

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.82%	▲ 0.74%	\$1,809.21	\$43.22	▼ 0.94%	▼ 0.78%	▲ 0.3%	▲ 1.74%	BUY TK 83.95	93.46	104.30	11.73
4,034.65	6,933.59	(per ounce)	(per barrel)	36,329.01	22,438.65	2,669.49	3,403.44	SELL TK 84.95	97.26	108.10	12.34

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Star BUSINESS

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Quest for jute polymer bag continues despite closure of mills

SOHEL PARVEZ

The much-cherished Sonali Bag scheme, which aims to make polymer containers from jute, will continue despite the closure of 25 state-run jute and non-jute mills on the first day of the current month.

However, people are unlikely to get a hand on them anytime soon as it is taking longer than expected to launch commercial production and to understand its financial viability, said officials of the state-owned Bangladesh Jute Mills Corporation (BJMC).

The corporation began an initiative in April 2017 at the Latif Bawany Jute Mills Ltd in Dhaka's Demra area to pilot the production of polymer bags using cellulose collected from jute fibre, a technology devised by Mubarak Ahmad Khan, a

scientist who formerly worked at the Bangladesh Atomic Energy Commission.

The BJMC allocated nearly Tk 2.5 crore for the project to make 2,000 polymer bags daily.

Later, the environment, forest and climate change ministry gave Tk 10 crore to facilitate the production of biodegradable bags in order to give the nation and the world an escape from plastic pollution, which is a result of the indiscriminate use of environmentally-unfriendly polythene bags.

The new technology ignited hopes of fast advancement of locally grown jute, which provides a source of living to nearly two crore people, including several millions of farmers and nearly 200,000 workers in largely export-oriented mills.



AT A GLANCE

- BJMC took a scheme in 2017 at Latif
- Environment and forest ministry later provided Tk 10cr
- Bawany Jute Mills in Demra
- Bangladesh generates around 3,000 tonnes of plastic waste every day
- It initially allocated Tk 2.5cr for the project
- Exports from jute and jute goods hovering around \$1b for a decade

Exports receipts from jute and jute goods have been hovering around \$1 billion for the last decade. The shipment rebounded to \$880 million in the just-concluded fiscal 2019-20, posting 8 per cent growth over the previous year despite the onslaught of the coronavirus pandemic. Bangladesh generates around 3,000 tonnes of plastic waste every day and the BJMC expects that

developing packaging materials from jute can be an alternative to plastic bags while also a boosting demand for the natural fibre.

Bangladesh is the second-biggest producer of jute in the world after India.

The BJMC is yet to start automating the production of jute bags though as the required machinery has not been procured yet. However, some of the non-specific equipment has been developed locally.

"We floated a tender earlier and no response came within the deadline. We have extended the deadline to buy the machines," said BJMC Chairman Md Adbur Rouf.

Activities related to the Sonali Bag project have slowed in the wake of the Covid-19 pandemic.

"However, the project is on and it will continue," Rouf added.

Currently, the bags are made manually based on order. Because of the manual process, only a small quantity of carriers could be produced so far.

"Our target was to automate the total process but we could not do that yet. We would come to a stage once we procure the machinery," he said.

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Stocks soar on buying spree

STAR BUSINESS REPORT

Stocks surged yesterday on the back of a buying spree from retail investors.

The DSEX, the benchmark index of Dhaka Stock Exchange, soared 32.83 points, or 0.82 per cent, to close at 4,034.65. This is the highest single-day increase since May 31 when the index rose 51 points.

"This is a significant jump because more than 100 stocks rose. This has happened for the first time since the floor price was set," said a top official of a merchant bank.

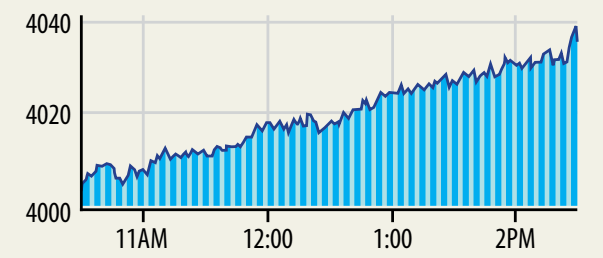
On March 19, the stock market regulator set the floor price for all stocks based on the average prices of the previous five days in order to stop the expected rout caused around the world by the coronavirus pandemic.

As expected, the index did not fall due to the floor price. But it also did not rise either because of lower demand.

Yesterday, the key index rose riding on the news that directors, who have less than 2 per cent shares in a company, would have to buy shares to fulfil the minimum shareholding condition, the merchant banker said.

