

CHAPTER-7

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INDUSTRIES OF BOGRA

Industrialisation can play a vital role in the process of urban and regional development. It generates employment, develops transport and communications system, activates commercial and other infrastructural set-up, and consequently leads to rapid growth of population. In this context, Rao (1981:95) observes that industry constitutes an important economic activity to provide a stable and dynamic base to urbanisation in any city or region. It is far more important as a growth-generating activity than any other economic functions.

Without any previous industrial background just after Partition (1947), industrialisation in Bogra started and began to show ostentatiously "go ahead spirit". Thus, Bogra within a short period established itself as a single industrial centre in the Northern Region and occupied fourth place in the country.

During the liberation movement some important industries were badly damaged. Later on some unfavourable industrial policies and other unpleasant factors hindered industrial development. It took some time for the industries to recover. On the whole, the period after Liberation was marked by rapid development of small scale industries which continued to the development of medium scale industries proliferating even today. But, the tempo which started during the Post Partition period considerably decreased after Liberation. Several factors

are responsible for the growth and diversification of industries. In general the, industrial activity has induced the all round development of Bogra side by side. In comparison to the position in industrial development of other four selected districts, Bogra's industrial development is well marked (see Appendix II⁴⁰³ 11A)

Does Bogra grow because of conducive geographical, political, social and economic forces ? What is the impact of Bogra's industrialisation on the surrounding region ? These are the concerns which are highlighted to correlate the interrelationship of the town and the region.

1. INDUSTRIAL DEVELOPMENT AND LOCATIONAL ATTRIBUTES :

Industrial Development.

Since long, agriculture has been the backbone of the district of Bogra. Its congenial weather and fertile soil favour different types of crop production. With this framework, recently there has been a substantial progress in agro-based industries. Non-agro based industries have grown substantially in Bogra town and its periphery.

A detailed account of manufacturing activities in the early days is stated in the writings of Hunter (1876) and Gupta (1910). The substance is that silk and sugar manufacturing, weaving (handloom), paper making, bell-metal manufacturing etc. thrived in the district some of which came to exist in Bogra town and its vicinity. Gradually these activities disappeared due to import of goods by the Britishers and loss of foreign market in

case of silk and other commodities.

After Partition, the favourable industrial policy of the government encouraged the local entrepreneurs to participate actively in industrial development. Immigrants from India also contributed their share. Thus, there opened up a new vista in the field of modern industrial activities.

It is worth highlighting that all the important industries in the district began to concentrate in Bogra town and its periphery (IBP*) except one sugar mill at Joypurhat. This tendency continues even today. It is important to specify here that all the industries in Bogra are established by private sector except one i.e. Essential Drugs Co. (Government Management).

The industries, which were established in Bogra, were only one of their kind found in the Northern Region particularly up to 1970. So they commanded extensive market in and out side the region.

The pioneers of industrial beginning were Bhandary group and Jamil group.

Late Mujibour Rahman Bhandari with his intelligence, foresight^{ed}ness and sincere efforts, laid the foundation stone of industrial activity, and with assist^{ance} from his brothers he was able to

* To avoid repetition in the text, abbreviation IBP is used henceforth.

establish eight industries. The industries were M/S. Golam Kibria Soap works (1947), Habib Match Factory (1949), Bhandary Glass Works (1953), Bhandary Iron Works (1958), North Bengal Tannery (1962), Lithographic Printing Press (1964), and Bhandary Oil Mill (1968). Amongst them, the first six were regionally and nationally important. The tannery industry was only one of its kind in the Northern Region through which foreign currency was earned. During Liberation Movement this industry was badly damaged and has not recovered. Due to the nationalisation policy (after 1971), one of the biggest industries in the Northern Region i.e. the Cotton Spinning Mill suffered a lot. After denationalisation it has been running well. However, after Liberation, other industries like soap factory, glass works, iron works have stopped functioning. It has been observed that loss of tempo and spirit, lack of bank loan facility and some unfavourable industrial policy in the initial stage, internal conflict etc. had dampened the industrial zeal.

