

MIDAS awards 7 enterprises

Three-day SME fair ends

STAR BUSINESS REPORT

The Micro Industries Development Assistance and Services (MIDAS) awarded seven enterprises in different categories on the last day of a three-day MIDAS SME Fair 2024 at MIDAS Centre in Dhaka yesterday.

Khati Krishi, which focuses on environment-friendly agriculture, won the award as "best seller", M/S Boyon "green product producer", Cumilla Heritage "desi product producer", and Khati Krishi "organic food producer".

Meanwhile, clothes manufacturer Long Spring won the award as "best startup", Herald Traders for "best diversified leather products" and Te Ronga for "best employment creation and innovations".

A total of 62 women and youth entrepreneurs participated in the fair, according to the organiser.

"I have attended many fairs in the past...the amount of money to participate in the MIDAS fair is much lower than that in other fairs. It's a good thing," said Maliha Wadud Chandni, owner of Long Spring.

"I know that there will be many obstacles ahead...we have to move forward by overcoming them all," she said.

Entrepreneurs run their business through many adversities and those of the award-winning enterprises will gain some motivation through this recognition, said Zahida Ispahani, chairperson of MIDAS.

"We have been always beside entrepreneurs in their time of need in the past. We will continue to do so in the future so that they are able to reach their desired goals," she said.

"We noticed that the problem is not solved only through ensuring loans for the entrepreneurs. They facing other technical problems, such as that in marketing products," said Khairul Bashar, managing director of MIDAS.

The concept behind the MIDAS SME fair was to provide such support in marketing to help sustain the businesses, he said.



In the second week of December 2023, the average price of poultry feed reached Tk 66,000 per tonne, which was a 20 percent increase compared to the same period a year ago.

PHOTO: STAR/FILE

Feed prices to remain high in 2024: USDA

STAR BUSINESS REPORT

The high prices of feed for poultry, aquaculture and cattle will continue to affect farmers in 2024, said a US Department of Agriculture (USDA) report released last Tuesday.

In the second week of December 2023, the average price of poultry feed reached Tk 66,000 per tonne, which was a 20 percent increase compared to the same period a year ago, it said.

Meanwhile, the average price of aquaculture feed rose 25 percent to Tk 85,000 per tonne, the USDA said in its report on oilseeds use in Bangladesh.

Elevated prices of key feed ingredients have contributed to the overall increase in feed prices, said the report, citing the Feed Industry Association Bangladesh (FIAB) and the Bangladesh Poultry Industries Central Council (BPICC).

"Bangladesh's feed industry relies on imports for most of their feed ingredients. In 2022, the devaluation of the local currency against the US dollar made imports more costly in conjunction with high international prices," it said.

And challenges in opening letters of credit affected imports of corn and soybean meal. Additionally, locally crushed soybean

meal prices have reached a record high since August 2023.

"Collectively, these factors contribute to the high cost of feed production," it said.

However, demand for feed will remain high, added the report.

This is because the growing poultry, aquaculture and dairy sectors require more formulated feed than before and commercial farms are expanding operations to meet the demand for eggs, meat, fish and milk, said the report.

Elevated prices of key feed ingredients have contributed to the overall increase in feed prices, the USDA report said

Due to very high prices of feed, many small poultry farmers shut down their farms in 2022, it said.

"However, recently commercial poultry farms have expanded their business. Some large private feed companies have started contract farming for poultry production. The use of formulated feed has also increased in aquaculture production," it said.

The feed industry boosted their production on increasing demand for

poultry and aquaculture feed starting in the third quarter of 2023, said the US agency.

The report said livestock feed production in Bangladesh stood at 66 million tonnes in 2022.

"Despite economic challenges and high feed prices, demand for feed is expected to grow in Bangladesh as large commercial poultry farms have expanded their operations and some major feed producers have initiated contract poultry farming," said the report.

The report forecast that Bangladesh's feed production would hit one crore tonnes by 2030.

And to meet rising demand for feed, Bangladesh's imports of soybeans and soybean meal will increase.

For the marketing year 2024-25, beginning in July, total soybean import is expected to grow 11 percent year-on-year to 20 lakh tonnes. Likewise, soybean meal import is likely to increase to 10 lakh tonnes from 9.5 lakh tonnes.

