

Jute price hike, erratic supply compel packers to use substitute

The FAO Intergovernmental Group (IGG) on Jute, Kenaf and Allied Fibres at its Twenty-seventh Session in New Delhi, India in October 1991 requested the secretariat to monitor developments in degradable synthetic packaging materials which could affect the markets for packagings made out of natural fibres such as jute and allied fibres.

IGG, in response prepared an information note on degradable plastics and presented it in the Twenty-eighth Session of the Committee on Commodity Problems which was held in Rome from Oct 26-28.

Jute is generally the main raw material for the production of natural fibre bags in the sub-region. It is imported mostly from Bangladesh, whose supplies have been erratic in recent years due to adverse climatic factors. The high susceptibility of the packaging industry to the vagaries of the international jute market and the fact that agronomic conditions in the sub-region are highly conducive to domestic production of natural fibre, especially kenaf, provided strong grounds for assessing whether it would not be more cost-effective/advantageous to substitute domestically produced natural fibre for imports.

The countries of eastern and southern Africa depend largely on agro-products such as coffee, tea, cocoa, fruits and vegetables and other food products for local consumption and export. This fact makes the manufacture and availability

of packaging materials, especially natural fibre bags of strategic importance in the handling, transport and storage of agricultural commodities to be processed. Natural fibre bags, as opposed to synthetic bags, are highly suitable for the packaging of many crops such as coffee, cocoa and cotton lint.

Nonetheless, in some countries, for example Angola and Zambia, existing lines for natural fibre bag manufacturing are being dismantled. In Tanzania, there is also a shift to increased dependence on imported synthetics and jute bags, and bags manufactured from home-grown sisal are becoming less popular. The cost of imports of jute bags has increased from about 30 million Shs in the early eighties to over 400 million Shs in 1986, which was a year of particularly high prices. The situation in Kenya is similar, with the increasing switch over of the domestic natural bag manufacturing facilities in favour of synthetic bags and growing imports of jute bags. In the sub-region as a whole, the human skill to manufacture bags of natural fibre is being lost. At the same time, little effort is being made to grow domestically various natural fibre plants, which can substitute for imported jute fibre. Kenaf has shown promising results in Zambia and some experiments in its cultivation have also been made in Angola. In Kenya, a kenaf development project was initiated in 1986, but never got off the ground due to lack of funds.

For certain products, such as coffee and cotton lint, only natural fibre cloth is suitable for packaging. This implies that the coffee and cotton producing countries in the sub-region must have assured access to sufficient quantities of natural fibre bags. In Zambia, for instance, about 14 per cent of all bags used must be made from natural fibre. However, since domestic production of kenaf has so far been insignificant, the country is extremely dependent on imports of bags or raw material for bag manufacturing.

The immediate maintenance problems on existing machinery and upgrading technological standards and rehabilitation in the packaging bag industry in the countries of eastern and southern Africa are matters of prime importance.

High dependence on imported raw materials from Europe (Germany, France and Great Britain) and Asia (Bangladesh) makes the industry extremely vulnerable to changes in international prices of raw materials and replacement and spare parts. In Zambia, for example, increases in world prices of raw materials such as polypropylene and polyethylene granules used in the production of synthetic fibre bags has caused major drains on scanty foreign exchange allocations for manufacturers. Consequently, manufacturers were not able to procure the raw materials in required quantities, thus contributing to capacity utilization problems.

Appropriate training for personnel in the packaging industry is often lacking. The lack of trained personnel affects both operations and maintenance of machinery, which is usually already very old. As a result, efficiency in the packaging industry in the countries of the sub-region is significantly reduced.

Industrial use of energy in the energy-importing countries of the sub-region poses a high demand burden on the few available electric energy power stations. This causes continuous interruptions in energy supply and in production operations in the packaging industry.

Government control of the price structure of bags, especially raffia bags — for example in Angola — reduces the profitability of these items which encouraged manufacturers to shift over to other products such as irrigation pipes, tubes for drinking and drainage systems, construction profiles and various other plastic products.

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SYLHET: Countryboats are still the main and easiest means of transportation of goods in the vast rural areas of the country. A number of such boats are waiting at a village market of the district for carrying goods.

Sylhet Textile Mills facing acute fund shortage

SYLHET, Oct 30: Yarn of different counts worth about Taka eight crore produced in Sylhet Textile Mills during the last few months have been lying unsold.

The mill, an enterprise of the Bangladesh Textile Mills Corporation (BTMC) has been facing serious crisis due to shortage of cotton supply and decline in sale of the yarn.

Meanwhile, one hundred employees including the skilled labourers have resigned during the last few days due to uncertainty prevailing in the mill for a long time.

