



A worker is seen trimming down the handle of a cricket bat in Nesarabad upazila of Pirojpur. The region was once home to a booming bat-making industry but rising input costs and contracted sales due to Covid-19 has put many of these workers out of a job.

PHOTO: HABIBUR RAHMAN

# Cricket bat making hub battles to stay afloat

### Three-quarters of producers vanished during pandemic

HABIBUR RAHMAN, Pirojpur

The cricket bat making hub that has boomed in the last three decades in Pirojpur's Nesarabad upazila might soon go out of business as producers have been facing severe losses since the pandemic hit the country two years ago.

About 200 factories in five villages – Uribuniya, Binna, Khejurbari, Jilbari and Katakhal – under Baladia union in the upazila have emerged as the country's cricket bat manufacturing hub thanks to ample supply of timber, lower labour cost, and requirement of low investment.

Collectively, they would churn out 20 lakh bats alone during the main season running from October to March. Their clients included sports accessories wholesalers and retailers across Bangladesh as well as corporate offices. But sales have plummeted since the pandemic arrived as the government enforced countrywide lockdowns, which forced bat makers to keep their factories shut for several months.

Although the closure of educational institutions for most of the part throughout the crisis has offered plenty of time to children and youth alike to play cricket, a majority are keen to spend more time online or in front of televisions as they stay indoors.

As a result, the bat-makers are in trouble. Now, the number of factories has come down to a maximum of 50.

"Fairs are the main marketplace for our products but they have remained



suspended for the last two years. We also don't see any hope this year," said Maksudur Rahman, a producer in Jilbari.

Besides, the number of workers has decreased alarmingly at existing factories, he added. Only two workers work at his factory instead of seven before the pandemic.

About 2,000 people were, directly and indirectly, involved with bat manufacturing in the five villages.

"If we can't sell our products, what is

the point of producing them?" said Md Kamrul Hasan, another bat-maker in Jilbari.

Many people who were involved in this trade have changed professions in the last two years as the pandemic caused demand to plummet, making it difficult for them to rely on inadequate sales of the accessory to make a living.

The production cost of making bats has also increased but the price of finished products remains the same.

"Production has decreased alarmingly

in line with falling demand and if this continues, the industry will fully vanish from the upazila within a few years," said Atikul Islam Rony, another bat maker.

He says that although schools, colleges and universities have remained closed for most of the time throughout the pandemic, students are not interested in playing cricket.

"Now the scenery of youngsters playing cricket in the playground is rare in many areas."

During a recent visit to Jilbari, only 10 to 12 factories were found to be operational against at least 70 before the pandemic.

Only two workers were making bats in two of these factories.

Some bats are still being sold as the coronavirus situation has improved. Still, manufacturers say they will be able to sell 2 lakh bats at best.

"The sales have dropped by half," said Firoz Khan, owner of New Inter Sports, a sports accessories retailer in the district town.

Abdur Rahim, a factory owner, used to sell bats worth Tk 20 lakh to Tk 30 lakh during the peak season before the crisis. "Now, we are passing a difficult time," he said.

Factory owners say they have not got any compensation from the government during the pandemic.

"But what would we even do with the loans if we can't use them to produce bats for sale?" a factory owner said.

"It has become very difficult for us to survive," he added.

## BSEC step to create vibrant SME board

### Says MTB Capital CEO

AHSAN HABIB

Stock investors are not adequately aware of the SME board while its stringent requirements led to sparse participation, so the board was almost dormant, said Khairul Bashar Abu Taher Mohammed, CEO of MTB Capital.

The DSE-SME, a small-cap board, was rolled out on April 30, 2019, so that small and medium enterprises (SME) having a paid-up capital between Tk 5 crore and Tk 30 crore could avail financing from the stock market.

To make the board vibrant and come to better benefit the sector, the Bangladesh Securities and Exchange Commission (BSEC) eased the participation requirement.

