



Bangladesh's export will increase by 7.4 per cent if the country can reduce its transportation cost by 1 per cent by ensuring better logistics and transportation systems, said an expert at the Bangladesh Business Summit 2023 in Dhaka yesterday. PHOTO: STAR/FILE

**BANGLADESH BUSINESS SUMMIT**

# Poor logistics holding exports back: experts

**STAR BUSINESS REPORT**

Bangladesh's export potential remains largely untapped as the country lacks adequate logistics at its ports and highways, according to various experts. "If Bangladesh could reduce the overall cost of logistics by 25 per cent, then export earnings would grow 20 per cent," said Abdoulaye Seck, the World Bank's country director for Bangladesh and Bhutan. As Bangladesh looks to become a high-income country, it needs to undertake some reforms in the financial, macroeconomic and trade sectors for higher export competitiveness. "The country's export would increase by 7.4 per cent if transportation costs were reduced 1 per cent by ensuring better logistics," added Seck citing a recent study of the World Bank. He made these remarks yesterday while speaking at a panel discussion on "Building Connectivity and Production Infrastructure for the Next Phase of Growth: Investing in Logistics and Economic Zones." The Federation of Bangladesh

Chambers of Commerce and Industry (FBCCI) organised the event as a part of its ongoing three-day business summit at the Bangladesh International Conference Center in Dhaka. Seck also gave a five-point suggestion for the country's logistics sector, which includes ensuring logistics efficiency, improving the quality and integration of services, their capacity and management quality, and regional connectivity. Seck then welcomed the government initiatives to formulate a national logistics policy. Besides, he congratulated the industries ministry for including logistics as a critical sector in the industrial policy 2022. Masrur Reaz, chairman of Policy Exchange Bangladesh, a private research firm, said the low speed of freight transportation is a major concern for the country's export competitiveness. Currently, the average speed of goods-laden trucks plying the Dhaka-Chattogram highway, which handles 98 per cent of the movement of export-import goods, is 19 kilometres per hour. "But if the average speed can be increased to 40 kilometres per hour, it

would boost exports by some 8 per cent," Reaz said while delivering the keynote speech. Bangladesh is lagging behind in the global logistics index as the country ranks 100th with a score 2.58 among 140 nations while India places 42nd and Vietnam 45th. "If there were no traffic congestions in Bangladesh, the total costs borne by truck operators would be 35.5 per cent lower on average," he added. Reaz went on to say that a particular ministry, government agency or department should be made responsible for growth in the logistics sector. After Bangladesh graduates from a least developed country in 2026, the country's exports will face 8 per cent to 12 per cent duty. "So, efficiency in logistics is very important to remain competitive in the global supply chain in the post-graduation period," Reaz said. Syed Ali Jowher Rizvi, managing director of Summit Alliance Port, said Chattogram port is now handling 98 per cent of the country's total import-export activities. "This is a good job, but they need

more efficiency by ensuring quality management," he added. While stating that limitations in the facilities available at the country's premier seaport are the main problem, Rizvi said digitalisation should be given the most importance to address the issue. The Chattogram port authority currently acts as the owner, operator and regulator all at the same time, leading to delays in the logistics system. "So, improved logistics are needed to make it one of the most successful multimodal ports," he added. AK Azad, a former president of the FBCCI, said it is not possible for the government to overcome all challenges on its own as public-private partnerships are very much needed. Among others, Alfred Sim, head of Cargo Solutions at Northeast Asia PSA International Pte Ltd, Md Miarul Haque, managing director of DHL Express Bangladesh, Shamimul Haque, country director of Dubai Port World, and Mohammad Salahuddin, secretary of the Prime Minister's Office, also spoke. Abul Kasem Khan, director of the FBCCI, moderated the event.

## StanChart to streamline Reckitt's sales data transfer

**STAR BUSINESS DESK**

Standard Chartered Bangladesh recently signed an agreement with Reckitt Benckiser (Bangladesh) to provide "Host-to-Host" connectivity, streamlining the collection of sales proceeds by facilitating data transfer between the two. Connecting Reckitt's Enterprise Resource Planning platform to Standard Chartered's Straight2Bank offering will enable Reckitt to exchange information and receive notifications in preferred file formats, network protocols and standards, said a press release. "...we are helping to make our valued clients nimble and future fit," said Luthful Arefin Khan, head of the bank's transaction banking. "(It) will certainly streamline our collection process," said Tanmay Gupta, finance director of Reckitt Benckiser Bangladesh.