Another upthrust in industrial development came from the non-Bengalies. In this context, three brothers of Jamil (settled in Calcutta) migrated to Bogra after Partition and started business in 'bidi' making. They made Bogra the distribution centre for their products to feed other establishments in the region and market areas also. At first they established Jamil Soap Works (1949) besides bidi factory. Both washing and toilet soaps were produced of which Janee Saba (toilet soap) got national reputation and was exported to West Pakistan. The greatest contribution of this group was first the

establishment of Virginia Tobacco Co. Ltd. (1958) as a private concern in the region. Later on they had three other cigarette factories in Rangpur, Dhaka and Chittagong and they controlled all the factories from Bogra by supplying all sorts of raw materials and other accessories. For printing and packaging purpose, the first sophisticated off-set printing press with packaging industry was established here in the Northern Region.

Other important industries established by local entrepreneurs were Zahed Metal Industry (1955), Ready Light Battery Co. Ltd. (1958), Nurani Bread and Biscuit Factory (1958), Tajma Ceramic Industry Ltd. (1961), Doctors's Chemical Works Ltd. Co. (1957-58), aluminium factory (damaged during the Liberation War) etc.

Role of Bangladesh Small and Cottage Industries Corporation (BSCIC, Bogra) :

The industrial estate was set up under the Small Industrial Estate Programme' initiated by the Small Industrial Corporation in (1960-61). It is located in the northern side of Bogra town (Fig.7.1b.). The estate occupies 14.50 acres land with a provision for 76 industrial plots. The development work of the project was completed in 1980. Only a few industries were set up before 1971. Industries started work in full swing after Liberation.

The Post Liberation Period is characterised by the

establishment of small scale industries namely Engineering, Textiles, Pharmaceuticals, Chemicals, Printing etc. unlike during Pakistan Period (Appendix 1:392). Two major industries -Zahed Ware and Allied Industry, the 1st and big concern of its kind in the Northern Region, and Northern Beverage Industry (1989) were established by Multinational Company. Another important industry is Essential Drugs Co. Apart from these, number of iron foundries, utensils factories, tanneries, match factory etc. have been established.

Bogra's Industrial Set up

As in all other towns of the developing world, industries in Bogra too have been finding ideal location and are shifting to the periphery according to their nature. Two distinct phases of industrial activity have been focussed in the earlier pages i.e. Pakistan period and Bangladesh period. In the first case, non-competitive medium scale industries were developed depending on the imported raw materials. Few other industries like cigarette and bidi factories, tanneries, food industries (e.g. rice, oil, flour) were set up depending on the raw materials available within the region.

Broadly, industries of Bogra town and its periphery (IBP) are not 'material-oriented' but 'market-oriented'. The term 'foot-loose' can also be applied as most of the important industries were based on the imported raw materials. Some industries may be put as 'intermediary' industries like flour mills for bread and biscuit factory, raw materials manufacturing

plant for medicine (Essential Drugs Co.). Bogra finds an immediate market for its finished products in the region because of the dense population (around 700/sq.km.), increasing agricultural development, purchasing power of the people, regional linkages, and socio-economic development. But nowadays, many of the industries face marketing problem due to unrestricted issue of licences for the same type of industries and the control of market by the merchants of Dhaka. Some industries for example aluminium industry, some chemical industries etc. also lie idle due to paucity of raw materials,

During data collection it was observed, that most of the industries (Pakistan Period) accumulated capital from tobacco processing and bidi manufacturing. The entrepreneurs commanded a large market not only in the Northern Region but in other regions also.

According to the entrepreneurs, the industrial policies highly favoured them in different ways. Since independence (1971) the government has encouraged rapid industrial development by offering loan and other facilities. At the same time, number of drawbacks affected the smooth progress and development.

The main drawback of industrial development in the Northern Region including Bogra is lack of cheap and steady power supply. In this regard Dhaka, Chittagong and Khulna divisions are in a more advantageous position. The first two divisions utilise natural gas besides other sources of energy. Gas based electricity generation produces cheap power. Its direct use in

brick kilns, ceramic and glass factory etc. gives good finish to the products. For example, Bogra ceramic industry consumes furnace oil which affects the quality of the finished products. High cost of electricity raises the production cost. Recently (1981, with the establishment of East-West Grid Line, the shortage of power has been minimised to some extent. However, with the industrial development, Bogra has been enjoying more power supply than other districts in the Northern Region. Moreover, a generator is commissioned for emergency supply of electricity. But it is a fact that electricity supply is not adequate for the present industrial set-up, and thus, further establishments of big plants are discouraged.

