

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|-----------|-------------|--------------|---------------|-----------|-----------|----------|------------|--------|--------|-------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | CNY |
| ▼ 0.40% | ▼ 0.42% | \$1,816.67 | \$72.70 | ▲ 0.31% | ▼ 0.36% | ▼ 0.92% | ▲ 0.59% | 84.25 | 98.24 | 114.97 | 12.75 |
| 6,823.60 | 11,899.12 | (per ounce) | (per barrel) | 56,124.72 | 27,641.14 | 3,080.77 | 3,522.16 | BUY TK | 102.04 | 118.77 | 13.41 |
| | | | | | | | | SELL TK | | | |

Star BUSINESS

DHAKA MONDAY AUGUST 30, 2021, BHADRA 15, 1428 BS • starbusiness@thedailystar.net

Jamdani industrial estate: a tale of unmet dreams



A Jamdani weaver is seen stitching intricate designs onto a piece of fabric, a back-breaking task given that it takes many hours to finish a single piece such as this. But since the wages paid to weavers do not justify their hard work, many have left the profession. The photo was taken recently at the Jamdani industrial estate in Rupganj upazila of Dhaka's Narayanganj district.

PHOTO: AMRAN HOSSAIN

SUKANTA HALDER and MD ABU TALHA SARKER

Two decades past its establishment, the Jamdani industrial estate is plagued with multifaceted problems and is nowhere near living up to expectations.

Some Tk 6 crore was shelled out to erect the estate on 20 acres of land at Noapara in Narayanganj's Rupganj upazila, some 20 kilometres east of Dhaka city. Hopes were high for it to usher in a new era for Jamdani, one of Bengal's centuries-old, finest cotton muslins. Its objective was to enhance the production

quality and marketing, supply designs and samples having high demand in markets and conduct research on improving qualitative standards.

It was also meant to provide infrastructural facilities to artisans, rehabilitate entrepreneurs and weavers and promote the socio-economic status of skilled and experienced craftspeople.

But it all apparently lost focus somewhere along the way.

Hardly any guideline, monitoring or financial support has come from the state-run Bangladesh Small and Cottage Industries

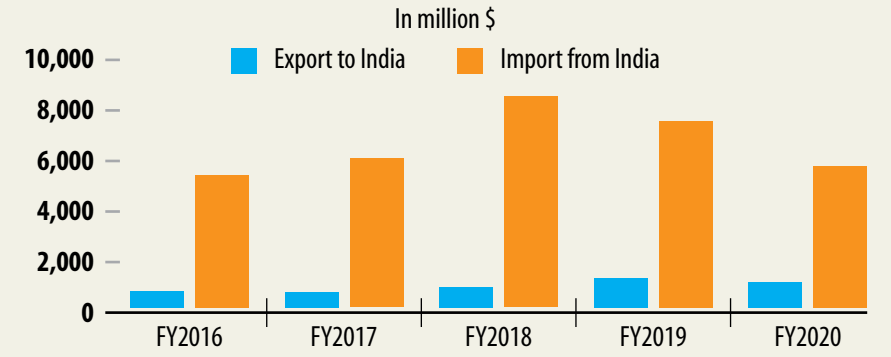
Corporation (BSCIC), which had constructed the estate.

The estate has not seen any development work for a decade. Roads have turned dilapidated while its lone water pump has only just recently been repaired, all to no avail for there is no water distribution network.

Unable to recoup their investments and compete with Indian varieties and for a lack of working capital, entrepreneurs there are either wrapping up their businesses by selling off their plots or shifting to other trades.

READ MORE ON B3

TRADE WITH INDIA



SOURCE: INDIAN HIGH COMMISSION

Indo-Bangla trade has potential to reach \$16b

Doraiswami says Bangladesh should improve ease of doing business, connectivity

STAR BUSINESS REPORT

Annual trade between Bangladesh and India has the potential to reach \$16 billion if the former improves its ease of doing business and completes all connectivity developments, according to Indian High Commissioner Vikram K Doraiswami.

"With the exception of 25 specific products, including alcohol, India has allowed all Bangladeshi exports duty free access since 2011 in a bid to help reduce the trade gap," he told reporters at a "Seminar for Business and Economic Journalists",

organised by the Indian high commission at its premises yesterday.

Bangladesh is no longer dependent on a single exportable good, such as garments, and instead, it has a diversified export basket that includes plastic, processed food, and leather, he added.

