

Chapter 1 Introduction





INTRODUCTION

The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) is a non-political, non-profit-making organisation owned and directed by its members. This Chamber was established as the 'Narayanganj Chamber of Commerce' (NCC) in 1904. It was set up as a unique platform to influence decision-makers and shape policy and to ensure the best possible environment for business for its members. It is the pioneer chamber of Bangladesh and was the first modern chamber of its kind in Eastern Bengal and Assam province. Thus, it can be said that the Metropolitan Chamber is the oldest and the preeminent trade organisation of the eastern part of Bengal. Promoting Bangladesh as a promising investment destination is a major focus area of the Chamber. The Chamber concentrates on furthering business ties with the greater business world. Through the Chamber's policies, its membership, consisting of major companies, and its specialised secretariat, MCCI is adapting to the constant changes in the global order and is moving ahead purposefully to meet the challenges of the 21st century.

Emergence of the Chamber: Background¹

In the history of trade and commerce in Eastern Bengal, the Dhaka-Narayanganj area has always played a major role. The trade and commercial importance of Wari-Bateshwar, Sonargaon, Savar and Dhaka over the centuries testify to the crucial geographical location

¹ The data and analysis followed for the background of emergence of the Chamber is largely based on the research works by Kedarnath Majumdar, *Dhakar Bibartan* (in Bangla), Mymensingh, 1910; *Thacker's Indian Directory*, A Directory of the Chief Industries of India (The Fiftieth Issue of The Bengal Directory), Calcutta: Thacker, Spink & Co., 1905-07, 1912; SG Panandikar, *The Wealth and Welfare of the Bengal Delta*, Calcutta: University of Calcutta, 1926; CWE Cotton, *Handbook of Commercial Information for India*, 3rd edition, New Delhi: Govt. of India, 1937; ML Khemka, *A Study in the Industrial Development of Bengal*, Calcutta: Marwari Chamber of Commerce, 1944; Geoffrey W Tyson, *The Bengal Chamber of Commerce and Industry (1853-1953), A Centenary Survey*, Calcutta: Bengal Chamber of Commerce & Industry, 1952; Sirajul Islam, (ed), *History of Bangladesh (1704-1971)*, Vol-2: Economic History, Dhaka: The Asiatic Society of Bangladesh, 2007; Chittabrata Palit, *Growth of Commerce & Industry in Bengal*, Calcutta: Bengal National Chamber of Commerce & Industry, 1999; *Studies in India's Maritime Trade through the Ages*, Kolkata: Institute of Historical Studies, 2008; M. Mofakhkharul Islam and Firoz Mahmud (ed), *400 Years of Capital Dhaka and Beyond: Economy and Culture*, Vol-2, Dhaka: The Asiatic Society of Bangladesh, 2011.

of the area. Narayanganj, in particular, was one of the major trading centers in the Eastern part of Bengal from antiquity because of its geophysical location. However, the Dhaka-Narayanganj area emerged as a thriving commercial and industrial hub after the Mughals shifted the capital of Bengal from Rajmahal to Dhaka. Narayanganj, the epicenter for textile industries since the ancient and medieval times, became an important riverine outlet to the Bay of Bengal in the 18th and 19th century. Since Eastern Bengal was a kind of land-bridge between south and southeast Asia, Dhaka-Narayanganj gradually turned into an important entrepreneurial centre for trade and commercial activities of these two localities. The commercial opportunities and abundant resources of Dhaka-Narayanganj presented lucrative options for foreign traders viewing the Eastern part of Bengal.

In the last two decades of the nineteenth century, in particular, Narayanganj emerged as an important center for trading of raw jute. The Jute industry, which had started to grow from the mid-fifties of the nineteenth century, became the second largest industry of India during the First World War. The supply of nearly three-quarters of all raw jute came from the eastern part of Bengal, though this region had inherited no industry at the time of the partition of Bengal in 1905. Raw jute then was collected by beparies (middlemen traders) and brought to Narayanganj to be packaged in jute baling presses. Till 1947, there were no jute manufacturing industries in Narayanganj except 'pucca' jute baling presses. But the situation changed after the second partition of Bengal in 1947. In less than two decades, the number of 'pucca presses' in the region rose to 79, out of which 30 were located in Narayanganj. 20 large jute mills were eventually established all over the country, 10 of which had been set up in Dhaka and Narayanganj. With the establishment of the huge Adamjee Jute Mill (1951), the first factory of its kind, Narayanganj began to develop rapidly as an industrial as well as a trading centre. Adamjee Jute Mill was set up by Mr Abdul Wahid Adamjee, a leading industrialist and a member of one of the wealthiest families of (West) Pakistan.

