



Performance Improvement Strategy of Bangladesh Forest Industries Corporation (BFIDC) for 2024-2029

**Monitoring Cell
Finance Division, Ministry of Finance
2024**



Contributors

Adviser

Dr. Md. Khairuzzaman Mozumder
Secretary, Finance Division
Ministry of Finance

Mentor

Mohammad Saiful Islam
Additional Secretary &
National Program Director, SPFMS
Finance Division, Ministry of Finance

Editor

Dr. Mohammad Abu Yusuf
Additional Secretary & DG
Monitoring Cell, Finance Division
Ministry of Finance

Drafting and Development

Nasrin Sultana
Joint Secretary & ADG, Monitoring Cell
Finance Division, Ministry of Finance

Amirul Islam
Joint Secretary & Director, Monitoring Cell
Finance Division, Ministry of Finance

Associates

Mohammad Rabiul Islam
Joint Secretary, State Owned Enterprise
Finance Division, Ministry of Finance

Md Mahabubul Murshed
Deputy Secretary & Director, Monitoring Cell
Finance Division, Ministry of Finance

Syed Khaled Bin Hafiz
Financial Analyst, Monitoring Cell
Finance Division, Ministry of Finance

Md. Ibrahim Khalil
Financial Analyst, Monitoring Cell
Finance Division, Ministry of Finance

Mohammad Sohrab Hossain
Financial Analyst, Monitoring Cell
Finance Division, Ministry of Finance

Mahmudul Mannan Toy
Research Analyst (IPE), SPFMS
Finance Division, Ministry of Finance

Research and Analysis

Md Firoz Ahmed
Joint Secretary & ADG
Monitoring Cell, Finance Division
Ministry of Finance

Kamal Kumar Sarker
Consultant, SPFMS
Finance Division, Ministry of Finance

Support

Chairman
Bangladesh Forest Industries Development
Corporation (BFIDC) and his Team

Mohammad Moniruzzaman Bhuiyan
Implementation Support Consultant (DS)
SPFMS, Finance Division
Ministry of Finance

Md. Tajul Islam
Program Executive and Coordinator (DS)
SPFMS, Finance Division
Ministry of Finance

Technical Assistance

**Strengthening Public Financial
Management Program to Enable Service
Delivery (SPFMS)**
Finance Division, Ministry of Finance

World Bank Team

Cover, Design and Illustration

Md Firoz Ahmed
Joint Secretary & ADG
Monitoring Cell, Finance Division
Ministry of Finance

Message



Monitoring Cell (MC) of Finance Division has appraised 10 selected SoEs/ABs following a guideline namely Independent Performance Evaluation Guideline (IPEG) under SPFMS Scheme. It is my immense pleasure to learn that, following the evaluation (IPE) Report under IPEG, Performance Improvement Strategy (PIS) is going to be published by MC in order to improve and explore the profitable areas of Bangladesh Forest Industries Development Corporation (BFIDC).

Improving the performance of SOE and AB remains an important issue for policy makers and development practitioners. SO, formulating a strategy for improvement of any entity does not mean that the industry is not running well, rather it will be an extra effort for the SoE to run it better and get more benefit both financially and economically. We know that “the best can be better,” and keeping this in our mind, MC of FD has formulated the PIS for BFIDC and no doubt it will benefit in all aspect.

I strongly believe that, this Strategy is a new endeavor that will ensure smooth running of BFIDC and hopefully it will strengthen the capacity of the entity as well.

Finally, I would like to extend my sincere gratitude and appreciation to everyone who helped with this Strategy preparation, editing, and publication with a special acknowledgment to the officials of the Monitoring Cell of the Finance Division, Ministry of Finance.

A handwritten signature in black ink, appearing to read 'M. Mozumder', on a white rectangular background.

Dr. Md. Khairuzzaman Mozumder
Secretary
Finance Division

Message



I feel grateful and glad to hear that, Monitoring Cell (MC) of Finance Division (FD) has formulated a Performance Improvement Strategy (PIS) for the Bangladesh Forest Industries Development Corporation (BFIDC).

Sincere appreciation goes out to the MC team and the official of BFIDC who have been engaged in developing such precious document for us. MC has done many exercises with us and prepared a draft PIS which has been examined in several workshops and meetings. We sat together many times and in conclusion MC of FD has finalized the Strategy.

I strongly believe that, this Strategy can help us to enhance the profit and get more benefit in today's tough competitive market. Definitely, this support from the Finance Division will be a blessing for BFIDC. Hopefully, implementing this Strategy will create comfort to run the industry in a better way in future accompanied with the Finance Division.

Last of all, my warmest gratefulness to the MC team of Finance Division who has made this Strategy for BFIDC.

A handwritten signature in black ink, appearing to read 'Md. Nasir Uddin Ahmed', written on a white rectangular background.

Md. Nasir Uddin Ahmed
Chairman
Bangladesh Forest Industries
Development Corporation
(BFIDC)

Acknowledgement



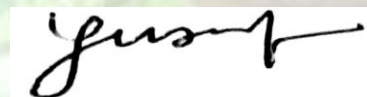
It is a matter of immense satisfaction that the first ever Performance Improvement Strategy (PIS) for Bangladesh Forest Industries Development Corporation (BFIDC) is ready for publication. BFIDC was selected for PIS based on its performance evaluation by an Independent Performance Evaluation Committee (IPEC). The performance evaluation was carried out following the Independent Performance Evaluation Guidelines developed by the Finance Division, where BFIDC's combined performance score (consisting of both financial and non-financial indicators) put it as a candidate for PIS.

This PIS developed for BFIDC is a significant step to improve future performance of BFIDC. Needless to mention that, as State-owned Enterprises (SOEs) remain a critical source of employment, public service provision and economic development, improving performance of SOEs is an important consideration for policy makers. This PIS provides evidence-based recommendations for the BFIDC to improve its performance. Based on this PIS, the concerned ministry/BFIDC authority will also be able to bring necessary changes in its business model to enhance performance.

In this regard, it seems pertinent to mention that BFIDC management must institute transparent and independent monitoring and evaluation mechanisms to share regular performance reports of SOEs with its key shareholders.

I would like to express my sincere appreciation to all those involved in the development, preparation, and publication of the PIS, especially the officials of Monitoring Cell, SOE Wing and BFIDC.

It will be a remiss if I do not mention the generous support and guidance of the respected Finance Secretary Dr. Md. Khairuzzaman Mozumder. Mr. Mohammad Saiful Islam, Additional Secretary (Budget) and NPD of SPFMS deserves special mention for his sincere support and facilitation. Finally, I express my sincere thanks to the World Bank team involved in this program for their support.



Dr. Mohammad Abu Yusuf
Director General (Additional Secretary)
Monitoring cell, Finance Division

Message

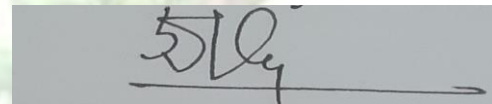


I am extremely happy to learn that, under the auspices of the Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS), the Monitoring Cell, Finance Division, Ministry of Finance is going to publish Performance Improvement Strategy (PIS) for Bangladesh Forest Industries Development Corporation (BFIDC) report for the first time. The BFIDC was selected for PIS based on its performance score (identified as underperformer) assessed by an Independent Performance Evaluation Committee (IPEC). In conducting the performance evaluation of BFIDC, an independent Performance Independent Guideline (IPEG) was followed. Both financial and non-financial indicators were used in conducting the performance evaluation.

The evaluation of the SOE, i.e., the BFIDC and the consequential performance improvement strategy based on the evaluation is expected to benefit the organisation in embracing necessary policy and action plan for improvement in its governance.

I am confident that this PIS will support the BFIDC to monitor its business model more effectively and thereby enhance its capacity to improve the performance.

Finally, I would like to extend my sincere gratitude and appreciation to everyone who helped with the PIS preparation, organising workshops to solicit informed inputs from the key stakeholders, editing, and publication - with a special acknowledgment to the officials of the Monitoring Cell and SoE Wing of the Finance Division, Ministry of Finance.



Mohammad Saiful Islam
National Program Director, SPFMS &
Additional Secretary, Finance Division

Table of Contents

Acronyms and Expansions	vii
Executive Summary	viii
1. Introduction	1
2. A Brief of BFIDC	1
3. SWOT Analysis	2
4. Market Analysis	4
5. BFIDC Act and Corporate Governance	9
6. Current Business Model	10
7. Current BFIDC Governance and Financing Model	11
8. Sources of Revenue of BFIDC Head Office	12
9. Financial Performance Overview	12
10. Trend Analysis	13
11. Operational Challenges	14
12. Reasons for Poor Performance	15
13. Unit wise Findings	16
14. Good Governance & the Draft Act, 2023	20
15. Recommendations on Improving performances of BFIDC	20
16. BFIDC Performance Improvement Strategy and Action Plan	22
17. Conclusion	23
18. Disclaimer	22
19. Bibliography	24
20. Annexure- A	26
21. Annexure- B	27
22. Annexure- C	28
23. Annexure- D	29
24. Annexure- E	31
25. Annexure- F	35
26. Annexure- G	40
27. Annexure- H	41
28. Annexure- I	44
29. Annexure- J	45

Acronyms and Expansions

Acronym	Expansion
ABs	Autonomous Bodies
ACCA	Association of Chartered Certified Accountants
AIT	Advance Income Tax
ANRPC	Association of National Rubber Producing Countries
BDT	Bangladeshi Taka
BFIDC	Bangladesh Forest Industries Development Corporation
CA	Chartered Accountants
COGS	Cost of Goods Sold
CPA	Certified Public Accountant
CSR	Corporate Social Responsibility
DLR	Disbursement Linked Result
ERD	Economic Relation Division
EU	European Union
FD	Finance Division
GO	Government Order
GoB	Government of Bangladesh
HRD	Human Resources Department
HRM	Human Resources Management
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IRRDB	International Rubber Research Development Board
MC	Monitoring Cell
OECD	Organizations for Economic Cooperation and Development
PFM	Public Financial Management
PIS	Performance Improvement Strategy
RSS	Ribbed Smoked Sheet
SOEs	State-Owned Enterprises
SWOT	Strength Weakness Opportunities & Threat
SPFMS	Strengthening Public Financial Management Program to Enable Service Delivery
TDMW	Treasury and Debt Management Wing
TDS	Tax Deduction at Source
USA	United States of America
VAT	Value Added Tax
VDS	VAT Deduction at Source
WPPF	Workers Profit Participation Fund

II

Executive Summary

Finance Division, Ministry of Finance is implementing “Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)” of which the Scheme of Strengthening of State-Owned Enterprises’ Governance is an important component. The objective of the scheme is to strengthen the governance of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs). Under this scheme Independent Performance Evaluation Guideline (IPEG) was prepared for the SOEs and ABs. This IPEG was approved by Finance Division to evaluate their performance independently. The prime objective of the evaluation is to improve the efficiency, transparency, accountability and overall performance of SOEs and ABs to ensure good governance.


Based on the evaluation score of DLR 7.3 the underperforming SOEs will be selected and at least 2 (two) will be taken for preparing the performance improvement strategy (PIS). Meanwhile if any SOE made loss consistently, received significant amount of financial assistance and do not meet the performance target would be under purview of PIS even the score of IPE is good or above.

It is to be noted that IPE of 10 SOEs and ABs has been completed. On the basis of result, BFIDC ranked 10th with the score 2.28, the lowest of the selected SOEs/ABs’ Independent Performance Evaluation. As such BFIDC has been selected for Performance Improvement Strategy.

In order to devise PIS for BFIDC, we have carried out due-diligence and identified the root causes of poor performances and recommended measures for short, mid and long term for improving their performance.

BFIDC, an important State-Owned Enterprise (SOE) operating under the Ministry of Environment, Forest, and Climate Change, holds a key position within Bangladesh's rubber and wood product industry. Despite its historical importance, BFIDC encounters multifaceted challenges concerning governance, financial viability, and modernization. The existing governance structure, as per the BFIDC Act 2023, blends management with the Board of Directors, leading to potential conflicts of interest and a lack of accountability. Outdated machinery in BFIDC's industrial units impedes both productivity and worker safety, while effectively marketing its products in a competitive industry remains a hurdle. Additionally, the organization faces difficulties in replacing aging rubber trees with high-yield cloned plants and lacks designer and modern machinery for furniture production.

To address these issues, the proposed recommendations include revising the BFIDC Act to separate management and the Board of Directors, thereby allowing for independent directors and the establishment of vital committees like the Audit Committee, Remuneration & Nomination Committee and Executive Committee. This overhaul aims to bolster transparency, accountability, and effective decision-making. Furthermore, investing in modern machinery for BFIDC's industrial units is suggested to amplify productivity, enhance product quality, have better design and ensure worker safety. Implementing robust marketing strategies specifically tailored for the furniture industry is also advised. Prioritizing the replacement of outdated rubber trees with high-yield

A photograph of a rubber plantation. In the foreground, a tree trunk is visible with a diagonal cut and a collection cup attached, filled with white latex. The background shows a dense forest of rubber trees under a bright sky.

cloned plants to maximize latex production and advocating for declaring latex and Ribbed Smoked sheets (RSS) as agricultural product aims to stimulate the rubber industry.

Moreover, the recruitment of qualified professionals in pivotal departments like Accounts and Finance, Human Resources, Marketing, and Internal Audit is recommended to streamline efficiency and governance within BFIDC. While BFIDC stands as a significant SOE with the potential to significantly contribute to Bangladesh's rubber and wood product industry and its overall economy, addressing governance issues, modernizing operations, quicker decision-making with regard to production & marketing and ensuring financial stability are pivotal steps to unleash its full potential. These proposed recommendations aim to enhance BFIDC's performance, foster competitiveness, and augment its contribution to the nation's developmental objectives.

1. Introduction

Finance Division (FD), Ministry of Finance, Government of the People's Republic of Bangladesh is implementing Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) under Public Financial Management (PFM) Action Plan. Scheme on Strengthening of State-Owned Enterprises' (SOEs) Governance is an important component of SPFMS as the impact of SOEs and Autonomous Bodies (ABs) on PFM is significant because of their net contribution to the government exchequer and requirement of debt, subsidies, grants, transfers, and any other form of government support. The Government of Bangladesh (GoB) is committed to reform the SOEs and ABs to ensure good governance and Improved financial and operational performance. SOEs/ABs are playing a pivotal role in advancing development of Bangladesh. They provide important contributions to the major sectors such as industry, energy, transport, telecommunication, water, education, health, agriculture, banking and finance, etc. SPFMS intends to enable an environment in which the SOEs/ABs are accountable, transparent, and operate efficiently and effectively. As SOEs and ABs are not performing well, they are far behind from their objectives and good governances in recent days due to the Acts and many other reasons. Therefore, as per DLR7.4 of the SPFMS a performance improvement strategy has been prepared for the underperforming SOEs and ABs identified from DLR 7.3 an Independent Performance Evaluation report and the selection of Monitoring Cell. Meanwhile, Performance improvement describes a strategy that helps employees better their performance and manage their growth whereas organizational development strategy prioritizes output and efficiency to improve overall results. Performance improvement can be applied to all aspects of business, including employee level, team level, each division, or organization as a whole.

