



Workers bend small sheets of aluminium into pitchers in Zero Point area of Khulna city, getting paid Tk 200 for every maund (around 37 kilogrammes) of metal turned into a product. A worker can end up making four maunds of products a day, earning Tk 800, while an assistant gets paid Tk 250. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

# BCIC warehouse project to seek more time, fund

Officials cite difficulties in land acquisition, rising construction costs for delay

SUKANTA HALDER and MD ASADUZ ZAMAN

A project of the Bangladesh Chemical Industries Corporation (BCIC) to build 34 buffer warehouses has once again failed to meet its deadline and become costlier due to slow implementation.

The Tk 1,983 crore project, which aims to facilitate adequate fertiliser supply across the country, has not seen any significant progress following its previous four-year completion schedule, according to planning ministry documents.

As such, the project will today be placed before the Executive Committee of the National Economic Council for its first revision.

If approved, the project cost will spike by Tk 365 crore to Tk 2,348 crore while its completion deadline will be set for June 2025.

Seeking anonymity, a BCIC official said only 29 per cent of the project implementation work has been completed so far with financial progress of 19 per cent.

Project implementation has been delayed as the proposed land to be used

for the warehouses are near railways, rivers and roads while there have been difficulties in obtaining environmental clearance as well.

So, delays in land acquisition and price hikes of construction materials were cited in response to the planning commission's inquiry for reasons behind the slow implementation.

The project was undertaken to increase the productivity of agriculture and thereby improve food security while keeping prices within peoples' purchasing power.

Once implemented, the project would facilitate the safe storage of fertilisers at these warehouses, making it possible to meet the needs of farmers during transitional periods.

Although the project is very essential for the country's food security, it has not seen any significant progress for its inept design, said an official of the planning commission.

Speaking on condition of anonymity, the official said land acquisition is ongoing for at least 10 of the warehouses while two cases have been filed in this regard.

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**Khondaker Golam Moazzem**  
Research director of CPD

Although land acquisition is a big challenge, there is also a lack of urgency of the implementing agency.

"The country will suffer during a crisis if we fail to implement the project on time as fertilisers could be damaged by bad weather," the official added.

Contacted, Project Director Amin Sarker said land acquisition is almost in the final stages.

"That was the biggest challenge for us. If this project is implemented, fertiliser

will reach marginal farmers quickly," he added.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the progress the project has made so far is disappointing.

"It is not acceptable that long delays in land acquisition are being excused. As per the new land acquisition policy of the government, the work was supposed to be completed sooner," he added.

Moazzem went on to say that due to the difficulties in land acquisition, it cannot be confirmed that the project will be completed even after the extended deadline.

"In this case, the project may be more expensive. Therefore, the ability of the project implementing agency is in question," he added.

Moazzem then suggested the government could implement the project in two phases.

The first would be to complete work in areas where land has been acquired while the rest would be done in the second phase, he said.

## Indian sugar prices climb

REUTERS, Mumbai

Sugar prices in India have climbed more than 6% in two weeks and are likely to rise further as production is set to fall and demand from bulk consumers to strengthen during the peak summer season, industry officials told Reuters.

Higher local prices will improve the margins of sugar makers such as Balrampur Chini, Shree Renuka Sugars, Dalmia Bharat Sugar and Dwarikesh Sugar, helping them make cane payments on time to farmers, dealers said.

But the price rise could add fuel to elevated food inflation and discourage New Delhi from allowing additional sugar exports, supporting global prices, which are already trading near multi-year highs.

Sugar prices are rising mainly due to the downward revision in production in top sugar producing state Maharashtra, said Ashok Jain, president of the Bombay Sugar Merchants Association.

Maharashtra is likely to produce around 10.5 million tonnes in the 2022/23 marketing year ending on September 30, dealers estimate, compared to an earlier forecast of 13.7 million tonnes.

"Prices would rise further in coming months as demand from bulk buyers is expected to rise because of summer season," he said.

Sugar demand rises as consumption of cold drinks and ice cream climbs in India during the summer months that run roughly from April to June. Demand also gets a boost in summer from the wedding season.

Demand has rebounded after being disrupted last year by the Covid-19 pandemic, and could rise to a record 28 million tonnes this marketing year, said one Mumbai-based dealer with a global trading firm.

## Saudi maintains supply to Asia despite Opec+ cuts

REUTERS, Singapore

State oil giant Saudi Aramco will supply full crude contract volumes loading in May to several North Asian buyers despite its pledge to cut output by 500,000 barrels per day, several sources with knowledge of the matter said on Monday.

This comes after the Organization of the Petroleum Exporting Countries (OPEC) and allies, known as Opec+, surprised markets last week by announcing an extra output cut of 1.16 million barrels per day (bpd) from May for the rest of the year.

Saudi Aramco's monthly allocation was being keenly watched by investors as an indicator of whether planned output cuts could tighten supplies in Asia, the world's biggest crude import market.