Bengal witnessed a fascinating commercial phase as a number of chambers were formed in this region at this time. Most countries in Asia had by the end of the 19th century adopted the concept of chambers of commerce from western countries and had adapted it to their local conditions. In fact, in the Indian sub-continent, British traders were the first to organize chambers of commerce. Subsequently, local trading and industrial communities organised themselves into similar bodies. In the third decade of the nineteenth century, European investment in India as well as in Bengal first began to be patronized by the trade associations, and chambers of commerce developed in the sub-continent from then on. The Calcutta Chamber of Commerce (1833) and the Bengal Chamber of Commerce (1853) were set up by the Europeans in this decade. Local merchants, however, had no access to these bodies. But within two years of the formation of the Indian National Congress in 1885, indigenous merchants were able to establish a Chamber of Commerce of their own in 1887,

namely, the 'Bengal National Chamber of Commerce', where business organisations or agents of Eastern Bengal were affiliated and became members.

In 1903, the partition of Bengal was proposed so that East Bengal and Assam could be separated from Kolkata. This idea was a direct blow to the European business community in the eastern part of Bengal, who had their business headquarters in Kolkata and who used Kolkata port for export of goods. Chittagong port now became crucial for the new province. Until this time, the eastern part of Bengal had been treated only as a hinterland of the Kolkata metropolis and only as a source of supply of raw materials for the Kolkata-Howrah-Hoogly industrial belt. The largest industry of this belt was jute, which relied heavily on the supply of raw jute from East Bengal. With the creation of a new province, it was imperative to have a new trade organisation for prompt export purposes in this area. Until 1904, the Bengal Chamber and the Bengal National Chamber, both located in Kolkata, were platforms where foreign and local businesses and firms from the eastern part of Bengal could get memberships. After the formation of the Narayanganj Chamber of Commerce (NCC) in 1904 and the Chittagong Chamber of Commerce (CCC) in 1906, European businesses and firms of eastern Bengal joined these chambers. Some local merchants of this area, however, continued to have affiliations with the Bengal National Chamber as they could rarely access chambers made and constituted by Europeans.

The partition of Bengal in 1905, was one of the main factors behind the establishment of a new chamber in the eastern part of Bengal, particularly around the new capital city of Dhaka. On the eve of the partition of Bengal, European entrepreneurs of Narayanganj and Dhaka established the Narayanganj Chamber of Commerce (NCC), the predecessor of MCCI, in 1904. In 1904, the Government established the Department of Industries to handle the industrial and commercial growth of the province. In 1905, the province of East Bengal and Assam began functioning. Lt Governor Sir Bamfield Fuller officially took over the charge of the new province. In 1906, Chittagong was made an independent port of the new province. Narayanganj was put under the jurisdiction of this port instead of Kolkata.

Though the annulment of Bengal partition in 1911 was a hindrance to the economic growth of this region, the revival of the tea and jute markets and business marts in and around Dhaka, and the emergence of Narayanganj as a substantial port city in Eastern Bengal, configured a new economic order. In the 1940s, a number of cottage industries, weaving factories and cotton mills were established in East Bengal which added a further dimension to the trade and commerce of the region. After 1949, indigenous merchants started taking over and the Chamber entered an era of 'Nation Building'. The historical evolution, activities and contributions of the Chamber will be discussed elaborately in the following chapters.

Objectives, Vision and Mission

Over the years, the Chamber consistently pursued an objective approach to socio-economic issues, which successive governments as well as the business community and political leaders have appreciated. Becoming the leading voice and serving responsible business is the Chamber's Vision; and providing support to business in Bangladesh is the principal mission of the Chamber.

The main objectives^{1a} of the Metropolitan Chamber are: to (a) promote, advance and protect trade, commerce and industry; (b) add, stimulate and promote the interests of industry and business in matters of inland and foreign trade; (c) watch over, protect and promote general commercial and industrial interests; and (d) secure and safeguard the well-being and interests of persons engaged in trade, commerce and industry. There are also various incidental objectives such as to establish a library, disseminate information, publish periodicals and provide other relevant services for the development of business.

