



The handicraft factories are not only helping upgrade the region's socioeconomic status, but also bringing in tidy sums of foreign currency each year. PHOTO: EAM ASADUZZAMAN

## Vegetable exporters face problem in shipment

STAR BUSINESS REPORT

Fresh vegetables and fruits exporters complain that they are facing trouble in shipping their goods as a result of the enforcement of a rule by Custom House, Dhaka, which facilitates overseas trade and travels through Hazrat Shahjalal International Airport.

Exporters said the customs house in Dhaka started real-time assessment and examination of exported goods and export-related documents from August 1 this year.

They added that most flights bearing cargo containing perishables are at night, when it is difficult for them to furnish all export-related documents instantly.

Fresh vegetables have a short shelf life and perish quickly.

So, when there are losses of goods during transport or due to damage, exporters have to amend their 'exp' document from the Online Exp Monitoring System (OEMS), maintained by the Bangladesh Bank (BB), the central bank.

However, most exporters of fresh produce do not have user IDs or passwords issued by banks and cannot update their documents in real-time.

Mohammed Monsur, general secretary of the Bangladesh Fruits Vegetables & Allied Products Exporters' Association (BFVAPEA), said banks had only issued IDs and passwords to trusted clients.

"Since banks are closed at night, shipments by the exporters who do not have access to the OEMS suffer because they cannot correct or amend exp documents at night," he said, urging authorities to relax the rule to expedite fresh vegetable and fruit exports.

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# Remote village thriving on handicraft export

EAM ASADUZZAMAN, from Nilphamari

Haziganj village is becoming a hub for handmade products crafted from recycled materials as a few factories in the remote area of Gogram union under Nilphamari sadar upazila are enjoying success in this regard.

These factories are not only helping upgrade the region's socioeconomic status, but also bringing in tidy sums of foreign currency each year.

Touhid Bin Abdus Salam, who graduated from the BGMEA University of Fashion and Technology in 2004, was the man who kicked off this transformation.

Having established his factory in the village soon after graduation, Salam now earns more than Tk 100 crore annually by exporting his products to about 34 countries, including the US.

"I conceived the idea with the intention of providing a better living for the locals. Besides, the area is rich in raw materials," he said.

Salam established Classical Handmade Products BD Limited in 2008 using his small savings and some money from his father.

During a recent visit to the factory, this correspondent found female workers manually separating fibres from banana leaves, date leaves, corn husks and water hyacinths, which are then mixed with cotton to produce a special thread for making products.

Asaduzzaman, assistant general manager of the factory, said they make 283 products such as floor mats, baskets, carpets, lamps, apparel items, and more.

He also informed that they use materials such as jute, garments waste, plastic bottles and so on.

Just two months after setting up the factory, Salam participated in an exhibition in Germany, where he showcased floor mats made from garment waste.

After the exhibition, German company Kik Textilien placed a work order for 1 lakh

floor mats, marking the beginning of the company's exports.

To meet growing demand for his goods, Salam started training thousands of locals on how to produce them at home.

"Buyers from Europe and the US, K-Mart of Australia, Sweden's Zara, and Walmart purchase our products as home decor items as they are eco-friendly and cost effective," Salam said.

"Last year, we exported handmade goods worth \$1.1 crore, or Tk 122.35 crore. The amount will likely increase this year," he added.

**Having established his factory in the village soon after graduation, Salam now earns more than Tk 100 crore annually by exporting his products to about 34 countries, including the US**

Salam went on to establish three more units in different areas of the region, employing around 5,000 workers, of which 86 percent are female.

"We enjoy foreigners' confidence as we maintain a healthy atmosphere in the factory while also ensuring product quality and timely delivery," he said.

Mahbub Jorge, chairman of Gogram union, said that a good network of backward linkage factories have developed in surrounding villages over the years as many locals started earning by supplying raw materials.

Also, logistics companies are being developed in the area to carry the raw materials and finished goods while facilitating the movement of workers as well, he added.

Female workers of the factory expressed satisfaction with their profession, saying that their contributions are recognised and respected.

"I now help provide for my children's

education, healthcare and future," said Dolly Rani, a worker at the factory.

For promoting exports, the company has been honoured with 17 awards, including the President's Industrial Award, Bangabandhu Industrial Award, SME Award, HSBC Export Excellence Award, Diversified Jute Goods Producer award and so on.

Salam aspires to expand the business further by establishing a strong presence in the European market. He is also thinking about exporting processed raw materials to Sri Lanka as a minister from the country recently visited his factory and discussed the issue.

"We diversified the country's export items and played a role in reducing carbon emissions, protecting the environment in the process," he said.

But like any business, Salam's company was also affected by the Covid-19 pandemic, when he incurred losses of Tk 8 crore, while the ongoing inflationary pressure is making it difficult to hire skilled workers at the prevailing wage.

He also informed that he intended to set up a solar power system for the factory, but the initiative has stalled as the current foreign currency crisis makes it hard to import machinery.

Anwarul Islam, secretary of the Sushasoneer Jonno Nagorik unit in Nilphamari, said the company's dedicated efforts are a vivid example of women empowerment.

"It also proves that positive change is not just a distant dream, but a tangible reality when compassion and dedication lead the way," he added.

Following the success of Classical Handmade Products, small-and-medium entrepreneurs are increasingly coming forward to invest in the sector and set up more factories.