The Bangladesh Securities and Exchange Commission ordered the directors to buy the shares last week, otherwise, it would vacate their directorship.

DSEX MOVEMENT



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Two-thirds of poor families yet to receive Tk 2,500 cash support

REJAUL KARIM BYRON

A staggering two-thirds of the 50 lakh poor families hit hard by the coronavirus pandemic are yet to receive Tk 2,500 each in cash support because of the flawed list although they have been languishing in poverty for the last three months.

The government has managed to disburse funds among 16.16 lakh targeted people, according to a position paper prepared by the finance division. The document has been sent to the Prime Minister's Office.

Another 2.17 lakh beneficiaries are set to receive the cash support.

After the government put in place the countrywide shutdown to slow the spread of the coronavirus, it allocated Tk 1,250 crore for the 50 lakh poor families whose breadwinners have lost their jobs because of the lockdown.

In order to execute the task properly, another Tk 8 crore was released. Prime Minister Sheikh Hasina inaugurated the fund disbursement on May 14.

Rickshaw and van-pullers, day labourers, construction workers, agriculture farmers,



WHO DID NOT GET TK 2,500 AND WHY?

- 107,386 are beneficiaries of other schemes
- 2,855 are govt officials
- 557 own Tk 5 lakh in savings certificates each
- 6,786 pensioners
- 295,919 names included for more than once
- Inconsistency in information of 22.86 lakh people

employees of shops, people employed at small businesses, poultry labourers and transport workers are supposed to be the targeted beneficiaries. They would get the cash support through accounts of mobile financial services (MFSs).

MFS services Nagad, bKash, Rocket and SureCash were given the responsibility

to transfer the funds to 17 lakh, 15 lakh, 10 lakh and eight lakh account-holders respectively.

The information and communications technology division and the disaster and relief management ministry compiled the list of the potential beneficiaries from across the country and sent it to the finance division.

The finance ministry receives the lists from the offices of the deputy commissioners and then these lists are verified and evaluated further by the disaster management and relief ministry, according to a paper of the Centre for Policy Dialogue.

Bangladesh's safety net schemes are historically marred by fragmentation, weak targeting and inefficiency and the weaknesses were again manifested at a time when the poor have been facing possibly the worst crisis in their lives.

The finance division cross-checked the list with other available databases and struck off the names of 493,200 people for anomalies.

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Garment work orders coming back slowly

REFAJET ULLAH MIRDHA

With the reopening of outlets of major clothing retailers and brands in the EU and US, the inflow of work orders at local garment factories has been on the rise, albeit on a limited scale.

Local factory owners said most of them are running at 80 per cent capacity as the buyers are coming back with work orders.

The apparel suppliers also said the volume of fresh work orders is less as the buyers are either reclaiming goods already manufactured or executing old work orders.

So, the inflow of new work orders is still not at the expected level although they are hoping that the situation would improve further at the end of this year if the coronavirus pandemic can be controlled.

Garment manufacturers now fear that retail sales in the EU and US will slow down again if a fresh wave of infection spreads at those major export destinations.

A slump in sales in the western world for any reason will have an effect on the inflow of work orders for Bangladesh.



The large units have been receiving a handsome volume of work orders but the country's small and medium apparel companies are still suffering.

Suppliers said they would be able to achieve at least 80 per cent of their target for exports at the end of this year if the current inflow of work orders remains stable.

"Inflow of new work orders is low. We are catering to old work orders now. There will be a nearly 30 per cent gap in receiving work

orders this year compared to last year," said KM Rezaul Hasanat, chairman and CEO of Viyellatex Group, a leading garment exporter.

The outlets have been opening up gradually but the presence of customers is still thin because of Covid-19, Hasanat told The Daily Star over phone.

"Up till August, the current inflow of work orders will make due at my factories. But September onwards, the volume of confirmed work orders is reducing. I am

negotiating with my buyers for new work orders," said MA Jabbar, managing director of DBL Group, another leading garment exporter.

"The inflow of work orders is not steady now. I can achieve nearly 80 per cent of my annual target of export at the end of this year," he said.

With local suppliers getting ready to begin full-scale operations, the number of new coronavirus patients in the US has increased by more than 40,000 a day, especially after July 4, when restrictions on public movement were withdrawn to mark the country's Independence Day.

So this new wave of patients in the US might force its government to prolong the shutdown procedures for retailers.

"More than 50 per cent of my goods are shipped to Germany. So far, the inflow of work orders in my factory is good," said Fazlul Hoque, managing director of Plummy Fashions, a Narayanganj-based garment factory.

Suppliers sending garment shipments to Germany are in an advantageous position as they faced less order cancellations in March, April and May.

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