

**Present Status of Metal Can Manufacturing in Bangladesh &
the Ways to Improve its Manufacturing: A Study on Jenson &
Nicholson Bangladesh Ltd.**

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February 05, 2010**



**Present Status of Metal Can Manufacturing in Bangladesh &
the Ways to Improve its Manufacturing: A Study on Jenson &
Nicholson Bangladesh Ltd.**

**Internship Report presented for the fulfillment of the requirement for the
degree of
Masters of Business Administration**

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**MBA program
Department of Business Administration
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February 13, 2010

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Submission of the Internship Report

Dear Sir:

It's my pleasure to submit my internship report on **“Present Status of Metal Can Manufacturing in Bangladesh & The Ways to Improve its Manufacturing: A Study on Jenson & Nicholson Bangladesh Ltd.”**

Jenson & Nicholson (Bangladesh) Ltd.-a multinational Company entered into the Paint market of the then East Pakistan with brand name "Berger". From the very beginning JNBL is supplying metal can for Berger Paints Bangladesh Ltd (BPBL). And still now plays an important role for the BPBL to sustain as a market leader. JNBL is going to expand its business operation & trying to utilize its experience, skilled manpower to produce food graded can. This report tries to present a clear idea on metal can manufacturing process & limitations in Jenson & Nicholson Bangladesh Ltd and also tries to find out the areas that need to be improved & suggest ways for development.

Time constraint has prevented the study to widen its scope. Another important limitation is the non-accessibility to the other company. This study can answer the queries of the researchers or academics on metal can manufacture industry in Bangladesh. I do believe this can help the different companies as well as the policy makers to set the policy for the metal can manufacturer & the user of metal can.

I will appreciate if you have any queries, please call me at 01711– 545494.

Thank you,

A.H. M. Touhidul Bari

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Certificate

This is to certify that the presented report entitled “**Present Status of Metal Can Manufacturing in Bangladesh & the Ways to Improve its Manufacturing: A Study on Jenson & Nicholson Bangladesh Ltd (JNBL).**” has been carried out by **A.H.M. Touhidul Bari, Id No. M081705,** Sixth Semester - 2009, under my direct supervision at the Department of Business Administration, Faculty of Administrative science. I recommend the prepared report as can be accepted in the fulfilment of the requirements for the degree of Master of Business Administration.

Md. Shariful Haque

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At the very beginning, I would like to express my gratitude to Almighty Allah for whose kindness I am enough sound mentally and physically to prepare this report. Then I must express my deep gratitude to my internal supervisor Mr. Md. Shariful Haque, Assistant Professor from the Department of Business Administration, IIUC – Dhaka Campus. Without his sincere direction and suggestions it could be extremely difficult for me to prepare the report. I am also truly thankful to my host organization supervisor, Production Manager, Jenson & Nicholson Bangladesh Ltd (JNBL).

During the preparation of the project work I have come to the very supportive touch of different individuals (respondents and seniors from JNBL) and friends, who lend their ideas, time, and caring guidance to amplify the report's contents. To be true to myself I must say that without their help it would be very tough for me to prepare such a long report. I am indebted to them with all of my feelings. I further want to convey my heartiest gratitude to the respondents (from JNBL & other can manufacturing company) for their valuable responses – these are the backbone of the report. I must mention them, Production Manager (JNBL), Assistant Managers (Production & Tool Room), Managing Director of Padma Can, Marketing Manager of Oriental Can, Managing Director of Akhtar Can.

EXECUTIVE SUMMERY

Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale, and use. Metal packaging is one of them & plays an important role in product distribution, storage & sale. Now a days uses of metal can is increasing day by day because of the invention of new technology. New technology increases the production rate & also reducing the price of the packaging material. First impression is the best impression - present consumers also follow the rules. Which product has a good & attractive packaging they show interest to those product.

Jenson & Nicholson (BD) Ltd. is one of the largest Metal Can Manufacturing plant in Bangladesh. 95% of JNBL production is supplied to BPBL and rest 5% is supplied to others. **Presently there is no established can manufacturing industry in Bangladesh. Some local company fulfills the present demand. Most of the cases company import metal can such as food graded metal can & aluminum can. Paint Industry, Lubricant, Coconut Oil, Food Industry (Ghee, Condensed Milk etc.), Varnish, Lacquer, Thinner, Soft drinks, Aerosol, Dry milk, Baby food, biscuits industry use the metal can.**

I have tried to identify the target market & collecting the can requirement of those companies. Besides these I have tried to find out the Strength, Weakness, Opportunities & threat of JNBL to know the present status of JNBL. We have a good infrastructural setup, skilled manpower, well equipped printing lab & healthy safety working environment in JNBL. The main limitation of JNBL is the capacity constraints & old machineries.

Tin plate is our basic raw material which covers almost 90% of raw material consumption. We must ensure the availability of quality tin plate by establishing modern Supply Chain & Inventory Management System.

To establish it as an industry government investment is essential on producing the basic raw material Tin Plate & government should reduce the VAT on the raw material of the metal can. All Machineries are costly that's why government should reduce the VAT & Income Tax from those machineries. Government should make some awareness campaign about the advantage of metal can.

To fulfill the increasing demand of metal can advanced machineries & skilled manpower is essential.

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Chapter – 1

Introduction

1. INTRODUCTION

1.1 Origin of the Report

This report is assigned by Mr. Shariful Haque, Assistant Professor, Department of Business Administration, International Islamic University Chittagong - Dhaka Campus as a mandatory requirement of the Internship Program. The report has to be prepared based on the knowledge and experience gained during the three months' organizational attachment in the Sales & Marketing Department at Jenson & Nicholson Bangladesh Ltd.

1.2 Objectives of the Study

Broad Objectives:

- ? To get a clear idea on Metal Can Manufacturing Industry in Bangladesh.