Another advantage is the availability of non-Bengali cheap labour force: skilled and unskilled from the surrounding villages which have a high density of population. Islam (1977 : 101) notes that "as the district was not developed in cottage industries like, 'Weaving' in Pabna, and tobacco processing and 'bidi' making activities in Rangpur, the surplus labourers in the agricultural Sector were seeking jobs in the urban areas." Bogra is well connected by a metre gauge railway line, which facilitates movements of goods to and from metropolitan cities i.e. Dhaka and Chittagong, with low transport cost. The supply routes connecting Bogra with Khulna and India, are also worth mentioning, sometimes coal is carried from India by railway. With the expansion of macadamised roads and truck services commodities and raw materials are transported by road. Road transport development forms an extensive basis for industrial-commercial

development.

In the western part of Bogra town the land is comparatively higher than the flood prone eastern side and attracts industries. On the other hand, the low lying area in the east of the river Karatoya favours agricultural firms, nursery etc. As here the price of land is comparatively cheaper than the western part, some cold storages (Potato- the source of raw materials) and textile industries are set up.

As the region produces large quantity of potato, rice, wheat, about seven cold storages, large rice and flour mills (besides smaller units) are established in and around the town. Rice, wheat, oil seeds, pulses etc. are brought from other districts for crushing.

Recently two tannery^{firms} were established based on the availability of raw hides in Bogra and the surrounding districts. Since Liberation, there has been a rapid development of saw mills for which the logs of wood are carried from distant areas by trucks.

Bogra's centrality in the Northern Region attracts foreign investors, an example of which is the establishment of Northern Beverage Industry serving Northern Region and also Southern Region. Another Beverage industry in BSCIC area is also worth mentioning.

Although some medium scale industries still display a high degree of dominance in the town, there is a gradual shift

towards small scale industries with low capital investment. The changes observed in the structure of employment in manufacturing suggest that manufacturing sector is becoming more diversified.

With the increase of demand as a result of rapid population growth (urban-rural), rapid development of social and economic activities along with administration, construction works and other infrastructural facilities, different types of industries have been developed such as Soap and Medicine factories, printing press, Saw mills, Wooden and Steel furniture marts, brick kilns, iron foundry, electric fan and bulb factories, beverage industries etc.

Over and above, various factors have been playing important role in localising different types of industries, in diversification of industries, and in industrial growth and decay. The main problem is "the starting trouble of industries", when, once one industry comes up, immediately other ancillary industries follow it.

Despite some problems resulting from inadequate bank loan and working capital (in some cases), shortage of power, non-approval of import licences, less attention of market mechanism, lengthy procedure of sanctioning project etc.; we may sum up that increased availability of skilled labourers, banking facilities, BSCIC estate, various offices of industries, tax holiday etc. have greatly favoured industrial development in Bogra.

2. TYPES OF INDUSTRIES AND THEIR DESCRIPTION

All the industries within the study area are arranged under several heads (Table 7.1). The table gives the comparative picture of number of industrial units, their employees and value of production corresponding to IBP (Industries in Bogra town and periphery) and of industries in Bogra district. A detailed picture of industries up to 1987/88 is given in Appendix I:3% which shows the temporal growth of industries. Moreover, some economic aspects with respect to industries are discussed in chapter 9 on Basic/Non-basic study. Fig 7.1a and b. show the location of industries in and around Bogra town.

(1). Engineering and Metallurgic Industries

Table.7.1. shows that out of the total industrial units in the district, the IBP has 87% in this sector and 89% of employees and 83% of value of products.

A remarkable development of engineering and metallurgic industries has taken place. With the rapid development of agriculture, mode of transport, different types of support industries, construction activities, moderate and light engineering industries/work shops/motor garage agro-industries have developed. Increasing use of metal wares, iron pan, iron rod weights etc. have led to establishment of hardware industries.

