

# Record Fuel Price Hike in Bangladesh *Could It Be Avoided?*

## Event Participants

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## Context

On 5 August 2022, the unprecedented hike in fuel prices occurred without any consultation with relevant stakeholders, which is going to have both immediate and medium-term impacts on various sectors of the country's economy. Considering the paramount significance of this situation, particularly in the current macroeconomic context of Bangladesh, a media briefing titled "Record Fuel Price Hike in Bangladesh: Could It Be Avoided?" was organised by the Centre for Policy Dialogue (CPD) on 10 August 2022, under its flagship programme "Independent Review of Bangladesh Development (IRBD)". Dr Fahmida Khatun, Executive Director of CPD, delivered the keynote presentation and moderated the session. Experts from various sectors were invited to discuss the impacts of fuel price hike on their respective sectors.

On 5 August 2022, the Ministry of Power, Energy and Mineral Resources announced a record hike in petroleum prices at the retail level which has been made effective from zero hours on 6 August 2022. The price of the fuels—octane, diesel, kerosene and petrol—has been increased. The prices of diesel and kerosene have been increased to Tk 114/litre from Tk 80/litre, indicating a whopping 42.5 per cent rise. The price of octane has been raised by 51.7 per cent—from Tk 89/litre to Tk 135/litre. Similarly, the price of petrol has been increased to Tk 130/litre from Tk 86/litre, exhibiting a 51.2 per cent growth. This is the first time in Bangladesh's history that the price of fuel has surged this much. Moreover, this increase comes at a time when the macroeconomic situation of the country is going through challenges on both domestic and external fronts.

**PostScript:** After this media briefing, the government has reduced fuel prices by Tk 5 per litre which has been effective from 30 August 2022.

## Keynote Presentation



**Fahmida Khatun**

According to a press release by the Ministry of Power, Energy and Mineral Resources, the

decision to increase fuel prices once again came in order to recover the apparent losses incurred by the state-owned Bangladesh Petroleum Corporation (BPC), which is the monopoly of the market. As has been claimed, BPC has lost nearly Tk 8,015 crore from February to July 2022 owing to fuel sales at subsidised prices. The press release mentioned that a number of countries, including India, have increased their domestic fuel prices in view of the rising prices in the global market. It was also mentioned that the concern over the smuggling of fuel out of the country was another reason behind the hike.

*“The government may consider revising the fuel prices for now and opt for a gradual increase after consulting with relevant stakeholders and BERC”*

BPC has been experiencing can, therefore, be clearly assessed. BPC contributes to the government exchequer through various duties and taxes. BPC is expected to pay Tk 9,251 crore to the government in FY2022–23 in the form of tariffs and taxes as well as dividends.

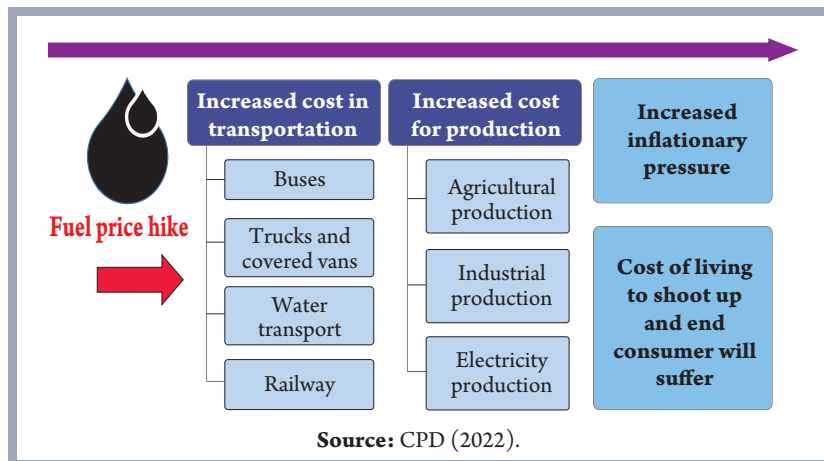
The government has also mobilised a total of Tk 10,000 crore ‘idle money’ from BPC over two instances (Tk 5,000 crore in FY2019–20 and another Tk 5,000 crore in FY2020–21). The total tax incidence for both diesel and kerosene is close to 34 per cent (which comprises four types of tariffs and taxes including customs duty, VAT, AIT, and advanced tax).