Specific Objective:

- ? To know about the Metal can & it's Manufacturing Industry in Bangladesh.
- ? To examine the advantages and disadvantages of both Metal Can and Plastic Can – Healthy & Safety issues for Human Beings
- ? To learn about the competition in the market and to find out the business scope of Metal Can
- ? To find out the areas that needs to be improved & suggest ways for development in Metal Can Manufacturing Industry.

1.3 Significance of the Study

Now a days packaging is also considered as a science & art and technology of enclosing or protecting products for distribution, storage, sale, and use. Metal packaging is one of them. Day by day uses of metal can is increasing in our country to keep pace with the changing world. To meet our present demand & prepare our self for the future is the main objective of this study.

1.4 Scope of the Study

The study focuses on the sales & Marketing department in Jenson & Nicholson Bangladesh Ltd., its objectives, activities, shortcomings and plus point of metal can manufacturing. Day by day demand of metal can is increasing globally but still now we don't have any structured metal can manufacturing industry. We have to import food graded metal can, spray can, and soft drink can. That's why there is a good scope of exploration of this business & this study will help the investor, manufacturer as well as learner.

1.5 Limitations

This is not a flourished industry in Bangladesh. That's why I don't have any secondary data to make any comparison or analysis. I have to collect all the primary data. Time constraint has prevented the study to widen its scope. Another important limitation is the non-accessibility to the other company information.

1.6 Core Study Plan

1.6.1 Study Design

This is basically a 'descriptive study', a study designed to describe characteristics of the metal can market, process & measures need to be taken for the improvement. Descriptive study seeks to determine the answers to

who, what, when, and how questions. Descriptive studies are based on some previous understanding of the nature of the problem.

1.6.2 Study Approaches

This study has followed the following approaches:

- ? Conducting interviews of different metal can manufacturing company
- ? Conducting interview of different user of metal can, and
- ? Collecting secondary data

1.7 Research Methodology

1.7.1 Data Sources

Primary Sources: Different Personnel of Metal Can Manufacturing Industry & User of metal can.

Secondary Sources

- ? Annual Reports of Jenson & Nicholson Bangladesh Ltd.
- ? Annual Reports of Berger Paints Bangladesh Ltd.
- ? Jenson & Nicholson Department Archive
- ? World Wide Web (www)

1.7.2 Data Collection

Interview

The data has been collected from the owner of metal can company, different employee of metal can manufacturer as well as the officers of the different department personnel interviews. Besides this observational method is also

used to collect necessary information in some cases, especially for the information that the respondents hesitate to provide.

1.7.3 Data Analysis Technique

Data has been presented in an easy and understandable form. Data analysis includes visual aids like:

- ? Graphs
- ? Charts

For efficient analysis and presentation application packages like MS Office Suite, Star Office 5.2 is used. Data analysis tools include percentage analysis, trend analysis etc.

1.8 Analyzing the Result

The analyzing part consists of the detailed analysis of the result. The major items analyzed are-

- ? What is the present condition of the metal can market?
- ? What is the present competition of this market?
- ? What are the business scopes of this industry?
- ? Whether there is any problem to establish metal can manufacturing industry in Bangladesh?
- ? What are the competitive advantages of metal can over plastic can?
- ? What are the possible solutions regarding the existing problem of establishing metal can industry?
- ? What necessary steps need to be taken for improving the present condition of this industry?

After performing the analysis, the results will be examined and recommendation and conclusion will be drawn.

1.9 Organization of the report:

The report is organized in a way to give the readers a thorough understanding of the metal can as a packaging material, present condition & competition of the market, metal can manufacturing process & the problems regarding this industry. The report has six parts. Part one covers introductory part. In part two, a brief description of JNBL. In part three, literature review is presented, it covers metal can industry, advantage of using metal can, business scope of metal can, shortcoming of this industry. In part four, survey findings are presented in descriptive fashion and with the help of figures. Part five, contains the recommendations. Part six contains appendix.

Chapter – 2

Findings and Analysis

2.1 Metal Can or Tin Can

A tin can, tin (especially in British English), steel can, or a can, is an air-tight container for the distribution or storage of goods, composed of thin metal, and requiring cutting or tearing of the metal as the means of opening. Cans hold diverse contents, but the overwhelming majority preserve food by canning.

"Tin" cans are made of tinplate which is tin-coated steel. Cans may also be made of aluminium or other metals.

2.1.1 History

The tin can was patented in 1810 by the English inventor Peter Durand, based on experimental work by the Frenchman Nicolas Appert. He did not produce any food cans himself, but sold his patent to two other Englishmen, Bryan Donkin and John Hall, who set up a commercial canning factory and by 1813, were producing their first canned goods for the British Army.

Early cans were sealed with lead soldering, which has led to lead poisoning. Famously, in the Arctic expedition of Sir John Franklin in 1845, crew members suffered from severe lead poisoning after three years of eating canned food.

2.1.2 Metal Can As a Packaging Material

Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale, and use. Metal packaging is one of them & plays an important role in product distribution, storage & sale. Now a days uses of metal can is increasing day by day because of the invention of new technology. New technology increases the production rate & also reducing the price of the packaging material. First impression is the best impression - present consumers also follow the rules.

2.2 An Overview of Metal Can Manufacturing Industry in Bangladesh

We don't have a long history of metal can manufacturing in Bangladesh. In Pakistan period there were a metal can manufacturing company established in Chittagong named Hashmee Can. After the liberation war Hashmee can converted to Bangladesh Can under the supervision of Bangladesh Steel Engineering Corporation under Bangladesh Government. But this factory was closed after privatization in 2000. After that there is no government owned metal can manufacturing company in Bangladesh. All the companies which are operating presently in the market are private owned. Now 7 metal can manufacture company controlling the market. They are Padma Can, Quality Can, Fatema Metal, Akhter Cans, Oriental Can, Rafique Can. Besides these there are more than 50 small metal can making companies all over the Bangladesh. Padma can & Rafique can have the new technology & adequate resource to make quality can as per the customer requirement. But present companies only producing metal can for ghee, butter, coconut oil, condensed milk etc. Still now we can not produce drum. The entire drum comes from outside of Bangladesh.