2. A Brief of BFIDC

East Pakistan Forest Industries Development Corporation established under the Ordinance No. LXVII of 1959 is renamed as Bangladesh Forest Industries Development Corporation (BFIDC) by the President's Order No. 48 of 1972. It is an SOE of GoB and works under the Ministry of Environment, Forest and Climate Change. BFIDC envisages to become a leading public sector corporation in the rubber and wood product industry. Toward this, BFIDC strives to extract wood, rubber, and other forest produces from forest land and manufacture good quality office and household furniture as well as other rubber and wood products at competitive price.

The mission of BFIDC is to enhance the competitiveness and viability of Bangladesh rubber and rubber-wood based industry through focused research & development, effective transfer of technology and quality support services. The entity works with the vision to be a leading public sector corporation in the area of rubber industry & rubber wood products industry. The statutory objectives of the BFIDC are:

- a) It should provide Furniture and Fixtures to all government & non-government offices, semi-government, Autonomous body, household and public & private universities, medical colleges & hospitals.

- b) To meet the increasing demand of wood products in the competitive market and create employment opportunities by making maximum use of rubber wood & forest resources by setting up industrial factories.
- c) Successful, sustainable and commercially very profitable plantations of rubber plantations, fruit, forest medicinal plants and social forestry in less fertile, eroded hills, hills, uplands – where food crops do not grow, other crops do not do well.
- d) Creation of need based employment opportunities for (rural) poor men and women and poverty alleviation in remote area and improvement of standard of living.
- e) Protecting the balance of the environment by reducing global warming and preventing soil erosion by carbon sequestration.
- f) Saving of foreign currency through production and marketing of furniture & natural raw rubber.
- g) To extract/collect/procure matured timber/rubber wood & other Forest produces from forest land & BFIDC's rubber garden.
- h) To establish Industries/Factories for Commercial use of forest produces & rubber wood.
- i) Treating, seasoning of wooden extracted/collected timber and manufacturing of office and household furniture, dunnage, railway slipper, etc.
- j) Cultivation of Rubber/ raising of Rubber Garden on commercial basis in the forest land leased out by the Govt. in favour of BFIDC.

Economic and Commercial objectives of BFIDC is to expand Rubber manufacturing sector output, tax base, employment creation, saving or earning foreign currency and alleviate poverty. BFIDC contributing to reduce global warming and climate resilient activities by planting rubber trees as well as promoting industrialization by producing latex, Ribbed Smoked Sheet (RSS) etc. If the treated rubber trees are not used as furniture and fixtures, we had to cut down trees to fulfill the demand of furniture, which would lead to deforestation and adverse impact on climate change. It is also creating employment in the remote areas of the countries.

3. SWOT Analysis

3.1 Strengths

- a) A 63 years business track record
- b) Got own rubber processing factory and other vertically integrated infrastructure with the office and residential facility of its 18 Rubber Garden & 8 industries units.
- c) Got 8 industrial unit with office and vertically integrated infrastructure (e.g. Wood Treatment Plant, boiler house of wood seasoning and processing after extracting

woods from the rubber garden as well as forest resources & procure from the market.

- d) Initially elapsed life cycle of the Rubber Trees was used as fire woods but now it is using as durable furniture and fixtures and contributing substantially in climate change by saving of wood extraction from the forest for the furniture.
- e) Bangladesh is a member of ANRPC (Association of National Rubber Producing Countries) and IRRDB (International Rubber Research Development Board).
- f) Established (i) BFIDC, Pressure treatment plant in Srimangol, Moulivibazar, (ii) Wood treating plant & furniture complex, Kalurghat, Chottogram & (iii) Lumber Processing Complex, Kaptai, Rangamati to minimize the bottleneck of removed rubber trees which elapsed their lifecycle.
- g) Carbon sequestration [BFIRI report].
- h) Protect soil, erosion land sliding & bio- diversity conservation.
- i) Control wind speed in sea area by rubber tree (from 150-120 to 70-80 mile).
- j) Earning foreign currency.
- k) Women empowerment.
- l) BFIDC rubber training center.
- m) Create employment opportunity.

3.2 Weaknesses

- a) Lack of belongingness of the senior executives (attached honour board)
- b) Lack of professionally qualified persons should be head of the department specially, Accounts and Finance, Human Resources Division, Marketing etc.
- c) Lack of experienced and skilled carpenter, polisher and designer in industrial unit and tapper for the rubber garden.
- d) 10 lac elapsed life cycle rubber trees which needs quick replacement with high yield cloned rubber plants.
- e) RSS sold to low cost due to reduced demand because synthetic rubber is available at lower cost.
- f) Lack of State-of-the-art machinery and product diversification in both rubber (due to mandate) and furniture industry (due to insufficient fund).
- g) Lack of proper supervision, monitoring and quality control due to shortage & skill manpower & logistics support etc.
- h) Lack of stable source of income for the Head Office having no operations and business development activities.
- i) Shortage of discipline [without having regular & skill manpower], transparency and accountability.
- j) Inadequate transport facilities of raw materials, delivery of finished goods, visit & inspection.
- k) Skill base skewed towards commercial and economic capacity against technical & engineering capabilities.
- l) Undeveloped push marketing strategy as a source of revenue.
- m) Lack of supervision of workers activities in the remote hilly areas due to Lack of roads, vehicles and manpower.

- n) Lack of Water Treatment Plant has a detrimental impact of the garden and adjacent environment.
- o) Absence of regulatory obligation for diversify both rubber & furniture.

3.3 Opportunities

- a) Initiate bi-lateral agreement between the countries who produce high yielding cloned rubber plant to enable importing such plant.
- b) Availability of labour
- c) Growing demand of furniture market & rubber.
- d) Establishing modern factories with state of art machinery, smokehouses and dripping sheds in each rubber garden and industrial units.
- e) Availability of land for industrial infrastructure and construction
- f) Research and Development wing can be established in the head office.
- g) Engage more employment or at least a research wing.
- h) Export of rubber and furniture can earn more foreign exchange.
- i) Diversify product for both rubber & wood.
- j) Tourism.

3.4 Threats

- a) Bureaucracy – Discrimination of Tax benefits between BFIDC & Private sector, Importing clone rubber trees.
- b) Discrimination in Tax policies among BFIDC & Private sector.
- c) Rubber is not treated as agricultural product.
- d) Reduced rubber price in international market.
- e) More advantage for the private sector from the Government.
- f) Labour Act amendment Wage Board / retrenchment cost, high overhead costs.

4. Market Analysis

4.1 Furniture Industry Overview/ Market

Furniture is one of the essential products for our home or office use. Besides being a necessity for everyday usage, furniture is also used for decoration purposes. In many ways, furniture portrays the customer's taste of aristocracy. With time changing and keeping pace with the evolving tastes and needs of the customers, the furniture industry of Bangladesh has developed. According to a report by The Business Standard (dated 04 October 2023), the current size of the furniture industry in Bangladesh is worth Tk 25,000 crore and it is growing every year. At present, along with meeting the demand of local customers, manufacturers are also exporting to other countries, which has created new possibilities in Bangladesh's export trade. With the increase in furniture exports of Bangladesh, domestic brands are also expanding their activities abroad.

In the Indian subcontinent, the furniture industry has a long history and tradition. Prior to independence, several small traditional furniture businesses were operating in Bangladesh, but most of the big furniture brands have been operating in the country since independence. As

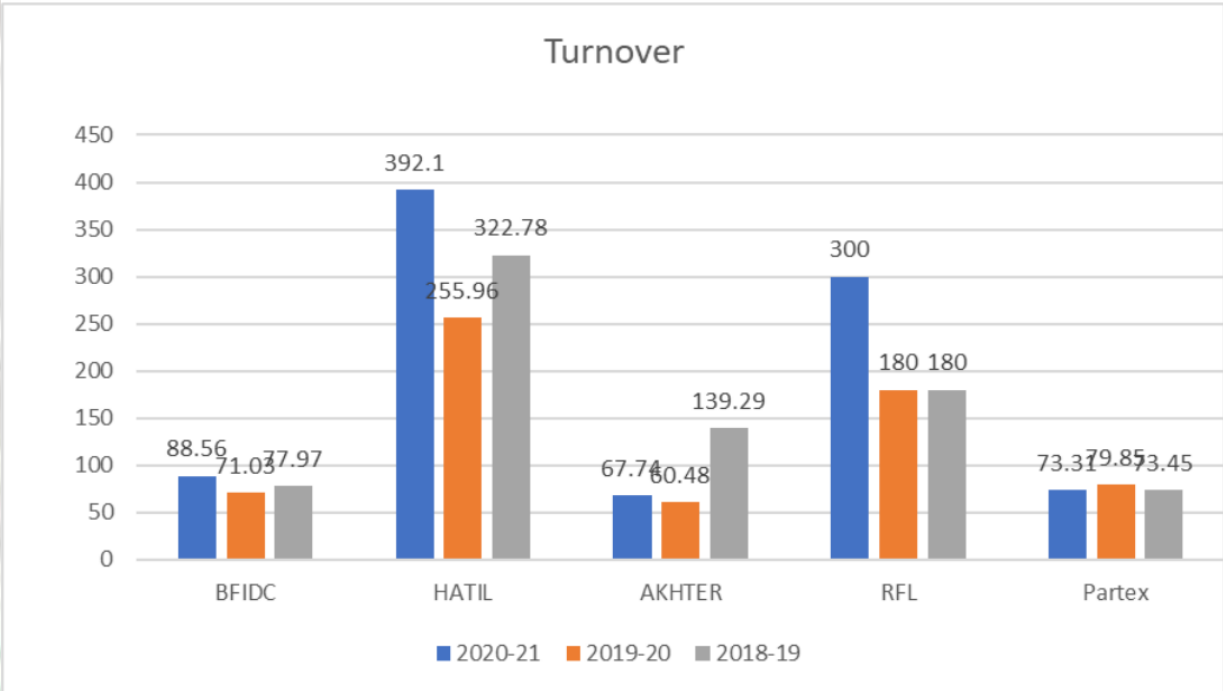
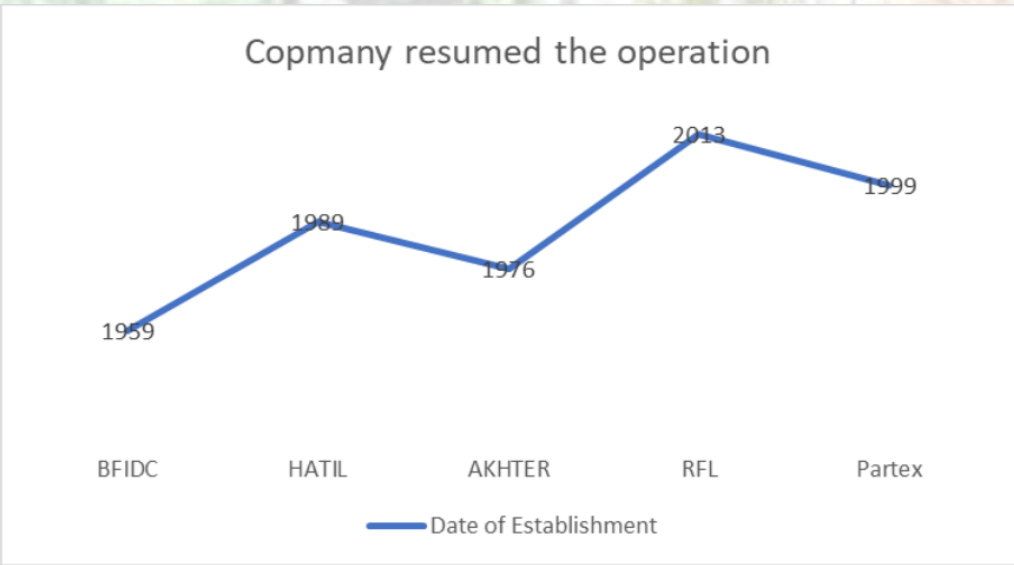
demand increased in the early '90s, the industry transformed into a mass-production-oriented industry and gradually became one of the major economic contributors in the country. The country's furniture exports began in the mid-1990s.

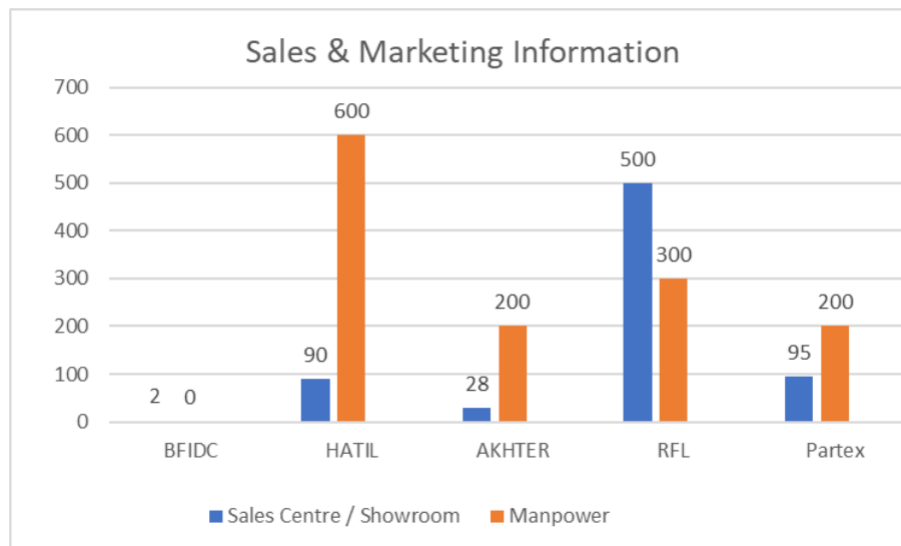
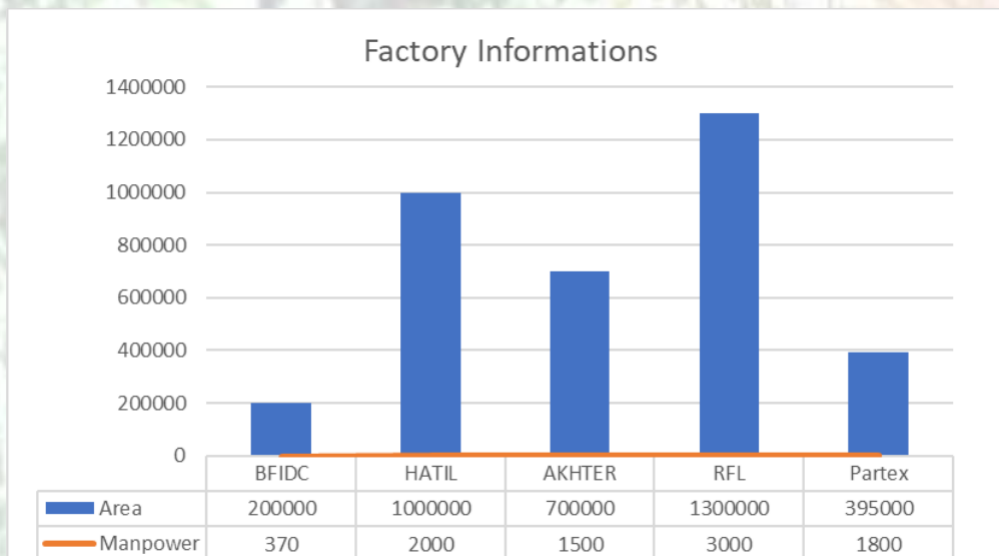
The furniture sector in Bangladesh can be divided into two types; formal and informal. These two types can again be divided into: branded and non-branded. However, non-branded industries are dominating 65% of the country's furniture market. Based on brand value, brands can be further subdivided into three levels. According to Business Inspection BD (dated 28 May 2023), there are top 10 brands in Bangladesh such as Hatil, Regal, Otobi, Navana, and Akhtar Furniture. These are known as high-end brands. And, brands like Partex and Brothers Furniture are known as mid-tier brands, and Legacy and Homes Furniture are known as low-end brands (Annexure- A). Hatil got 10% market share, Akhter 5% and Otobi 5% where BFIDC got insignificant presence in the furniture market with three showrooms in Dhaka, one in Mirpur Stadium Market, one in Dhaka Stadium Market and other in Cabinet Manufacturing Plant (CMP) Mirpur.

