

Pockets



of Change

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Stitching hopes and dreams

MD FAZLUR RAHMAN

TAHARIMA Begum is quite happy with the way things are running with her small business. She makes Nakshi Kanthas, employing thousands of destitute women in the western district town of Chapainawabganj.

The 47-year-old entrepreneur feels she can still deliver more and create more jobs for the women in her locality if she can make her business Dhaka-bound.

Setting up a store in the expensive capital city will be a financial challenge for her, admits Taharima.

"I need loans from banks that will charge much below the existing 10 percent rate of interest," she tells The Daily Star. "I do not need a loan at current business settings. But if I want to expand my business to Dhaka, I would require more funds."

"A huge number of women are involved with this business. If I can make it bigger, they will reap the benefits," she says.

Taharima was in search for something to do when her husband left the country for work in 1985. "I had plenty of time in my hands then."

She said her mother-in-law was engaged in social welfare activities. "Her organisation encouraged women to take up small business, to become self-employed. I was particularly encouraged by her."

Taharima started with a small number of female workers. With the Tk 15,000 she took from her husband, she bought fabric and supplied to the workers to make Nakshi Kantha, the

embroidered quilt that represents the folk art of rural Bangladesh.

"Demand increased gradually. I invested more and employed more workers."

After starting to make Nakshi Kanthas, she attended a number of training programmes on Nakshi Kantha embroidery, marketing, management, quality management, entrepreneur development, and tailoring in her district town.

Her venture, Noor Nakshi Mohila Jagoron, now makes over 100 pieces of Nakshi Kanthas a month. In addition, she makes bed-covers, cushion-covers, table cloths, wall-mats, salwar kameezes, block-print fatuas, and bags for mobile handsets.

Most of the Nakshi Kanthas are sold in Bangladesh. Each year, she also visits Nepal and India to attend fairs, where she displays and sells the items, and receives great responses from the South Asian neighbours.

She invested Tk 10 lakh, while her husband contributed another Tk 15 lakh into the growing business. She also borrowed Tk 5 lakh from a private bank, which has already been repaid.

Even if she can take out more funds in bank loans, she is not that enthusiastic as she finds the 10 percent interest rate on SME loans to be too high.

By setting up the business, she is now not only self-dependent but also able to help a number of women in her locality to free them of poverty.

She also managed some small loans from various sources with easy conditions for a few women so that they can run their own businesses. They supply products to Taharima's stores.

About 1,500 workers, mostly women, now directly work for her. Taharima supplies them the fabric and yarn and they receive payment when they complete a Nakshi Kantha piece. For each piece, they collect Tk 700 to Tk 1,200, depending on the size.

It takes about a month to weave a Nakshi Kantha.

She pays Tk 30,000 in daily wages to workers on an average.

Initially, she did not get good prices for the products. Some unscrupulous buyers even took goods on credit, promising to payback at a later date, but never did.

"At first, when I needed the money, I failed to get loans from anywhere. I am established today. Now I get loans."



RABIUL HASAN DOLLAR

Taharima Begum displays a Nakshi Kantha at her store in Chapainawabganj. She plans to open a shop in Dhaka soon.

Things have not changed much when it comes to getting finance from banks. "The banks seek documents before granting loans, which are not always easy to provide for small entrepreneurs like me."

"The SME Foundation said no mortgage would be required for women entrepreneurs to take out a loan, but banks insist they require mortgage, as per rules," she says.

She plans to open a showroom in Dhaka, which will also open the doors to selling her products overseas.

"I always have a stock of 200 pieces of Nakshi Kanthas. If I can set up a store in the capital, I will be able to sell those quickly. It will help not only my business, but also the workers."

Setting up a showroom in Dhaka will require a lot of cash, she says. She met the Bangladesh Bank governor in October last year and requested him to facilitate a loan for her at a low rate of interest.

"The central bank officials told me that they are considering her application. They also told me that the cen-

tral bank sent letters to two banks in this regard."

Agrani Bank, one of the two banks, contacted her and she submitted her papers. She is still in touch with the state-run commercial banks. When she contacts the officials of the bank, they say it will be done.

The mother of three sons -- a doctor, a university student and an HSC student -- said she had to endure a lot in managing both a family and a business at the same time.

