

Star BUSINESS

Garment factories shut down for indefinite period

REFAYET ULLAH MIRDHA

Out of fear of vandalism and subsequent losses amid the current spell of violence, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday instructed all the factory owners to keep their units shut until further notice.

The garment exporters' platform circulated the message among the members through WhatsApp, said Md Ashikur Rahman Tuhin, a director of the BGMEA.

This is yet another blow to the sector as the apparel factories were shut down for four days during the first round of violence two weeks ago though this is the peak season for Christmas shipments and taking work orders for the next summer and spring seasons.

During the violence in mid-July, the exporters could not communicate properly with their business partners abroad because of an internet blackout.

Exporters now fear mounting losses as export performance had already been poor over the last two years because of the severe fallout of Covid-19 pandemic, Russia-Ukraine war, runaway inflation in the Western world, Red Sea crisis and a labour unrest at home.

Amid violence across the country, majority of garment factories were shut down yesterday on the first day of a countrywide non-cooperation movement called by the organisers of Anti-Discrimination Student Movement.

At least 73 people, including 14 policemen, were killed and dozens injured yesterday as fierce clashes took place in different areas in Dhaka and other parts of Bangladesh.

More than 400 garment factories in Narayanganj, Narayanganj BSCIC and Fatullah areas were closed though many of the units ran for some time in the morning.

Some factories were operational in Rugganj and Arahazar areas of Narayanganj district, said Mohammad



A sign on the wall of a garments unit states that the facility is closed due to the imposition of an indefinite curfew by the government because of heightened unrest around the country on the first day of a non-cooperation movement called by students. PHOTO: ANISUR RAHMAN

Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Also, almost all the factories in Ashulia, Savar, Maona, Tongi and Chattogram had started production in the morning, but after a few hours the student protests began and some factories were vandalised, leading to the closure of the units.

At least six garment factories were vandalised in Narayanganj BSCIC and its adjacent areas, Hatem said, adding that fearing further escalation of the vandalism, the other factory owners have shut down their units.

Hatem confirmed that the workers left their workplaces peacefully after the shutdown.

"We will sit in meetings soon with the owners, the government and other high-ups on how to run our factories," Hatem said, adding that they will monitor the situation at least for two days.

- Garment factories have been shut for an indefinite period
- Factories had to close for four days two weeks ago
- International retailers are concerned about timely shipment
- The sector lost Tk 6,400cr due to factory closure and shipment disruption
- The primary textile sector lost \$58.8m amid the unrest in July
- Now is the peak time for shipping ahead of Christmas
- Garment exports fell 5.2% in Jul-May FY24
- Exporters take orders for summer shipments a year in advance

Factories in Konabari and Kashipur under Gazipur district were shut down although those were opened in the morning, said Arshad Jamal Dipu, vice-president of the BGMEA.

The factories were shut down anticipating violence, he said but could not confirm how many factories were closed.

He said the factory owners are fearing a shutdown of internet again as two weeks ago they suffered a lot and lost business because of the internet blackout. Exporters could not communicate online with their foreign retailers and brands.

Moreover, this is the time for bond renewal of the export-oriented garment factories and already seven factories have complained to him that they cannot renew the bond licences

because of the current crisis, Dipu also said.

The owners are also facing trouble in garment shipment and import of raw materials, he added.

Md Towhidur Rahman, president of Bangladesh Apparel Workers Federation, confirmed that all the garment factories in Kaliakoir area have been shut down by the owners fearing escalation of unrest in the sector.

The owners announced closure to save their factories and other assets, he said. Nazma Akter, president of Sammilito Garment Sramik Federation, a workers' platform, said that the BGMEA leaders held a meeting with the union leaders on Saturday and asked them to be more responsible during the crisis so that the garment factories could remain safe.

The owners are announcing closure of the factories fearing spread of violence in the sector, she said.

The garment exporters fear that if their workers join the ongoing movement across the country, it will further dent the sector, which was hamstrung for four days when factories were completely shuttered due to violence in mid-July.

The sector also suffered serious repercussions because of a five-day internet blackout, which hindered communications between garment suppliers and international retailers and brands, meaning they could not make business deals or hold meetings.

Last week, international retailers and brands expressed concern at a meeting with the leaders of the BGMEA, flagging the difficulties in communication with their headquarters and local suppliers.

The months of July, August and September comprise the peak season for both shipment of goods for next Christmas and also for booking the work orders from the international retailers and brands for the next summer and spring seasons.

The BGMEA has already said they have incurred losses of Tk 6,400 crore because of the shutdown and internet blackout, while the losses estimated by Bangladesh Textile Mills Association stand at \$58.8 million.

Five textile, garment and plastic mills set on fire

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At least five garment, textile and plastic factories have been set on fire in the Ashulia and Sreepur areas during the violence.

