

Business Process Analysis of Export of Jute Hessian Bags in Bangladesh



By

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BPA of Export of Jute Hessian Bags in Bangladesh ...

Statistics on Export of Jute Hessian Bags to India



- Bangladesh exported US\$ 20-30 million worth of jute hessian bags to India during second half of the last decade.
- However, the export earnings doubled to around US\$ 60 million during each of the last three fiscal years.
- While Jute hessian bags accounted for around 12 percent of total export of Bangladesh to India in recent years.
- More than 1/3 of total export of jute hessian bags from Bangladesh is destined to India in recent years.

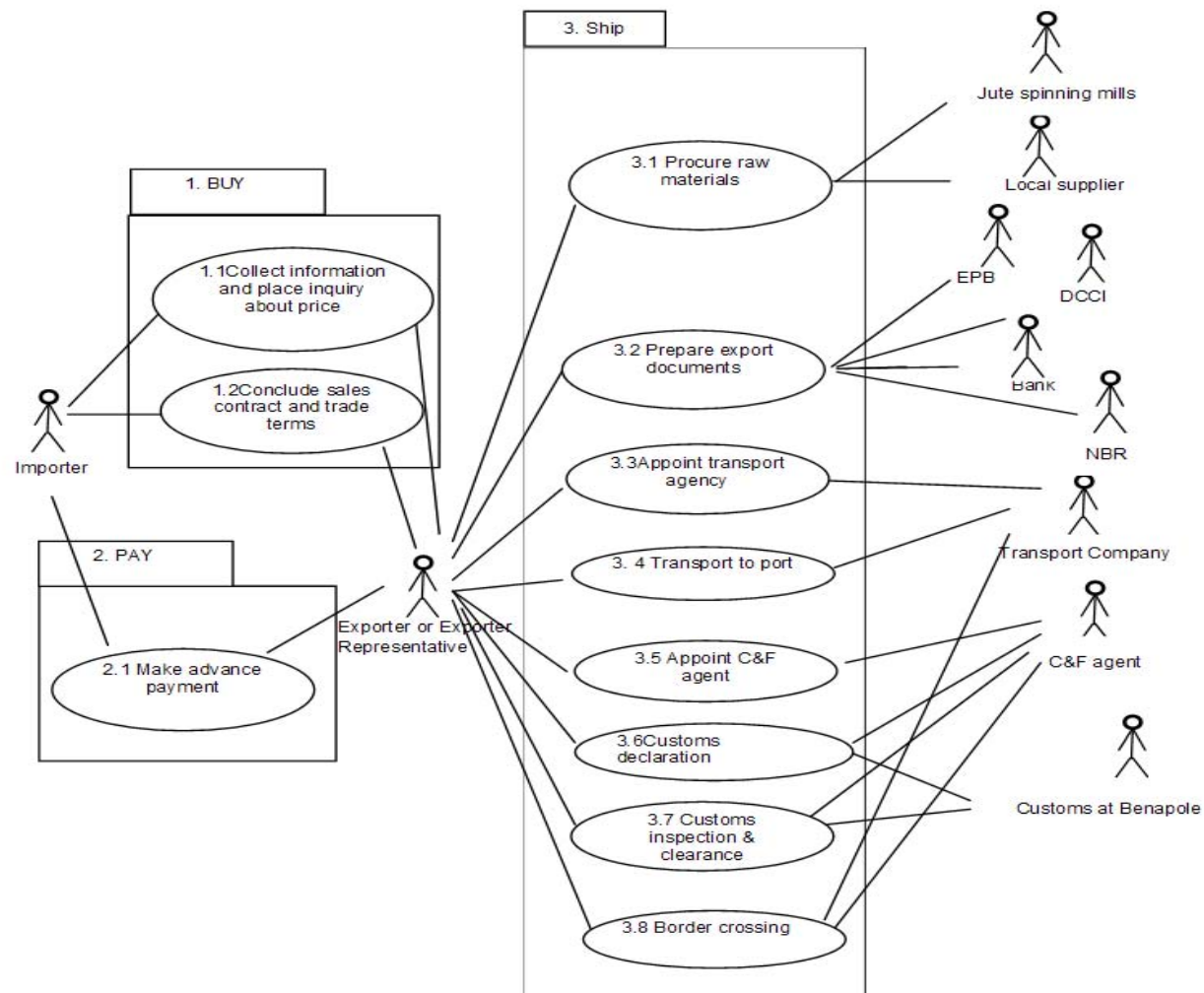
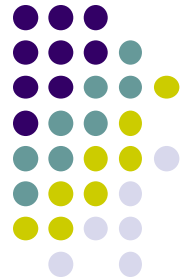
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Profile of the firm interviewed on Export of Jute Hessian Bags to India



- Data were collected from Akij Jute Mills Ltd under the conglomerate of the Akij Group with the Head Office in Dilkusha and factory at Noapara Jessore.
- The mill is a 100% export oriented jute yarn firm catering to the need to carpet manufacturers and other end users of jute yarn all over the world.
- In respect of production the mill is one of the largest in Bangladesh producing about 60,000 metric tons of jute yarn annually.

