

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Ratio of Bangladesh's black economy slipping- International Monetary Fund (IMF) paper

- The ratio of the shadow economy in Bangladesh in terms of the Gross Domestic Product (GDP) has been declining for more than one decade. The ratio came down to 27.60% of the country's annual GDP in 2015, which was 36.65% in 2003. A working paper of the International Monetary Fund (IMF) spotted the trend.
- The paper also showed Bangladesh is listed among the 31 countries where the average ratio of shadow economy is more than 30%, as estimated on the basis of Predictive Mean Matching Method (PMM). It also presented the size of the shadow economy for 158 countries all over the world between 1991 and 2015.
- The working paper, titled 'Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?', showed that average size of the shadow economy of the 158 countries over 1991 to 2015 is 31.9%. The largest ones are Zimbabwe with 60.6% and Bolivia with 62.3% of GDP. The lowest ones are Austria with 8.9% and Switzerland with 7.2%.
- According to the estimation of the paper, shadow economy as a percentage of the GDP was 36.34% in 1991 which slightly came down to 35.60% in 2000. In the decade, the average ratio stood at 36.04% of the GDP of Bangladesh. In the later decade, the average ratio modestly came down to 33.83%, according to the estimation.

<http://today.thefinancialexpress.com.bd/first-page/ratio-of-bds-black-economy-slipping-says-imf-paper-1533922938?date=11-08-2018>

Government releases cash incentives for exporters

- The government released the first installment of cash incentives amounting to BDT 11.3 billion for disbursement among major exporters in fiscal year (FY) 2018-19. The Ministry of Finance issued a circular in this regard on Thursday. The cash incentives will be provided for the exporters during the period from July to September in 2018.
- Of the total amount, the jute and jute product sub-sector will receive BDT 1.3 billion in the first installment and other sectors receive the remaining BDT 10.0 billion. At present, a total of 36 export-oriented sectors are receiving cash incentives on their export earnings.

<http://today.thefinancialexpress.com.bd/trade-market/govt-releases-cash-incentives-for-exporters-1533836643?date=10-08-2018>

Plastic export tumbles

- Export of plastics, including recyclable scrap ones, fell nearly 16% in fiscal 2017-18 from a year earlier because of what the sector players and exporters say a rise in the price of raw materials and fuel. Export Promotion Bureau data put fiscal 2017-18's figure at USD 98.48 million, down from USD 116.95 million in the previous fiscal year. Waste plastic exports accounted for USD 13.53 million, dropping 44% to USD 30.65 million.
- The main raw material for producing plastic goods is polyolefins, derived from petrochemicals. Waste plastic is sorted according to type, shredded, cleaned and melted to form resin pellets, which can be used to manufacture other products. Bangladesh has no unit for producing polyolefins. It, however, currently manufactures more than 142 plastic items and mainly exports intermediate products like film plastic, household items and garment accessories.
- The sector is growing at about 20% a year on the back of spiralling demand from domestic and export markets. In fiscal 2017-18, the domestic market size of plastic products hit BDT 250.0 billion, according to the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA).
- Though exports grew 31% in fiscal 2016-17, it could not achieve the target of 33.5% increase to reach USD 148 million. China used to import PET scrap from Bangladesh for recycling and reuse, said the president of the BPGMEA. He also said, it, however, stopped the import last fiscal year. Now, China wants to import a more refined quality of waste plastic -- something plastic goods manufacturers do not have the technology to produce.

<https://www.thedailystar.net/news/business/plastic-export-tumbles-1619485>

Outbound jobs drop by 24%

- Bangladesh's overseas employment dropped by more than 24% in last seven months compared to that of the

corresponding period last year. According to the data available with Bureau of Manpower Employment and Training (BMET), 451,536 workers went abroad with jobs during the period between January and July of the current calendar year, but a total of 596,705 workers went overseas during the same period in 2017, the official data showed.

- Sector insiders said Middle East countries including Saudi Arabia, Kuwait, Qatar, Oman and Bahrain have reduced recruitment of workers from Bangladesh this year. So, the number of outbound jobseekers witnessed a declining trend, they added.

