

LAW VISION

The necessity of a national logistics policy in Bangladesh

SHWEATA MISHRA AND ZAHIRUL BASHAR

The efficiency of the import and export processes is determined by the logistics policy of a State. With a coherent system among the logistics, import and export sectors, dominating the product delivery process, will consistently increase the turn-up profit for a State.

Logistics generally means the process of transportation and distribution of goods from the initial production level to the final destination, i.e., consumers. A national logistics policy is the directive that dictates how the logistics process, such as infrastructure development, customs, transportation, and trade policy of a State, will efficiently operate.

Mitigating crucial bottlenecks is a prime concern of a logistics policy. Since the bottlenecks occur at particular places or jurisdictions, such as port authorities and customs clearance, the logistics policy can detect and mitigate the complications, resulting in enhanced logistics performance in and through the process.

According to the experts, Bangladesh is losing 20% of its export potential owing to inadequate logistical services. The absence of effective logistical legislation is causing the shipping industry to incur higher costs. The rate of delivery of products falls short of expectations, and a comprehensive logistics system would vastly increase the conveyance of goods.

American Chamber of Commerce (AmCham) along with other interested groups indicated that Bangladesh's export development is hindered by the unrecognised logistics industry. The group urged the formation of a national logistics strategy to minimise the sector's complexity and tackle its issues. Presently, Bangladesh lags behind India and Pakistan in the logistics industry index. Bangladesh

Freight Forwarders Association (BAFFA) also mentioned that the freight forwarding and logistics industry lacks a solid logistics strategy; thus, the congestion in the Chattogram Port leads to loss of time. In addition, the experts emphasise the importance of transportation via the river routes of Bangladesh which has not yet used the full potential of river routes. However, the addressable issue may be remedied by implementing an overarching logistics program or scheme. With the enactment of a national logistics policy, a State can introduce either short-term or long term logistics priorities and objectives, as well as the critical measures that are deemed required to attain these objectives. For example, China and Malaysia have achieved coherence in their national logistics policies regarding logistics sector management and addressed the global environment by implementing green logistics.

Another illustration is Indian National Logistics Policy, 2020. The Indian government has focused on several aspects of the logistics sector, such as commodity-specific interventions, data and logistic analysis centers, and developing new methods to improve logistics. The main goal of the Indian national logistics policy is to create an ecosystem to accelerate economic growth and facilitate trade.

There are key objectives of the National Logistics Policy, 2020 (India), such as creating a 'single point' system for all logistics and trade facilities; making a balance between logistics cost and export growth; creating an e-marketplace and digitalisation of supply-chain processes; and strengthening

government is emphasising local technology investment and assisting firms in adopting technology in the logistics sector.

According to the experts, Bangladesh is losing 20% of its export potential owing to inadequate logistical services. The absence of effective logistical legislation is causing the shipping industry to incur higher costs. The rate of delivery of products falls short of expectations, and a comprehensive logistics system would vastly increase the conveyance of goods.

security in cyberspace.

The Indian government has allocated funds to establish 'multi modal logistics parks,' which will reduce freight costs, time, pollution, and traffic congestion. The Indian government intends to cut carbon emissions to zero by 2070. The logistics plan includes the promotion of carbon alternative fuels in transportation. Additionally, reducing industrial waste and environmental pollution while maintaining a

manufacturing sector to increase the Indian GDP is one of the targets of the logistics policy. The

also be of help. Additionally, numerous national logistics policies recognise that logistics is an international sector and emphasise the need for a national logistics strategy to enhance the international potential of the domestic logistics industry.

A national logistics policy addresses several aspects of the logistics process, including infrastructure development, modernisation, monitoring, information and communication technology (ICT), human capacity, harmonisation and standardisation, trade and transportation facilitation, internationalisation, environment, and a functioning logistic research center.

For instance, the Dhaka-Chittagong Highway is one way which creates congestion due to poor road conditions. Multimodal usage of the hinterland transport (HT) facilities between Dhaka and Chittagong in Bangladesh and increasing the use of inland waterway transport (IWT) and railway may alleviate congestion. In addition, with improvement in infrastructure and smoother transactions between Paoaon ICT and Chittagong port, the port service will increase. Furthermore, by reducing the border-crossing barrier complications, Indian northeastern cargo shipments may reach Bangladesh, thereby increasing export possibilities.

Moreover, the use of a geographic information system (GIS) database to organise, to analyse, and to display the logistics data and to encompass human users and support personnel, processes and workflows, related ideas and methodologies, and institutions concerning the logistics sector, can

Another illustration is the use of logistics system assessment (LSA) which analyses the entire system's strengths and weaknesses, presenting the result of the assessment, reducing or eliminating them, as well as proposing an implementation plan with specific steps based on the given recommendations. Furthermore, the use of logistics management information systems to collect data and the use of Self-Balancing Reports to calculate and automate complex numeric reports and equations.

