

RMG factories start to reopen gradually

All units may resume production today

STAR BUSINESS REPORT

Garment and textile factories started to gradually reopen yesterday after being kept shut for four days with the expectation that all factories will reopen today.

Nearly 30 percent of garment factories, including some in Dhaka, were opened yesterday and no untoward incident was reported.

All factories will reopen today, SM Mannan Kochi, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said after a meeting with the home minister, who assured him of safety.

“We are hopeful that all the factories will reopen tomorrow,” said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, over the phone.

He added that they were facing challenges in communicating with their foreign buyers due to an ongoing internet blackout.

Local liaison offices of international clothing retailers and brands have also complained of being unable to contact their headquarters and place new work orders.

Leaders of the garment and textile sectors have been lobbying the home minister and state minister for ICT over the last two days to ensure safety of workers and restore the internet.

They met the prime minister on Monday seeking to reopen factories. The prime minister advised to do so at their own risk.

Kochi added that the sector has already suffered losses amounting to Tk 6,400 crore in potential earnings due to the shutdown over the four days.

The factory owners will have to pay Tk 1,000 crore in wages although there was no production in the factories, he added.

Similarly, the losses in the garment accessories sector stands at over Tk 2,500 crore, Kochi also said.

The sector leaders were scheduled to sit in another meeting with the home minister last night.

Members of the Bangladesh Textile Mills Association are also trying to reopen their factories but some have been barred by local administrations over safety concerns.

Meanwhile, many garment factories in Chattogram, except those inside export processing zones, have resumed production.

Law enforcement agencies and the local administration consented to the reopening in a meeting with leaders of the BGMEA’s Chattogram chapter on Monday, Syed Nazrul Islam, first vice-president of the BGMEA, told The Daily Star.

“Around 70 to 80 percent of the 450 factories currently operational outside the EPZs resumed production yesterday,” said Islam.

Nearly 30 percent of garment factories, including some in Dhaka, were opened yesterday and no untoward incident was reported



PHOTO: PALASH KHAN

A bus terminal in the capital’s Syedabad is overflowing with vehicles, which have been forced to stay off the roads due to a nationwide curfew amid violence centring the quota reform protests. Transport operators are counting heavy losses because of the volatile situation, which has seen them unable to ply the roads for nearly a week.

Bus operators stare at losses

JAGARAN CHAKMA and TUHIN SHUBHRA ADHIKARY

Bus services, the main mode of passenger transportation in Bangladesh, have been shut for nearly a week in the wake of violence centring the quota reform movement and the subsequent imposition of a nationwide curfew by the government.

The shutdown not only deprived operators from carrying passengers and earning revenue, but also caused them to incur huge losses. This is because they still have to bear expenses to repay bank loans, pay salaries to employees and pay courier rent.

There is no exact estimate of losses, but a top leader of a bus operators’ association said inter-district operators have been losing out on at least Tk 18 crore in daily revenue since Friday, when they stopped plying the roads amid escalating violence.

Around 30,000 buses ply inter-district routes daily under around 200 companies. Each bus is losing at least Tk 6,000 in revenue daily, said Khandker Enayet Ullah, secretary general of Bangladesh Road Transport Owner’s Association.

The loss is even greater if fixed expenditures are factored in.

Bangladesh has over 83,000 registered buses, with private investment in the

business growing in line with the expansion of national and regional highways.

The country now has roughly 4,000 kilometres of national highways and 4,900 kilometres of regional highways.

Buses carry roughly 70 percent of passengers, followed by inland waterways, rail and air.

Enayet estimated overall investment in the sector by private operators at several thousands of crore taka, saying that they are the first victims of any violence or unrest.

Around 30,000 buses ply inter-district routes daily under around 200 companies. Each bus is losing at least Tk 6,000 in revenue daily, said owners

He added that the sector directly employs around 10 lakh individuals.

