

Promoting agri-machinery producing sector in Bogra

Steps can easily be taken for further growth and development of light engineering industries -- the products of which have demand both at home and abroad -- in Bogra. If such industries in Bogra are facilitated to be developed properly, the economy will reap wider benefits, writes **M. Azizur Rahman**.

THERE are trained, experienced and skilled manpower in Bogra in the northern part of Bangladesh to run and operate modern technology-based industries. Already, a number of industrial units and engineering workshops have been set up in Bogra.

On the basis of such available infrastructures, steps can easily be taken for further growth and development of such industries -- the products of which have demand both at home and abroad -- in Bogra. If such industries in Bogra are facilitated to have access to collaboration arrangements at both domestic and international levels, in terms of technology support and finance, successful efforts can be made to enter the global market. This way precious foreign exchange can be saved and also foreign currency can be earned through exports. This will help boost the economy of Bangladesh.

One may cite here the cases of Bogra

Foundry industries and the agricultural machinery producing units in Bogra. Such units have been contributing to the economic development of Bangladesh since the 1980s. Agricultural machinery and implements that are made in Bogra have been able to meet the domestic demand for such goods and materials to the extent of 80%. The need for import of agricultural machinery has decreased by 20% over the years. The quality of agricultural machinery that are made in Bogra is good. These are available in the market at a competitive price. The quality of such goods is no less than that of those made in China and Japan. Demand for such agricultural machinery has been steadily increasing in India, Nepal and Bhutan. In the year, 2009 about 5,000 pieces of agricultural machinery were exported to India. Such information are available in the web-site, www.al-ih-san.net.

Export of agricultural machinery this

year will increase substantially. This suggests that the foreign demand for our agricultural equipment has been increasing at a fast rate. We can produce more equipment than before. As a result, we can export more and earn more foreign exchange. Such machinery and the related spare-parts relate to shallow-pumps, all spare-parts including liners, all kinds of wheels, power tillers and their spares, tube-wells or leath machines, saw-mills, flour mills, slips of motor cars, break-drums, spare-parts of textile and jute mills, garments, grinding machinery, oil-mill machinery, spare parts of ship building and other related items. The annual turn-over of all related businesses in this connection is about Tk 10-15 billion (Tk. 1,000 - 1,500 crore). This can be increased to a marked extent if the foreign market for such markets can successfully be explored to a substantial extent.

It will be possible for us to capture

even a part of the European market including that of German if we can produce the quality agricultural machinery that are acceptable to the buyers there and also if our products are made available at competitive prices. But the entrepreneurs of agricultural machinery and implements in Bogra have been suffering a lot due to their small size or limited finance and a lack of effective sales campaign and marketing opportunities at home and abroad. They need effective assistance for a big-push investment to help modernise and enlarge their workshop, employ more skilled and trained manpower and obtain assistance of the services of buying houses or marketing agents, adequate bank finance for the growth and development of their units. Large-scale efficient production, quality production, efficient marketing, good services etc., would all be helpful to increase the size of such industries in Bogra and to contribute to the national economic

development of Bangladesh to a greater extent.

These industries under mention here in Bogra have been able on their own to increase production efficiency and help boost output in agriculture and related sectors of Bangladesh, to a significant level over the years. Earlier, we used to import most such machinery from China and Japan. We do not do that anymore. That way we have been able to save a lot of foreign currency. Rather, we have been exporting a part of the output of such industries that are made in Bogra, to foreign countries.

Such industries have created greater employment opportunities in Bogra. One hundred thousand families or more than 0.5 million members of such families are directly or indirectly dependent on this sector for their life and living. The sector, producing agricultural machinery in Bogra, has been contributing to providing increased food security of Bangladesh. All we

need to do is to become, policy support-wise, more pro-productive to encourage this sector to the maximum possible extent.

A new industrial city in Bogra can be developed for the purpose. The Bangladesh Small & Cottage Industries Corporation (BSCIC) has to play an effective promotional role in this connection. The tax-holiday facility should also be extended to the related units in the sector. The rate of value added tax (VAT) on the users of agricultural and related machinery has to be lowered to make the business in the sector profitable. However, there is no substitute for sustained efforts to increase production efficiency, ensure quality control (QC) and expand the export market for such agricultural machinery and related products.

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