



Machines are used to cut straw so that it can be easily consumed by cattle. Products of small and light engineering factories in Saidpur are apparently meeting half of the country's demand for such equipment. The photo was taken at a fair on Rail Police Grounds in Saidpur at the end of March.

PHOTO: EAM ASADUZZAMAN

Small, light engineering industries in Saidpur abuzz

Produce 2,000 types of machinery; annual turnover stands at Tk 100 crore

EAM ASADUZZAMAN

Small and light engineering industries in Saidpur have helped the railway town emerge as a hub for producing valuable machinery and spare parts consumed by various sectors, thus cutting dependence on imports, saving foreign currencies and generating jobs for thousands.

There are 500 large and small workshops in Saidpur under Nilphamari and they produce 2,000 types of machinery and spare parts and clock an annual turnover of Tk 100 crore.

At least 5,000 people are employed in the industries, according to sources.

The country's largest railway workshop situated in Saidpur used to employ thousands of skilled workers in its smithy, foundry, mechanical, and various other units at the time of Bangladesh's independence. This was the time when local small and light engineering industries also emerged.

One of the early initiators was late Mohammad Abbas, a former employee of a smithy shop in the railways. He established a foundry factory, SML Metal, in the Bangalipur area.

The factory is now one of the biggest tube-well manufacturing factories in the area and is run by his successors.

Another pioneer was late Nazir Ahmed, who after his retirement set up Two Star Engineering Works in the Munshipara area with only a few thousand taka he received as the retirement benefit.

Thanks to perseverance and hard



work, Ahmed went to achieve huge success. His sons now run the workshop.

Entrepreneurs say when rice husking mills, irrigation pumps, buses and trucks went out of order 50 years ago, mechanists and imported spare parts had to be brought from Dhaka to repair them.

To ease suffering, some railway employees used their leisure time and innovation to start making valuable parts, reducing the cost by 60 per cent.

"This innovation opened a new horizon and entrepreneurs started setting up workshops, turning it into a flourishing sector," said Nuruddin Dulal, secretary of the Small and

Light Engineering Industries Owners Association in Saidpur.

He says industries produce chopper machines that are used to cut straws into small pieces paving the way for easy consumption of cattle at the farm and household level. The workshops meet half of the country's requirement for chopper machines, which have already gained traction.

Valuable spare parts for jute mills, rice husking mills, sawmills, flour mills, and ceramics factories are widely produced at the hub.

The machinery of consumer goods factories, which make ice cream, noodles, vermicelli, juice, popcorn,

potato chips and cookery items, is also produced in Saidpur.

Spare parts for irrigation pumps, buses, trucks, tractors, and motorbikes are also made and factories have the reputation of making mixture machines to blend sand, cement and stone chips for use in construction works and jaw crushers to crush stone bolder.

Khorshed Alam, the owner of Two Star Engineering Works in the Munshipara area and the son of Ahmed, said, "We even produce 200 kinds of equipment mostly used in trains."

Some of the products are signal lights, compartment handles, footboards, metallic windows, bathroom fittings, paddle clips, brake shoes, and special nuts and bolts, many of which had to be imported previously, he said.

He alleges that there are middlemen in the supply chain.

"If we get direct work order from the railways, a good amount of foreign currencies could be saved and our factories would also be benefitted."

Ershad Alam Pappu, president of the Saidpur unit of the Small and Light Engineering Factories Owners Association, called for setting up a separate industrial zone since workshops have to operate in a congested area.

"We also need adequate long-term bank loans at lower interest rates."

Pappu says local industries could even go for exports if the government extends facilities to entrepreneurs in order to help them set up heat treatment plants

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Ukraine war could be a wake-up call for Bangladesh's arable sector

AKM ABDULLAH AL-AMIN, JAMES LOWENBERG-DEBOER and HASNEEN JAHAN

Ukraine and Russia, known as "the breadbasket of Europe", are the major exporters of the world's basic foods. Both countries export approximately one-quarter of wheat, more than three-quarters of sunflower oil and one-sixth of corn.

From the beginning of the war on February 24, 2022, now in the third month, the invasion of Ukraine has caused food price inflation following the economic downturn sparked by the Covid-19 pandemic. Disruption in international trade has affected mostly the import-oriented countries in Asia, the Middle East and Africa. The war will have a ripple effect, which leads to "cascading risk".

