

Gaibandha Sweater Palli expanding against all odds

MOSTAFA SHABUI, Bogura

For decades now, a community of weavers in Gaibandha has been producing over 20 varieties of warm clothing items without any modern technology, transportation or banking support.

About Tk 500 crore worth of warm clothes, including sweaters, mufflers, socks, caps and cardigans, are made in the area each year, according to local traders.

There are around 300 wholesale shops in the area that collectively sell about Tk 3-4 crore worth of the products each day, they said.

A market named Kochashahar-Nawarhat Sweater Palli in Gaibandha's Gobindaganj upazila is the focal point of this local industry, where at least 50,000 weavers from all over the district are involved.

Kochashahar Shilpanagari is located 50 kilometres away from the district town of Gaibandha and 11 kilometres away from the upazila town of Gobindaganj.

The epoch of how this little garment industry came to be begins with the story of just one man.

In 1930, Rahim Uddin of Pepulia village under Kochashahar union tried to escape acute poverty by travelling to Kolkata for work.

There, he worked in a socks factory for 13 years but after failing to adequately provide for his family from abroad, Uddin returned home with two handlooms.

Thanks to his experience in Kolkata, Uddin was then able to start producing socks in his village. His success later encouraged other locals to bring handlooms from Pakistan to make both socks and mufflers.

Since then, the business has continued to spread to the adjacent villages.

After the Independence War in 1972, the government started



About Tk 500 crore worth of warm clothes are made in the area each year, while around 300 wholesale shops collectively sell goods of about Tk 3-4 crore each day.

importing some old cotton warm clothes and the Kochashahar Shilpa Palli was established, said Mizanur Rahman, president of the Nawarhat Hosiery Owners Samity.

In 1990, local traders imported some handlooms from India to weave sweaters. Since then the sweater industries in Kochashahar area started flourishing and expanded to over 20 adjacent villages under the Gobindaganj upazila.

However, the weavers struggled to manage raw materials until 1995,

when some other weavers from Bogura's Adamdighi upazila found rejected yarns in Dhaka's Narayanganj. They also brought some modern power looms from Dhaka to the Shaul Bazar and Kochashahar area.

On the other hand, local weavers of Bogura's Shaul Bazar then started producing yarn from the rejected garments and created a market worth Tk 200 crore annually. Now, the Kochashahar weavers and traders buy their yarns from the Shaul bazar.

By 2005, the industry got expanded

to over 40 villages under Gobindaganj and Bogura's Sonatala and Shibganj upazila, which caused the revenue to see a sharp fall because of overproduction.

Therefore, many businessmen left the trade.

But since 2010, they started making profits again by including some modern power looms and quality designs, Rahman said.

During a recent visit to the area last December, this reporter found that weavers from almost every village

under the Kochashahar union were busy producing warm clothes.

Rahman said there are nearly 3,000 families that have their own handlooms.

There are 50,000 people in the industry and among them, 60 per cent are women, he added.

Md Amir Sheikh, owner of Aziz Garments, a wholesaler of warm clothes in Keraniganj, told The Daily Star that around 60-70 traders from Dhaka, Keraniganj, Narayanganj visit the Kochashahar's Nawarhat bazar to buy clothes worth Tk 3-7 lakh every year.

"Traders from Dhaka used to visit the remote Kochashahar village market as the price of warm clothes there is cheaper than in Dhaka," Sheikh said.

Asaduzzaman Moju, owner of Kashmiri Fashion in Nawarhat bazar, said he produces 50,000 to 80,000 sweaters every year worth around Tk 2.4 crore.

Anisur Rahman, another local warm clothes maker of the Kochashahar Sweater Palli, produces around 50,000 to 60,000 special warm blouses worth Tk 87 lakh every year.

"But due to the short winter this year, I have to sell this blouse in the next year at lower prices," Rahman said.

Among the 50,000 workers, some make yarn from bobbins while others sew clothes, do embroidery, piping, attach buttons or packaging.

Ayesha Khatun, who works for the Nazim-Nirab Hosiery, mainly does piping and buttoning.

"After finishing my homestead work, I earn Tk 4,000-5,000 each month," she said.

Amid a lack of banking support, the SME foundation chose Kochashahar Shilpa Nagari as a cluster and started distributing loans from a Tk 5 crore fund since 2018.

However, many small industry

owners alleged that they are not getting any such loans.

Among them, Akramul Hossain, owner of the Bishal Hosiery, said there are 10-13 weavers working in his socks factory.