Some small metal can manufacturing Company recycling the different used can. They wash, remove the chemical from used can & again they are producing metal which is sometimes used for our daily food item. They are producing metal can for jorda, becking powder, insect killer etc.

2.2.1 An Overview of Jenson & Nicholson Bangladesh Ltd.

2.2.1.1 Introduction

Jenson & Nicholson (Bangladesh) Ltd. - a multinational Company entered into the Paint market of the then East Pakistan with brand name "Berger". Due to its outstanding quality the brand name become so potential & popular in the

market that the Company decided to rename the Company as Berger Paints (BD) Ltd. on the 1st day of January 1980. From that day management were thinking of protecting this name Jenson & Nicholson and finally in January 1990 we registered a new Company with the name and style Jenson & Nicholson (Bangladesh) Limited in order to protect the use of Parent Company name by any outsider to cause any damage to Berger.

In 1992 at initial stage J&N started importing Tin plates and get it printed by 3rd Party Printers in Dhaka and made Cans by local fabricators in Chittagong. But very soon we realized that the quantity and especially the quality that Berger requires can never be attained in this way. So we decided to establish a modern Can factory by ourselves. Finally Company bought one acre of land at Nasirabad, Chittagong and established its own Can fabrication unit in August 1995, added printing operation in September 1997 and installed New auto Press Line in 1998 and finally the 2nd semi Auto Assembly Line in 1999 considering the huge demand of food grade Can and also to cater the increased demand of Berger Paints Bangladesh Limited.

When we decided to produce food grade can, as a multinational Company we keep ourselves rigid to follow the specification described in IS: 10339-1982 for food grade and edible oil can. To achieve this ambitious goal essentially we equipped ourselves with necessary machines & accessories required to produce food grade can.

The Company is also administered and financed by Berger Paints Bangladesh Limited.

2.2.1.2 The People

The people who are making it happen- the employees are young, dedicated and energetic. All of them are well educated at home or abroad and minority groups in Bangladesh being well represented. JNBL knows that the talents and energy of its employees are critical to its operation and treats them accordingly.

2.2.1.3 The Shareholder

Berger Paints Bangladesh Ltd. owns 100% share of Jenson & Nicholson Bangladesh Ltd.

2.2.1.4 Production Operation of JNBL

Company have two Assembly line capable of producing 25 lac Cans a year by single Shift Operation, one Auto Press line with built in Roll feeding attachment & Disc Curler, one semi Auto Press line consists of six Press and separate Disc Curler. Total Capacity of both the Press line is about 100 lac components a year. Specialty of our components over other can producer in Bangladesh is that all our Die's are Compound type and imported from Europe & India.

Our multicolor Offset metal printing Press capable of printing 36000x12 sheets a year with excellent shade matching & color separation.

Now a day we are equipped enough with machines & accessories to produce food grade can. The most important thing we do consider in producing food grade Can is to maintain the best level of hygiene.

We have a well-equipped tool room and do all maintenance and repairing works in our workshop. In near future we planned to buy some additional equipment to enable us to make most of the Die's in our tool room.

2.2.1.5 SWOT Analysis of JNBL

To keep pace with the changing world & the competitor every company must study on the Strength, weakness, opportunities & threats. Carrying out this analysis will often be illuminating – both in terms of pointing out what needs to be done, and in putting problems into perspective. Followings are the **SWOT Analysis of JNBL –**

Strengths: Consider this from an internal perspective, and from the point of view of our customers and people in our market. The strength of Jenson & Nicholson Bangladesh Ltd. is–

1. Well Infrastructural set up
2. Experience work in hand
3. Strong goodwill & Brand name
4. Well Equipped tool room where mostly needed machineries are available – Lathe Machine, Shaper Machine, Milling Machine, Surface Grinding Machine etc.
5. Fair Business Policy - JNBL maintains all government rules & regulations.
6. Well Equipped Quality Control System.
7. Well equipped printing lab.
8. Integrated Production & Inventory Management System.
9. Healthy & Safety environment.
10. Canteen Facility for employee which enhance the motivation level.

Weaknesses: Again, consider this from an internal and external basis weakness of JNBL is –

1. Production Capacity constraint
2. Quality of Can is not up to the world class standard.
3. Poor scope of trouble shooting at different levels.
4. Lack of proper Supply of quality tin plate which is our basic raw material.
5. Non availability of Spare Parts in the local market.
6. Old printing machine.
7. Most of the machines are old & some of them all ready completed the depreciation stage.

Opportunities: Consider this from an external basis Opportunities of JNBL is -

1. Our long term experience in Can Manufacturing will help developing new types of packaging materials for BPBL and other organizations.
2. Enhancement of production volume will help to meet the entire requirement of BPBL as well as increase share in the market.
3. Opportunity of cost benefit (i.e, cost of vendor's product will be higher than that of JNBL).
4. Time factor incase of product supply (JIT).

Threats: Consider this from an external basis Threats of JNBL is -

1. Diversion of Berger's purchase to 3^d party due to JNBL's production capacity constraints.
2. Gradual decrease of production capacity of machinery due to their old age.
3. The implementation of new latest technology by our market competitors producing high quality Cans.

2.2.1.6 JNBL Organogram

Jenson & Nicholson Bangladesh Ltd. is operated by the guidance of Berger Paints Bangladesh Ltd. The following organogram is updated as of December 10, 2009.