To face the challenges of the new millennium, the Metropolitan Chamber revisited its vision and mission in 2012. A strategic planning session was held and after extensive discussions, members unanimously agreed to a new "Vision and Mission". A formal launching ceremony of the Chamber's "Vision and Mission" was held on 17 April 2012 at Lake Shore Hotel in Gulshan. The revisited "Vision and Mission" of the Chamber are as follows:

VISION
Be the leading voice serving responsible business
MISSION
Become the leading Chamber for providing research and analysis support related to business in Bangladesh
Attract quality membership, representative of a cross-section of business
Effectively respond to the changing needs of our members
Enhance our capabilities through collaboration with local and international institutions
Engage and communicate regularly with our stakeholders
Recognize best practices that benefit business and society

The Metropolitan Chamber is thus seeking to provide services through which commercial and industrial business will be assisted in their growth. It now aims to provide

^{1a} See the detail objectives of the Chamber in the [Appendix 21](#).

members with a vision and focused leadership to enhance and promote the ongoing ventures of the business community. The Chamber, of course, will continue to play a leading role in influencing the social, economic and business environment of Bangladesh in order to create sustainable economic progress. In line with the objectives, vision and mission mentioned above, members of the Metropolitan Chamber are entitled to the following services and benefits:

New members can network with the leaders of over 300 member companies who come from all sectors and represent most of the large enterprises in Bangladesh including multinationals.

Members can rely on the Chamber's strong collective lobbying efforts on their behalf.

Unparalleled access to major stakeholders through business meetings.

Participation in Chamber Committees and Project Groups that advance the Chamber's national objectives.

Possibility of participating in the Chamber on key committees and boards that are important to the country's development.

New members are officially welcomed in the monthly newsletter.

Opportunity for maximum promotion and exhibition of members' products and services at Chamber events.

Opportunities to advertise in the Chamber's publications and on its website.

Discounted rates for conference and meeting room facilities at the Chamber.

Access to relevant local, regional and international business information.

Assistance to members in arranging one-on-one business meetings and reciprocal meetings.

Possibility of participating and assisting in social programmes in which the Chamber is involved.

Assistance with information and contacts that can guide businesses looking to tap into regional markets.

Members looking to expand their reach beyond national borders can benefit from relationships MCCI has with other Chambers of Commerce of the world.

Chapter Organization

Based on source materials accessed from Chamber archives and the National Archives of Bangladesh and India, this is an attempt at presenting a narrative history of the Metropolitan Chamber. We have tried to make the book an appropriate record of the Metropolitan Chamber that combines the qualities of a coffee-table book with that of a well-researched history. The book is divided into the following chapters: Chapter 1: Introduction - Emergence of the Chamber: background, objectives, visions, mission and chapter organization; Chapter 2: Evolution of the Chamber - the different names of the chamber and its evolution, the story also of how the chamber moved from Narayanganj to Dhaka; Chapter 3: The Chamber Now: Organization - structure of the Chamber, office bearers, the secretariat, the rights and privileges of members, subscription, members' eligibility and expulsion; Chapter 4: The Chamber Now: Functions - reviews, international affiliations and representation functions of the Chamber, AGMs, publications, communication development; Chapter 5: The Chamber and the Nation – social and humanitarian services rendered to the nation by the Chamber; Chapter 6: Conclusion - Into the Future.

The first chapter explores the emergence of the Chamber in 1904. This chapter is divided into four sub-sections: reasons behind selecting Narayanganj to set up a chamber; interests of the Bengal Government and the Chamber's objectives, visions and mission.

To establish the historical perspective, we focus briefly on the evolution of the Chamber in the second chapter. The history of the Chamber, since inception to the present, is narrated here. This chapter also discusses details various phases in the evolution of the Chamber, the changes in its name, the shifting of the Chamber office from Narayanganj to Dhaka, as well as the evolving status of the Chamber.

The third chapter deals with the organization of the Chamber. This chapter is divided into several sub-sections. In these subsections, we will look at the structure of the Chamber (office bearers and secretariat), eligibility for becoming a member, rights and privileges of member companies, subscriptions and provision for expulsions.

In chapter four, we will throw light on the multidimensional functions of the Chamber. Some of the functions briefly discussed in this chapter include the regular review activities on various important national and international issues, international connections, representations of members of the Chamber in government and non-government bodies since 1904, annual general meetings of the Chamber, activities of the publications and research cell and communication services offered.

The fifth chapter explores the Chamber's role in providing social and humanitarian services to the nation over the years. The Chamber has contributed significantly to public sectors like education, health and environment, over the decades, and this is the history this chapter narrates.

Chapter six, titled 'Into the Future', includes concluding remarks on the Chamber's past, present and future.