Use Case Diagram of Export of Jute Hessian Bag in Bangladesh

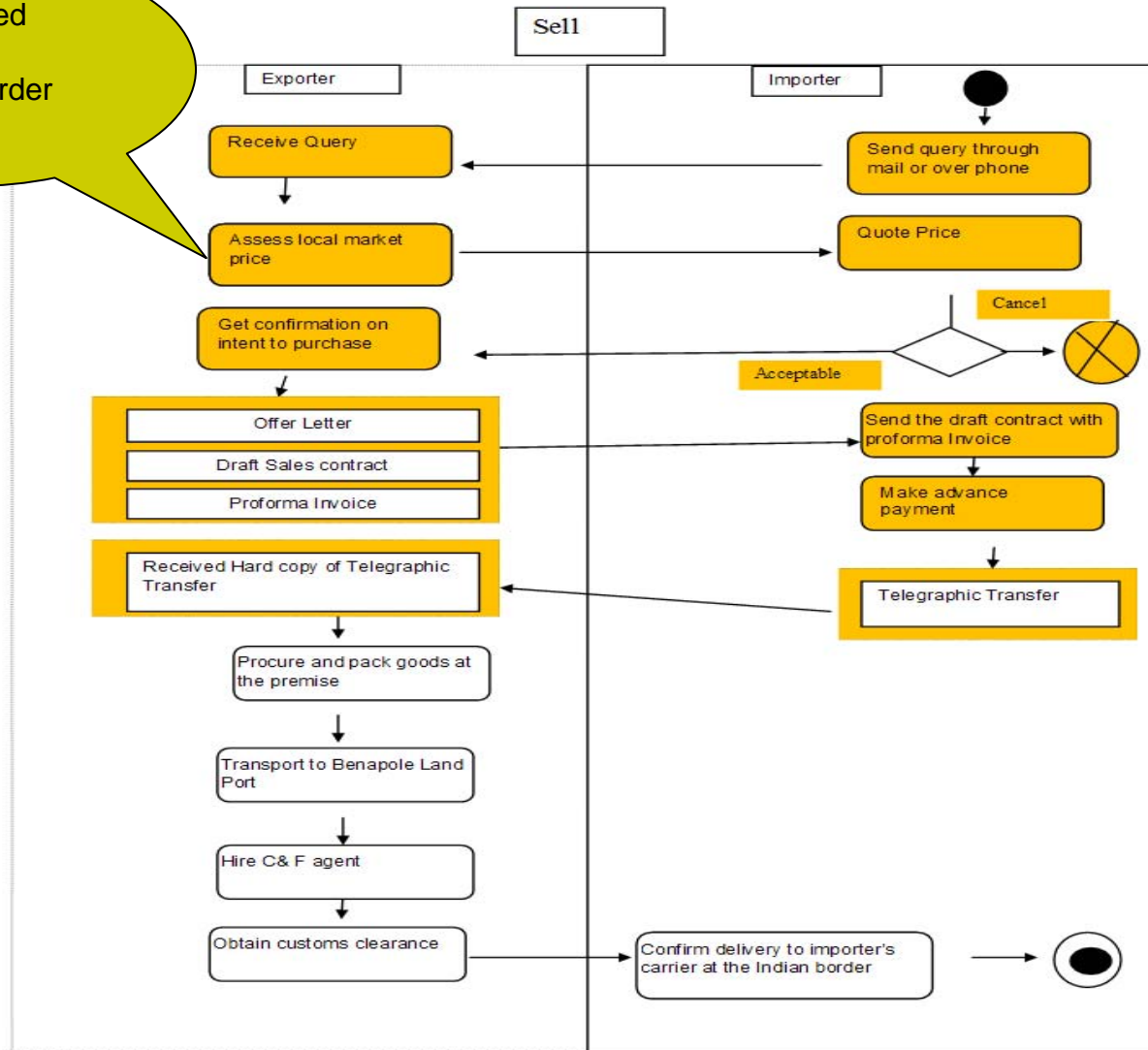


Business Process Analysis

Place Order (Existing Process)

