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PHOTO: MIRZA SHAKIL

BSCIC fair in Tangail fails to live up to expectations

MIRZA SHAKIL, Tangail

An ongoing fair in Tangail to display products of small and medium-sized enterprises (SME) has been far from being able to draw buyers and visitors as per expectations, frustrating participants.

Tangail municipality Mayor Sirajul Haque Khan Alamgir inaugurated the 15 day fair at the Outer Stadium on March 10.

It was organised by the Tangail unit of the Bangladesh Small and Cottage Industries Corporation (BSCIC) with the aid of the district administration.

The BSCIC officials said the annual fair was organised after two years due to the pandemic.

A total of 72 stalls have been erected at the fair and of these, only 10 have been found to be of local SME.

The local entrepreneurs expressed their frustration, saying that the fair had not met expectation due to various reasons, causing them to incur huge losses.

"Although over a week has already passed, buyers are not showing their interest to come to the fair," said

Sultana Bilkis, a female entrepreneur and owner of stall "Gharo Ladies Fashion" displaying woodblock print and boutique items.

"Although the fair runs from 10:00am to 10:00pm, only a few visitors were arriving in the afternoon and buying nothing," she said.

Several other local women entrepreneurs including Elee of Elee Boutique, Ashika Khan of Khan Exclusive which offers handloom and jute products, and Ayesha Parvin of Ayesha Boutique also expressed frustration at almost nothing being sold in the past one week.

They blamed a lack of facilities such as electric fans, the venue selection being wrong, necessity of entry tickets and a lack of necessary publicity.

"We had requested the authorities for arranging the fair at Shaheed Srity Pouru Udyan, which sits right in the middle of the town, to draw crowds to the fair but the organisers paid no heed to our request," told Elee.

Saleha Khatun, a resident of Purbo Adalatpara in the town, said she along with her in-laws went to the fair hoping to buy some special products of local

entrepreneurs at a cheap cost.

But they returned empty-handed as there was almost nothing at the fair but some stalls showing some very common and ordinary items, which are available in local markets, she said.

"I could not understand why such a poor fair has been organised when a trade fair selling such common items ended in the town only a few weeks ago," she said.

Shahida Alam, an entrepreneur and owner of Womens' World, said the fair was supposed to promote products of local entrepreneurs but the BSCIC failed to bring them to the fair.

The organisers allowed mostly traders of common items at the fair charging Tk 15,000 for each stall and all participants are incurring huge losses every day, she said. "Then why has the fair been organised?" asked Shahida, also convener of the Tangail women's chamber of commerce.

Informed of the allegations, Shahnaz Parvin, assistant general manager of the BSCIC Tangail unit, said they also wanted to arrange the fair at Shaheed Srity Pouru Udyan in the town but did not get permission to use the venue.

"The committee has allocated stalls for other (non-SME) traders as only a few local entrepreneurs showed their interest to take up stalls in the fair," she said.

As for the other allegations, she said those were decision taken by an "organising committee".

Mirza Masud Rubol, president of Entrepreneur Forum in Tangail, an organisation of local small-scale enterprises refuted Parvin's claims.

He said there were a few hundred small-scale enterprises in the district and they would have taken part in the fair had the BSCIC authorities invited them.

"In fact, they organised the fair in a whimsical way," alleged Masud.

On the other hand, some locals and sports enthusiasts criticised arranging the fair at the Outer Stadium, pointing out that children practice cricket there every day.

"My son do practices cricket on several concrete pitches at the Outer Stadium under an academy," said Rokhsana Akter, a resident of Old Bus Stand area in the town.

"The academy's children were told to hold their practice at the adjacent Eid Gaon field due to the BSCIC fair," she said.

South Korea plans more investment in Bangladesh

Says ambassador

PORIMOL PALMA, back from Narsingdi

South Korea is looking at bringing in investments of major Korean brands like Samsung, Hyundai and Daewoo to Bangladesh in the areas of construction, engineering, electronics and automobiles as Bangladesh is improving associated environments and expanding the market base.



"So far, our investments were mainly in readymade garment sector. I think it is about eighty per cent. Now we are diversifying our investments and it will continue to go up," South Korean Ambassador to Bangladesh Lee Jang-keun said yesterday.

He was speaking to

members of the Diplomatic Correspondents' Association of Bangladesh (DCAB) during a media visit to Fair Electronics' manufacturing plants in Narsingdi, which were set up in association with Samsung in 2017.

The plants manufacture mobile phone, refrigerator, television, air conditioner, microwave oven and washing machine with the label "Made in Bangladesh".