Normally, the staff of the mill used to get their salaries in the first week of every

From Our Correspondent month. But, due to the existing crisis, the management failed to pay the salaries of the staff yet.

A mill source informed that the management has arranged the same and will pay the salaries within a very short time.

Due to fund constraints, the management is unable to pay the dues to the outgoing employees and workers.

The mill is to pay Taka 20 lakh per month as electricity bill and other regular expenditure, the source informed. A large amount is lying outstanding as electricity bill in the meantime, the source added.

According to reports, the

yarns produced by the BTMC mills facing competition with the Indian yarn entered into the country through smuggling. The smuggled Indian yarn is being sold in the open market at lower prices. So, the yarn merchants of Narayanang and Narsingdi are not showing any interest in the Bangladeshi yarn produced in different mills of BTMC.

The employees and workers of the mill have become very much worried as the management is not taking any appropriate steps to overcome the crisis. Almost everyday, a number of workers have been leaving their jobs.

Finally, major challenges remain. UNIDO's diagnostic surveys have only made a start in addressing the issue of whether natural fibre plants in sub-Saharan Africa — and especially in southern and eastern Africa — are likely to be cost effective in the light of the large number of cheap imports of jute bags from Asia (especially Bangladesh) and decreasing world prices for plastic granules used for the manufacture of synthetic bags. Clearly, more work needs to be done. It is believed that many of the bag plants which still exist may be running at a loss. A proper feasibility study/cost-benefit analysis could assess their viability in the light of current world market trends for jute, jute bags and plastic granules for synthetics.

UNIDO's surveys tentatively suggest that use of a shadow wage rate lower than the actual market rate in a proper social cost-benefit analysis may imply that the growing of natural fibre (jute, kenaf) would create relatively more employment opportunities.

However, whatever its outcome, the importance of a proper social cost-benefit analysis cannot be over emphasized. Without this, African governments and entrepreneurs cannot properly determine whether to close down or rehabilitate modernize existing plants. If, however, rehabilitation is a viable option, this social cost-benefit analysis should consider which lines should be rehabilitated: jute lines, synthetics or some combination of both, while progressively phasing out (say synthetics). UNIDO's rehabilitation diagnostic survey programme will attempt to address these issues in the near future, a FAO report.

RHD Notice Inviting Tender

Sealed tenders in B.D. Form No 2911 are hereby invited from the RHD enlisted contractors as per financial limit and territorial jurisdiction for the following works under Tangail Road Division, Tangail.

Tender Notice No	Name of work	Estimated amount	Earnest money	Time allowed
32/Tangail Road Divn., 1992-93	Providing Brick pavement work (HBB) inc. earth work at 4th(P), 5th & 7th(P) Gr. No. I (One) =Tk 10,56,945/- K. M. of Gopalpur-Jagannath-gonj Road during the year 1992-93 in 3 (three) groups Gr. No. II (Two) =Tk 8,26,704/- Gr. No. III (Three) Tk 8,40,864/-	2%	Estimated amount	45 (forty-five) days. 40 (forty) days. -do-

2. Name of offices of availability of tender : Office of all the Executive Engineer (RHD), under Mymensingh Road Circle, Mymensingh/Executive Engineer (RHD), Planning & Programming Division, Dhaka/Preliminary Engineering Division, Dhaka Zone, Dhaka/Dhaka Road Construction Divn. No. III, Dhaka/ Executive Engineer (RHD), Feeder Road Improvement Project, Tangail and all the Sub-Divisional Engineer (RHD), under Tangail Road Division up to 4.11.92 during office hours.

3. Name of the offices for receiving tender bids : Addl. Chief Engineer (RHD), Dhaka Zone, Dhaka/Superintending Engineer (RHD) Mymensingh Road Circle, Mymensingh/Planning & Design Circle, Dhaka/Project Control Circle, Dhaka/Dhaka Road Circle, Dhaka and Executive Engineer (RHD), Tangail Road Division up to 12.30 PM on 5.11.92 and will be opened on the same day at 12.45 PM in presence of the contractors who remain present.

