutations surfacing every now and then, at times wreaking havoc on communities.

Take the case of China, for example. Despite pursuing a strict zero-Covid policy the last couple of years, the country is struggling to fight off new outbreaks of the Omicron variant, imposing blanket lockdowns in multiple localities, including the entirety of Shanghai (a city of around 27 million people), Beijing and Shenzhen, along with other major cities.

One of the variants found in the city of Suzhou near Shanghai—although mild in nature—does not match with records in the global variant database. The emergence of the Omicron sub-variant XE—a blend of Omicron BA.1 and BA.2 strains, also termed "recombinant"—first detected in the UK, and later found in India and even Thailand, has also drawn the attention of medical communities around the world. This new sub-variant—currently the UK's dominant one, with more than 637 cases detected so far—is thought to be highly transmissible, with early estimates indicating a 10 percent community growth rate advantage in comparison to the fast-spreading BA.2 strain. However, as of yet, there has been no indication suggesting that the XE sub-variant could be deadly. The events of the next few weeks would be important in understanding the nature and strength of the new sub-variant. While there is no need for us to panic, as conscious citizens, we should stay alert and follow the safety protocols.

And with Covid evolving, new strains and variants are expected to surface in the coming months and years. Which means, in the long run, Covid is expected to transform into an endemic disease. This, however, does not negate the risk posed by the virus. For some, especially the elderly and children, and for those who have not been vaccinated, the risks would be higher.

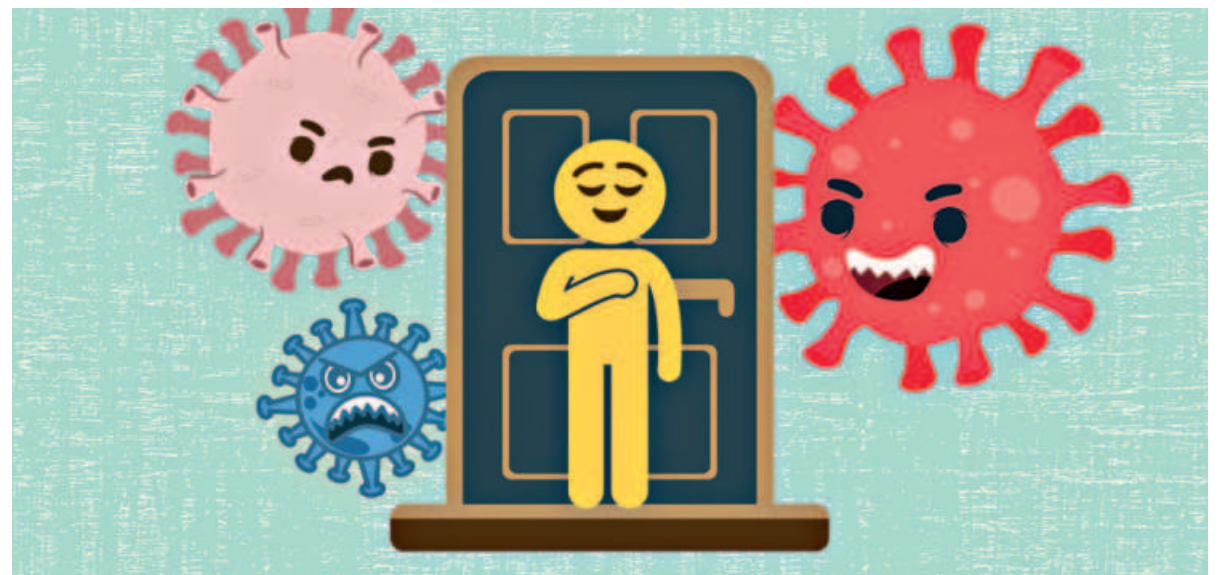
For us in Bangladesh, with the economy gradually opening up and life reflecting a semblance of normalcy, it is important that we do not let our guard down. Unfortunately, the number of people who practise social distancing or follow personal hygiene protocols is only decreasing by the day. Not only in open spaces, but in cramped places like lifts, people are moving freely without a mask, exposing themselves and the others to

the menacing possibility of catching the stealthy virus.

While the falling number of Covid cases and subsequent low fatality rate is a blessing and a respite for us from the nightmare that we have had to endure over the last two years—losing lives and livelihoods—we cannot become complacent now. The government has

heavy toll the pandemic has taken on our education sector.

While it would take years to recoup this loss, we must make sure to keep the spread of Covid to a minimum, if our children are to continue in-person classes. One more outbreak, and our children would be back within the confines of home amid uncertainties, fighting a fresh



COLLAGE:  
AFIA JAHIN

done a commendable job of bringing in as many people as they could under the Covid-19 immunisation programme, but we still have to keep in mind that there are Covid variants that have the capacity to evade vaccine protection and infect individuals. And with Covid, one can never really be sure how and when one might catch the virus.

For us, the only way to dodge the risk of catching Covid-19 is by adhering to health and safety guidelines, such as social distancing—following the space slots marked in lifts, public places, counters, etc that we often look down upon so disdainfully—and strictly maintaining personal hygiene protocols, including wearing face masks when in public, among other prescribed measures.

We must also keep in mind that most children in our country are yet to receive their first shot of the vaccine. And they have only recently started attending schools in person after a struggle with online classes and subsequent learning loss of almost two years.