- The outflow of jobseekers to Middle East will decrease further as Saudi Arabia has recently restricted foreign workers to its several sectors. Development works are also getting slow in this country. Qatar is also searching skilled workers for its different sectors

- The government set a target of sending 1.2 million workers in 2018, said officials of the expatriates' welfare and overseas employment ministry. In six months of the current year, Saudi Arabia recruited 159,577 Bangladeshi workers while Qatar 45,375, Oman 43,216 and Kuwait 22,241.

<http://today.thefinancialexpress.com.bd/first-page/outbound-jobs-drop-by-24pc-1533923099?date=11-08-2018>

bKash witnesses steady growth

- Mobile Financial Service (MFS) operator bKash has exhibited a steady growth in number of customers and transactions during last five years. The BRAC Bank subsidiary also registered steady growth in net profit during the period with the growth of its consumer base and transactions.

- The company reported a net profit worth more than BDT 487.8 million for 2017, which was BDT 188.5 million for 2014. The company witnessed the highest number of customers who opened accounts in 2017 to get mobile financial services. In 2017, the company's daily average transaction counts were 4.32 million, 20.2% higher than the daily average transaction counts observed in 2016.

- The number of customers increased gradually from 2013 to 2017. The number of customers rose to 28.76 million in 2017 while the number of active customers was above 14.36 million. The year 2017 was a significant for bKash in terms of its technological advancement, regulatory compliance and growth, the company said in its financial statement. The number of active customers (defined as those who made at least one transaction in the past 90 days) has also increased by 6.9% in 2017 compared to 2016.

<http://today.thefinancialexpress.com.bd/stock-corporate/bkash-witnesses-steady-growth-1533832770?date=10-08-2018>

Chinese companies want to invest in Bangladesh: Envoy

- Chinese Ambassador of Bangladesh has said to the Planning minister of Bangladesh that a number of Chinese companies are eager to invest in different sectors in Bangladesh, including fisheries, agro-processing, footwear, processed food and ready-made garment.

- The minister asked the ambassador to facilitate more investment in the special economic zones (SEZs) in Bangladesh. They also discussed economic and development issues including foreign direct investment (FDI), project financing and trade.

- In another programme, the minister said South and South-East Asia can march together towards economic development. He urged the ASEAN countries to invest more in Bangladesh, the gateway of South Asia.

<http://today.thefinancialexpress.com.bd/trade-market/chinese-cos-want-to-invest-in-bd-envoy-1533754042?date=09-08-2018>

LafargeHolcim Bangladesh inks deal with Citibank, N.A.

- LafargeHolcim Bangladesh Limited (LHBL) and Citibank, N.A., Bangladesh have signed an agreement towards cooperation that enables LHBL to implement its 'Supplier Invoice Financing' programme, according to a statement. The programme enables LHBL suppliers to receive payments earlier than the scheduled agreed payment date with LHBL.

- "Supplier Invoice Financing" is a programme offered by LHBL for their loyal and long standing suppliers. Under this programme, LHBL's suppliers will avail early payment facility with simple and convenient terms and procedures.

<http://today.thefinancialexpress.com.bd/stock-corporate/lafargeholcim-bangladesh-inks-deal-with-citibank-1533743709?date=09-08-2018>

ML Dyeing to allocate 20.0 million shares

- ML Dyeing Ltd will allocate 20.0 million ordinary shares among the successful applicants as the company's initial public offering (IPO) lottery draw was held on Thursday. The IPO lottery draw was held at 10:30am at the Institution of Engineers, Bangladesh (IEB) in Dhaka. The IPO result has been published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), issue managers and the company.
- The ML Dyeing floated 20 million ordinary shares at an offer price of BDT 10 each to raise a fund worth BDT 200 million from the capital market under the fixed price method. The market lot was 500 shares and an investor deposited BDT 5,000 for one lot. The required amount (per lot) in foreign currency for NRBs and foreign applicants is USD 60.28 or GBP 45.24 or EUR 51.50, according to Dhaka Stock Exchange (DSE).
- According to the financial statements for the year ended on June 30, 2017, the net asset value (NAV) per share of the company stood at BDT 23.17 and earnings per share (EPS) BDT 1.58. NBL Capital and Equity Management Limited and Rupali Investment are jointly working as the issue manager for the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/ml-dyeing-to-allocate-20m-shares-1533832810?date=10-08-2018>

Seven go to 'Z' category within two to seven years of listing

- Some seven companies have been shifted to 'Z' category within two to seven years of listing due to poor performance. The prices of the stocks, barring one, presently remain below the face value of BDT 10 each while few of the companies incurring losses. The companies having prices below the face value are United Airways (BD), C & A Textiles, Fareast Finance and Investment, Tung Hai Knitting & Dyeing, Emerald Oil Industries and Familytex (BD).

