

Footwear makers must ensure full compliance

Local industry is threatened, says Manzur

FE Report

Leather, leather goods and footwear sector must ensure full compliance as per global standards if it wants to thrive and boost export, said a top industry leader.

Syed Manzur Elahi, also a former adviser to a caretaker government, said local industry is threatened as demand and prices of leather products have gone down globally.

"We need to set a roadmap to overcome the situation and work on a priority basis to achieve our target," he told a study dissemination seminar in Dhaka on Sunday.

The Research and Policy Integration for Development (RAPID) and the Asia Foundation co-hosted the event styled 'Consultation on the study findings on leather sector after tannery industry relocation: Issues and challenges'.

Mr Elahi said completion of construction and making Central Effluent Treatment Plant (CETP) fully functional at Savar tannery estate should be the top priority for the sector now.

To compete in international market, he said, the local industry needs a product development centre to bring variations in production to meet global fashion demand.

Speaking as the guest of honour, Mr Elahi said synthetic products upset leather

and leather goods not only in Bangladesh, but also the international market.

"It's true synthetic products now compete with leather goods, but synthetics will disappear ultimately. It's not biodegradable," he commented.

Mr Elahi said social compliance in the sector has to be ensured today or tomorrow because of pressure from buyers.

"We'd better ensure compliance on our own," he went on to say.

However, the industrialist blamed foreign buyers to play double standard with regard to compliances.

Mr Elahi criticised the country's education system, especially in leather sector technical and vocational education, for lacking in suitability.

"Something is very wrong, our education is not aligned with our industry," he said.

Mr Elahi said around 25,000 foreigners, the majority of them Indians

and Sri Lankans, work at mid-level in the local manufacturing industry.

"Foreign mid-level executives take away around \$5.0 billion remittance from Bangladesh. There might be \$2 to \$3 billion more outflows illegally by them."

The industry leader raised doubts about the government's target to achieve \$5.0 billion



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Chairman of Apex Group

Footwear makers

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export growth by 2021 from leather and leather goods.

Foreign direct investment in the sector is not coming due to the country's image crisis, he stated.

Dr Atiur Rahman, former governor of Bangladesh Bank, moderated the programme.

He said the central bank has a number of loan schemes for leather industry that can utilise the facilities to be fully compliant.

Meanwhile, Bangladesh Tanners Association president Shahin Ahmed said the industry is still trailing badly in achieving \$5.0 billion export growth target by 2021.

Compliance and quality production are top priorities for the industry now.

"We need to create awareness for usage of water and discharging wastage according to the standard," Mr Ahmed mentioned.

He said smaller industries are suffering after relocation to Savar due to not relocating other linkage industries along with.

Leathergoods and Footwear Manufacturer and Exporters Association Bangladesh president Md Saiful Islam said foreign buyers are asking about compliance but when China

imports Bangladesh's leather and make finished goods they don't question the source.

He said the government has to set up a policy priority whether Bangladesh will be raw leather, wet blue and crust exporter or finished goods exporter.

Mr Islam further said that industry players agree on something that went wrong about compliance issue and tannery relocation.

"We should now stop blaming each other and work together," he continued.

Centre for Policy Dialogue (CPD) Research Director Dr Khondaker Golam Moazzem said tannery sector association should go tough on factories that are not compliant.

It is a matter of great sorrow that the leather sector cannot use its own raw leather due to compliance deficiency, he added.

RAPID chairman Dr Mohammad Abdur Razzaque and executive director Dr M Abu Eusuf presented two papers separately at the programme.

They placed a set of recommendations for the betterment of the industry.

The recommendations include introduction of penalties for tanneries that discharge effluent and waste without proper filtering and screening.

Raising awareness among stakeholders through seminars and workshops regarding the operation of CETP and other supporting components was also recommended.

Implementing a sludge-recycling system on a priority basis was also suggested at the programme.

The RAPID officials called the authorities for protection of the environment and ecosystem in the areas adjacent to industries.

BB revises interest

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an interest rate ranging between 5.50 per and 6.00 per cent.

The businessmen are now allowed to avail such credit to import capital machinery and industrial raw materials, according to another BB official.

He also said such floating interest rate will be applicable for discounting of usance export bills.

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