In this sector, the most important industry is Zahed ware and Allied Industry (Re-rolling) started in 1981 with an investment of 15 crores taka and it is nearing completion. This

is the largest industry of its kind in the Northern Region. It likely to produce M.S.rod, reform bar, G.I. wire, nail wire etc. Its production capacity is 100 tons per day. About 1200 people on permanent and temporary basis are to be employed.

It is interesting to note that out of total 382 units of engineering and metallurgic industries in Bogra district, IBP possesses 331 units. Greater portion comprises light engineering industry which IBP has 135 out of 155 units in the district. Two industries i.e. a bulb and a fan factory are also significant.

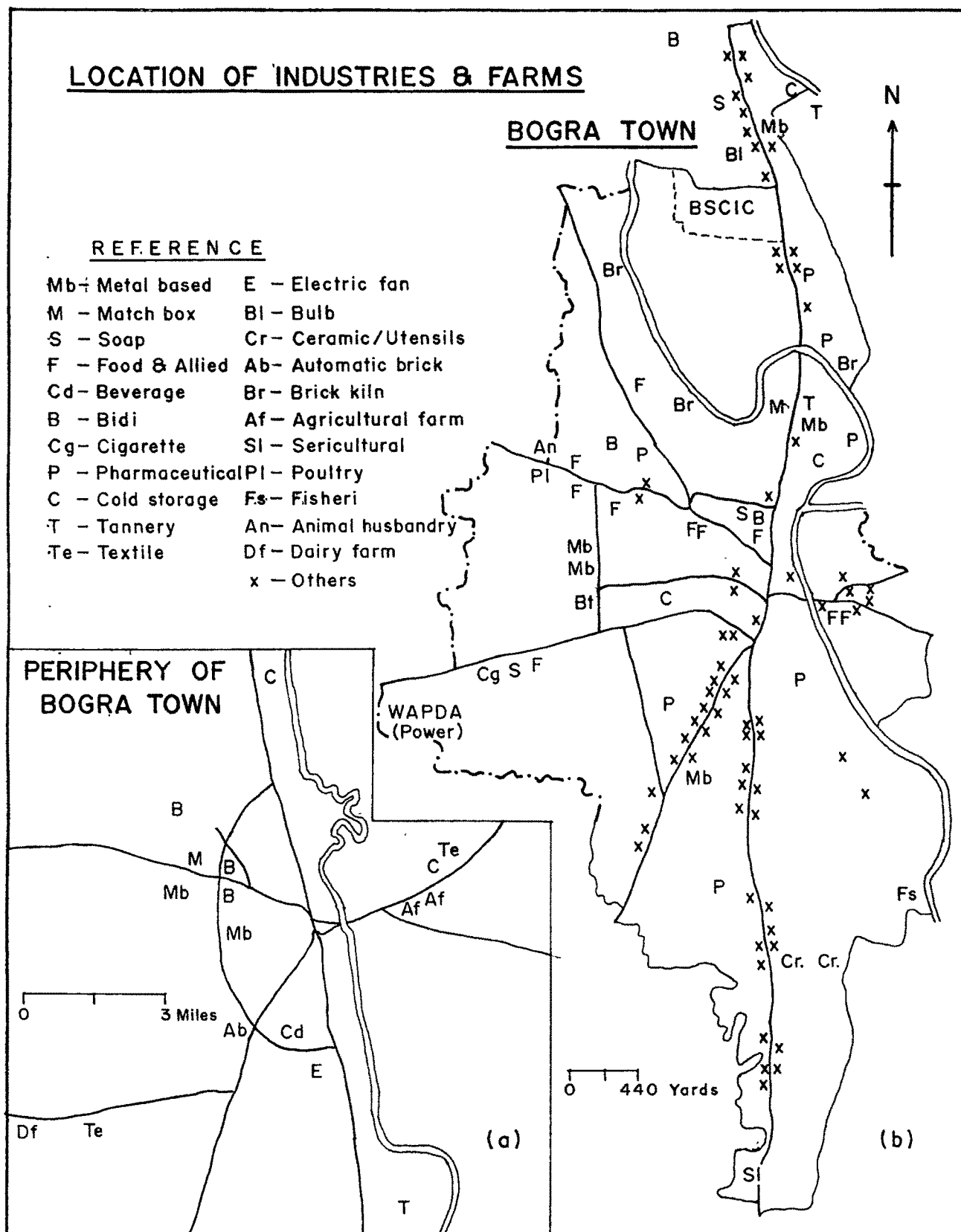


Fig.7-1

(2). Food and Allied Industries:

