

# Star BUSINESS



Two workers put stacks of papers at a wholesale shop in the Andarkilla area of Chattogram. The demand for the material is rising as in-person classes are being increasingly allowed. The photo was taken on Tuesday. PHOTO: RAJIB RAIHAN

## Paper price hike hands fresh blow to education, printing

**JAGARAN CHAKMA and SUKANTA HALDER**

The education sector and the printing industry have been dealt a major blow no sooner had they begun to make a comeback from two-year long closures and business slowdown owing to the coronavirus pandemic.

Educational institutions in Bangladesh were largely closed since the outbreak of the virus in the country in March 2020. But as coronavirus caseloads have dropped sharply in recent weeks, the government is gradually allowing in-person classes.

Similarly, the printing industry that saw its business hit the rock bottom as demand fell is hoping for a strong revival as the economy is recovering strongly.

But the recent rise in paper price caused by the hike in paper pulp, the raw material, and the supply disruption caused by the Russian-Ukraine war, means parents, who are already under pressure for the increasing inflation, will find it difficult to afford the key

learning ingredient for their children, while the hope for a swift recovery for the printing industry may be dashed.

In the last three and a half months, the price of papers rose by a minimum of 31 per cent in Bangladesh.

The price shot to Tk 90,000 per tonne in the first half of March, up from Tk 70,000 in December, according to millers and traders.

"The printing industry is facing trouble as millers can't supply the paper on time on the excuse of raw material shortage," said Shahid Serneabat, chairman of the Printing Industries Association of Bangladesh (PIAB).

"With much difficulty, we were able to print school books and deliver them. But now, students need exercise books as schools and colleges are reopening."

He claimed some millers had received advance payment to supply printing and writing paper. Three to four months have passed, but millers are yet to supply the paper.

Serneabat also alleged that a number of businessmen import

papers using the bonded warehouse facility to use them in export-oriented products. Instead, they sell them in the local market at a profit of 20 per cent at the expense of the local printing industry.

"This is the major reason for the volatility in the paper market."

Of the mills, seven major companies – Akij Group, Amber Group, Bashundhara Group, Meghna Group, Partex Group, Creative Paper Mills, and Papertech Industries – manufacture quality papers.

MM Nurun Nabi, executive director of Partex Paper Mills Ltd, said the prices of pulp had

declined to \$650 per tonne before surging to \$850 per tonne recently.

Bangladesh mainly imports pulp from Indonesia, Brazil and Canada to make paper to meet the requirement of the domestic market as well as to export.

"Suppliers say there is a shortage," Nabi said.

He blamed the increased

freight cost for the fuel price hike amid the Russia-Ukraine war for the increase in the paper price.

"But we can't raise the prices faster like other sectors."

Tofayel Khan, a former chairman of the PIAB, buys a board used in packaging for Tk 3,600 whereas it was Tk 1,200 only three months ago.

Similarly, the price of art paper has surged 80 per cent due to the supply chain disruption, a direct impact of the war. Russia is also a major player in paper production.

The price might increase further due to the depreciation of the local currency against US dollars as imports are growing at a faster rate than exports.

An official of Pran-RFL Group, which makes exercise books by purchasing papers from local mills, said prices are gradually going up.

Currently, the company buys paper at around Tk 97,000 per tonne against Tk 68,000-Tk 70,000 six to seven months ago. It had bought the same paper at Tk 85,000 per tonne in December and January.



## Hallmark scam hangs heavy over Sonali Bank

**STAR BUSINESS REPORT**

Sonali Bank is yet to be free of hesitation over its ability to smoothly disburse loans following the Hallmark Group loan scam, one of the worst financial scandals perpetrated in the country between 2011 and 2012.

The bank should strengthen its financial health by further reducing its default loan rate, analysts said at a conference organised by the lender to mark its 50th anniversary at the Bangabandhu International Conference Centre in Dhaka yesterday.

Fazle Kabir, governor of Bangladesh Bank, said many officials of the state-run lender are still afraid of disbursing loans in the aftermath of the Hallmark Group scam.

"But there is no reason for unpleasant emotion if the process of loan



A view of the Sonali Bank headquarters in Motijheel, Dhaka. Sonali Bank is still haunted by ghosts of the Hallmark scam between 2011 and 2012, when Tk 2,686 crore was siphoned off from the state-run lender using forged documents. PHOTO: AMRAN HOSSAIN

## Tannery, textile profits were battered by Covid

**AHSAN HABIB**

Profits of the tannery and textile companies were affected the most amongst that of all listed companies for the Covid-19 pandemic as their main period for sales was hit.

Profits of every company of the tannery sector on an average tumbled 330 per cent in 2020 while those of the textile sector around 88 per cent, according to an analysis of UCB Asset Management.

The analysis was of all listed companies for a five-year period starting 2015. To bear the impacts, some companies deducted salaries and went for layoffs.

During the pandemic, factories were closed and demand for clothes tumbled at both home and abroad, said Anwar-ul Alam Chowdhury, former chairman of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"So, the companies' profits plunged," he said.

Overall export earnings dropped 16.93 per cent to \$33.67 billion in the financial year 2019-20. It was around 26 per cent lower than that of the target, according to data of Export Promotion Bureau (EPB).

Garment export fell by 18 per cent to \$27.94 billion.

The sales of the garment sector in the local market were hit as the main selling period coincided with lockdowns that continued for around two months to contain the pandemic, he said.

The government announced a general leave from March 26 of 2020 till April 4 of the same year.

In the local market, two Eids and Pahela Baishakh were the main selling periods for local producers, which were mostly battered by the pandemic, said Chowdhury, also chairman of Evince Textiles.

Almost all the companies in the sector were impacted, he said.

Due to the pandemic, Bangladeshi workers in



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## Bepza economic zone gets \$54m investment

**STAR BUSINESS REPORT**

The Hong Kong (China) owned M/s Campvalley Chittagong Limited will invest \$54 million to set up a camping equipment and garment manufacturing facility at the Bepza economic zone of the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram.

The Bangladesh Export Processing Zones Authority (Bepza) and Campvalley Chittagong signed an agreement to this effect at the former's office in Dhaka yesterday.

Ali Reza Mazid, member (investment promotion) of Bepza, and Hong Woo Lee, chairman of Campvalley Chittagong, signed the agreement on behalf of their respective organisations.

Through its investment, Campvalley Chittagong aims to produce around 21.4 million tents, bags, camping chairs, luggage, sleeping bags, different types of knit and woven garments, umbrellas, mattresses, and more each year.

Once operational, the factory will generate employment opportunities for a total of 9,380 Bangladeshi nationals.

There are two other tent manufacturing companies in the Chattogram and Karnaphuli export processing zones operating under the same owner.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, witnessed the signing ceremony.

Among others, Mohammad Faruque Alam, member (engineering) of Bepza, Md Zakir Hossain Chowdhury, executive director (administration), Nazma Binte Alamgir, executive director (public relations), Md Tanvir Hossain,

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STOCKS	
DSEX ▲	CSCX ▲
0.03%	0.11%
6,752.87	11,893.67

  

COMMODITIES	
Gold ▲	Oil ▲
\$1,947.91	\$114.68
(per ounce)	(per barrel)

  

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.15%	▲ 0.25%	▲ 1.05%	▼ 0.63%
57,595.68	28,110.39	3,399.70	3,250.26