On Thursday, the stock market regulator reduced the minimum investment requirement in listed stocks for trading on the board to Tk 20 lakh from the previous Tk 50 lakh.

Moreover, investors now would not need to register themselves for trading on the board.

Instead, the Central Depository Bangladesh Ltd on a quarterly basis will prepare the list of eligible investors and provide detailed information based on the minimum investment condition. The stock exchanges also will not impose any charges for getting listed, according to the BSEC order.

Up until now, five SMEs have raised funds by getting listed with the new board, which has few buyers and sellers, meaning that the companies are far from having their valuation expectations fulfilled, said Bashar.

"If the issuer sees that his/her company shares are not being traded and the prices are not building up, it could be demoralising for them and others."

"Now, the registration will be completed automatically if an investor has a minimum of Tk 20 lakh in investment, meaning that the process has become much easier."

Eligible investors will receive an SMS informing them that they can trade on the new board, said Bashar, who is also a former secretary-general of the Bangladesh Merchant Bankers Association.

Welcoming the change, Bashar said it was a positive move that would hopefully help investor participation and trade volume to surge, expected prices to build up and get new companies interested in getting listed.

However, most companies' shares are now rarely traded while the prices at which they are traded are almost the same prices as their face value although they have varying potentials.

Responding to a question, Bashar said general investors were kept away from the market due to greenfield companies and companies with negative cash flows being allowed to raise funds at the new board.

"Another reason is that these companies are not bound to submit quarterly reports, for which it is tough for general investors to analyse their potentials."

"We were in the situation of a double-edged sword because it might be a risky investment for general investors who have a low appetite for taking risks while on the other hand, the market had become dormant in the absence of investors," he said.

However, the SME board should be first kept afloat for the sake of the country's economy and once it is able to stand on its own, the BSEC can rethink the changes, said Bashar.

"As the SME sector is the backbone of Bangladesh's economy, the enterprises should be allowed to avail funds from the stock market."



## G20 warned of Ukraine threat to global recovery

AFP, Jakarta

The crisis in Ukraine is a serious threat to the global economy's post-pandemic recovery, Indonesia's leader on Thursday warned a meeting of finance chiefs from the G20 nations.

The Group of 20 – which brings together the world's top economies including the US, China and some European nations – is holding talks in hybrid format in the Indonesian capital Jakarta.

Opening the two-day meeting, Indonesian President Joko Widodo warned of the risks to the fragile recovery from the crisis in Ukraine, where fears are growing that Russia is set to invade.

"This is not the time for rivalries and creating new tensions that disrupt the... recovery, let alone endanger the safety of the world, as is happening in Ukraine," said Widodo, whose country currently holds the G20 presidency.

"All parties must stop the rivalry and tension." He urged the G20, which includes Russia, to instead focus on "collaborating" to help boost the global economy.

The threat of a Russian invasion of its ex-Soviet neighbour presents a fresh challenge for a world already struggling to keep a recovery from the coronavirus pandemic on track as inflation surges.

Also on the agenda at the meeting – originally due to take place on holiday island Bali before being moved due to an Omicron virus wave – was how to reform global health systems to be better prepared for future pandemics.



Containers are stacked at the Port of Los Angeles in Los Angeles. Ongoing tensions over the threat of a Russian invasion of Ukraine is causing concerns over the global economy's post pandemic recovery.

PHOTO: AFP

## EU launches WTO dispute against China

REUTERS, Brussels

The European Union launched a legal challenge against China at the World Trade Organization on Friday, arguing that Chinese courts were preventing European companies from protecting their telecom technology patents.

The European Commission, which filed the challenge on behalf of the EU's 27 members, said EU companies were being deterred from going to a foreign court to safeguard their standard-essential patents (SEPs).

The Commission has also consulted the United States and Japan, whose standard-essential patent holders face similar challenges and which want to be setting global tech standards, rather than leaving this to Beijing.

Mobile phone manufacturers need to obtain licences for SEPs for their products to meet certain international standards.