In fact some of the industries under this group like rice and flour mills, boilers etc. are raw material oriented. So large number of industries of this kind are widely dispersed through out the district. But within Bogra town some urban oriented industries such as bakery/confection, 'Dal' mills (pulses) ice-cream factory, oil mills, flour mills etc. are found. These also meet the demands of the region.

In other cases IBP has 7 cold storages out of 8, all the 18 bidi factories, a poultry farm and a fish seed multiplication farm. All other special types of industries (e.g., Tobacco processing, spices manufacturing etc.) are located in the town.

(3). Chemical and Allied:

It is evident from the Table.7.1. that all the industries are located in IBP excluding one. Mention may be made that out of a total of 66 industries 65 are located in IBP. Before Liberation, soap factory, pharmaceutical industries were started but some of them stopped production afterwards; but with the establishment of new industries these sectors are developing. Moreover unani and ayurvedic medicine factories (more than seven) are rapidly growing. During the year 1987 local pharmaceutical industries earned about Tk. 430 lakh (information was collected from respective establishments). However, the major contributions came from pharmaceuticals industry, soap factory, ink and paint industry and match factory and storage battery.

Table 7.1 showing no. of Industrial Units, no. of Employees
and value of products

Sl. No.	Industrial Sectors						
		No of Units	% of IBP	Emp- loy- ees.	% of IBP	Prod- uction	% of IBP
1.	Engineering With Metallur- - gic.	382 2. 331	87% 	4202 3720	89% 	3475.084 2879.19	83%
2.	Food & Allied	1. 1020 2. 272	27% 	8451 3374	40% 	38204.26 6960.73	18%
3.	Chemicals	1. 66 2. 65	98.48% 	1254 1245	99.28% 	2329.24 2328.24	99.95%
4.	Textiles	1. 50 2. 36	72% 	2428 2208	91% 	1972.06 1798.46	91%
5.	Forest Products	1. 110 2. 3864	58% 	1210 680	56% 	1525.39 986.37	65%
6.	Printing & Packaging	1. 83 2. 77	93% 	1245 1190	96% 	882.90 872.60	99%
7.	Leather & Rubber Products	1. 33 2. 33	100% 	330 330	100% 	169.40 169.40	100%
8.	Glass & Ceramics (Brick Kiln)	1. 64 2. 28	44% 	2110 1090	52% 	515.00 251	49%
9.	Miscellaneous Goods umbrella ect.	1. 13 2. 13	100% 	117 117	100% 	830.70 830.70	100%
	Grand Total	1. 1823 2. 920	51% 	21347 13954	65% 	49904.03 17076.69	34%

Source : BSCIC Report 1986.

Note IBP refers to industries in Bogra town and periphery.
Underlying figures indicate IBP.
1. District Figure.
2. IBP Figure

(4). Textile Sector:

Another important industrial sector is textile. From the Table.7.1 it is clearly seen that IBP comprises 72% of the industries but it absorbs 91% of employees and accounts for the same percentage in value of products. It indicates, that all the major industries are located in IBP. It should be mentioned here that except cotton spinning mill, 14 Textile mills were established after liberation followed by 8 garments and 6 handlooms industries. In 1986 these factories produced goods worth Tk437,57,120, and 75/- lakh respectively.

Among the textile industries (cloth/thread) Bogra Cotton Spinning Mill is one of the biggest concerns in the Northern Region at present. For the first time in the country this industry opened a section for blanket production in 1961. It has 204 looms with seven blanket looms. However, in 1986/87 it produced 20.23 lakh pound yarns and 30.53 lakh yards cloth. At present 1059 permanent and 580 temporary workers are employed.

