

Focus Group Discussion (FGD)
on
Comprehensive Report on Logistics Sector of Bangladesh
Organized by the Support to Sustainable Graduation Project, ERD

Chair: Mr. Farid Aziz, Additional Secretary, ERD & Project Director, SSGP

Venue: Asia, JEC and F&F Conference Room, ERD

Date: 14 January 2024, Sunday

A Focus Group Discussion (FGD) on the 'Comprehensive Report on Logistics Sector of Bangladesh' was organized by the Support to Sustainable Graduation Project (SSGP), Economic Relations Division (ERD) on 14 January 2024. Additional Secretary of ERD and the Project Director of SSGP Mr. Farid Aziz chaired the event. Mr. Farid Aziz could not join the FGD from the beginning because of his important other official engagement that came suddenly. Ms. Sharifa Khan, Advisor, SSGP welcomed the participants and moderated the discussions. Major discussions and recommendations of the event are furnished below.

Welcome Remarks from Ms. Sharifa Khan, Advisor, SSGP, ERD:

Ms. Sharifa Khan, in her welcome remarks, mentioned that logistics sector plays a crucial role in enhancing productivity and investment in a country. She observed that the improvement of logistic sector would not only help to achieve a smooth and sustainable LDC graduation for Bangladesh but would also facilitate achieving other national development goals. Ms. Sharifa Khan recalled that the government had already taken various steps for improvement of the logistics sector of the country. 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, she said that the FGD had been organized to receive inputs and feedback from major stakeholders.

Keynote Presentation from 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 is being followed in necessary data collection. He projected that Bangladesh's export income can be increased by 7.4 percent by minimizing the domestic logistics cost by 15 percent. He also recalled that the government has formed a National Logistics Development and Coordination Committee (NLDCC) to steer the process of uplifting the logistics sector. Lastly, he put forward the following questions for further discussions among the participants:

1. What are the major barriers (area-wise) to efficient logistics service?
2. What policy support is needed to overcome the barriers? What would you suggest to improve efficiency in logistics?
3. What initiatives and program supports do you think may be undertaken for development of human resources in the logistics areas.
4. How should the different service providers be inter-connected?
5. What initiative would you suggest for capacity enhancement of Logistics service providers?
6. What are the major components of logistics costs, and what is your suggestion to minimize the costs?
7. How to reduce logistics related times?
 - dwelling time

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- truck loading time
 - customs clearance time
 - road congestions
 - transit time
 - load-unloading time
 - warehouse loading and unloading
 - berthing delay
 - anchorage waiting
 - container loading and unloading
 - customs paper works
 - manual handling
8. What steps may be necessary to improve the Coordination among different departments and bodies for logistics service improvement?
 9. What technological support would you recommend to improve overall logistics efficiency?
 10. What supports may be helpful in improving the capacity enhancement of the market players?
 11. What do you think are the major bottlenecks in efficient domestic and international freight handling?
 12. What steps may be necessary to improve the performance of the cargo handling agent in various sea-ports, inland water-ports, inland ports, air-ports, ICDs?

Open floor Discussion based on the questionnaire:

At this stage, the floor was opened for further discussion among the participants based on the aforementioned questions. During this session, the following feedback came from them.

- It is imperative that the Bangladesh Flag Vessels (Protection of Interest) Act, 2019 be implemented appropriately in order to protect the interests of the local maritime sector.
- Skill enhancement is necessary for the personnel engaged at different points of ports, terminals, and customs check posts. There are also scopes for capacity enhancement of the staff of the Directorate of Posts.
- Courier companies should be brought under a comprehensive legal framework to restrict the scope of fraudulence activities in the e-commerce and social media based online businesses. Licensing should be mandatory for all courier services providers.
- The e-commerce courier network can be further expanded at the grassroots level through countrywide rollout of the e-post scheme of the postal department.
- There are scopes for integrating the social media based online entrepreneurs with the global value chain through proper sensitization and capacity building.
- Proper demand mapping and integration are essential for effective supply chain management.
- E-traceability system should be introduced to achieve the end-to-end traceability of local export items.
- There should be state-of-the-art storage facilities for frozen export items at all the seaports.
- There should be provision for issuance of customs clearance when the export goods leave their respective factories.
- The process of obtaining customs clearance for products returned by overseas customers should be made simpler and quicker.
- The time needed for loading and unloading should be reduced. Bank guarantee or Letter of Undertaking should be issued before the export goods leave their respective factories.

- The process of issuing trade license should be made simpler and quicker.
- There should provision for preloading stacking of cargoes/containers before their arrival at the ports.
- Installing adequate number of state-of-the-art scanning machines should be installed at the seaports to streamline and expedite the scanning process of the cargo containers. The malfunctioning scanning machines should be replaced or repaired as soon as possible.
- The functions of the private ICDs should be interfaced with the Automated System for Customs Data (ASYCUDA) of Bangladesh Customs and Terminal Operating System (TOS) of the Chattogram Port Authority.
- Bangladesh Customs should look to increase its workforce at both sea and land ports.
- A formal partnership should be established between Bangladesh Railway and the courier service companies.
- There should be a dedicated green channel for quick and smooth transportation of export goods.
- There should be increased collaboration and coordination among various players of the logistics sector. Exclusive logistics hubs should be established in various parts of the country.
- There are scopes for increased investment in the logistics sector. However, such investment should come through legal and transparent channel.
- The Directorate of Posts should consider the possibility of lending its unutilized facilities to private courier services.
- The Directorate of Posts should review the provision of the realization of compensations from the courier service companies.
- There should be a system of data interoperability among the various players within the logistics sector.
- There should be provisions for separate service lanes in the highways for smooth movement of smaller vehicles.
- There should be no markets or bazaars within 100 meters of the highways.
- Logistics entities should be able to receive all the relevant services from a dedicated National Single Window.
- The process of cargo handling should be fully automated to streamline and expedite the entire process.
- The number of scanners at the airports should be increased for faster scanning of air cargoes.
- The handling process of cargoes containing perishable items (e.g.- fishes and vegetables) should be expedited.

Concluding Remarks from the Chair: Mr. Farid Aziz, Additional Secretary, ERD & Project Director, SSGP

In his concluding remarks, Mr. Aziz expressed the hope that the feedback from the participants would be useful in preparing the study reports as well as formulating the relevant policy documents. He also requested the participants to contribute to the study by sending in pertinent documents, ideas and feedback. Finally, he concluded the event by thanking all the participants.