## Modern Group to avail MTB cash management services

**STAR BUSINESS DESK**

Mutual Trust Bank (MTB) and Modern Group recently signed an agreement over cash management services. Md Khalid Mahmood Khan, deputy managing director of the bank, and Abu Sufian Chowdhury, managing director of the group, inked the deal at Akhtaruzzaman Centre in Chattogram, said a press release. Syed Mahbubur Rahman, managing director of the bank, Abdul Mannan, head of branch banking division, Syed Mahmud Akhter, head of MTB Chattogram, Mohammed Ishaque, head for Chattogram region, Faruk Ahmed, unit head of wholesale banking division in Chattogram, SM Md Azizul Hoque Mahmud, unit head, cash management and transaction banking division, and Imran Abu Hasan, chief financial officer of Modern Group, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 11, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	2.27 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	0
Loose flour (kg)	Tk 58-Tk 60	3.51 ↑	57.33 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 168-Tk 172	0	0
Potato (kg)	Tk 18-Tk 20	-14.89 ↓	5.26 ↑
Onion (kg)	Tk 30-Tk 40	0	-41.67 ↓
Egg (4 pcs)	Tk 42-Tk 43	-7.61 ↓	14.86 ↑

SOURCE: TCB



Humaira Azam, managing director of Trust Bank, attended the closing ceremony of a 100 hours' training jointly organised by SME and Special Programmes Department of Bangladesh Bank and Trust Bank under a Skills for Employment Investment Program (Tranche-3) in Rangamati recently. Ahsan Zaman Chowdhury, deputy managing director of the lender, and Mohammad Jahid Iqbal, joint director of the department, were present. PHOTO: TRUST BANK



Muhammad Qaisar Ali, managing director (current charge) of Islami Bank Bangladesh, handed over a motorcycle to Hamida Begum, spouse of Md Mofiz, an expatriate in Malaysia, as the first winner of Islami Bank-Ria Money Transfer Cash Remittance Fiesta at a Jashore auditorium on Friday. Md Maksudur Rahman, senior executive vice-president, AKM Mahbub Morshed and Ahmed Zubayerul Huq, executive vice-presidents, were present. PHOTO: ISLAMI BANK BANGLADESH



Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, inaugurated the new premises of its relocated Mohakhali branch at Medona Tower on Bir Uttam AK Khandakar Road in Mohakhali yesterday. PHOTO: DUTCH-BANGLA BANK



Md Nasiruzzaman, chairman of Bangladesh Krishi Bank, approved its balance sheet for FY 2021-22 at a board meeting in its head office in Dhaka recently. Deputy managing directors, the general manager (admin) and board secretary along with officials concerned were present. PHOTO: BANGLADESH KRISHI BANK



Zafar Alam, managing director of Social Islami Bank, attended a ceremony for recognising meritorious children of the bank's employees on their 2020 and 2021 SSC, HSC and equivalent examination results at its head office in Dhaka on Saturday. Mohammad Forkanullah and Abdul Hannan Khan, deputy managing directors, Kazi Obaidul Al-Faruk, head of human resources division, and Md Moniruzzaman, head of marketing and brand communication, were present. PHOTO: SOCIAL ISLAMI BANK

## Suitable policy

FROM PAGE B4 showcase the country's progress and potential to both global and local investors. "If you look at that very fundamentally it's a flat country, dense population. And with government support with good policies give the birth of mobile phone infrastructure," said Quadir. "Subsequently, on top of that infrastructure, we built another level of service—mobile financial service (MFS)," he said. "When you have ecology like that, with 100 million unique mobile phone users, and good regulations that protect customers fund, there is no reason MFS-like service shouldn't be there," he said. With this, common people are participating in economic growth, a rickshaw-puller now can participate in the digital economy, he added. "After 12 years of hard work, we (bKash) demonstrated that foreign direct investment from some of the best investments can be attracted to Bangladesh," he added. Bangladesh now needs a policy framework which will not only make it easy for digital business but also enable sustainability, said Bjarke Mikkelsen, group CEO of Daraz Group. Because capital and investors will be coming in from all over the world and Bangladesh will be on the forefront, he said. "So, we need to remember that we are investing for a long term and we also need support for good sustainable business," he said. Identifying the right skillsets, target market and proper strategy will help Bangladesh to boost annual IT exports to \$20 billion, said Russell T Ahmed, president of the Bangladesh Association of Software and Information Services. "If you can do these few things right, \$20 billion export by 2031 is very much possible," he said. He urged non-resident Bangladeshis and local conglomerates to invest in Bangladesh's ICT sector as it has a lot of potential to surpass garment's export earnings by 2041.