"I tried twice to get loan from the SME Foundation but it denied giving loan to a small trader like me," he added.

Asked, Abu Monjur Saif, assistant general manager for cluster development of the SME Foundation, told The Daily Star that the traders who are bankable are getting loans.

"We have a contact with the local Brac Bank to distribute loans for the Kochashahar cluster," he said.

When contacted, Nurul Islam Parvez, officer of the Brac Bank's branch in Gobindaganj, said they distributed loans to 60 manufacturers worth around Tk 3.5 crore in the Kochashahar area last year.

Nawarhat Hosiery Owners Samity President Rahman went on to say that although there are huge sales every day during winter, there are no banks in the area to handle the large transfers.

When contacted, Ramkrishana Barman, upazila nirbahi officer of Gobindaganj, said "We are aware of the problems. The weavers of the Kochashahar area are producing warm clothes worth over Tk 500-600 crore annually and the government also is getting good revenue from them."

But the area lacks good transport facilities and stable mobile network, he said.

"I have already contacted and urged the mobile operators to establish a strong network here. I have also urged some bank authorities to set up new branches here."

"We also sent a plan to the department concerned to acquire 3 acres of land to set up a training centre for the artisan and weavers," Barman added.

NRB Commercial Bank's IPO subscription begins Feb 3

STAR BUSINESS REPORT

The subscription for initial public offering (IPO) of NRB Commercial Bank is set to start from February 3 and it will continue until February 9, which will remain open for all kinds of investors.

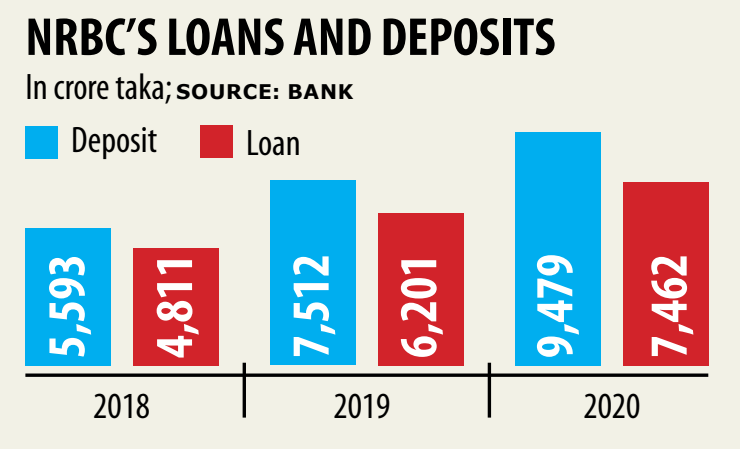
The fourth generation bank, which will raise Tk 120 crore through the IPO, is the first private commercial bank in the last 12 years to get listed with the stock market.

Earlier in 2008, First Security Islami Bank got listed with the stock market.

NRB Commercial, a private commercial bank, will issue 12 crore ordinary shares at a face value of Tk 10 each.

With the IPO proceeds, the bank will use Tk 110 crore to buy government securities, Tk 6 crore in the secondary market for buying shares and the rest for IPO related expenses.

The bank's weighted average earnings per share for the last five years and net asset value per



share were Tk 1.55 and Tk 13.86 respectively as of June 30, 2020.

AFC Capital and Asian Tiger Capital Partners Investment are the IPO's issue managers.

"Our bank has been doing good, as we focus more on financial inclusion instead of doing traditional banking business," said Parvez Tamal, chairman of NRB

Commercial Bank (NRBCB).

The bank has been booking higher profits for the last few years. Its gross profit rose 22 per cent year-on-year to Tk 323 crore in 2020, according to the bank's financial statements.

"We lend small amount also and we have over 500 service points across the country for our

customers."

The bank has now 589 agents, according to the bank's data.

"Our bank is involved in bill collection and disbursement of government allowances, which has made our bank popular among the general mass," the chairman said.

The bank's cost of deposit is so low that it can extend loans to even blue-chip customers at 8 per cent, he said.

To implement the single digit interest rate, banks need to hunt down low-cost deposit, he said, adding: "Making 1 per cent profit from the business between depositors and borrowers is enough for a bank."

On November 18 last year, Bangladesh Securities and Exchange Commission (BSEC) approved NRBCB's IPO proposal through fixed price method.

The bank established on February 20, 2013 had a pre-IPO paid-up capital of Tk 582 crore.

The bank has 83 branches across the country till 2020.