Meanwhile, The Bangladesh Machine Tools Factory (BMTF), another SoE, has entered in Furniture business with all its uniqueness, style and quality. With the latest state-of-the-art technology and machinery, 'BMTF Furniture' offers the widest selection of furniture and home décor that expresses the choice and the lifestyle. With the creative collaboration of their designers and carpenters, they are relentlessly working to satisfy the client's aesthetic sense. The features include glittering, simplicity and geometrically polished design.

Furniture Factory is the latest Flagship in the fleet of Bangladesh Machine Tools Factory Limited With the aim to materialize the vision of the respected Chief of Army Staff and the Chairman of BMTF, the journey of the factory began in September 2018 with an area of 90000 Square Feet. Currently operating with an area of 1,50,000 square feet, BMTF Furniture is emerging as the pioneer among the furniture manufacturing entities of the country.

However, it has been revealed BFIDC is yet to establish a brand name though resumed its business long ago than the competitors. Unlike BFIDC most of the furniture companies are equipped with strong (professionally qualified and experienced) marketing & Sales and production department, who are quite focused on its R&D, and based on the market trends and customer preferences, they launch new furniture after regular intervals. Most of the companies has about 50+ product categories in their product line. Regal the furniture brand of Pran RFL group is new entrant in the furniture market but making a substantial growth as it has strong value chain of delivering the product. It has a depot in each division and 500+ show room of its own and 350 dealers and 150 Emporium. They are offering 6-month interest free EMI if the customers buy furniture worth TK.3,000 and above. The information's of the branded furniture companies are shown below:





4.2 Rubber Garden and related product market

Rubber cultivation stands as a lucrative agro-industry, having immense significance in both daily human life and the advancement of modern civilization. Its eco-friendly nature harmonizes with the environment and climate, emphasizing its socio-economic importance within the array of agro-produce. In 1959 The Food and Agriculture Organization (FAO) of the United Nations examined the feasibility of rubber cultivation in Bangladesh. They say that the soil and climate of this country are very suitable for rubber cultivation and that the country will benefit a lot if rubber is cultivated here commercially. A pilot project for rubber cultivation was started in 1961 on 287 acres of land under the auspices of FAO.

Rubber is known as “white gold”. Rubber trees not only produce rubber but also protect the environment by maintaining the natural balance. This tree absorbs more carbon dioxide than most other trees. According to the study, every hectare of rubber plantations (which has 415 rubber trees) absorbs 39.02 tons of carbon from the atmosphere, which helps protecting the environment. Cultivation of rubber up to the lower part of the 35-degree slope helps prevent erosion. Poultry and goats can be farmed on rubber plantations. Besides lemon, turmeric, cashew nuts, oranges, etc., can also be cultivated. Among forest resources, rubber cultivation holds unparalleled significance, notably contributing to the mobility of national economies. In Bangladesh, it plays a crucial role in generating rural employment opportunities, both in production and processing sectors, emerging as one of the primary income-generating crops.

Typically, rubber trees are planted at a density of 500-550 per hectare and mature over 6 to 7 years, yielding latex for a span of 20 to 30 years. Although Bangladesh's output per hectare ranges from 200-250 kg, the global standard hovers around 900-1000 kg. It has been noticed that the price of rubber dropped in the country due to increased import. Moreover, despite being an agricultural commodity, the entrepreneurs need to pay a 15 percent VAT for rubber as an industrial product. Meanwhile, Asia, due to its favorable climatic conditions and ample land availability, dominates about 85% of the world's rubber production. In 2020, Thailand, Indonesia, Vietnam, and India stood as the largest producers, with Bangladesh holding the 25th position globally. Conversely, major importers in 2020 included China, the EU, the USA, and Japan, indicating the international demand for rubber.

4.3 Economic importance of rubber in Bangladesh

Rubber cultivation stands as a cornerstone of Bangladesh's economic landscape, wielding profound significance and contributing substantially to the nation's socio-economic fabric. Its economic importance reverberates across various sectors, fostering employment, bolstering export earnings, and enhancing the country's overall economic resilience.

The cultivation of rubber in Bangladesh plays a pivotal role in generating employment opportunities, particularly in rural areas. The entire process, from planting and tending to rubber trees to harvesting and processing latex, creates a spectrum of job openings. This employment influx significantly impacts the livelihoods of countless individuals, empowering rural communities and fostering socio-economic development.

Moreover, rubber cultivation serves as a robust source of income generation within the agricultural sector. The produce not only caters to domestic demand but also contributes to the country's export portfolio. Bangladesh's production, while not reaching the global standard, still contributes substantially to the export market. The revenue derived from rubber exports aids in stabilizing the nation's economy and lessening dependency on imports, contributing to a more balanced trade scenario.

The economic significance of rubber extends beyond its immediate cultivation and harvesting. It serves as a vital raw material for various industries, including the manufacturing sector. Rubber-based industries encompass a broad spectrum, from tire manufacturing to the production of diverse rubber-based products used in everyday life. This interconnection between rubber cultivation and downstream industries amplifies its economic importance, creating a ripple effect that benefits multiple sectors of the economy.

Furthermore, the international demand for rubber reinforces its economic prominence within Bangladesh. The country's position in the global rubber market, though not among the top producers, still allows it to play a role in meeting international demands. This creates opportunities for trade partnerships and international economic collaborations, further contributing to Bangladesh's economic growth and stability.

The economic importance of rubber cultivation in Bangladesh also resonates with its potential for future development. With strategic planning, technological advancements, and investments in research and development, there exists ample room for the expansion and enhancement of the rubber industry. Improved cultivation practices, increased productivity, and exploring diversified uses for rubber can unlock new economic avenues, paving the way for sustained growth and prosperity.

Rubber cultivation serves as a catalyst for socio-economic development, providing employment, contributing to export earnings, supporting various industries, and fostering international trade relations. Leveraging this vital resource effectively can not only bolster the nation's economy but also propel Bangladesh towards a more resilient and prosperous future.

5. BFIDC Act and Corporate Governance

East Pakistan Forest Industries Development Corporation established under the Ordinance No. LXVII of 1959 and renamed as Bangladesh Forest Industries Development Corporation (BFIDC) by the Presidential Order No. 48 of 1972.

As per the act, The Board shall consist of not more than five Directors including Chairman to be appointed by the Government. Each Director shall: - (a) be a whole-time officer of the Corporation; (b) perform such duties as the Board may by regulations assign to him; (c) divest himself of any directorship or other interest held by him in any Corporation, company or concern other than companies sponsored by the Corporation under sub-section (2) of section 14 before assuming office as Director.

The Board in discharging its functions shall act on commercial considerations and shall be guided on questions of policy involving the national interest (including commercial and industrial interest)

by such directions as the Government, which shall be the sole judge whether the national interest is involved, may give it from time to time.

If the Board fails to carry out any direction as aforesaid, the Government may remove the Directors including the Chairman, and notwithstanding anything contained in section 6, appoint persons in their place to be Directors temporarily until a fresh Board of Directors are appointed in accordance with the provision of that section.

5.1 Powers of the Board in the current Act

As per section 19 of the Act, The Board may, with the previous approval of the Government, make regulations not inconsistent with this Ordinance or rules made thereunder to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Ordinance.

In particular and without prejudice to the generality of the foregoing powers, such regulations may provide for: -

- a) the procedure of meeting of the Board;
- b) the investment of the Corporation's funds; and
- c) the sale or transfer of shares under sub-section (8) of section 14.

There is no other sub-committee of the Board and full-time employees (Director Finance and Accounts, Director Planning and Development & Director Production and Commercial) are the member of the Board. Therefore, it would be difficult to make the employees accountable for their roles and responsibilities.

As existing Act is causing impediments of Good Governance by amalgamating management with Board of Directors, the Board should have at least "Audit Committee" headed by independent director with professional qualification (preferably CA/ACCA/ICMAB/CPA). The section 9 of BFIDC Act, 2023 allows to appoint of officers, advisors and employees if considers necessary for the efficient performance of its functions on such terms and conditions as may be prescribed by rules, BFIDC can hire professionals to separate the roles of an executives and the Directors.

6. Current Business Model

BFIDC is currently selling Ribbed Smoked Sheet (RSS) and Technically Specified Rubber (TSR) collected from latex, Treelace-Cuplump, Mud lump etc. and Furniture made from treated rubber trees. Initially elapsed lifecycle of the Rubber trees was used as fire woods and they used to get wood from the Bangladesh Forest Department for making furniture. But they do not get these woods from forest department now as there are strict embargo on cutting trees. However, BFIDC is

making profit in their industrial units i.e. in their durable furniture and fixtures section. These units are running with very old machinery. These machines are very hazardous and may trigger court cases for compensations too. Recently they have procured few states of art modern machinery but due to the space and lack of skilled workers BFIDC is unable to compete with the private furniture company like Hatil, Akhter, Otobi, Navana, Pran RFL, Nadia etc. and maximise their revenue earning opportunities. It has taken some initiative like signing MoUs with BUET, IBA, Bhutan, China, Karnafuli Tunnel, Hatil furniture & other stakeholder to improvise its industrial inefficiencies and make state of art furniture's.

Most of the rubber gardens are making loss due to 50% trees are unable to produce latex, out of which 10 lac trees has elapsed their life cycle. And approximately 9 lac trees are of ages between 3 to 6 years. In addition, the quality of RSS may not maintain the standard due to the storage and other constraint and the reduced import duty on rubber and the similar synthetic products also playing an important role for the reduced RSS price. BFIDC has been trying to import cloned rubber trees for the high yield latex syrup since 2006 but still they are unable to get as it requires endorsement of rubber board, under the ministry of environment, forest and climate change. Besides this, they are cloning the High Yield Variety (HYV) from the existing rubber trees. These cloned rubber trees also got constraint of off-peak season. Peak season (October to December) got the highest production of 650 kg per Acre and the off season it reduced to 200-250 kg per Acre. Whereas international HYV hasn't got such constraint it produced same latex all the year through which is 900-1000 kg per Acre.

BFIDC has undertaken few important projects, namely *"Economically life cycle lost rubber felling, reforestation and rubber processing modernizations project"* and *"Infrastructure Development and Modernization Project"*. Recently BFIDC has submitted project feasibility study report by IIFC to the Ministry of Planning.

7. Current BFIDC Governance and Financing Model

The OECD outlines key principles for good governance in State-owned enterprises (SOEs), ensuring transparent, efficient, and public-interest-driven operations. These principles include transparency and accountability, fair treatment of stakeholders, robust corporate governance, defining clear state objectives, effective risk management, transparent financial reporting, promoting fair competition, and considering public interest. These guidelines aim to instill efficiency, integrity, and responsibility within SOEs, enabling them to contribute positively to economic growth and societal welfare while reducing potential distortions from state ownership.

However, there are no sub-committee and no independent director in the Board. Directors are the full-time employees of the corporations as well as members of the Board which may trigger conflict of interest. In good practice executives are accountable and liable to the Board and Board would advise on day-to-day activities and formulate strategies which would be adhered by the executives.

It is also noted that there are no professionally qualified personnel running the departments for example Accounts and Finance Department, HR department, Marketing Department, Internal Audit Department. There is an internal audit department but they report to the director finance and audit which lacks the good governance as per OECD guideline. HR department is under Company/Board secretary.

8. Sources of Revenue of BFIDC Head Office

BFIDC is not a profit centre (Annexure- B) and its sources of revenues are:

- Overhead income as percentage of turnover of the Rubber Gardens and Industrial Units as negotiated and agreed by units.
- Rental Income from the available space as BFIDC has got a 10 storied building at the business hub of Motijheel, Dhaka.
- Interest received from the Fixed Deposits.

