Press Release

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Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

**National logistics Strategy Underscored at BUILD’s Logistics Infrastructure Development Working Committee**

Business Initiative Leading Development (BUILD) and Prime Minister’s Office jointly organised the Logistics Infrastructure Development Working Committee meeting on 13 November 2021. The virtual meeting was co-chaired by Md. Tofazzel Hossain Miah, Secretary of Prime Minister’s Office, and Abul Kasem Khan, Chairperson of BUILD.

Md. Tofazzel Hossain Miah started by attesting that Bangladesh cannot move forward without supporting the private sector during this worldwide economic transition period. He added Private Sector is the engine of growth for Bangladesh," He said, logistics needs more investment, and the existing policy needs reforms so that more investment is made. He recommended that the sector should be based on technology and skill. Adding that the private sector should also assist with value-backed data, he emphasised advocacy for logistics. He maintained that the most apposite in these times policy-wise would be to have a structured policy framework that may steer regulatory reforms as well as policy interventions, paving the way for a "logistics environment".

Abul Kasem Khan, Chairperson of BUILD informed that developing countries invest 9-10% of their GDP to improve their logistics environment. Success stories of China, India, and Vietnam stand out as best practices in logistics. The return on investment is one of the highest in the world. Structural reform is required to mitigate key bottlenecks of the logistics system in Bangladesh. Logistics sector should be declared as a thrust sector besides a high priority sector and proper incentives should be declared to attract local and foreign investment.

Rizwan Rahman, President, DCCI, focused on the specific solution as: (1) logistics should be included in the industrial policy as a sector, (2) privatisation of airports, seaports, railroads is the demand of time, 3) decentralisation of industrialisation should be incentivised to attract investment, (4) Special Procurement Act should be considered to prepare logistics policy.

Mahbubul Alam, President, CCCI, said that there is no policy on the in-out time of container trucks in Chattogram. The establishment of a central truck terminal may reduce the congestion stemming from this. Additionally, water connectivity may reduce over-dependency on the road.

Ferdaus Ara Begum, CEO, BUILD in her presentation informed that BUILD and the Ministry of Industries are working together to include logistics as a high priority sector and declare investment incentives for logistics and its sub-sectors in a separate chapter of the upcoming National Industrial Policy 2021. Formulation and implementation of the National Integrated Logistics Policy or Master Plan could help attract investment and increase export competitiveness to realize the targets of 8th Five Years Plan and Perspective Plan 2041. It was decided in the meeting that two issues will be presented in the 3rd meeting of LIDWC, (1) framework or position paper will be prepared to set the national target of reducing logistics cost and (2) outline to prepare National Logistics Policy/Plan/Strategy.

Tatiana Peralta Quiros, Senior Transport Specialist of World Bank Group made the keynote on Reducing Logistics Costs to Enhance Bangladesh’s Trade Competitiveness and Export Growth. She said that logistics cost increases the overall production and business operation cost by 4.5-48%. Implementation of three initiatives like reducing dwell times at Chattogram Port and national highways congestion along with initiation of national logistics strategy would increase overall export of Bangladesh by 19%.

Captain Kamrul Islam Mazumder, Bangladesh Inland Container Depots Association (BICDA) said that increased cost of fuel will increase the cost of doing business as well as the cost of container handling transport cost while Syed Ershad Ahmed, President, AmCham stressed on proper utilization of Pangaon Port and Dherasram Project which should be linked with temperature-controlled logistics. 98% of the freight forwards operators in Bangladesh suffers from lack of modern technology and equipment.

Kabir Ahmed, President, BAFFA urged on proper utilization and equipping of the Hazrat Shahjalal International Airport, one of the most important gateways to export for Bangladesh. Sectoral recognition and policy reform for the sub sectors of logistics should be ensured.

Masrur Reaz, Chairman, Policy Exchange said that there is no alternative to an efficient logistics system to ensure export-led growth and diversification. After graduation from LDC, Bangladesh will have to face MFN (Most Favored Nation) duty of about 12% if we can not succeed GSP+ situation.. He focused on initiation and implementation of national logistics policy, logistics demand identification of the productions house (SEZ, EZ), priority sectors (TCL for agri and pharma sectors), and trade gateways on logistics.

The meeting was attended by Zubaida Nasreen, Director General-I, PMO, Anisur Rahman, Director-1, PMO and Mohammad Lutfullah, Senior Private Sector Specialist, International Finance Corporation, World Bank Group including representatives from 16 government ministries and private sector leaders.



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