Enayet said their business suffered heavily when a lockdown was imposed during the Covid-19 pandemic. Operators did not get support from the government, nor did banks defer interest and instalment payments, he said.

Md Abdur Sattar, general manager

of Green Line, an air-conditioned bus service provider, said they have not been operating for a week due to the ongoing violence and curfew.

Green Line operates over 100 air-conditioned buses on eight routes, he said, adding that they have 47 counters and around 400 staff members.

“Although we are not operating, our unavoidable costs (fixed costs) are almost Tk 1.5 crore per day, including rent of counters, staff salary and utility charge,” he said.

“We have no revenue because our operations are stopped, but bank interest will still have to be paid,” he said.

However, he said they would not need to pay drivers, conductors or helpers as their job is under the master roll, meaning they are not paid when operations are halted.

A number of their buses were stranded in different districts, Sattar said, adding that they even had to repay passengers who had booked trips in advance as those were cancelled.

He further said that miscreants had vandalised three of their buses.

“But we have to accept reality as we have no alternative,” he lamented.

Moshareff Hossain, general manager of Hanif Paribahan, said they will resume operations after getting the green signal from the government.

On the other hand, sources at the Bangladesh Road Transport Corporation said they are yet to get any order regarding bus operations from government high-ups.

SM Nadiuzzaman, managing director of Dola Paribahan, which operate buses on the Dhaka-Khulna and Dhaka-Pirojpur routes, said they have also faced huge business losses due to unavoidable circumstances like other operators.

“Although we did not need to pay salary to the drivers and support staff, we have to provide food to the staff and allowances to those who take care of the vehicles. That amount is not low at all,” he said.

He added that they had decided to begin operating from today as the government has relaxed the curfew hours.

Shuvenkar Ghosh, proprietor of Shyamoli NR Travels, said they already started to operate considering the plight of their workers. As they needed to make a living, the company decided to operate on a limited scale on very limited routes, he said.

“Despite starting operations, the number of passengers is very low. If the number of passengers rises, we will increase the number of buses on all routes,” he said.

Ghosh, also joint secretary of the Bangladesh Bus, Truck Owners’ Association, said other operators will also start operations soon.

Container congestion eases slightly

STAFF CORRESPONDENT, Ctg

Container congestion at Chattogram port eased slightly yesterday as a noticeable number of containers could be transferred to private inland container depots (ICDs).

The number of total containers lying in different port yards came down to 41,620 twenty-foot equivalent units (TEUs) as of 8am yesterday, down from 42,150 TEUs a day ago.

Around 1,110 TEUs of containers could be transported to different ICDs in the 24 hours to 8am yesterday, said Md Omar Faruk, secretary of the Chittagong Port Authority (CPA).

Moreover, 65 TEUs of import containers could be delivered from the port yards to consignees yesterday whereas none could be delivered to consignees in the previous two days.

Transport of import and export containers between the port and private ICDs also improved, said officials of ICDs.

However, import containers and cargoes started piling up at the ICDs because of slow release of containers thanks to problems in duty assessment amid internet shutdown and poor vehicular movement on the Dhaka-Chattogram highway.

Very few export cargo from Dhaka and other parts of the country reached the port, as most factories remained closed yesterday, said Ruhul Amin Sikder, secretary general of the Bangladesh Inland Container Depots Association.

Banks waive penalty for delayed loan repayment

MD MEHEDI HASAN

Some banks have decided not to impose any interest or fees on clients for delayed payment of loan instalments, including that against credit cards, amidst a nationwide curfew and internet blackout.

A good number of banks are also on way to take the decision in the next one or two days.

Four local private commercial banks, BRAC Bank, City Bank, Mutual Trust Bank and Pubali Bank, and foreign lender Standard Chartered Bangladesh have already taken the decision.

Jamuna Bank Managing Director and CEO Mirza Elias Uddin Ahmed confirmed to The Daily Star that they have already spoken to their chairman so that the decision could be taken.