How the war will trigger Bangladesh's food crisis

The Ukraine war has already created a shock in the commodity market of Bangladesh. The supply chain disruption in the international market caused a price hike in soybean oil in Bangladesh, although the country imports soybean oil mainly from the United States, Brazil and Canada.

The price of wheat flour increased sharply as Bangladesh imports wheat mainly from the Black Sea region. According to the Observatory of Economic Complexity (OEC), more than half of wheat was imported from those two countries.

The high import dependency means that the Bangladesh economy is feeling the heat of the Ukraine war that may trigger the food crisis in Bangladesh. The extent of impacts may last even after the war

For instance, in 2020, Bangladesh imported \$1.28 billion-worth wheat, which was the top import (2.65 per cent) among the traded foodstuffs. The highest share was imported from Russia (31.8 per cent) worth \$409 million and Ukraine (23 per cent) worth \$295 million.

Similarly, in 2020 a significant portion of dried legumes, corn, onion, rapeseed, and apples and pears was imported from those countries.

Fertiliser prices surged owing to the conflict. Russia and Belarus provide approximately 40 per cent of the world's potash. The soaring price of fertiliser could lead to serious problems for Bangladesh's arable farming.

Owing to high worldwide petroleum prices linked to the Ukraine invasion, the country already feels the increasing pressure of diesel prices. This price increase may spark the uncertainty of the government's transitional policy toward conventional mechanisation since, to date, there is no cost-effective substitute for diesel engines.

The high import dependency means that the Bangladesh economy is feeling the heat of the Ukraine war that may trigger the food crisis in Bangladesh. The extent of impacts may last even after the war. The Ukraine war could be a wake-up call for Bangladesh's arable sector.

Ways forward to Bangladesh's arable sector

From birth to the first three decades, the prime objective of the political economy of Bangladesh was to ensure "food security". However, in the last two decades, Bangladesh extended the focus to "food and nutrition security" prioritising crop diversification.

To achieve the vision of the Ministry of Agriculture (i.e., safe, profitable and sustainable agriculture), the Bangladesh government

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ANALYSIS Food inflation pain puts emerging markets

REUTERS, London

Like for millions of people in developing and emerging market countries around the world, shopping for staple foods has turned from a necessity into a luxury for Selcuk Gemic.

The 49-year-old, who works in an auto repair shop in Turkey's largest city Istanbul and lives with his wife and two children in his father's house, says fresh produce is often out of reach with his family living on pasta, bulgur and beans.

"Everything became so expensive, we cannot buy and eat what we want - we only buy what we can afford now," said Gemic. "My children are not properly nourished."

Global food prices have climbed for two years, fuelled by Covid-19 disruptions and weather woes. Supply shocks to grains and oils from Russia's invasion of Ukraine saw them hit an all-time record in February, and again in March.

Inflation rates have soared, with energy price rises adding to pressure. Turkey or Argentina with annual inflation of 70 per cent and around 60 per cent might be outliers, but readings are into double-digits in countries from Brazil to Hungary. It makes US inflation at 8.3 per cent look modest in comparison.

Rising food prices are a hot topic in emerging market, raising the risk of civil unrest with echoes of the Arab spring and putting policy makers in a bind between stepping in with fiscal support to ease the pain on their population or preserve government finances.

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Customers queue to enter a Stone Island shop in London on May 12. Britain's economy shrank in March on fallout from soaring inflation, increasing the prospect of the country falling into recession.

PHOTO: AFP/FILE

Britain's unemployment hits 48-year low

REUTERS, London

Britain's unemployment rate fell to its lowest since 1974 in the first three months of this year, but soaring inflation led to the biggest annual fall in real earnings for most workers since 2013, official figures showed on Tuesday.

The jobless rate dropped to 3.7 per cent from 3.8 per cent - below forecasts in a Reuters poll for it to hold steady - and the number of people out of work was less than job vacancies on offer for the first time on record.

"Despite a slowdown in growth this March, the UK's labour market remains red-hot with record vacancies and job-to-job moves," the Confederation of British Industry's director for people and skills, Matthew Percival, said.

The Bank of England is watching the strength of Britain's labour market warily, as it fears that higher-than-normal pay growth is a key channel through which the current

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