

# Country to lose jute sacks export market to India, China

Industry insiders say

SAJJADUR RAHMAN

Bangladesh is going to lose export markets of jute-made sacks and bags to India and China, which are coming up faster to share Bangladesh's monopoly market, industry people said.

Exporters said these two countries import raw jute from Bangladesh and later sell value added items, including sacks and bags to other countries. Raw jute export has also increased because most of the state-owned jute mills, which produce sacks, are closed. Only four to five mills in the private sector produce sacks and bags, which, the exporters said, is very inadequate.

They said Bangladesh is missing huge amount of foreign currency for exporting raw jute instead of sacks and other jute goods.

"Export price of raw jute is around Tk 13,000 a tonne, but its price becomes Tk 35,000 if it is a finished goods (sacks)," Salim Reza, vice chairman of Bangladesh Jute Exporters' Association, told The Daily Star yesterday.

According to official data, during the July-December period this fiscal (2007-08), Bangladesh exported raw jute worth US\$82 million, a 13.18 percent increase from the US\$72 million exports during the corresponding period in the last fiscal year.

While Bangladesh's jute goods export has declined by about US\$2 million to US\$166 million in the first half (till December) of the current fiscal year compared to the same period of the last fiscal year.

India, China and Pakistan



The photo taken yesterday shows jute-made bags displayed at the Bangladesh Jute Mills Corporation office in Dhaka. The jute industry used to provide these bags earlier but cannot do so now due mainly to closure of many a jute mill across the country.

have become major buyers of Bangladesh raw jute in the recent time, exporters said.

During July-December of FY 2007-08, China has imported raw jutes worth US\$9.12 million from Bangladesh, while India imported US\$13.72 million worth of raw jute, Export Promotion Bureau data show.

Other major buyers of Bangladesh raw jute are Ivory Coast, Russia, Indonesia and Thailand.

"India and China, which import raw jute from Bangladesh and later sell value added products to other countries," Gopi Kishan Sureka, a local jute exporter, said.

He said: "Recently, a buyer from Taiwan has told me that he got offer from China suppliers at 10 percent less price than I offered him."

He blamed closure of government jute mills for another major reason for losing the

sack export market to China and India.

Salim Reza said China and India's own consumption also increased significantly in recent time.

Bangladesh had a monopoly market of raw jute and jute goods for long. The country made bags, sacks, sand bags, hessian bags, food grade bags, yarns etc by jute.

Jute-made bags are used for packing agriculture commodi-

ties like cotton, coffee, cocoa beans etc. Sand bags made for flood control are also hessian sacks. Since the quality of Bangladesh jute is the best in the world, light weight hessian sacks made here are even much better than heavy jute bags made in other parts of the world.

According to Bangladesh Jute Exporters Association, the country's local jute demand is around 25 lakh bales per year.

## Private banks to submit proposal to cut spread March 3

UNB, Dhaka

Commercial banks would submit their proposal on reducing the spread between the deposit and lending rates to Bangladesh Bank on March 3, as they could not finalise it at yesterday's scheduled meeting.

"We couldn't finalise the proposal," Syed Manzur Elahi, head of the committee formed in this regard, told reporters after its meeting here.

The committee was constituted with representatives from the bank owners' association BAB and banks' CEOs association ABB.

Manzur, the FBCCI administrator, said the committee would sit again Sunday to finalise the proposal and submit it to the Bangladesh Bank on Monday.

Meanwhile, the committee meeting constituted a sub-committee, headed by ABB Chairman K Mahmud Sattar, to prepare the proposal and submit it to the committee Sunday for approval.

He, however, would not disclose the possible guideline for the subcommittee.

The Bangladesh Bank had two meetings with BAB and ABB, inviting their proposals by tomorrow as part of its current negotiations to reduce the interest rate spread mainly by reducing the interest rate on bank loans.

## Forex reserve close to \$6b

STAR BUSINESS REPORT

Foreign exchange reserve is now close to US\$6 billion mark because of high remittance inflow and deposit of credit money by the World Bank and Asian Development Bank, BB sources said yesterday.

The reserve was US\$5.83 billion at the beginning of the day and it reached US\$5.9 billion at the end of the day yesterday due to deposit of US\$100 million from the World Bank as budgetary support and US\$50 million from ADB as disaster support credit.

Bangladesh received record remittance of US\$710 million in January and the amount reached US\$491 million till

February 20.

BB sources said the forex reserve might cross US\$6 billion mark this month as Oriental Bank's buyer is to deposit US\$50 million (Tk 350 crore) to Bangladesh Bank today.

