

Mourning the demise of Adamjee Jute Mills

Adamjee EPZ promises more investment, jobs in the days to come

SANAD SAHA

JUNE 30 was a sad day for workers, employees, officials and residents of Adamjee Nagar as the curtains were drawn on Asia's biggest jute mills on the day 15 years ago. The move left 24,916 people without a job.

Although an export processing zone was set up four years later on a portion of land that housed Adamjee Jute Mills generating 53,118 jobs, the locals still mourn the closure.

Set up in 1950, the mills were a symbol of pride on the bank of the Shitalakhyia.

Production began in 1951 with 1,700 hesian and 1,000 sacking looms. On an average, 288 tonnes of jute sacks were manufactured every day, raking in about Tk 60 crore every year.

At first, about 100 tonnes of jute goods were manufactured. Later, the output increased to 250 tonnes.

Things started to change a few years after Bangladesh gained independence with several quarters getting involved in clashes, resulting in deaths.

Financially, the mills also started counting losses.

Finally, in 2002 the government decided to wind up its operations and paid all dues to workers.

On March 6, 2006, the then prime minister Khaleda Zia inaugurated Adamjee Export Processing Zone.

So far, \$411.43 million has been invested in the EPZ, according to Nazma Binte Alamgir, general manager for public relations at Bangladesh Export Processing Zones Authority.

Presently, 50 industrial units on the 245.12-acre EPZ are in operation. Of those, 27 are owned by foreign entities, 10 by locals and 13 are joint ventures.

The factories manufacture garments, zipper, cartons, hangers, labels, tags, shoes, sweaters, textiles, socks, jewelry and other items for export.

Products worth \$2,716.41 million have been exported till date. In 2015-16 alone, goods worth \$562.91 million were exported by the enterprises of Adamjee EPZ.

Nazma said new factories are being set up in the zone, creating more jobs. "We hope the EPZ will create jobs for one lakh people," she said, adding that the surrounding neighbourhoods were also developing.

The BEPZA official said the Adamjee-2 jute mill is being demolished to create space for new factories. "Already, some plots have been allocated to set up factories."

Nazma said after the closure of the mills, all of the workers who were physically capable of working were provided jobs. Children of the some of the workers were also working.

She said educational qualification is not required for jobs such as that of machine operators or cleaners.

But some former jute mills workers expressed frustration as they did not manage to get jobs at the EPZ.

One of them is Rostom Majhi, who worked at the mills for 27 years.

"Companies inside the EPZ do not give jobs without



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Clockwise from top left, The entrance to the Adamjee Export Processing Zone; a factory inside the EPZ; some of the last remaining structures of Adamjee Jute Mills that will be demolished soon; three men who used to work at the jute mill are seen at a tea stall in the Mujib Market area in Siddhirganj. The photos were taken on Friday.

educational qualifications. I have been trying to get a job inside the factories at the EPZ but failed to get one. Even the EPZ has not given jobs to my children."

The father of seven has since then been working as a day-labourer. He has to rely on incomes of two of his elder sons, who work at garment factories, to run the family.

"We are somehow making a living. With the closure of the Adamjee Jute Mills, everything has been shattered."

Another former worker, Abul Kalam, also did not get a job in the EPZ. He worked at the mills for 35 years.

The closure was a bolt from the blue, he said. "Two of my sons and one daughter were still at school. I could not make up my mind on what to do. So, I started working as a day labourer."

He set up a tea stall with the money he got as compensation from the jute mills. "Now I am providing for the family and paying for the education of the children with the income from the tea stall."

Reminiscing his days in the mills, Md Liakat Sardar said most of the workers came from districts such as Faridpur, Barisal, Noakhali and Tangail as the working age

population in Narayanganj was not large enough to meet the needs.

"The workers used to live in rented houses. They did not have to pay bills for utilities. They just had to pay the house rent. So, all of the workers lived with their families. There were schools, bazars, shops, playing grounds and ponds inside the mills' compound. All are just memories today."

"One month ago I heard that mill-2 has been sold too. Then there will be no trace of Adamjee Jute Mills. People will get to know only a name."

World Bank launches loan programme for women entrepreneurs



REUTERS

Participants of the launch event of Women's Entrepreneur Finance initiative attend the Women's Entrepreneurship Finance Event, at the G20 Summit in Hamburg, Germany yesterday.

REUTERS, Hamburg

THE World Bank on Saturday launched a public-private loan programme aimed at providing over \$1 billion to support women entrepreneurs in developing countries, a project first initiated by US President Donald Trump's daughter Ivanka Trump.

The event put a spotlight on the powerful political role Ivanka Trump plays in the White House, where she has a formal job as an adviser to her father, and has frequently met with world leaders, including German Chancellor Angela Merkel and Canadian Prime Minister Justin Trudeau.

The World Bank said initial funding of \$325 million was coming from donors including Germany, the United States, Saudi Arabia and the United Arab Emirates, and would be matched by hundreds of millions of dollars in additional private capital.

