

# Poor Eid sales worry northern weavers

AHMED HUMAYUN KABIR TOPU, Back from Shahzadpur, Sirajganj

**M**ORE than three lakh handlooms in 10 upazilas of Pabna and Sirajganj are abuzz with activities targeting sales during this Eid season.

But the weavers in the major handloom clothing zone of the country are worried about low sales even in this peak shopping season.

"I sold around 80 saris in the last two days although the number was more than 200 on every market day during last Ramadan," said Md Habil Uddin, a marginal weaver at Norina village of Sirajganj.

Habil Uddin is not alone. Many other weavers of Shahzadpur, Ullahpara, Chowhali, Kazipur, Belkuchi, Sirajganj Sadar, Bera, Santhia, Sujanagar and Pabna Sadar are facing the same situation.

"I produce at least 400 saris everyday with 40 looms in my factory. Although this is the peak season, 150-200 saris remain unsold everyday due to a poor demand," said Haji Badsha Miah, a weaver at Dogasi village in Pabna Sadar.

Md Haidar Ali, vice president of Bangladesh Handloom and Power Loom Owners' Association, said there are more than three lakh handlooms in Sirajganj and Pabna.

"Of the total 3.5 lakh looms in nine

upazilas of Sirajganj, 2.5 lakh are in operation. And only half of the one lakh handlooms in Pabna are active this year," Ali said.

"At least 70 percent of the total demand for handloom clothes is met by the weavers in Sirajganj and Pabna," he added.

Ali said exports of handloom clothes to India fell sharply this year, creating a supply glut in the local market.

"At least 40 percent of the total clothes produced in the Sirajganj-Pabna zone used to go to India every year. But this year, exports declined due to the recent appreciation of the taka," he said.

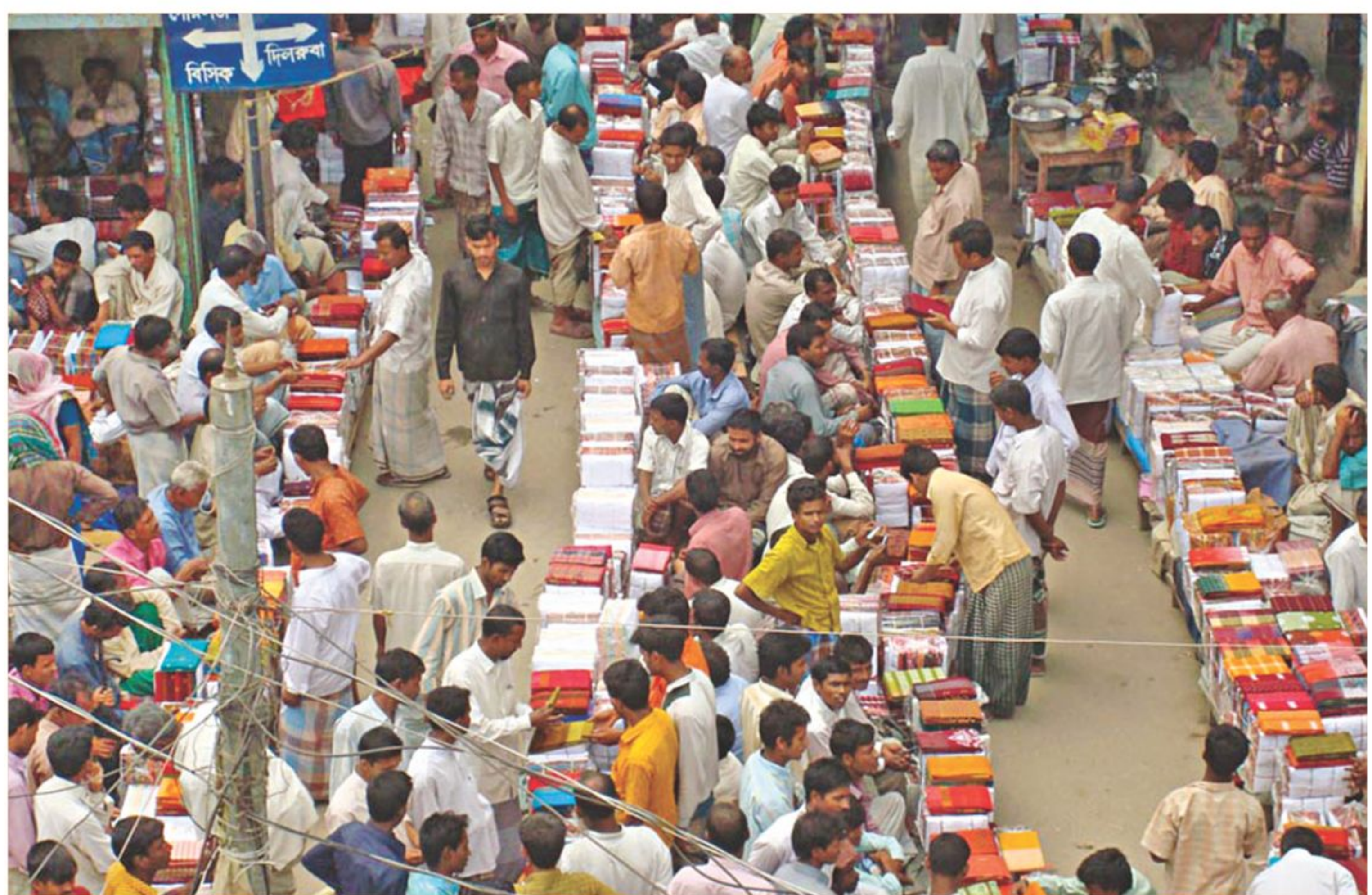
"We exported only 10-15 percent this year," Ali added.

