



A strong, skilled and professional freight forwarding industry is badly needed to promote and facilitate international trade as modern trade involves complex interactions among people, firms and organisations, experts say.

PHOTO: STAR

Invest in human resources to beef up supply chain: experts

STAFF CORRESPONDENT, Chattogram

Various experts yesterday emphasised on increasing investments for developing human resources in the logistics and supply chain sector to ensure a competitive edge in dealing with the country's rising international trade.

Besides, a strong, skilled and professional freight forwarding industry is badly needed to promote and facilitate international trade as modern international trade involves complex interactions between people, firms and organisations, they said.

These comments came at an industry-academia collaboration conference, styled "An eye on vision-2041 of Freight Forwarding and Logistics Sector's Skill Development", organised by the Bangladesh Freight Forwarders Association (BAFFA) and USAID Feed the Future Bangladesh Trade Activity.

BAFFA President Kabir Ahmed chaired the event, held at the Radisson Blu Chattogram Bay View hotel.

Khalid Mahmud Chowdhury, the state minister for shipping, was chief guest while Mohammad Shahajhan, chairman of the Chittagong Port Authority (CPA), was special guest.

In his welcome speech, Ahmed informed that BAFFA with support from USAID Feed the Future Bangladesh

Trade Activity and in coordination with Chittagong Independent University is going to introduce a "Diploma in Logistics and Supply Chain Management" to help create a pool of qualified human resources for the logistics sector.

Prof Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said every sector of the country's economy has significant logistics components. For example, 5 per cent of the footwear industry is logistics based, the lowest among all sectors, while the ratio is about 7 per cent for the garments industry.

Similarly, about 19 per cent of the pharmaceuticals sector is logistics based while the agriculture sector has the highest share of about 40 to 50 per cent.

"For rice milling, which is our daily staple, the logistic component is about 12 per cent. That means 12 per cent of what we pay for rice goes to logistics related costs and this percentage keeps going up," Mansur said.

So, managing the logistics costs through proper supply chain management is a vital component of ensuring competitiveness and affordable prices for the consumers, he added.

Quoting a recent study, BAFFA Vice President Amirul Islam said efficient logistics alone can boost Bangladesh's exports by 20 per cent.

He said logistics efficiency could not be attained in Bangladesh as of yet as the related policies are not congenial and compatible with international standards.

Prof Dr Mamun Habib of Independent University Bangladesh said the future generation of workers in the logistics sector need to have basic knowledge in supply chain management and academic institutions should play a role in this regard.

He stressed on the need for introducing short-term diploma courses on supply chain management covering all the related sectors, including logistics management, freight forwarding, warehouse management and inland container depot management.

Habib went on to say the duration of these courses should be between 4 to 6 months and the admission criteria should be kept flexible.

Marc Shiman, chief of USAID Feed the Future Bangladesh Trade Activity, Muhammad Sekandar Khan, vice chancellor of East Delta University, and Angshuman Mitra Mustafi, managing director of Maersk Bangladesh, also addressed the conference.

The event was attended by 230 participants from BAFFA, the Federation of Bangladesh Chambers of Commerce and Industry, academia and other relevant stakeholders.

30pc of expected skills

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professionals, are harder to fill.

For blue-collar jobs, most employers do not lay emphasis on educational qualifications or field of study because associated skills can be learned through doing, the study found.

In general, a low amount of training is held and none are arranged by employers, it said. Only 8.28 per cent of the surveyed employees received training in their career.

However, training incidence is high in the construction sector, taking place in around 60 per cent of firms.

"Because it's a low hanging fruit. Since it's easy to train construction workers, all government, private sector, NGOs could be providing training here," said Iqbal, adding that coordination was also needed.

Evidence from service sectors like tourism and hotel industry suggests that soft skills can be taught, so should be a part of trainings, the study said.

Iqbal said massive investments in skills development was required to sustain growth increases.

Binayak Sen, director general of the BID, said the country's labour force was now equipped with moderate skills.

"Despite that, we need to try to achieve more sophisticated skills," he added.

The inflow of foreign direct investment (FDI) is very low and one of the main reasons could be a lack of skills of a very high standard and use of cutting-edge technology, he said.

He said 10 years ago economists had stated that skills were not constraints to economic growth acceleration because at that time Bangladesh had enough scope to

grow using low skills in agriculture, garment manufacturing and manual labour abroad.

But in 2022, skills of a very high degree have become necessary for economic growth in the next decade, he added.

Uzma Chowdhury, director at Pran-RFL Group, said, "We must give the trainee a clear understanding of what benefits they will get with this training. Besides, it's also important to train the trainer first."

"If we can't develop trainers properly, the quality of training will remain below standard," she added.

