

Stocks

DGEN ▲ 0.07%
2,952.62

CSCX ▼ 0.44%
6,609.42

Asian Markets

MUMBAI ▲ 0.14%
14,785.74

TOKYO ▼ 0.95%
9,783.47

SINGAPORE ▼ 0.03%
2,317.17

SHANGHAI ▲ 1.61%
2,975.31

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	93.92	99.49
GBP	110.57	116.38
JPY	0.70	0.79

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼
\$939.13
(per ounce)

Oil ▼
\$69.16
(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Nokia rings out digital dreams



Nokia, the global leader in mobile handset manufacturing, plans to bring the internet to the mass in Bangladesh through its latest solutions. Chris Carr, vice president (sales), South East Asia Pacific (SEAP), Nokia, shared the company's views and strategies for the market in an exclusive interview with The Daily Star during his recent visit to Dhaka.

B-4

International

European economic confidence improves: EU survey
European business and consumer confidence firmed in June for the third month running albeit from depressed levels, according to an EU survey on Monday.

China luxury hotels hit by downturn, swine flu

Luxury hotels in Beijing have been forced to lay off staff and cut costs as the number of guests has plummeted due to the economic crisis and the swine flu outbreak, state media said Monday. The average occupancy rate at the capital's star-rated hotels was 44.5 percent during the first quarter of the year, down from 54.6 percent in the same period a year ago, the China Daily said, citing official figures.

B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Jute bag exports rise as shopping goes eco-correct

KAWSAR KHAN

Eco-concerns drive demand for biodegradable bags on the global market, giving rise to the exports of shopping jute bags from Bangladesh.

Jute goods makers export around 100,000 shopping bags a month on average to different countries. They hope scope for more shipments will widen next year, as some European countries are set to ban polythene bags in 2010.

"In our products line, shopping jute bags are the most popular among importers as European and American consumers are opting for environment-friendly bags which can be used repeatedly," said Milton Suranjit Ratna, a senior officer of Corr-The Jute Works, the handicraft marketing and exporting trust of Caritas Bangladesh.

Corr-The Jute Works exported over 600,000 jute bags in 2008 mainly to Germany, the Netherlands, Sweden, UK, USA, Canada, Japan, Switzerland, South Korea, and France.

Creation Private Limited, a jute goods maker, exports around 50,000 shopping bags to those destinations a month.

Two years ago, the number of jute bags exported by Bangladesh would not exceed 100,000 annually, said the sector people.

A global initiative for banning environment-unfriendly shopping bags and declaring the year 2009 by the United Nations as International Year of Natural Fibres has fuelled demand for jute bags.

According to media reports, France and Germany will ban the use of non-biodegradable polythene bags next year. Also, the US is looking for a viable alternative to polythene bags.

San Francisco has completely banned plastic bags. Los Angeles will do so in 2010. Also, Washington, D.C.'s city council is set to vote on a five-cent-a-bag tax later this month.

Now the United States uses an estimated 90 billion thin bags a year, with most used to handle produce and groceries.

Achim Steiner, executive director of the UN Environment Programme, has recently called for a ban on polythene bags and said: "Single-use plastic bags which choke marine life should be banned or phased out rapidly everywhere. There is simply zero justification for manufacturing them anymore, anywhere."

The global context has

made a multi-billion dollar global shopping bag market, opening up a huge opportunity for the country's golden fibre.

On the potential of jute bag exports from Bangladesh, the sector people viewed that non-perishable polythene bags will go out of market in the years to come, driving demand for Bangladeshi jute bags.

On the other hand, more and more chain shops around the world are phasing out the use of polythene bags in their shops and using bio-friendly natural fibre bags instead.

Ratna said only the UK-based retail chain Tesco requires around 1 million shopping bags -- made of natural fibre -- a month that it now buys from India.

"Tesco had approached us to buy bags but we could not take their order as our bags were costlier than in India," said Rashidul Karim Munna, managing director of Creation Private Limited.

Munna said local bag makers buy jute fabric from the domestic market at higher prices than what foreign importers pay for the same fabric from Bangladesh -- a setback that makes the local industry less competitive than its rival in India, the main importer of jute fabric.

"When we buy jute fabric, the jute mills add the money of export incentive to the cost of fabric as they don't get any incentive when they sell to us," Munna said.

"Unlike in India, jute bag makers in Bangladesh do not get export incentive," he said.

"It is very sad that even after buying raw materials from Bangladesh, India can sell shopping bags at lower prices," he said. A shopping bag sells at \$1.

Despite having all the difficulties, however, increasing orders are pushing bag manufacturers to expand their capacity.

"Due to the increased demand we will set up a new bag manufacturing unit in Tongi, which will go into operation next month," said Bertha Gity Baroi, acting director of Corr-The Jute Works.

The sector people believe Bangladesh has every chance to strengthen its foothold in the billion-dollar shopping bag market.

"We could easily double our production and exports if we got proper government support," an official of Corr-The Jute Works which has long been reputed for exporting handicraft products.

