

CURRENCIES

USD

82.50

EUR

100.46

GBP

113.67

JPY

0.75

BUY TK

83.50

SELL TK

104.06

117.27

0.79

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BUSINESS

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starbusiness@thedailystar.net

# Egg farmers in dire straits

## They suffer losses for falling prices

SOHEL PARVEZ

Farmers are suffering losses for falling prices of eggs owing to increased production and high feed cost.

At the farm gates, each egg is now selling for Tk 4.10-4.70 -- much lower than the production cost of Tk 5.5, said a number of producers and traders.

The prices of eggs have remained low as production is higher than demand, said Mohammad Hasibul Alam, owner of Desh Poultry Farm in Rajshahi.

At present, about 4.5 crore eggs are produced every day, said Md Kayser Ahmed, managing director of Diamond Egg and Protein House, which together produce 18 lakh eggs daily.

At the end of 2016, the daily production of chicken eggs was about 2.25 crore, according to the Bangladesh Poultry Industries Central Council, the apex body of poultry associations.

The number of farms rose between mid-2016 and early 2017, leading to a spike in production of the protein source, Ahmed said.

"Yet, consumption has not increased to keep pace with the supply."

But the cost of production has gone up, particularly of feed.

In 2016, eggs were sold from his farms at Tk 6.47 each when prices of feed were Tk 30 per kilogram, Ahmed said.

The following year, his farms could sell egg at Tk 5.46 each, 15 percent less than the previous year's.

Feed costs rose 7 percent to Tk 30 each kilogram in 2017 from a year earlier. And in January this year, the cost of feed went up 10 percent to Tk 33 per kilogram.

On the other hand, the average prices of eggs



AT A GLANCE

At farm gates, each egg now sells for Tk **4.10-4.70** while production cost is Tk **5.5**

At present, about **4.5** crore eggs are produced every day, poultry farmers say

Number of farms rose between 2016 and 2017, leading to a spike in production

During 2013-2016, farmers did not incur losses, which encouraged many to make investment

declined to Tk 5.35 each, according to Ahmed.

One bird lays seven eggs by taking one kilogram of feeds. In addition, Tk 0.50 and Tk 0.35 are added to the total production cost as inventory and other costs, he said.

Between 2013 and 2016, farmers did not incur losses as prices were higher than production costs.

"This encouraged many to invest. But a section of small farmers have started pulling out," Ahmed said.

The prices of eggs had been dull during the whole of 2017 because of oversupply, said Nurul Islam, a wholesaler of egg at Dhaka's Tejgaon, one of the biggest wholesale hubs in

the country.

About 50 lakh eggs are brought to Tejgaon daily now, up from about 35 lakh pieces couple of years ago, he said.

On February 19, the wholesale price of eggs was Tk 4.90 each, he said, adding that prices of eggs dropped to as low as Tk 3.80 during Ramadan last year.

At the retail level in Dhaka, prices declined 5 percent to Tk 25-28 for four pieces of eggs yesterday from a month ago.

The prices were 11 percent less than a year ago, according to market data by the Trading Corporation of Bangladesh.

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## SALE OF 25PC STAKE

### DSE forwards both proposals to regulator

STAR BUSINESS REPORT

Dhaka Stock Exchange yesterday submitted strategic partnership proposals from both China and India to the Bangladesh Securities and Exchange Commission for its approval.

The stock exchange regulator will give its consent after evaluating the both proposals, said a senior BSEC official.

DSE has prepared an evaluation paper on both the investment proposals. A consortium of the Shanghai Stock Exchange and the Shenzhen Stock Exchange offered to buy 25 percent or 45 crore shares of DSE at Tk 22 each.

Another consortium of the National Stock Exchange of India, Frontier Bangladesh and Nasdaq offered to buy the same number of shares for Tk 15 each.

According to the evaluation paper, the Chinese party wanted to come with long-term investment without any strings attached, whereas the Indian consortium offered to invest on the condition that it will make its exit after five years.

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## Robi logs Tk 280cr losses despite rise in subscribers

STAR BUSINESS REPORT

Robi, Bangladesh's second largest mobile operator, failed to register profit for the second straight year, counting net losses of Tk 280 crore in 2017 despite favourable growth in subscriber base and revenue.

The mobile operator had incurred losses of Tk 389 crore in 2016.