(5). Forest Products:

With the rapid electrification, saw mills are spreading all over the district. Out of 52 saw mills 27 units are located in IBP, And 36 furniture marts out of the total 57 are here. These are mainly town serving industries. However, IBP has 58% of these industries, 56% of employees and 65% of value of products.

(6). Printing and Packaging:

A great boom in the sphere of printing activity started in Bogra town. Here, out of 61 printing press IBP alone possesses 55. All other industries associated with this sector are in IBP. However out of 83 units IBP has 77 units (93%) and 96% of employees, 99% of value of production.

(7). Leather and Rubber Products:

All the 33 industries under this group are in IBP. The recently established two Tanneries, have added greater importance to this sector. Here shoe, bag and suitcase making industries are flourishing.

(8). Glass and Ceramic Sector:

With the rapid expansion of construction work generated in public sector (building, roads etc.) brick kilns are growing rapidly. In this case IBP has 25 brick kilns (44%) out of 57. The table 7.1 shows 52% of employees and 49% of value of products.

Of the Ceramic industries the most important industry is the Tajma Ceramic Industry established in 1962 the only industry in the Northern Region.

(9). Miscellaneous

Bogra is noted for Jewellery manufacturing. People from the surrounding districts come to Bogra to purchase ornaments. In

the BSCIC Report only 12 establishments are mentioned, however at present, there are about 140. Jewellers and goldsmiths.

Industries in BSCIC Area

BSCIC has provided 76 industrial plots out of which only 28 plots were used up to 1988. There are 8 units in the engineering sector, 5 units in the textile sector, 3 units in the paper board, printing and publication sector, 7 units in the food and allied sector and 5 in chemical, pharmaceutical and allied industrial sector.

In addition to the industries stated in the Appendix. I. there are prospects for other types of industries to be established viz, stainless steel, cutlery, barbed wire, tube and tubewell, cycle, tyre, spare parts of textile mills, motors, radio, T.V. , body building of bus, truck and auto rickshaw, specialised cold storage, vegetable cold storage, fruit processing, dairy farm, dyeing, tooth powder and paste, mini paper mill, artificial jewellery, sanitary and bathroom fittings, detergent soap, toilet soap, shoe (leather and rubber)etc.

3. OTHER ASPECTS IN RELATION TO INDUSTRIES

Industrial products and Market Areas:

Table 7.2 and Fig. 7.2 show the extent of market areas of different industrial commodities and services. This study confirms that Bogra serves as the market place entirely for the areas namely Naogaon, Gaibandha, Joypurnat, Sirajgonj and Natore apart from Bogra district. The other important areas which are partially dependent upon Bogra are Rajshahi, Pabna, Rangpur, Dinajpur, Dhaka, Mymensingh (mainly medicine) and Khulna. Bogra also supplies large quantities of tanned leather to Chittagong and Dhaka. Potato (from cold storage), medicine, match, metal, and ceramic products are supplied to distant markets beyond Northern Region. Apart from these, products of sericulture farm, poultry farm, fisheries ^{are} supplied ^{to} near and distant markets.

Information of industrial workers and manufacturers from selected industries located in the town and the out-skirts, was collected. Through field work, 2350 employees were interviewed amongst which 2000 employees are employed in the industries located in the town and the rest in the industries in the out skirts. (Table.7.3.)

Table..7.3. shows the spatial relationship of the employees. From data analysis it is observed that in the case of employees from Bogra District, large number of employees originate from the area within 10 km. radius from town limit. The employees from the other districts working in these industries