Lee said in the middle of this year, Fair Group would start assembling cars in association with Hyundai in Bangladesh – a fact that demonstrates how Korean private companies were increasingly becoming interested in investing here.

South Korea has so far invested \$1.3 billion and annual investment from Korea now stands at \$100 million, he added.

"South Korean companies are eager to invest here because its market is expanding, it has demonstrated sustained economic growth, its labour cost is comparatively lower and the government is improving its policy support," Lee Jang-keun said.

Asked if they were facing any challenges, he said the customs and tax regulations were complicated, which needed to be simplified and made consistent.

"The good thing is that the government is now listening to us," he said.

The Bangladeshi companies exporting to non-traditional countries get incentives but the Korean companies in the export processing zones do not get that, the Korean envoy said, requesting the Bangladesh authorities to provide similar incentives to the Korean companies.

Fair Group Chief Marketing Officer Mohammed Mesbah Uddin, Advisor Hamid R Chowdhury, director Mutassim Daiaan and DCAB President Rezaul Karim Lotus also spoke.

Good number of apparel

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Comprising 200 European clothing brands and retailers, the Accord is an independent agreement designed to make all garment factories in Bangladesh safe workplaces.

However, many new factories have been formed after the Accord packed up operations from the country in May 2020.

Many factories also did not get Accord certification as they failed to meet its standards.

There are some factories which could not maintain the Accord's standards but are now doing business, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

They have either shifted to new buildings or improved their safety standards but have been

certified neither by the Accord nor the RSC, said Hassan, also an RSC board member.

"We also want the inclusion of the garment factories in the RSC so that the safety standard of all garment factories is improved," he said.

Hassan was talking to The Daily Star over the phone after a board meeting of the RSC at Amari Dhaka, the first in-person meet to be organised since the pandemic surfaced.

At the meeting, the RSC categorised some factories as "orphans".

Left out by the Accord signatories, these factories are now functioning but neither the RSC nor any platform will take responsibility of ensuring their safety.

"So, nobody will be made responsible if any accident takes place in

those factories. They are like orphans," said Hassan.

"We want to bring them under the purview of the RSC so that their safety standard can be improved under the guideline of the RSC," he said.

Hassan said this, however, may take two months to three months as there were many complexities in enabling an RSC membership for a factory.

Amirul Haque Amin, another board member representing the unions and co-chair of the RSC, said according to the RSC rules, at least 18 months need to elapse after a factory severs ties with Accord to be an RSC member.

So it may take a few more months for many factories to be a member of the RSC as they are yet to fulfil the 18-month requirement, he

said.

"We will have to discuss the safety issues more for making the new and orphan factories members of the RSC," Haque also said.

In the meeting, chaired by Dan Rees, director of Better Work of International Labour Organization and also convener of the RSC, board members discussed issues related to garment workers' health, he said.

Amin said the government should also come up with more initiatives for improvement of garment workers' health.

China Rahman, another board member representing the unions at the RSC, echoed Amin.

The factories want to be the RSC members mainly for their own benefits, she told The Daily Star over the phone.

Hopes of rapid recovery dashed

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nearly 90 per cent of its requirement for wheat, so its prices surged after the war broke out owing to the export disruption from the Black Sea region.

Bangladesh relies on Russia for 3.7 per cent of its agri-food commodity supply, whereas it is 2.1 per cent on Ukraine, showed the Unctad report.

Increased petroleum and fertiliser prices have piled up the subsidy burden on the government. Prices of fertiliser, which had been on the rise even prior to the war, has soared since the conflict began. Bangladesh depends on Belarus and Russia for the Muriate of Potash.

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said, "The war situation is still fluid. It is difficult to predict when the war will end, causing an unstable situation in our commodity and financial markets."

He thinks the volatile

situation will lead to higher inflation because the government has no control over imported items.

Excessive subsidies will put pressure on the balance of payments and government budget management, and the cost of projects will rise as machinery is usually imported.

Bangladesh's current account deficit hit an all-time high of \$10 billion in the first seven months of the ongoing fiscal year due to a widening trade deficit and dwindling remittances.

On March 15, foreign currency reserves stood \$44.18 billion, down from \$46.01 billion at the end of June last year, driven by ballooning import payments, Bangladesh Bank data showed.

The cost of imports went up as the exchange rate rose to Tk 86 per USD, up from Tk 84.8 on the last day of June in 2021.

As such, the cost of a number of import-

dependent commodities has jumped, hitting the poor and forcing them to queue for hours to buy essentials from the trucks of state-run Trading Corporation of Bangladesh.

Analysts say this would slow the process of lifting people out of poverty, which rose to 24 per cent last fiscal year as millions lost jobs and incomes plummeted owing to the pandemic, according to an internal estimate of the government.