A Unicef report suggested that the education of 37 million children in Bangladesh had been disrupted by the protracted closure of schools due to the pandemic. Moreover, 14,111 privately-run primary schools had to face closure within one year of the pandemic's outbreak in the country. The number of teachers and students declined by 83,268 and 1,461,634, respectively, within the same time frame, as per the Annual Primary School Census (APSC) 2021, prepared by the Directorate of Primary Education, and this figure is excluding the English medium schools or the Qawmi madrasas. The sheer numbers point to the

emotional and logistical battle to adapt to and cope with online learning.

The same is applicable for our economic aspirations as well. After months of struggles and setbacks, the economy is finally reopening, trying to cover up for the losses of the last two years. And the forecasts so far have been encouraging. The World Bank, in its Global Economic Prospects report, in January 2022, suggested that Bangladesh's economic growth would reach as high as 6.4 percent in FY2021-22, and up to 6.9 percent in FY23, despite the deceleration of the global economy.

Rebound of the garments industry, along with strong remittance inflow and increase in demand in the domestic market are thought to be the key drivers behind this growth. However, to sustain this, we would need to ensure that this flow of economic activities remains uninterrupted and we can only do so by keeping the coronavirus at bay. If we become complacent thinking we have managed to wash our hands of the virus once and for all, we would be making a grave mistake.

Despite all the strict measures taken by China, the country is now scrambling to minimise new outbreaks of the virus, and the new lockdown measures are expected to take a toll on the country's economic growth.

While the situation in every country is different, we should not take this lull in the Covid scenario in our country for granted. The more careful we are, the safer our nation is, and the more protected our loved ones are. We are all responsible for the fight against Covid, and we must not fail ourselves in this.

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## Creative policies needed to support RMG makers



RMG NOTES

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MOSTAFIZ UDDIN

WHILE Covid-19 has sent shock waves through the ready-made garment (RMG) supply chains that continue to reverberate, there is also a broader issue that needs more attention: sustainability. For apparel makers, the biggest impact this has is in terms of the regulatory environment.

It may not have been widely reported in our country, but just last week, the European Union (EU) launched a new strategy for textiles that could potentially have a big impact on global fashion supply chains such as Bangladesh. And one area the strategy is focused on is sustainable fashion and stopping greenwashing.

I think our industry needs leadership, support and guidance from the government and policymakers now more than ever. We need a clear and robust strategy as well as practical support measures to help us navigate our way through these uncertain and challenging, but also opportunistic times. Have no doubt about it: these are the times of huge opportunities. In any economic shake-up, there will be winners and losers, and we have to make sure we are the former, not the latter. Our government can help with that, but it must be smart and creative with the policy packages it uses to reinvigorate our sector.

What would I like to see in terms of our government support for RMG manufacturers? Firstly, I believe we need more investment in our sector to take it

to the next level. We can produce apparel products in large volumes, and if a major fashion player wants tens of thousands of units at a short notice, we are as good as any supplier in the world. But what about the ability to provide a seamless, one-stop shop? Vertical integration is the next step for Bangladesh's RMG sector and, while we have begun to make progress in this area, there is still more we can do.

To facilitate this process and the general upgrading of its textile industry, Vietnam's government has provided significant financial incentives for foreign direct investments (FDIs). FDIs can bring in the expertise we lack in Bangladesh to help drive operational efficiency as well as move to the value-added apparel products.

Secondly, I would like to see greater financial incentives for local factories to invest in new technologies and sustainable innovation. There are huge financial benefits to sustainable investment, as I have discussed previously. Factory owners need to be incentivised; they need to be directed along the right path, and this can be done via a range of fiscal measures, including quick access to investment credits and soft loans.

How about allowing garment makers to gain 100 percent first-year capital allowances to cover their expenditure on energy-efficient plants and machinery, for example? Or granting tax relief to companies investing in new energy-efficient machinery or water-saving equipment? Or how about supporting interest-free loans for garment makers to install energy-efficient equipment and make other sustainability-related investments?

Energy efficiency and other sustainability-related projects typically pay for themselves within a few years, through the cost savings achieved. This makes them attractive for investments with serious returns. However, they

require an initial upfront capital investment, and this is where we need government support via our financial institutions.

Remember, many of our customers are now increasingly looking to only work with factories that meet certain green criteria. Their rules are stipulated in their supplier terms and conditions which, from an environmental perspective, are becoming more onerous by the year.

Finally, I believe our government can provide more generalised financial support for the apparel manufacturers in terms of pushing the brand Bangladesh to a global level.

For instance, how can we increase our share in our main export markets, such as the EU, the US and the UK, and how can we reach beyond them? Many countries provide support to their key strategic exporters via export trade missions. Often, these missions—which governments subsidise to some degree—allow seasoned exporters to share ideas and information with up-and-coming exporters. These provide an excellent learning process for all and offer exporters an opportunity to make new contacts and win new business in international markets.

I believe in free markets and healthy competition; all garment manufacturers must ultimately stand on their own feet in what are ferociously competitive international markets. At the same time, there is no harm whatsoever in our government providing leadership and strategy backed by targeted support packages for our industry. Remember, ours is a sector of huge strategic importance. Government investment in it now, at this crucial juncture, will pay for itself multiple times over in terms of tax revenue and other softer benefits in the future. Support for garment makers will not go to waste and will be considered as money well spent.

**If a major fashion player wants tens of thousands of units at a short notice, we are as good as any supplier in the world. But what about the ability to provide a seamless, one-stop shop?**