Shahzadpur Tant Kaporer Haat, the biggest wholesale market of handloom products in the country, looks busy ahead of Eid-ul-Fitr, but weavers were worried about sales.

The weavers blamed economic hardship of the middle and low-income people for the bleak sales.

According to the association, there are more than 200 big wholesale shops inside the Shahzadpur market and more than 15,000 weavers of the northern districts trade in this market.

"Last year I sold 200-300 saris on every market day during Ramadan. But this year I am selling only 80-100 pieces," said Md Alauddin, another marginal weaver at Monirampur village who came to the Shahzadpur market to sell his clothes.



Buyers and sellers liven up the wholesale market for saris at Shahzadpur in Sirajganj. *Bottom left*, Sellers display wares to buyers at the market. *Bottom right*, A weaver works on a handloom.



The weavers said Eid is the biggest season for them and they make and store handloom saris across the year to sell those before Eid as around half of the total yearly sales come during this season.

But, due to the current slump, they will miss their targets this year.

The weavers also said the turnout of buyers in the Shahzadpur market was huge in the previous years, but the situation is quite disappointing this year, as even the market days look somewhat calm.

This slump in sales could affect the sustainability of the industry, they said.

"Although handloom products worth Tk

200 crore were sold last Ramadan, the sales this year have not crossed 80 crores yet. This is the biggest ever fall in the last 10 years," said Md Almas Ansari, president of Shahzadpur Handloom Traders' Association.

He said sales may improve after the 15th of Ramadan, but that would not help recoup the losses.

"The price of paddy was low this year, affecting the incomes of the middle- and low-income people," Ansari said.

An increased flow of Indian clothes in the Shahzadpur wholesale market also caused the dip in sales of the local handloom products, he added.

# Deadly India car factory riot sounds alarm bells for industry

REUTERS, Manesar, India

**H**IDING in his office near the Indian capital as workers armed with iron bars and car parts rampaged through the factory, Maruti Suzuki supervisor Raj Kumar spent two terrified hours trying to comprehend the warzone his workplace had become.

By the end of the day, one of his colleagues had been burnt to death and dozens wounded, many with broken bones, as a long-running struggle between the shop floor and management exploded at a factory racked by mistrust.

While police investigate and the carmaker counts its mounting losses, the July 18 clash has rattled corporate India and shone a light on outdated and rigid labour laws in a country where cheap labour drives manufacturing and draws foreign investment. High inflation, a shortage of skilled labour and rising aspirations have emboldened workers' demands.

"There was always a strong sense of unease," Kumar, 43, told Reuters as he stood outside the locked factory gates more than a week after the riot in the industrial town of Manesar.

"We are living in fear... The kind of violence these guys showed was unbelievable."

Other foreign carmakers, such as Hyundai and Honda, have seen labour unrest at their Indian plants in recent years, and industry groups have renewed calls for the government to overhaul laws they say tie their hands.

"This is definitely sending a wrong message. Investors will be reluctant," P. Balendran, vice-president at General Motors' Indian unit, said of the Manesar violence. "The need of the hour is flexible labour reforms. In 2012 you cannot afford to have a rule which is applicable ... from 1956."