The World Bank estimates that the poverty rate was around 30 per cent, up from 20 per cent before the pandemic.

And Washington-based Center for Global Development said on Friday that massive price spikes for food and energy sparked by Russia's invasion of Ukraine will push more than 40 million people into extreme poverty globally.

Zahid Hussain said it will take a long to recover

the loss in the education sector. "As a result, our productivity will suffer in the long run."

Prof Alam did not completely agree with the IMF projection about the GDP growth in the 8th Five-Year plan period.

"It may decline a bit from what we have targeted. It may be around 8 or 8.15 per cent by 2024-25," he said.

Prof Alam says the government's main priority now is to strengthen the agriculture sector.

"Our goal is to raise production and continue to export some products. If more subsidies are needed, we will provide."

The government will also place emphasis on the private sector so that it keeps operating smoothly.

"We will continue supporting SMEs through loans and incentive programmes," said Alam.

"The government is trying to make recovery in all possible ways."

Govt makes \$22.4m insurance

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"The ship was supposed to take ball clay from the port before travelling to Italy," he said, referring to a material used in making ceramics.

Tysers did not respond to requests for comment.

Syed Shahriyar Ahsan, managing director of Sadharan Bima Corporation, confirmed that BSC made the claim of \$22.48 million.

"We have proper insurance arrangement. This will not be a problem."

BSC Managing Director Commodore Suman Mahmud Sabbir told Reuters separately that it would take time to process the claim.

"Without removal of the vessel outside the war area, the war risk insurer can't send their surveyor to assess the quantum of damages. We are taking all necessary action to uphold our interests for sure," Sabbir said.

London's marine insurance market has widened the area of waters it considers high risk in the region as the conflict intensifies and perils to merchant shipping grow.

"On paper, this should be a straightforward claim. But given the situation inside Ukraine, this could take time to process, especially if more (documentation) is needed," an insurance industry source said.

Viktor Vyshnov, deputy head of Ukraine's maritime administration, told Reuters that the vessel was at anchor in the port with no crew onboard. The remaining 28 crew members were evacuated back to Bangladesh.

"The captain of the port is looking for some crew to come onboard," he said.

Vyshnov confirmed the ship's bridge was damaged when the missile hit although it was unclear if the engine was disabled.

Ships typically have protection and indemnity (P&I) insurance, which covers third-party liability claims, including environmental damage and

injury. Separate hull and machinery policies cover vessels against physical damage. This is in addition to war risk cover.

Stale Hansen, president of Norwegian ship insurer Skuld, told Reuters that vessel was entered with them for P&I, adding that "given the war circumstance of this casualty, this loss is being handled by war underwriters".

The last war risk ship casualty involved the Liberian-flagged, Japanese-owned oil products tanker Mercer Street, which was damaged by a suspected drone attack off Oman, killing two crew members in July last year.

High rice prices buoy Boro

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"Cost of farm labour also rose," he added, suggesting the government buy the grain from farmers at Tk 30 per kilogramme (kg) in the coming procurement season instead of the previous Tk 27 per kg.

FH Ansarey, president of the agribusiness division of ACI Ltd, said farmers planted Boro rice by cutting down on vegetable and wheat cultivation.

"Prices of both paddy and rice are attractive," he said. Yesterday in Dhaka, prices of the coarse grain were 1 per cent higher at Tk 45 to Tk 48 per kg

compared to the same day a year ago, showed data from the Trading Corporation of Bangladesh.

Ansarey said sales of hybrid rice seeds grew 18 per cent year-on-year to nearly 13,000 tonnes this cultivation season from the previous year's 11,000 tonnes.

"We have also seen good sales of inbred rice," he said, expecting that overall yields would be higher if weather remains favourable.

"In this time of volatile commodity prices in the global market and concerns over the supply

of grains, increased acreage provides a relief as higher production will cut our cereal import dependence," Ansarey added.

Bangladesh imported 9.58 lakh tonnes of rice between July 1 and March 14 of the ongoing fiscal year. The amount was 70 per cent of the total rice imported in the previous fiscal year, according to food ministry data.

Anwar Faruque, former agriculture secretary, said estimates of acreage should not be inflated since over estimation of cultivation would affect overall food planning, and thereby

market prices.

He suggested agricultural agencies gather data to come to proper estimates on the area being used to grow Boro paddy.

"This will be instrumental in planning," Faruque added.

DAE Director General Md Benojir Alam expects good yields because of rainfall last month.

"Besides, acreage of hybrid rice which provides higher yields compared to inbred varieties has risen as well," he said, adding that hybrid rice acreage is 22.5 per cent of the total Boro area this season.