Lack of legislation regarding logistics hampers the overall EXIM process and creates bottlenecks not only in shipping but also in the product delivery process. As the world slowly recovers from the COVID-19 pandemic, it is critical to accelerate exports and allow manufacturers to enjoy a hassle-free EXIM process. Many countries have legislation and some are taking initiation to enact legislation concerning logistics. Bangladesh can also adopt a national logistics policy for the betterment of the stakeholders and to mitigate the loss incurred due to lack of proper logistic arrangements in EXIM process as well as safeguard the national economy from ongoing inflation.

The writers are lawyers of MCLaw Services, being the Head of the Chambers and Research Associate of MCLaw Services, respectively.



LAW OPINION

Legal basis for circular economy transition

COP26, the most important climate event held in Glasgow, highlights the commitment to Net Zero by 2050 for reducing carbon emissions by replacing the existing linear economy with a circular economy. To avoid the climate crisis, the World Economic Forum (WEF) has called on the trailblazers to innovate and collaborate on circular economy solutions that can lead to global carbon emissions reduction.

MD. ASHABUR RAHMAN

A circular economy is a process of manufacturing products for reusing through recycling the existing materials. It is based on three principles i.e., eliminating pollution, circulating materials, and regenerating nature. In practice, it reduces waste to the lowest level. In the circular economy, when a product reaches the end of its life, its materials are kept for reusing which generates further value. Actually, the extraction of raw materials from nature has an impact on the environment where a circular economy provides maximum economic and social benefits by ensuring minimum and recoverable consumption of resources.

In 2020, the European Commission approved an action plan for establishing the circular economy for achieving the climate neutrality target by 2050 and stopping biodiversity loss.

The action plan has emphasised the circularity in production processes through the renovation of industries towards climate friendliness. On the other hand, the United Nations Conference on Trade and Development (UNCTAD) is working on the circular economy by promoting sustainable business models and raising awareness about behavioral changes regarding the sustainable use of natural resources. Likewise, the World Circular Economy Forum (WCEF) is working on the circular economy around the world for achieving the United Nations

Sustainable Development Goals and it has already acknowledged new business models for scaling up the transition.

Furthermore, the Save Our Seas 2.0 Act of the United States emphasises on building an economy that uses restorative or regenerative economic activities that authorises the sustainable use of resources and reduces the use of new materials. In the same way, Canada, France, Germany, and Korea have already developed the Circular Economy Framework for establishing a circular economy model for ensuring social and environmental benefits. Scotland has recently adopted an economic strategy for shifting towards circular economy that reflects the reuse of existing materials and enables the sustainable use of natural resources to effectuate climate emergency response.

COP26, the most important climate event held in Glasgow, highlights the commitment to Net Zero by 2050 for reducing carbon emissions by replacing the existing linear economy with a circular economy. To avoid the climate crisis, the World Economic Forum (WEF) has called on the trailblazers to innovate and collaborate on circular economy solutions that can lead to global carbon emissions reduction. Actually, using renewable energy as well as recycling and remanufacturing raw materials is a significant approach within the circular economy. It is such an economic mechanism that



can tackle climate change, prevent biodiversity loss, and recycle waste, and pollution.

Therefore, Article 11 of the Basel Convention has authorised its parties to ensure environmentally sound management of wastes through bilateral, multilateral, and regional agreements which paves the way for the circular economy. Similarly, Article 2 of the Kyoto Protocol has mentioned the promotion of

sustainable systems of agriculture, energy, and environmentally sound technologies in light of climate change consideration. Also, the MARPOL Convention is enforced for the prevention of marine pollution. These international instruments are pertinent to the circular economy legislation.

Moreover, the G7 Berlin Roadmap on Resource Efficiency and Circular Economy (2022-2025) is intending

to implement a collective method for promoting the sound management of products throughout the entire life cycle and it is working to formulate a set of principles for engaging public and private financial sectors in circular economy actions. India has already adopted the National Resource Efficiency Policy, 2019 for implementing the 6Rs (Reduce, Reuse, Recycle, Redesign, Re-Manufacture, and Refurbish) to establish a circular economy.

Undoubtedly, Bangladesh needs to adopt the circular economy model for achieving sustainable development goals, efficient use of natural resources, and nonstop supply of raw materials. Under article 18(A) of our Constitution, the government is authorised to protect and preserve the natural resources and bio-diversities for the citizens. So, following the global initiatives, international economic, trade, and environmental laws, Bangladesh needs to adopt an action plan for launching the circular economy to boost up a sustainable economic system.

In conclusion, the government can work with the trailblazers of the circular economy in the legislation, and policy formulation process and analyse the national, regional, and global approaches to support the circular economy transition.

The writer is a Specialist in International Economic Law.