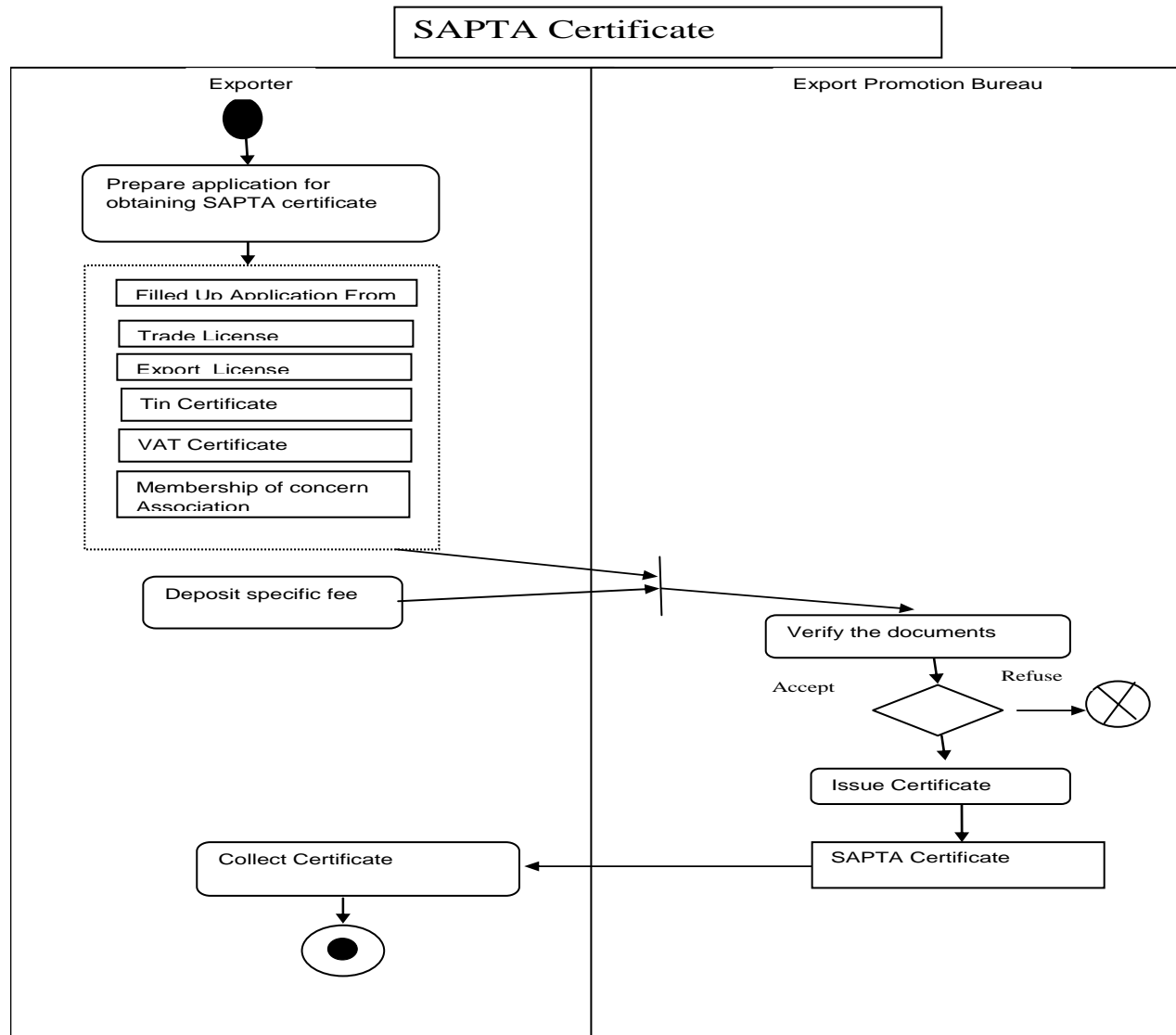


Yellow shaded activities are involved in order placing



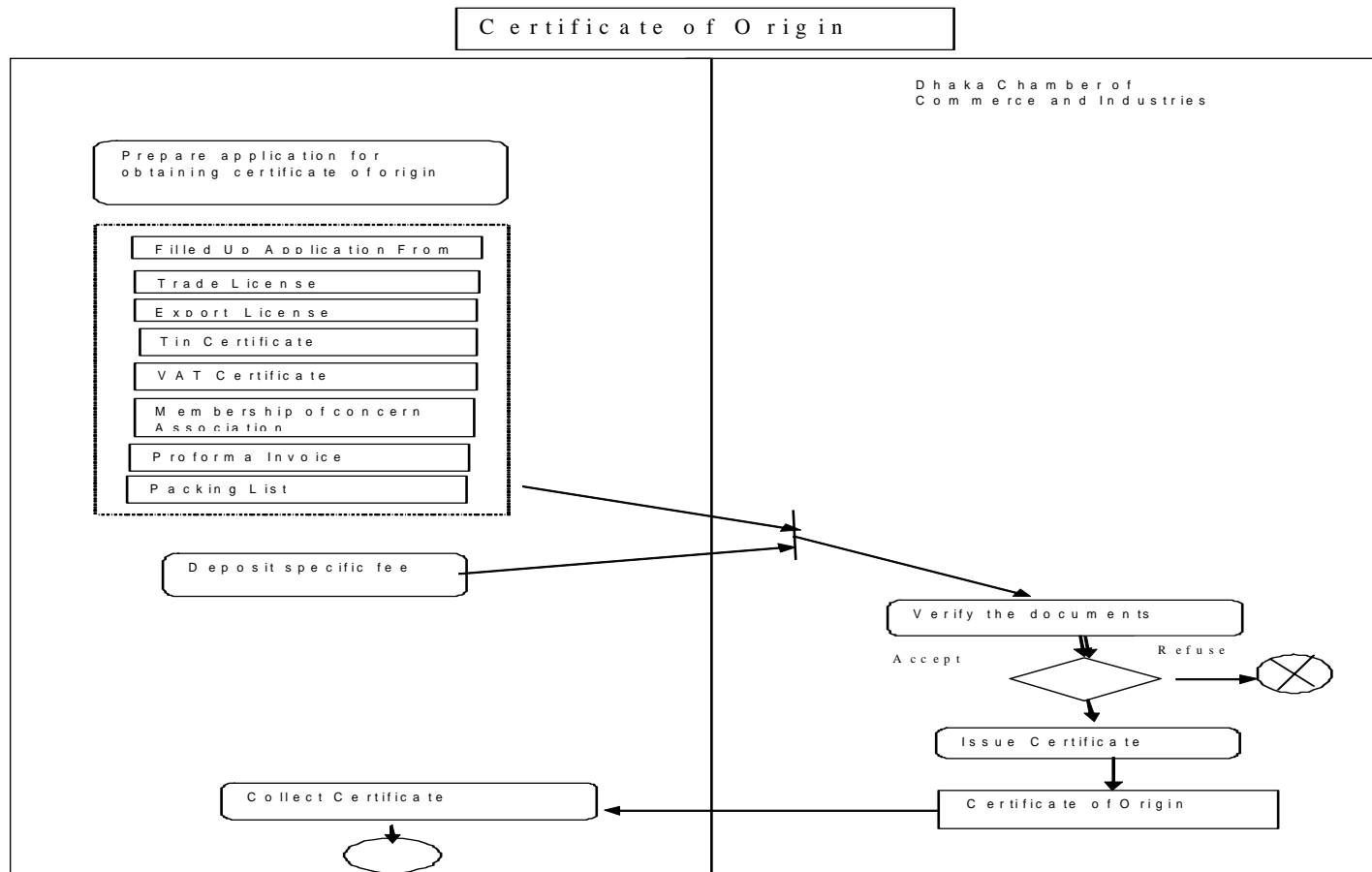
Business Process Analysis

SAPTA Certificate(Existing Process)



Business Process Analysis

Certificate of Origin(Existing Process)