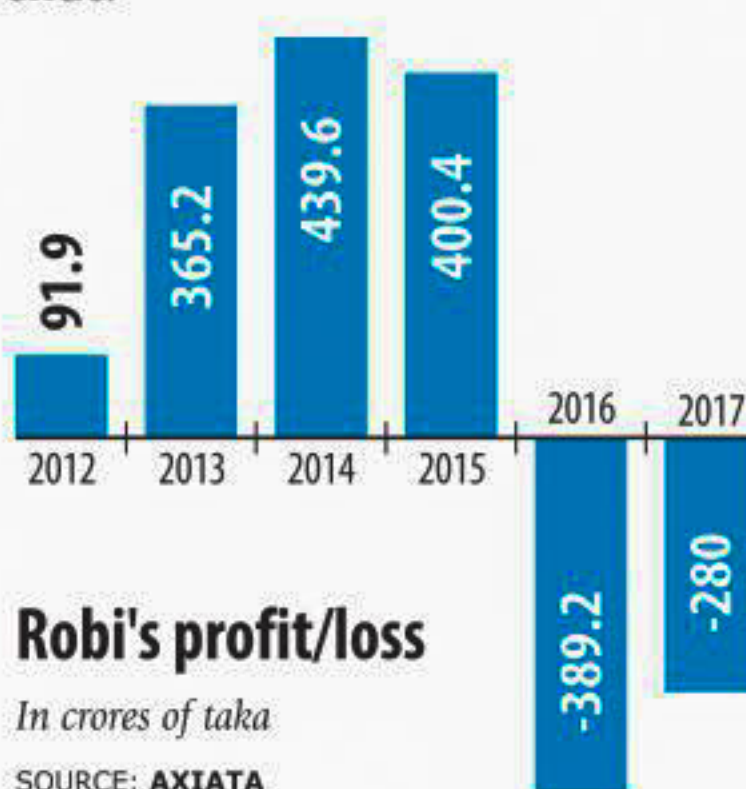
Robi logged in Tk 6,830 crore as revenue for 2017, up 29.7 percent from a year earlier, driven by its merger with Airtel. Its subscriber base expanded 26.8 percent to hit 4.29 crore at the end of last year, which is 29.6 percent of the market, according to the operator.

"Despite encouraging growth in terms of both subscriber and revenue, Robi was unable to register any profit in 2017," said the operator in a statement yesterday.

The operator went on to blame the intense competition around pricing for both data and voice and the "exorbitantly" high taxation regime for its dismal performance in 2017.

"With 4G and mobile number portability coming up, we are confident that we can provide significantly better customer experience in terms of data speed and stronger network to our subscribers," said Mahtab Uddin Ahmed, managing director and chief executive of Robi.

Robi continued investing aggressively to ensure 4G readiness and fast-track its 3.5G network expansion aiming to improve network quality and enable better customer experience both in voice and data services, according to the statement.



# 25 new ventures to get a boost

## Programme launched to provide them with advice and technical support

STAR BUSINESS REPORT

A business incubator will select 25 small and growing enterprises of the country to provide them with advice and technical support to help set up environment-friendly industrial units.

Commercially viable businesses having five to 200 employees and seeking money to go beyond their current geographic, demographic or business boundaries will be accepted for ScaleUp Bangladesh, a 12-month investment readiness accelerator programme.

International Finance Corporation (IFC) will be the programme's key partner along with Grameenphone, British Council, India-based venture capital firm Aavishkaar Venture Management Service, Netherland-based PUM.NL and Climate Business Network Support.

The incubator, BetterStories Ltd, states to be concerned with smart technology, strategic consulting and startup ecosystem, aiming to create at least 1,000 leaders by 2021 through green, ethical and responsible businesses.

Finance Minister AMA Muhith inaugurated the initiative in the capital's Brac Centre Inn yesterday.

This is a very important step to promote small and growing businesses and it will play a positive role in the national economy, he said.

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Minhaz Anwar, chief storyteller of BetterStories, said the brand new programme would help businesses maximise growth potential.

Years of on-the-ground experience and understanding of the Bangladesh investment ecosystem are the basis for building this accelerator, he said.

Joel Reifman, deputy head of mission at the US embassy in Dhaka, pointed out that Bangladesh has been maintaining a good GDP growth over the last two decades and planned to become a developed country by 2041.

