

BSCIC ESTATE IN LALMONIRHAT

# Only plastic processing centres thrive

S DILIP ROY

Commercial activities at an industrial estate of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Lalmonirhat are gradually winding down as it lacks a business-friendly atmosphere, according to entrepreneurs.

Having started operations in 1990, the 15-acre BSCIC estate once housed 36 factories, of which just 11 remain as the relevant authorities are not taking necessary measures to make it industry-friendly, they said.

The remaining units are made up of flour, wooden furniture and cotton factories while there are also two plastic processing centres, a few warehouses and a cold storage.

However, only the plastic processing centres are enjoying brisk business as the demand for polyethylene yarn made from recycled plastic is growing in local markets as an alternative to jute fibre.

With each decimal of land in the industrial area priced at Tk 60,000, the available plots are divided into three categories. The "A" category plots have an area of 10 decimals while "B" category plots have 5 decimals and "C" category have 3 decimals.

BSCIC officials say that 90 plots have been sold to various entrepreneurs so far but only 61 are being used for business activities.

Shahidul Islam, who owns one of the plastic processing units, said his factory produces an average of about 2 tonnes of polyethylene yarn per month with each kilogramme of the material selling for Tk 65-70.

Islam then informed that he wants to expand his unit but is unable due to the lack of



Plastic yarn producers, such as the one pictured here, are the only industry to be doing well at the BSCIC industrial estate in Lalmonirhat. Entrepreneurs claim the BSCIC officials have failed to establish a suitable environment for doing business in the area.

PHOTO: S DILIP ROY

financial support.

"I have appealed to the BSCIC authorities for a loan several times, but they refused to give it on grounds that plastic processing centres cannot avail such funds," he added.

Although the two plastic processing units are the only businesses that are thriving in the BSCIC estate, they are largely responsible for making the area almost inhabitable for other factories.

Saifur Rahman, who operates a small factory that makes a savoury snack called chanachur, said that piles of plastic are strewn about everywhere in the BSCIC compound.

As a result, it has become very difficult to operate in such

an unhealthy environment as BSCIC authorities do not take any action to address the issue, he added.

Rahman went on to say that most entrepreneurs that set up units at the estate have lost their capital and so, the BSCIC authorities should take the necessary steps to facilitate a business-friendly atmosphere by taking care of their various needs, including finances.

Afzal Hossain, who owns a small unit that makes steel nails for construction, said he established a factory on an "A" category plot six years ago.

However, he was unable to achieve adequate sales due to the availability of substitute products from China and

eventually shuttered his unit a year ago.

"I cannot start a new business now due to the loss of capital," Hossain added, citing how he wanted to shift to plastic yarn manufacturing after seeing the success of existing units.

Hossain then said he tried to get a loan for this purpose from the BSCIC, which utterly refused his request.

"Now, I am prepared to surrender my plots as the industrial area is not business-friendly due to the lack of sufficient support and poor attitude of BSCIC officials," he added.

Similarly, entrepreneur Tanvir Islam had set up a small charcoal factory on an "A" category

plot but could not sustain the business due to a lack of capital.

And after he too failed to avail a loan facility from the BSCIC, his unit was ultimately closed with the authorities eventually cancelling his plot allotment.

"If I had enough capital, I would have restarted the business and expanded," Tanvir added.

Abu Hossain, an industrial officer of the Lalmonirhat BSCIC, said many plots remain unsold or unused as entrepreneurs lack enthusiasm to start businesses in the area.

Besides, the existing businesses do not really fall under the category of small and cottage industries, he added.

In addition, most entrepreneurs do not accept the terms and conditions of the BSCIC.

As such, most plots still have outstanding payments amounting to more than Tk 90 lakh.

"Still, we are trying our best to generate interest from industrialists to set up units in the estate," Abu said.

Ehsanul Hoque, deputy manager of the BSCIC office in Lalmonirhat, said certain entrepreneurs are being given loan facilities as they set up businesses without following the terms and conditions.

"No one can be given a loan if the conditions of the BSCIC are not fulfilled," he said, adding that several of these entrepreneurs are having their plot allocations cancelled for breaching contract.

Hoque went on to say small unit owners at the estate do not understand the business model and are unable to succeed because they lack capital.

"But if anyone sets up an industrial unit as per the

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## Tax calculation: know your numbers



JASIM UDDIN RASEL

Today, Abdul Karim will complete the second part of the first page of the tax return form.

The headline of this part is "statement of income during the income year ended on 30/06/2022". He is filing returns for the income year July 1, 2021, to June 30, 2022.



Today, he will require two figures: one is taxable income under salaries and another is tax leviable amount, which shall be written in serial 1 and 5 respectively. He is ready with a blank page and a calculator to get these two numbers.

He is very careful now because he knows if there are any mistakes then his taxable income calculation will be wrong. Based on the salary breakdown in the first step, he is going to start the calculations.