However, we have figured out that, despite the losses, BPC has made profits as well. From FY2014–15 to FY2020–21, BPC amassed a net profit of nearly Tk 46,858 crore, as per the Ministry of

Finance (MoF) statistics. During the July–May period of FY2021–22, BPC also accrued a net profit of nearly Tk 1,064 crore. This is incongruent with the claim of the loss worth Tk 8,015 crore worth to July 2022. The kind of profit and loss that

The fuel price hike has gone up astronomically on the excuses of Covid and the Russia-Ukraine war. It seems that these excuses have been put forward by the government as the reason behind everything.

However, in the global market, petroleum prices have shown a downward trend in recent months. This is particularly notable taking cognisance of the daily prices in the global market in August 2022. On 8 August, the price per barrel was USD 93.9 whereas on



1 August it was USD 100. Even if we consider different types of tax, bank settlements, distribution margins, selling price and LC (letter of credit) charges, this astronomic hike is unreasonable.

Another argument put forward by the government is that Bangladesh's fuel prices are relatively cheaper than those in the neighbouring countries. However, only in Nepal and Sri Lanka, octane price is higher, and only in Nepal and Bhutan, diesel price is higher than that in Bangladesh. Even Vietnam, a major competitor of Bangladesh in terms of trade, has lower fuel prices currently, adding to its relative competitiveness. The price of octane in Vietnam was Tk 106.2, and Diesel Tk 97.9. This is an issue of concern that our policymakers need to take into consideration. Fuel prices in Germany, Hong Kong and Singapore are relatively higher than what it is in Bangladesh. Yet we must consider at the same time that these countries have much higher GDP (gross domestic product) per capita. Also, there is a huge difference between Bangladesh and these countries in terms of economic conditions and social security. Hence, the comparison which is being made by our policymakers is irrational.

Now the question is how the price hike of essential commodities and fuels is going to affect us. Rise in the prices will inevitably heighten inflation. Also, this fuel price hike will have an immediate negative impact on the transport sector leading to increased transportation costs. Transport owners and authorities will straightaway increase the fare making the commuters suffer. Also, the hike will increase the cost of production, particularly in the agricultural sector. Due to low rainfalls in Bangladesh, farmers need to depend on irrigation pumps. The current rise in fuel prices will put an upward pressure on agricultural production which will affect production and food security, and will also create a rise in import costs. Moreover, industrial production costs will increase which will further reduce their income and profits. The profit margin of

the businesses will decline. The cost of electricity production will increase as well. And all these will put a collective pressure on the common people with limited income who will bear the brunt most. In the post-pandemic period, people with limited income are already under pressure. Now they are forced to spend their savings since the cost of living has increased. The crisis of the low- and middle-income people has aggravated, making them a greater 'loser'.

Against this backdrop, I will now focus on what could be done to avoid this situation. There are several interlinked measures that could have been taken to prevent this. The first and foremost measure which is required to be taken is to re-consider the prices. An optimum price should be set in order to support the people with limited income. Secondly, the government must provide immediate support to the poor and limited-income households across the country. The number and quantity of items should be increased under the open market sales (OMS) programme. Thirdly, we recommend that ration cards should be made available for a larger number of people. Finally, to ensure proper implementation of all these measures, institutional mechanisms should be strengthened, and good governance as well as transparency needs be ensured. The government has the power, human resources, and agencies to take the necessary measures. Now what is essential is monitoring if everything is being properly implemented. Since the cost of doing business is expected to shoot up, it will become difficult for micro and small businesses to stay afloat. Therefore, the government should consider providing stimulus to such businesses.