Local seed crushing mills will produce the remaining 2.65 lakh tonnes of soybean meals that will be required.

The US agency forecasts soybean meal production by local mills to rise to 16.8 lakh tonnes in marketing year 2024-25, which is a year-on-year growth of nearly 10 percent.

NBR offers duty benefit to Rampal power plant

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has granted permission to import spare parts for the coal-fired Rampal power plant without customs duty, according to a notification issued last week.

The NBR said the Bangladesh-India Friendship Power Company Ltd, which owns the power plant, will get duty benefit to import spare parts up to 10 percent of the actual value of the consignment.

The opportunity will be valid for a 12-year period from the beginning of commercial operations.

A senior official of the NBR said the customs authority provided the privilege as other power plants, regardless of ownership, enjoy similar duty benefits for the import of spare parts.

"We have done this to give equal treatment to all," he said.

The 1,320-MW super thermal power project, which stirred up a lot of protests as it is being built only 14 km from the largest mangrove forest in the world, the Sundarbans, began commercial production in the fourth week of December 2022.

The 50-50 joint venture between India's National Thermal Power Corporation Ltd and the Bangladesh Power Development Board was established at an estimated cost US\$2 billion.

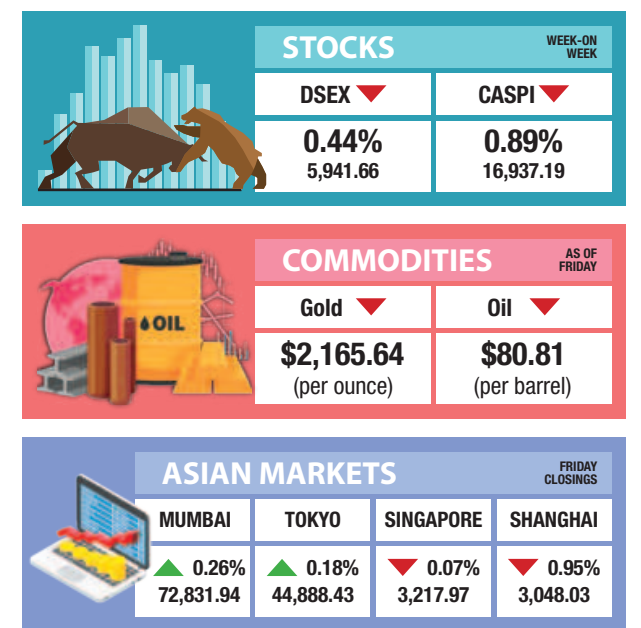
Oil prices down

REUTERS, New York

Oil prices slipped on Friday and were flat on the week as the possibility of a ceasefire in Gaza weakened crude benchmarks, while the war in Europe and shrinking US rig count cushioned the fall.

Brent futures for May delivery settled at \$85.43, losing 35 cents. US crude settled at \$80.63 a barrel, falling 44 cents. Both benchmarks logged less than 1 percent change on the week.

"Everyone is watching for what the weekend will bring with Gaza," said John Kilduff, partner with Again Capital LLC, adding that successful peace talks would prompt Yemen's Houthi rebels to allow oil tankers to pass through the Red Sea.



People began crowding shops from Friday and the number of shoppers is increasing, said sellers from different brands and shops.

PHOTO: RASHED SHUMON

Bangladesh's biggest

FROM PAGE B1

Al Amin Khan, branch manager of a showroom of Gentle Park, said sales have increased by 50 percent to 60 percent in the last two days compared to usual days.

"Sales have not yet started as expected. Hopefully, it will increase in the coming days," said Jahidul Islam Jahid, a branch manager of Dorjibari.

Khalid Mahmood Khan, a co-founder of Kay Kraft, a retailer of fashionwear, accessories, home textiles, handicrafts and handloom-based products, said sales over the previous weekend were good.

"Then sales went down a bit. At the end of today (Saturday), I will be able to say how sales were this weekend compared to the last."

He hopes for better sales this year. "Eid is still three weeks away. People will get salaries and bonuses. As such, sales will increase in the coming days," the entrepreneur said.