But the reserve might go down to around US\$5 billion in the next month as the BB has to pay US\$700 million to Asian Clearing Union, the highest ever single payment to the union mainly for a surge in import costs.

Central bank sources said a reduction in government annual development programme expenditure also contributed to the rise in reserve.

## AKTEL makes loss in 2007

STAR BUSINESS REPORT

AKTEL, one of the country's leading mobile operators, posted an after tax loss of Tk 73.7 crore in 2007, despite a 25 percent growth in customer numbers, according to the company's main owner Telekom Malaysia.

In a statement the company said the loss was largely due to the compensation paid to the local government amounting to Tk 145 crore and depreciation cost in line with its aggres-

sive network expansion.

The company paid compensation to the government for its alleged involvement in the illegal call termination business.

In 2007, the company posted revenue of Tk 1,440 crore.

The company said average revenue per unit (ARPU) has declined due to stiffer competition in the industry. ARPU for post-paid users was Tk 921 and pre-paid Tk 226 in the last quarter of 2007. This compared to Tk 947 and Tk 254 respectively in the first quarter of 2007.

## DSE election soon

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) yesterday decided to hold its election as soon as possible.

"As per lawyers' suggestions the board of directors decided to hold the election as early as possible," said Salahuddin Ahmed Khan, chief executive officer (CEO) of DSE.

However, the board did not take any decision on holding the annual general meeting (AGM) scheduled for March 13.

The DSE will seek permission from the Registrar of Joint Stock Companies and Firms to defer the AGM so that the bourse can complete the election first.

The election board of the DSE will declare a fresh schedule after receiving the permission from the Registrar of Joint Stock Companies and Firms, the DSE CEO said.

Earlier, the election for the posts of four directors of DSE was virtually adjourned fol-

lowing withdrawal of nominations by all nine candidates from the annual race scheduled for March 9.

On February 20, six candidates withdrew their nominations following a pressure from a group. According to sources, the six candidates'



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withdrawal could have cleared the path for a particular candidate to be elected unopposed.

But the efforts ended in fiasco following media reports that also prompted the remaining candidates includ-

ing the influential candidate to withdraw their nomina-

tions on February 24.

There was also allegation that the influential candidate, who tried to become the president of DSE, was involved in financial scams on several occasions. He also received loans from banks mortgaging fake shares.

He is a close associate of a currently detained Dhaka-based former lawmaker of BNP. He is also an associate of a former prime minister's young-est son.

The nine candidates of the top DSE job were Anwar Hossain, managing director of

Anwar Securities, Mujibur Rahman, managing director of Prudential Securities, Khondker Asadul Islam, chief executive officer of IDLC Securities, Azizur Rahman, managing director of Globe Securities, Feroz Khan, managing director of Eminent Securities, Rafiqul Islam, managing director of Parkway Securities, MA Mumin, chairman of Surma Securities Holding Company, Lutfur Rahman Badal, managing director of Latif Securities, and Dastagir Md Adil, managing director of Adil Securities.

As per the DSE constitution, the election has to be held every year before the AGM. There are 12 elected and 12 nominated directors in the board of directors. Every year, four directors retire and four others replace them through direct voting. A president, senior vice-president and vice-president are elected from the 12 elected directors including the new fours.

## Grameenphone launches new handset campaign

Leading mobile phone operator Grameenphone (GP) Ltd has launched a new handset campaign for its fresh prepaid subscribers with effect from Monday, says a press release.

Under the campaign, new subscribers of smile and djuice connections can avail of free bundled value-added service offers with Sony Ericsson J120i handset at a discounted rate.

The campaign will run until March 25, 2008 with subject to handset's stock availability.

Each new smile mobile or djuice connection comes bundled with a Sony Ericsson J120i handset and free value added services (VAS) at only Tk 3,750. Additionally, each smile PSTN connection comes bundled with a Sony Ericsson J120i handset and free VAS for only Tk 3900.

The bundled VAS offers include three free welcome tunes to be downloaded from a gallery of 10 welcome tunes; free welcome tune monthly subscription for the month of March, 2008; free 100 voice SMS; free 30 minutes of news service to port 2000; and free 30 minutes of voice-based IVR service to port 2665.

New prepaid subscribers can avail of these offers from any of the 82 Grameenphone Centres across the country. The offer is also available at the Grameenphone pavilion at the Chittagong International Trade Fair.

## Correction

In a photo caption with the news item headlined 'Finance adviser disagrees on rise in unemployment' published on this page yesterday, it was mistakenly mentioned that the seminar was organised to mark the release of the Labour Force Survey Report 2005-06 prepared by the Bangladesh Bureau of Statistics. We regret mistake.