Her husband was involved in other businesses at first. But four years ago, he joined her business. He takes care of the garment items at the showrooms.

The entrepreneur said she also provides training to women in her locality on making Nakshi Kantha; she already trained about 200 women. "Many of the women were abandoned by their husbands. They are now running their own families."

Taharima, a member of Chapainawabganj Chamber of Commerce and Industry, actively partici-

pates in programmes aimed at stopping violence against women.

She had to overcome a number of setbacks from her family as well as society. "Initially, I was not allowed to go outside. My husband did not like the idea of me starting a business. He was annoyed by it. But my mother-in-law helped me. She always accompanied me when I needed to go outside of the house."

"As the demand for my products rose, my family became more understanding."

It took 10 years to change her family's perception, she says. "Now, everybody appreciates my work and achievement."

Taharima, a bachelor's degree holder, won the World Microenterprise Award in 2005 by Citi Group. She said her business grew even faster with the recognition.

She has three sales centres -- two in Chapainawabganj and one in Shaheb Bazar in Rajshahi city.

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Low funds freeze progress

MD FAZLUR RAHMAN

NASIR Uddin plans to launch a clothing brand in the market, which is now flooded with various unnamed brands and imports.

He brought in an inner-garments knitting machine from Taiwan for Tk 12 lakh nine months ago to get the wheels running on his plans.

But for a lack of funds, the young entrepreneur has still not been able to achieve much. He does not have enough working capital to maintain raw material stocks or rent a factory in Dhaka.

As an alternative, Nasir installed the machine in a corner of a garments factory owned by a friend, in the industrial belt of Narayanganj.

"The machine remains inoperative at most times," he said yesterday. "I had a small number of orders in the last few months."

The 43-year-old former merchandiser has an embroidery factory in Khilkhet in Dhaka that employs 18 work-

ers. The factory carries out the sub-contract orders of large factories who garments to the US and European countries.

The businessman from Patuakhali said he needs working capital to the tune of Tk 20 lakh to run the machine to make men's inner garments and vests.

"I am failing to produce and market the products due to a funds crisis. I only take small orders. I have the required machinery, but I do not have the money to stock enough raw materials," he said.

He said if he could invest Tk 20 lakh, he would be able to start the business in full swing. "It could help me sell 60,000 pieces of inner garments and vests in the local market."

He said, to begin production, he needs to maintain a stock of yarn for at least three months. This will cost Tk 6 lakh a month, he added.

Once things get moving, the operations will give employment to eight to ten people, he said.

Nasir, owner of Seamstar Company, has already invested

Tk 50 lakh on his embroidery factory, which has been set up in a rented building. "It can be expanded further."

Nasir, who has vast experience in working at a top buying house, said he could easily manage a job with a salary of Tk 50,000 to Tk 60,000 in the garments industry. "But I wanted to set up my own factory, which will create jobs."

He left the post of country manager at a leading buying house in 2002 and set up his own business a year later. "Bangladesh has no brand for inner garment items. The inner garments available in the market are manufactured in Narayanganj under fake names, while some are imported."

He has supplied 150,000 pieces of inner garments on two contracts. For the orders, he made the fabrics and outsourced tailoring.

"I want to introduce a new brand with world-class quality, as there is a big market locally and internationally for inner garments and vests."

The small entrepreneur



Nasir Uddin

plans to bring his knitting machine to Dhaka and install it on rented space. His dreams are dependent on the availability of funds and a new electricity connection at the factory.

"I have read in the newspapers that the government is planning to give new connections. If connections are available, I will rent a small floor. But if I do not get a loan, my

investment of Tk 12 lakh will remain stuck."

He said the cost of doing business has risen due to the non-availability of adequate electricity. The rising cost of renting a building for factory space is also a major barrier.

Nasir urged policymakers to extend support to entrepreneurs, so that they can set up their own venture and generate employment.

"Our prime minister herself is speaking about the development of the SME sector. The government has framed a policy to help small business owners. The central bank governor also talks about the issue. But we do not get enough assistance."

"The banks refuse to give loans without mortgage. It's a common thing. I got in touch with banks, but received no financial help from them, as I have no land or flat in Dhaka that can be mortgaged."

He urged the SME Foundation to do more for entrepreneurs like him.

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