Some units at the BSCIC estate export their products while others that make spare parts for agricultural machinery and food items dominate local markets in eight northern districts of Rangpur

While facilities at the BSCIC industrial estate in Nilphamari may be lacking, the factories present have become a unique display of success. Now, BSCIC authorities have taken initiatives to expand the industrial area in the face of increasing demand for plots. PHOTO: EAM ASADUZZAMAN

BSCIC INDUSTRIAL ESTATE

Units in Nilphamari flourish despite inadequacies

EAM ASADUZZAMAN, *Nilphamari*

Although many industrial estates under the Bangladesh Small and Cottage Industries Corporation (BSCIC) seem to be in shambles, the one in Nilphamari paints a picture of success.

According to BSCIC officials and industry owners, some units export their products while others that produce spare parts for agricultural machinery and food items dominate local markets in eight northern districts of Rangpur.

Messers Poddar Agro and Selim Agro produce sacks, rope and more items out of jute for export.

And in the face of increasing demand from entrepreneurs for the allocation of new plots, the BSCIC has taken measures to expand the industrial area either on khas or private land through acquisition.

Moshiur Rahman, acting in charge of the estate, said that soon after it was established in 1986 on 11 acres of land in the Neyamatpur area of Saidpur municipality, the industrial area generated enthusiasm among small and medium entrepreneurs.

As such, the allocation of all 92 plots was completed within the next couple of years with 49 factories currently operating at the estate.

Now, the BSCIC authority is under pressure from young entrepreneurs to allocate plots for setting up new industries, he added.

As the estate is located halfway between Rangpur and Dinajpur with easy access to road, rail and air communication while skilled manpower is available as well, it has become a unique example of success, said Shofiqul Alam Dablu Shah, president of the Nilphamari Chamber of Commerce and Industries.

After finishing their shift, skilled employees at the country's largest railway workshop in Saidpur usually go to work at factories in the BSCIC area on a part-time basis while others become regular employees.

"The expertise they have helps produce quality products," he added.

Besides exportable jute goods, other prominent products made at the industrial area include spare parts of textile machinery, boilers of rice husking mills, tube wells, bicycles and three-wheelers, plastic and aluminium utensils, ball bearings for heavy vehicles, fertiliser and more.

Meanwhile, locally manufactured food products that are dominating eight districts of Rangpur include, flour, vermicelli, candy and so on, factory owners said.

Kazi Amanuzzaman, extension officer of the BSCIC in Nilphamari, said they safeguard the interests of small and medium entrepreneurs and never allocate more than 1 to 3 plots for a single party.

As such, they have even turned down requests from big industry owners for large allocations to prevent their domination.

"This facility paves the way for small and medium entrepreneurs to flourish," he added.

However, Aminul Islam, president of the estate's factory owners' association, said that while the BSCIC area is successful, it does have problems such

READ MORE ON B3

Increasing FDI: where it pinches?

MAMUN RASHID

Bangladesh has made gradual progress in reducing some constraints on foreign direct investments (FDIs). However, many feel a lot needs to be done when it comes to improving the ease of doing business here.

Corruption has been coined as a major obstacle that continues to hinder foreign investment as per "The 2022 Investment Climate Statement" released earlier this year. Challenges in security, political interference, and land disputes are also acting as major barriers to investment. Coupled with this comes political cronyism and 'licence raj'.

Power generation capacity had grown significantly over the last decade, but transmission and distribution systems still need additional work to ensure more reliable and inclusive access. The electricity and gas crisis in recent months has made an urgent overhaul in the power sector of utmost importance.

Ambiguities still exist in numerous sections of the overall regulatory framework and what's more confusing and irritating to investors is that multiple conflicting regulators are often involved in the same sector, each with their own differing agenda that may not be in the best interest of the investors.

Double taxation avoidance agreement treaties (DTAAs) are in place with various countries but to take advantage of them, official approval is required from the National Board of Revenue (NBR), and whether the NBR actively honours these DTAAs is already a matter of major concern for foreign investors because there have been frequent complaints from foreign companies and firms in this regard.