<http://today.thefinancialexpress.com.bd/stock-corporate/seven-go-to-z-category-within-two-to-seven-years-of-listing-1533999525>

Earnings of listed financial companies mostly slip in January-June

- The earnings of the listed financial companies mostly declined in the first half (January-June) of the current calendar year compared with that in the same period of the previous year. Out of the 30 listed banks, the earnings per share of 15 declined and that of the rest 15 increased, while out of the 23 non-bank financial institutions, the EPS of 18 dropped and that of the rest five rose in the first half of 2018 compared with that in the same period of 2017.
- Market experts attributed the dullness to scams, colossal amount of non-performing loans and poor monitoring in the financial sectors. They said the turmoil in the financial sectors also kept the stock market on the edge that also affected earnings of the listed banks and NBFIs. The bearish trend at the market ate into profits of the financial institutions as a major portion of their profits comes from the capital market, they said.

<http://www.newagebd.net/article/48108/earnings-of-listed-financial-cos-mostly-slip-in-jan-jun>

Foreign investors may get 'Commercially Important Person' (CIP) status in Bangladesh

- Foreign investors in the country may also become eligible for getting the prestigious Commercially Important Person (CIP) status, according to the latest policy that is currently in the final stage of formulation. At the same time, the new policy may create provision for a separate CIP category for the service sector, officials concerned have revealed.
- Under the strategy, eligible businesspeople from a fully-foreign owned entity having investment in Bangladesh or a joint venture company with majority foreign equity can also become eligible for CIP status. At present, FDI constitutes a meagre portion of Bangladesh's total investment. The FDI flow in the country has also been quite erratic and very low compared to some other countries in the region, like Vietnam.
- Statistics available with the Bangladesh Bank (BB) showed that net inflow of FDI in the country stood at USD 2.15 billion in 2017, declining 7.72% from USD 2.33 billion a year ago. Meanwhile, the new policy may also make way for a separate category for the service sector to encourage more service-related export.

<http://today.thefinancialexpress.com.bd/first-page/foreign-investors-may-get-cip-status-in-bangladesh-1533923058?date=11-08-2018>

Set up chemical zone: Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)

- Leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) have urged the government to set up a separate chemical zone as per its earlier decision to facilitate chemical business. They also called for steps to ease the process of issuance and renewal of licenses of chemical business.

- The apex trade body made the call at a meeting of its standing committee relating to the ministry of industries (productivity and related chemical. At the meeting, the business leaders said chemicals are the main element of most of the industries, including readymade garment (RMG), agriculture, pharmaceuticals, power and research activities. According to them, Bangladesh has earned BDT 12 billion by exporting chemicals in the last fiscal year

<http://today.thefinancialexpress.com.bd/trade-market/set-up-chemical-zone-fbcci-1533924545?date=11-08-2018>

38 government, private agencies ink deal with National Board of Revenue (NBR)

- A total of 38 government and private agencies signed agreements with the National Board of Revenue (NBR) to be connected with the National Single Window (NSW) system. The system is meant to provide services related to export and import through an electronic and online platform.
- The NBR and the International Finance Corporation, an arm of World Bank Group, jointly organised a Memorandum of Understanding (MoU) signing ceremony on 'National Single Window'. The National Single Window will deliver a user-friendly, electronic system that streamlines and automates procedures for international trade-related permits, licences, certificates and customs declarations. It will have a link with 39 ministries and agencies in Bangladesh.
- The NBR is implementing the NSW with support from the World Bank Group under Bangladesh Regional Connectivity Project with customs modernisation and NSW implementation components involving USD 74.1 million. The DFID-funded Bangladesh Investment Climate Fund is providing technical assistance to design and develop technical and functional specifications while IFC is implementing it.