The Association of Bankers Bangladesh (ABB), a forum of chief executive officers of private commercial banks, requested the Bangladesh Association of Banks (BAB), comprising owners of banks, to take the decision taking into consideration the unavoidable circumstances at present, said industry insiders.

Issuing a notice, BRAC Bank said it took the decision against the backdrop of general holidays and internet outage and would reimburse any such interest or fee that might have been already charged.

“We took the decision as clients are facing trouble conducting online

banking,” Managing Director Selim RF Hussain told this newspaper.

They have ensured that their ATM booths contain adequate cash but international transactions for export and import, remittance collections and all payments abroad are now suspended for the internet shutdown, confirmed Hussain, also the ABB chairman.

KEY POINTS

- BB urged BTRC to allow broadband internet for banks
- People facing trouble in withdrawing money
- Foreign transactions for export-import halted
- Banks can’t make overseas payment
- Banks’ profitability will be impacted adversely

Mutual Trust Bank also has taken the same decision, confirmed Managing Director Syed Mahbubur Rahman.

Pubali Bank Managing Director Mohammad Ali said they generally do not impose such interests or fees and took the decision to refrain from imposing

those as it would not have been ethical to do otherwise.

He believes the internet blackout will adversely affect the banking sector alongside the bank’s profitability.

In another notice, Standard Chartered Bangladesh said it would waive any extra fees, charges or interest on credit cards or loans incurred for repayment delays. It added that its ATM network was active.

Top Bangladesh Bank officials spoke to Bangladesh Telecommunication Regulatory Commission (BTRC) to ensure broadband internet for banks, said a senior central bank official seeking anonymity.

Mirza Elias Uddin Ahmed of Jamuna Bank told The Daily Star that the central bank assured them of talking to government stakeholders to reconnect banks with broadband internet.

“We came to know that the central bank is going to meet with the BTRC to restart broadband internet of banks as soon as possible,” said Selim RF Hussain.

Around \$80 million to \$100 million in remittances are sent to Bangladesh on a regular day, which was disrupted for the internet shutdown, he said.

Amidst the internet shutdown and nationwide curfew, people have been unable to conduct online banking since July 18. A lot of ATM booths have been kept shut while others have run out of cash.

Dairy farmers’ income falls amid curfew

AHMED HUMAYUN KABIR TOPU, Pabna

Dairy farmers in Pabna and Sirajganj are reporting a drop in sales revenue, citing that a few companies have either reduced or stopped making purchases amidst the curfew.

Farmers are now depending on local traders to sell their milk at low prices.

Around 34 lakh litres of milk are produced per day by dairy farmers of Pabna and Sirajganj, according to the district livestock offices.

Out of the 19 lakh litres produced in Sirajganj, dairy companies buy 7-8 lakh litres while local traders the rest, said Md Omor Faruk, the livestock officer of Sirajganj.

Around 15 lakh litres of milk are produced in Pabna every day and dairy companies buy 1.5 to 2 lakh litres, said Gourango Kumar, the livestock officer of Pabna.

However, there is no scope of any milk going to waste as many private companies and sweetmeat shops operating in the region end up purchasing leftovers, he said.

A local conglomerate has dropped their daily purchases from their usual 550-600 litres to 300-400 litres, said farmer Md Al Amin of Pabna, adding that they were having to sell off their milk to locals at low prices.

Local traders used to pay Tk 52 per litre but now they pay Tk 50, he said.

The cost of producing each litre of milk is Tk 48 to Tk 50, said Md Saiful Islam, president of Dairy Farm Owners Association of Pabna.

Farmer Md Raju Ahmed of Ramkharua village in Shahzadpur upazila of Sirajganj said his usual daily sales to a cooperative in Baghabari has dropped from 20 jars which are of 40-litre capacity to 16 jars.

Locals pay lower than the rate which dairy companies usually set based on the percentage of fat, he said.