

Infrastructure equipment market booming on mega projects

JAGARAN CHAKMA

Bangladesh's infrastructure equipment manufacturing sector is undergoing sweeping changes to meet the increased demand brought on by the implementation of the government's mega projects to accelerate economic growth.

The demand for highly advanced infrastructure equipment started its ascent when the government began construction of world-class development

projects such as the Padma bridge, Rooppur nuclear power plant, Matarbari power plants, Karnaphuli Tunnel and Dhaka Metro Rail.

With the impetus, the country's infrastructure equipment market has grown steadily for the last three to four years.

In 2019, the market size for infrastructure equipment was about Tk 1,500 crore. In 2001, it was less than Tk 100 crore, according to market players. In the last two years alone, the demand

for heavy-duty equipment increased almost 200 per cent.

"The amount of infrastructure and construction equipment that entered the country in the last two years is equivalent to the total import of such machinery for the last 20 years," said Hafizur Rahman, managing director of the Bangladesh Equipment Corporation (BEC).

The BEC is a retailer of infrastructure and material handling equipment such as excavators, bulldozers, forklifts, backhoe loaders, soil compactors and cranes.

In the last four or five years, the demand for such equipment rose in Bangladesh due to the ongoing development efforts undertaken by the government.

Rahman expects the rising trend in the demand for heavy construction equipment to continue for the next 10 years as the number of infrastructure development projects in Bangladesh will increase as well.

The government has about \$30 billion worth of development projects under construction across the country in a bid to mitigate Bangladesh's infrastructure issues and attract foreign direct investment to accelerate the country's economic growth.

Other than that, the construction sector grew 16.25 per cent year-on-year to Tk 73,594 crore in fiscal 2016-17 and the real estate sector 15.14 per cent to Tk 61,935 crore, according to the Bangladesh Bureau of Statistics.

There are over 10 importers of heavy duty construction and infrastructure equipment including ACI Motors, Nitol Niloy Group and HNS Group.



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Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue, addresses a "Conference on VNR 2020 of Bangladesh: Positioning Non-State Actors" organised by the Citizen's Platform for SDGs, Bangladesh at Lakeshore Hotel Gulshan yesterday.

Decent youth employment can be ensured by rights-based integrated strategy

Says Citizen's Platform for SDGs, Bangladesh

STAR BUSINESS REPORT

Bangladesh's youth labour market is narrow and underdeveloped, with about 25 per cent of the working-age population being youths aged between 15-24 years but only 28 per cent of the labour force falling into this category, said a Centre for Policy Dialogue (CPD) report.

The participation of male and female youth workers is very much low (54.7 per cent and 25.9 per cent respectively) compared with that of the adult workforce (94 per cent and 39 per cent respectively), said the report.

Youth unemployment is considerably

high (13 per cent) compared with the national average (4 per cent), while 27 per cent of the youth population is not in education, employment and training, it said.

Even those who are employed are largely engaged in informal activities, with only 9 per cent working in formal jobs, which is about half of the national average of 17 per cent, it added.

An integrated national strategy led by Goal 8, decent work and economic growth, of the Sustainable Development Goals (SDGs) with a rights-based approach could ensure decent employment for the youth, the report said.

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Seagrass from southern Bangladesh accessorising homes in Europe

AHSAN HABIB

Farhana Hakim, once an employee of a private company, embarked on her journey as an exporter of non-traditional items like baskets and showpieces banking on mere seagrasses (locally known as hogla) and date palm leaves.

She exported products made of seagrasses and date palm leaves worth more than \$20,000 to European countries in 2018-19, a jump from \$5,000 in the previous year, which is a clear demonstration how popular

these items could be among foreign buyers.

She hit upon the idea of exporting non-traditional items during her student life when she came to know that foreigners are very fond of such products.

Farhana brings processed seagrasses from the southern part of Bangladesh and provides those to the artisans in Gazipur who make the products.

She also exports coffins made of seagrasses to the US market.

"There is a huge demand for eco-friendly products in the Western

countries. I think the demand will rise further in the coming days," said the mother of twins.

