



The market for sanitaryware such as these steel faucets is growing rapidly in Bangladesh thanks to the urbanisation in many rural and semi-urban areas. Although consumers once had to rely on imports for such products, the scenario has changed over the years as local corporations have joined the fray. PHOTO: RASHED SHUMON

Sanitaryware sales rising in rural areas

SUKANTA HALDER and JAGARAN CHAKMA

Just two decades ago, one could hardly hope to see a well-furnished bathroom in the country's semi-urban and rural areas. The scenario has changed over time as people living in these regions are becoming increasingly aware of good hygiene practices thanks to their improved living standards. In addition, the ongoing development works and expanding electricity coverage across the country are fuelling the market for sanitaryware, according to industry insiders. "Rapid urbanisation and changing lifestyle in line with the people's rising purchasing power is driving the market for sanitaryware," said Kamruzzaman Kamal, director of marketing at Pran-RFL Group. RFL makes various bathroom fittings using metal and PVC materials. Apart from Pran-RFL Group, Raja Metal Industries, Sharif Metal Ltd and Satar Metal Industries are major players in the domestic sanitaryware market, which industry operators have estimated to be worth more than Tk 1,300 crore. Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association, said there are 18 factories with a total investment of nearly Tk 2,000 crore that manufacture sanitaryware in the country. Uddin then said the total market size was valued at Tk 1,357 crore in fiscal 2021-22 and that locally made products now dominate the once import-heavy segment. Besides, the sanitary ware industry has created more than 9,600 opportunities



for direct employment, he added. Echoing Uddin, Kamal said although the market was dominated by imports in the past, the situation changed in the last few years as some large corporations entered the business with quality products. The director of Pran-RFL Group went on to say that the company's sales are increasing at an average of about 15-20 per cent each year. However, he said that the recent hike in the price of US dollars has had a negative impact on the industry as the raw materials required are mostly imported. As such, the cost of imports has increased by some 15-20 per cent in the last few months but moreover, production is being disrupted by daily load shedding and low gas pressure. "We export our ceramic bathroom

fittings mainly to India but we are planning to export metal products as well," Kamal added. Nazrul Islam, managing director of Raja Metal Industries, which has been making and selling kitchen and bathroom faucets for local consumers since 1970, said business growth has been quite good over the years. "Many public and private infrastructures was built in Bangladesh over the past decade and more will be set up in the days to come. So, this industry will enjoy more business in the coming days," he added. Islam said that load shedding is hampering production at a time when operational costs have increased 50 per cent while transport charges are also higher due to the recent hike in fuel and

dollar prices. "As a result, there has been a negative impact on the business," Islam said, adding that local consumers prefer foreign products. "When they come across a local product, they ask for discounts, warranties, guarantees and what not because they think local products are not good." But when it comes to foreign products of the same make, they do not even question if a warranty is available or bargain too much either. "This issue is very challenging," he said. Islam believes the government should build an industrial park for sanitaryware makers so they can avoid various barriers and concentrate on manufacturing products that are completely home-grown with locally generated raw materials. "Such support from the government could even help the industry grow towards becoming a major exporter," Islam added. Akij Group, one of the biggest local industrial conglomerates, invested about Tk 90 crore for a new sanitaryware plant that will have the capacity to produce around 10,000 pieces of bathroom fittings each day. Named Akij Bathware Ltd, the new facility located in Trishal upazila of Mymensingh will create around 500 opportunities for direct employment, a company official said on condition of anonymity. The factory, which is equipped to produce some 37 types of sanitaryware products, will be launched next month. "There is no other company in Bangladesh that has the technology that we will use to make the products," he added.

Looming food crisis and our readiness

SAZZADUL HASSAN

Of late, the food prices have skyrocketed affecting the people in low and middle-income countries more. Domestic food price inflation reaches record high across the globe. According to the World Food Programme, there were 135 million people facing acute food shortages in 2019. This number has soared to 345 million in 2022. Nearly 50 million people in 45 countries are on the verge of facing famine. Supply disruptions, production shortages due to adverse weather conditions and pandemic are mainly responsible for this abnormal price hike. The Ukraine-Russia war has fueled big price rises worldwide.



