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 বিশেষ সঞ্চয় কিম
 প্রাক্কলিত মুনাফা:
 ৩ বছর ৯.২৫%; ৫ বছর ৯.৫০%; ১০ বছর ১০%
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Business

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Foreign meat finding niche in local market

SOHEL PARVEZ

Imported cheaper frozen meat has aggressively been displacing homegrown beef in Bangladesh eateries for the last one and a half years, which is a matter of grave concern for the local industry.

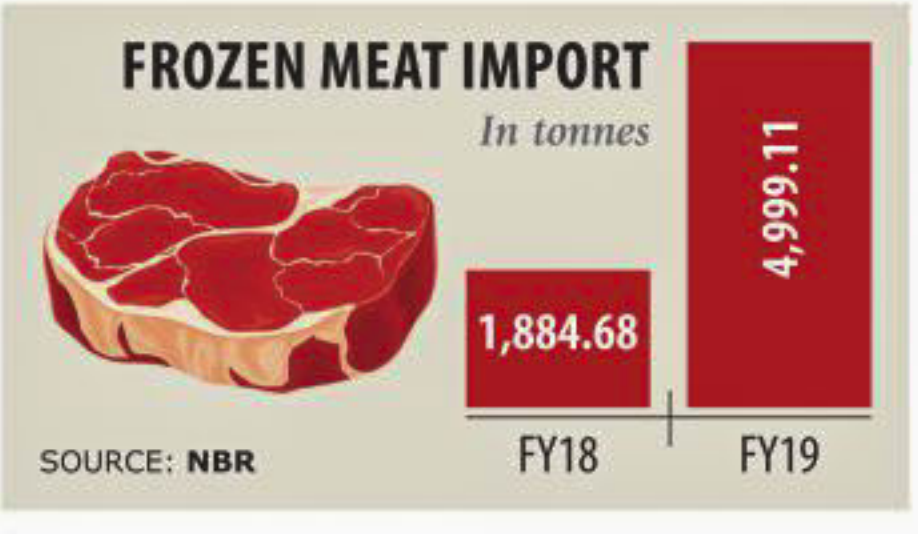
India is providing the lion's share of the import, which picked up around the time when the influx of cattle from the neighbouring country ebbed in the face of a clampdown in the border.

In 2018-19, around 6 lakh cattle entered Bangladesh from India, down from 21 lakh in 2013-14, according to data from the National Board of Revenue.

Frozen meat imports more than doubled to 4,999 tonnes in 2018-19 from a year earlier, according to customs data. And in the first two months of the fiscal year, 2,000 tonnes have already been brought in.

The main reason for the spike in imports is the price gap, said Shamim Ahamed, president of Halal Meat Importers Association of Bangladesh (HMIAB).

Because of duty benefits under the South



Asian Free Trade Agreement, the total tax incidence for frozen meat imports from India is 13.75 percent, which is less than half of the duty for frozen meat imports from other countries.

After applying duty and tax, the cost of frozen meat from India stands at Tk 320 each kilogram on an average in Dhaka and offal at Tk 125 a kg -- which is much lower than the local beef's current retail price of Tk 530-550 per kg.

The lower prices of imported meat attracted the cost-conscious restaurants and catering service providers, according to Ahamed, also the head of business operations of Igloo Foods, a concern of Abdul Monem, a leading diversified business conglomerate.

Taufiqul Islam, treasurer of Bangladesh Restaurant Owners Association, said they prefer imported boneless meat as the locally slaughtered ones cost more.

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RMG exporters in a fix as US buyer rejects \$2.6m cargo

Retailer says shipment missed sales season; BGMEA terms it unfair

REEFAYET ULLAH MIRDHA

A US buyer has dealt a serious blow to 11 Bangladeshi garment exporters as it refused to accept goods worth \$2.6 million (more than Tk 22 crore) although the shipment reached the port on time.

As a result, the garment companies are not just losing the money, they will have to bear the freight charges for shipping the goods back and face compensation claim from US retailer Kontoor Brands, the exporters said.