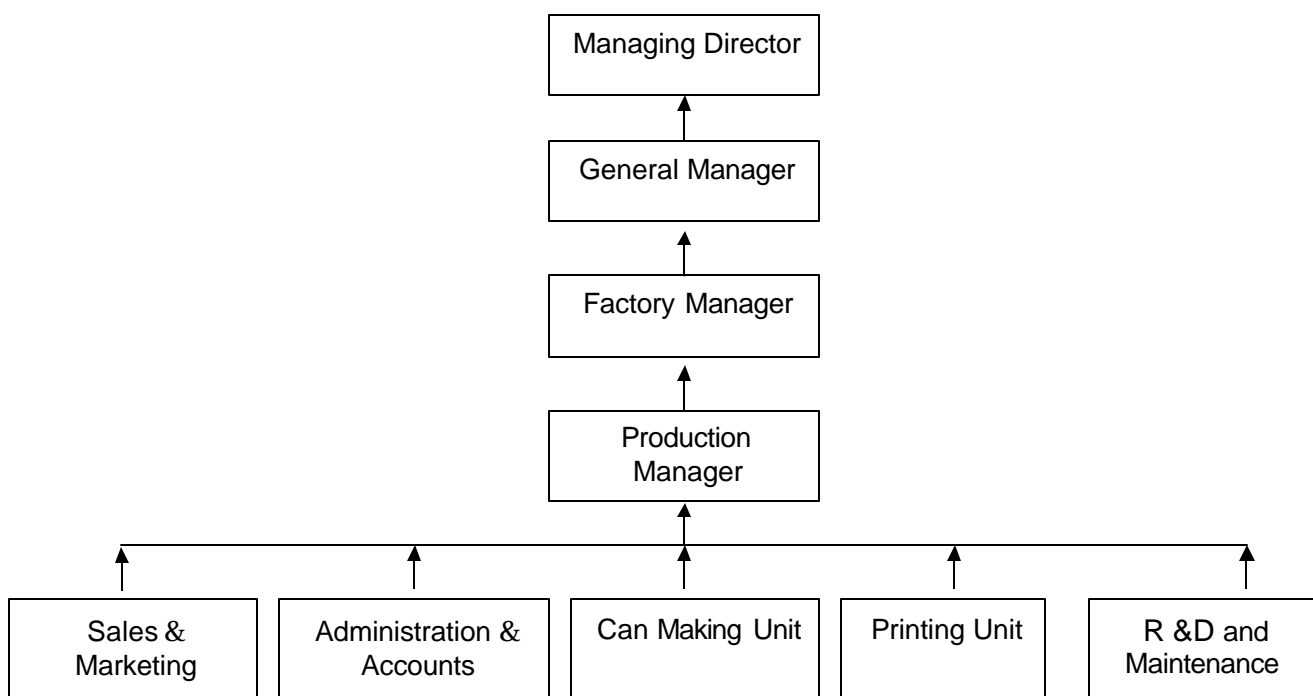


Figure: Organization structure of JNBL

2.2.1.7 Functional Departments of JNBL

The functional division of JNBL is given below –

Table – Functional Department of JNBL

- | | |
|--------------------|----------------------|
| 1. Administration | 2. Accounts |
| 3. Can Making Unit | 4. Printing |
| 5. Store | 6. Sales & Marketing |

2.2.1.8 Can Manufacturing Process

Can manufacturing process consist of some small steps. They are given below -

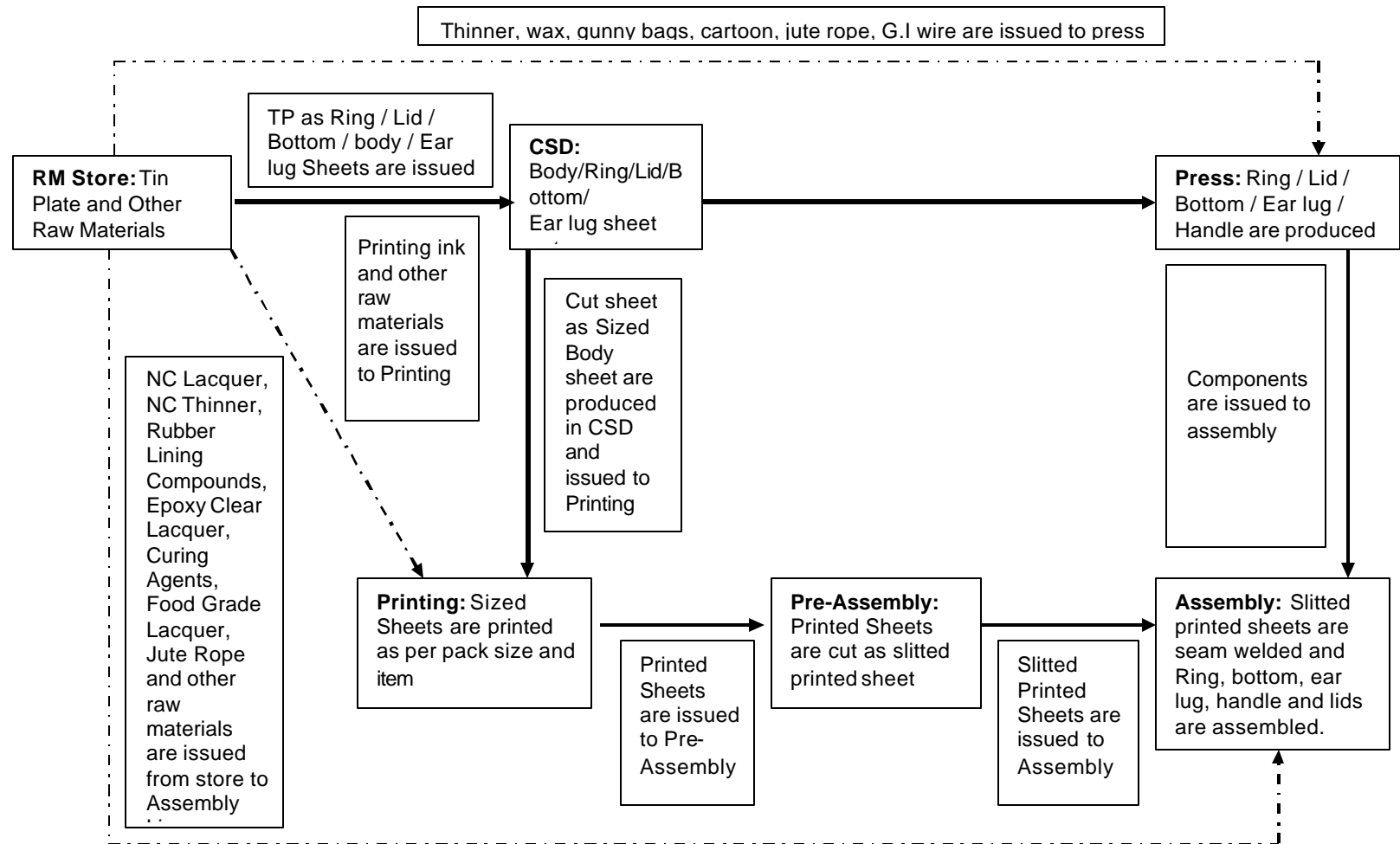
Step – 1: Main raw material of Metal can is tin plate. In first step tin plate is issued to Component Sizing Department. In this stage tin plate is sized for producing body, ring, lid, bottom, Ear lug.