The government must ensure social safety net programmes for the vulnerable groups. Bottlenecks in accessing such support should be removed. Unlike small businesses, large enterprises regularly receive various types of facilities and flexibilities. Recently, Bangladesh Bank has increased the time-frame for repayment of loans for large businesses. They can

now reschedule their loan repayment date. Nevertheless, the same flexibilities are not being provided to the small businesses. Therefore, stimulus packages should be provided to small businesses.

In Bangladesh, fuel prices are administered by the government. As observed in recent years, fuel price adjustment in Bangladesh happens in an arbitrary manner. While the burden of higher prices in the global market has been frequently passed on to the consumers, the same did not happen in case of the benefits of low prices. Formulation of a fuel price policy and its application in a transparent manner has become an exigency. Taking the current inflationary trends into cognisance, the government can consider reducing fuel prices through tax or tariff cuts for a short period. The government may consider revising the fuel prices for now and opt for a gradual increase after consulting with relevant stakeholders and Bangladesh Energy Regulatory Commission (BERC). Stakeholder consultation should be a part of the price-setting mechanism instead of the arbitrary practice. Some medium-term measures can also be taken.

The power and energy sector in Bangladesh needs to shift its policy focus which is currently import-based. Gas exploration can reduce the country's

dependence on imported energy. The government should invest in primary fuel in the country and diversify the sources. New gas exploration initiatives and efficient management of the sector are of critical importance in this situation. Bangladesh should also invest in renewable sources for both generating energy and fulfilling its climate commitments. Finally, BPC should be developed as an efficient organisation through improved governance, management and accountability.

I think that this fuel price hike could have been avoided. Although subsidies are not an inefficient economic tool and the government should avoid using them, subsidies should have at least been provided to the poor in a systemic way for the time being during this crisis. If they (the government) had exempted tax on fuel after increasing the fuel price, the price would not have risen so high. Also, the government does not have much fiscal space currently. For this reason, they are not being able to reduce the tax. Along with these, there are several mismanagement issues, illicit activities and leakages as well. Due to weak institutional mechanisms, we are neither being able to use our resources efficiently nor being able to prevent wastage. For these reasons, the fuel price has increased, and the common people are bearing the burden.

## Discussion



### Khondaker Golam Moazzem

The circular against which these price hikes have been announced and the data presented are misleading in many cases. These data seem faulty and we need a clear picture on these accounts. We need to be clearly notified about all the ledgers of BPC.

Let me break down the concerning issues in detail. In the last six years, BPC amassed a net profit of nearly Tk 46,858 crore, and from this, the government could gain Tk 10,000 crore. Where did rest Tk 36,000 crore go? It has been said that, from this Tk 36,000 crore, Tk 33,000 crore has been used for investment purpose. If I now estimate the calculations, I can see that 11 projects are being financed right now. Tk 3834 crore is being spent there. Previously, around Tk 5380 was spent on these. Among these 11 projects, maximum projects are not even active. Only five projects are being implemented. Moreover, a major project is under way. It has been mentioned in the Annual Development Programme (ADP) that around Tk 5,199 crore has been spent on this. Now the question is, where did rest of the funds go?

According to a report by the *Banik Barta*, BPC is one of the wealthiest agencies in Bangladesh. BPC gets funds worth Tk 25,264 crore from various banks. Let us assume that these funds are used for the pension, provident fund and gratuity of the employees. Still a mismatch is observed. They have around 2,811 employees. The ratio of funds to the

number of employees is much larger than required. Let us suppose these funds are kept aside for further investments to be made by BPC. Hence the question is—what kind of investment is this? Where will these funds be invested? Only a small number of investments are required for those projects that are under way. Even some projects require funds only amounting to a range between Tk 1,00,000 taka and Tk 10,00,000; and these are being financed by the fund allocations of FY2022–23 budget. The rest of the funds are stored in BPC's account. Then why is the government giving excuses such as BPC's loss in order to justify the increase in fuel prices? It does not make any sense at all!