People are wondering whether the additional voluntary cut will actually affect supply, or whether it is designed just to shore up oil prices, said a source at an Asian refiner who declined to be named as he is not authorised to speak to media.

The Opec+ announcement caused Brent and US West Texas Intermediate crude futures, to jump 6 per cent last week, returning to levels last seen in November.

## Online courier business

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"Interesting trend is that delivery volume growth is bigger outside Dhaka," he said.

"In the last one and a half years, we have ramped up our expansion and expanded the footprint to upazila levels, set up sorting facilities at every division and increased the number of distribution hubs to 150, enabling us to cater to this growing demand," said Ahmed.

"The demand for logistic service for online deliveries has been great since the beginning of this month," said Biplob Ghosh Rahul, founder and CEO at eCourier Ltd, an on-demand last-mile logistic network offering tech-enabled one-stop delivery solutions.

"There were some trust issues over e-commerce that hampered our business, especially outside Dhaka. But we will overcome this growth," he added.

Last week, eCourier made over 25,000 deliveries per day, an over 80 per cent increase compared to other times.

According to Rahul, the top item that the online logistic service company was catering to during this season was clothing.

"However, the online order for gadget items and beauty, personal care and hygiene products are on the rise in recent times, especially for the

Eid season," he added.

Industry people said over 95 per cent of payments for online deliveries were now made through cash-on-delivery methods since related fraudulence unfolded in the sector, having a significant impact on the government's cashless and digital ambitions.

Rahath Ahmed, co-founder and chief marketing officer, Paperfly, said it now delivers about 25,000 orders, up 30 per cent from other times.

Most of the online orders it caters to are from e-commerce companies such as Daraz, and Shajgoj. It also makes Unilever's online deliveries.

"We could not imagine that the demand for online logistic services would rise that much. It's great that people outside Dhaka resumed online shopping," he added.

"It is because logistic companies have scaled up their operations, shortened the delivery time and are providing quality service," he added.

Fahim Mashroor, CEO of Delivery Tiger, a logistic service provider of Facebook-based small and medium enterprises, said the number of deliveries has increased by up to 60 per cent over the past two to three weeks.

"We have increased our manpower to enable seamless delivery during the shopping season," he said.

## Female bankers

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The BB report said the highest number of people are employed at 43 private banks. Collectively, they employ 131,264 persons, of which 16.15 per cent were women. But they accounted for 66 per cent of female bankers in 2022, up from 61 per cent in 2018.

Ali recalled the ratio of women bankers was 4 per cent of the total workforce at Pubali Bank when he joined in 2008. Now women account for 18 per cent of the total headcount.

"When I joined in, there was no woman general manager at our bank. Now we have six women general managers. We have 10 corporate branches in Dhaka and two of them are run by women managers."

Afsana Islam, manager of the Mohammadpur branch of Standard Bank Ltd, said: "Women are managing families properly and running businesses. So, there is no reason why they can't hold senior positions at banks."

"All of my women colleagues and fellow managers are doing well."

Islam, who joined the banking sector in 2010, said the working environment in the banking industry is congenial and female bankers don't face noticeable discrimination when it comes to promotion and salary increases.

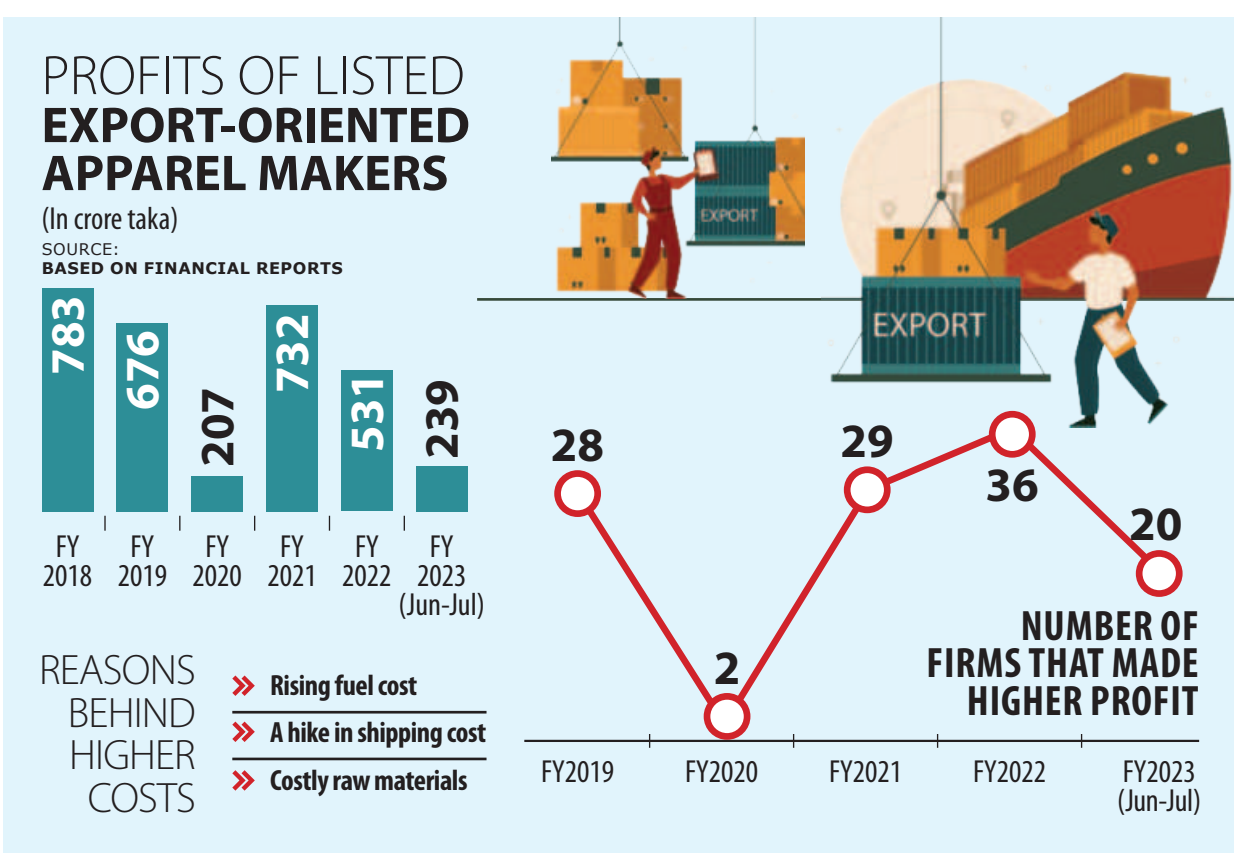
transactions digitally.