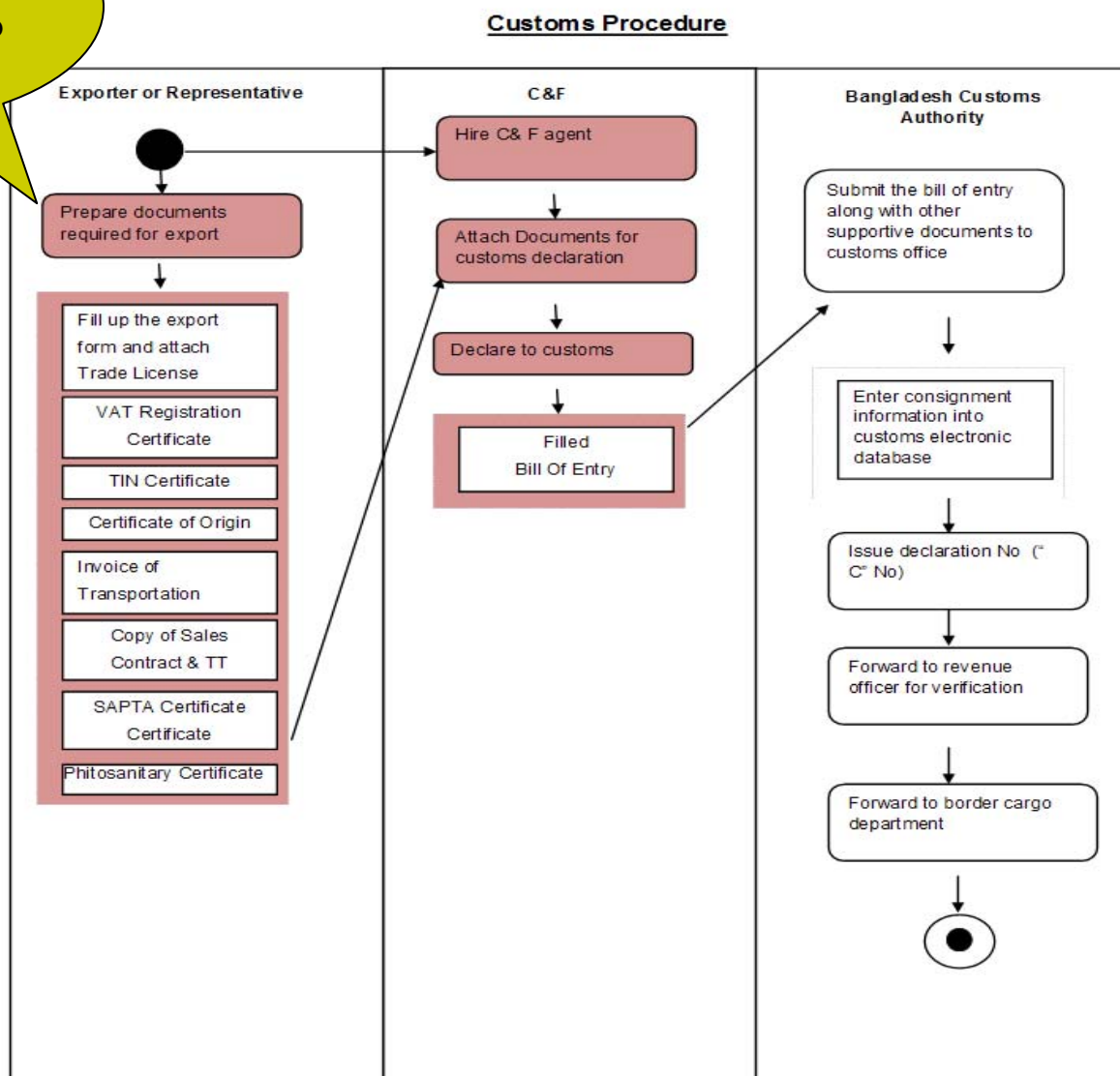


Business Process Analysis

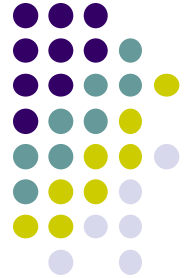