Step – 2: Those sized body sheet is send to printing unit for printing & ring, lid, bottom, Ear lug sheet is send to press for producing lid, bottom, ear lug & handle. In this step store issue printing ink & other raw material to printing unit. Some other raw material like thinner, wax, gunny bags, cartoon, jute rope, G.I wire are issued to press.

Step – 3: In this stage Printed Sheets are issued to Pre-Assembly & in pre assembly Printed Sheets are cut as slitted printed sheet.

Step – 4: In this stage all the components (slitted printed body sheet, lid, bottom, ear lug, handle) are gathered in assembly section. NC Lacquer, NC Thinner, Rubber Lining Compounds, Epoxy Clear Lacquer, Curing Agents, Food Grade Lacquer, Jute Rope and other raw materials are issued from store to Assembly Line & finished metal can produced here by assemble all the parts.

Fig: A simple can manufacturing process:



2.2.1.9 Products and Services

Main product of JNBL is metal can. JNBL is capable of producing up to 20 liter drum. Following are the products of JNBL –

- i. 200 / 250 ml can
- ii. 455 / 500 / 900 ml can
- iii. .91 / 1 liter can
- iv. 3.64 / 4 liter can
- v. 18.2 / 20 liter drum
- vi. 397 gm condensed milk

2.2.1.10 Production, Sales Volume & Growth rate of JNBL

Presently the sales volume & growth rate of JNBL is related to the sales volume & growth of BPBL. We are not involved with direct 3rd party business other than Bangladesh Milk Producers' Co-operative Union Limited. Following table & graph shows the production, sales volume & growth rate of JNBL –

Year	2007	2008	2009
Budgeted	6,697,226	6,359,221	6,724,203
Actual	6,377,093	5,753,085	6,664,061