"This is going to be what we hope will be a multi-billion dollar fund to support women entrepreneurs," World Bank President Jim Yong Kim said at a launch attended by six of the 20 world leaders meeting at the G20 summit in Hamburg and IMF Managing Director Christine

Lagarde.

"This is not a cute little project. This is going to be a major driver of economic growth in the future ... and it's going to drive gender equality at the same time," he said.

The programme, which aims to start awarding loans before year end, will work with governments "to improve laws and regulations that are stifling women entrepreneurs" and push banks to free up funds for female-owned businesses.

It will also create an online mentoring tool to match women business owners in developing countries with advisers such as Ivanka Trump, Kim said.

Women business owners at the event said it was important to tackle legal barriers that prevent women from owning property and limit their access to funds. "The empowerment of women is absolutely essential," United Nations Secretary General Antonio Guterres told participants, decrying what he called regression in women's rights even in industrialised countries.

Merkel said she was impressed how quickly the bank had realised the project, which was first initiated five months ago.

"If everything went as quickly at the World Bank ... then we would be much more efficient," she said.

Inflation elusive, but central bankers getting twitchy

REUTERS, London

A significant pickup in inflation still remains tantalizingly out of reach in most developed economies -- aside from asset prices -- yet several central banks are leaning toward launching or stepping up efforts that could slow it down.

What has shifted in recent months is an acceptance that fiscal policy, touted around the turn of the year as the essential comeback kid after the shock election of Donald Trump as US president, has not yet come back.

Much of this is because of a lack of progress on Trump's tax cut agenda, dimming down what was called the "Trumpflation" trade in financial markets and now even calling into question a multi-year rally in the US dollar.

But what this does is thrust central bankers -- who only six months ago were said to be waning in influence -- back into the spotlight.

Many seasoned central bank watchers say past experience shows that until inflation really accelerates convincingly, and for a sustained period for reasons other than a rise in the price of oil, the best monetary policy is to be doing nothing.

The latest minutes from the Federal Open Market Committee's policy discussions show a split over inflation, which is sure to cast unusually sharp focus on Fed Chair Janet Yellen's testimony to both houses of Congress in the coming week.

Indeed, with the exception of persistent four-decade-low first-time claims for jobless benefits, US economic data has been undercutting relatively modest expectations for the past several months, particularly on measures of inflation.

Wage inflation across most of the developed world, widely viewed by economists as the most compelling and potent driver of sustained overall price inflation, hasn't picked up the way central bankers have predicted it would either.

The Fed, however, remains set on further interest rate rises, and is now contemplating how and when to start reducing its \$4.5 trillion balance sheet, bloated by years of mass asset purchases as stimulus once it had no interest rate left to cut.

"Of course the evolution of the economic data over the next few months remains of critical importance," notes Investec's chief economist Philip Shaw.



REUTERS/FIL

US Federal Reserve Chair Janet Yellen (R) speaks with European Central Bank President Mario Draghi at the Jackson Hole Economic Policy Symposium in Jackson Hole, Wyoming.

It's not only Yellen who might set the mood in the coming week. The Bank of Canada meets to set policy on July 12 following a run-up in the Canadian dollar, with markets leaning toward expecting the first rate rise in nearly seven years.

The domestic debate is partly over whether a rate rise is now warranted in part to tamp down rampant urban housing markets -- particularly in Vancouver and Toronto -- as soaring real estate prices have pushed Canada's household debt to income ratio to near the highest in the world.

Like in other similar economies, Canada's consumer price inflation on its own does not point convincingly to a need for the Bank of Canada to deliver higher interest rates. "Its decision one way or the other could have an effect on markets beyond its shores as it will be seen as a proxy for policy normalization over a wider jurisdiction," notes Shaw.

For some, discussion of "normalization" appears eerily similar to 2011, when the European Central Bank, faced with a similarly shaky-looking inflation outlook, raised interest rates in what is now regarded as a mistake, arguing higher rates would be supportive of business confidence.

A punishing sovereign debt crisis followed and a period of eye-wateringly high unemployment, ushering in an expansion of the central bank's balance sheet by well over a trillion euros and counting, along with negative interest rate policy.

For now, the ECB appears to be moving very gingerly toward unveiling how and when it will trim back its tens of billions worth of monthly bond purchases, but that date is approaching.

Some of the Bank of England's Monetary Policy Committee also now think that now is the time to raise rates -- despite the uncertainty of Britain starting to negotiate its way out of the European Union.

They are prompted by a surge in inflation caused in large part from a plunge in sterling after the Brexit vote.

For now, they remain in a minority, but the possibility has supported the pound and markets have been put on notice.

But a change of mood appears to have taken place at the Bank of Japan, however, which is backing off initial attempts to signal an imminent shift away from its ultra-easy monetary policy. On Friday it launched a bond-buying bonanza, offering to snap up unlimited quantities in order to calm markets.