Kontoor, however, refuted the claims of the exporters. The retailer said it sent back the goods as the shipment missed the sales season.

The goods were shipped from Bangladesh in January this year.

Of the 11 companies, Nassa Apparels lost \$998,110.

"I can't afford the loss and it was not my fault," said Mohammad Nazrul Islam Mazumder, chairman of Nassa Group, a leading garment exporter.

"The goods reached the port as per schedule. There was a fire in the ship but the goods were unaffected," he said.

The exporter said the goods were shipped on free on board (FoB) basis, meaning the senders do not have any liability after the shipment. Now Kontoor Brands is lying, he said.

Apart from inflicting nearly \$1 million in direct loss on Nassa, the American buyer has already deducted \$4 lakh from other consignments as compensation as a payment of adjuster, Mazumder said.

- EXPORTERS THAT INCURRED LOSSES**
- Envoy Textiles
 - Nassa Apparels
 - MNC
 - Cimtex
 - DMC
 - Tarasima
 - Cotton Club
 - Canpark
 - Madler
 - Snowtex
 - Fountain Garments



An adjuster determines how much an insurance company should pay if a claim is made.

The owner of another victim company, asking not to be named, said he had lost \$4.30 lakh.

He said the brand should stand by the exporters as a longtime business partner. But buyers do not support suppliers when the latter are in trouble.

In this type of case, small suppliers lose everything and only big companies can afford such losses, he said.

The ship is now in Singapore and is waiting to return to the Chattogram port.

In a statement, Scott Deitz, vice president for global corporate relations of Kontoor Brands, said the fire affected finished goods being shipped by multiple vendors in Bangladesh that were to be available for sale to consumers in time for the Spring 2019 selling season.

In this case, the vendors were fully responsible to deliver the garments to the US or Canadian port terminal in the spring.

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Alternative credit scoring to cut cost of funds for small businesses

Lenders tell BFP-B, The Daily Star roundtable

STAR BUSINESS REPORT

Alternative credit scoring (ACS) will ease access to finance for micro and small enterprises as it speeds up loan processing and lowers the cost of evaluation of credit worthiness, bankers and micro-lenders said yesterday.

The ACS goes beyond the traditional parameters to determine the credit-worthiness of a customer on the basis of clients' other transaction information and tangible factors like digital footprint.

With the ACS, the loan processing will be faster and the cost of loan for entrepreneurs will be reduced, they said.

"The ACS will somehow reduce the cost. So, customers will be benefitted because all the costs are ultimately passed on to customers," said Feisal Hussain, team leader of the UK-funded Business Finance for the Poor in Bangladesh (BFP-B) project.

He spoke at a roundtable on "Alternative Credit Scoring: Collateralising Data for MSE



Feisal Hussain, team leader of the BFP-B, and Afsana Islam, private sector development adviser of the DFID, attend a roundtable on alternative credit scoring, jointly organised by the BFP-B and The Daily Star at Brac Centre Inn in Dhaka yesterday.

Financing" at Brac Centre Inn. The event was jointly organised by the BFP-B and The Daily Star. Speakers said the biggest

beneficiaries of the ACS are consumers who are new to the credit and financing ecosystem. For the new consumers, there is

no sufficient centralised data, but that doesn't mean that they can't avail credit. "We are trying to establish a new

solution to remove the financing problems of micro and small entrepreneurs (MSE) through speeding up the loan disbursement process," Hussain said.

The BFP-B is running a project with the ACS service providers to improve the credit worthiness of small businesses. The ACS enables financial institutions to cut the cost of risk assessment and improve the risk-adjusted returns of lending and investing in small businesses.

Afeef Zaman, co-founder and chief executive officer of ShopUp, a digital credit startup, said its self-learning algorithm is able to evaluate micro and small entrepreneurs using platform data and non-conventional data points.

An entrepreneur's sales volume, customer messages, customer calls handling system, business location, psychometric profiling, handset configuration, age of phone number and many other business, social business and social individual data are considered for evaluation, he said.