<http://today.thefinancialexpress.com.bd/first-page/38-govt-pvt-agencies-ink-deal-with-nbr-1533751483?date=09-08-2018>

Entrepreneurship Support Fund to replace Equity and Entrepreneurship Fund (EEF)

- The new Entrepreneurship Support Fund (ESF) will be formally launched on August 12, replacing the existing Equity and Entrepreneurship Fund (EEF). The Bangladesh Bank (BB) will start receiving Expression of Interest (EOI) on the day from the entrepreneurs seeking new loans from the fund, according to its recent circular. The Ministry of Finance (MoF) has approved the new funding initiative, designed to recover disbursed loans properly in line with a time-befitting policy
- The government had created the EEF in the fiscal year 2000-01 to extend support to the two promising sectors -- agro-based food-processing and information and communication technology (ICT) -- for which BDT 1.0 billion was allocated. The initiative to launch the ESF was taken considering it necessary to recover disbursed funds properly as well as to prepare a time-befitting policy.
- According to the ESF proposal, a minimum of BDT 8.0 million and a maximum of BDT 50 million loan support will be provided to the agro-based and food-processing industries. A maximum of BDT 120 million funds will be given to each machinery-dependent agro-based project. Besides, ICT-based projects will be entitled to get a minimum of BDT 5.0 million and a maximum of BDT 50 million in loan assistance.
- The ESF will support up to 49% of a project's cost, while the entrepreneur concerned will invest the remaining 51%. The loan tenure will be eight years with 2.0% simple interest rate.

<http://today.thefinancialexpress.com.bd/trade-market/entrepreneurship-support-fund-to-replace-eef-1533836464?date=10-08-2018>

Rights groups dispute the proposal of Centre for Policy Dialogue (CPD)

- Two rights groups have rejected the CPD's proposal regarding the minimum monthly wages for the garment workers, saying that the amount the local think-tank recommended is not consistent with the cost of living.
- On last Sunday, the Centre for Policy Dialogue (CPD) proposed a minimum wage of BDT 10,028 for the readymade garment (RMG) workers. In a statement on Tuesday, the Bangladesh OSK Garments and Textile Sramik Federation rejected the CPD's proposal, saying that such proposal would uphold the factory owners' stance. In another statement, the Bangladesh Trade Union Sangha (BTUS) also disputed the CPD's proposal and expressed dismay over it.

<http://today.thefinancialexpress.com.bd/trade-market/rights-groups-dispute-cpds-proposal-1533753826?date=09-08-2018>

Mondelez International sets up operations in Bangladesh

- Mondelez International announced on Saturday establishment of its operations in Bangladesh, expanding the company's presence in South Asia. The company has set up its country headquarters in Dhaka, marking its entry into Bangladesh, said a press release.
- Over the next two years, the company's focus will be to invest in building our route-to-market and growing market share for our much-loved brands. Mondelez International has been marketing its powdered beverage brand Tang in Bangladesh since 1995. With the establishment of its own operations, the company is now well positioned to tap into the snacking opportunity in Bangladesh by leveraging its global brand portfolio, said the release.

<http://today.thefinancialexpress.com.bd/trade-market/mondelez-international-sets-up-operations-in-bangladesh-1534001796>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|-------------|--------------|----------|
| Crude Oil (WTI)* | \$67.63 | +0.82 | +1.23% |
| Crude Oil (Brent)* | \$72.81 | +0.74 | +1.03% |
| Gold Spot* | \$1,210.57 | -1.90 | -0.16% |
| DSEX | 5407.01 | +1.05 | 0.02% |
| Dow Jones Industrial Average | 25,313.14 | -196.09 | -0.77% |
| FTSE 100 | 7,667.01 | -74.76 | -0.97% |
| Nikkei 225 | 22,298.08 | -300.31 | -1.33% |

Exchange Rates

USD 1 = BDT 83.81*

GBP 1 = BDT 106.92*

EUR 1 = BDT 95.65*

INR 1 = BDT 1.22*

*Currencies and Commodities are taken from Bloomberg.

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