

Star

BUSINESS

# Transport operators sitting idle, counting losses

JAGARAN CHAKMA

The violence centring the quota reform protests and associated curfew are preventing trucks and covered vans from plying the roads and highways, leading to losses for their operators alongside businesses dependent on them.

“We have been totally shut for the last three days,” lamented Moqbul Ahmed, president of the Bangladesh Covered Van, Truck Panya Paribahan Mailik Samity, an association of transporters.

Ahmed said they mainly transport exports and imports to and from the Chattogram port, which handles around 90 percent of the country’s trade.

Given the present situation, garment factory owners are reluctant to dispatch exports fearing attacks on the roads, he said.

At the same time, goods are not being loaded from the Chattogram port due to an internet blackout since July 18, which has impacted the assessment and clearance of imported goods, he said.

There are around 15.5 lakh trucks and covered vans registered with Bangladesh Road Transport Authority. Of them, around 3.5 lakh ply the roads and highways on any given day.

The Dhaka-Chattogram highway alone sees roughly 2,000 covered vans daily, Ahmed estimated.



Flatbed trucks used for carrying containers remain parked along the road in Chowchala area in Chattogram city yesterday. For a fourth day straight, the delivery of imports from the country’s premier port remained suspended due to violence centring the quota reform movement, a nationwide curfew and the internet blackout. The photo was taken around 11:00am.

PHOTO: RAJIB RAIHAN



However, he was hopeful that they would be able to operate normally after the curfew was lifted.

Khandker Anayet Ullah, secretary general of Bangladesh Road Transport Owner’s Association, said owners do not want to risk damage to their vehicles despite incurring huge losses.

As the vehicles have been lying idle for the last couple of days, overall losses of the truckers would amount to at least Tk 175 crore per day if Tk 5,000 is considered as the minimum loss, according to Anayet.

Some vehicles, transporting perishables such as fresh vegetables and fruits, are plying the roads but operators are demanding higher fares as risk premium, he said.

“The fare to transport vegetables has increased by around Tk 10,000 per truck due to the threat of attacks,” said Saifur Rahman Chowdhury Sujon, general secretary of Karwan Bazar Wholesale Owner Association.

He informed that it costs around Tk 15,000 to Tk 16,000 to rent a truck to carry vegetables in a normal situation. But it has shot up to Tk 26,000 to Tk 27,000 per truck amid the ongoing curfew and violence.

In the case of mangoes, the fare has gone up to Tk 32,000 per truck from Tk 22,000, fruit and vegetable traders said.

Anayet added that the price of transport services tends to increase when the situation is risky and sometimes trucks are always needed to transport essential goods.

However, RN Paul, managing director of Pran-RFL Group, said big companies were largely unaffected by the price hike.

“As we can meet 80 percent of our needs through our own transport, our costs have not increased. Logistics suppliers meet the remaining 20 percent but corporate clients, who have long term contracts, are not being charged higher fares,” he said.

# Informal workers struggling to make ends meet

SUKANTA HALDER and MD ABU TALHA SARKER

“I can’t get you to understand how I managed to pay for meals over the past four days,” a dejected labourer, Muzahid Hossain, said yesterday.

His livelihood involves engaging in manual work for which he gets paid at the end of the day. So, if work is not available even for a single day, there is practically no way to make up for it when trying to make ends meet.

Talking to The Daily Star in front of Mukto Bangla Shopping Complex in Mirpur-1, he said he has been arriving there very early in the morning as usual but no one was there to hire labourers over the past four days.

His financial situation has been in dire straits as he had to borrow Tk 2,000 from a neighbour with interest just to get by.

Day labourers in Dhaka are among those who are suffering the most due to the ongoing unrest along with the curfew imposed by the government to stem the violence.

Although wage growth in Bangladesh has been slowly climbing since July 2021, it has remained below the inflation rate for the past two and a half years.

Wages of low-paid and unskilled workers grew 7.95 percent in June, which was 1.77 percentage points below the inflation rate of 9.72 percent in the same month, showed the wage index of the Bangladesh Bureau of Statistics (BBS).

This trend has been continuing for the past 29 months, as per BBS data.

The annual average price spike in Bangladesh surged to its highest level in 12 years in the just concluded fiscal year despite easing in June, reflecting the persistent erosion of real income

## LEFT IN THE LURCH

- Income of day labourers has fallen drastically
- Number of rickshaw passengers has come down
- Many day labourers are using their savings to make ends meet
- Many workers are borrowing money at high interest

and the deterioration of the living standards of the lower-income groups.

This is forcing low-income and unskilled workers to cut consumption amid falling real incomes.

The ongoing unrest has added to their woes. Anis Bhuiyan, a rickshaw puller residing with his four-member family in Muslim Bazar area of Mirpur, said he can usually keep Tk 800 to Tk 1,000 for himself after paying the Tk 350 daily rent to the vehicle owner.

Now he was hardly able to earn even half, reasoning that he was unable to go long distances using the main roads.

“Schools and colleges remain shut. General people don’t come out except for urgent needs. As a result, rickshaw pullers like me are not getting a sufficient number of passengers, which has reduced earnings,” he said.

Chittagong Port Authority (CPA).