*"A clear picture of how BPC is calculating its finances—how much profit or loss they are incurring—must be shared with the public"*

Moreover, BPC is planning to invest Tk 5,903 crore for the year 2023, and they will do this by fixing the price of fuel at USD 111 per barrel. And I am assuming that this will be done by putting the pressure on the consumers. A huge part of this fund will be invested in two unauthorised projects of Eastern Refinery.

Investment has been made, but these projects have neither been implemented in 2022 nor are going to be implemented in 2023.

Hence, a clear picture of how BPC is calculating its finances—how much profit or loss they are incurring—must be shared with the public. This will help us determine how logical the fuel price hike is. Yes, the unprecedented fuel price hike could be avoided if BPC had used the funds from the profits it made previously. These funds could have been used in managing its expenses which could then further be

adjusted. Moreover, subsidy management does not mean increasing prices and forcing consumers to bear the burden. Rather, it means correcting the mismanagement, reducing the weaknesses and wastage, and using the surplus money appropriately. The subsidy could be adjusted with surplus funds instead of increasing prices.



### Ijaz Hossain

It is actually an appalling decision which has a number of ramifications and impacts. I wonder how the government could think of increasing the price such arbitrarily!

Our situation is quite different currently when the price hike cannot be justified in any way, particularly when the people are already facing challenges due to

*“Our situation is quite different currently when the price hike cannot be justified in any way, particularly when the people are already facing challenges due to the price hike of commodities”*

the price hike of commodities. Now, the price of rice is high, charges for electricity services are increasing, and the price of gas has also increased. A few days ago, we have seen the consequences of dependency on imported goods such as edible oil (soybean oil). Those consequences are examples of poor planning. The fuel price hike issue reflects the same problem with planning given the astronomic hike is completely unreasonable.

When the diesel prices were increased from Tk 65 to Tk 80 last time, we sought justification from the government, and they gave explanation that the decision was taken in coordination with Tk 80 per barrel of fuel. This helped us think from the perspective of a unitary method that the diesel price was increased to Tk 80 due to price per barrel being Tk 80. Now that the diesel price has been increased to Tk 114, we want to know how this price has been coordinated with the global price. They (the government) have not justified this increase yet. When this decision was made in Bangladesh, the international price of fuel was USD 95. Then why has the fuel price increased now? Why would they permanently increase the fuel price for a temporary rise in the global market?

The consumer rights are not being protected. For this reason, a few days ago, laws were passed to protect consumer rights. I do not know why the consumer rights related to fuel was not shared with BERC. But according to the law, this must have been shared with BERC. I do not know what will happen if this is presented to the court. Historically, it has been observed that the prices of fuel were increased to earn revenues. This is a common practice around the world. But this was done in case of cross-subsidy. When the petrol consumption was high, its price was still deliberately high, and the price of diesel would deliberately be kept low, even though we had equal consumption in case of petrol and diesel.

Since the country is currently suffering crisis on both domestic and external fronts, it is not the right time to remove the diesel subsidies and put the citizens under pressure. In fact, many people doubt that the price rate which has been fixed is more than the actual price. The government might be trying to earn a profit from this. These doubts rose due to the absence of any proper justification for the price hike.

However, the government itself is facing a lot of challenges currently because of the fluctuating exchange rate. The dollar is appreciating and the exchange rate is fluctuating frequently. No one

knows how much the dollar will be appreciated. If the taka depreciates by 20 per cent, the prices will need to be re-adjusted. Therefore, the prices of products might increase due to the fluctuating exchange rate.

I think that the government has increased the fuel prices to earn extra revenue in the form of tax. We know that the government needs to earn revenue through taxes. In Bangladesh, low level of tax collection is a problem. The government has perhaps increased the price with the intention of generating a good amount of revenue from the tax imposed on fuel. This is what we consider as indirect taxation. However, this tax will have impact on everyone, including both the rich and the poor. The rich will not be affected; but the poor will be affected adversely. Therefore, this indirect tax will be more discriminatory towards the low-income group. Tax should be imposed on the people who are earning in millions. People who earn less than one lakh, should not be imposed with taxes. With this indirect tax, people who earn less than one lakh, will also be charged with indirect diesel tax. I am surprised to see how the government raised the prices without considering all these factors!