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BOMB THREAT RATTLES STOCKS



AMRAN HOSSAIN

Investors, top, gather in front of Dhaka Stock Exchange in bustling Motijheel yesterday, after the premier bourse has received a bomb threat. Security officers, bottom left and right, search the building with bomb detectors, but have found no explosives. The DSE closed its trade 45 minutes before schedule. (Story on page 1)

RMG makers lodge complaints against Belgian buyer

REFAYET ULLAH MIRDHA

Many local knitwear manufacturers and exporters have complained that Malu NV, a Belgian buyer of readymade garment (RMG) from Bangladesh, is allegedly cheating them with charging heavy discount by conducting frequent inspections of the shipped goods.

Following such non-cooperation from Malu, some local manufacturers are losing their competitiveness in international trade, the exporters said.

However Malu NV has denied the allegation.

"I have sold my personal car to pay my workers", said Mansoor Hamid, managing director of Marshall Knittex Ltd, which was supplying knitwear products to Malu NV.

He said the victims have already submitted their complaints officially to Malu NV and the local associations concerned demanding immediate solution to the problem as they are incurring losses from such anti-business attitudes from the Belgian buyer.

In the written complaint, Hamid said he was facing problems with his

bank due to the Malu's cancellation of shipment of 25,000 pieces knitwear products.

He alleged that all other buyers are doing fair business with them following the norms, but Malu is the only buyer, which has put the manufacturers under pressure of discount and other threats.

Hamid said after an order is finalised and once goods are ready for shipment, Malu takes the products to Chittagong Port and keep those at the port for 20-25 days unnecessarily.

When the goods reach Rotterdam port or Antwerp port in Belgium, Malu sends message to the suppliers that a pre-shipment test will be conducted for the final delivery, he said.

Aminur Rahman, managing director of GC Fashion Wear Ltd, another victim, alleged that Malu NV has deducted more than 20 percent from the value of its each delivery.

The buyer has taken away 40 percent from JR Knit Fashion' delivery, 10 percent from Oaishe Composite Knit Garment Ltd, 10 percent from Tex Bay Ltd, 50 percent from Rising Sun Knit Ltd and 10 percent from Fourthway Knittex

Ltd, officials of the companies alleged.

When contacted, Roger Van Craen, managing director of Malu NV, told The Daily Star that the claim made by the Bangladeshi suppliers was not true as the dispute was resolved through discussion.

He said Malu demanded discount from the factory owners due to delayed shipment and poor quality of goods of some suppliers.

"I have been doing business with Bangladesh for the last 10 years and I import garment items worth \$35 million a year," said Craen, the owner of Malu NV that has an annual turnover of \$70 million.

"I am expanding the volume of business in Bangladesh as the country produces quality knitwear at cheaper price," the Malu chiefsaid.

Faziul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association, said he was formally apprised of the situation.

"We will try to solve the problem through discussion," Hoque said.

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Deadline looms over MICR chequebooks

SAJJADUR RAHMAN

Many banks are not yet ready to introduce MICR-encoded chequebooks by Bangladesh Bank's deadline that ends today.

Magnetic Ink Character Recognition or MICR is a character recognition technology adopted mainly by the banking industry globally to facilitate the processing of cheques. The system minimises chances of error and fast-tracks clearing of cheques and transfer of funds.

"We are trying our best to introduce the new cheques. But thousands of clients need more time to understand the issue," said Syed Abu Naser Bukhtear Ahmed, managing director of state-owned Agrani Bank that deals with roughly 70 lakh bank accounts.

Helal Ahmed Chowdhury, managing director of Pubali Bank, said: "We have just appointed a vendor for providing MICR-encoded chequebooks." Pubali

runs 375 branches across the country.

As the regulator, the central bank asked all banks to issue MICR-encoded standard cheques and phase out old, non-standard cheques by June 30. But most scheduled banks -- out of the 48 -- are yet to implement the system.

There are 3.7 crore accounts in all the banks in the country, according to central bank statistics. Every account holder will have to take a MICR-encoded chequebook to comply with the BB directive.

"I believe the system will not be completely implemented so soon," said an official of IFIC Bank's Karwan Bazar branch. "Our branch deals with nearly 10,000 customers who need more time to receive the new chequebook."

IFIC Bank is among the few banks that have already been issuing MICR-encoded chequebooks.

Bankers also termed the move a gigantic task and demanded more time to implement the system fully.

"Although banks are committed to introducing the new system by June 30, the old system will continue side by side for some time," said Dasgupta Ashim Kumar, general manager of Department of Currency Management and Payment Systems at the central bank.

However, the BB official declined to specify the deadline when the old system would be phased out permanently.

"We'll go for a trial operation of the new system (at the Clearing House) on November 8," said Ashim Kumar.

Confusing details emerged over the deadline, though.

The Agrani Bank managing director said the deadline has been extended to November 30 while the Pubali Bank managing director said the deadline is November 6.

Not so, said the BB general manager. "The deadline has not been extended."

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