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BIGGEST FERTILISER FACTORY TO BE READY THIS YEAR

Biggest fertiliser factory to be ready this year

Industries Minister Amu says work is nearly done

Star Business Report

The country's biggest fertiliser factory is set to start operations by the year-end, Industries Minister Amir Hossain Amu said yesterday.

The construction of Shahjalal Fertiliser Factory in Fenchuganj of Sylhet is in full swing, Amu said unveiling his ministry's annual performance report. "Ninety-three percent of the work is done and the rest should be complete by June 15."

The factory with the production capacity of 5.8 lakh tonnes a year is adjacent to the age-old state-run Natural Gas Fertiliser Factory.

The new urea plant will ensure wider food safety and save foreign currency from being spent on imports of the soil nutrient, and create jobs, Amu told reporters.

The industries ministry is implementing the Tk 5,409 crore project with technical assistance from the United States and the Netherlands and financial support from China.

China sanctioned Tk 3,987 crore in loans to be repaid in 20 years with a 2 percent interest rate. The rest of the fund came from the Bangladesh government.

Jalalabad Gas Transmission and Distribution Systems Company will supply gas to the new factory.

Shahjalal Fertiliser will be one of the three new fertiliser factories which the government plans to set up. The two other proposed factories are North West Fertiliser Factory Ltd and Bhola Fertiliser Factory, according to industry people.

Bangladesh has six urea fertiliser factories with annual production capacity of 1.8 million tonnes.

There is no fertiliser crisis currently as the government has ensured smooth supply to farmers, Amu said.

"There was no fertiliser crisis even in the peak season last year," he said, attributing the smooth supply to proper management and procuring by the government.

The construction of a central effluent treatment plant at the leather park in Savar is going in full swing, Amu said, adding that 55 percent of the civil work of CETP has been completed. A total of 145 tannery owners have already begun building their factories in Savar, he said.

Tannery owners are expected to start relocating hazardous factories from Hazaribagh in Dhaka to Savar soon, he said.

The industries ministry has already allocated more than 205 plots on 200 acres to 155 tannery owners through the BSCIC, a wing of the ministry.

The project, which took off in 2003 at an approximate cost of Tk 175.75 crore, came to a standstill over a decision on who would shoulder the lion's share of the cost and get the contract for a common effluent treatment plant.

The total project cost of the tannery estate now stands at the much higher Tk 1,079 crore, including the Tk 250 crore that will be paid in compensation by the government to the tanneries.

Initially, the 155 tanneries were to finance 60 percent of the cost and the rest was for the government.

However, later the government agreed to pick up 80 percent, or Tk 829 crore, of the core project cost, as per the second revised proposal passed by the Executive Committee of National Economic Council in August last year. The government now intends to complete tannery relocations by 2016.

Amu said the government will finalise a new industrial policy soon. "We have already made a draft of National Industrial Policy-2015. It will be finalised soon after taking opinions from the stakeholders," he said.

The new industrial policy has been developed in line with the government vision of becoming a middle income country by 2021, he said, adding that the new policy will focus on increasing the industry's contribution to the GDP to 40 percent from existing 28 percent.

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