The country's economy is now in a good position and the SME sector will help it create jobs and boost exports, he said, adding that the idea would give a boost to environment-friendly small and medium entrepreneurs.

Harsh Vivek, a senior IFC official, said the SME sector usually helps developing countries attain GDP growth.

"The IFC is keen to provide support to the environment-friendly SMEs. We want climate-smart entrepreneurs in the country to ensure sustainable development," he said.

Among others, Joya Chowdhury, investment readiness lead of BetterStories, and Kazi Mahboob Hassan, chief transformation officer of Grameenphone, also spoke.

## VAT on internet usage might be cut: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday said he will seriously reconsider the existing 15 percent VAT on internet usage in the upcoming budget -- a longstanding demand of the industry as it would give digitisation a boost.

"I promise to seriously consider the issue in the next budget as it will be the last budget of my career," Muhith said at the inauguration of the BASIS SoftExpo 2018 held at the Bangabandhu International Conference Centre.

Muhith's comment came in response to ICT Minister Mustafa Jabbar's request to withdraw the value-added tax.

The country might lose out on Tk 100 crore but it will gain Tk 1,000 crore if VAT upon internet usage is lessened, Jabbar said.

"Therefore, as a minister myself, I request the finance minister to consider the amount of VAT on internet usages," he added.

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A man browses on a computer at a stall of BASIS SoftExpo 2018 in the capital's Bangabandhu International Conference Centre yesterday.

STAR

## Dhaka stocks end week in the red

STAR BUSINESS REPORT

Dhaka stocks fell yesterday ending the full week in the red amid low participation of institutional investors.

The fall negated expectation that the central bank's move to extend the deadline for lowering loan-deposit ratio would be reflected by a jubilant participation of investors. Instead, the investors adopted a wait-and-see approach.

The broad index, DSEX, lost 2.05 points to settle at 5,907. The DS30 index, comprising blue-chip companies, fell 3.01 points or 0.13 percent to finish at 2,170 and the DSE Shariah Index ended 3.93 points or 0.28 percent lower at 1,375.

Turnover on the premier bourse dipped to Tk 289.66 crore, the lowest since July 11 last year.

Turnover, the crucial indicator of the market, fell nearly 26 percent yesterday compared to the previous day's Tk 391 crore, according to the Dhaka Stock Exchange (DSE).

Participation of institutional investors was very low as they were observing the market movement, said Khairul Bashar Abu Taher Mohammed, secretary general of Bangladesh Merchant Bank Association (BMBA).

It is unexpected that the central bank's move had not been reflected in the market, he said.

He said there is no other factor except liquidity crisis that kept institutional investors at bay.

Bashar, however, hoped investors would gain confidence soon. On Tuesday, the Bangladesh Bank extended the deadline for banks to bring down their loan-deposit ratio to December 31 from June 30.

The decision was taken following a demand from the Dhaka Stock Exchange Brokers Association and the BMBA.

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## Startups hold bright prospects

### Entrepreneurs say

STAR BUSINESS REPORT

Bangladesh is a land of opportunities for ICT business since startups are still facing less competition in the market, said a number of entrepreneurs yesterday.

They said the country is confronting many challenges, but these, in fact, have created the opportunity for startups to grow.

"Bangladesh is a land of opportunities for startups and that's why we did not wait long to invest in this market," said Yoriko Ueda, chief executive officer of Venturas Ltd, an personalised online learning platform for local students.

"We had been facing huge challenges when we started our service a few years back. But I think challenges create opportunities," said Zia Ashraf, CEO of Chaldal.com, the largest online grocery seller in Bangladesh.

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## Regent Airways starts flights to Dammam

STAR BUSINESS REPORT

Regent Airways yesterday spread its wings to the skies of Saudi Arabia, its eighth international destination.

The inaugural flight to Dammam, the third biggest commercial city of Saudi Arabia, left Hazrat Shahjalal International Airport with 155 passengers last night.

The route will be served with four flights a week initially; daily flights will start from June.

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REGENT AIRWAYS

M Fazle Akbar, CEO of Regent Airways, and Abdullah HM Al Mutairi, Saudi ambassador to Bangladesh, cut a cake at the launch of Regent's new flight to Dammam, at the headquarters of the airline in Dhaka yesterday.