

# The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

## A nightmare comes true

### Deadly depot blast exposes poor state of industrial safety

WE'RE outraged by the news of a deadly blast that occurred at the BM Inland Container Depot in Sitakunda, Chattogram, killing at least 49 people (as of writing this editorial) and injuring hundreds. The sheer ferocity of the fire and subsequent explosions that swept through the facility since Saturday night can only be rivalled by the sheer meaninglessness of the tragedy that followed. The fire, which couldn't be fully doused even after 18 hours, is the latest in an ever-growing list of tragedies that puts Bangladesh's appalling industrial safety record once again under the spotlight.

The death toll will no doubt rise as many of the injured are said to be in a critical condition. Horrifying scenes of panic and devastation have been reported both on the spot and at the hospitals. Some of the explosions - there were many - were so large that their sound was heard several kilometres away. One eyewitness described seeing "fireballs falling like rain". The challenge for the firefighters and military rescuers, who joined them later, has thus been quite daunting as they tried to bring the fire under control and pull charred bodies of survivors and the dead from the debris. At the hospitals, the air is still thick with grief and anxiety.

What caused the blaze? We don't know yet. But there were reportedly containers with chemicals in the depot, including a huge quantity of hydrogen peroxide - an oxidising chemical - which can intensify fire and is a major fire hazard when combined with other chemicals and substances. Apparently, the fire service wasn't informed of the unauthorised storage of chemicals (leading to nine firefighters being killed). This - in a depot containing millions of dollars of garments - will likely be a central focus of the investigation. Whatever caused the fire, we hope that investigators will find out soon and those responsible will be held accountable.

The Sitakunda blaze is the biggest disaster in the 24-year history of the container depot industry in Chattogram, and the first caused by chemicals. Unfortunately, such disasters are becoming quite common in Bangladesh. The poor infrastructure and institutional preparedness for industrial safety - which the ILO called "nascent" earlier this year - makes such fire incidents almost inevitable. Ultimately, it is the workers employed in these hazardous places that have to pay a high price for that.

We urge the government to properly investigate this tragedy and undertake necessary reforms to prevent its recurrence - in the depots or all such industrial settings. It must ensure that all survivors are accounted for and properly treated and rehabilitated, and that the bodies of the dead are quickly handed over to the grieving families. The loss they suffered is irreparable. The government must do everything to ensure it is not for nothing.

## We dig our own grave when we kill a river

### Without this realisation, particularly by the govt, nothing can save them

ON the World Environment Day, speakers at a roundtable discussion highlighted the grave danger we are inviting by destroying our rivers. Saber Hossain Chowdhury, chairman of the parliamentary committee on the environment ministry, rightly pointed out that our rivers wouldn't have faced mindless grabbing and encroachment had everyone recognised them as an integral part of our development and wellbeing. This failure, unfortunately, is most glaring on part of the government.

Another speaker, Muzibur Rahman Chowdhury, a former chairman of the National River Conservation Commission (NRCC), described how he, after visiting 30 districts, had prepared a list of grabbers in which the names of powerful individuals came up. Disappointingly, nothing could be done about it as top bureaucrats were reluctant to take action. It is because of such willful neglect that lower-level officials often feel reluctant to take action against powerful grabbers, fearing consequences, or because their hands are tied.

There are 310 rivers in the country, according to an estimate by Bangladesh Inland Water Transport Authority (BIWTA). Of them, 175 are in miserable condition, and 65 are almost dead. Moreover, 80 percent of the rivers lack proper depth. It is a shame that a country that has been blessed with so many rivers - forming the very foundation on which so many lives and livelihoods depend - has treated them so poorly. Our rivers and the many resources they provide are among the most valuable possessions we have. Unfortunately, our failure to recognise that is leading to their fast destruction, the price of which we're already having to pay.

It's not like we haven't realised this at all. Otherwise, the High Court would never have declared rivers as a living entity, and we would perhaps never have a river commission. We do have legal and structural frameworks in place. But due to the greed and short-sightedness of influential people and the inaction or apathy of government officials, those are not being put to proper use to protect the rivers.

Ultimately, it is the government that must take responsibility for this failure and it must address the challenges facing rivers. It needs to actively hold river grabbers, encroachers and their abettors in government offices accountable, and urgently empower the river commission to do its job. The government also needs to come up with a holistic plan, including negotiations with foreign governments, to address the issue of siltation and thus protect the lifeblood of this nation.