Moreover, fluctuation in fuel price rates leads to the fluctuation in transport costs, which is a common occurrence for quite a long time. The government increases fuel prices, and then tries to justify through various excuses such as smuggling of fuel to India. India is our neighboring country. So why do we not sit with them and find a mutual strategy to be followed by both the countries? This might help us fix an appropriate price rate so that we do not need to face such issue again. If we try to fix fuel prices through a coordination with India, then this smuggling issue may get solved.

For now, we need subsidies in the context of the current crisis. Subsidies will not be required when the country will be economically stable. It will be difficult for the government to remove taxes since they earn revenue through this. Still, at such a time

when the country is going through a critical time, the taxes should be removed by the government. I do not support subsidies but I cannot support the removal of diesel subsidies at a time when the country is facing several challenges.



### **Fazlee Shamim Ehsan**

Recent fuel price hike has both direct and indirect impacts in the industrial sector. Direct impact refers to the industries not getting high quality power owing to two factors— i) low gas pressure, and ii) the government not spot purchasing LNG. We use gas in two ways, one is captive, and the other is direct. However, gas crisis is already affecting the countries industries. For this reason, we have to rely on diesel to run factories. This is expensive for us since the price of diesel is quite high. The current rise in fuel price has also increased the price of diesel which has worsened the situation. You all know about the current condition of the export market. We are not in the position of bargaining at the international level.

*“The current rise in fuel price has increased the price of diesel, making it difficult to run the factories. It has also increased the cost of living leading the workers to hardship”*

For the last two months, due to world recession, the sales of the products have declined. The trend is negative. At this point, we cannot demand higher prices from the buyers since we need orders. Now we have two options. In order to tackle the expenses, either we can increase the prices, or we can reduce

the quantity. But that will not be beneficial for the economy due to dollar crisis. We have to keep the factories running and pay wages to the workers. So, we are undergoing a difficult situation right now. We are not able to earn enough to tackle the increased expenses. If we cannot earn enough revenue from the buyers to run the factories, we have to invest our own capital here.

Another indirect impact is that the fuel price hike has increased the cost of living. The workers who work in factories are low-income people, and they are already living in hardship. The increased cost of living will make it more challenging for them to manage their life with the very little wages they earn. For that, we have to increase their wages individually and personally. If they cannot afford the cost of living in the city, they will return to their villages to avoid additional expenses. This immense challenge may appear in the future as well. The expenses in the industrial sector will increase in the upcoming days. No matter how much the expenses increase, we have to adjust it by ourselves since we are not at the bargaining point with the buyers. We do not know how long we will be able to afford this adjustment.

I think, the government should have published and circulated a gazette and fixed the fuel price and bus fares on the same day. The government already knows how much the bus fare depends on fuel price. They should have discussed how much the bus fare should increase on the same day when the decision on price hike was announced. If the increase both in cases of bus fare and fuels were announced together, the chaotic situation could have been avoided. And the commute users would not have needed to pay unreasonable bus fare. They should also have discussed and fixed beforehand how much the prices of the commodities would increase as a result of the fuel price hike, and how much the price would increase at the end of the consumer level. They could have used media and social media to announce how much the market price of these commodities will increase for the consumers. Moreover, unscrupulous

businessmen are now taking advantage of this situation and increasing the prices of everything in an unfair way.

I am not sure whether or not fuel price hike could have been avoided. But the overall situation could have definitely been avoided if they had consulted beforehand and made a coordination between the increased prices and transport costs, and announced it accordingly. The industrial sector is in a terrible situation right now since we are neither able to increase the prices nor able to increase the order quantities. We have already observed that our order quantities have declined due to the Russia-Ukraine War. The export sector would have been in a better position if this price hike had been announced after the revival of our economy.