9. Financial Performance Overview

BANGLADESH FOREST INDUSTRIES DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year 2018 - 2022

	2018	2019	2020	2021	2022
Sales Revenue	1,234,387,335	1,452,051,358	1,339,021,987	1,710,514,337	1,830,048,107
Less: Cost of Goods Sold	678,843,004	1,067,149,136	1,199,819,121	1,144,380,583	1,380,182,379
Gross Profit	555,544,331	384,902,222	139,202,866	566,133,754	449,865,728
Add: Other Income	121,928,763	98,402,779	71,534,705	140,591,231	470,912,520
Gross Income	677,473,094	483,305,001	210,737,571	706,724,985	920,778,248
Less: Operating Expenses					
Office and Administrative Expenses	700,110,256	901,539,426	532,408,467	495,012,480	627,924,212
Selling and Distribution Expenses	4,542,165	3,538,540	2,720,336	2,756,933	3,840,310
Financial Expenses	0.00	115,617	210,286	114,432	119,385
Total Operating Expenses	704,652,421	905,193,583	535,339,089	497,883,845	631,883,907
Net Profit/ (Loss) Before Tax and WPPF	(27,179,327)	(421,888,582)	(324,601,517)	288,894,340	208,841,140
less: WPPF (5%)	8,775,935	9,326,186	8,958,618	14,473,156	13,871,267
Net Profit/(Loss) before Tax	(35,955,262)	(431,214,768)	(333,560,135)	274,421,185	194,969,874
less: Provision for income Tax	0.00	0.00	0.00	75,465,826	58,490,962

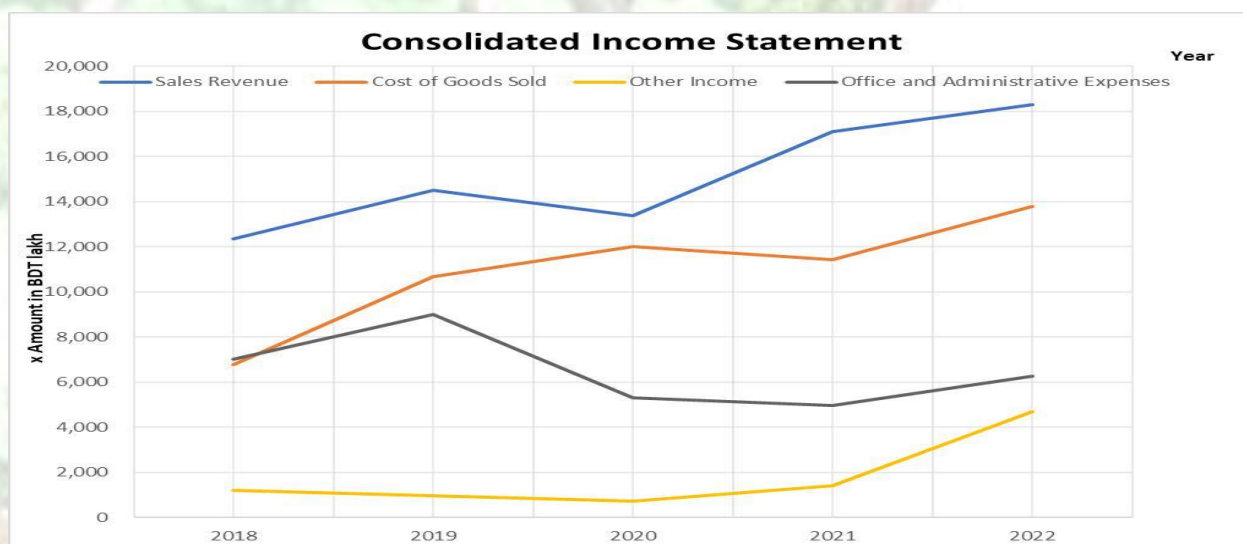
Net Profit/(Loss) after Tax	(35,955,262)	(431,214,768)	(333,560,135)	198,955,359	136,478,912
Add: Other Comprehensive income	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income	(35,955,262)	(431,214,768)	(333,560,135)	198,955,359	136,478,912

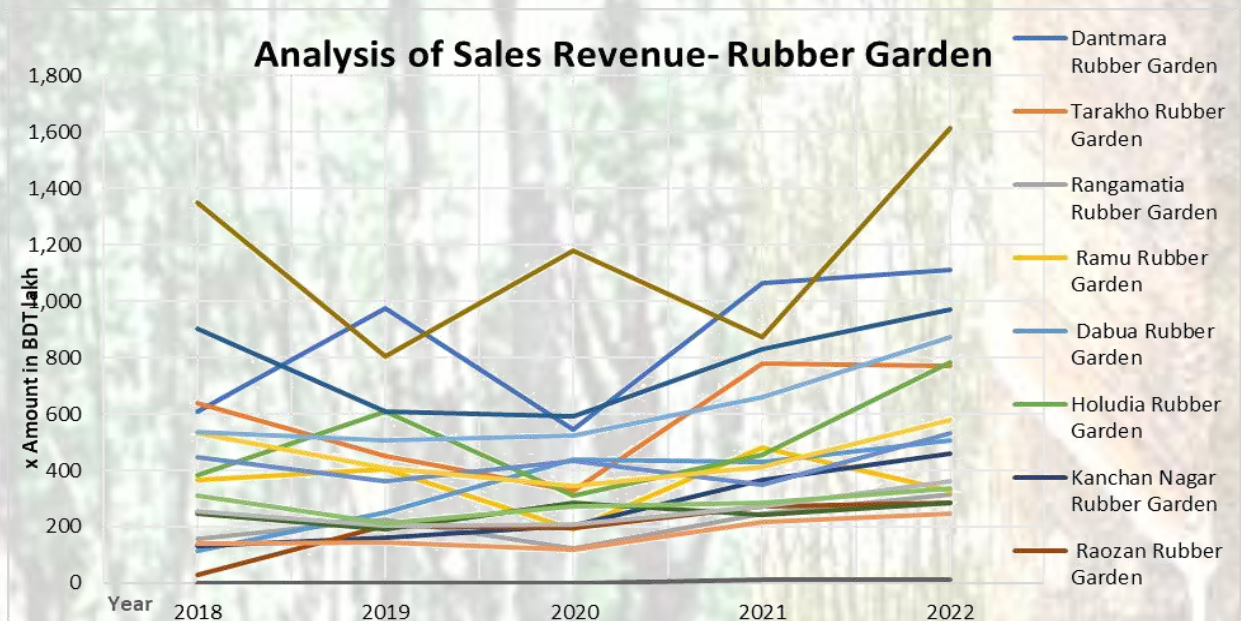
BFIDC earned net profit before tax BDT 274.421 million i.e., 11.40% of net sales in FY 2020-21 while makes net loss BDT 333.560 million in FY 2019-20. Net sales BDT 1710.514 million in FY 2020-21 was increased by BDT 371.492 million i.e., 27.74% from BDT 1339.022 million in FY 2019-20 and cost of sales BDT 1144.381 million in FY 2020-21 which was decreased by BDT 55.438 million i.e., 4.62% from BDT 1199.819 million in FY 2019-20. Consequently, Gross Profit was BDT 566.134 million in FY 2020-21 which was increased by BDT 426.931 million i.e., 306.70% from BDT 139.203 million in FY 2019-20. Gross Profit rate was 33.10% in FY 2020-21 and 10.40% in FY 2019-20. Administrative expenses were decreased by 7.02%, marketing expenses was increased by 1.36%, non-operating income was increased by 96.53% and financial expenses was decreased by 45.97% in FY 2020-21 from FY 2019-20. After adjustment of these operating expenses, non-operating income, and financial expenses with Gross Profit, net profit before Workers’ Profit Participation Fund (WPPF) and tax in FY 2020-21 stood at BDT 208.842 million while net loss before WPPF amounted to BDT 324.601 million in FY 2019-20. BFIDC, in FY 2019-20, allocated BDT 8.959 million as WPPF even though it made net loss before WPPF. Net cash outflow from operating activities in FY 2020-21 was BDT 802.394 million.

10. Trend Analysis

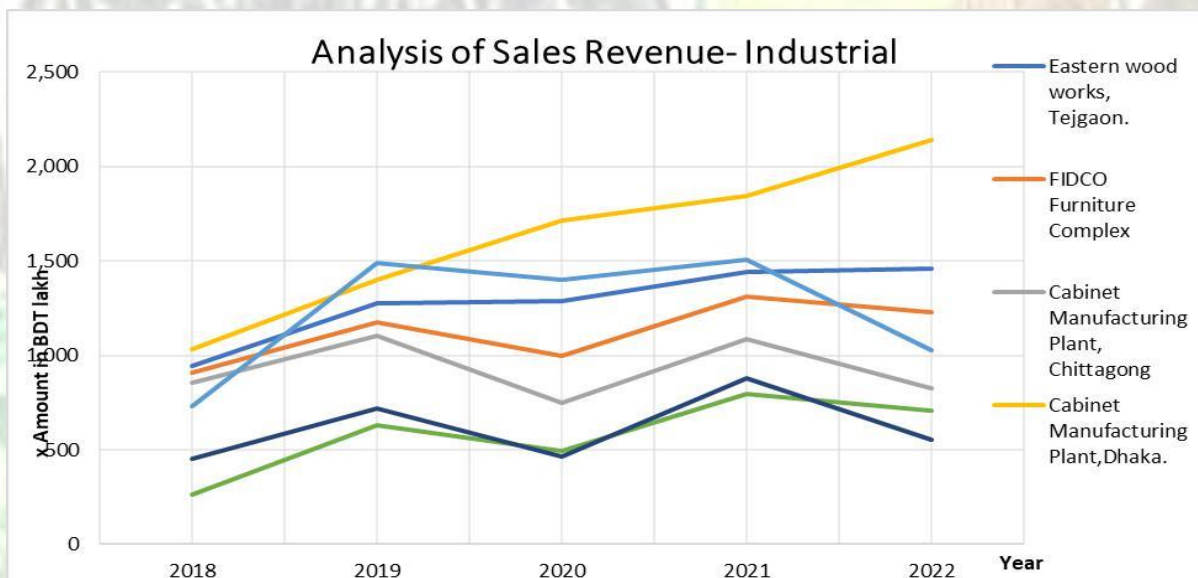
Sales Revenue of BFIDC increased gradually from 2018 to 2022 except in 2020. The entity reduced its administrative expenses after 2019 to 2022. However, cost of goods sold increased sharply in FY 2021-22 after steady growth from 2019 to 2021. Other income of BFIDC was stable till 2021, but it increased sharply in FY 2021-22.

Revenue, Cost of Goods Sold, Other income and Administrative Expenses





Sales Revenue of Cabinet Manufacturing plant, Dhaka increased steadily from 2019 to 2022. Eastern Wood Works, Tejgaon had stable Sales Revenue throughout the period. However, Sales Revenue of all other unites gradually reduced.



11. Operational Challenges

11.1 Rubber Garden

The rubber gardens are operating at very low-capacity utilization, which is below break-even point because of the various challenges being faced. For instance, Most of the Rubber trees elapsed

their life cycle of producing optimum latex. The countries like Vietnam, Sri Lanka, India are using High Yielding Varieties (HYV's) of rubber plant or clones in large scale. The said countries have been diversified rubber products also unlike Bangladesh producing RSS only. Lack of trained and skilled tapping labour at the rubber gardens is one of the main reasons of not producing optimum latex in addition to the HYVs. Loosing land of the garden to the land grabbers as areas of the gardens are not fenced. Due to lack of fencing rubber trees are getting stolen. Tree lace and cup lump together account for 10%–20% of the dry rubber produced. Latex that drips onto the ground, known as "earth scrap", is also collected in the privately-owned rubber gardens. BFIDC hasn't got adequate labour to collect the late tapping latex and deter stealing of earth scrap.

11.2 Industrial Units

Bangladesh's furniture industry has undergone a significant transformation, blending traditional craftsmanship with contemporary trends to meet the evolving demands of consumers. The country boasts a rich heritage of woodworking, which has been a cornerstone of its furniture sector. This legacy has translated into a diverse range of furniture styles, from ornate and intricately designed wooden pieces that reflect the country's cultural roots to more modern, minimalist designs that cater to changing preferences.

Dhaka, being the commercial and manufacturing center, plays a pivotal role in the country's furniture market. The city hosts a multitude of furniture markets, ranging from small artisanal workshops to larger-scale manufacturing units. These spaces showcase an extensive variety of furniture, accommodating different tastes and needs of local and international customers. It has been observed the furniture of BFIDC is very heavy and old fashioned. It does not have show rooms in furniture hub and across the country like other competitors.

The industry has witnessed technological advancements and a shift towards sustainable practices. Manufacturers are increasingly adopting modern technologies for production while also focusing on eco-friendly materials and processes, aligning with global trends towards sustainability.

Additionally, Bangladesh's furniture market has gained attention beyond its borders. Its unique blend of cultural elements with contemporary design has attracted interest internationally. The sector's ability to offer quality products, often handmade with attention to detail, has contributed to its appeal in the global market.

Following the arrival of British in the 19th Century, Bangladesh's furniture industry witnessed a shift when traditional Bangladeshi furniture designs assimilated aesthetics of the Victorian style. The aesthetics included elaborate carvings, meticulous details and the utilization of opulent materials such as mahogany, rosewood and walnut. Thus, Bangladesh's furniture market now represents a fusion of Victorian and customary Bangladeshi styles, craftsmanship, evolving design

sensibilities, and a growing emphasis on sustainability (TBS, 23 Nov, 2023¹). This dynamic blend positions it as a notable player in the global furniture industry. Bangladesh currently exports furniture to India, US, Japan, Spain, South Korea, Canada, Norway, France, Saudi Arabia, Qatar and the UK (Sukanta Halder; The Daily Star, July 17, 2022).

Furniture (Industrial units) of BFIDC are running with space constraint and very old machinery. Tools and techniques are also causing impediments of increasing market share (Annexure I).

12. Reasons for Under-performance

- Lack of motivation
- Belongingness (From the honour Board)
- Lack of Professionally qualified Employees (like designer etc.)
- Training Need Assessments are not done
- Lack of trained and specialized tapper (rubber garden), carpenter, polisher and designer (industrial units).
- Lack of sufficient land for new rubber garden/plant.
- Lack of logistics support, infrastructure
- Shortage of skilled manpower/expert labour
- Lack of High yielding variety /cloned rubber trees.

13. Unit wise Findings

13.1 Head Office

BFIDC head office is located at the centre of business hub and adjacent to the metro station in Motijheel. It is a 10 storied building and has immense potential of earning rental income. We are being told that the operational flow (Annexure- C) chart would be updated in line with the desk-wise roles and responsibilities. However, they have provided an organizational chart from which we were unable to check and corroborate the actual roles and responsibilities of the employees and the optimal service delivery.

13.2 Office Ambience

The space of the building can be utilised economically and office friendly by allowing natural light, ensuring space for fire and emergency exit in order to avoid clumsiness and hazards (Annexure D). A proper disposal of unusable waste and planned electric wiring are can develop the work

¹ How furniture design evolved over the years in Bangladesh

environment. Rearranging of sitting and space management for officers and staffs who are using 16,800 SQF (Annexure- D; 4,200 SQF per floor) of the valuable space, BFIDC may increase its rental income by 20% if they renovate the office space also.

13.3 Belongingness

Since inception there is 51 Chairman and 39 Director finance and accounts (Annexure E), Director planning and development and production and commerce. It seems they did not have adequate time and effort to run the organization efficiently and profitably.