# Issues that should be in focus in budget 2022-23



## MACRO MIRROR

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FAHMIDA KHATUN

THE finance minister of Bangladesh is scheduled to place the national budget for 2022-23 fiscal year at parliament on June 9. This budget is probably the most challenging in the recent history of economic policymaking in Bangladesh. The world has not yet recovered from the pandemic fallout. On top of that is the Russia-Ukraine war. Due to multidimensional challenges, international organisations have downgraded their economic growth projections for 2022. For example, the International Monetary Fund (IMF) moderated its estimation for global economic growth to 3.6 percent for 2022 against its earlier projection of 6.1 percent. Prior to the Russia-Ukraine war, as the global economy was on the recovery path, demand for goods and services started to increase, but the supply could not cope up with it. The pandemic disrupted the supply system globally. The Ukraine war worsened it. In April 2022, fuel prices went up by almost 70 percent compared to April 2021. Prices of essentials such as rice, wheat, maize, edible oil, lentils, and sugar also skyrocketed. Two important sources of these products have traditionally been Russia and Ukraine.

In such global and domestic contexts, the FY2022-23 budget in Bangladesh will need to have measures addressing the immediate challenges as well as those tackling the medium-term issues. The global economic downturn and inflationary pressure will stay for some time as there is no sign of cessation in the war. Therefore, the government needs to make all-out efforts to face the crisis. In making its efforts, it must ensure coordination between fiscal and monetary policy measures.

First, to give some respite to common consumers, there should be removal of various taxes, such as advance income tax, advance tax, and regulatory duty on all imported essential items. Besides, social protection in terms of direct cash support to the poor should be scaled up. Sales of essential items in the open market at reduced prices should be made available in abundance to meet the demand of the poor and low-income groups. Though it is a burden for the government, subsidies for energy and agriculture should be continued, given the criticality of the situation. Moreover, in the case of agriculture, fair prices to farmers should be ensured so that they are encouraged to produce more to have more supplies in the market. Market monitoring mechanisms by the government should be strengthened, and the market

distorting players who hoard and create artificial crises should be punished. The government should also immediately make agreements with global suppliers to import essential items in the coming days to avoid future crises in the domestic market.

Second, increased and affordable supply in the market will need finance. So, the policymakers will have to create adequate fiscal space through domestic resource

account deficit, the government will have to put more efforts towards attracting remittances through the official channel. At the same time, rationalisation of the incentive for remitters is needed, and gradually it should be withdrawn so that the amount paid for incentives can be utilised for other purposes.

Fourth, while trying to put a strain on the expenditure, the government must be



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mobilisation. Clearly, reduction and elimination of various taxes on essential items will reduce import tax. One way to offset that loss is to tax luxury items more. The government has indicated it will do so in the upcoming budget. However, while this could be an immediate way to collect more revenues in order to accommodate the increased financial need, the goal should be to increase revenue through increased income tax collection. This depends on the reform of the revenue collection system itself. An independent and fully automated tax system backed by adequate and efficient human resources is much needed now.

Third, in the case of the external sector, the import cost pressure and relatively lower export income have led to a trade deficit of about USD 27.5 billion during July 2021-April 2022. Additionally, negative growth of remittances has resulted in a current account deficit equivalent to USD 15.3 billion in the same period. The government has recently announced some measures, such as cutting down imports of non-essential items and freezing foreign travels of government officials. This will help reduce the pressure on our foreign exchange reserves. Bangladeshi exports have been facing competition since many countries already devalued their domestic currencies against the US dollar. The recent decision of the central bank in allowing foreign currency market to take its own course is a positive move. To reduce the current

careful so that its spending does not fall drastically, domestic demand does not shrink, and investment is not affected. High inflation with weak growth can lead to stagflation, which many advanced countries are experiencing now. In some of the advanced countries, inflation has risen to a record level while growth has contracted. Bangladesh must increase spending on healthcare, education and social protection. Due to low revenue mobilisation effort and competing priorities, particularly for physical infrastructure, the social sector has been perennially ignored. Hence, these sectors receive insignificant allocation in the budget as a percentage of GDP. However, if economic growth is not accompanied by commensurate resource allocation for the social sector, the sustainability of growth will be under threat since poor allocation of public resources in these sectors will create further inequality in society.