## Euro rises against dollar

AFP, London

The European single currency advanced against the dollar on Tuesday after a key survey showed a surprise jump in business confidence in Germany, the biggest economy in the eurozone.

In European trading, the euro rose to 1.4848 dollars, from 1.4828 dollars in New York late on Monday.

Against the Japanese currency, the dollar fell to 107.97 yen from 108.07.

The dollar was buoyed Monday by a Wall Street rally that was sparked by relief that ratings agency Standard Poor's had maintained AAA credit ratings for two major US bond insurers, dealers said.

## NBR likely to suggest slashing tax rate

UNB, Dhaka

The National Board of Revenue (NBR) is likely to suggest reduction in tax rate and income tax slab to raise government revenue.

"If we can expand tax net and collect more revenue, there is no justification of raising the tax rate," NBR Chairman Abdul Mazid told reporters at a briefing in his office yesterday.

He said his organisation wants to expand the tax base and rate of direct tax. "But I'm convinced that the taxmen would not force anyone to pay tax as it creates panic among

the taxpayers."

He said payment of tax has been simplified, including the income tax return, for the convenience of the taxpayers. They are waiting approval of the Finance Ministry for implementation of the simple procedures.

Pointing to a section of income tax lawyers Mazid said he is in favour of elimination of a third party between taxpayers and taxmen.

"We are working to make the tax-payment as easy as possible so that the taxpayers are not required to go to any third man and spend extra money."

The NBR chief expressed satisfaction at the progress of revenue collection. He estimated the collection in first seven months of current fiscal year rose to Tk 23,588.25 crore, exceeding the target of the period of Tk 22,508.56 crore, and compared to Tk 18,845.47 crore previous year.

Import duty amounted to Tk 10,382.42 crore against the target of Tk 9,859.34 crore. Income tax collection rose to Tk 4,941.71 crore as against the target of Tk 4,462 crore and VAT (at local level) Tk 7,995.29 crore against the target of Tk 7,974.46 crore for seven months.

## SONALI BANK LIMITED

HEAD OFFICE, DHAKA  
COMMON SERVICES DIVISION

### INTERNATIONAL TENDER NOTICE FOR IMPORT OF CBS-1 SECURITY CHEQUE PAPER

Sealed tenders are invited from the bonafide manufacturers of security cheque paper or from their local agent/their representatives on behalf of the foreign principals/manufacturers for import of 5000 (Five thousand) reams CBS-1 security cheque paper as per specification and the terms & conditions stated below:

#### SPECIFICATION OF CBS-1 CHEQUE PAPER

1. Size: 23"x18" (584mm x 457mm.) 500 sheets in a ream.
2. The supplier must have minimum 3 years experience in supplying security cheque paper as well as supply of 2000 reams against single work order to any bank in Bangladesh.
3. Any firm/supplier/Local agent of foreign supplier/manufacturer failed to supply security cheque paper to Sonali Bank during last 3 years shall not be eligible to apply/to submit tender.
4. Tender Security money amounting to Tk. 3.50 (three lac fifty thousand) must have to be deposited through Payment Order purchased from any scheduled Bank favouring Common Services Division Sonali Bank Ltd., Head Office, Dhaka.
5. The tenderers shall have to submit the following documents duly attested:
  - (a) Photocopy of current trade licences
  - (b) Indenting registration certificate issued from Bangladesh Bank
  - (c) Indenter's registration certificate from CCI & E Office
  - (d) Income tax paid certificate for the year 2006-2007 & 2007-2008 with TIN number.
6. The interested parties shall be able to purchase the tender schedule from Common Services Division, 5th floor & DGM's Chamber no. 608, Common Services Division Sonali Bank Ltd., Head Office, Dhaka against payment of Tk. 1,000.00 (one thousand) (non refundable) upto 30 march 2008 during office hour.
7. Sealed tenders shall have to be addressed to "The Deputy General Manager, Common Services Division, Sonali Bank Limited, Head Office, Dhaka" and the same to be dropped in the tender box kept in Chamber No. 608, Sonali Bank limited, Head Office, Dhaka.
8. Date of dropping of tender is 31 march 08 up to 2.00 P.M and the same will be opened at 3.00 PM. on the same day by the tender opening committee of the bank in presence of the tenderers or their representatives (If any).
9. If the tender can not be received/opened on the scheduled date and time due to any unavoidable circumstances the same will be received/opened as per time stated above on the next working day.
10. The Bank reserves the right to accept or reject any or all the Tenders without assigning any reason whatsoever.

Md. Nurul Amin Bhuiyan  
Deputy General Manager