13.4 Professionally Qualified Employees

The executive chairman and the Directors are all employed on deputation from Ministry of Public Administration (MOPA). Basically, the General Managers are the highest-level employees who has got institutional memory and hands on experience in rubber and industrial units. The employees of BFIDC may find difficulties to raise the burning issues to their reporting authority (reporting authority position is vacant for long time). It is worth mention, none of the departmental heads are professionally qualified. Accounts & Finance, HRD, Marketing departments plays a pivotal for an organisation's growth and suitability. BFIDC is not exceptional to these modern concepts.

Financial Statements are not prepared in accordance with IAS and IFRS (Annexure- F). Inter unit transactions even long outstanding loans are not washed out from the balance sheet. The researcher did not find any Fixed Asset Register and Fixed Asset Movement Notes, therefore was unable to corroborate the depreciation charged and the net book value of the fixed asset recorded in the Balance sheet. Revaluation of land and building may increase their financial position which has not been done since inception.

The department does not carry out any variance analysis with their budget and Cash Flow Statement to check their day-to-day financial strength.

13.5 HRD and HRM

BFIDC has not got any dedicated Human Resources Department (HRD). It runs under establishment department headed by Company Secretary. It manages 466 officers and staff members along with 1272 and 3605 regular and irregular labour respectively. HRD deals with the most important resources of (human) for an organisation's growth and sustainability. They analyse the root causes of low productivity, staff turnover, job satisfactions, training need assessments etc. Without professionally qualified and competent head these human resources cannot be utilised as its optimum level. Note, currently this position is run by a person who report

to Company Secretary i.e. departmental head, doesn't have any professional qualifications (MA LLB) even not evident that attended relevant training on HRM.

13.6 Manpower:

Total manpower is 6163 as per authorized manpower structure of the corporation. Out of which 1286 and 4877 are under pay commission and wage commission respectively. Total employed manpower is 5343 and vacant post is 820.

Sl.	Grade	Authorized	Employed	Vacancy
1	1 st Class (1-9 Grade)	233	86	147
2	2 nd Class (10 Grade)	13		13
3	3 rd Class (11-16 Grade)	482	180	302
4	4 th Class (17-20 Grade)	558	200	358
	Subtotal =	1,286	466	820
5	Labour (Wage Commission)	4,877	Regular-2,172 Irregular-3605	- -
	Subtotal =	4,877	4,877	-
	Grand Total =	6,163	5,343	820

13.7 Collective Bargaining Agent (CBA)

There are two CBA in the head office having the registration numbers 1919 and 834 respectively. The objective of the CBA is to work for upholding the legitimate rights/privileges of staff members and advocate to see staffs are not treated unfairly.

13.8 Rubber Gardens

Since its inception, the BFIDC has planted rubber plants in its 33 thousand 1 hundred and 29 acres of land. BFIDC has been playing an important role in carbon sequestration, reducing degradation and erosion of land as well as creating employment opportunity, saving foreign currency and generating economic activities in the remote rural areas. BFIDC also has vital role in extension of rubber cultivation/plantation in both public and private sector. Besides, raw rubber is used in producing tire-tube of heavy & light vehicle and rickshaw; hosepipe, bucket, gasket, oil seal, textile and jute spare parts etc. In the past, after expiry of economic life, the rubber trees were used only as firewood. But at present, after processing, the rubber wood is being used in making various kinds of wooden furniture like sofa-set, cot, door, window, chair, table, bench etc. In the past years rubber sector used to make profit but due to drastic fall of rubber price in the international market and implementation of pay scale of wages and pay commission-2015, this sector has been incurring loss for last 05(five) years. If the gardens are replenished with HYV then the rubber production would increase 50%; it would also result in higher revenue earnings.

At Dantmara rubber garden it was found that Rubber trees had been planted about 500-550 per hectare, and had grown for 6 or 7 years before collection of latex. Latex has been collecting from those trees for over a period of 30 to 35 years. The distance of the trees is 9' to 9' in each line and the distance of the lines are 21'. The rubber tree produces 200-250 kg per hector in Bangladesh but world standard is around 900-1000 kg during its lifetime. The pick season of collecting latex is October–December of the year. Almost 50% Rubber gardens are owned by private entrepreneurs. The top 10 rubber gardens in Bangladesh are shown in Annexure G.

13.9 Industrial Units (Furniture and treatment plant)

Making quality and durable furniture for the governmental organisation is one of the core activities of BFIDC. Since after inception they have invested no/very little on machinery, tools and equipment's to make state of art furniture and gradually become uncompetitive in the current market. Most of the industrial units, Furniture, wood treatment plant, sawing mill etc. is running with very old machinery (Annexure H) tools and techniques. The wood powder is causing constraint too in the furniture making factories. The wood powder/dust makes the machinery goes out of order, leads to reduced production capacity and excelling repair and maintenance cost. **If the industrial units are equipped with state-of-art machinery and skilled carpenter, polisher and designer which would enable to make state-of-art furniture may increase 50% of production as well as sales revenue.**

13.10 Product diversification

BFIDC is only focusing on RSS and the very old model durable furniture as their revenue earning source. Most of the Rubber gardens has reached/expired its life cycle, therefore extracting low/no latex. They are even unable to remove the expired rubber trees due to the treatment plant constraint and the risk of land grabber. They are unable to provide low-cost modern furniture due to the constraint of skilled employees (designer, polisher and carpenter) and state of art machinery and tools. They do not have adequate industrial shades in Dhaka or nearby. It was observed that industrial unit managers are discharging the roles of research & developments and Marketing department too. **BFIDC may increase 30% of revenue if the entity diversifies its product line such as Tyres and footwear from RSS and state-of-art furniture.**

13.11 BFIDC Training Institute

BFIDC has a well-equipped residential training center near Dantmara rubber garden. It has been observed they provide/arrange training to achieve APA scores mostly. But it may contribute immensely if they add a wing of "Research and Development" and focused on Training Need Assessment (TNA) before providing the training. Central Human Resource department may play a vital role of such TNA. We have been told there was a research and development department who used to carry out analysis of the latex production, quality of RSS etc. BFIDC may explore additional

revenue stream from public training programs and let out the venue approximate 5% of their revenue.

13.12 Projects Taken by BFIDC

BFIDC has undertaken few important projects, namely “Economically life cycle lost rubber felling, reforestation and rubber processing modernizations project” and “Infrastructure Development and Mordanization Project”. Recently BFIDC has submitted project feasibility study report by IIFC to the Ministry of planning. Once these projects are implemented the financial performance would be better as it would make more revenue as well as more profit.

- a) Felling of Economically Lifecycle Lost Rubber Tree, Reforestation and Modernization of Rubber Processing Project
- b) Feasibility Study of Infrastructure Development and Modernization of Seven Industrial Units of BFIDC

14. Good Governance and the Draft Act 2023 of BFIDC finalized on 13rd July 2023

It has been observed that the draft Act of BFIDC was finalized on 13 July 2023. As per section 9(Ka) Senior Secretary/Secretary of Ministry of Environment, Forest and Climate Change will be the chairman of the Board of Directors and 9(Ga) stated 3 directors will be the full-time employees of the corporation out of 6 Directors. It is expected that the governance of the BFIDC will be more effective and enhanced if the Draft Act of BFIDC gets approval by the Parliament and comes into effect.

15. Recommendations on Improving performances of BFIDC:

➤ Office Ambience

- ✓ Reorganize the sitting arrangement with maximum utilization of space.
- ✓ Ensure adequate lights (natural/electrical), safe working place.
- ✓ Remove all the hazardous waring and chambers.
- ✓ Fire exits should be ensured with visible direction.

➤ Belongingness

- ✓ Ensure top brass should stay at least 3 years

➤ Professionally Qualified Employees

- ✓ Departmental head should be professionally qualified
- ✓ Adequate foreign & domestic training should be given upon Training Need Assessment

➤ **HRD and HRM**

- ✓ Desk wise role description should be prepared and preserved.
- ✓ Employees should be evaluated through KPI and 360-degree feedback.
- ✓ Training need assessment should be carried out before selecting participants.

➤ **Collective Bargaining Agent (CBA)**

- ✓ Ensure CBA leaders and members carry out their assigned roles and responsibilities.

➤ **Rubber Gardens**

- ✓ Expansion of new rubber garden & industry unit.
- ✓ Ensure adequate Smoke house to minimize bottleneck and quality of RSS
Dripping shade needs to be built to ensure the quality of the RSS
- ✓ Ensure adequate training on grafting (nursery) from the high yield latex producing trees
- ✓ Remove all the rubber trees of elapsed life cycle and replaced with High Yield Varieties (HYVs)/ Cloned rubber plants
- ✓ Modern equipment may be used to unroot to remove rubber trees for better plantation.
- ✓ Ensure livable accommodation for the employees of the garden, most of the buildings/shades are very old and merely livable.
- ✓ Declare rubber as an agriculture product.
- ✓ Import of High yielding variety clone.
- ✓ Needs more logistics & infrastructure due to skilled & sufficient manpower.

➤ **Industrial Units (Furniture and treatment plant)**

- ✓ All industrial units should be equipped with cutting edge technologies to increase productivity.
- ✓ Needs feasibility study for making plywood from rubber wood.
- ✓ Centrally wood dust remover should be installed.
- ✓ Wooden tiles.
- ✓ Wood dust can be used as board particle manufacturing unit.
- ✓ Wooden pallet.
- ✓ Timber imported from various ports is sold at auction. In this case government instructions are required for sale to BFIDC at average auction price.

- ✓ The weight of the furniture needs to be reduced to make it user-friendly and to ensure its easy portability.

➤ **Product diversification**

- ✓ Tyres/Non-Tyres/Automotive/Footwear/industrial/Surgical and other products can be produced from their RSS & latex/ bye product through amendment of law by the feasibility study
- ✓ Particle board can be produced from the bigger flakes of the wood dust. Mosquito coil can be produced from the wood dust
- ✓ Tourist facilities may be explored in all rubber garden & LPC, Kaptai.
- ✓ Training Centre can be let out by smart renovation.
- ✓ Wooden pallet, tiles & crafts.
- ✓ A feasibility study can be conducted on whether rubber wood can be converted into plywood.

➤ **BFIDC Training Institute**

- ✓ Can be let out to public like BRAC CDM/ RDRS/BIRD
- ✓ Research and Development wing needs to be replaced

16. BFIDC Performance Improvement Strategy and Action Plan

Detail recommendation mentioned in section 15 should be adhered to by the Board of BFIDC. Monitoring cell and the SOE wing would ensure that the implementation and progress the same accordingly on a priority basis given below:

Serial	Recommendations	Implementing Agency
A. Short Term		
within 1 year		
1.	Remove the elapsed life cycled rubber tree and replaced with High Yield Variety's (HYVs)	BFIDC – Director Production
2.	Recruit specialized employees like Tapper, Designer, Carpenter, Polisher, marketing executives	BFIDC
3.	Carry out Cashflow Statement on quarterly basis	BFIDC – Director Finance
4.	Ensure belongingness of top executives i.e. reduce high staff turnover of top brass.	Line ministry
5.	Separate Management from the Board of Directors	BFIDC, LM and FD
6.	Reconstitute the Board Composition by updating the Act. It should have at least "Audit Committee"	BFIDC, LM and FD
7.	Operational/organizational manual should be prepared to ensure more transparency, accountability and competence with the competitors.	BFIDC
B. Mid Term		
within 1-2 year		
1.	Product diversification is required for both revenue earning section i.e. Rubber and furniture related products).	GM sales and marketing
2.	Carry out variance analysis and review the budget quarterly	BFIDC- Accounts and fine

Serial	Recommendations	Implementing Agency
		Dept.
3.	Establish Research and Development department	BFIDC
4.	Establish a strong and dedicated sales and marketing department.	BFIDC
C. Long Term within 3-5 year		
1.	Update the Act, Rules and Regulations	BFIDC, LM and FD
2.	Regional GM office should be more effective & functional.	BFIDC, LM and FD
3.	Adequate training should be provided to the employees after Training Needs Assessment (TNA). Departmental heads shall be professionally qualified (if possible) specially HRD, Accounts and Finance, Sales and Marketing	BFIDC, LM and FD

As the people are now a days more conscious about the impact of its activities on the planet, there is a growing demand for furniture that is made from sustainable materials and has negligible impact on planet. It seems therefore a top priority for BFIDC to design its furniture with sustainable materials such as bamboo and recycled plastics to make the furniture more demanding to the environmentally conscious buyers/consumers.

17. Conclusion

Implementation of recommendations aimed at improving the performance of BFIDC presents a significant opportunity to elevate its operations and achieve better outcomes. By undertaking measures such as restructuring the office environment to promote safety and productivity, ensuring consistency and longevity in leadership roles, and emphasizing the professional qualifications of departmental heads, BFIDC can cultivate an organizational culture characterized by efficiency and accountability. Additionally, implementing strategies like delineating clear job roles, evaluating employee performance through Key Performance Indicators (KPIs), and offering targeted training initiatives can result in heightened employee competencies and overall productivity. Furthermore, addressing challenges related to modernizing rubber gardens and industrial units, exploring avenues for diversifying products, having latest designs of furniture, making furniture lighter by reducing weight of the same, and leveraging the BFIDC Training Institute for public training programs can significantly contribute to the organization's financial growth and long-term sustainability. If the proposed recommendations are implemented properly in the future BFIDC may achieve the financial and operational benefits as following:

Activities	Estimated Financial Benefits in %	Remarks
Operational Activities		
Rubber Gardens - RSS	RSS Production increased by 50%	Increased rubber production and quality can lead to higher revenue earnings from rubber sales.
Industrial Units	Production of furniture increased by 50%	If skilled and specialized carpenters, polishers, designers and state-of-art tools and machinery are procured

Activities	Estimated Financial Benefits in %	Remarks
Product Diversification of RSS & Furniture	Sales increased by 30%	Exploration of new revenue streams from diversified product offerings such as tires, footwear, and state-of-art furniture
Non-Operational Activities		
Rental Income	Increased by 20%	Renovate rentable office space
BFIDC Training Institute	Increased by 5%	Additional revenue streams from public training programs and let out the venue

18. Disclaimer

This report strives to accurately present recommendations and their potential; however, implementation of these suggestions, techniques, and ideas may not guarantee organizational performance improvement. The content is not a pledge of BFIDC's success; actual success and performance enhancements depend on the company's use of recommendations, ideas, and techniques. These recommendations are not universally applicable, given varying factors among companies. We do not guarantee success, nor can we be liable for outcomes resulting from your actions. Forward-looking recommendations express our opinion of BFIDC's potential, but we make no assurances of achieving similar outcomes, nor any specific results from the strategies outlined in the report.