These factories are Artisan House BD Limited, Suntrade Limited, and Prokiti.

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## STOCK BROKERAGE INDUSTRY

# Are we ready to adopt OMS technology?

M SHAHRIAR AZAD BHUIYAN

Mobile financial services (MFS) played a crucial role in promoting financial inclusion by providing services to individuals who previously did not have access to formal banking systems. Telecom operators, banks and other financial institutions also formed partnerships to expand the reach of MFS services.

However, we have been unable to open up the stock market to the mass population. Barring Dhaka, Chattogram and Sylhet metropolitan areas, people are not aware of the stock market. At the district level, there are a few stock brokerages running the business in the form of digital booths.

Bangladesh has a relatively young and growing population, with a significant proportion in the working age group. Thus we have developed a tech-savvy generation. For enhanced accessibility and participation in the secondary stock market, we need to educate the tech-savvy generation.

Location or places should not be a barrier to trading in the bourses if you have an internet connection. This ease of access opens up opportunities for retail investors and small-scale traders, broadening the investor base and enhancing market liquidity.

The adoption of Order Management Systems (OMS) in the stock brokerage industry is relatively new and has been slow in recent years due to lower market turnover and bearish market trends. Amidst these challenges, many brokerage houses have been hesitant to invest in integrated

OMS technology, fearing that the substantial costs may not yield immediate returns. As a result, implementing OMS technology in such an environment appears to be akin to acquiring a "white elephant" for the brokerage industry—a burdensome and costly endeavour that does not promise significant benefits in the short term.

In this scenario, the government's initiative to build a "Smart Bangladesh" stands in stark contrast to the struggle for making progress in the capital market.

Despite the potential of OMS technology to streamline operations and enhance efficiency, the financial strain faced by brokerage houses has turned this solution into a daunting prospect. With market turnover remaining low and stakeholders enduring prolonged losses, the implementation of OMS has become a challenging feat.

Government support becomes paramount, providing the necessary financial and infrastructural backing to transform this endeavour from a perceived white elephant into a viable, market-reviving opportunity.

A consortium approach may prove effective in overcoming the financial barriers faced by smaller brokerage houses. Collaborative efforts among multiple market participants can pool resources and expertise to implement advanced technology solutions like OMS and app-based trading platforms. This approach can not only reduce costs but also ensure a standardised and unified technological framework across the industry.

We have failed to capitalise on technology-based innovation, which has the potential to significantly impact the capital market and attract a larger segment of the population as investors.

Embracing fintech advancements, such as user-friendly investment apps and online trading platforms, can bridge the gap between investors and the stock market.

The regulator (BSEC) must remain proactive in adapting to the evolving market landscape, ensuring a robust, secure, and investor-friendly environment that encourages participation and bolsters confidence in the capital market.

Views are personal. The author is the Head of Operations and Compliance at UniCap Securities Limited. He can be reached at shahriar@unicap-securities.com.



## Indian wheat prices hit 8-month high

REUTERS, Mumbai

Indian wheat prices surged to an eight-month high on Tuesday, propelled by strong demand for big festivals, limited supplies and as import duty makes overseas buying unfeasible for domestic flour mills.

The increasing prices may prompt the government to release more stocks from inventories and eliminate import duties on the cereal to bolster supplies and control prices ahead of important state assembly elections and a general election next year. Rising wheat prices could contribute to food inflation.

Wheat prices in New Delhi jumped by 1.6 percent on Tuesday to 27,390 rupees (\$329) per metric ton, the highest since February 10. Prices have surged by nearly 22 percent over the past six months.

"Festival season demand is driving up wheat prices. The government needs to permit duty-free imports to reduce prices," said Pramod Kumar S, president of the Roller Flour Millers' Federation.

India has no immediate plans to abolish a 40 percent import tax on wheat, Sanjeev Chopra, the most senior civil servant at the food ministry, said last month.

As of October 1, wheat stocks in government warehouses stood at 24 million metric tons, sharply down compared with a five-year average of 37.6 million tons.

Domestic wheat prices are rising in the absence of imports and less than targeted procurement by the government, said Ashwini Bansod, head of commodities research at Phillip Capital India Pvt Ltd.

India managed to procure 26.2 million tons of wheat from farmers in 2023 against a target of 34.15 million tons.

The market is also factoring in concerns over the El Nino weather pattern that could lead to warmer than normal temperatures during winter, and could have a negative impact on the upcoming wheat crop, Bansod said.



A customer is scanning a QR payment code through his smartphone to pay at a restaurant in Beijing. Smartphone sales fell 8 percent globally, marking the ninth consecutive quarter of decline in year-over-year comparisons, according to research.

PHOTO: AFP/FILE

## Smartphone sales sag globally

AFP, San Francisco

Sales of smartphones continued to shrink globally in the recently-ended quarter as consumers watched spending, market tracker Counterpoint reported on Monday.

Smartphone sales fell 8 percent, marking the ninth consecutive quarter of decline in year-over-year comparisons, according to research by Counterpoint's Market Pulse service.

The decline was "largely due to slower than expected recovery in consumer demand," the group said in its findings.

But strong September sales along with buzz around Apple's new iPhone 15 line-up were signs the current quarter may break the losing trend, according to the market tracker.

"However, the market is expected to decline for the full year of 2023, reaching its lowest level in the decade largely due to a shift in device replacement patterns, particularly in developed markets," Counterpoint said.