Finally, though the national budget has limited scope for addressing medium- and long-term issues, it can make decisions on both resource allocation and generation for each financial year. Budget may be incremental in nature, but it can make choices and decisions within the broader national policy frameworks, which are formulated with medium- to long-term objectives. The annual budget is, thus, expected to devise not only short-term fiscal measures, but to also continue to allocate resources for medium-term objectives.

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# Break the trend, invest more in children



Sheldon Yett is the Unicef representative to Bangladesh.

SHELDON YETT

THE Government of Bangladesh is about to present the national budget for the upcoming fiscal year. Parliamentarians will debate the budget in the shadow of many competing demands as the country looks to build on the success of vaccinating almost 70 percent of its population against Covid-19.

To continue to prosper and travel on its remarkable road of progress, it is critical that Bangladesh allocates greater resources in the national budget on its most valuable asset: The 57 million children who constitute a third of the country's population.

In the past three years, the pandemic has affected every aspect of children's lives in Bangladesh, as it has around the world. Their education was disrupted in one of the world's longest pandemic-related school closures, causing significant learning loss and clouding their future prospects. The pandemic has taken a toll on children's physical and mental health. Children who were already vulnerable are at even greater risk of being forced into child marriage and hazardous child labour. The pandemic has deepened already existing inequities and chipped away at the progress made toward ensuring the rights of every child. Without urgent public investment to recover from the pandemic's impacts, we risk the future of an entire generation.

But the need to invest more in children goes beyond immediate recovery. Bangladesh is a testament to what can

be achieved when investing in children. The country has made great strides in preventing child deaths, reducing malnutrition, protecting children against preventable diseases through routine immunisation, and making sure both boys and girls are enrolled in primary education. This has been possible because of political commitment matched by policies, expertise and financial resources. And this has ultimately benefitted all of society.

Despite this progress, investments in social sectors such as education, health, nutrition and protection are still low. As one of the fastest growing economies in the world, Bangladesh can break that trend by investing more to ensure the rights and well-being of all its children while at the same time capitalising on the fast-closing demographic window of opportunity.

It is undeniable that investment in quality education for all is essential to equipping children with the skills and critical thinking they need to thrive to their fullest potential, and to contribute to the betterment of their communities. Yet last year's national budget allocated around two percent of the GDP to education. This is low not only by global standards, but also compared to other South Asian countries.

Similarly, Bangladesh currently spends less than one percent of the GDP on public health, far below the global average. This means that households must spend a large portion of their income on healthcare, causing financial hardship. Greater investment in health not only improves individual lives, it also supports overall and inclusive social and economic development. It is especially important that the budget helps accelerate progress towards Universal Health Coverage, ensuring that every child and adult in the country has access to quality and affordable health. Otherwise, Bangladesh

risks deepening existing inequalities, with millions of people left in poverty as others rise above.

Investing more in children today is a rational decision: history teaches us that investment in children brings economic growth, reduces poverty, and promotes social stability.

But most importantly, it is a moral imperative to invest in children, for their well-being today and to prepare them for a future that is not of their own making.

Too many children in Bangladesh miss out on a childhood and live precarious lives as they are forced to drop out of school, take up hazardous work, or enter into child marriage. Millions of children are regularly subjected to harm and abuse. And when they grow up, they will face new challenges, inheriting a world where Bangladesh is at the frontline of the climate crisis.

Bangladesh, as one of the first countries in Asia to ratify the Convention of the Rights of the Child, has shown time and again that it is prepared to do all it can for its children. The political commitment is there. The country has adopted the 2030 Agenda for the Sustainable Development and its global benchmark to allocate at least four to six percent of the GDP to education, while the Government of Bangladesh's 8th Five-Year Plan targets to increase expenditure on health to at least two percent of the GDP.

In the coming days, as members of parliament deliberate on the budget, Unicef asks them to remember that the challenge today is not only to recover from the pandemic, but to build back stronger, and to lay the foundations for tomorrow. These investments matter. They are about the future of the country and the children who will inherit it. Investing in children is not just the right thing to do, it is the smart investment to make too.

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