



DHAKA, SUNDAY, MAY 15, 2011, E-MAIL: business@thedailystar.net

Districts in Focus

Kalurghat industrial hub awaits a push

PRABIR BARUA CHOWDHURY, Chittagong

KALURGHAT area in the port city has grown up as a rapidly expanding industrial area in the country. Different industries were set up there after the independence of Bangladesh. Although the area has become a centre of industrial activities, it is yet to flourish due to various bottlenecks -- insufficient gas and power, poor infrastructure and dilapidated roads and transportation system.

Bangladesh Small and Cottage Industries Corporation (BSCIC) established an industrial area on a 12-acre stretch of land there in 1980. A good number of renowned industrial groups also set up their factories in the area after BSCIC.

Of the 4,000 factories in Chittagong, around 1,200 heavy industrial units have been set up in Kalurghat area in different times, according to data of Chittagong Chamber of Commerce and Industry. The industries are clustered into three zones: Kalurghat BSCIC and heavy industrial area, Kalurghat-Mohora industrial area and Kalurghat-Boalkhali industrial area.

Kalurghat-Boalkhali industrial area flourished on the eastern bank of the river Karnaphuli.

Since the Pakistani regime, the area has been built up gradually as an industrial hub, thanks to the river Karnaphuli. In early 1960s, few factories of local industrialists, some small and cottage industries and some multinational companies like Lever Brothers Pakistan Ltd signed up there.

Local businessmen think it was mainly the river Karnaphuli that encouraged local and international traders to set up industries here. Over the years, with changing modes of transportation, the Karnaphuli has lost its importance to a large extent, but setting up new industries there never stopped. Private entrepreneurs have gradually transformed the zone into an international industrial hub.

Some of the global multinational companies present in Kalurghat area are: Pepsi-Cola, Coca-Cola, Unilever Bangladesh and Berger Bangladesh Ltd. Among the leading local industries are garments, pharmaceuticals and cement factories, and container depots.

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A view of Kalurghat industrial area. Since the Pakistani regime, the area has been built up gradually as an industrial hub, thanks to the river Karnaphuli.

failed to fully flourish in the area, many heavy industries from the private sector came up with rapid expansion without any help from the government. All successive governments neglected the area although it has been contributing considerable revenues to the state exchequer.

Businessmen said they could not go for full production due to a shortage of gas and power. Some of their industrial units get only 5megawatt (MW) of electricity although 15MW is allotted for them, depending on the size of their plants, they added.

Md Mohiuddin Chowdhury, project director of TK Chemical Complex in Kalurghat-Boalkhali area, said his company got an allotment for 15MW of power for its production. "But we had to remain satisfied with only

5MW. The same thing happened in case of gas supply also."

Apart from gas and electricity shortages, Kalurghat industrial area faces problem with transportation. The roads of Kalurghat BSCIC industrial estate and heavy industrial area are in a dilapidated state. Thousands of vehicles use the potholed roads daily for transporting goods and workers, amid heavy risks.

Anup Kumar Das, executive director of Azim Group, said, though Kalurghat is a prominent industrial hub in Bangladesh, the industrialists here are struggling with the hazards of the local roads. Foreign buyers

become frustrated seeing the precarious state of the roads, Das added.

The condition of the roads worsens during heavy rains, he said, adding that most of the areas go under water

when the Karnaphuli overflows in the rainy season. All these create problems to local businessmen, as vehicle-operators then demand 40 percent to 50 percent higher charges, Das said.

Some industry owners carried out essential repairs of the roads at their own costs.

Md Shahabuddin, personal services manager of Unilever Bangladesh Ltd, said over the years the beds of the Karnaphuli and its connecting canals have been filled up with sediments. These beds and canals require quick dredging to regain their navigability.

Most of the industrialists said they have filed repeated complaints to the authorities concerned, but got no results so far.

On such complaints, Abdus Salam, chairman of Chittagong Development Authority, said the authorities are

trying to improve the condition of the roads. He said the industries ministry has already initiated a development work worth Tk 4 crore in the BSCIC area.