Bibliography

Audited Financial Statements FY 2018-19 to FY 2021-22 of BFIDC

Annual Reports FY 2018-19 to FY 2021-22 of BFIDC

The Business Standard (04/10/2023), Bangladeshi furniture industry needs reforms to reach its full potential

The Daily Star (18/02/2022), Rubber production grows on local demand, rising exports

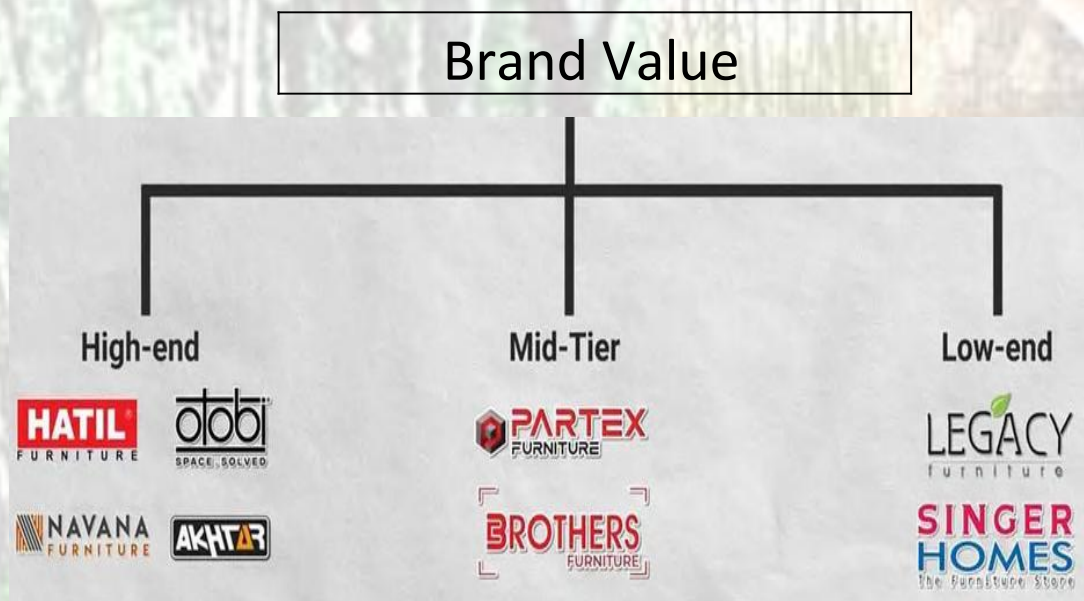
The Daily Star (17/07/2022), Furniture exports hit decade high; Sukanta Halder

The Sunday Times (10/07/2011), Rubber tree should not only be for latex but for carbon trading

too! The Business Post (12/10/2022), Problems and Prospects of Rubber Sector in Bangladesh

OECD (2015), OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015 Edition

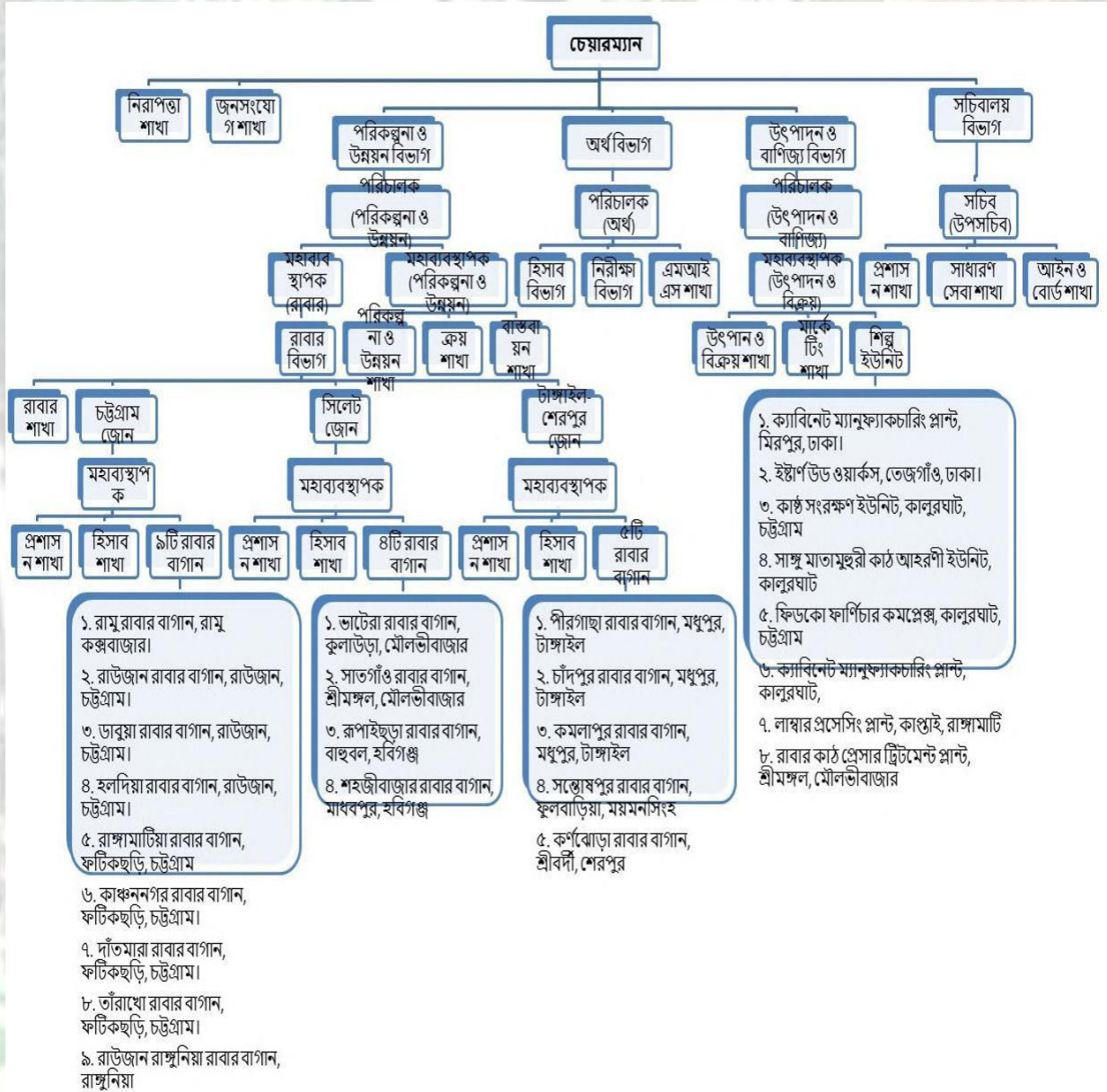
OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264244160-en>




Marketing Mix



ক্রমিক	বিভাগের নাম	শাখার নাম	অবস্থান	কার্যাবলী
০১	সচিবালয়	চেয়ারম্যান এর একান্ত শাখা	২য় তলা	নথি/চিঠিপত্র অনুমোদন ও বিভাগ ওয়ারী বিলিকরণ; চেয়ারম্যান মহোদয়ের স্বাক্ষরিত পত্র প্রেরণ। বিভিন্ন মন্ত্রণালয় ও সংস্থার সাথে সমন্বয় সাধন।
		জনসংযোগ	৩য় তলা	প্রকাশনার নিমিত্তে সকল ডকুমেন্ট তৈরি ও প্রকাশের ব্যবস্থা গ্রহণ।
		আইসিটি	৩য় তলা	ওয়েবসাইট সম্পর্কিত সকল কাজ সম্পাদন
		সংস্থাপন	২য় তলা	নিয়োগ, বদলী, পদোন্নতি ও বিভিন্ন ধরনের প্রতিবেদন প্রেরণ।
		আইন ও বোর্ড	৩য় তলা	মামলা সম্পর্কিত কাজ আইন ও বিধি অনুযায়ী সম্পাদন।
		এসেট	২য় তলা	স্থাবর ও অস্থাবর সম্পত্তির কার্যক্রম সম্পাদন।
		সাধারণ সেবা	২য় তলা	দপ্তর/ভবনের প্রয়োজনীয় সকল মালামাল/যানবাহন ক্রয় ও চাহিদা অনুযায়ী সরবরাহ/বরাদ্দ প্রদানের ব্যবস্থা গ্রহণ
০২	পরিকল্পনা ও উন্নয়ন	পরিকল্পনা ও উন্নয়ন	৮ম তলা	রাবার ও শিল্প ইউনিটের উন্নয়নমূলক কাজ সম্পাদনের জন্য প্রকল্প/কর্মসূচী প্রণয়ন ও অনুমোদনের ব্যবস্থা গ্রহণ শেষে বাস্তবায়নের পদক্ষেপ নেয়া।
		রাবার	৮ম তলা	অধীনস্থ বাগানসমূহের প্রশাসনিক ব্যবস্থা গ্রহণের সুপারিশসহ নথি উপস্থাপন, চাহিত মালামাল প্রদানের প্রশাসনিক অনুমোদন।
		ক্রয়	৮ম তলা	রাবার বাগান ও শিল্প ইউনিটের ২৫ লক্ষ টাকা উর্ধ্ব মূল্যমানের দরপত্র মূল্যায়ন ও অনুমোদনের ব্যবস্থা গ্রহণ।
		বাস্তবায়ন ও পরিবীক্ষণ	৮ম তলা	নির্মাণ সম্পর্কিত সকল কাজের নকশা প্রস্তুত, অনুমোদন ও পরবর্তীতে বাস্তবায়ন।
০৩	উৎপাদন ও বাণিজ্য	উৎপাদন ও বিক্রয়	৩য় তলা	অধীনস্থ শিল্প ইউনিটের সকল কাজের প্রশাসনিক অনুমোদনের ব্যবস্থা নেয়া।
		মার্কেটিং শাখা	৩য় তলা	বিএফআইডিসি'র উৎপাদিত রাবার ও আসবাবপত্র বিক্রয় ও সরবরাহ মনিটরিং।
০৪	অর্থ	হিসাব	৪র্থ তলা	প্রশাসনিক মন্ত্রণালয়ের মাধ্যমে অর্থ মন্ত্রণালয়ের মনিটরিং সেল কর্তৃক কর্পোরেশনের বার্ষিক বাজেট উপস্থাপন ও অনুমোদন গ্রহণ এবং কর্মকর্তা, কর্মচারীদের গ্রাচুইটি ও সিপিএফ তহবিল হিসাব শাখার তত্ত্বাবধানে পরিচালিত
		নিরীক্ষা	৪র্থ তলা	সরকারি অডিটের জবাবের সঠিকতা যাচাই ও মতামত প্রদান করে অডিট অধিদপ্তরে প্রেরণ করা হয় এবং অমীমাংসিত আপত্তিসমূহের উপর দ্বিপক্ষীয় ও ত্রিপক্ষীয় সভার আয়োজনের কাজ সম্পাদনের ব্যবস্থা নেয়া।
		এমআইএস	৪র্থ তলা	আওতাধীন কার্যালয় হতে তথ্য সংগ্রহ করে প্রতিবেদন তৈরি, অনুমোদন ও প্রকাশ।





বাংলাদেশ বনশিল্প উন্নয়ন কর্পোরেশন
বনশিল্প ভবন
 ৭৩, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা ১০০০।

নির্দেশিকা বোর্ড

তলা	অফিস
বেসমেন্ট	কার পার্কিং
নীচতলা	বেসিক ব্যাংক লিমিটেড গাড়ী চালকদের কক্ষ শ্রমিক কর্মচারী ইউনিয়ন-৮৩৪
মেজনাহীন তলা	বেসিক ব্যাংক লিমিটেড
দ্বিতীয় তলা	চেয়ারম্যান সচিবালয় বিভাগ
তৃতীয় তলা	উৎপাদন ও বাণিজ্য বিভাগ আইন ও বোর্ড শাখা জনসংযোগ শাখা নিরাপত্তা শাখা নামাজের স্থান মেডিকেল অফিসার টেলিফোন এক্সচেঞ্জ
চতুর্থ তলা	অর্থ বিভাগ হিসাব অধিশাখা নিরীক্ষা শাখা শ্রমিক কর্মচারী ইউনিয়ন-১৯১৯ (সিবিএ) ও ফেডারেশন
পঞ্চম তলা	গ্লোরী জুট লিমিটেড
ষষ্ঠ তলা	বেসিক ব্যাংক লিমিটেড
সপ্তম তলা	মেঘনা ইন্ডুরেল কোম্পানী লিমিটেড
অষ্টম তলা	পরিকল্পনা ও উন্নয়ন বিভাগ রাবার অধিশাখা ক্রয় শাখা প্রকৌশল শাখা ভান্ডার কক্ষ আইসিটি শাখা
নবম তলা	বিজনেস প্রমোশন কাউন্সিল, বাণিজ্য মন্ত্রণালয়
দশম তলা	এপেক্স উইভিং এন্ড ফিনিশিং মিলস লিমিটেড



BFIDC List of Chairman's names and Tenure

SL	Name	Start Date	End Date	Duration
1	Mr. Q. Goni	30/12/1959	31/05/1962	2 years 5 Months 1 Days
2	Mr. SA Alim	31/05/1962	18/02/1966	3 Years 8 Months 18 Days
3	People are welcome	18/02/1966	12/12/1969	3 Years 9 months 24 Days
4	Mr. MM Islam	12/12/1969	24/01/1972	2 Years 1 Month 12 Days
5	Mr. Golam Rasool	25/01/1972	16/11/1972	9 Months 22 Days
6	Mr. MA Rashid	17/11/1972	22/01/1976	4 Years 5 Days
7	Brigadier (retd) MR Majumder	23/01/1976	17/09/1976	7 Months 25 Days
8	Mr. MR Chowdhury	17/09/1976	11/08/1978	1 Years 10Months 25 Days
9	Mr. Atiq Ullah	12/08/1978	01/07/1981	2 Years 10 Months 20 Days
10	Mr. Abdul Malik Chowdhury	01/07/1981	31/01/1983	1 Years 6 Months 30 Days
11	Mr. M. A. B. Chowdhury	31/01/1983	22/05/1983	3 Months 22 Days
12	Colonel (retd) SA Ansar	22/05/1983	20/07/1983	1 Months 29 Days
13	Air Commodore (Retd) Chowdhury Abdul Mannan	20/07/1983	07/06/1987	3 Years 10 Months 18 Days
14	Lt Col (Retd) Hesam Uddin Aham, PSC	07/06/1987	04/12/1988	1 Years 5 Months 27 Days
15	Mr. Ali Ahmed Khan	04/12/1988	30/09/1990	1 years 9 Months 26 Days
16	Group Captain (Retd) Enamul Haque Chowdhury, PSC	30/09/1990	16/02/1991	1 years 9 Months 26 Days
17	AIM Nazmul Alam	16/02/1991	22/05/1993	2 years 3 Months 6 Days
18	Mr. Syed Abdur Rahman (Acting)	23/05/1993	15/06/1993	3 Week 2 Days
19	Major Mehdi Ali Imam (retd), Vir Bikram	15/06/1993	29/09/1996	3 Years 3 Months 14 Days
20	Mr. Mohammad Abdur Rauf	03/10/1996	10/04/1997	6 Months 7 Days
21	Mr. Md. Sarwar-e-Alam (Ch. Da.)	11/04/1997	12/07/1997	3 Months 1 Days
22	Mr. Shamsur Rahman	13/07/1997	30/07/1997	2 Week 3 Days
23	Mr. Md. Sarwar-e-Alam (Ch. Da.)	31/07/1997	30/07/1998	11 Months 30 Days
24	Mr. Md. Habibur Rahman Khan	14/05/1998	13/05/2000	1 Years 11 Months 30 Days
25	Jarar Mohinuddin Ahmed Chowdhury (Ch.)	14/05/2000	08/07/2000	1 months 25 days
26	Mr. Chittaharan Saha	09/07/2000	26/03/2001	8 months 17 days
27	Mr. Shakir Uddin Ahmad	27/03/2001	22/07/2001	3 months 26 days
28	Mr. Muhammad Abul Hossain	26/07/2001	19/04/2003	1 years 8 months 24 days
29	Answer: Tushar Kanti Barua	22/04/2003	14/10/2003	5 months 22 days
30	Mr. Subhash Chandra Roy	18/10/2003	15/02/2005	1 years 3 months 28 days
31	Mr. GKM Nurul Alim (Acting)	16/02/2005	23/05/2005	3 months 21 days
32	Mr. Hasan Mahmud Delwar	24/05/2005	15/01/2006	7 months 22 days
33	Mr. Md. Didarul Anwar	25/01/2006	30/10/2006	9 months 5 days
34	Mr. Md. Abul Kalam Azad	08/11/2006	04/12/2006	3 weeks 5 days
35	Mr. MA Akmal Hossain Azad	05/12/2006	12/02/2008	1 years 2 months 7 days