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Utility VAT Exemption Only export-oriented factories eligible: NBR

STAR BUSINESS REPORT

Only production units of export-oriented companies will be eligible for exemption from value added tax (VAT) charged on electricity, gas and water bills, said the National Board of Revenue (NBR) yesterday.

The revenue authority said it would not exempt VAT on utility bills of offices established in other buildings and areas.

The notification came three months after the NBR waived VAT on utility bills of fully export-oriented factories established both inside and outside of export processing zones (EPZs) to facilitate higher shipments.

In that order of June 13, the NBR also exempted VAT on charges of services taken by export-oriented firms from security service providers, suppliers and transport contractors.

The same will be available on expenditure for workers' welfare and recreation, laboratory test, port use, insurance, clearing and forwarding and on shipping bills.

However, the tax collector did not clarify how fully export-oriented factories would avail the benefit.

In yesterday's order, the NBR attached conditions. One says that operators of every export-oriented factory will have to apply to the respective field office mentioning the ID numbers of meters used in the manufacturing units.

It said waiver would not be applicable if a meter was also used by factories that do not make items for export.

"We have seen that there are industrial complexes having residential and other buildings. If a single meter is used for all buildings including manufacturing units, there will be no VAT exemption," said an NBR official.

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AL team visits BB to 'know how it functions'

STAR BUSINESS REPORT

A delegation from the ruling Awami League visited the Bangladesh Bank yesterday to "learn how it functions".

"We have not given any instruction to the central bank. Rather, we have come here to know how the central bank carries out its due role," said Mashuih Rahman, economic affairs adviser to the prime minister.

The AL has never interfered in the affairs of the central bank, he told reporters after a meeting with the central bank high-ups in its headquarters in the capital where Governor Fazle Kabir was also present.

"We have also learned from the meeting how the central bank implements its monetary policy and supervises lenders," said Rahman.

The adviser's comment comes at a time when the central bank is going to issue licences for three more new banks amid pressure from political

quarters. The central bank has also been forced to allow large borrowers, who got restructuring facility from it in 2015, to reschedule their loans, going against its own policy.

Asked whether the committee had given any directive on the ongoing crackdown on casinos, Rahman said there had been no discussion to this end.

The delegation comprised 11 members of the finance and planning affairs sub-committee of the AL led by Rahman, who is also the committee's chairman.

The committee requested the central bank to extend its reach to empower rural women entrepreneurs in the interest of the economy, said an official of the central bank.

It called for measures to give collateral-free loans to female SME entrepreneurs, said sources. The central bank should take initiatives to give a boost to these entrepreneurs by increasing loan disbursement in rural areas.



Mashuih Rahman

Golden Harvest stocks jump on news of JV with IFC

STAR BUSINESS REPORT

Golden Harvest stocks leapt 9.73 percent yesterday after news broke that the food processor is setting up a cold storage in a joint venture with the International Finance Corporation (IFC).

To be called Cold Chain Bangladesh Limited (CCBL), the company will provide temperature-controlled storage and transport services for perishable products, such as pharmaceuticals, frozen food, dairy and meat, fruit and vegetables, bakery and confectionaries, and ice cream.

This integrated cold chain and temperature-controlled, third-party logistics services will be the first of its kind in Bangladesh.

"Every country needs such an infrastructure in its development process, and for a developing nation it is a must," said Rajeeb Samdani, chairman of Golden Harvest Group.

Such facilities are available in India for a long time, but in Bangladesh this will be a first, he said, adding that the cold storage would help ensure fair prices for farmers for their produce.

IFC InfraVentures, a global infrastructure project development fund of the IFC, the



Lubomir Varbanov, head of new business for infrastructure and natural resources for Asia Pacific at the IFC, and Rajeeb Samdani, chairman of Golden Harvest Group, exchange the documents after signing a deal at the IFC office in Dhaka on Wednesday.

and Golden Harvest the rest. The venture will increase food safety and quality of delivered products, reduce spoilage and contribute to the development of the country's logistics infrastructure.

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