Md. Harunur Rashid
Executive Engineer (RHD)
Tangail Road Division.
DFFP(G) 18780-27/10
G-1373

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 29.10.92 & 31.10.92

Berth No	Name of vessels	Cargo	L Port	Local agent	Date of arrival	Leaving
J/1	Sympica	Wheat	Damam	DYNAMIC	21/10	-
J/2	Lamda	Wheat	Monika	DYNAMIC	19/10	27/10
J/3	Johanna-K	Wheat	N Orle	Alamtn	9/10	23/10
J/7	Banglar Shobha	GI	Cal	BSC	26/10	31/10
J/8	Banglar Urohi	GI	Col	BSC	21/10	29/10
J/9	Qing He Cheng	GI	S Hai	BDShip	21/10	29/10
J/11	Al Tafair	Rice	Viet	KSL	24/10	1/11
J/12	Light	Fert	Tempa	SSST	19/10	3/11
MPB/1	Weser Star	Cont	Sing	BDShip	26/10	29/10
MPB/2	Shenton	Cont	Sing	Omrn	27/10	29/11
OCJ	Safina-e-Najam	C Clink	-	ASLL	R/A	-
GSJ	Banglar Kiron	Repair	Col	BSC	23/10	04/11
TSP	Al Reza	Repair	Pada	KSL	18/10	1/11
RM/5	Artemis-1	Cement	-	Bright	R/A	-
RM/8	Al Salma	Repair	Hong	ASLL	13/10	05/10
RM/9	Banglar Kakoli	Repair	Mong	BSC	13/10	29/10

VESSELS DUE AT OUTER ANCHORAGE

Name of vessels	Date of last arrival	Local call	Cargo	Loading agent	Port
Gold Asia	29/10	Mong	AML	GI/GL	Mapu
Samudra Rani	29/10	Behr	SSL	GI	-
Yamburenko 18/10	29/10	Sing	CT	Cont	Sing
Arti	28/10	Damam	Seacoast	Wheat	Sing
Ursus	29/10	Parj	BSC	GI	Sing
Fong Yun 18/10	30/10	Sing	BDShip	Cont	Sing
Optima 20/10	30/10	Sing	BSC	Cont	Sing
Pionar	30/10	-	MSA	Salt	-
Giannis NK	30/10	Damam	DYNAMIC	Wheat	-
Tanary Star	31/10	-	PSAL	Cement	-
Ahler Breeze 15/10	1/11	Viz	RSL	Cont	Mong
Janbaz-1	1/11	Behr	MMI	GL	B Abbas
NGS Express 20/10	1/11	Sing	BDShip	Cont	Sing
Ranger	1/11	Hald	Lufail	-	-
Ingenuty 24/10	2/11	-	RSL	Cont	Sing
Banglar Gourab	2/11	-	BSC	Cement	-
Banglar Bobi	2/11	-	BSC	GI	-
Komsomlets Belorusia	2/11	-	CT/Mustered	Seeds	-
See Eysel	3/11	-	H&H	Cement	-
Banglar Doot	3/11	-	BSC	GI	-
Kisa Maru	4/11	Mad	BSC	GI	-
Eastern Pearl	4/11	-	BA	GI	-
Fong Shin 22/10	5/11	Sing	BDShip	Cont	Sing
Hafz	5/11	Mong	SSL	GL	B Abbas
Nikos-N	5/11	Sing	BSC	Wheat	Food
Kota Buana 27/10	5/11	-	CTS	Cont	Sing
Chestnut Hill	5/11	N Orle	Lams	Wheat	Food
Mezhidure Chensk	6/11	-	Prog	GI	-
Damon	7/11	Mers	Royal	Wheat	-
Stonewall Jackson	8/11	-	Karna	GI	New York
Vishva Mamata	9/11	Mad	SSL	GI/GL	Japa
Petr Starostin 18/10	10/11	Sing	CT	Cont	Sing
Soaror Bellona	17/11	-	DYNAMIC	Wheat	-

TANKER DUE

Maritime Pride	1/11	Seacom	CDSO
Nion	1/11	-	CT

VESSELS AT KUTUBDIA

Name of vessels	Cargo	Last Port	Local call	Local agent	Date of arrival
TT Energy	C Oil	Col	-	NNL	27/4
Thalia	Wheat	Darm	Alamin	-	23/10
Aspilos	C Oil	J Dhan	-	-	25/10
Banglar Shurabh	C Oil	-	BSC	-	R/A

VESSELS AT OUTER ANCHORAGE

Ready on

Ronald	C Clink	Col	Umal	8/10
Amphion	CDSO	Ligra	Seacom	29/10
Not ready	-	-	-	-
SE Halder	Cement	Kara	ASLL	R/A

VESSELS AWAITING INSTRUCTION

Lise	Ballast	V Pata	BSC	29/10
Banglar Asha	-	-	BSC	R/A(28/10)

VESSELS NOT ENTERING

Belgorod Dnestrovsky	Scraping	Mong	CT	22/10
Sea Tradition	Cement	Pada	AML	26/10
Mailoweverett	-	Cal	EBPL	R/A(27/10)

MOVEMENT OF VESSELS FOR 30/10/92

Outgoing	Incoming	Shifting
MPB-2 NGS Ranger	J/13 Fong Yun	TSP Al Neza TO OD
DOJ/B-Shourabh	DOJ/B-Jyoti	-
-	MPB-2 Optima	-