Rozina Islam, duty officer at the Central Control Room of the Fire Service and Civil Defence in Dhaka, said Sinha Textile, Beximco Synthetics, a warehouse of scrapped clothing items (jhoot) of Ha-Meem Group, and Bengal Plastic at Zirani in Ashulia were set on fire between 6:30pm and 7:30pm yesterday.

Another spinning mill was set on fire in Sreepur, Islam told The Daily Star over phone.

No death or injury was reported due to the fires, she also said.

Almost all garment factories were open yesterday but shut down after lunch due to fears of vandalism and labour unrest, factory owners said.

Moreover, the Bangladesh Textile Mills Association announced the closure of all its members mills for three days in line with the government's decision for three days of general holidays.

Zirani, Ashulia, Savar and Baipail areas are industrial dense areas for garment and textile industries.

Textile units to remain closed

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Textile millers will keep their production units closed due to the prevailing volatile situation in the country.

Bangladesh Textile Mills Association (BTMA), which represents the \$25 billion primary textile sector, announced the decision in a statement yesterday.

The decision came because of the deteriorating law and order situation in the country and the government's declaration of a three-day holiday from today, the BTMA said.

STOCKS	
DSEX ▼	CASPI ▼
1.96%	1.28%
5,229.27	14,926.05

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▼	
\$2,441.95	\$74.13	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 1.08%	▼ 5.81%	▼ 1.12%	▼ 0.92%	
80,981.95	35,909.70	3,381.45	2,905.34	

Transport operators dealt a fresh blow

JAGARAN CHAKMA and MOHAMMAD SUMAN

Transport of passengers and export-import goods began to suffer again yesterday as most vehicles avoided plying roads amid a new wave of violence surrounding the students' non-cooperation movement.

The students took the measure against the government to protest the deaths of over 204 people and nationwide arrests by the police.

The latest disruption comes just over a week after vehicular movement on the highways was severely restricted due to violence centring the quota reform movement.

"No trucks, covered vans, or prime movers are operating on the Dhaka-Chattogram highway as the owners are afraid of violence," said Chowdhury Zafar Ahmed, general secretary of the Bangladesh Covered Van-Truck-Prime Mover Goods Transport Owners Association.

Compared to normal times, only one-fourth of the covered vans and prime movers operated on the road on Saturday night, he added.

Data from the Roads and Highways Department (RHD) shows that around 35,000 to 40,000 vehicles use the four-lane highway daily, with 35 to 40 percent being goods-laden ones.

The highway is the main route for around 90 percent of Bangladesh's international trade. Any disruption means that export-import activities, as well as production in factories, will suffer.

An official of the RHD said the movement of vehicles on the key highway connecting the capital to the port city slumped yesterday.

Apart from goods-laden vehicles, the



Transport operators were dealt a fresh blow as they are again being unable to ply the roads due to safety concerns. Although some are keen to make up losses of previous weeks and risk the journey, there are virtually no customers. PHOTO: RAJIB RAIHAN

unrest has also affected the movement of inter-district passenger buses.

Md Abdus Sattar, general manager of Green Line, said they are not operating buses due to a lack of passengers.

"No passenger has bought any tickets today (Sunday), though we were ready to run our buses," he said, adding that Green

Line operated buses on almost all routes on Saturday night despite having very few passengers.

"Not only us, but all bus operators are facing the same situation," he added.

Mosharref Hossain, general manager of Hanif Enterprise, said they stopped operating all their long distance buses since yesterday

morning.

On July 23, Khandker Enayet Ullah, secretary general of the Bangladesh Road Transport Owners Association, had told The Daily Star that 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.

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

Bangladesh has over 83,000 registered buses, with private investment in the business growing in line with the expansion of national and regional highways.

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

Export and import activities at Chattogram port were disrupted yesterday. Though assessment activities of import-export goods were normal, clearance of imported goods was slow.

Officials from customs and the port authority reported that, until 3pm yesterday, approximately 200 trucks were cleared from the port though, on average, the port sees the departure of around 7,000-8,000 trucks daily during usual times.

However, the shipment of cargo containers bound for the Kamalapur inland container depot (ICD) was halted due to the closure of railway wagons, as per port officials.

Mohammad Fyzur Rahman, commissioner of Chattogram customs house, said customs activities related to import and export consignments continued as usual, but there was a noticeable decrease in the release of goods due to a shortage of long route vehicles.

"Transportation of containers carrying imported goods from Chattogram to Dhaka, and vice versa, was disrupted due to the closure of railway wagons," said Akbar Hossain, commissioner of Kamalapur ICD.

Nonetheless, the clearance and customs procedures for goods previously located in Dhaka were proceeding as usual, he said.