### **Mozammel Hoque Chowdhury**

The fuel price hike has affected workers, people with low income, and people working in informal sectors. They do not even get conveyance allowance. They get fixed wages. Now, many of them have decided to send their family members back to their hometowns while the earning member of the family will stay back in the city. If we keep facing such financial pressure, two things may happen. First, the social balance will get disrupted and, second, we will lose workers. Also, the workers will face financial crisis due to the increase in transport expenses.

In the past two days, we have observed the situation for 28 routes and 10–12 counters for long-distance travels. According to our research, the transport expenses have increased for those who pay a minimum range of Tk 70–200 for travelling within the city. As a result, the transport cost has increased between Tk 2,100–Tk 6,000 on an average. We tried to talk to people who earn between Tk 10,000–Tk 32,000. Now the question arises how someone who



earns about Tk 32,000 will deal with their financial crisis if Tk 6,000 worth of money is spent for transportation. We have talked to around 300–350 people in the last two days, and we have observed that they are under stress due to the financial crisis led by the fuel price hike.

I suggest, a research can be conducted on the psychological impacts to assess their implications for our economy. I am not an expert on this. Still, I can say that we need to contemplate how much loss we are actually going to incur at the end only to gain a little profit. According to the data given to me, I have observed that transportation cost has increased even in case of those vehicles that do not require fuel. We received data from different corners of the country including Rangamati and Barisal. Auto rickshaw fares have also increased. Although the CNG autorickshaw runs on gas instead of fuel, the cost of living has increased due to the price hike. This leaves the drivers with no other options but to increase the ride fare. Even the rickshaw-pullers have increased fare. Overall, the increase in daily expenses have increased the stress among the

*“Although the CNG autorickshaw runs on gas instead of fuel, the cost of living has increased due to the price hike. This leaves the drivers with no other options but to increase the ride fare”*

grassroots people. Moreover, overall travel expenses have increased between Tk 1,000 to Tk 4,000 for those who travel out of Dhaka four times per month.

Along with this, we have also observed that, although the government has increased the prices of bus fare by Tk 2.5 per kilometres, the passengers are being charged extra fares ranging between Tk 3 to Tk 7 per kilometre. Some bus companies are charging Tk 7 more and some are charging Tk 4 more. The government needs to look into these matters.

I believe that reconsidering the fuel prices during this time of crisis is extremely crucial. It is the state's responsibility to ensure that the common people as well as the workers should get the chance to earn and survive smoothly in this country.



### **Anwar Faruque**

I would first answer if the fuel price hike could have been avoided. Then I will discuss its impact on the agricultural sector.

In my opinion, this fuel price hike could have been avoided. There is no logic behind increasing the fuel price by 40–50 per cent. If the government is under pressure, then they could have withdrawn subsidies and reduce the taxes, or could make any other adjustments as required. Because of the pandemic and the Russia-Ukraine war, we are not in a position to undergo such an increase in fuel prices. This could have been avoided if the government had consulted with relevant stakeholders during the process of price administration. When the price of fuel was increasing in the global market, the price of fuel was not increased here. Now that there is a downward trend at the global level, the government has ironically decided to increase the fuel price. This shows our inefficiency in dealing with this situation.

In our country, once the price of something is increased and the government earns profit from it, that price is never decreased later. The government has made a profit of Tk 46,000 crore between

2016–2022. At that time, the price of fuel in the global market was negligible. Why was not the fuel price decreased at that time? We need to be more efficient in these aspects. My personal opinion is that the government should immediately revise the fuel prices. If the government really needs to adjust these prices, then they can adjust it in every two weeks. Otherwise, the common people and the farmers will lose confidence in the government. The prices should be adjusted in coordination with the international price rate every fortnight.

I will disagree with *Dr Fahmida* over one issue only. She said that ration cards should be made available for people. I will opine that we were never efficient in managing ration cards. Ration card involves corruption. Instead of ration card, we should consider increasing OMS services. We should see if it is possible to bring any improvements for operating OMS to protect the low-income earners.