Table: Production of JNBL

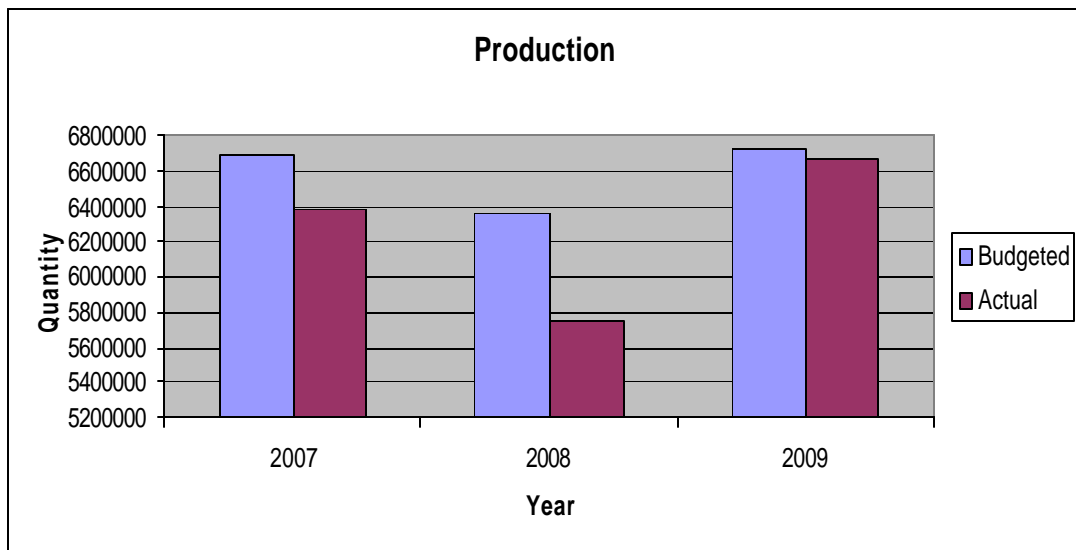


Figure: Production of JNBL

Year	2006	2007	2008	2009
Sales Volume (00000)	1174	1368	1472	2106

Table: Sales Volume of JNBL

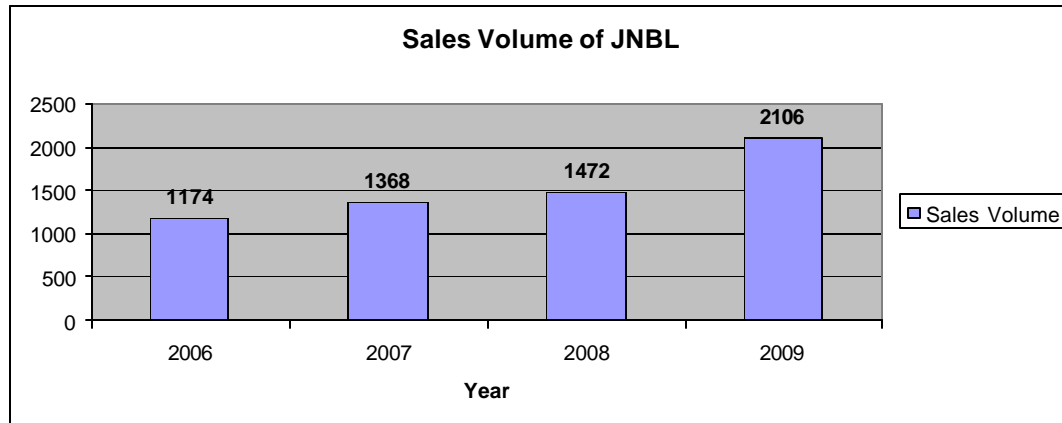


Figure: Sales Volume of JNBL

Year	2007	2008	2009
Growth Rate (%)	16.52	7.60	43.07

Table: Growth rate of JNBL

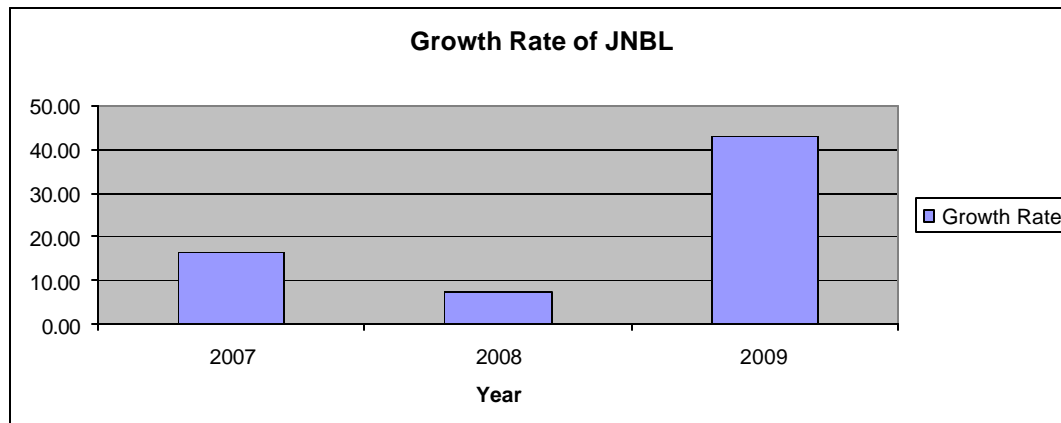


Figure: Growth rate of JNBL

2.2.1.11 Social Commitment of JNBL

JNBL always contributes to the society. JNBL always recruit worker from Underprivileged Children's Educational Programs, UCEP-Bangladesh.

2.2.1.12 JNBL at a glance

Table – JNBL at a Glance

Head Office	1
Department	6
Website	www.bergerbd.com
Production Capacity / Day	29500 pcs / day
Managing Director	Rupali Chowdhury

Source: Primary Data

2.3. Advantages and disadvantages of both Metal Can and Plastic Can – Healthy & Safety issues for human beings

2.3.1 Advantage of Using Metal Can

Metal packaging was invented more than a century ago. Since then it has undergone constant changes and improvements in order to adapt to the needs of modern consumers. Its main advantages are as follows:

- ? Full impermeability to the passage of gases and air as compared to other packaging materials, meaning a long shelf-life
- ? Tamper evidence and total protection against intentional damage to the finished product (poisoning or contamination, biological terrorism)
- ? Full compatibility with the strictest demands for direct contact with food, sprays, paints, etc.
- ? Low losses in all stages of filling, sealing, packing, distribution, and sale
- ? High speed production rates (for both manufacture and user)
- ? Good heat transfer (for canned food)
- ? High-quality and varied graphic capabilities
- ? Possibility of interesting shapes
- ? Fully recyclable, environmental friendly packaging

2.3.2 Disadvantage Of Using Metal Can

Metal can also have some disadvantage also. They are –

- ? Metal can is not suitable for water based product. Because it will create rust & damage the can.
- ? Cost is high comparing to plastic can
- ? Sometimes its tuff to prevent leakage

2.3.3 Disadvantage of Using Plastic Can

All plastics are petroleum based products. i.e. they come from oil. Oil is a finite resource and many other problems are associated with oil extraction and usage. During the production of plastic vast quantities of toxic waste are produced by treating them with flame retardants, plasticizers and various other organic compounds. Following are disadvantage of using plastic–

Environmental Damage

Plastic bags/can has been known to cause a lot of environmental damage. A single plastic bag/can can take up to 1000 years, to decay completely. This makes the bags/cans stay in environments longer, in turn leading to great build-up on the natural landscape (much more than degradable materials like paper). In other words, the more plastic we use, the greater the chances of environmental damage.

Threat to Animal Life

As per Marrickville Council of Australia, as many as 100,000 whales, turtles and birds die have been reported to die every year, mainly because of plastic in their environment. Plastic not only have adverse effects on our natural habitats, but have also been found to be responsible for the death of many animals, mainly on account of the suffocation encountered on eating them.

Suffocation

Not only animals, infants and young children have also been reported to have lost their life, on account of plastic. Since plastic bags/cans are thin and airtight as well, children often end up blocking their mouths and nostrils with them. In case they are not being monitored by an adult, this leads to suffocation and, in some cases, even death.

