

Jute products from Jhenaidah break into export markets

AZIBOR RAHMAN, Jhenaidah

She did not have full backing from her family, money was in short supply, and she had to struggle in a male-dominated business environment, but Shamim Ara Dipa didn't give up on her childhood dreams of doing something unique on her own.

Today, the owner of Rahela Jute Craft leads a small but steadily growing enterprise that specialises in making products from jute fabrics for both local and export markets.

She has two factories -- one in Jhenaidah and the other in Dhaka. She opened two showrooms, both located in the capital's Bijoy Sarani area.

She exports products to nine countries, including India, China, Nepal, Thailand, Canada, Italy and Hong Kong. She employs more than 200 impoverished women as workers.

"I always wanted to do something novel," the entrepreneur told The Daily Star.

She had been fashion-conscious from her childhood. "I used to design and make my dress when I was a student in the eighth grade. I liked to make unique things."

Dipa set out to materialise her dreams in 2003, when she attended her first training.

Her daughter was going to school in Dhaka at the time and her husband, then a general manager of a major business group, asked her to devote her time to taking care of the family.

She made sure that the family ran well. She would drop her daughter at school or a coaching centre and secretly take part in training programmes.

She started by selling hand-designed woven fabrics. She would buy plain fabrics, design them



A woman works at a factory of Shamim Ara Dipa, right, in Jhenaidah. The entrepreneur exports products to nine countries, including India, China, Nepal, Thailand and Canada.



PHOTO: STAR

and had good sales, which allowed her to buy more sewing machines and employ two permanent staff.

Since then, there was no looking back. Now, she has 15 permanent workers. Another 200 women work from home, and when they finish their products, they supply them to the office and receive payments.

Her main factory is located near Arappur bus stand in Jhenaidah district town. She named the company after her mother-in-law as she helped her a lot along the journey.

Items like panjabi, slipper, file folder, laptop bag, office bag, vanity bag, purse, college bag, student bag, grocery bag and shopping bags are made from jute fabrics.

The jute ministry and the SME Foundation sent samples of her products to various fairs in other countries. She also takes part in such fairs under their arrangements. These helped her widen her footprint in foreign markets.

Dipa did not receive much support from banks, at least in the first seven years of her entrepreneurship.

The managing director of a state-run bank visited a training programme of the Small & Cottage Industries Training Institute (SCITI) in Uttara under the Bangladesh Small and Cottage Industries Corporation (BSCIC) in 2011. The CEO had said that the lender would lend Tk 1 lakh to prospective entrepreneurs without any collateral.

Accordingly, Dipa, who was also a participant at the training, went to a branch of the bank, but she had to return empty-handed as it did not give the money.

She received her first loan in 2017, when Sonali Bank gave her Tk 50,000. This was after a local friend in Jhenaidah who is also rich and influential gave the guarantee.

The bank has extended a cash credit loan facility of Tk 5 lakh. The entrepreneur incurred a huge loss due to the pandemic, but she has got no government support as of now.

She had approached Sonali Bank to secure loans from the government's stimulus packages for small producers. With the money, she wanted to pay the wages and bonuses of her workers during the pandemic as her finances dried because of the drop in sales caused by the pandemic-induced lockdown.

But the bank said she had to keep collateral to get the loans. "I work with 200 disadvantaged women. I had been without work orders for three months because of the pandemic-induced lockdown. But the bank did not listen," Dipa said.

In September last year, non-bank financial institution IDLC Finance lent her Tk 10 lakh.

She exported jute goods worth Tk 8 lakh in 2020, down from Tk 20 lakh to Tk 22 lakh per annum in the years before the pandemic.

Despite the pandemic, she has not laid off a single worker and paid the full three months' salaries even though they did not work during the period.

"I had to take a lot of pains to develop their skills. My products are unique. If I lay them off, I will not get skilled workers like them."