About solving the water-logging problem, Shamsuddoha, secretary of Chittagong City Corporation (CCC), said the port authorities have already taken up a capital dredging project for improving the navigability of the river. Meanwhile, the CCC also decided to dredge various city canals, he added.

Local industrialists believe that Kalurghat industrial area has all the prospects to establish itself as an international industrial hub. To attract foreign and local investors, it is necessary to make the zone industry-friendly and its environment should be like those at the export processing zones, they said.

Poor connectivity, energy dearth take toll on growth

Aramit Group Chief shares his views with The Daily Star on the present situation of the area

PRABIR BARUA CHOWDHURY, Chittagong

KALURGHAT is basically divided into two different kinds of industrial areas -- small and cottage industries of Bangladesh Small and Cottage Industries Corporation (BSCIC) and heavy industries, said Aramit Group Chairman and Managing Director Saifuzzaman Chowdhury Javed.

The place looks like the industrial area of a conglomerate, he said.

Most of the small and cottage units are of chemical and plastic industries, added Javed, who is also the former president of Chittagong Chamber of Commerce and Industry (CCCI).

The heavy industries in operations there are mostly leading garments factories and international beverage brands, the factories of multinational companies, pharmaceuticals, cement and paper. However, it is mainly a garments factory dominated area, he added.

He said the area began its journey as an industrial area from the Pakistani era. In 1964-65, some local industrialists established their factories there. Later, multinational companies like Lever Brothers Pakistan Ltd set up its factory there. At that time, AK Khan group established its jute mill there as well, he added.

Javed said, even though it is one of the



Saifuzzaman Chowdhury Javed

biggest industrial zones in Bangladesh, it is yet to receive the attention it deserves. This belt has developed under the initiatives of the local industrialists.

In regards to the contribution of this hub to the national economy, he said this belt

has been exporting commodities worth billions of dollars without receiving any remarkable support from the government.

Foreign buyers who come to visit factories in that belt express resentment over the poor condition of this industrial hub, he added.

With the roads and road links out of order, this zone does not receive sufficient power and energy either, causing losses to the factory owners. Local entrepreneurs have done the basics to keep this place running, the former CCCI president said.

Heavy trucks carry raw materials to the factories over these roads. It is important that the roads are maintained for the smooth flow of raw materials, workers and finished goods.

"But I'm sorry to say the roads of Kalurghat is completely out of order."

Javed also said water-logging is a major problem during the rainy season. With high tide in the Karnaphuli river, most of the areas go under water. The industries suffer the most at these times, as loaded trucks fall into ditches and the transport of goods is delayed, he added.

Javed said he filed complaints with the authorities when he was the president of the CCCI; but no action was taken. He added that the mayor of Chittagong City Corporation (CCC) had assured that he would take care of the water-logging problem and develop the roads.

"The energy crisis is becoming a serious problem in Chittagong, just like across the country, and is hindering operations at the factories in the belt," said the Aramit Power boss.

"I request the government to ensure the

supply of energy as soon as possible to the Kalurghat industrial area."

Javed said the Karnaphuli river played a significant role in making the industrial belt. Earlier, most goods were transported through river ways, but now the situation is different, with more focus on the roads, he added.

"If river transportation could be resumed, it would be of great help to the factories, especially the cement factories," said Javed.

To speed up expansion, he suggested that Chittagong Development Authority (CDA) and other government organisations ensure the best use of vacant lands. He said many lands, which were allotted for industries, are vacant for a long time.

CDA could re-allocate the lands to interested entrepreneurs, he said.

There are many entrepreneurs who could not set up their factories because of the high price of lands. So it would help them build a factory in the belt, he said.

Demanding more bridges on the Karnaphuli river, he said, "Considering the contribution of Chittagong to national economy we have the right to demand 5 to 6 bridges over Karnaphuli."

"If the government takes initiatives to modernise the Kalurghat industrial area, I think it will help us make this zone the best industrial area in the country," Javed added.