

*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.*

### **Outbound investments up to 5% of forex reserve on cards**

- The government is set to provide outbound investment opportunities to local exporters and any company running their business in the domestic market for 10 years. This opportunity will be extended to small and medium enterprises interested in establishing backward and forward linkage industries, along with NGOs with a reputation for working towards society's betterment and improving people's quality of life in Bangladesh. The government will allow local companies with outbound investments to enlist in foreign stock markets too. However, Bangladesh's total outbound investment in a single fiscal year will not exceed 5% of the central bank's foreign exchange reserves for that particular fiscal year.
- According to the draft guideline, exporters will be able to make outbound investments reaching up to 25% of their average exports in the past five years. Other companies and NGOs will be able to invest up to 25% of their net assets – per their latest audited balance sheet. A company interested in making outbound investments must possess USD 5 million worth of net assets – reflected by their audited balance sheets in the last five years. The government will consider providing SMEs with the same opportunity based on solvency certificates provided by banks. A company seeking to invest overseas in a particular sector must have at least three years of business or manufacturing experience in that field, and of the three years, at least two must be profitable. This rule will be relaxed for ICT entrepreneurs.

<https://www.tbsnews.net/economy/outbound-investments-5-forex-reserve-cards-289750>

### **NBFIs asked to ensure credit discipline**

- The Bangladesh Bank yesterday asked non-bank financial institutions to release approved loans to bank accounts owned by genuine borrowers. Some NBFIs have recently credited funds to the accounts held by other persons or entities who have not applied for the loan, flouting rules, according to a central bank notice. Such a practice has already created a wide range of corruptions at some NBFIs, paving the way for scamsters to swindle a huge amount of money through fraudulent means, a BB official said. The financial health of the NBFIs – International Leasing & Financial Services Ltd, FAS Finance, Peoples' Leasing, and Reliance Finance – is in dire straits due to the scams.

<https://www.thedailystar.net/business/economy/banks/news/nbfis-asked-ensure-credit-discipline-2154926>  
<https://www.tbsnews.net/economy/banking/central-bank-warns-nbfis-lending-anomalies-289738>

### **Businesses look beyond border to grow, but it's not easy**

- Political instabilities in host countries and persisting pandemic limit the gains expected from overseas investment of Bangladeshi entrepreneurs, prompting some to pull out. Industry people say overseas investment is preferable to diversify export products and get more duty-free advantages across the globe to help Bangladesh overcome the looming challenges of the post-LDC graduation period.
- In 2013, MJL Bangladesh Limited, as the first Bangladeshi company, formed a joint venture with a Myanmar-based petroleum company and invested USD 0.5 million in the neighbouring country. The company made good profit Initially. But a few years later, MJL started facing losses owing to the increasing political unrest in Myanmar, frequent policy changes and lack of accountability. To go global, Square Pharmaceuticals Ltd, the domestic pharma giant, completed construction of its manufacturing plant in the Kenyan capital Nairobi at a cost of USD 17 million in 2017. All necessary infrastructure is also ready. But the manufacturing is yet to start because of the pandemic.
- Similarly, ACI Group invested USD 100 million in 2015 to grab a huge drug market in the United States. The group completed the construction of the automated factory two years ago as per the specifications of the United States Food and Drug Administration (USFDA). But the company has not yet gone into production. In 2016, the Bangladesh Bank gave approval to BSRM for investing in the steel sector in Kenya. Subject to fulfilling some conditions, the company was permitted to invest USD 4.6 million from its balance in the export retention quota to build a factory in the country. But the company could not start setting up the factory even five years after getting approval.

<https://www.tbsnews.net/economy/businesses-look-beyond-border-grow-its-not-easy-289753>

### **Anwar Galvanizing to double production capacity**

- Anwar Galvanizing, a listed concern of the Anwar Group of Companies, has decided to double its production capacity within 2022 investing BDT 270 million. The increase by 2,417 tonnes will take its total capacity to manufacture galvanised corrugated sheets and iron fittings to 4,725 tonnes per annum. The new project will be financed from a mix of the company's own resources and borrowed finance. It hopes that the increase would take its market share from

25% to 52%.

<https://www.thedailystar.net/business/economy/news/anwar-galvanizing-double-production-capacity-2154956>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$66.48	\$17.96	37.02%
Crude Oil (Brent)*	\$68.92	\$17.12	33.05%
Gold Spot*	\$1,788.84	(\$106.26)	-5.61%
DSEX	6,787.17	1,385.10	25.64%
S&P 500	4,448.08	692.01	18.42%
FTSE 100	7,181.11	720.59	11.15%
BSE SENSEX	55,792.27	8,040.94	16.84%
KSE-100	47,258.45	3,503.07	8.01%
CSEALL	8,134.52	1,360.30	20.08%

**Exchange Rates**

USD 1 = BDT 84.76\*  
 GBP 1 = BDT 116.53\*  
 EUR 1 = BDT 99.31\*  
 INR 1 = BDT 1.14\*

*\*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.*

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