Even though from a national policy level, it may appear that Bangladesh allows outward remittance of dividends, royalties, technical fees, management costs etc., the reality is completely different since there appears to be significant resistance and roadblocks, which are immensely time-consuming, resource-draining and plagued with rampant corruption in every step. Added to these are also the way we value the assets of a divesting entity.

As we continue our focus on bringing in FDIs, we also should keep an eye on the prospective advantages of outward FDIs.

Outward FDIs (OFDIs) from Bangladesh rose nearly seven times to $92 million in 2021, according to the United Nations Conference on Trade and Development.

Market, strategic assets, and efficiency-seeking are important motivations for OFDIs. Overseas investments in joint ventures and wholly-owned subsidiaries could become essential channels for promoting the growth of Bangladesh's business enterprises.

Mergers and acquisitions and other forms of alliances with companies in host countries could be particularly valuable for the generation of intangible capability returns such as additional knowledge, skills, technological upgrading, managerial expertise, and brand goodwill.

Bangladeshi investors should start making more investments abroad and take advantage of preferential market access in third-world countries to overcome the challenges of the post-LDC graduation period.

Presently, Bangladeshi companies are somewhat deterred from making investments overseas and one of the contributing factors has been that the government is relatively circumspect on undertaking liberalisation of outward investment. An ongoing challenge with foreign currency liquidity has made it even worse.

Going forward, Bangladesh needs a transparent policy framework to manage investment abroad that is synergetic with domestic FDI expansion. The government may review the existing restrictions on OFDIs, weigh their costs and benefits and adopt measures that strengthen economy-wide policy coherence and absorptive capacity.

Simplifying investment processes to ensure clarity of rules regarding foreign investment and establishing a conducive investment climate will help mobilise investments for sustainable development.

The author is an economic analyst.

Chinese firm to invest $61m in economic zone of Bepza

STAR BUSINESS REPORT

Chinese company Kaixi Lingerie Bangladesh Company Ltd is going to set up a composite garments factory with an investment of $60.85 million at the Bangladesh Export Processing Zones Authority's (Bepza) economic zone in Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

The investment will create employment opportunity for 11,000 people in the factory, a press release said.

Ali Reza Mazid, member (investment promotion) of Bepza, and Xiao Hongxi, director of Kaixi Lingerie Bangladesh, signed an agreement to this effect at Bepza Complex in Dhaka yesterday.

Under the agreement, Kaixi Lingerie Bangladesh will annually produce 30 million pieces of lingerie items as well as textile fabrics, accessories, hangers and foam for their own consumption for manufacturing and exporting lingerie.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, congratulated Kaixi Lingerie for choosing Bepza economic zone for their investment destination.

He assured the new investor of providing all sorts of support for setting up the industry and starting operations. He also urged the investor to ensure optimum use of land during the construction of the factory.

Rahman requested the company to use its factory rooftop for producing renewable energy.

Black rice, also known as purple rice, is being cultivated in Eshan Gopalpur union under Faridpur sadar upazila. Hashibul Hasan Ronty, a dweller in the Alipur area of the district town, is growing the paddy in his two bighas of land, investing Tk 40,000 with the expectation of harvesting around 60 maunds. The rice is rich in proteins, minerals, and vitamins, providing impressive health benefits against cardiovascular conditions, diabetes and neuro diseases. Ronty hopes to rake in Tk 1,000 per maund this season. PHOTO: SUZIT KUMAR DAS

Crystal Grains launches new spice brand

STAR BUSINESS REPORT

Crystal Grains Limited, a spice brand company, has launched a new spice product to cater to domestic consumers.

Branded as Chef's Choice, New Zealand Dairy Products Bangladesh Ltd will distribute and market the spice, said a press release.

Samsul Alam Mallick, managing director of New Zealand Dairy Products Bangladesh Ltd, and Mohsin Uddin Ahmed, chief executive officer of the company, inaugurated the product at The Daily Star Centre in Dhaka on Monday.

The company aims to make people's life a bit easier and comfortable, especially for the working woman who encourages as well as prefers smart and healthy cooking. They will launch a variety of products in the near future, the company said.

Crystal Grains Ltd was incorporated in Bangladesh in 2008.