Pollution

Plastic bags are extremely durable. In case we are thinking of this as an advantage, just bring to mind an image of the huge landfill that we visited on

the city outskirts, the other day. In most probability, majority of the rubbish present there will comprise of plastic bags only. In other words, plastic bags/can has led to a great increase in the pollution levels.

Fumes

Since plastic bags are not bio-degradable, the only way to get rid of them is to burn them up. Though lighting a match to them is easy, it has more than its fair share of disadvantages. The biggest of them is that smoldering plastics can release toxic fumes into the environment, in turn taking the air pollution to much higher levels.

Non-renewable

One of the main disadvantages of plastic bags is that they are not renewable. The reason behind this is that they are made of petrochemicals, a non-renewable source of energy. They can be recycled, but not as easily as paper bags. Plastic bags can last for as much as hundreds of years. In other words, long after we are no more, the plastic bag used by us will be in existence.

2.3.4 Comparison between Metal Can & Plastic Can

Now a day's people of advanced country is giving up the uses of plastic can because it has some radioactive element which is harmful for human body. That's why uses of plastic can is decreasing globally and uses of metal can is increasing. In some cases liquid food is making some chemical reaction with the plastic container & producing harmful element for health.

But in our country uses of plastic can is increasing because of the unawareness of this limitation.

2.3.5 Recycle of Metal Can

Recycling involves processing used materials into new products to prevent waste of potentially useful materials, reduce the consumption of fresh raw

materials, reduce energy usage, reduce air pollution (from incineration) and water pollution (from land filling) by reducing the need for "conventional" waste disposal, and lower greenhouse gas emissions as compared to virgin production. Recycling is a key component of modern waste reduction and is the third component of the "Reduce, Reuse, Recycle" waste hierarchy.

Recycling steel and aluminium is one way to help minimize waste going to landfill and to preserve our precious natural resources. Steel and aluminium cans are both extremely valuable resources, are 100% recyclable, and can be recycled over and over again.

The steel baked bean can in our cupboard, could easily be recycled into another baked bean can, a railway track or even a steel beam used for building construction.

Our old aluminium soft drink cans are easily and inexpensively recycled into new soft drink cans, window frames or bicycles. Recycling an aluminium can uses only 5% of the energy required to manufacture a new can from natural resources.

By recycling aluminium cans we are not only saving energy, we are also reducing the need to mine bauxite - a limited natural resource.

+ Environmental effects of recycling		
Material	Energy Savings	Air Pollution Savings
Aluminium	95%	95%
Cardboard	24%	—
Glass	5-30%	20%
Paper	40%	73%
Plastics	70%	—
Steel	60%	—

Source: Secondary Data

2.3.6. Recycling Process

Both steel and aluminium cans have a very similar recycling process.

Firstly steel and aluminium cans are collected and transported to a Materials Recycling Facility (MRF) to be sorted, compacted and baled. The bales of steel and aluminium cans are then sent to the appropriate recycling companies where they are cleaned to remove all food scraps and labels.

The clean metal is then heated to a very high temperature so that it melts. The melted steel is cast into sheets, while the aluminium is made into ingots. These steel sheets and aluminium ingots are then ready to be made into new steel or aluminium products.

2.3.7 Recycling Rules

1. Recycle steel and aluminium cans in your yellow topped recycling bin or take them to a landfill or transfer station facility.
2. Rinse all steel and aluminium cans before placing them in your recycling bin or container.
3. Crush cans before placing in recycling bin or container.
4. Only place cans in your recycling bin or container. All other metal are to be taken to a landfill or transfer station facility.

2.4 Competition & Business Scope in the Local Market

2.4.1 Competition in the market:

Metal can manufacturing business is not fully flourished in our country. There is no specific planning regarding this business. That's why this business scattered all over the country. This business is mainly developed under the relationship business. Following are some companies presently operating the metal can business in Bangladesh –

1. Padma Can

2. Quality Can
3. Fatema Metal
4. Akhter Cans
5. Oriental Can
6. Rafique Can

Besides these there are more than 50 small metal can manufacturer exist in Bangladesh. Among them Padma Can, Rafiq Can, and Oriental Can are the main competitor of Jenson & Nicholson Bangladesh Ltd.

2.4.2 Business Scope of Metal Can in Bangladesh

About 400 billion (400,000,000,000) metal can is produced for food, drinks, industrial products and aerosols every year around the world. Everyday uses of metal can are increasing day by day globally as well as in Bangladesh also. Presently the demand of metal can is high in our country. Because we have no such established industry which can fulfill the overall market demand. Only the paint industry & some food company are using the locally produced metal can. Besides these, every aerosol, baby food can is imported by the respective company for their uses. Below list will give a clear idea about the overall metal can industry –

SN	Industry
1	Paint
2	Lubricants
3	Oil – Coconut Oil
4	Milk Industry – Ghee, Condensed Milk
5	Thinner, Lacquer, Varnish
6	Biscuit
7	Milk Powder & Baby Food
8	Cosmetics - Powder
9	Shoe Polish
10	Jorda can
11	Soft Drinks

12	Aerosol & Air Freshener
13	Different Types of Cover for Jam, Jelly, Garlic etc.

As there is no good metal can supplier in Bangladesh many company is starting to use plastic can where possible.