Customs Declaration(Existing Process)



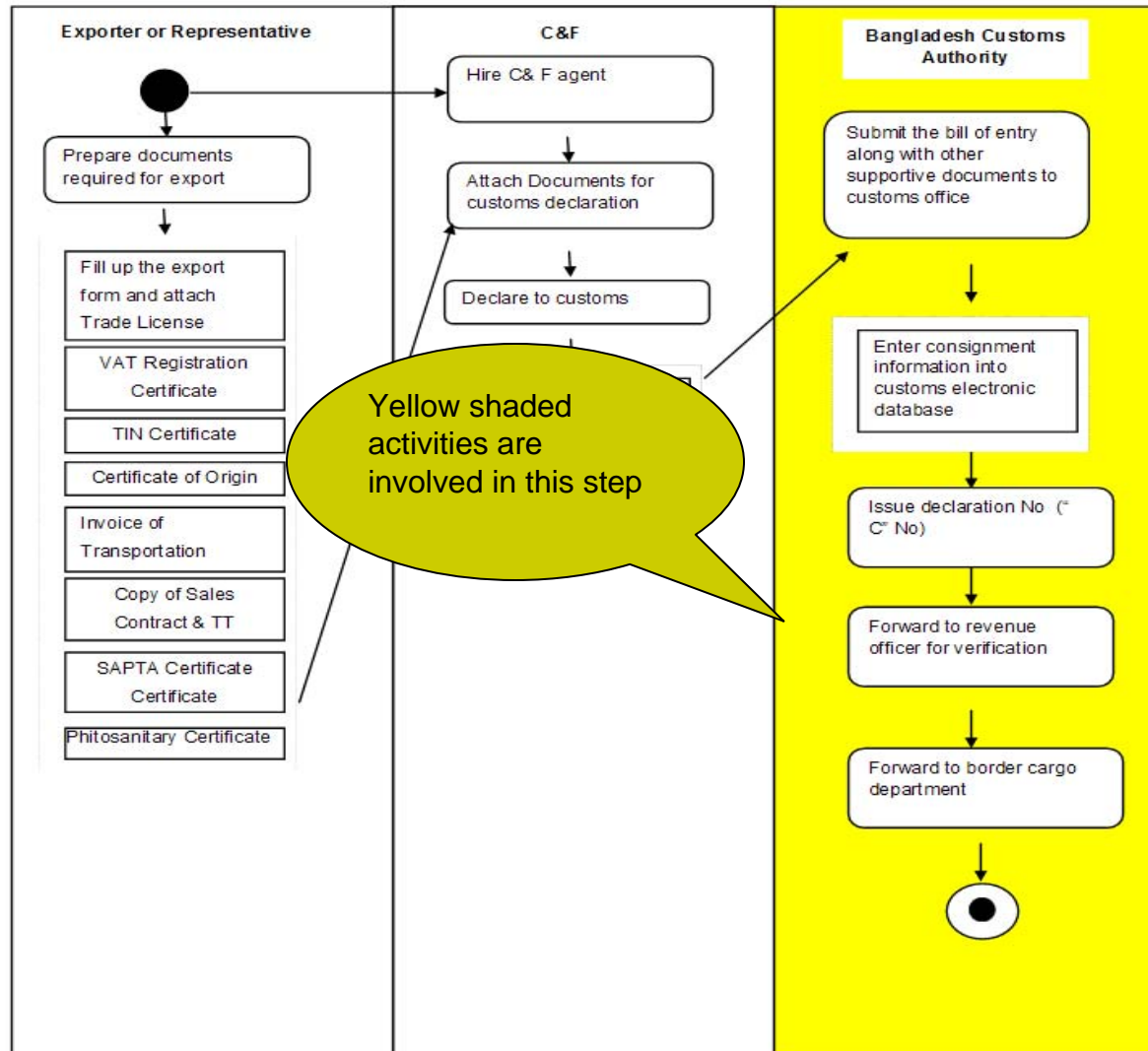
Pink shaded activities are involved in this step