She said the industries have to recruit trainees as an apprentice in accordance with the labour law and many of them switch jobs after a few days of training, at times on not even attaining lessons adequately.

"They jump mainly for a better salary and they have to do it for their livelihood. But, as a private sector, it's not cost-effective for us as we spend money to train them," he added.

The quality of education was one of the most important aspects for human resources and the quality should be enhanced at primary and tertiary education, said Sayema Haque Bidisha, a professor of economics at the University of Dhaka.

"We have to also ensure coordination between educational qualification and supply and demand in the labour market," she said.

"Our labour force is moving ahead to a mid-skill force from a low-skilled one," she said.

"But we are lagging in the high skills and training is important to make a high skilled labor force," she added.

Planning Minister MA Mannan also spoke.

A total of 26 research papers related to the country's financial sector were presented at the conference, the concluding session of which was attended by Ahmed Jamal, deputy governor of the central bank, as chief guest.

He said the papers by academicians and bankers would help identify many critical issues and challenges confronting the domestic banking industry.

Md Akhtaruzzaman, director general of the BIBM, and Prashanta K Banerjee and Shah Md Ahsan Habib, professors of the institution, also addressed the event.

Forex clearing

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movement of instruments and officials, resulting in higher transaction cost and inconvenience.

In order to overcome the problem, the BB has decided to introduce FC clearing and settlement through the RTGS system.

To facilitate a safe, secure and efficient interbank payment system, the BB launched the BD-RTGS system in 2015, opening a new horizon in the payment ecosystem and accommodating instant settlement of large value and time-critical payments.

The system is capable of operating clearing and settlement in both local currency and foreign currency.

The BB is going to introduce clearing and settlement in foreign currencies: US dollar, Great Britain Pound, euro, Canadian dollar, and Japanese yen. The clearing and settlement of the Chinese yuan will be incorporated in the RTGS system soon, it said.

RTGS is a credit transfer system and the operation of the FC in the RTGS system is similar to that of the local currency settlement system.

At the beginning of each business day, banks' specific FC account will be debited and the related RTGS settlement account will be credited as per the standing instruction of the participants.

Then, transactions will be settled instantly and funds will be transferred to the beneficiary's account. The transaction will be settled only when the RTGS settlement account of a specific currency has a sufficient balance.

At the end of the business day, the balance of the settlement account of the RTGS system will be transferred to the banks' specific FC account.

Thus, the FC clearing through the RTGS system will eliminate settlement risk as well as credit risk for the participants, said the central bank.

Romo Rouf

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entrepreneurs of the country.

Currently, Romo Rouf Chowdhury holds the position of chairman of Rancon Group.

Rancon Group has more than 30 subsidiaries, including Rancon Motorbikes Ltd, Rancon Motors Ltd, Rangs Ltd, Rangs Properties Ltd, Rancon Automobiles Ltd, Rancon Oceana Ltd, Rancon Sea Fishing Ltd and Rancon Electronics Ltd.

Rice production growth

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per cent between the actual farm yield and the potential farm yield. If this yield gap could be narrowed by 1.13 per cent annually, there would be 48 million tonnes of surplus rice in 2050.

The average time to reach the adoption peak of the promising varieties released by the BRRI is about 16 years.

And results show that curtailing the adoption lag by five years and 10 years will result in clean rice surplus of 21 lakh tonnes and 43 lakh tonnes in 2050, respectively.

"We are thinking of how we can bring further momentum. We are working on it," said BRRI Director General Md Shahjahan Kabir.

The BRRI has focused on developing a good HYV to replace some benchmark varieties, namely BRRI Dhan 28, BRRI Dhan 29, BR-II, and BRRI Dhan 49.

"We have developed a number of modern varieties so that farmers start growing the new ones instead of the BRRI Dhan-28 during the Boro season," Kabir said.

Govt eyes amendment to labour law

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sectors by appointing over 100 non-governmental organisations across the country by 2025.

The government has launched the employment injury insurance scheme on a pilot basis to improve labour rights, Ghosh said.

"We have discussed the progress that has been made so far for the amendment."

Bangladesh will have to position its labour law in line with the International Labour Organisation standards to qualify for the Generalised Scheme of Preferences Plus status of the EU after the graduation of the country to a developing nation from the grouping of the least-developed countries in 2026.

In a meeting with Ghosh in Dhaka on Thursday, Christopher Wilson, assistant United States Trade Representative for South and Central Asia, suggested a revision to the labour law and improvement to labour rights to attract more foreign direct investment from the world's largest economy.

Similarly, the BRRI has brought in new improved rice varieties for three other popular varieties among farmers for cultivation during the Boro and Aman cultivation seasons.

The yield potential of the new seeds is up to one tonne per hectare, which is higher than BRRI Dhan-28 and 29.