"Such an incentive is available in India. We can follow the model to popularise digital transactions."

According to Kamal, when clients make payments digitally to traders for goods and services, it increases transparency, helping the government generate more revenues.

"Offering incentives will also help increase transactions through MFS providers."

In a country of nearly 17 crore people, the number of MFS accounts stood at 19.41 crore in January, up 12 per cent year-on-year. Transactions in the month increased 18.6 per cent to Tk 100,593 crore.



## High costs limit exporters' gain

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Last year, the taka was depreciated by 23.5 per cent, shows Bangladesh Bank data.

Energy, labour and raw materials are major ingredients for manufacturers, said Anwar-Ul Alam Chowdhury, president of the Bangladesh Chamber of Industries.

Energy costs rose in Bangladesh and it is now even higher than that in many other countries including neighbouring India, he said.

The government hiked the prices of diesel, kerosene, petrol and octane by up to 51 per cent last August.

Earlier in November 2021, the government had hiked the price of diesel by 23 per cent.

Bangladesh Energy Regulatory Commission raised the price of electricity at the wholesale level by 19.92 per cent in November 2022.

If energy prices rise at this extent, it raises production costs, he said, adding that transportation costs also soared when the fuel price rose.

So, the depreciation benefits are eaten away by the production costs, he added.

The combined profit of export-based apparel makers dropped 42 per cent year-on-year during the July-December period of 2022-23.

In general, the depreciation of the local currency enhanced the competitiveness of the exporter, said Prof Mustafizur Rahman, a distinguished fellow of Centre for Policy Dialogue.

But for exporters whose raw materials need to be imported and domestic value addition is low, the benefit was comparatively low, he said.

As the fuel price and shipping costs increased, so did the production

costs. If the currency had not been depreciated, their competitiveness could have dropped, he said.

Sectors that do not need to import raw materials benefitted like jute and leather industries, he added.

MA Razzaque, research director of Policy Research Institute, echoed Rahman.

He said the depreciation helped to absorb the situation induced for the Russia-Ukraine war.

"In the absence of depreciation, exporters' capability could fall," he said. It is true that the exporters are not getting the maximum benefit for the presence of multiple exchange rates, he said.

The Western countries are witnessing high inflationary pressure, so they are containing their demand which could have an impact on exports of Bangladesh, said Razzaque.

## BB sets goal

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Eighteen banks are now using Bangla QR to settle transactions. This means that there are still 44 banks that is yet to join the initiative.

"So, it is important for all of us to speed up the programme," Rahman said.

Bangladesh's payment landscape industry has widened to a large extent in recent years, said Syed Mohammad Kamal, country manager of MasterCard Bangladesh.

A good number of clients have embraced various digital transaction tools such as credit and debit cards and banking apps. The use of both credit and debit cards has been on the rise

for the last couple of years and many people purchase goods and services through e-commerce platforms from the convenience of their homes or offices than in the past.

The total amount of credit card loans held by lenders stood at Tk 2,506 crore in January this year, up 17 per cent year-on-year. Spending through debit cards increased 49 per cent to Tk 36,765 crore, data from the BB showed.

But Kamal says that a portion of people have gone back to the use of cash after the pandemic receded, so the government should think about it.

He recommended the government offer a 5 per cent incentive to both clients and merchants who settle