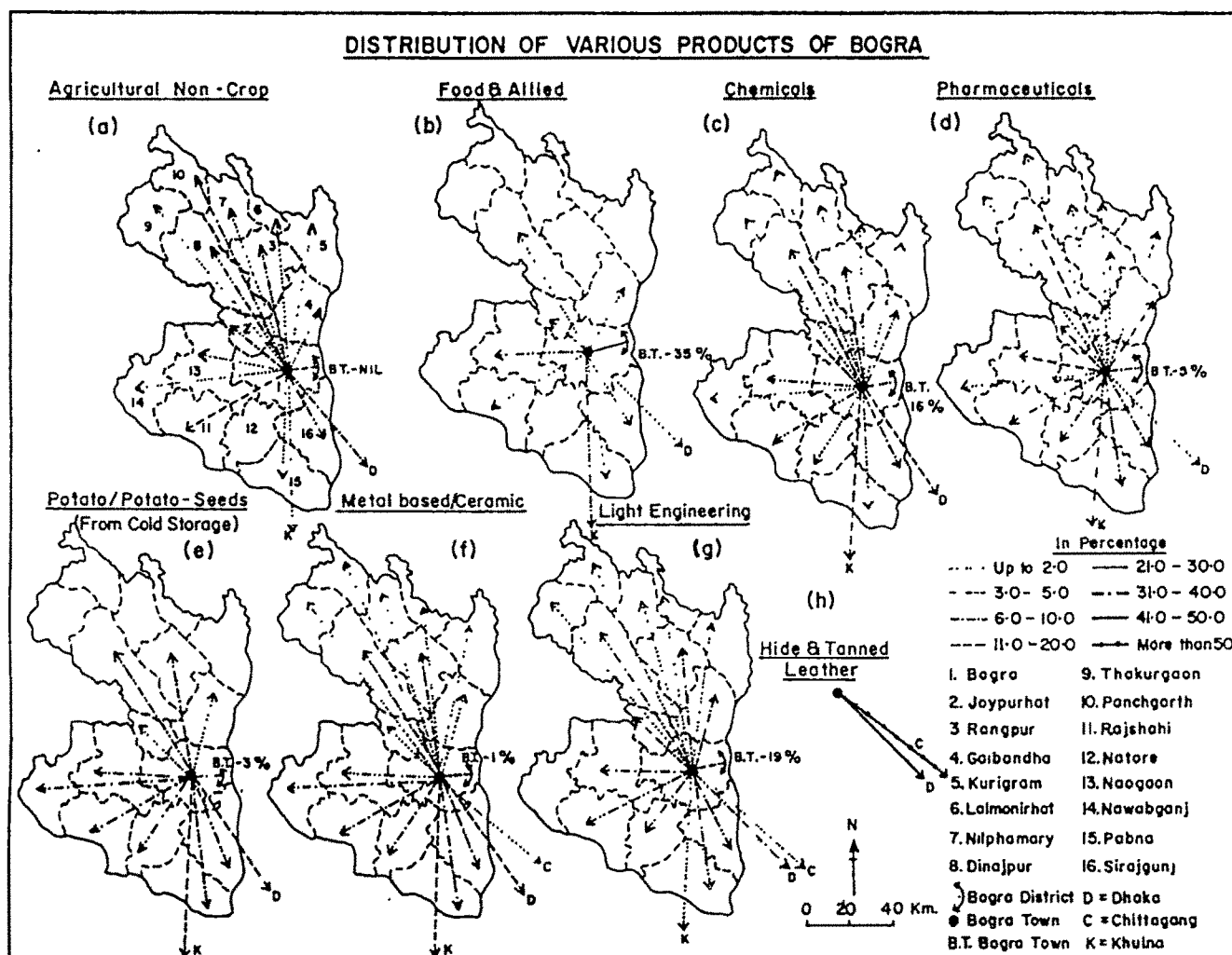


Fig. 7.2

Table 7.2 Distribution of Various Industrial Products, 1968

(Figure in %)

