Ishwardi EPZ yet to reach potential

Ahmed Humayun Kabir Topu, *back from Ishwardi, Pabna*

A couple of decades ago, incomes of the people of Ishwardi upazila of Pabna and adjoining areas were mostly dependent onNorth Bengal Paper Mill and Alhaj Textile Mills.

Now they are availing new job opportunities brought by Ishwardi Export Processing Zone.

Over 12,000 workers, mostly from Ishwardi and adjacent districts such as Natore and Kushtia, have availed job opportunities in the Ishwardi EPZ although 40 per cent of the EPZ area is yet to be utilised two decades past its inception.

Established in 2001, Ishwardi EPZ at Pakshey has 290 industrial plots. Of them 60 per cent have already been allotted to investors.

Had all the plots been allocated, 25,000 to 30,000 people could have been employed, bringing about a revolutionary change in the socio-economic field in this region, according to Bangladesh Export Processing Zones Authority (Bepza).

A total of 19 export-oriented factories are running in full swing in Ishwardi EPZ. Of the factories running, nine are foreign, eight local and two joint ventures.

Most of the foreign investments have come from South Korea, India, China, Japan, Hong Kong and Marshall Islands.

They are producing electronics and electrical goods, footwear and leather goods, wigs, tents, batteries, denim products, industrial gloves, garments and accessories, yarn, plastic goods, jute products, chemicals and fertilisers.

There are another 12 factories under construction which would start operations very soon.

The new investors from the United Kingdom, China, Australia, and Bangladesh are going to produce knitting and textile products, garments and accessories and cigars and cigarettes with some $16.99 million in investments.

Utility services, secured and safe workplaces, facilities ensuring uninterrupted production and bonded warehousing are the key requirements of the EPZs investors.

Bepza provides it all, said Nazma Binte Alamgir, general manager, public relations of Bepza.

However, Ishwardi EPZ could not draw the same amount of investments as had Cumilla EPZ and Uttara EPZ,

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***Anticlockwise from top*, Established in 2001, Ishwardi EPZ at Pakshey in Pabna district has factories running on 60 per cent of its 290 industrial plots. Tents are one of the products manufactured here. Workers, mostly from Ishwardi upazila and adjacent districts such as Natore and Kushtia, are on their way to the EPZ.** AHMED HUMAYUN KABIR TOPU

all coming about around the same time.

Established in 2000, Cumilla EPZ secured investments of $436.02 million, exports of $ 3,604.49 million and employs 33,846 people.

Uttara EPZ, which was established in 2001 in Rangpur, has so far brought investments of $208.08 million, exports of $1,416 million and employs 27,519 people.

As for Ishwardi EPZ, it attracted investments of $155.75 million and enabled exports of $1,012.02 million.

The prime reason, as per Bepza, is connectivity. The other two have close and better connectivity with roads and river and sea ports, enabling faster access to raw materials alongside exports, said Nazma.

Although there is a domestic airport in Ishwardi, no flight connects to it. Foreigners opt for airlines although there are helicopter pads in the EPZ, she said.

There is a rail station, albeit 10 kilometres away from the Ishwardi EPZ, she added.

The dependence on road communication is costing time and money, so many investors do not prefer Ishwardi EPZ, Nazma said.

Since the locality and surrounding areas are famed for fruit cultivation, Bepza is trying to get food processors to set up facilities, she said.

However, those inside the EPZ will not get the same incentives as those outside, which puts off many investors, she said.

Addressing these issues could ensure utilising the full potential of the EPZ, she added.

JOB OPPORTUNITIES

Even a couple of years ago, Bilkis Begum, a middle-aged woman of Hemayetpur village in Pabna sadar, was dependent on her husband's small income.

Now she earns for the family some Tk 8,000 to Tk 10,000 a month working in a garment factory in Ishwardi EPZ.

"I come to the EPZ every day in the morning and return home in the evening working 8 to 10 hours a day. It has brought ease to my family," she told The Daily Star recently.

Like her thousands of men and women from different areas of Pabna and adjoining districts come to the EPZ for work every day.