Farhana established her handicrafts company Twin Trims in 2013 when she got an order worth \$2,000 for handmade gift cards from a UK-based business house named One Village.

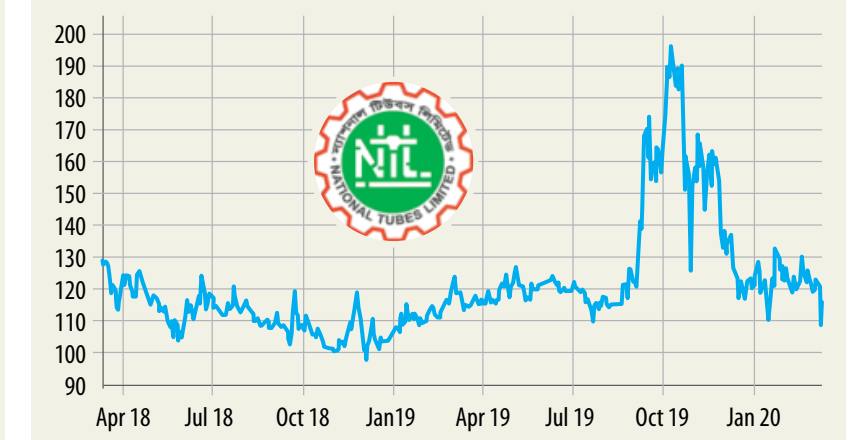
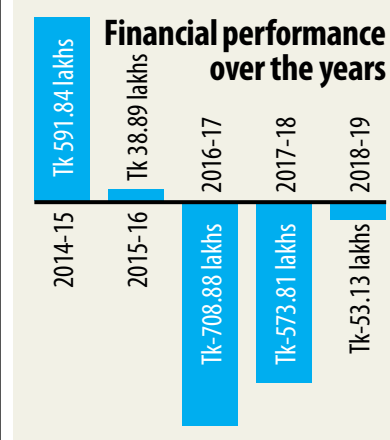
In 2014, she exported laptop bags made of jute to Canada.

"People think our jute has lost its glory. But I don't think so. I saw a huge demand for products made of jute or seagrass," she said.

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National Tubes to make foray into metal fabrication



STAR BUSINESS REPORT

National Tubes is set to erect a steel structure and fabrication unit for Tk 1.33 crore as the 51 per cent government-owned company looks to cash in on the current construction boom surrounding the government's implementation of myriad of development projects.

The pipe manufacturer, which got listed in 1989, informed the Dhaka Stock Exchange (DSE) yesterday. The news sent its stocks up 2.94 per cent to Tk 115.7.

The company deems the new unit will ramp up profits, said Md Saidur Rahman, managing director of National Tubes.

The unit will shape strong mild steel suited to construction work. Fabrication is the creation of metal

structures by cutting, bending and assembling processes. It is a value-added process.

About 1,000 tonnes of fabrication work will be done every year by the unit. Some Tk 50 lakh surplus revenue may be logged from the unit in future.

There is a scope for fabrication and galvanising works for the Bangladesh Economic Zones Authority, Export Processing Zones, Bangladesh Power Development Board, Bangladesh Rural Electrification Board, Power Grid Company of Bangladesh, government projects and various government and non-government organisations.

The initial investment for the unit will be Tk 63.65 lakh.

All the money would come from the company's own fund, according to

Rahman.

The company has more than Tk 520 crore in reserves and surpluses, DSE data showed.

A top official of the National Tubes said the management is earnestly trying to become a profitable concern.

The state-run pipe manufacturer has been in the losses since the 2016-17 financial year and its sales and production have been steadily declining since the 2013-14 financial year.

In the first half of the current financial year, the company's earnings per share were Tk 0.24, which was Tk 0.83 in the negative year-on-year.

The company's paid-up capital is Tk 34.82 crore. Institutional investors have 20.4 per cent share of National Tubes.

