

Govt allows rawhide export this year as well

Price fixing meeting today

REFAYET ULLAH MIRDDHA

Like previous years, the government has been approving applications of different companies seeking to export rawhide to create demand and enable better prices, said Tapan Kanti Ghosh, senior secretary to the commerce ministry, yesterday.

Last year, the government allowed 14 companies to export 2.30 crore square feet of rawhide, he told The Daily Star over the phone.

However, just around 1 crore square feet of rawhide could be exported so far, meaning that the full potential of the shipment quantity could not be utilised, he said.

Last year, the government allowed 14 companies to export 2.30 crore square feet of rawhide

The senior secretary also said the commerce ministry was allowing export of nearly 60 lakh square feet of rawhide by an almost similar number of companies this year.

The commerce ministry is also scheduled to fix prices of rawhides of the sacrificial animals in a meeting with the tanners and other associated traders at the ministry office in Dhaka today.

Ghosh suggested not to bring all the rawhide from outside of Dhaka to Savar Tannery Industrial Estate (STIE) in the 10 days following Eid-ul-Azha so as to reduce pressure stemming from processing rawhides on the STIE's central effluent treatment plant.

The inflow of rawhides from all over the country, be it on a single day or a single week, is so high that the plant cannot bear the load. Failing to get processed on time, a lot of the rawhides get damaged.

Ghosh also said a rawhide can be preserved for at least two months if salt was applied.

If local collectors apply salt on the rawhides, they can preserve it for a few days and they will also get better prices from tanners once demand rises, he added.

Local rawhide traders
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Tanners prepare rawhides for processing in Savar's Harindhara bazar area, one of the country's hubs for rawhide trade, on Sunday.

PHOTO: PRABIR DAS

SAVAR HARINDHARA BAZAR

Rawhide traders worried over price decline

Ukraine war, rising transport and labour costs deal a blow

SUKANTA HALDER

The price of rawhide is now lower compared to that two to three months ago for which the traders of Savar's Harindhara bazar, one of the country's hubs for raw leather, are worried over what lied in wait for them in upcoming Eid-ul-Azha.

Traders said at present cowhide was being sold at Tk 35 per square feet, goat hide at Tk 20 to Tk 25 per piece and skins of castrated goats at Tk 40 to Tk 45 per piece.

However, two to three months ago, cowhide was being sold at Tk 40 to Tk 45 per square feet whereas prices of the hides of goats alongside that of castrated ones were the same.

As for the reasons for the fall in prices, traders cited that the Russia-Ukraine war has had an impact on the leather market. Transportation and labour costs have increased with hikes in salt prices. Besides, prices of chemicals used in processing leather have increased, they said.

Zahurul Islam, owner of Sirajganj Traders at the market, said the price at which rawhide was sold last season seems to be prevailing this time around. Rawhide is unlikely to be sold at a price higher than that, he said.

"Last season, however, the price of rawhide was not good... Many tannery owners have not yet paid for last season's rawhides. It's a burden for businesspeople," Islam said.

Traders said another reason behind the fall in rawhide prices was that the government allowing certain companies to export "wet blue".

Wet blue leather refers to chrome-

tanned leather, which is neither dried, dyed nor finished. It has to undergo another processing to be converted to usable hides for manufacturing goods such as shoes and bags or for export.

Khawaja Moinuddin, manager of Nurnabi Traders at the market, said at present the supply of rawhide was also slightly less compared to what was in previous years.

"It is difficult to say right now how the Eid market will prevail. Once the government fixes the price, we will decide on how much rawhide we will buy this time," he said.

"It all depends on the situation in the days ahead," Moinuddin said.

Yaqub Ali, proprietor of Bismillah Traders at the market, said a 60-kilogramme sack of salt, which was priced at Tk 550 three months ago, was now being sold at Tk 900.

The price of chemicals has doubled. The cost of transportation has increased by 60 per cent in the last six to seven months, he said.

Meanwhile in order to fix fair prices of rawhide before Eid, the Ministry of Commerce has started holding negotiations with the three associations of leather traders.

They are Bangladesh Tanners Association, Bangladesh Hide and Skin Merchants Association, and Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

The commerce ministry is also scheduled to announce the prices at its office in Dhaka today.

Last year, the price of salted cowhide

in Dhaka was fixed at Tk 40 to Tk 45 per square feet and Tk 33 to Tk 37 outside Dhaka. Apart from this, hides of castrated goats was fixed at Tk 15 to Tk 17 per square feet.

Leather is not sold at the price fixed by the government in the market but at a lower price, said Zahurul Islam, owner of Sirajganj Traders.

Savar's Harindhara bazar, established in 2019, is home to more than 70 shops buying and selling rawhide of cows, buffaloes and goats.

Mohammad Abul Bashar, president of a rawhide traders' co-operative society at Harindhara bazar, said the traders have plans to buy a lot of hides this Eid.

They will get good prices if the government is strict in stopping the smuggling of rawhide, he said.

He said at least 10 lakh pieces of rawhides are bought and sold, worth over Tk 400 crore to Tk 500 crore, in this market during the Eid season.

This market has created around 1,000 jobs till date, he added.

