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Districts in Focus

A quiet change in Rangpur

RAFIQUE SARKER, Rangpur

SETTING up an industrial unit in Rangpur was once impossible even at the district headquarters, let alone remote rural areas like Badarganj.

But Shanta Islam, an entrepreneur, has disproved the theory by setting up a ceramic factory -- Apple Ceramic Ltd -- in Badarganj upazila.

"Where there is a will, there is a way," said Shanta to The Daily Star.

"Badarganj is a remote upazila. But I say a ceramic factory is commercially viable in any corner of the country, if raw materials and skilled manpower are available. What matters above all is the quality of your products."

Apple Ceramic has been manufacturing sanitary products and fittings, supplying the products throughout the country, including Dhaka, Chittagong and Sylhet, since 2009.

At present, Apple Ceramics produces commodes, pans and basins. Shanta said, "We are going to expand our product range soon to meet the market demand."

She started her business by investing Tk 5 crore. Later, Al Arafa Bank Ltd came forward to finance the project.

"The total investment now stands at about Tk 15 crore."

When asked about profits, Shanta said, "Of course, it is profitable. We, however, need at least two more years to reach the breakeven point."

She says a major constraint the business faces is in transportation. Hauling the goods from Badarganj to other parts of the country hampers the flow of her business at times. So, she would like to have an easier and faster railway communication from Badarganj and Rangpur to other parts of the country.

The company purchases raw materials from Thailand and India and gets China clay from Sylhet and Mymensingh.

A scarcity of skilled manpower is another concern for Shanta. At the outset, she hired technicians and a few skilled workers from India. But she could not afford to pay their high wages for long, she said. Later, she hired experts from India to train the locals at Badarganj and Saidpur.

Shanta suggests that the government set up a regional training institute in Rangpur where the unemployed youths could be trained on manufacturing garments, ceramic goods and jute products.

The woman industrialist from the north also supported the movement of Rangpur Chamber of Commerce and Industry in advocating the tax holiday and more affordable interest rates for entrepreneurial bank loans.

She said, "The government should attach priority to the needs of the backward regions of the country where industries could not be set up so far due to an absence of gas supplies and necessary infrastructure. The government must facilitate the industrial entrepreneurs of the north, allowing extended tax holidays to encourage them."

Also, she said the bank interest rates cannot be the same for all regions. If commercial banks do not agree to cut interest rates, the government should come forward and provide subsidies for the entrepreneurs, she added.

Shanta, a non-resident Bangladeshi in the US, had returned home to start something that would create jobs for the unemployed in Rangpur.

Encouraged by the success of one



RAFIQUE SARKER

Women work at Apple Ceramic in Badarganj upazila, Rangpur. The factory makes commodes, pans and basins.

of her relatives in Saidpur, she decided to set up a ceramic goods factory in Badarganj.

"Frequent power cuts frustrate me. When the load shedding is on, manufacturing at my plant goes on powered by diesel-run generator," she said.

As a result, production costs go up, she added.

Shanta demanded an uninterrupted power supply in Badarganj so that they can minimise the production costs.

Most of the workers, about 400 male and female, in the factory expressed their satisfaction as they got an opportunity to make a living by engaging in a non-farm activity.

Hamida Banu of Shahapur, an Apple Ceramic worker, said, "Before 2009, we used to harvest potatoes during the robi crop season for only 15 to 20 days a year. Now we can work round the year in this ceramic factory."

Golapi Begum of the same village said, earlier she worked in a brickfield in Badarganj but she left the job because it was difficult for her to continue. She joined Apple Ceramic in 2010.

At the beginning in the ceramic factory, Golapi faced difficulties too, but gradually she learnt her work and now she is a skilled hand. "I earn

about Tk 5,000 a month," she said.

Almost all workers of Apple Ceramic earn about Tk 5,000 a month on an average.

The owner of Apple Ceramic says, "I could have stayed back in the US with my two kids. But I did not do that because I knew what I could do for the unemployed people of Badarganj."



Shanta Islam

Gas crisis, costly credit hinder industrialisation in the north

RAFIQUE SARKER, Rangpur

THE Rangpur Chamber of Commerce and Industry hailed Shanta Islam's initiative: a ceramic manufacturing plant in Badarganj.

The chamber's President Shahnewaz Bablu said Shanta showed the way for others to come forward with industrial projects.

He said they had never thought of setting up any industrial unit in Rangpur, until Shanta proved them wrong.

"Many entrepreneurs are willing to set up factories in Rangpur but they could not proceed due to an absence of gas," the chamber president said.

Shanta Islam did not wait for gas.

Vice President of the Federation of Bangladesh Chambers of Commerce and Industry and former president of Rangpur Chamber of Commerce and Industry Mostafa Azad Chowdhury Babu also appreciates Shanta's efforts.

He said, "All chambers in the north are trying to promote non-farm businesses in their respective areas. Many entrepreneurs have come forward with industrial projects in the region. But the banks are not so positive in regards to sanctioning loans."

If the entrepreneurs get proper support,

many entrepreneurs will set up industries, just like Shanta, Babu said.

On the bank interest rate for industrial purposes, the Rangpur chamber gave a memorandum to the finance and commerce ministries several times in the last ten years, but to no effect, he said.