The Tk 1,042cr bridge over Payra river was the PM's promise to a little boy

SOHRAB HOSSAIN, from Patuakhali

In 2016, Prime Minister Sheikh Hasina made a promise of building a bridge at Patuakhali's Mirzaganj upazila over Payra river to a to a class-4 student, who wrote to her with an earnest request.

Four years on, the premier put her words into action: on Tuesday, in the meeting of the Executive Committee of the National Economic Council (Ecnc) that she chaired she approved a Tk 1,042 crore project to build a 1,690-metre bridge to establish a connection between Patuakhali sadar and Dhaka.

The issue of the bridge came to light when Shershendu Biswas, the schoolboy, in a hand-written Bangla letter on August 15 in 2016 highlighted the hassles he had to face to cross the Payra river to go to his home in Jhalakathi.

The boy mentioned that sometimes boats and trawlers sink in the river



Shershendu Biswas, a class IV student, wrote to the prime minister in 2016 urging her to build a bridge over the Payra river.

with high waves.

Many had lost their lives in such accidents and he does not want to lose his parents as he loves them very much.

The prime minister in her reply said she was delighted to receive the letter

from him. She praised the boy for his awareness regarding his family's safety while crossing the river.

She said she was aware that the Payra in Mirzaganj is a turbulent river. The PM assured Biswas of taking steps to build a bridge over the river.

The bridge, whose construction will start this month, will go through Kachua, Betagi, Patuakhali, Lohaliya and Kalaiya roads. It is scheduled for completion in December 2025.

Under the project, around 600 meters of approach roads will be constructed and consultants will be appointed to acquire an eight-acre land.

Computerised toll collection system will be established for the bridge along with the construction of toll monitoring buildings, police stations and four residential buildings for people related to the project.

ICDs stop carrying cargoes to hike tariff

DWAIPAYAN BARUA, Ctg

The owners of private inland container depots (ICDs) stopped transporting export containers of three foreign companies since yesterday morning to press home their long demand of a 22 per cent rise in tariff.

Denmark-based Maersk and Hong Kong-based Gold Star Line and Orient Overseas Container Line carry 60 to 65 per cent of the country's export cargoes to buyers.

Businesses now fear they would miss shipment deadlines because of the halt in loading from all the 18 ICDs.

To solve the issue, the leaders of the Bangladesh Container Shipping Association, one of the ICD users, sat in an urgent meeting yesterday. "But it ended without any solution," said an official present in the meeting.

It would be a fresh blow to the country's export sector which has been experiencing a downward trend from last year, said Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The disruption took place at a time when businesses have been struggling because of the coronavirus outbreak in China, he said.

The ICD owners are trying to impose additional charges on different stakeholders separately, which is a violation of the ICD policy, said Khairul Alam Sujan, a director of the Bangladesh Freight Forwarders Association.

They called the work abstention without any prior announcement when a tariff committee formed by the shipping ministry is working to review the ICD charges, he said.

Maersk Bangladesh informed its customers about the trade disruption through a letter yesterday.

Trucks and lorries carrying export-oriented goods which were scheduled to be transported by the containers of these three companies were not allowed to enter the ICDs since morning, said Delwar Hossain, senior general manager of Trident Shipping Line Ltd, the local agent of Gold Star Line.

"We came to know about the sudden decision only when one of our client-exporters informed in the morning that five vehicles carrying

refrigerated containers loaded with potato were barred from entering an ICD."

Later, they came to know that the ICDs stopped transporting containers of two other companies as well, he said.

"I think they started it with three of us with an ill-motive as they would try to do it with others in phases."

The ICDs have been demanding for a raise in tariff for the last couple of years, but it was opposed by the major stakeholders, including the BGMEA and the Bangladesh Knitwear Manufacturers and Exporters Association.

Around 90 per cent of the country's export goods, including garment products, are first brought from across the country to these ICDs for completing customs procedures before they are loaded into containers and taken to Chattogram port for shipment.

Two weeks ago, 2,631 twenty-foot equivalent units of containers missed shipment deadline, as the drivers and helpers of prime mover-trailers refrained from operating the vehicles for around 80 hours.

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