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Districts in Focus

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Workers operate sewing machines at a small garment factory in Saidpur.

EAM ASADUZZAMAN

Small apparel factories live off waste fabrics

EAM ASADUZZAMAN, Nilphamari

SMALL garments factories in the backyards of homes in Saidpur of Nilphamari district are proving to be meticulous in making use of resources. They are producing export quality apparel items from the waste and rejected fabrics from the high-end garments factories in Dhaka and Chittagong.

Such small factories are popping up almost everywhere, in every nook and corner of the town, changing the fate of many families in the area.

Apparel produced here is mostly exported to India and Bhutan for several years now, counting precious foreign currency. It is playing a role in changing the socioeconomic scenario of this area and contributing to the national economy.

In order to applaud their efforts and foster enthusiasm, Bangladesh Bank (BB) extended cooperation by providing

small and medium enterprise (SME) loans this year.

Leaders of Exportable Small Garments Factories Association (ESGFA) in Saidpur say their goods are more in demand abroad. However, they are unable to meet that demand as the government has allocated a small duty-free quota for them.

They urge authorities for a bigger duty-free quota.

People in the locality say Abdul Malek of Munshipara in Saidpur first set up a small garments unit in the year 2000 and experimented with rejected and waste fabrics. He began operations with ten manual sewing machines to make readymade garments to sell on the local market.

His products gained popularity in the town and surrounding areas too and eventually started a profitable trend.

Saidpur has a good number of immigrants from India living in the area, alongside the locals. Their Indian rela-

tives visit and the produce of the area has gained popularity, opening doors to trade with India.

Malek initially did not have a trade licence. But he did not lose heart as he managed to form business ties with a trader based in Dhaka.

Saidur Rahman, 52, is the general secretary of Exportable Small Garments Owners Association (ESGOA) in Saidpur and owns SR Garments. He says the association has 69 regular and 150 associate members currently.

In addition, there are about 500 tiny garment setups in every other home with 3-4 machines only, he says. They mostly work against orders placed by regular association members, he adds.

Areas of the town like Basbari, Puratan Babu Para, Shaheb Para and Munshipara house some of the comparatively larger setups with 50-60 manually run sewing machines. Most other factories run with 20-30 machines.

Workers relentlessly work there to produce full and three-quarter pants, trousers, jackets and shirts.

"Our products gained popularity mostly in the seven sister states in India and Bhutan. This is because our goods sustain and are attractive," said Reaz Alam Babu, vice president of ESGOA and owner of Aman Garments.

The low and middle-income groups of those countries prefer these goods because not only are the clothes cheap, but they are made of raw materials used to produce high-quality goods for export to Europe and the US, he added.

At present, different import companies in Shiliguri, a sub-divisional town in West Bengal, including Mongla Shah, Hazi Aziz, Madan Kumar, Shyamal Kumar are importing garment goods of Saidpur factories via the Burimari land port in Lalmonirhat in Bangladesh and Chengra Bandha on the other side of the border, officials said.

Shiliguri is the transit point to enter the seven sister states in eastern India and Bhutan.

Some Bhutanese firms, like Kuenga T Wangmo, and others situated in the

Bhutanese town of Phuentsholing bordering India is the shortest distance from Bangladesh that are also importing Saidpur garment goods.

About five thousand workers are working in different categories in all the big and small factories, maintaining at least 25,000 family members in Saidpur, according to association members.

BB Governor Atiur Rahman, at the invitation of bankers and entrepreneurs of Saidpur, attended a meeting and visited an exhibition of industrial products on January 8 this year.

At the time, he visited the stalls of small garment factories and was convinced to see the potential of the sector. He made a commitment to provide all sort of cooperation from his part.

The governor also distributed cheques for SME loans to a number of small garment owners, which had a positive impact on the people in the locality.

Earlier at a directive of the central bank governor, Sukamal Sinha Choudhury, general manager of SME and Special Programme Department of BB, visited the small garment factories in Saidpur at the end of last year and recommended giving loans to the factory owners.

Now the Small and Medium Enterprise Foundation, with the consent of BB, is providing SME loans ranging between Tk 3 lakh and Tk 7 lakh to selected factory owners through some local banks like National Credit and Commerce Bank Ltd, National Bank, Basic Bank at an interest rate of only 9 percent repayable in 30 monthly installments.

Loan beneficiaries say that the SME loans have given new life to the industry as most factory owners are insolvent.

Manager of a local branch of National Credit and Commerce Bank Ltd Sazzad Hossain expressed satisfaction at the proper use of the loan money and loan repayment. He says, "The loan beneficiaries are keen to increase skills and production at their factories. Some are going to purchase modern machinery for their factories."



Akter Hossain Khan, president of Exportable Small Garments Owners Association, shows a jacket made of waste fabrics at a small showroom in Saidpur.

After BB governor's visit to Saidpur, a delegation from Export Promotion Bureau (EPB), led by its Vice Chairman Jalal Ahmad visited several factories earlier and for the first time, allocated a duty-free quota against a total of 90,000 garment pieces for exports. Previously, local garments owners had to export garments with the help of licence holders in Dhaka, who enjoyed quota facilities for large exports. But they charged a lot for their services.

Leaders of ESGOA are grateful to EPB for the duty-free quota but they say it is insufficient. They submitted a written petition in this regard.

Md Selim, owner of SS Garments and an exporter, says, "EPB had given me a duty-free quota to export 20,000 pieces only a year. I need it for 5 lakh pieces though."

ESGOA General Secretary Saidur Rahman said: "We don't want to be exploited any further by large exporters in Dhaka and Chittagong by taking their help in exporting our garments goods."

Akter Hossain Khan, president of ESGOA, urged EPB to increase the duty-free quota to up to 50 lakh pieces a year instead of 90,000 pieces, to promote the emerging sector.

"We need a duty-free quota for 50 lakh pieces a year as our products are high in demand in India and Bhutan. If we are given that, we could grab a large share of the large market in the even sister states of India," he added.

Jalal Ahmed of EPB said: "It isn't possible to raise the duty-free quota for them as they aren't members of the Bangladesh Garment Manufacturers and Exporters Association. In spite of that, we allocated a duty-free quota of 90,000 pieces to promote them. But it was not a regular process."

Still, he is positive about their potential and advises the small garment factories in Saidpur to apply to the commerce ministry, which might bring good results.

The ESGOA leaders urged the government to set up a village for the small garment factories in a separate place outside the town, as most are located inside homes.



Workers at a small factory in Saidpur process rejected clothing pieces collected from large factories in Dhaka.