



# Govt. support critical for sustaining construction growth

In conversation with Dr. Mohammed Mohsin, Chairman of Rahim Group.



Dr. MOHAMMED MOHSIN

infrastructural development led by big infrastructure projects and growing rural constructions. Local steel industries are meeting almost all the requirements of steel in the construction of the Padma Bridge, the largest infrastructure project in the history of Bangladesh. Rahim Group is one of the leaders in the local steel industry. In a lively conversation with The Daily Star, Mohammed Mohsin, Chairman of Rahim Group, talked about the prospects and challenges of the industry.

Mr. Mohsin started with the information that the current production capacity of local steel industry is more than the demand. He said, "We expected around 10 percent growth but that is not happening. Most companies have completed expansion that will soon turn to production. But the present demand falls short of our expectation." Bangladesh's per capita steel consumption is only around 30kg, which is one of the lowest in the world. Per capita steel consumption in India is over 55kg and in European countries, it is more than 300kg, he cited. Still, he is hopeful that the demand will rise, as a good number of big infrastructure projects are in the pipeline.

About the ongoing expansion of his company, Mr. Mohsin shared that they are doing forward and backward integration. They are producing billet and chemical products such as ferrous alloys. Earlier, the country was totally dependent on imports for this chemical. Now, after meeting the local demand, Rahim Group is exporting it. At the forward end, his company is producing plates, which are supplied to shipyards, which comprises only 10 percent of the total demand. The rest comes from import. If there were some restrictions on import of plate, more local companies would have invested in producing plates, said Mr. Mohsin. Since Bangladesh does not have ores of raw materials, it is difficult for local industries to compete with foreign products. He made it clear that it is not necessary to put a ban on import of plates, but there are

anti-dumping regulations in most countries to protect local industries.

Recognising the importance of making the steel industry green, Mr. Mohsin informed that they are gradually embracing green solutions. They process fumes, making them free of harmful particles. Through processing, they get various materials that are mainly used in the paint industry. They also do optimal processing of industrial waste, and the end product is used for landfills, which is less harmful for the environment. He also suggested introducing carbon trading in Bangladesh, which will give cash incentives to companies to invest more in making their industries green and sustainable.

Talking about the export opportunity of the steel products, he said that the country can export 30 percent of its steel bars to northeast India. But not much is happening in that front due to various direct and indirect bars imposed by the Indian authority. He urged the government to take up this issue with India in bilateral meetings. Except India, there is little opportunity for exporting steel bars in other markets. But Bangladesh can export value added items such as railings, precast manholes, and suspensor of cars that have great demand in foreign markets. If the government provides some incentives for exporting these products, the steel industry will emerge as a leading exporter, said Mr. Mohsin.

He also highlighted transportation hassles at the port as a major impediment. It usually takes 15-16 days to unload imported raw materials from the mother vessel. Foreign suppliers charge extra money for this unusual delay, which ultimately increases production cost.

When asked about the quality of steel products, Mr. Mohsin explained tongue-in-cheek that from advertisements, it now seems like the sole standard of a steel product is whether it is earthquake resistant or not. But the fact is that no steel is earthquake resistant. Quality steel only helps to reduce the deflection of a structure during an earthquake. However, he said that it's not only the steel or steel product to resist the impact of earthquakes. "It's the totality; the proper combination of each material that will be used for construction," he said. He urged consumers to look for reputed companies who have long years of experience in steel production. It requires a long production culture to make a quality product, he added.

In his concluding remarks, Mr. Mohsin shared that with proper knowledge and support of technology, Rahim Group wants to set the path of a new era of construction business. As steel is a growing industry, he thinks that with proper support from the authorities and consumers, it will sustain for a long haul.



## Infrastructural development is the need of the hour



MOHAMMED ALAMGIR KABIR

agricultural land. Nowadays, agricultural land is being used for construction of homes, factories, etc. and as a result this valuable resource is declining rapidly. The population is also increasing day by day which brings into the picture the uncertainty of food production.

Let's look at the scenario of some developed and developing countries. They emphasise planned urbanisation to ensure food security for the present and the future. Agricultural land in these countries is not misused. China is one such developing country which has attained success in this regard; they even give farmers space to live in high-rise buildings. Likewise, we can provide accommodation in high-rise buildings to a number of village people. We can provide housing facilities and simultaneously secure agricultural land. I

hope the concerned government authorities think through this matter seriously.

At present, our Gross Domestic Product (GDP) and the reservation of foreign currency indicate that the economy in Bangladesh is the fastest growing and we need to increase local industry and infrastructural development while keeping the GDP steady. These developments should carry on not only in the city but also in rural areas. Farmers produce food and play an important role in the upward growth of the country's GDP. We should look out for the wellbeing of our farmers and the government should take initiatives to increase infrastructural facilities for them.

Infrastructural development in the country is not adequate because at present per capita cement consumption is only 138 kg against countries like India (257 kg), Malaysia (602 kg), South Korea (780 kg) and China (1700 kg), though the index has increased from previous years (except China). Similarly, in the steel sector Bangladesh is only 45 kg per capita against countries like India (136 kg), Malaysia (380 kg), South Korea (572 kg) and China (610 kg) where construction agents are being utilised much more. These indicators show that a large number of common people are not in the purview of the infrastructural development of our country. The main raw materials of construction agents like cement and steel bar are imported. As we know, the overall development of a

country depends on the development of common people. Therefore, prices of infrastructural materials should be kept at an affordable level for the common people. The government should provide duty free import for the raw materials of cement and steel at least for the next five years or incentivise these sectors in some other way.

Between 1996-2005 some domestic and foreign companies established 76 small and large scale cement production factories. At present, around 35 companies are in operation. Meanwhile, they are struggling to sustain themselves in an atmosphere of intensive market competition. On the other hand, 200 small and large scale steel production factories were established. However, at present only eight of these own about 65 percent of the market.

Steel and cement factories are modernising to produce upgraded and sustainable goods. The surplus production of cement and steel is 40 percent and 35 percent, respectively. It is possible to supply for the next three years in keeping with the growing trend of present market demand if production capacity is no more enhanced. If the production and demand in the cement and steel sectors do not remain at par then it may negatively affect the financial sector.

THE WRITER IS MEMBER OF EXECUTIVE COMMITTEE, BANGLADESH CEMENT MANUFACTURER'S ASSOCIATION (BCMA) AND CHAIRMAN OF GPH ISPAT LTD.

www.rahimgroup.org



আপনার আশ্রয় আর স্বপ্নের বাড়ি, স্বপ্নের স্থাপত্য নির্মাণে আন্তরিক প্রচেষ্টায়, গত ৬০ বছর ধরে রহিম স্টিল মিল্‌স আছে আপনার পাশে, তাও আবার নির্মাণের সব সামগ্রী নিয়ে। আরএসএম বিলেট, আরএসএম 500W টিএমটি বার, আরএসএম 60 গ্রেড, আরএসএম 40 গ্রেড, রহিম এঙ্গেল চ্যানেল, রহিম ফেরো মেগানিজ ও ফেরো সিলিকন, রহিম পাওয়ার প্ল্যান্ট, রহিম ইন্ডাস্ট্রিয়াল অক্সিজেন, রহিম স্টিল বিল্ডিং ও শিপ বিল্ডিং প্লেট আছে সব; যেতে হবে না আর কোথাও।  
তাই নির্মাণের অল রাউন্ডার আমাদের আপনি বলতেই পারেন।

rahimgroupsales@gmail.com