First, he writes the full basic salary as his taxable income by multiplying it by 12 months as he is getting salary on a monthly basis. So, his total taxable income is Tk 600,000 (Tk 50,000X12 months). There is no exemption for basic salary. So, he writes the total amount.

The monthly house rent allowance of Tk 25,000 or 50 per cent of basic salary or whichever is lower, shall be exempted as per tax rules.

Abdul Karim is receiving Tk 25,000 per month from his company which is 50 per cent of his basic salary. The amount is also equivalent to Tk 25,000. So, he got the full exemption. So, no amount shall be included with taxable income.

An annual conveyance bill of Tk 30,000 exempted. He is receiving Tk 60,000 over the 12 months (Tk 5,000X12 months). So, his taxable income shall be Tk 30,000 after deducting the exempted amount.

According to tax rules, 10 per cent of the basic salary, or yearly Tk 120,000, whichever is lower, shall be excluded. A 10 per cent of the basic salary is Tk 60,000 which is the lower amount. He is receiving the same amount. So, he is getting the full exemption.

In addition to the salary income, his company is

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With an investment of Tk 1,200 crore, Akij Bakers Ltd aims to be the market leader by providing high quality cakes to consumers under its brand "Funtastic". The company established a new factory in Dhaka's Tongi to make bakery items for the domestic market.

PHOTO: COLLECTED

# AKIJ TAKES FIRST STEP into local cake market

STAR BUSINESS REPORT

With local consumers showing increasing fondness for cakes, Akij Bakers Ltd (ABL) recently announced its entry into the segment to win buyers and grab the market.

With an investment of Tk 1,200 crore, ABL aims to be the market leader by providing high quality cakes to consumers under its brand "Funtastic" cake.

"We have remained uncompromising in our position regarding quality since the beginning. Using the best ingredients was and is our first priority," said ABL Managing Director Sheikh Jamil Uddin.

Beginning its journey in 2020 with the biscuit brand "Bakerman's", ABL established a new factory in Dhaka's Tongi to make bakery items for the domestic market, which is growing by as much as 15 per cent annually thanks to peoples' rising income and quest

for convenience.

Industry insiders said the bakery market is expanding as large firms have entered the biscuit industry with sizeable investments. Besides, they introduced modern machines to meet the consumers' demand for safe food.

Bangladesh produces about 475,000 tonnes of biscuits each year and the local biscuit industry has been growing by about 12-15 per cent annually, according to industry people.

ABL said it invested in installing European machines imported from France, Germany, Italy and England for processing biscuits and cakes, and packaging finished products.

ABL's production facility is fully automated, and no human hands touch any cake lines.

"All these machines can produce the maximum number of products of various flavours. Within a few days of its launch, Akij Bakers reached the second position in cake sales in Bangladesh," Jamil said.

Established by Akij Insaf Group, ABL said it is using the quality ingredients to make its Funtastic cakes for consumers.

ABL is capable of producing the highest variety of cakes in terms of taste and flavour, the company says.

Shafiqul Islam Tushar, chief marketing officer of ABL, said the company won the hearts of consumers within a very short period of time of launching its cakes.

"This was a pleasant surprise for us as we did not expect this massive growth in such a short span," he added.

Tushar then said ABL quickly got a very good customer response because of the quality of its products.

"We have kept quality at the highest level as a part of the marketing strategy. We also decided on prices keeping in mind the purchasing power of buyers," he said. "Not only did we ensure product availability as a

part of the distribution strategy, but we also kept several types of products in the market."

Apart from making biscuits and cakes, ABL also makes bread, buns and wafers to cater to a wide range of customers.

"In terms of product planning, we prioritise consumer preferences, combining taste and quality," Tushar added.

The annual market for biscuits is worth about Tk 5,000 to Tk 6,000 crore with large, well-known brands taking up the major share, according to industry people.

ABL said there is a lot of room to grow as per capita biscuit consumption in Bangladesh is 1.8 kilogrammes (kg) compared to 4 kg in Sri Lanka, 2.2 kg in India and 2.5 kg in Pakistan, according to IBISWorld, a US-based industry research firm.

ABL also said it has highest capacity of cake production in Bangladesh.

Tushar went on to say that a number

of companies are lagging behind in the competition.

"We want to fill that gap and ensure our good position," he said, adding that the company looks to make food products that consumers want.

"If consumer expectations cannot be fulfilled, we will fall behind. That is always in our mind."

ABL always strives to win the trust of customers by providing the best quality products so that it is viewed as a socially conscious and reliable company.

Besides, ABL also maintains its focus on the export market, Tushar said.

Last week, the baker exported its first consignment to Malaysia.

The UAE, Saudi Arabia, India, Malaysia, Singapore, Nepal, Oman, Qatar, EU, and US are major markets for Bangladeshi biscuit manufacturers.