36	Mr. Mohammad Shafiul Alam	09/03/2008	03/08/2008	3 months 25 days
37	Mr. Md. Didarul Ahsan	18/08/2008	31/08/2009	1 years 13 days
38	Mr. Md. Saheduzzaman	31/08/2009	26/04/2010	7 months 26 days
39	Mr. Md. Farhad Uddin	27/04/2010	30/04/2012	2 years 0 months 3 days
40	Mr. Bijan Kumar Vaishya (Acting)	30/04/2012	19/05/2012	2 weeks 5 days
41	Mr. Prashant Bhushan Barua (Additional Secretary)	20/05/2012	01/06/2014	2 years 0 months 12 days
42	Mr. Maj. Mojibur Rahman (Retd.) (Joint Secretary)	01/06/2014	10/06/2014	1 weeks 2 days
43	Mr. Saraf Uddin Ahmed (Additional Secretary)	10/06/2014	14/01/2016	1 years 7 months 4 days
44	Mr. Mohammed Abdul Karim NDC (Additional Secretary)	14/01/2016	27/03/2018	2 years 2 months 13 days
45	Mr. Seema Saha (Additional Secretary)	27/03/2018	28/05/2019	1 years 2 months 1 days
46	Mr. Jahangir Hossain Chowdhury (Joint Secretary)	29/05/2019	13/07/2019	1 months 15 days
47	Mr. Mohammad Ahsanul Jabbar (Additional Secretary)	14/07/2019	03/08/2020	1 years 0 months 20 days
48	Mr. Md. Habibur Rahman (Joint Secretary)	04/08/2020	20/09/2020	1 months 16 days
49	Mr. Md. Chalah Uddin Chowdhury (Additional Secretary)	20/09/2020	28/07/2021	10 months 8 days
50	Mr. Jamshed Ahmad (Joint Secretary)	29/07/2021	31/07/2021	2 days
51	Mr. Md. Shahidul Islam (Additional Secretary)	31/08/2021	23/05/2023	

Director (Finance & Accounts)

SL	Name	Start Date	End Date	Duration
1	Mr. Golam Rasool	01/06/1970	18/3/1973	2 years 9 months 17 days
2	Mr. Moniruzzaman Chowdhury	19/3/1973	01/07/1976	3 years 3 months 13 days
3	Mr. Abdul Mannan	02/07/1976	14/08/1977	1 years 1 months 12 days
4	Mr. Md. Hamidul Haque	15/08/1977	21/04/1978	8 months 6 days
5	Dr. Md. Abdur Rashid	22/04/1978	09/07/1979	1 years 2 months 17 days
6	Mr. Moin Uddin Ahmed	10/07/1979	15/04/1982	2 years 9 months 5 days
7	Mr. M, A, B, Chowdhury	14/04/1982	16/07/1983	1 years 3 months 2 days
8	Mr. M, Ajmal Hossain (Additional Charge)	17/07/1983	20/12/1983	5 months 3 days
9	Mr. Md. Fazlul Haque	21/12/1983	28/10/1987	3 years 10 months 7 days
10	Lt Col ABMA Hossain CSC (Retd)	29/10/1987	30/01/1988	3 months 1 days
11	Mr. Habib Abu Ibrahim	31/01/1988	12/11/1989	1 years 9 months 12 days
12	People's Dulal Abdul Hafiz	13/11/1989	16/03/1992	2 years 4 months 3 days
13	Mr. Mahmud Hasan Mansoor	17/03/1992	16/10/1994	2 years 6 months 30 days
14	Sir Chairman (Director was in charge of Finance)	17/10/1994	17/10/1995	1 years
15	Mr. Abdul Matin Khan	18/05/1995	31/07/1996	1 years 2 months 13 days
16	Mr. Md. Zahir Uddin Bhuiyan	4/08/1996	24/09/1996	1 months 20 days

	Mr. Md. Sarwar-e-Alam	25/09/1996	26/01/2000	3 years 4 months 1 days
18	Mr. Hasan Mahmud Delwar	27/01/2000	17/11/2001	1 years 9 months 21 days
19	People's G.K.M. Nurul Amin	19/11/2001	28/11/2005	4 years 0 months 9 days
20	Mr. M, Ali Ahmed (Additional Charge)	29/11/2005	15/04/2006	4 months 17 days
21	Mr. Didarul Anwar (Additional Charge)	16/04/2006	31/05/2006	1 months 15 days
22	Mr. Ghulam Maula Majumdar (Joint Secretary)	31/05/2006	15/01/2008	1 years 7 months 15 days
23	Mr. Dilip Kumar Basak (Joint Secretary)	16/01/2008	22/01/2009	1 years 0 months 6 days
24	Mr. Nishith Kumar Sarkar (Joint Secretary)	25/01/2009	15/03/2009	1 months 21 days
25	Mr. Md Nurul Huda (Joint Secretary)	16/03/2009	12/08/2009	4 months 27 days
26	Mr. Md. Maqbul Hossain (Joint Secretary)	11/08/2009	28/01/2010	5 months 17 days
27	Mr. Md. Moniruzzaman	28/01/2010	31/03/2010	2 months 3 days
28	Md Nurul Huda (Joint Secretary)	31/03/2010	28/07/2011	1 years 3 months 28 days
29	Mr. Md. Emdadul Haque (Joint Secretary)	28/07/2011	06/09/2011	1 months 9 days
30	Mr. Md. Moniruzzaman (Joint Secretary)	06/09/2011	24/07/2014	2 years 10 months 18 days
31	Mr. Md. Abdul Qadir (Extra Duty)	25/07/2014	17/08/2014	3 weeks 2 days
32	Mr. Nepoor Ahmed (Joint Secretary)	18/08/2014	30/04/2017	2 years 8 months 12 days
33	Mr. Dr. Saidur Rahman Saleem (Additional Charge)	01/05/2017	13/05/2017	1 weeks 5 days
34	Mr. Md. Borhan Uddin Bhuya (Joint Secretary)	14/05/2017	31/12/2017	7 months 17 days
35	Mr. Md. Borhan Uddin Bhuya (Additional Charge)	01/01/2018	15/04/2018	3 months 20 days
36	Mr. Md. Borhan Uddin Bhuya (Additional Charge)	16/04/2018	21/05/2018	1 months 5 days
37	Mr. Deel Mohammad	21/05/2018	29/08/2018	3 months 8 days
38	Mr. Jaha Nagir Hossain Chowdhury	23/09/2018	28/01/2019	4 months 5 days
39	Syed Lokman Ahmad	29/01/2019	

Director (Production & Trading)

SL	Name	Start Date	End Date	Duration
1	Mr. Md. Mojibur Rahman (Joint Secretary)	21/03/2012	29/09/2014	2 years 6 months 8 days
2	Mr. SM Abu Taher (Joint Secretary)	13/10/2014	22/05/2016	1 years 7 months 9 days
3	Syed Mizanur Rahman (Joint Secretary)	04/09/2016	16/01/2017	4 months 12 days
4	Dr. Md. Saidur Rahman Salim (Joint Secretary)	05/03/2017	17/07/2018	1 years 4 months 12 days
5	Mr. Jahangir Hossain Chowdhury (Joint Secretary)	29/01/2019	22/09/2019	7 months 24 days
6	Dr. Mohiuddin (Joint Secretary)	22/09/2019	02/02/2021	1 years 4 months 11 days
7	Mr. Jamshed Ahmad (Joint Secretary)	02/02/2021	26/03/2022	1 years 1 months 24 days

8	Mr. Md. Sazzadul Islam (Joint Secretary)	27/03/2022	28/06/2022	3 months 1 days
9	Syed Lokman Ahmad (Joint Secretary)	29/06/2022	12/11/2022	4 months 14 days
10	Mr. Md. Enayet Ullah Khan Yusufji (Joint Secretary)	13/11/2022	05/02/2023	2 months 23 days
11	Mr. Neshar Ahmad (Joint Secretary)	06/02/2023	

Director (Planning & Development)

Sl	Name	Start Date	End Date	Duration
1	Dr. Md. Alfaz Hossain (Joint Secretary)	18/07/2018	10/10/2018	2 months 23 days
2	Syed Lokman Ahmed (Joint Secretary)	11/10/2018	15/07/2019	9 months 4 days
3	Mr. Md. Habibur Rahman (Joint Secretary)	16/07/2019	27/12/2020	1 years 5 months 11 days
4	Mr. Md. Sazzadul Islam (Joint Secretary)	03/01/2021	29/06/2022	1 years 5 months 26 days
5	Syed Lokman Ahmad (Joint Secretary)	30/06/2022	12/11/2022	4 months 13 days
6	Mr. Md. Enayet Ullah Khan Yusufji (Joint Secretary)	13/11/2022	

BANGLADESH FOREST INDUSTRIES DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	740,955,609	808,859,106
Investment in FDR	5	2,599,123,652	2,419,330,179
Govt. Loan ADP		500,464,393	500,464,393
Investments		575,000	575,000
Golden Handshake Payment-1995		130,862,360	130,862,360
Golden Handshake of 2003 (Pay off- 5 Units)		122,218,697	122,218,697
Golden Handshake of 19 Persons Head Office (Pay off-04)		11,003,203	11,003,203
Golden Handshake of 15 Persons Head Office (Pay off-05)		14,346,605	14,346,605
Golden Handshake of Karnafully Timber Extraction Unit		80,879,281	80,879,281
Contribution from Projects on Head Office Building		48,100,000	48,100,000
Contribution for Mosque Development		1,461,386	1,461,386
Re-payment of U.S.S.R. Credit		12,170,000	12,170,000
		<u>4,262,160,187</u>	<u>4,150,270,211</u>
Current Assets			
Closing Stock	6	399,361,577	547,049,022
Store and Spare		32,028,283	28,903,914
BFIDC Inter Project/Garden Receivable	7	3,395,606,118	3,147,626,630
Accounts Receivable (BFIDC Head office)	8	1,234,500,044	1,150,343,983
Accounts Receivable (BFIDC G.M Office)	9	2,351,777,372	2,114,111,089
Advance, Deposits and Prepayments	10	228,466,300	181,883,207
Advance Income Tax	11	50,342,190	64,285,260
Cash and Cash Equivalents	12	1,274,299,914	1,083,494,947
Payment Against Golden Handshake		5,655,428	5,655,428
Sundry Debtors		1,359,786,744	990,197,846
Advance Against VAT		1,698,309	7,095,584
Depreciation Adjustment Account		14,067,285	14,067,285
Goodwill		734,290	734,290
Option And RTD fund		12,293,010	12,293,010
Stock Shortage		10,791,794	10,791,794
Government Loan (ADB) Payment		13,491,700	13,491,700
Interest on ADP Loan Repayment		100,238,275	100,238,275
Misappropriation of Money		17,102	17,102
Interest on U.S.S.R. Payment		1,825,000	1,825,000
Chittagong Customs Dept. Current A/C		1,186,955	1,186,955
Suspense Account		13,600	43,600
Miss. Appropriation		43,115	43,115
Voluntary Retirement		36,836,702	36,836,702
Forest Division Debit Balance		4,022,428	1,022,428
Rent of Land Control A/c KIE		98,145	98,145
Water Supply Control A/c		446,688	446,688
Disburser A/C		83,874	83,874
Development of All Kodom Center		447,221	11,779
Gratuity Fund		304,955,532	283,627,203
Under/Over allocated Overhead		1,610,473	4,531,564
		<u>10,836,725,468</u>	<u>9,802,037,422</u>
TOTAL ASSETS		<u>15,098,885,654</u>	<u>13,952,307,635</u>