Bureaucratic tangles mar aviation prospects

Operators say in a dialogue

STAR BUSINESS REPORT

The delays in obtaining permission for import of spare parts for rectifications and overhauling of aircraft, age-old import payment options and absence of modern airport approach facilities are holding back the local aviation industry to flourish further.

The absence of modern airspace and air traffic management at the airport and high price of jet fuel are also a constant source of worry for the industry.

The Aviation Operators Association of Bangladesh (AOAB) identified the obstacles and shared their observation at a dialogue with the Civil Aviation Authority of Bangladesh (CAAB) yesterday.

The event on the "Regulator-operator dialogue on essentials to develop aviation sector" took place at Hazrat Shahjalal International Airport (HSIA) in the capital.

AOAB President Anjan Chowdhury presided over the seminar while CAAB Chairman Air Vice Marshal M Mofidur Rahman was present as the chief guest.

Entrepreneurs enter Bangladesh's aviation industry with a dream to establish and turn an airline into a unicorn enterprise, said AOAB Secretary General

Mofizur Rahman while presenting his keynote speech at the seminar.

But the dream unicorn turns into a back-breaking donkey when the airline fails to sustain because of piling up burdens of different kinds of problems, he said.

For example, he said, "We need hundreds of spares to import and export parts for rectifications and overhaul of aircraft. Sometimes it takes months to obtain permission for import and export."

Besides, worldwide parts trading is done on advance payments through telegraphic transfer of funds, he said.

In Bangladesh, only mode of payments is the letter of credit, which makes it impossible to keep servicing the aircraft.

"Most of our airports run with age-old airport approach facilities. Even gateway airport of the country HSIA has CAT 1 approach."

"We heard almost over a decade and a half ago that the country is going to have modern ATM facilities. But nothing tangible is still in sight."

Bangladesh has a very thriving helicopter industry with over 10 operators and 35 helicopters, which will soon hit 50, he said.

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GLOBAL BUSINESS

India to impose permanent ban on 59 Chinese apps, including TikTok

REUTERS

India's ministry of electronics and information technology has issued fresh notices to make permanent a ban imposed on video app TikTok and 58 other Chinese apps in June, Indian media reported late on Monday.

When it first imposed the ban, the Indian government gave the 59 apps a chance to explain their position on compliance with privacy and security requirements, the Times of India reported on Monday.

The companies, which include ByteDance's popular video-sharing app TikTok, Tencent Holdings' WeChat and Alibaba's UC Browser, were also asked to respond to a list of questions, the newspaper said. "The government is not satisfied



A smartphone with Chinese applications is seen in front of a displayed Indian flag in this illustration.

REUTERS/FILE

with the response/explanation given by these companies. Hence, the ban for these 59 apps is permanent now," business newspaper Livemint quoted a source familiar with the notices as saying. It said the notices

were issued last week. The ministry's June order stated that the apps were "prejudicial to sovereignty and integrity of India, defence of India, security of state and public order".

The order, which India referred to as a "digital strike", followed a skirmish with Chinese troops at a disputed Himalayan border site when 20 Indian soldiers were killed.

In September, India banned another 118 mobile apps, including Tencent's popular videogame PUBG, as it stepped up the pressure on Chinese technology companies following the standoff at the border.

A TikTok representative told the Economic Times newspaper that the company was evaluating the notice and will respond to it as appropriate.

The ministry of electronics and information technology could not be reached for comment outside regular working hours. TikTok did not respond to a request for comment.

Google workers to form global union alliance

REUTERS

Google employees from across the globe are forming a union alliance, weeks after workers at the search engine giant and other units of parent company Alphabet Inc formed a labor union for US and Canadian offices.

UNI Global Union, that represents about 20 million workers globally, said on Monday it helped form Alpha Global, Google's union alliance that includes multiple countries such as the United States, Germany, Switzerland, Sweden and the UK.

Alpha Global will fight for the rights of full-time Alphabet employees as well as temporary, vendor and contract workers, UNI Global said.

"The problems at Alphabet ... are not limited to any one country, and must be addressed on a global level," UNI's General Secretary Christy Hoffman said.

Alphabet did not immediately respond to a request for comment.



REUTERS/FILE

A Google sign is pictured near the company's headquarters in Mountain View, California.

After years of protests over working conditions and business practices, 200 Google workers formed Alphabet Workers Union, a so-called "minority union," in early January.

Under US labor law, Alphabet can ignore the union's demands until a majority of employees support it.