However, the sales scenario was different for roadside vendors in New Market and Farmgate selling low-priced clothes and accessories as thousands of customers belonging to the middle and low-income groups flocked to them.

The hawkers, who run their businesses either on rickshaw vans or makeshift shops, have been busy selling shirts, T-shirts, trousers and children's clothes.

Rafiqul Islam, a vegetable vendor hailing from Kurigram, was buying clothing items for his two daughters from a street-side vendor near New Market on Friday.

"I am buying now because prices may increase as Eid nears."

Karim Mia, a hawker selling panjabi on the street in front of Dhaka College, said sellers like him were very busy now. "Sales are higher as the prices of the products we sell are lower compared to those in shopping malls."

Hasty bank mergers to bring no good

FROM PAGE B1

with regard to governance in the banking sector as overhauling has become essential, she added.

The formation of a banking commission has been in discussions for a long time and it should be independent, said Khatun.

"We were informed that the bad assets of weak banks will be bought by an asset management company," said Zia Hasan, a researcher focusing on development and economics, while presenting a paper.

"If that happens, taxpayers and general people will have to bear the cost of the bad assets," he said.

However, he said the merging of two weak banks was better than a weak bank merging with a bank with sound financial management. "When weak banks merge with the

Govt aims for a cashless economy

FROM PAGE B1

Fahim Mashroor, chairman of the BASIS standing committee on fintech and digital payment.

"Some of the recent rules and actions of the NBR are discouraging people from making digital payment and causing them to opt for cash transactions only," he said.

He also suggested greater collaboration between banks and fintech companies to jointly promote digital payment.

Representatives from banks, mobile financial service and payment service providers, payment system operators as well as representatives of small, medium and large retail businesses and networks participated in the workshop.

To popularise BB's uniform digital payment method Bangla QR, every bank should introduce a mobile app for customers while existing apps should be simplified and made more

user-friendly to encourage greater usage, they said.

Small shop owners should ensure that digital payments received from customers can be seamlessly transferred to suppliers or wholesalers without cash involvement while digital funds should be easily withdrawable just as cash, they added.

Bangladesh Bank needs to ensure real-time payments and interoperability among different payment systems, they said.

Waseem Alim, CEO of online grocery and food provider Chaldal, said although he was witnessing more digital transactions on the Chaldal platform, 75 percent of payments were still being made in the form of cash.

"Also, as a merchant I am incentivised to use cash because my cost is 0.6 percent, which includes maintaining a cashier at 19 locations

in an AC room, cost of transporting cash etc," he said.

But the cost of mobile financial service is 1.5 percent and card is 2.5 percent. So digital transaction cost needs to be less than 0.6 percent, he added.

Mohammad Arif Hossain, CEO of payment service provider Dmone, said if the government gives merchants a 1 percent incentive and customers a 2 percent cashback, it could yield big results.

"This move would boost government revenue through higher VAT and tax collections. It would also make transactions easier to track, promoting honesty and transparency," he added.

Moderating the event, Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, said incentives were crucial at both the consumer and small merchant ends for encouraging digital payments.

Merger of banks

FROM PAGE B1

meetings tells that the board of directors secures the approval by any means, even by way of presenting fake investors or forcing the real investors to keep mum.

Most of the well-performing banks don't want to acquire the weak banks. A top official of a leading bank expressed his disappointment, saying: "Is becoming a well-performing bank a sin? Why will we have to take over a sinking bank?"

The government plans to give some respite to acquirers by purchasing NPLs through an asset management company. In that case, the government is going to use taxpayers' money.

The taxpayers are unlikely to approve such a move that will benefit large loan defaulters who are mostly politically backed.

Therefore, without any strict

steps against loan defaulters, neither merger nor acquisition will bring any desired outcome. So, the government should have allowed weak banks to go out of business so that depositors think twice before keeping funds under their custodian in the first place.

Besides, weak banks should be forced to publish the names of defaulters to name and shame them. However, with the merger or acquisition, defaulters will not be punished, no director or bank officials will face the music, will be put on trial and jailed for stealing or helping steal people's hard-earned money.

The most unfortunate part is the public will never know about the persons responsible for the downfall of banks. Rather, the loan defaulters may get off scot-free and be on the prowl for their next prey.