Business Process Analysis Customs Clearance(Existing Process)

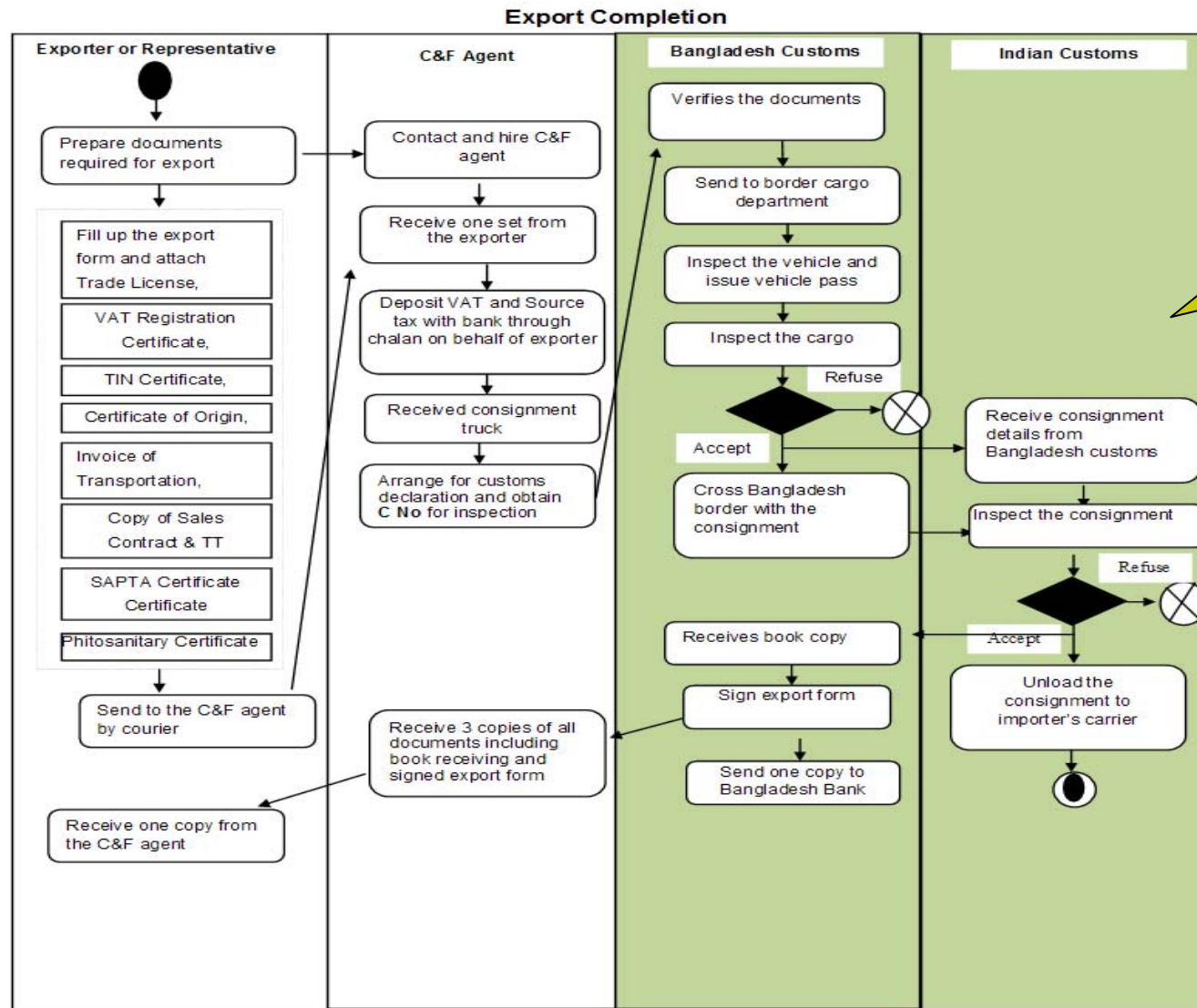


Customs Procedure



Business Process Analysis

Clearance at Border Checkpoints (Existing Process)