MOVEMENT OF VESSELS FOR 31/10/92

J/4 S Rani	DOJ/B-Shourabh	-
J/5 Gold Asia	J/4 Pionar	-
J/7 B-Shourabh	-	-
DOJ/B-Jyoti	-	-

The above were the Thursday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Price Index

Essentials		RICE	
Masur	29.00-30.00	Aman(5ne)	(Taka per kg) 16.00-17.50
Moogh	34.00-35.00	Pajim	13.00-13.75
Chahola	22.00-24.00	VEGETABLES	(Taka per kg)
Kheari	15.00-16.00	Potato (local)	11.00-12.00
FRUITS	(One piece)	Brijjal	8.00-12.00
Green Coconut (Small)	5.00-6.00	Karola	10.00-12.00
Coconut (Large)	8.00-10.00	Lalshak	4.00-6.00
(One piece)	12.00-15.00	Pappa	5.00-7.00
Pineapple	12.00-15.00	Green Bananas (Four Pieces)	4.00-6.00
Banana: (4 pieces)	12.00-15.00	OTHER FOODSTUFF	(Taka per kg)
Sagar (Large)	12.00-15.00	Flour	11.00-11.50
Champa	3.50-4.00	Alta	11.00-11.50
Oil	(Taka per litre)	FISH	(Taka per kg)
Mustard	53.00-55.00	Rubi(big)	160.00-170.00
Soybean	38.00-39.00	Katia(big)	90.00-100.00
Cocunut (Colombo)	90.00-100.00	Hilsha	48.00-50.00
Vegetable Ghos (1kg)	48.00-52.00	Pangas	110.00-120.00
Onion (local)	(Taka per kg)	Shrimp(big)	100.00-120.00
Onion (local)	10.00-10.50	Singi	90.00-100.00
Garlic (local)	26.00-35.00	Koi	110.00-120.00
Chillies (local)	25.00-35.00	MEAT	-
Turnmeric(Local)	48.00-52.00	Beef	55.00-60.00
Green chillies	15.00-20.00	Mutton	85.00-90.00
Ginger	18.00-22.00	CHICKEN	-
Cinnamon (10gm)	3.00-3.50	Large	62.00-64.00
Cardamom (10gm)(small)	10.00-11.00	Medium	66.00-68.00
Jhira (50 gms)	8.00-10.00	Small	70.00-72.00
MILK	(Two kg)	TEA	-
Dano	324.00-325.00	Dust (Plain)	80.00-90.00
Red-Cow	320.00-321.00	EGG	(4 pcs) 12.00-12.50
MISCELLANEOUS	(Taka per kg)	Hen	12.00-12.50
Ghee	220.00-240.00	Duck	12.50-13.00
		Firm	12.50-13.00
		PULSES	(Taka per kg)
		US Dollar	39.1326
		Poundsterling	61.4965
		DM	25.3443
		FE	7.4253
		S Riyal	10.4641
		D Guilders	22.5029
		S Kroner	6.7313
		Singapore Dollar	24.1992
		UAE Dirham	10.6911
		Kuwait Dinar	132.6986
		Indian Rupee (AMU)	1.5104
		Pak Rupee (AMU)	1.5480

Exchange Rates

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on October 31.

(Figures in Taka)

Currency	Selling B.C.	T.T. (C)	Buying OD Transfers
US Dollar	39.1326	38.9087	38.6339
Poundsterling	61.4965	61.1881	60.7797
DM	25.3443	25.1836	25.0058
FE	7.4253	7.4253	7.3729
S Riyal	10.4641	10.4641	10.3307
D Guilders	22.5029	22.3613	22.2034
S Kroner	6.7313	6.6871	6.6398
Singapore Dollar	24.1992	24.0608	23.8908
UAE Dirham	10.6911	10.6299	10.5548
Kuwait Dinar	132.6986	131.9394	130.0775
Indian Rupee (AMU)	1.5104	1.50356	1.4961
Pak Rupee (AMU)	1.5480	1.5408	1.5331

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad.
Note: AMU-Asian Monetary Unit.

Dhaka Stock Prices

Weekly review : At the close of tradings on October 22 and October 29, 1992

Company	FV/ML*	October 22		October 29	
		Taka	Taka	Taka	Taka
BANKS (10)					
Al Baraka Bank	1000/1	1050.00	900.00	1200.00	760.00
AB Bank	100/5	182.00	182.00	215.00	155.00
City Bank	100/5	2285.00	290.00	305.00	172.00
I.F.I.C	100/5	168.00	173.00	200.00	160.00
Islami Bank	1000/1	1525.00	1600.00	1900.00	119.00