"The EPZ has helped many like me stay clear of economic hardship," said Farida Khatun of Veramara in Kushtia.

GLOBAL BUSINESS

Back to 'basket case'? Myanmar economy at risk after coup

Afp, *Bangkok*

Foreign investors flocked to Myanmar as it began its democratic transition a decade ago, but this week's military coup is likely to accelerate a trend of Western withdrawal -- and China's expansion.

Myanmar's untapped potential was up for grabs in 2011, when generals in charge of a 49-year junta loosened their iron grip, paving the way for democratic reforms and economic liberalisation in the country of more than 50 million people. Investors pumped money into telecommunications, infrastructure, manufacturing and construction projects.

But the buzz was already fading by 2017 for the West, after a military crackdown on Rohingya Muslims in Rakhine state led to allegations of genocide. And the sight of generals running the show again could be the last straw for Western businesses, analysts say. "Now with the coup, the view would be: basket case, banana republic," Yangon-based analyst David Mathieson told AFP. "I think what we are going to see is a lot of Western countries going 'No way.' "Panic over the return to military rule was immediate. The response reverberated from the outskirts of Yangon -- where construction work halted on a Thai-owned $1 billion industrial estate project -- to Australia, where a Perth-based resources company developing a silver, zinc and lead mine in Shan State suspended share-trading.

In the coup's immediate aftermath, US President Joe Biden threatened to reintroduce economic sanctions that were formally removed in 2016.Some targeted sanctions were imposed on key Myanmar military personnel over the 2017 Rohingya crisis.And as the European Union considers an economic embargo, the country's rag trade industry could be at risk.

The garment sector has boomed in recent years, bolstered by scores of international brands such as H&M, Gap and Adidas, which shifted their production to factories in Yangon's outskirts. According to Singapore-based Capital Economics, Made-in-Myanmar clothing, footwear and handbags make up three percent of the country's gross domestic product.

But with the military back in power, a Yangon-based private sector source worries for the fate of the industry's 700,000 workers. Global heavyweight clothing retailers might look for a "PR bounce" and halt sourcing from Myanmar's factories, he said, requesting anonymity owing to the sensitivity of the issue. But the unintended impact could be "malnutrition and sex-trafficking" for the mostly female workers. "The people who are going to suffer are the factory workers... Brash actions from multinational retailers are going to hit them hard," he told AFP.

Already, the country is reeling from the difficult economic headwinds of the coronavirus pandemic, prompting the International Monetary Fund to send Myanmar a $350 million emergency cash package in January. The World Bank predicted the virus' impact could increase "households' vulnerability and potential unemployment". "Myanmar could lose the gains in poverty reduction achieved in the last decade," it said in a report last year./- Business as usual for some -/But for some of Myanmar's top trading partners -- China, Hong Kong, Singapore and India -- analysts predict no major blowback.

If anything, "the coup will push Myanmar even further into China's arms and the imbalance between Chinese and Western investments in the country will increase", Francoise Nicolas, Asia director of the French Institute of International Relations, told AFP. China's monetary flex is already apparent thanks to its "One Belt, One Road" initiative -- an expansive vision for maritime, rail and road projects across Asia, Africa and Europe that features Myanmar prominently. "I don't think they're going to be shaken at all," Mathieson said.

However, Japan -- which ranks as Myanmar's third-largest trading partner -- could waver. "The Japanese business community has always been a bit split and this might make it difficult in the near term," he said.

After Monday's coup, Japanese car giant Suzuki temporarily halted operations at its two Myanmar factories, which produced 13,300 vehicles in 2019 -- almost all of which were sold in-country.

Suzuki has had operations in Myanmar since 1998, when the country was under junta rule, and it is building a third production plant. "Our decision to close the factories was aimed at making sure that our people could commute safely," a spokesman said, adding that Suzuki will reopen doors on Thursday. The only ones celebrating a potential financial windfall from the coup will be the military, with huge business interests spanning jade mining, construction, pharmaceuticals, manufacturing, insurance, tourism and banking.

Mathieson said international mining giants, who already rely on the military for security, will likely be unruffled by the takeover. "This is just fewer phone calls to make," he said.