Now the point is how this fuel price hike is going to impact the agricultural sector. The first impact will be the increase in cost of production. In Bangladesh, we ensure food security through irrigation. Boro is our predominant crop. Currently, we are irrigating about 45 to 50 lakh hectares of land. We use about 36,000 deep tubewells, and around 13,55,000 shallow tubewells are used and these are mostly diesel-operated. Around 65,829 low lift pumps are also used. Therefore, we use around 15,75,000 of equipment for irrigation alone. Out of these, 70 per cent are diesel-operated. Right now, if we cultivate 1 bigha land, then the managers will be charging Tk 1,500. Along with this, if we add the diesel prices, the charges will increase to Tk 2,000 per bigha. Five hundred taka will increase only for irrigation. Also, a few days ago, the price of urea was increased by Tk 200. Therefore, the charges of irrigation will increase by Tk 700. Besides, in South Asia, we are one of those countries where 97 per cent of agricultural land is irrigated by machine. We use power tillers and tractors. All these machinery are diesel-operated. The cost of ploughing the lands will also

increase by Tk 300 per bigha due to the fuel price hike. Therefore, we can see that a minimum of about Tk 1,000 will increase to yield Boro crop. The farmers will need Tk 4,800 crore extra to harvest Boro in the next season. Where will the farmers get this money from?

During the pandemic, in 2020, we saw that the Prime Minister provided subsidies worth Tk 5000 crore. The farmers did not even get 10 per cent of these subsidies. This is because the farmers do not have bank accounts; hence, they could not utilise the credit system. The farmers need be educated about opening bank accounts and using credit system. Despite these, the farmers will still try to harvest crops by taking loans. But a huge problem will arise if they do not get a fair price for the crops. The Ministry

*“The farmers will feel discouraged to cultivate due to the increased expenses and this may lead to food insecurity”*

of Agriculture always encourages the farmers to go into irrigation. But after the crops are harvested, the Ministry does not cooperate at all. When they are questioned about the procurement of these crops, they shift this responsibility to the Ministry of Food. This is not how responsibilities should be handled.

Right now, the government needs to urgently announce irrigation of Aman Rice. Moreover, in order to encourage farmers to cultivate Boro, the government should announce the price rate of Boro for procurement. In fact, the government needs to ensure a better price for Aman and Boro to encourage the farmers to cultivate. Otherwise, the farmers will

feel discouraged to cultivate due to the increased expenses and this may lead to food insecurity.

If they (the government) fail to reduce the fuel prices, they should provide diesel subsidies to the farmers so that they can continue cultivating. Right now, farmers have no other options but subsidies for production. Subsidies can be given in either diesel or urea, or both. I am not saying that the government should provide subsidies to 17 crore people. We have 15 lakh machines for farming which are diesel-operated. The government should communicate with the farmers who own such machinery and fix a price rate based on consensus for diesel.

I think the new price rate should not be more than the previous rate. If possible, they should try to fix a rate lower than the previous price so that adequate production of crops can be ensured. This year, the government has failed to procure rice. The Ministry of Food could not collect more than 4 lakh tonne rice even after issuing LC for 10 Lakh tonnes of rice. Therefore, it will be very difficult to collect rice during this time of crisis. To ensure food security, we need to increase the production of rice and other crops. For this reason, supplementary irrigation

should be provided for Aman, and a clear plan for Boro should be provided as soon as possible.

The government needs to ensure such a price rate at which the farmers would be able to purchase diesel during the Boro season. They need to announce the rate. The government also needs to organise food safety programmes to tackle this situation. The low-income and middle-income groups are not being able to trust the market prices. The current situation has made it difficult for them to survive and support their families.

Moreover, the government has said that they want to save gas and electricity. Reducing working hours, optimising the use of air conditioners at office, and similar other measures can lead to efficient use of energy. Then why has the government chosen a way which will rather make the common people suffer? If the government wants to remove subsidies, they should also remove the tariff. Also, the price of the fuels should be fixed in such a way that it becomes impossible to smuggle fuels to India. Finally, I would again emphasise that the burden of fuel price hike must not be imposed on farmers as it might cause food insecurity.



## ABOUT THE PROJECT

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