The National Rice Breeding Institute has focused on bringing fallow land, particularly in the southern part of the country, under the Boro cultivation, said Kabir.

Md Shahidur Rashid Bhuiyan, vice-chancellor of Sher-e-Bangla Agricultural University in Dhaka, urges the government to raise investment in agricultural research.

"Serious incentives for agricultural research are necessary. More researchers should be hired for agricultural research to face future challenges."

A professor at the of Genetics and Plant Breeding, Bhuiyan also called for taking the best varieties to the growers quickly instead of focusing on developing new varieties every year.

During its visit last month, a high-powered EU delegation urged Bangladesh to implement the National Action Plan by 2026 and amend the labour law soon to obtain the GSP Plus status.

The government has framed the NAP to address the challenges that the country might face after the LDC graduation.

Currently, the labour law allows full freedom to workers outside the EPZs to form unions. The labourers of the factories located inside the zones have workers' participation committee.

The EU's GSP Plus gives developing countries a special incentive to pursue sustainable development and good governance.

In return, the EU cuts its import duties to zero on more than two-thirds of the tariff lines of exports from the beneficiary countries.

Bangladesh will have to ratify 32 international conventions linked to good governance, human rights, labour rights and protection of the environment to be eligible for the trade benefit.

IFIC Bank to issue Tk 500cr bond

STAR BUSINESS REPORT

IFIC Bank has decided to issue a Tk 500-crore non-convertible coupon bearing subordinated bond.

In a posting on the Dhaka Stock Exchange yesterday, the private commercial lender informed that the board had decided to issue the bond.

This is the fourth non-convertible coupon-bearing subordinated bond for Tier 2 capital as per BASEL III and is subject to the approval of the Bangladesh Securities and Exchange Commission and the Bangladesh Bank.

Shares of IFIC Bank closed up 4.88 per cent on the DSE yesterday.

Jahangir joins Rupali Bank as MD

STAR BUSINESS DESK



Mohammad Jahangir has joined Rupali Bank in the post of managing director and chief executive officer yesterday.

Jahangir was serving the bank as deputy managing director before being promoted to managing director, a press release said.

He started his professional career with Rupali Bank as an officer in 1990.

He obtained his master's degree in management from the University of Dhaka and did an MBA in finance.

Uttara Motors brings Suzuki XL6

STAR BUSINESS DESK

Uttara Motors Ltd, sole distributor of Suzuki vehicles in Bangladesh, recently launched the new Suzuki XL6, a premium sports utility vehicle, at its Uttara Centre in Tejgaon, Dhaka.

Nayeemur Rahman, head of business planning of Uttara Motors Ltd, and Chiranjeev Roy, chief operating officer of Suzuki Car Bangladesh, jointly unveiled the new model, a press release said.

The XL6 comes with a powerful 1,500cc dual jet VVT petrol engine with smart hybrid technology that gives exceptional peak power and fuel economy.

It is equipped with a 6-speed automatic transmission with paddle shifter, 7 inch smart play pro touchscreen audio and navigation system, and 360-degree-view camera.

Cenbanks will fail to tame inflation without better fiscal policy

Study says

REUTERS, JACKSON HOLE

Central banks will fail to control inflation and could even push price growth higher unless governments start playing their part with more prudent budget policies, according to a study presented to policymakers at the Jackson Hole conference in the United States.

Governments around the world opened their coffers during the Covid-19 pandemic to prop up economies, but those efforts have helped push inflation rates to their highest levels in nearly half a century, raising the risk that rapid price growth will become entrenched.

Central banks are now raising interest rates, but the new study, presented on Saturday at the Kansas City Federal Reserve's Jackson Hole Economic Symposium argued that a central bank's inflation-fighting reputation is not decisive in such a scenario.

"If the monetary tightening is not supported by the expectation of appropriate fiscal adjustments, the deterioration of fiscal imbalances leads to even higher inflationary pressure," said Francesco Bianchi of Johns Hopkins University and Leonardo Melosi of the Chicago Fed.

"As a result, a vicious circle of rising nominal interest rates, rising inflation, economic stagnation, and increasing debt would arise," the paper argued. "In this pathological situation, monetary tightening would actually spur higher inflation and would spark a pernicious fiscal stagflation."

On track this fiscal year to come in at just over \$1 trillion, the US budget deficit is set to be far smaller than earlier projected, but at 3.9 per cent of GDP, it remains historically high and is seen declining only marginally next year.

The euro zone, which is also struggling with high inflation, is likely to follow a similar path, with its deficit hitting 3.8 per cent this year and staying elevated for years, particularly as the bloc is likely to suffer a recession starting in the fourth quarter.

The study argued that around half of the recent surge in US inflation was due to fiscal policy and an erosion in beliefs that the government would run prudent fiscal policies.