India's labour laws, some dating to the 1920s, make it difficult for large companies to fire permanent workers, forcing companies to hire large numbers of contractors - a bone of contention with many unions.

"We knew that something of this sort might happen sooner or later," said Balendran. "It happened to Suzuki today, then tomorrow it could happen to us."

Maruti's factory, which made about 1,700 cars a day, including its top-selling Swift hatchback, is now shut, costing tens of

millions of dollars, while over 2,500 workers have gone to ground, fearing punishment from Maruti or police, say residents and unions.

Maruti, already hit by rising costs on a weak rupee and falling sales, has seen its market value fall by \$550 million since the riot. Shares in Japanese parent Suzuki Motor Corp, which relied on Maruti for 28 percent of its net profit in the last fiscal year, fell as much as 10 percent after the riot, and on Friday closed 3 percent lower than on July 18.

Maruti says the violence was unprovoked and unexpected. But in a plant with a history of unrest, the union representing those on the production line said management practices made a clash inevitable.

"The workers have been provoked consciously by the management. Their plan is to provoke them so much that they commit mistakes and can be fired. Management does not want the union to run," said a worker at Suzuki Powertrain, a sister factory in the same compound.

"The management thinks if they can accuse all workers of wrongdoing, they can easily fire everyone and dismantle the union, that's their politics," said the worker, who declined to be named as he feared he would lose his job.

Maruti's labour headache began in 2000. A standoff at another plant close to Manesar saw workers demanding better pay embark on hunger strikes, closing the factory for weeks.

That union was eventually broken by Maruti and replaced by another which also represented staff at Manesar. Last year, workers launched strikes demanding recognition of a new, independent union.

That was granted in October, but the slow formation of the Maruti Suzuki Workers Union and slow progress over fresh wage negotiations raised the temperature again.

Manesar's best-paid manufacturing workers earn 25,000 rupees (\$450) a month, and 1,500 of them, on temporary contracts, earn less than half that. Maruti's employee expenses as a share of net sales are the lowest among the five biggest domestic auto makers in India, at 2.4 percent in the last fiscal year.

The union was pushing for a 15,000-rupees-per-month increase over three years when the riot flared.

"There was no normalcy even after the



Police officials walk outside the Maruti Suzuki's plant in Manesar, located in the northern Indian state of Haryana, on July 19. A long-running struggle between the shop floor and management exploded at the factory on July 18 in a clash that has rattled corporate India and shone a light on outdated and rigid labour laws.

last year's strike ended... Workers always behaved very rudely with supervisors, and that got worse," said Kumar, who manages 30 welders.

With wage negotiations stalled, an argument broke out on the shop floor between Jiya Lal, a worker and union member, and Ramkishore Majhi, a supervisor.

Maruti says Lal attacked Majhi, while the union says Majhi abused the worker using derogatory language. Neither was reachable for comment by Reuters. After the incident, Maruti suspended Lal and rebuffed union demands to punish the official.

At 3 p.m., around 1,200 workers whose morning shift at the factory had ended stayed on the premises awaiting news on Lal's suspension, and by 6 p.m. had blocked the gates of the factory, where around 30 policemen had gathered, police and Maruti said.

"What we were expecting was that they may put pressure... they will shout against

the company or senior management," said SY Siddiqui, Maruti's chief operating officer. "What was not expected was this kind of barbaric violence."

The union said the carmaker used hired thugs to beat the union workers, provoking the violence. Maruti and police have denied this.

Union president Ram Meher, who has not spoken publicly since the riot, has been arrested alongside all the union's office-bearers. Police have detained 114 workers in the investigation.

Shouting and screaming, some managers were forced to jump out of first-floor windows to escape the fire that blazed through the factory offices, witnesses say, before the mob torched the plant's security office, damaging CCTV records.

"I saw bonfires burning by the gate, with workers tossing plastic barricades and other material into the flames," said Vikram

Singh, a member of the village council in Dhana, an informal settlement near the factory.

Awanish Kumar Dev, a senior human resources manager, was found burned to death. More than 100 other management staff, including two Japanese, were taken to hospital with injuries.

None of the workers was admitted, according to police.

The factory is now guarded by 500 police as investigators try to piece together salvaged CCTV footage and statements from officials who were attacked to identify those involved.

The investigation will lay the blame on union leaders and find that at least 2,000 of the factory's workers are innocent, a senior Haryana state police officer told Reuters.

Damage to the factory is estimated at \$1 million, said a surveyor employed by one of Maruti's insurers, who declined to be named as he was not permitted to speak to media.