"Dipa is a sincere entrepreneur. She thinks differently," said Saidul Karim Mintoo, president of the Jhenaidah Chamber of Commerce.

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Char Megha to house Barishal's 3rd economic zone

SUSHANTA GHOSH

Barishal division is on way to host a third economic zone in Hija upazila, a remote area by the Meghna river some 60 kilometres south of Dhaka, giving local people and businesses hope at generating economic activities and employment opportunities.

The zone will be set up on 1,729 acres of a sand and silt landmass believed to have emerged from the riverine area some 20 years back and subsequently named Char Megha.

Currently it houses no settlement and is used for cultivating paddy and grazing cattle, according to locals.

The Barishal district administration already gave its consent for use of the land in a letter to Bangladesh Economic Zones Authority (Beza), on December 30, 2020, said Deputy Commissioner SM Ajar Rahman on Sunday.

The administration in 2018 first

proposed that Beza establish the zone on 2,255 acres of land, said Upazila Nirbahi Officer Bakul Chandra Kabiraj.

On November 8, 2020, Beza responded through a letter seeking land allotment, two months past getting the approval from the Prime Minister's Office.

Now the land ministry will take necessary steps for long-term settlements, said Mostafa Kamal, deputy secretary (investment and development) to Beza.

Infrastructure development will start soon after an agreement is signed with the district administration, he said.

"Although it is an isolated area, we are thinking of building it because use of the adjoining riverine routes will reduce cost of transporting goods compared to that over roads," he said.

Beza has taken up plans for establishing 69 public economic zones around the country, the development of 18 of which are currently underway.

Govt gives nod to import 12.85 lakh tonnes of refined fuel

STAR BUSINESS REPORT

The cabinet committee on purchase yesterday approved nine proposals involving Tk 5,785 crore including import of 12.85 lakh tonnes of refined fuel by Bangladesh Petroleum Corporation (BPC) at Tk 4,384 crore.

Energy and mineral resources division of the government will import the refined fuel from state-owned companies of different countries during January-June this year, said Abu Saleh Mostafa Kamal, additional secretary of the cabinet division, at a press briefing.

Of the total fuel to be imported, 9.60 lakh tonnes are gas oil, 120,000 tonnes are jet A-1 and 40,000 tonnes are furnace oil.

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Pran to collect 30,000 tonnes of cassava this season

STAR BUSINESS DESK

Local conglomerate Pran has set a target to collect 30,000 tonnes of cassava from farmers this season at a rate of Tk 8,000 to Tk 10,000 per tonne.

Cassava is a root crop, which is popularly known as 'Shimul Alu' in Bangladesh, and it is planted in fallow lands and hilly areas with a little cost and labour. Pran's contractual farmers have harvested cassava in Rangamati, Khagrachhari, Sylhet, Habiganj,

Moulvibazar, Tangail, Mymensingh, Jamalpur and Cumilla in around 5,500 acres of land this season.

Previous year, the company harvested 4 tonnes of cassava in an average from one acre of land. But this year, it expects to get 6 tonnes per acre.

Farmers collect cassava from November to May and its seeds are planted after the completion of the collection. Till December last year, Pran collected 5,000 tonnes of cassava.

Now about 2,000 farmers are harvesting the crop under Pran's contract farming, the company said in a statement.

"Pran has a cassava processing plant in Habiganj Industrial Park under its sister concern Sylvan Agriculture, where 60,000 tonnes of cassava can be processed in a year," said Kamruzzaman Kamal, marketing director at Pran-RFL Group.

"Pran is manufacturing starch from Cassava and the starch is now being widely used in garment, pharmaceuticals and processed food industries."

READ MORE ON B3



Farmers are collecting cassava crops from a field in Moulvibazar. It is planted in fallow lands and hilly areas with a little cost and labour.

GLOBAL BUSINESS

NEWS In Brief

Alibaba plans \$5b bond amid regulatory scrutiny

REUTERS, Hong Kong

China's Alibaba Group Holding Ltd plans to raise at least \$5 billion through the sale of a US dollar-denominated bond this month, four people with knowledge of the matter said, amid regulatory scrutiny of co-founder Jack Ma's empire.