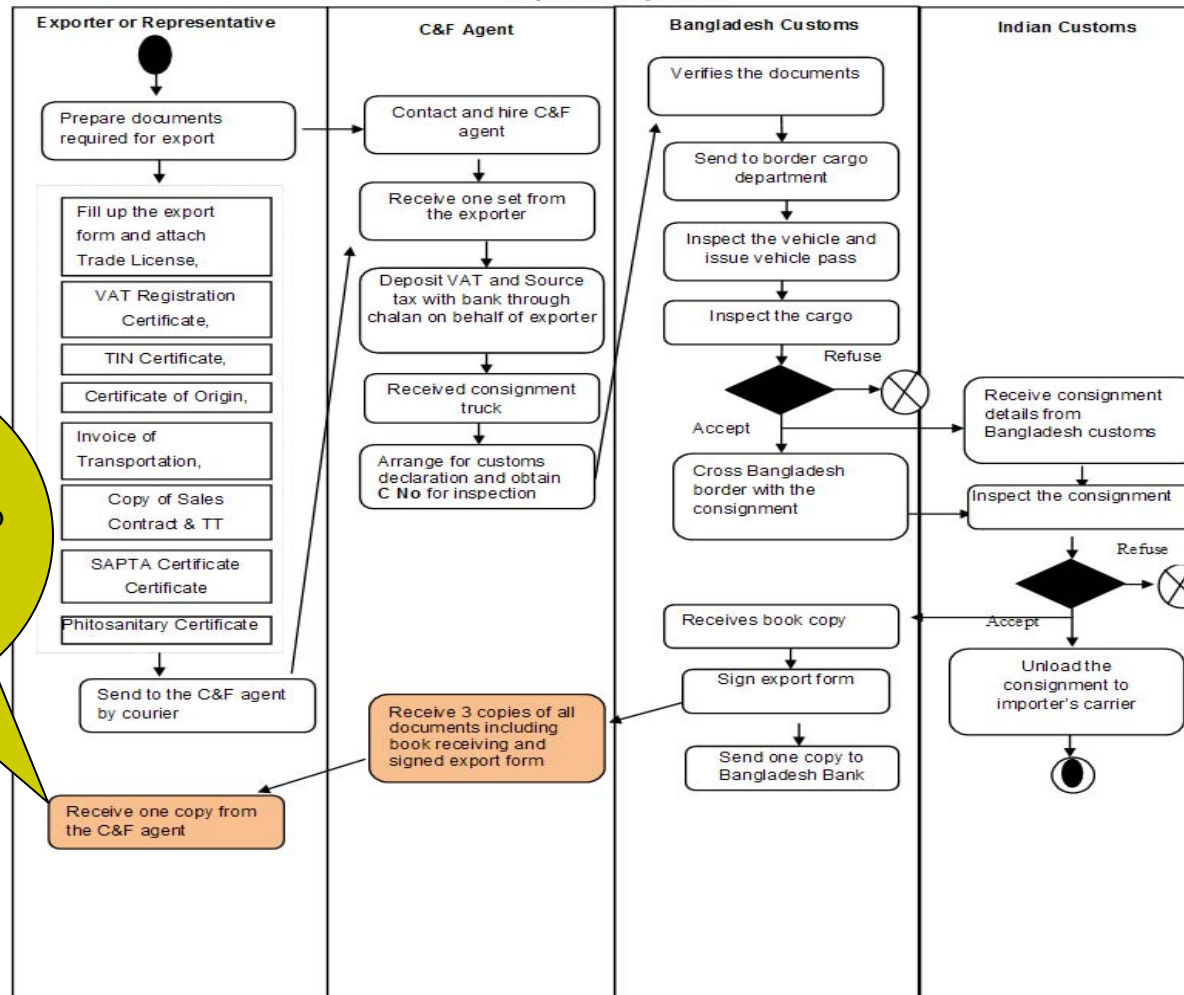
Green shaded activities are involved in this step

Business Process Analysis

Confirmation by C&F Agent (Existing Process)