As the region is backward and unemployment is a big problem there, the Bangladesh Bank should give a direction to all commercial banks to lower their interest rates for loans for industrial purposes, Babu said.

"We also demanded that Rangpur be declared as a separate economic zone, by giving extra financial incentives to encourage entrepreneurs to set up industries."

The government did not entertain their demands. Rather, all commercial banks have hiked their interest rates at present to be equal in all regions. They are taking 16 percent in place of 14 percent to lend out funds.

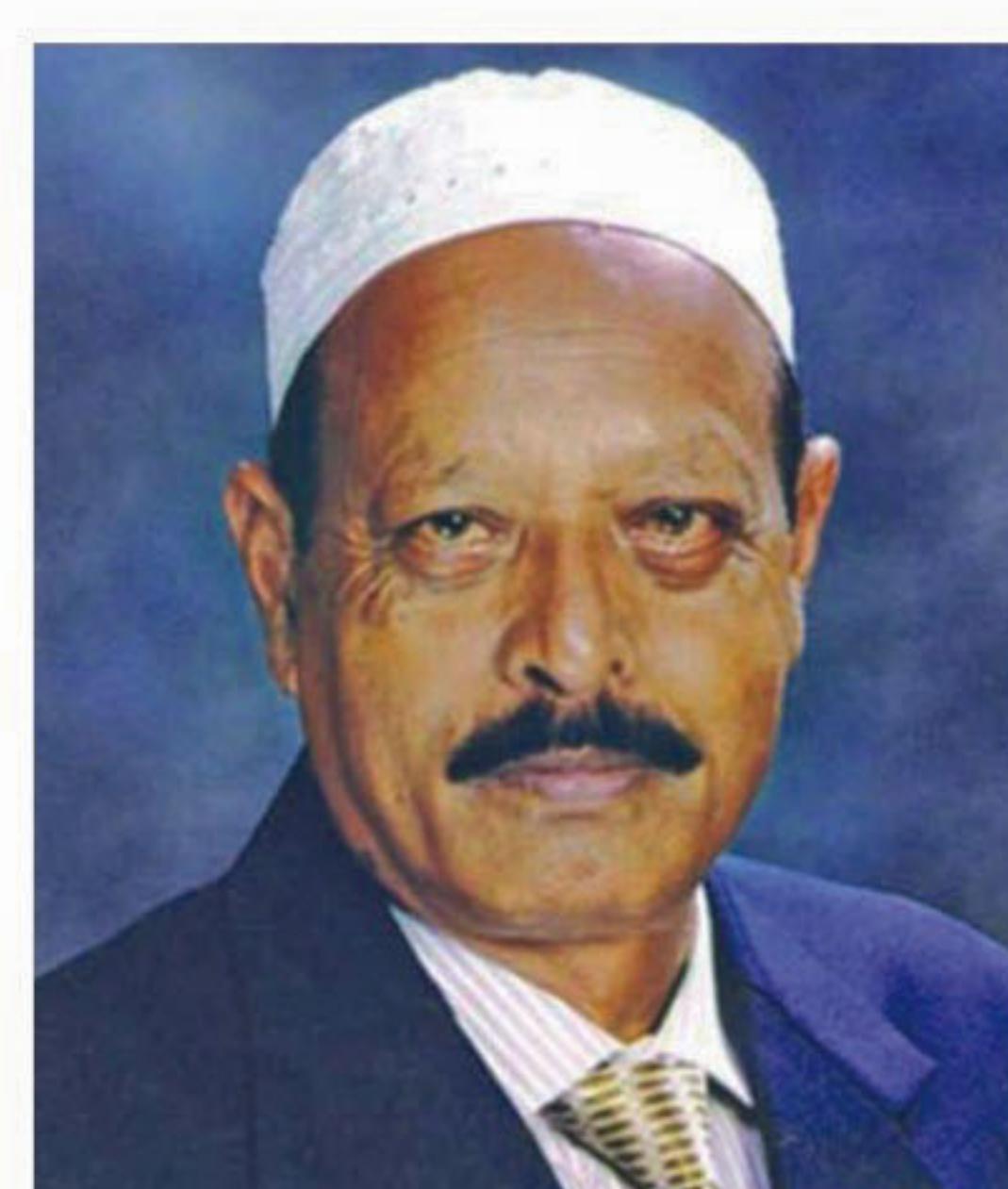
Not a single industry in Rangpur will be viable with this rate of interest, said the FBCI vice-president.

Babu, a director of Motahar Group of Industries, said, "The agro-industries in the north have bright prospects."

"Meanwhile, a number of jute mills have been set up in the region. Motahar Group is setting up a jute mill at Pirogachha in



Mostafa Azad Chowdhury



Shahnewaz Babu

As the region is backward and unemployment is a great problem there, Bangladesh Bank should give a direction to all commercial banks to lower their interest rates

Rangpur," he added.

But the group is not getting proper support from the banks, he said.

If the banks continue to behave like this, entrepreneurs like Shanta might get frustrated, Babu said.

Rangpur is an agro-based region. Therefore,

business bodies of the north urged the government to provide support to set up agro-industries.

Although the central bank is continuously putting pressure on all commercial banks to sanction loans to the agro-industries, the banks move slowly in this regard, he added.