Following table shows the metal can requirement of some existing companies for the year 2010 –

S N	Company Name	Can Requirement for the Year 2010		
		Product	Pack Size	Quantity (Pcs)
1	Bangladesh Milk Producers' Co-operative Union Ltd.	Ghee	1KG,500gm, 200gm, 400gm	400000
2	Square Toiletries Ltd.	Coconut Oil	200 ml, 400 ml	11000000
3	Mostofa Vegetable Oil Mills Ltd.	Ghee	1 kg, 500gm, 200gm	30000
4	Fuchs-ghl Lubricants Bangladesh Ltd.	Lubricant	15 KG	12000
5	Unique Commodities Co.	Ghee	1KG/500gm/200gm	100000
6	Sanowara Group of Companies	Ghee	10KG,900gm,450gm	201000
7	Aftab Foods Limited	Ghee	900 gm, 450 gm, 200gm	360000
8	Pran Dairy Limited	Ghee	900 gm, 400gm, 200gm	200000
9	Lalbag Chemical & Perfumery Works	Coconut Oil	200 ml, 400ml	8000000
10	ACI Formulations Ltd.	Insect Killer	250ml, 350ml, 475ml	780000

		Total	21083000
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Source: Primary Data (Personal Visit to the respective company)

From the above data we can understand that users of metal can are not small rather there is a big user group in the market. There is a lots of business opportunity exist in the metal can market if we can meet the customers expectations , needs & wants .

There is no aerosol or spray can making industry in Bangladesh. The entire manufacturer is importing this can. ACI Formulations Ltd is importing from Malaysia.

2.5 Improvement Area & Other Findings

2.5.1 Raw Material: The main raw material is Tin Plate & which covers the 95% raw material consumption. There is no local sourcing of tin plate. They need to import from india, china, japan, brazil etc. That's why it is a price sensitive issue & people don't want to invest in this sector. If government takes any step to produce tin plate in our country then it will help to flourish this business. High cost of raw material is preventing to expand this industry.

2.5.2 Pack Size: This one of the important limitations of the metal cans industry. There are different types of metal can in the market. But lacking of raw material & expert hand we cannot produce every types of can. JNBL can produce up to 20 liter drum. Every company needs different types of dye for different pack size. But dyes are so expensive and most of the cases we have to import it from outside.

2.5.3 User: Presently paint, coconut oil, ghee, butter, lubricant, aerosol industry is using metal can.

2.5.4 Awareness Program: Government as well as business people should take some awareness campaign about the advantage of using metal can &

disadvantage of using plastic can. It will increase the health consciousness among people.

2.5.5 Business Policy: We are under developed country & that's why overall business situation is not quite good. All are credit sale that's why investor is not interested to invest in this sector. This is one of the main barriers for expanding the industry. Some time it takes so long time to recover the investments.

2.5.6 Technical People: We have the scarcity of technical people related to this industry. Every machine is imported from India, Germany etc. as a result when any break down occurs they have to wait for the foreign expertise to solve the problem.

2.5.7 Standard for Can: Government should take some initiative to prepare a standard for pack size. For example if there is same size for 1 Kg ghee or any other goods then it will help the producer & minimize the investment in dye preparation. Not only this government should prepare other standards like thickness of tin plate, standard weight etc.

2.5.8 Food Grade Can Manufacturing: Still now we have no food graded metal can manufacturing industry. Some are producing food graded can but not maintaining all the standards. As a result companies like Dano, Nestle are importing all the metal can used for baby food from other country like Malaysia, Taiwan, China etc. Government should take necessary step to establish a fully equipped food graded metal can industry.

Chapter – 3

Recommendations and Conclusion

3.1 Recommendation

This is one of the most promising business sectors for Bangladesh. We have cheap labor force. We can earn foreign currency if we can take proper step for flourishing this business.

- 1) Tin Plate is the basic raw material of metal can industry & we have to import all the raw material. Government investment & loan facility is needed to encourage this industry.
- 2) There is scarcity of experienced technical people for this metal can industry. Government should include this in our curriculum.
- 3) To encourage this industry government should less the VAT & Income Tax on the raw material (Printing Ink, Food Grade Lacquer, Food Grade Thinner) of the metal can.
- 4) Government can create market by creating some awareness campaign about the advantage of metal can over plastic can.
- 5) Government may declare tax holiday (5 year) for metal can industry.
- 6) All Machineries are costly that's why government should reduce the VAT & Income Tax from those machineries.

3.2 Conclusion

From the above information & discussion we can easily say that the present situation is not quiet good for metal can manufacturing as well as manufacturer. To establish it as an industry we need government investment, encourage. Government can also create market for this industry. If we can produce quality can to meet the present demand according to our customer then in near future we can easily earn foreign currency from this industry.

Chapter – 4

APPENDIX

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Questionnaire for Survey

Dear Sir or Madam:

I'm a student of Department of Business Administration, International Islamic University Chittagong – Dhaka Campus, conducting a survey on the following issue: **“Present Condition of Metal Can Manufacturing in Bangladesh & The ways to improve the metal can manufacture – A Study on Jenson & Nicholson Bangladesh Ltd (JNBL)”**. Your valuable response will help me in pursuing my Study. I hereby ensure you that all the information will be kept confidential and will be used for academic purposes only.

Name of the Company:

Name of Respondent & Designation:

Date:

1. How long have you been with Metal Can Industry?

Ans.

2. What are the raw materials of metal can?

Ans.

3. Which types of metal can your company producing?

Ans.

4. What are the pack size your company producing?

Ans.

5. Who are your main customers & for what type of product they are using the metal can?

Ans.

.....
Food Grade: Baby Food / Coconut Oil / Biscuit / Milk / Ghee/ Butter / Soft Drink / Energy Drink / Others

Non Food Grade: Aerosol / Vernish / Lacquer / Thinner / Powder / Shoe Polish / Jorda / Paints

Fuel: Lubricant / Mobil / Greese

6. What is the present condition of metal can industry?

Ans.

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7. What are the barriers of expanding this industry?

Ans.

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8. What are the payments terms & condition?

Ans.

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9. Do you think government should take any step to improve the metal can manufacturing industry? How government can help?

Ans.

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10. Do you think any awareness campaign should be conducted to increase the uses of metal can?

Ans.

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11. Do we have sufficient technical people related to metal can production in our country?

Ans.

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