However, Doraiswami went on to suggest that ensuring cheaper transportation and quality products would enhance Bangladesh's competitiveness in the neighbouring market.

"Besides, the bilateral trade situation is still in India's favour but it is improving for Bangladesh as the country's exports are increasing every year," he said.

The Indian envoy said his country was Bangladesh's top Asian export destination with about \$1,279 million worth of goods sent in fiscal 2019-20, followed by Japan with \$1,183 million.

READ MORE ON B3

227 win Commward

STAR BUSINESS REPORT

A total of 227 communication and marketing enthusiasts have been presented Commward advertising accolades in Bangladesh.

The 10th edition of the "Commward: Excellence in Creative Communication" was given in 26 categories under four ranks – bronze, silver, gold and grand prix. There were three grand prix winners, 26 gold winners, 69 silver winners and 129 bronze winners.

Commward, a flagship initiative of Bangladesh Brand Forum, was presented through a virtual programme on Saturday in association with The Daily Star and the Cannes Lions International Festival of Creativity.

More than 1,000 communication and marketing enthusiasts took part in the programme.

READ MORE ON B3

Female employment jacks up GDP growth: Sanem

STAR BUSINESS REPORT

A 1 per cent increase in female employment can effectively increase economic growth by 0.31 per cent, according to a study by South Asian Network on Economic Modeling (Sanem) unveiled yesterday.

This means that if Bangladesh can eventually increase female employment by just 10 percentage points, it will add as much as 3.1 per cent to the GDP," said Sanem Research Economist Mahtab Uddin while presenting their findings at a webinar jointly organised by Sanem and World Vision Bangladesh.

He went on to say that if the GDP data of 2021 is taken into consideration, such an increase would have resulted in an additional \$11.3 billion in the economy.

"However, no significant relationship between GDP growth and female (or male employment) is found in the short run," he added.

Uddin, also a lecturer of economics at the University of Dhaka, said female employment has a significant and positive relationship with economic growth in the long-run.

Co-authored by Sanem Research Director Sayema Haque Bidisha, the study was carried out by following both



qualitative and quantitative methods for data collection.

Researchers conducted a survey among women aged 15 years and above across 850 households in various districts. The study also carried out focus group discussions and interviewed key informants.

Bidisha, also professor of economics at the University of Dhaka, said that given the context of Covid-19, a strong measure is needed from the government to contain the number of school dropouts.

"An increase in the primary and secondary school stipend rates could work as an effective tool to this end," she said.

Driving the growth of agricultural mechanisation in Bangladesh

The Metal (Pvt) Ltd. leading by example

Aaqib Hasib

Bangladesh requires the combined success of all sectors as it inches closer towards its goal of becoming a middle-income country. Although its GDP contribution has fallen to 12 percent as of 2020, agriculture still remains the most important sector since it employs around 50 percent of the population and ensures the country's food security. The sector's fall in GDP contribution is due to the low productivity of labour. The agriculture sector in Bangladesh is heavily dependent on manual labour, which tends to be both expensive and inefficient. It is estimated that the cultivation of one bigha (33 decimals) of land using a manual plough costs around Tk 2,000. If done by a tractor, the cost would fall to Tk 600. It is estimated that mechanisation can save around 30 percent of time and labour while also ensuring less seed and fertiliser wastage. Overall production can be increased by approximately 15 percent. Mechanisation in the agriculture sector of Bangladesh began in the 1960s with the introduction of tractors, power tillers and deep tube wells, but we are yet to reach the expected level due to various problems such as fragmented lands, poor buying capacity of farmers and lack of quality machinery.

However, there are some trailblazers who have been trying to address this gap. The Metal (Pvt) Ltd is one of them. The company, founded in 1987 as a manufacturer of buses and trucks, switched over to the field of



leasing and renting facilities for farmers to reduce the burden of purchasing machinery. The leasing facility allows the farmers to procure the machinery at a lower cost for a specific amount of time.

However, collection of lease payment has been a challenge for the company, shares the managing director.

mechanised agriculture. They started importing tractors from Indian manufacturer Tractor and Farm Equipment Company (TAFE). While they initially struggled to sell their tractors, their dedication to ensuring the mechanisation of the agriculture sector helped them persist. Besides tractors, the company now sells combined harvesters, transplanters, rotary tillers and power generators. They also sell spare parts and tires. As of 2020, Metal has sold over 50,000 tractors and 10,000 other agricultural machines.