REUTERS

Military supporters carry a portrait of junta leader General Min Aung Hlaing as they celebrate the coup in Naypyitaw, Myanmar yesterday.

IMF warns of 'uneven' Mideast recovery

Afp, *Dubai*

Economic recovery in the Middle East and North Africa is expected to accelerate this year following a double whammy shock, but growth will be uneven due to unbalanced access to the coronavirus vaccine, the IMF said.

The region -- which includes all Arab countries and Iran -- suffered one of its worst economic performances last year due to lower oil prices and sweeping lockdowns to prevent the spread of the coronavirus. But while the region's economy shrank by 3.8 percent in 2020, the International Monetary Fund expects growth of 3.1 percent this year and 4.2 per cent next year amid a rebound in oil prices and the roll out of vaccines. "This year we expect a recovery after the year 2020 that was a year like no other where the region faced one of the most severe dual shocks," Jihad Azour, director of the Middle East and Central Asia Department at the IMF, told AFP. "Of course, we are in a period of high uncertainty and the race between the virus and the vaccine will define the recovery pace. And this recovery pace will vary between countries depending on access to the vaccine. "Many countries in the region haven't launched vaccination campaigns yet due to worldwide shortages, internal conflicts and weak finances. Wealthy Gulf states were among the first to start turbocharged programs. The UAE and Bahrain have administered two of the fastest per capita deliveries in the world. "Currently, we are seeing a great divergence between countries. Those who are among the front runners worldwide in terms of vaccination, like UAE and Bahrain, will have a faster recovery than those who are lagging," said Azour. "Therefore it's a recovery that is uneven and uncertain." After a 4.8 percent contraction in 2020, oil-rich Gulf states are expected to grow by 2.5 percent this year, according to the IMF.

Saudi Arabia, the biggest oil exporter and largest Arab economy, is tipped to expand by 2.6 percent this year following negative growth of 3.9 percent in 2020.

NEWS *In Brief*

Opec+ optimistic for 2021 rebound in oil demand

Afp, *London*

Members of the Opec group of oil producers and their allies met Wednesday and expressed confidence in prospects for a global economic recovery and attendant rise in crude oil demand. "As mass vaccination programmes continue and the macro-economic situation improves, there is a growing optimism over global oil demand," Russian Deputy Prime Minister Alexander Novak was quoted by the Ria agency as saying.

He spoke during a videoconference meeting of Opec+'s monthly Joint Ministerial Monitoring Committee (JMMC).A statement published after the meeting said all participants were "optimistic" for a "year of recovery in 2021". "The gradual rollout of vaccines around the world is a positive factor for the rest of the year, boosting the global economy and oil demand," the statement said.

That optimism has been reflected in oil markets since early November, with benchmark crude contracts now trading at around $60 (50 euros) per barrel -- levels last seen in early 2020. Prices have also been supported by Opec+ countries agreeing to production cuts in the wake of the coronavirus-induced plunge in demand last spring.

Those cuts have continued into 2021, with a reduction of 7.2 million barrels per day in January, 7.125 million bpd planned for February and 7.05 million bpd in March.

In addition OPEC mainstay Saudi Arabia has volunteered to a cut a million extra barrels per day from its production in February and March.

Reliance's unit to sell Marcellus shale assets for $250m

Reuters, *Bengaluru*

Reliance Industries Ltd said on Thursday its unit will sell its interest in certain upstream assets in the Marcellus shale in the United States for $250 million in cash to Northern Oil and Gas Inc.

The assets, currently operated by various affiliates of EQT Corp, will be sold for the cash consideration and warrants, that will allow for the purchase of 3.25 million common shares of NOG at an exercise price of $14 per common share over the next seven years, Reliance said.

In 2017 Reliance sold a shale oil and gas block in the Marcellus shale in northeastern and central Pennsylvania for $126 million.

Reliance, led by billionaire Mukesh Ambani, has been diversifying away from its mainstay energy arm to consumer-facing businesses in recent years.

REUTERS/FILE

Labourers rest in front of an advertisement of Reliance Industries Limited at a construction site in Mumbai, India.