Nazmul Haque, executive director of Saif Powertec, which operates two terminals of the port, said the scarcity of space at the port yards had severely hindered operations.

“About 40 percent of the space needs to be free to ensure smooth operations. The internet blackout has made our jobs tougher because we don’t have the scope to see the yard on the monitors now. So, staff of berth operators are trying to physically detect free spaces and accommodate containers,” he said.

If the situation does not improve over the next couple of days, it will be difficult to maintain operational activities, he added.

Mohammad Saidul Islam, deputy commissioner of Custom House, Chattogram added that assessment of almost all import and export consignments was halted since the internet blackout prevented them from calculating duties, collecting revenue, and logging data entries of examinations.

“We are permitting the release of some imported perishable goods, essential commodities and fuel oil upon receiving an undertaking from importers.

“Similarly, a portion of export consignments that had previously completed the assessment process are being allowed to be shipped,” he added.

Port officials said four vessels were scheduled to leave the port jetties yesterday. However, as containers could not be sent to the port on time, two

vessels had to extend their stay while the remaining two departed with sparse cargo on board.

Singapore-bound vessel MV Sinarsaba was supposed to receive 380 TEUs of export containers but had to extend its stay after failing to receive even a single container from ICDs.

Similarly, Colombo-bound HR Shahare was booked to ship 250 TEUs of export containers but had to extend its stay by a day as no containers reached the port till the early hours of yesterday.

Kamrul Islam Mazumder, chief operating officer of Ispahani Summit Alliance Terminal at Kattoli, said they planned to send 132 TEUs of export containers to these two vessels by Saturday night but failed to do so because of a disruption in transportation.

Likewise, KDS Logistics failed to send 90 TEUs to the ships as drivers of container-carrying vehicles were unwilling to operate, said a senior official of the ICD. Additionally, two vessels namely Maersk Port Klang and Anderson Dragon, sailed from the port yesterday with only a fraction of the containers they were booked to carry.

Maersk Port Klang sailed with only 120 TEUs of empty containers against a booking of 1,000 TEUs of empty containers while Anderson Dragon left with 178 TEUs against a booking of 230 TEUs.

The transport of export containers from the 21 ICDs to the port also dropped

significantly as very few trucks and covered vans loaded with export cargo arrived at the ICDs over the past four days, said Ruhul Amin Sikder, secretary general of Bangladesh Inland Container Depots Association.

Export activities at ICDs dropped by 80 to 85 percent due to the unavailability of export cargo from factories, he added.

Syed M Tanvir, managing director of leading denim exporter Pacific Jeans, said losses would be disastrous, adding that it may take two months to recover.

Mentioning that the country’s export figure has declined in the last two years, he said such a blow to exports at the very beginning of the fiscal year would definitely have a negative impact on annual export figures.

“We hope the government can bring stability as soon as possible. If possible, normalcy should come back within tomorrow since Monday is very crucial for us as it is the first working day following the weekend in countries where our buyers are from.

“If we cannot resume production or communicate with the buyers by Monday, it will be a very wrong message to them.”

Khairul Alam Suzan, vice-president of the Bangladesh Freight Forwarders Association, told The Daily Star that this crisis had damaged the country in two ways.

Firstly, it presented Bangladesh in a bad light in the global arena and secondly the economy was dealt a big blow as almost all activities have been paused due to the internet blackout.

# Let factories run, restore internet Demand garment exporters

REFAYET ULLAH MIRDHA

Garment exporters yesterday demanded that the government keep the sector out of the purview of the ongoing curfew and fast restore internet services for the resumption of production as soon as possible.

Production and shipments are dependent on strict lead times set by international clothing retailers and brands, yet the factories have had to be kept shut for the past three days, they said.

The sector’s direct losses for the production suspension during this period amount to around \$48 million, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The sector is facing the losses at a time when the country’s exports have been falling over the last three years.

Leaders of the garment and textile sectors held a meeting at a hotel in the capital’s Gulshan and afterwards placed their demands on meeting the principal secretary to the prime minister.

“If necessary, we will meet the prime minister with our demand,” said SM Mannan Kochi, the BGMEA president, after the meeting on the overall situation in the sector and way forward.

Former BGMEA presidents, leaders of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA) were present.

BKMEA Executive President Mohammad Hatem said import and export

of goods remain suspended for the internet blackout, for which communicating with international retailers and brands was proving troublesome.

This has also left the factory managements unable to send inspection and status reports to retailers and brands, he said.

Moreover, many trucks could not take goods from the factories to the Chattogram port but it is not possible to inform buyers of this development, he added.

There are bigger indirect losses for delays such as buyers either cancelling work orders or shifting those to other countries or seeking discounts or air shipments, he said.

“Factories will remain shut tomorrow (Monday),” he said.

When international retailers and brands lose confidence in a garment manufacturer, it is a major loss for the sector, said Abdullah Hil Rakib, vice-president of the BGMEA.

There are a lot of uncertainties over the production and shipment of goods because of the unrest and curfew, he said.

## Correction

In a story headlined “Garment sector’s losses piling up as factories remain shut” published yesterday, it was mentioned that the sector was losing over \$500 million a day due to the closure of factories. However, exporters yesterday said the sector’s direct losses in the last three days amounted to \$48 million.