The greatest challenge for The Metal (Pvt) Ltd. has been the high cost of agricultural machineries. Any single machinery can cost the buyer anywhere between Tk 10-30 lakhs. While the government has heavily subsidised all types of agricultural machinery by 50-60 percent, it can still be difficult for the average farmer to afford such an expensive product.

Engr. Sadid Jamil, Managing Director and Founder of The Metal (Pvt) Ltd., says, "The ideal bundle of machinery would include a tractor, combined harvester and transplanter. Getting all three would cost a significant amount of money even with the subsidies provided by the government." The Metal (Pvt) Ltd. provides

He suggests that the government should encourage banks and financial institutions to create loan products for farmers to facilitate purchase of agricultural machineries.

"We are seeing increasing popularity of our tractors and harvesters amongst the farmers; now it's a matter of making the product more affordable for them," adds Sadid Jamil.

A key focus for Metal has been providing quality customer service. To ensure that they have established Metal Parts Ltd. which provides equipment servicing and replacement products for all of their machineries.

Going forward, The Metal (Pvt) Ltd. aims to maintain its foothold at the forefront of the industry while simultaneously pushing the agenda of mechanisation in the agriculture sector.

"When speaking to the officials of the Ministry of Agriculture, we have noted a keen interest among them regarding the mechanisation process. They have encouraged us to switch from importing to domestic assembly and production, and we are definitely keeping these in our plans for the future," shares Sadid Jamil.

Bata returns to profit

STAR BUSINESS REPORT

Bata Shoes (Bangladesh), one of the most popular footwear brands in the country, returned to profit after a year riding on higher sales.

The company's declaration of profit comes as good news for the local economy, which is rebounding strongly despite the ongoing coronavirus pandemic.

Bata registered a profit of Tk 1.56 crore for the second quarter (April-June) of 2021 while it incurred a loss of Tk 73.51 crore in the same period the previous year.

In the April-June quarter of 2020, the multinational shoe maker fell into loss as it missed the country's main shopping season ahead of Eid-ul-Fitr, when incomes had basically been wiped out by Covid-19.

READ MORE ON B3

Brac Bank to raise Tk 600cr thru bonds

STAR BUSINESS REPORT

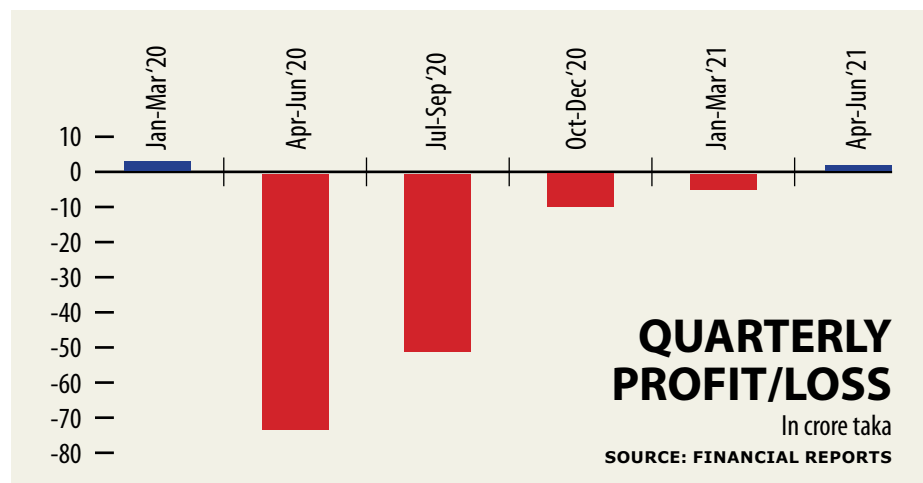
Brac Bank has decided to raise Tk 600 crore by issuing a non-convertible bond with a view to providing home loans to the country's lower and middle income groups.

The board of the private lender took this decision at a meeting on August 26, after which it sent the proposal to the Bangladesh Securities and Exchange Commission (BSEC) for approval.

Individuals and entities who will invest in the fund will enjoy an interest rate of 5.5 per cent with a maturity period of five years.

The minimum amount of the investment in the instrument will be Tk 10 lakh, a senior official of Brac Bank said.

READ MORE ON B3



QUARTERLY PROFIT/LOSS

In crore taka

SOURCE: FINANCIAL REPORTS