Depending on investor response, proceeds could reach \$8 billion which the e-commerce leader is likely to use for general corporate expenditure, one of the people said.

The fundraising will be a test of investor sentiment towards Alibaba, amid a regulatory crackdown on it and financial technology affiliate Ant Group. Chinese officials have come down hard on Ma's business empire since he publicly criticised the country's regulatory system in October setting off a chain of events that resulted in the halting of Ant Group's \$37 billion stock market listing.

Ma's absence from public view in the intervening time has fuelled social media speculation over his whereabouts.

The bond sale plan, including timeline, is not finalised and is subject to change, the people said, declining to be identified as they were not authorised to speak to the media. Alibaba declined to comment.

Since Ma's speech, Chinese regulators have begun an antitrust probe into Alibaba and ordered fintech Ant to change its lending and other consumer finance businesses, including the creation of a holding company to meet capital

requirements.

US President Donald Trump has also ratcheted up tensions, moving to ban transactions with eight Chinese software applications, including Ant Group's Alipay mobile payment app.

Chinese regulators are also reviewing Ant's equity investments in dozens of companies and considering whether to instruct the firm to divest some of those investments, Reuters has reported.

"Investors will need Jack Ma to make some sort of public appearance to give

them confidence for the bond to be well received," said an Asia credit analyst with a European bank, who was not authorised to speak to the media and so declined to be identified.

"Given Alibaba's current situation they'll need to price it at a premium," the analyst said. "But in the long term Alibaba is still a company worth investing in."

Alibaba's Hong Kong-listed shares rose as much as 4 per cent on Wednesday, versus a 0.4 per cent decline in the benchmark index. The stock's price had fallen 5.6 per cent over

the last three sessions.

Last month, Alibaba said it would increase the value of a share repurchase programme to \$10 billion from \$6 billion.

Alibaba's international bond offering, if finalised, would be the group's third, Refinitiv data showed. It sold an \$8 billion US dollar bond in 2014, and a \$7 billion tranche in 2017, the data showed.

With its latest bond sale, Alibaba will join a slew of Asian companies that in recent months have taken advantage of cheaper borrowing costs and abundant liquidity in global markets.

Companies sold was \$363.2 billion worth of US dollar bonds in Asia last year, 9 per cent more than a year earlier and the highest value on record, Dealogic data showed.

The terms of Alibaba's offering were not immediately known. Two of the people said the tenure is likely to be 10 years and that marketing documents were likely to be available as soon as next week.

One of the people involved in the deal said Alibaba wanted to use the issuance to send a message to the market that "in the light of the latest regulatory scrutiny, the firm is still doing fine and has the backing of some investors".

LightStream Research analyst Oshadhi Kumarasiri, who publishes on the Smartkarma platform, said Alibaba has about \$10 billion worth of long-term debt due in November so it makes sense to refinance it - even if timing suggests this is about instilling confidence.



The logo of Alibaba Group is seen at its office in Beijing, China yesterday.

REUTERS/FILE

UnitedHealth to buy Change Healthcare for \$7.84b

REUTERS

UnitedHealth Group has agreed to buy Change Healthcare for \$7.84 billion in cash, the companies said on Wednesday, to beef up its portfolio of healthcare technology services.

The health insurer will pay \$25.75 per Change Healthcare share in cash, a premium of 41.2 per cent to Tuesday's closing price.

The acquisition is expected to add to UnitedHealth's adjusted earnings per share by about 50 cents in 2022.

Change Healthcare's platform, which manages revenue, payment cycles and clinical information, and Optum's data analytics solutions will help simplify clinical, administrative and payment processes, the companies said.



The corporate logo of the UnitedHealth Group appears on the side of one of their office buildings in Santa Ana, California.

REUTERS/FILE