These two countries together supply one third of the wheat the world consumes. Ukraine accounts for 16 per cent of the world's corn supply and 42 per cent of the sunflower oil. Food Inflation in Bangladesh averaged 6.29 per cent from 2013 until 2022. The Bangladesh Bureau of Statistics said it was 8.19 per cent in July this year. We need to carefully assess the overall situation to avoid any potential catastrophe.

Let us first look into the supply situation of our staple food rice. As said by the Bangladesh Rice Research Institute, the yield in Boro fell short of the target by 13 lakh tonnes. Production was 6,50,000 tonnes less in the Aush season. Less rainfall in the ongoing Aman season would cost 10 to 15 per cent less yield. In light of this production shortfall, as a short-term measure, we have to maintain sufficient stock so that the existing soaring rice price does not shoot up further. The government had already reduced the import duty from 25 per cent to 05 per cent and allowed private importers to import 10 lakh tons of rice.

The outlook of global rice production is not very promising. India, the largest producer of rice, is apprehending a production shortfall of 7 million tonnes. They have already imposed a 20 per cent duty on exporting of all rice varieties other than basmati. In the backdrop of this bleak outlook, we have to focus on our own production in the next boro season and beyond. Recent price hike in Urea will increase the production cost of paddy by up to Tk 600 to Tk 700 per acre. Besides, hefty price increases in diesel burdening the farmers with an increased cost of irrigation. In such a turbulent period, the government needs to continue providing subsidies in diesel and fertilisers, especially to the poor and marginal farmers. There should be awareness campaigns among the farmers regarding judicious usage of urea so that they can save cost. Wheat is also an important food grain for us. Bangladesh needs to identify alternate sources of wheat supply to meet rising demand. The price of edible oil is also a concern.

In the long run, we have to reduce dependency on soybean and palm oil by increasing the production of mustard and rice bran oil. We also need to focus on increasing the production of lentils, onions etc. to reduce import dependencies. During such a crisis period, the government has to intensify programmes like Open Market Sales, Vulnerable Group Feeding, etc to support low-income groups. The recent food inflation has posed a serious threat to the overall food security of the globe. There has to be sincere and empathetic cooperation among the countries to overcome this crisis.

The writer is chairman and managing director of BASF Bangladesh Limited. Views expressed here are personal.

Front-loaded rate hikes needed to tame inflation

Reserve Bank of India says

REUTERS, Mumbai

The Reserve Bank of India said on Friday it will have to front-load its monetary policy to fight stubborn inflation and shield medium-term growth in the world's fifth-largest economy. Inflation in India has remained above the apex bank's tolerance level since January, prompting it to raise interest rates by a total of 140 basis points in the current cycle. The bank is widely expected to hike by another 25 to 50 basis points at its next meeting at the end of this month. "At this critical juncture, monetary policy has to perform the role of nominal anchor for the economy as it charts a new growth trajectory," the RBI said in an article on the state of the economy that was included in its monthly bulletin. "Front-loading of monetary policy actions can keep inflation expectations firmly anchored and reduce the medium-term growth sacrifice." The RBI said the August 2022 inflation reading of 7 per cent was in line with its prognosis that inflation has peaked in April and will grudgingly edge down over time. There was, however, a resurgence of food price pressures, mainly stemming from cereals, even as fuel and core components such as transport and manufacturing provided a modest measure of respite, the bank said. "We maintain our view that inflation momentum

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Various currencies such as Saudi riyal, yuan, Turkish lira, pound, US dollar, euro and Jordanian dinar banknotes are seen in this illustration. PHOTO: REUTERS/FILE

China-led bloc agrees to expand trade in national currencies

REUTERS, Samarkand

The leaders of the Shanghai Cooperation Organisation (SCO) agreed on Friday to take steps to increase the use of national currencies in trade between their countries, according to a joint declaration adopted on Friday. The group - which comprises China, India, Russia and Pakistan alongside four Central Asian states - said "interested SCO member states" had agreed a "roadmap for the gradual increase in the share of national currencies in mutual settlements", and called for an expansion of the practice. No further details were provided and the group did not say who the "interested states" were.

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