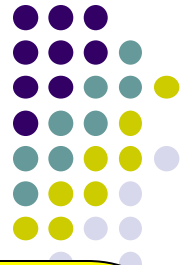
Export Completion



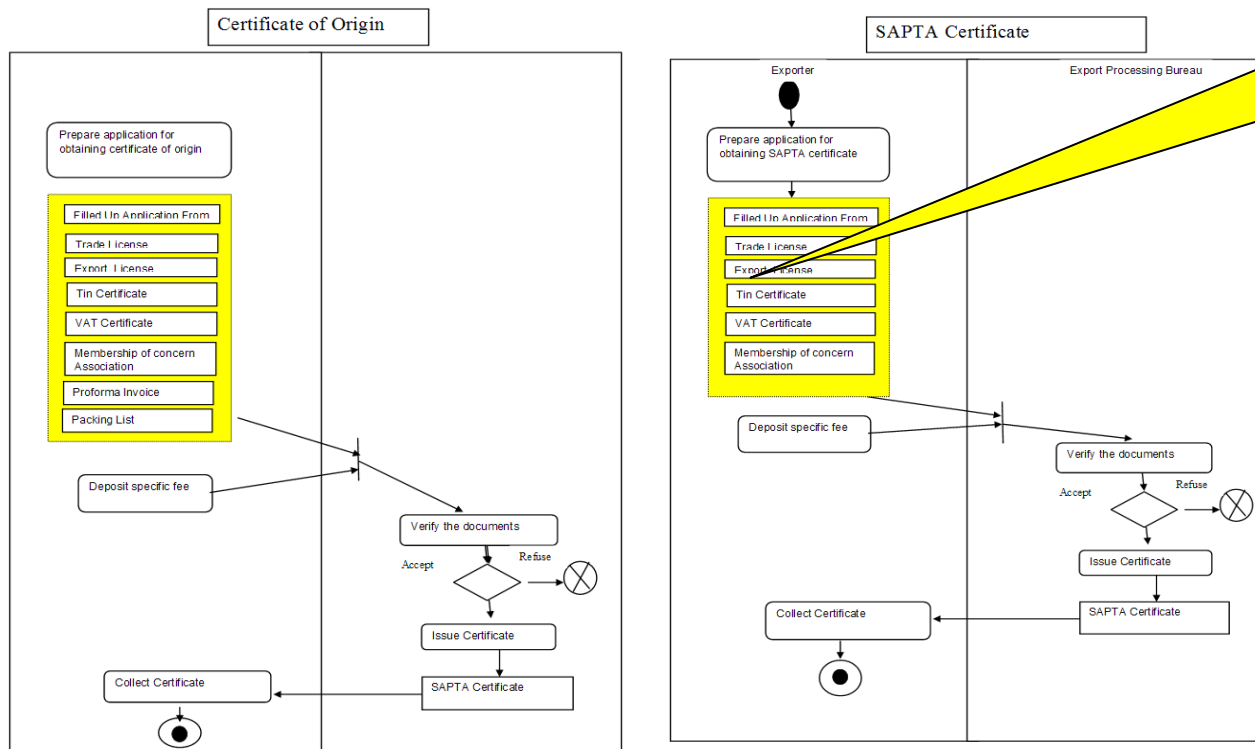
Shaded activities are involved in this step

Process Analysis

Redundancy of Documents



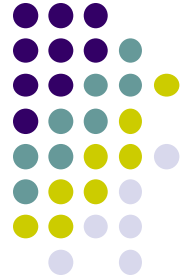
Duplication of documents for COO and SAPTA certificates



Problems:

- Manual and time consuming submission and processing
-

Tables and chart



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A Few Key Observations



- ❑ Most of the processes involved are private sector initiatives while customs procedures and formalities at the port are conducted by the public sector.
- ❑ Even though 15 individual documents are required to complete the export process of jute hessian bags from Bangladesh to India, the traders need to make multiple copies of them.
- ❑ The ultimate result is that 60 copies are currently required to complete the whole process.
- ❑ On an average 21 days are required to complete the process of one consignment.

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A Few Key Observations



- ❑ Of these 21 days, around 90 percent of this time is required to prepare the documents and procure jute hessian bags.
- ❑ Acceptance of scanned version could minimize this time requirement
- ❑ The exporters have to file the applications manually with the DCCI and the EPB to receive COO and SAPTA certificates
- ❑ Facilities for electronically filling these applications and consequent prompt actions by these two authorities may cut down time to only one day

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A Few Key Observations



- ❑ Similar set of documents are required for customs declaration, customs inspection and clearance, and for crossing border checkpoints.
- ❑ Should these three agencies coordinate among themselves, only one set would suffice and would drastically reduce the process costs
- ❑ Further, instead of manually submitting these documents, one can submit them electronically.
- ❑ While formal costs amount to US\$ 228 per consignment, the informal is about US\$ 58 (Table 8).

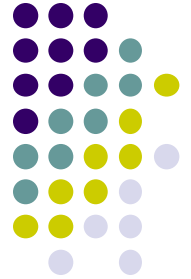
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Thank You for Your Patience!