Type of industrial	DISTRICTS										DIVISIONS									
	Bogra Town	Bogra	Joypu	Pab	Siraj	Rajsh	Nat	Nat	Nawa	Rang	Gaid	Nalip	Kari	Lalm	Dinaj	Inak	Fare	Una	Chitt	Indi
		-hat	-na	gonj	ani	gaon	ore	bganj	pur	andha	amar	gram	onir	pur	urna	ngar	ka	agong	na	
1. Metal based Indus. and ceramic	1	14	7	2	2	3	7	2	2	8	6	1	2	1	6	1	1	24	3	5
2. Chemicals in Indus. (Mate beverage Soapect)	16	5	5	3	5	5	4	1	1	7	4	2	2	1	6	1	1	24	5	5
3. Small scale Indus. (Sawmills, flour mills etc.)	35	46	3	7	2	1	3				2				1			1		2
4. Light Engineering and others	19	20	6	4	4	3	7	5		5	6	1	1	2	5	2	1	5	2	1
5. Cold storage (potato)	3	5	2	8	4	10	3	3	7	10	2			5				18		20
6. Pharmaceuticals	5	10	15	3	7	3	11	5	1	2	4	1	1	1	3	2	1	11		11
7. Agricultural noncrop		20	4	1	3	24	1		1	4	1	1	2	2	4	16	5	8		2
8. Tannery																	33	63		
9. Textile industries	5																95			

Field work

Table : 7.3 : Employees by place of Residence

Industries within Bogra Town				Industries in the Periphery			
Employees from				Employees from			
Total Emp.	Town	Bogra Dist.	Other Dist.	Total Emp.	Town	Bogra Dist.	Other Dist.
2000	650	1195	155	350	40	255	55
	32%	60%	8%		12%	72%	16%

Source : Field work (based on sample)

(both areas) are mostly skilled and semi-skilled. For example, employees in textile sector come from Pabna, Sirajgong, Dhaka, Narayangong; in soap factory from Tangail and other districts; in engineering/ metallurgic sector from Dhaka; in cold storages from Nawabganj etc.

From the overall discussion it may be summarised that though Bogra is an industrial town it can not be compared with other industrial cities like Dhaka, Chittagong and Khulna. In true sense, there is no heavy industry in Bogra like iron & steel industry, oil refinery, Paper Mill etc. ^{as} found in the above cities. Most of the industries in Bogra are of small size and majority of the important industries (medium scale) were set up during Pakistan occupation. As regards Bogra's industrial development Islam (1977:168) explains that its development as an industrial town means the development of these moderate and small scale industries ^{whose} products ^{had} already a demand. Even though it is unlike others, stated above, yet, it had occupied a position of industrial importance of a very special kind in the context of the economy of the country as a whole. As an industrial area it occupied the fourth position in the whole of East Pakistan and the first position in the whole of Northern Region.

Further he observes that " the industrial establishments were neither the product of deliberate production planning of the government nor the result of an inflow of investible capital and the entrepreneurial class from other parts of the country. Rather industrialisation in Bogra was the result

of supply of investible funds from within the local set up which it^()self gave birth to a local entrepreneurial class with orientation and foresight very special of its own. This entrepreneural class, no doubt, had taken the advantage of broad based national economic policies, but it can not be said that they were the product of those policies. The commercial and industrial policies of the government had some effect on the way capital had been utilised for industrial production in this region."

It is evident that most of the pioneer industrialists accumulated capital from 'bidi' manufacturing in which the rate of return was very high. In some cases, business activity helped to generate capital.

After Liberation, the scenario began to change. Many of the important industries have become sick. Some reputed industrialists have lost their spirit and zeal. But, on the other hand, a new development has taken place with the random setting up of light manufacturing and service type industries in which light engineering industries has a major share. Recently (1980s) it is observed that there is a tendency of growth of medium scale industries. Some multinational companies started investment also. One heavy industry i.e. Zahed Ware and Allied Industry has takes a mojour step in the field of industry.

However, the recent development of any kind of industry is largely supported by extension of banking loan facilities, and support from the concerned government organisations. But, even

then many entrepreneurs face many difficulties like lack of working capital, loan for new establishments, prolonged procedure to obtain licence and so on. Moreover, marketing problem, shortage of imported raw materials supply, various tax burdens, lack of own import licences, issue of licenses for the same type of industries creating unnecessary competition etc. are the problems worth mentioning.

Finally, for reviving sick industries and to overcome the problems faced by the entrepreneurs, the authorities should take timely and favourable steps. It is quite certain that the International Route (under construction) proposed Jamuna Bridge, and the proposed coal extraction will highly activate the industrial development and thus the industrial tempo will be kept continuous.