Aftab Khan, president of the Bangladesh Hide and Skin Merchants' Association, said the demand for rawhides has increased.

"The price of rawhide, I believe, will be better during the coming Eid-ul-Azha compared to that last year," he said.

According to the Ministry of Fisheries and Livestock, 1.21 crore animals would be sacrificed in the country this year, two lakh more than that last year.

Mid Shakawat Ullah, general secretary of Bangladesh Tanners Association, said they have a target of collecting one crore animal rawhides in the Eid-ul-Azha this year.

Dhaka Bank focuses on SMEs, retails for growth

Its chairman says

AKM ZAMIR UDDIN

Dhaka Bank Ltd has big plans for small and medium enterprises and retail clients as it looks to cement its position by reaching out to the under-served segments digitally, said its chairman Abdul Hai Sarker.

Since its inception in 1995, the bank has relentlessly put in efforts to speed up industrialisation in Bangladesh, playing an active role in the country's stellar economic growth.

The lender, which celebrates its 27th founding anniversary today, has set a target to create entrepreneurs across the country by disbursing SME loans with a view to ensuring inclusive growth.

"We not only disburse loans among small and medium enterprises. We also educate them on how to do banking efficiently," said Sarker in an interview with The Daily Star recently.

As of December, SME clients accounted for 12.01 per cent of Dhaka Bank's total outstanding loans of Tk 21,415 crore.

It has set a goal to more than double the SME lending to 25 per cent by the fiscal year of 2024-25.

"We are placing our highest concentration in SMEs as the number of corporate clients is limited," Sarker said.

Already, the bank disburses loans among small businesses at the district level.

The bank is widening its operation in the retail banking segment by rolling out several digital deposit and loan products and services.

For example, clients can open bank accounts sitting at home using the mobile-based application of Dhaka Bank.

Thanks to the instant national identification card verification process put in place by the central bank, customers can obtain their bank account number instantly.



"We not only disburse loans among small and medium enterprises. We also educate them on how to do banking efficiently," says Abdul Hai Sarker, chairman of Dhaka Bank

"We have also taken the initiative to disburse retail loans among the customers who maintain salary accounts with us," said Sarker, who completed post-graduation from the University of Dhaka in 1970.

Each applicant will be able to borrow Tk 25,000 within two hours after they submit the application through the digital platform.

The bank has initiated a pilot programme to implement the digital loan product, said Sarker, a former president of the Bangladesh Textile Mills Association.

Dhaka Bank has 60,000 clients who maintain payroll accounts with the bank.

According to the entrepreneur, many clients now prefer to carry out banking transactions without visiting branches. So, the digital products of the bank will help them enjoy banking services without any hassles.

The lender is now focusing on beefing up its cybersecurity to keep hackers at bay.

The private commercial bank has strengthened its green banking programme to address the ongoing climate change and help Bangladesh fight against global warming.

"We encourage environment-friendly businesses to borrow from our bank," said Sarker.

Dhaka Bank is one of the top lenders in the foreign exchange trade segment.

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Western firms struggle to exit Russia

REUTERS, Helsinki

For foreign companies still working out what to do with their stranded Russian assets, President Vladimir Putin's seizure of a major oil and gas project is a powerful warning: Move fast or else.

Companies have been wrestling with how to exit in ways that limit the financial impact, do not put employees at risk and, in some cases, offer the opportunity to return in future.

Finnish coffee boss Rolf Ladau was one of the early movers.

When Western governments started slapping sanctions on Russia following its invasion of Ukraine in late February, the CEO of Paulig realised the coffee roasting business there was no longer viable.

Coffee wasn't on sanctions lists, but it was almost impossible to get beans into Russia as freight companies stopped shipping to and from the country. Paying in roubles was getting harder.

Two weeks into the conflict, Ladau decided Paulig would leave, and two months later it did what usually takes as long as a year - find a suitable buyer and seal a deal. In May, Paulig sold its Russian business to private Indian investor Vikas Soi.

More than a thousand Western companies have joined a corporate exodus from Russia - unprecedented in its scale and speed - as they scramble to comply with sanctions and amid threats of retaliation from the Kremlin.

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A general view of the Sakhalin-2 project's liquefaction gas plant in Prigorodnoye, about 70 kilometres south of Yuzhno-Sakhalinsk. Russian President Vladimir Putin has raised the stakes in an economic war with the West and its allies with a decree that seizes full control of the Sakhalin-2 gas and oil project, a move that could force out Shell and Japanese investors.

PHOTO: REUTERS/FILE

Iran, Russia and Turkey mull joint car production

AFP, Tehran

Automobile industry officials from Iran, Russia and Turkey are considering joint car design and manufacture after sanctions on Moscow and Tehran put the brakes on production, Iran's state media reported.

"There is a great possibility of tripartite cooperation between car manufacturers and suppliers of the three countries," said Mohammadreza Najafi-Manesh, the head of Iran's Auto Parts Manufacturers Association, the official IRNA news agency said.

"These three countries can capture a large market for their products," Najafi-Manesh said, arguing that they could target a population of "at least 800 million if neighbouring regions are included".

Russia, slapped with sanctions by Western

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