BANGLADESH FOREST INDUSTRIES DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
<u>EQUITY AND LIABILITIES</u>			
Share capital		1,016,000	1,016,000
Reserve and Surplus	13	2,431,565,626	2,431,565,626
Retained earnings		948,492,739	826,757,671
Capital Fund		284,270	284,270
Capital Reserve		3,427,431	3,427,431
Govt. Equity Loan		775,000	775,000
Conversion of ADP Loan into Capital		653,000	653,000
		3,386,214,066	3,264,478,998
<u>Non-Current Liabilities</u>			
Govt. Loan (ADP)		533,750,373	533,750,373
Interest Payable on ADP Loan		762,587,937	762,587,937
Re-imbursable Project		267,188,111	267,188,111
Direct Project AID (RPA)		95,244,675	95,244,675
Re-imbursable Project AID		23,380,663	23,380,663
Feasibility Studies Loan		200,000	200,000
Feasibility Studies		118,873	118,873
Golden Handshake of 1995		130,000,000	130,000,000
Golden Handshake (Pay off-2003 of 5 Units)		118,416,275	118,416,275
Golden Handshake of 19 Persons Head Office (Pay off)		11,039,414	11,039,414
Golden Handshake of 15 Persons Head Office (Pay off)		14,280,627	14,280,626
Golden Handshake of Karnafully Timber Extraction Unit		92,663,474	92,663,474
Contribution from Projects on Head Office Building		35,850,000	35,850,000
Grant from Govt.		2,251,810	2,251,810
U.S.S.R.Credit		12,170,000	12,170,000
Interest on U.S.S.R. Credit Payable		1,825,000	1,825,000
BSRS Loan		20,493,066	20,493,066
Unsecured Loan		1,573,573	1,573,573
Long term Loan (Pre-Liberation)		74,000	74,000
		2,123,107,871	2,123,107,870
<u>Current Liabilities</u>			
Accounts Payable Head Office Dhaka	14	1,450,593,350	1,360,644,167
Accounts Payable BFIDC, G.M Office	15	1,316,729,156	1,138,529,197
BFIDC, Inter Project/Garden Payable	16	4,073,940,119	3,737,189,423
Provision for Expenses	17	721,526,883	552,144,759
Liabilities for Other Finance	18	170,643,003	159,870,817
Reserve for Re-Plantation	19	253,626,164	224,588,002
Stock Shortage		14,982,818	15,472,971
Compensation of Rubber Tree		30,810	-
Fund Received Against Golden Handshake		8,878,048	8,878,048
Security Account		5,397,914	4,126,114
Life Cycle of Rubber Tree		3,871,577	14,455,822
Sales of Old Rubber Tree		11,347,418	11,347,418
Sundry Creditors		18,861,089	22,739,557
C and B Deptt. of Bangladesh		2,152,367	2,152,367
Option and RTD Fund		12,351,752	12,351,752
Voluntary Retirement		39,517,872	39,517,872
Bank Overdraft (Pre-Liberation)		58,500	58,500
Advance Against Sales		1,131,614,857	812,444,353
Rehabilitation Grant		2,414,257	2,414,257

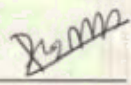


BANGLADESH FOREST INDUSTRIES DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
Due to Forest Department		3,973,165	3,973,165
Reserve for Depreciation		-	108,443,832
Store Adjustment		7,218,800	7,218,800
Suppliers Balance Current A/C		2,691,959	2,691,959
Interest on BSRS Loan		68,213,064	68,213,064
Cash Credit with Agrani Bank		561,941	561,941
Interest on Cash Credit		995,977	995,977
Accrual and Provision		152,472	152,472
Polish Credit		14,260,000	14,260,000
Interest on Payable of Polish		2,404,547	2,404,547
Sida Aid		29,507,760	29,507,760
3% Income Tax on auction Sales		669,022	669,022
Provision for Income Tax	20	75,465,826	58,490,962
Pay-off A/c (Received from Govt.-2003)		7,559,211	7,559,211
Other Liabilities		5,019,556	5,019,556
Provision for Gratuity		75,877,525	79,567,167
Self Group Insurance Scheme		12,636,941	12,248,141
Interest Payable on Govt.Loan		23,547,053	23,547,053
Debt Service Liabilities		6,919,094	6,919,094
Development Charge		1,101,849	1,101,849
Current Account for Head Office Building		12,250,000	12,250,000
		<u>9,589,563,716</u>	<u>8,564,720,767</u>
TOTAL EQUITY AND LIABILITIES		<u>15,098,885,654</u>	<u>13,952,307,635</u>

Annexed notes form an integral part of these financial statements.


 Director (Finance)



 General Manager

Signed in terms of our Separate report even date annexed

Place: Dhaka
 Date: 23 February 2023


 MD. Farhad Husain Suman FCA
 Partner, Enroll. No: 1635
 K. M. HASAN & CO.
 Chartered Accountants
 DVC: 2302231635AS517887



7. BFIDC, INTER PROJECT / GARDEN RECEIVABLE

	2022	2021
	<u>Taka</u>	<u>Taka</u>
Head Office	1,535,318,173	1,502,288,495
G.M Office, CTG	808,718,821	765,903,723
Rubber Training Centre, CTG	63,804,820	59,214,394
Dantmara Rubber Garden	3,886,673	3,565,864
Tarakho Rubber Garden	2,765,849	1,391,795
Rangamatia Rubber Garden	1,012,251	953,957
Ramu Rubber Garden	1,097,406	1,016,308
Dabua Rubber Garden	1,920,728	1,876,634
Holudia Rubber Garden	1,553,428	1,419,555
Kanchan Nagar Rubber Garden	3,114,575	3,144,529
Raozan Rubber Garden	11,902,057	11,843,198
Raozan- Rangunia Rubber Garden	448,913	272,146
G.M Office, Modhupur	24,211,912	24,192,045
Pirgacha Rubber Garden	6,060,603	6,101,146
Chandpur Rubber Garden	1,248,751	1,185,571
Santoshpur Rubber Garden	5,051,265	3,953,385
Kamlapur Rubber Garden	14,382,775	14,673,513
Karnojhora Rubber Garden	6,317,875	6,154,740
G.M Office, Sreemangal	638,785,856	485,894,387
Satgaon Rubber Garden	5,076,921	4,505,048
Rupaichora Rubber Garden	3,980,333	3,839,765
Shahjibazar Rubber Garden	5,883,486	6,131,200
Bhatera Rubber Garden	13,139,898	13,039,625
Eastern Wood Works, Tejgaon	6,529,361	4,839,297
Chittagong Board Mills	1,080,318	1,080,318
FIDCO Furniture Complex	1,804,731	123,428
Cabinet Manufacturing Plant, Chittagong	3,559,761	2,150,084
Cabinet Manufacturing Plant, Dhaka	5,808,992	5,339,829
BFIDC, INDUSTRIAL ESTATE	263,905	263,905
Lumber Processing Complex (LPC)	25,198,045	18,492,851
Procurement & Sales Organization (P.S.O)	97,820,898	97,835,898
Sangu Matamahury Timber Extraction unit (SMP)	41,668,742	40,678,595
Karnafully Timber Extraction unit (TEX)	32,395,021	34,210,510
Wood Treatment Plant (WTP)	19,792,977	20,050,892
TOTAL	<u>3,395,606,118</u>	<u>3,147,626,630</u>

8. ACCOUNTS RECEIVABLE (BFIDC HEAD OFFICE)

Amount in Taka

Particulars	Balance as on 01.07.2021	Add: Addition during the year	Sub-Total	Less: Adjustment during the year	Balance as on 30.06.2022
G.M Office, Modhupur	1,122,365,190	366,304,005	1,488,669,195	304,406,135	1,184,263,059
Eastern Wood Works, Tejgaon	3,281,259	23,334,620	26,615,878		26,615,878
Cabinet Manufacturing Plant, Chittagong	2,365,808	485,136	2,850,944	-	2,850,944
Cabinet Manufacturing Plant, Dhaka	22,331,726	-	22,331,726	1,787,687	20,544,039
Wood Treatment Plant (WTP)	-	226,123	226,123	-	226,123
Total	1,150,343,983	390,349,884	1,540,693,866	306,193,822	1,234,500,044

9. ACCOUNTS RECEIVABLE (BFIDC G.M OFFICE)

Amount in Taka

Particulars	Balance as on 01.07.2021	Add: Addition during the year	Sub-Total	Less: Adjustment during the year	Balance as on 30.06.2022
Dantmara Rubber Garden	340,595,454	202,647,688	543,243,142	9,851,469	533,391,673
Tarakho Rubber Garden	250,021,744	13,641,813	263,663,557	6,953,128	256,710,429
Ramu Rubber Garden	1,762,630	32,553,936	34,316,566	34,316,566	-
Holudia Rubber Garden	38,644,536	79,752,180	118,396,716	58,383,246	60,013,470
Pirgacha Rubber Garden	680,920,621	161,663,573	842,584,194	119,123,023	723,461,171
Chandpur Rubber Garden	330,335,288	97,222,068	427,557,356	78,336,060	349,221,296
Santoshpur Rubber Garden	102,609,492	33,266,121	135,875,613	47,724,420	88,151,193
Kamlapur Rubber Garden	117,911,084	53,389,421	171,300,505	46,966,468	124,334,037
Karnojhora Rubber Garden	6,499,057	24,991,423	31,490,480	22,535,870	8,954,610
Rupaichora Rubber Garden	244,811,183	63,646,932	308,458,115	100,918,620	207,539,494
TOTAL	2,114,111,089	762,775,155	2,876,886,244	525,108,872	2,351,777,372

Top 10 Rubber Gardens in Bangladesh

Sl. no	Name of Organization	Volume of garden (Acre)	Volume of production (Metric ton)
01	BFIDC	38067.01	5522.20
02	Private Ownership(Standing Committee)	32550	13607.77
03	Small Rubber garden owners	2997.91	3971
04	Hill Tracts Development Board	13200.00	250.562
05	Khagrachori Rubber Garden Owners Cooperative Association Limited	1790.62	2906.66
06	Rangamati Private owners	351	42.70
07	Duncan Brothers	4892.61	2398.09
08	James Finlay	5000.00	550.00
09	Ms. Ragib Ali	1529.50	1445.52
10	Ispahani Neptune	1068.50	560.59







Latex collection underway from trees on a rubber plantation. -Collected







অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

বৃহস্পতিবার, জুন ২২, ২০২৩

বাংলাদেশ জাতীয় সংসদ

ঢাকা, ০৮ আষাঢ়, ১৪৩০/২২ জুন, ২০২৩

সংসদ কর্তৃক গৃহীত নিম্নলিখিত আইনটি ০৮ আষাঢ়, ১৪৩০ মোতাবেক ২২ জুন, ২০২৩ তারিখে রাষ্ট্রপতির সম্মতিলাভ করিয়াছে এবং এতদ্বারা এই আইনটি সর্বসাধারণের অবগতির জন্য প্রকাশ করা যাইতেছে :—

২০২৩ সনের ১২ নং আইন

**Income-tax Ordinance, 1984 রহিতক্রমে যুগোপযোগী ও সময়োপযোগী
করিয়া নূতন আইন প্রণয়নকল্পে প্রণীত আইন**

যেহেতু সংবিধান (পঞ্চদশ সংশোধন) আইন, ২০১১ (২০১১ সনের ১৪ নং আইন) দ্বারা ১৯৮২ সনের ২৪ মার্চ হইতে ১৯৮৬ সনের ১১ নভেম্বর পর্যন্ত সময়ের মধ্যে সামরিক ফরমান দ্বারা জারীকৃত অধ্যাদেশসমূহের অনুমোদন ও সমর্থন সংক্রান্ত গণপ্রজাতন্ত্রী বাংলাদেশের সংবিধানের চতুর্থ তফসিলের ১৯ অনুচ্ছেদ বিলুপ্ত হওয়ায় এবং সিভিল আপিল নং ৪৮/২০১১ তে সুপ্রীম কোর্টের আপীল বিভাগ কর্তৃক প্রদত্ত রায়ে সামরিক আইনকে অসাংবিধানিক ঘোষণাপূর্বক উহার বৈধতা প্রদানকারী সংবিধান (সপ্তম সংশোধন) আইন, ১৯৮৬ (১৯৮৬ সনের ১ নং আইন) বাতিল ঘোষিত হওয়ায় উক্ত অধ্যাদেশসমূহের কার্যকারিতা লোপ পায়; এবং

যেহেতু ২০১৩ সনের ৭ নং আইন দ্বারা উক্ত অধ্যাদেশসমূহের মধ্যে কতিপয় অধ্যাদেশ কার্যকর ও বলবৎ রাখা হয়; এবং

যেহেতু উক্ত অধ্যাদেশসমূহের আবশ্যিকতা ও প্রাসঙ্গিকতা পর্যালোচনা করিয়া আবশ্যিক বিবেচিত অধ্যাদেশসমূহ সকল অংশীজন ও সংশ্লিষ্ট মন্ত্রণালয় বা বিভাগের মতামত গ্রহণ করিয়া প্রয়োজনীয় সংশোধন ও পরিমার্জনক্রমে বাংলা ভাষায় নূতন আইন প্রণয়ন করিবার জন্য সরকার সিদ্ধান্ত গ্রহণ করিয়াছে; এবং

যেহেতু আয়কর, অগ্রিম আয়কর, উৎসে কর, ন্যূনতম কর, সারচার্জ ও অন্য কোনো প্রকারের কর আরোপের ক্ষেত্র বিস্তৃতকরণ, আর্থিক শৃঙ্খলা প্রতিষ্ঠা এবং আনুষঙ্গিক অন্যান্য বিষয়ে যুগোপযোগী ও সময়োপযোগী করিয়া নূতন আইন প্রণয়ন করা আবশ্যিক; এবং

(৮০৮৫)

মুদ্রা : ঢাকা ১৬০ ০০

চতুর্থ অধ্যায়

কৃষি হইতে আয়

৪০। কৃষি হইতে আয়।—(১) কোনো ব্যক্তির কৃষি সম্পর্কিত কার্যাবলি হইতে অর্জিত আয় কৃষি হইতে আয় হিসাবে শ্রেণিবদ্ধ হইবে।

(২) কোনো ব্যক্তি কর্তৃক উৎপাদিত ও প্রক্রিয়াকৃত চা এবং রাবার এর বিক্রয়লব্ধ অর্থের ৪০% (চল্লিশ শতাংশ) ব্যবসা আয় এবং ৬০% (ষাট শতাংশ) কৃষি হইতে আয় বলিয়া গণ্য হইবে।

VAT exempted goods and services 2020-21 in Bangladesh

VAT exempted goods and services 2020-21 in Bangladesh

If you want to know whether your organization is eligible for VAT registration or enlistment then you have to know the exempted goods and services. Because, during calculation of turnover, you have to exclude the turnover from your VAT exempted goods and services 2020-21.

The VAT exempted goods and services 2020-21 have been mentioned in the first schedule of the Value Added Tax and Supplementary Duty Act 2012.

Part 02: Services exempted from Value Added Tax

1. Basic services for living:

- (a) Preparation and cultivation of agricultural land;
- (b) Irrigation in agricultural land;
- (c) Activities of pesticides and insecticides in agricultural land;
- (d) Storage and preservation of agricultural goods (except cold storage and warehouse);
- (e) Packing or sorting or cutting of food grains, vegetables etc.;
- (f) Preservation and distribution of agricultural seeds (except cold storage and warehouse);
- (g) Preservation and warehousing of meat of animals and birds (except cold storage and warehouse);
- (h) Gathering of fish, aquatic species and aquatic resources;
- (i) Preservation and warehousing of fish, aquatic species and aquatic resources (except cold storage and warehouse).

2. Social welfare oriented services:

- (a) Medical and health services provided by government;
- (b) Medical and health services provided by private bodies;
- (c) Education and training provided by government;
- (d) Activities for preventing environmental pollution;