

How stockpiling affects the middle class

Building a society 'free from exploitation' was one of the primary goals of the Constitution we founded in 1972. The framers of the Constitution promised to secure 'the rule of law, fundamental human rights and freedom, equality and justice' — in political, economic and social frontiers, for all citizens. Stockpiling/hoarding can arguably be said to be one of the major problems that we have witnessed (or been witnessing) throughout the history of Bangladesh since its independence. In the last one year since the beginning of the Russia-Ukraine war, and amid the unbearable global recession already catered by the pandemic, stockpiling has not only become more prevalent in Bangladesh, but caused a huge toll on the lives of the middle-income families.

According to a study conducted by Bangladesh Agricultural Research Council between October 2020 - January 2021, it was found that a significant number of traders intentionally hoarded rice, potato, and onion just to increase prices amid the pandemic, even when there was a surplus of supplies from the farmers' side (The Daily Star, 27 January, 2021). The study made it clear that it was not the farmers who stockpiled for profits, rather a band of profit-seeking traders created this artificial crisis of essential items to create panic in the market and take full advantage of the situation. The study concluded that the concerned ministries could have performed better to tackle the situation.

In this backdrop, the main purpose of this write-up is to highlight the legal framework that deals with stockpiling in the country, more specifically, to narrate what constitutes stockpiling legally and how existing laws make it a punishable offence.

One of the earliest laws that criminalises stockpiling is the Essential Articles (Price Control and Anti-Hoarding) Act, 1953. It aims to control the supply and distribution of



the whole or specified part thereof at prices not exceeding the maximum fixed price.

A trader can never — except an authorisation by the government — withhold from sale or refuse to sell to any person any essential article in quantities which is contrary to the normal practices of the business. At the same time, a trader must (a) maintain accounts relating to the transaction; (b) submit such accounts, returns, reports or statements relating to the transactions; (c) get his storage/warehouse registered; and (d) keep hung up in the business centre a noticeboard quoting therein the daily stock of essential articles held in the stock. Without doing so, no trader will be allowed to store any essential article in any place other than the warehouse so registered.

In case of any doubt, the government holds the power to enter, inspect, search — and if needed, to seize — any premises, tents, vessels, or vehicles used or believed to be used for the purchase, sale, transfer, or storage for sale of any essential article.

It can also direct the owner, occupier, or other persons in charge of such locations, or any trader to produce the books, accounts, vouchers, or other documents relating to the purchase, sale, or storage for the sale of essential articles. The officer will not, however, require any family which has stored essential articles for consumption and not for sale to produce such documents.

Violation of this law may result in the application of Section 3 of the Hoarding and Black-Market Act, 1948, which is now an obsolete law but provides for a maximum penalty of three years imprisonment, or Tk 1,000 fine, or both. The court may also direct that the property in dispute be forfeited to the government.

The Control of Essential Commodities Act, 1956 and the Essential Commodities Act, 1957 were enacted obligating the government to maintain or drive up the supplies of essential commodities as well as to secure their equitable distribution and availability at fair prices in the country.

In this respect, the government can now regulate, or prohibit the production, treatment, keeping, storage, movement, transport, supply, distribution, disposal, acquisition, use or consumption of such essential commodities and/or trade and commerce.

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essential commodities. Under this law, the government is authorised to fix maximum prices for the retailer and wholesaler to sell an essential article. It can also fix different prices for different areas of the country.

Further, the government can ask the trader to mark the maximum price on the essential articles. It is even obligatory for the trader to display a list showing the maximum prices of essential articles in a visible place of the shop or warehouse.

As a whole, retailers or wholesalers are not allowed to sell or purchase, or deliver or accept delivery of, any essential article at a price exceeding the maximum fixed price. The law also prohibits wholesaler and retailer from keeping in its possession or under its control any unauthorised quantity of essential articles.

In case of possessing extra-quantity of essential article, the concerned wholesaler or retailer

must instantly report it to the relevant officials of government who will then take necessary action as to the storage, distribution, or disposal of the excess quantity.

On 22 June 2022 the Ministry of Food circulated the Essential Foodgrains Collection, Management and Control Order, which clarifies that without license, no person or organisation can stock more than 1 metric ton of paddy, rice, wheat, or flour for trade related transaction.

In 2011, the same Ministry through another instrument, namely the Essential Commodities Act: Determining the Amount and Duration of Stock Order, forbade the stock of more than 1 metric ton of foodgrains in general.

Holding a license is a must for traders to do business with essential articles, and the government bears the duty to require traders holding stock of an essential article to sell

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