

**Focus Group Discussion (FGD) on
Draft Inception Report of “Comprehensive Report on Logistics Sector of
Bangladesh”**

Organized by the Support to Sustainable Graduation Project, ERD

A Focus Group Discussion (FGD) on Draft Inception Report of “Comprehensive Report on Logistics Sector of Bangladesh” was held on 16 November 2023 at the Asia Wing Conference Room of ERD. Support to Sustainable Graduation Project of ERD organized the FGD. Major discussions and outcome of the event are documented below.

Welcome Remarks by Mr. Farid Aziz, Additional Secretary & Project Director, SSGP, ERD

At the beginning of his remarks, Mr. Aziz recalled that logistics sector plays a crucial role in enhancing productivity and investment in a country. He also observed that the improvement of logistic sector would not only help to achieve a smooth and sustainable LDC graduation for Bangladesh but can also facilitate achieving other national development goals. Mr. Aziz also recalled that the government had already taken various steps for improvement of the logistics sector of the country. He mentioned that as part of this process, ERD with support from SSGP and under the guidance of the National Committee on LDC Graduation is conducting a study on “Comprehensive Report on Logistics Sector of Bangladesh”. Against this backdrop, he said that the FGD had been organized to share the major features of that inception report and to gather the feedbacks or comments from the participants.

Presentation on the draft Inception Report of the study on “Comprehensive Report on Logistics Sector of Bangladesh” by Mr. Dulal Krishna Saha, Former Executive Chairman, NSDA

Mr. Saha, in his keynote presentation, highlighted the purpose, objectives and scope of the study. He also reflected on the methodology of the study and the process that would be followed in necessary data collection. He provided an overview of surveyed literature and publications. Focusing on the global Logistics Performance Index—he pointed out that Bangladesh is lagging compared to many of its South Asian peers when it comes to logistics related parameters. He also observed that the improvement of logistics sector would be crucial for facilitating export diversification in the context of Bangladesh’s eventual graduation from LDC status.

Open floor Discussion

At this stage, the floor was opened for feedback from participants. During this session, the following suggestions and recommendations came from them:

- The logistics related cost in Bangladesh is higher than many of its neighbours. Moreover, logistics cost in the country also varies from sector to sector. Notably, it is substantially higher in agricultural compared to RMG and pharmaceuticals. Therefore, the study should attempt



to provide specific recommendations on how to address the issue of cost cutting in the logistics sector.

- The study should highlight the issues of increasing efficiency and enhancing competitiveness in the logistics sector.
- General Economic Division of the Planning Commission had earlier made some projections on transport sector which could provide valuable inputs into this study.
- The study should provide some specific recommendations on how to ensure proper coordination and integrated support services within the logistics sector of the country.
- Recently, a workshop was organized to analyse the logistics policies of a number of countries. The outcome document of that workshop can provide valuable inputs into this study.
- The study report should also highlight the issues of customer satisfaction, uninterrupted supply chain and regulatory compliance as they are major prerequisite for enhancing the efficiency of logistics sector in the country.
- The study should also highlight the issues of ensuring better connectivity within multimodal hubs and technology adaptability.
- The Ministry of Industries will share the draft final version of the logistics industry development policy. The document may provide valuable inputs into the study report.
- An inclusive study can be conducted based on the findings of this study which would address the six vital sectors related to logistics including trade facilitation, information technology, tracing and tracking etc.
- The study should highlight the major findings of other studies that have been conducted on the relevant issues.
- Customs related issues should receive major focus in the study report.
- Both the soft issues (policy related) and hard issues (port and other physical infrastructure) should be separately addressed in the study.
- The issues of climate vulnerability and sustainability could be incorporated into the ToR of the study.
- There should also be some focus on regional logistics for greater regional integration.
- Process simplification and equipment related issues should also receive adequate attention in the study report.
- The study should also come forward with some specific recommendations for facilitating appropriate financing schemes for the operators in the sector.
- The study report may also provide some specific suggestions for creating more opportunities for the SMEs in the logistics sector.
- Asian Development Bank had recently prepared a research report on the improvement of transportation in SASEC countries. The report may provide some valuable inputs into that study.
- There are scopes for item wise clustering within the broader outline of the study.
- The report may analyse and identify the type of need based training that might be required for addressing skill gap in the local logistics sector.
- Currently, foreign entities are not allowed to hold more than 49 percent share in any logistics venture in Bangladesh. The report may analyse whether the provision should be revisited.
- The study should also put forward some suggestions for setting up logistics hubs in the country.



- A recent World Bank report had found that adequate lighting along the highways of the country could potentially double the speed of road transports in the country. The findings of the report could provide some substantial inputs into the ongoing study.
- The study report may also identify the areas where financial and technical assistance could be sought from the development partners.
- The study report may also feature some analyses on regulatory environment, required infrastructure, technology integration, comparative landscape, markets trends while also incorporating some relevant case studies.

Speech by the Chief Guest - Ms. Sharifa Khan, Senior Secretary, Economic Relations Division, Ministry of Finance

The Chief Guest, in her speech, observed that the study report should remain very focused in line with its ToR. She also said that KIIs with the representatives of BUILD and the Ministry of Industries should be carried out while conducting the study. She underscored the need for extensive dialogues with the port authorities. She asked the concerned researcher to share an outline of the study report in line with the relevant feedback coming from the FGD. She said that a formal letter would be issued from ERD to the relevant entities asking their cooperation in providing necessary information and support in conducting the study.

Conclusion by the Chair - Mr. Farid Aziz, Additional Secretary, ERD

The Chair of the event Mr. Farid Aziz hoped that the feedback gathered from the FGD would provide valuable inputs into the draft study report. Lastly, he concluded the event by thanking all the participants.

Farid Aziz
10.12.2023