

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.

World Bank projects Bangladesh's GDP growth at 6.4% for FY 2021-22

- The Bangladesh economy is expected to grow by 6.4 % in the current 2021-22 fiscal year (FY), while 6.9 % in 2022-23 fiscal, the World Bank projected. The World Bank made the projection in its 'Global Economic Prospects' report. As per the World Bank estimate, the GDP growth was 5.0 % in the last 2020-21 fiscal, reports UNB. The World Bank report said South Asia's economy rebounded in the second half of the year following a massive second wave of Covid-19 in mid-2021.
- Growth in advanced economies is expected to decline from 5 % in 2021 to 3.8 % in 2022 and 2.3 % in 2023—a pace that, while moderating, will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 % in 2021 to 4.6 % in 2022 and 4.4 % in 2023. By 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4.0 % below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 % below its pre-pandemic trend, and output of small island states will be 8.5 % below.

<https://thefinancialexpress.com.bd/economy/world-bank-projects-bangladeshs-gdp-growth-at-64pc-for-fy-2021-22-1641983954>

Bangladeshi workers' migration cost falls, yet highest in SE Asia: Study

- The cost of migration for Bangladeshi workers declined to some extent over the last several years, but it is still highest in Southeast Asia, according to a new study. The Refugee and Migratory Movements Research Unit (RMMRU) study showed the female migration cost effectively decreased by 20% in 2017 than that of 2014. It fell by 18% in 2020 as compared to 2017. Compared to 2014, the male migration cost reduced by 5.0% in 2017 than that of 2014 and by 7.0% in 2020 from 2017 level.

<https://thefinancialexpress.com.bd/national/bangladeshi-workers-migration-cost-falls-yet-highest-in-se-asia-study-1642041744>

Banks asked to keep foreign exchange rates rational

- The Bangladesh Bank has called on bankers to keep their foreign exchange rates rational as different rates are causing problems for some banks. People familiar with the discussion said different banks collect remittances at different prices with the average rate for most banks being BDT 86–88 per dollar. But many banks have to buy dollars from the domestic market at a higher price causing them to suffer losses. Meanwhile, seeking anonymity a managing director of a bank said in order to increase the remittance flow through proper channels, the government has increased cash incentives for expatriates to 2.5% from January, up from 2%.

<https://www.tbsnews.net/economy/banks-asked-keep-foreign-exchange-rates-rational-356659>

Gaping finance deficits bode bad for Bangladesh economy: Economists

- Dr Ahsan H. Mansur, executive director at the Policy Research Institute of Bangladesh (PRI), said let alone the BoP, the fiscal side is also facing some troubles, including squeezing tax-to-GDP ratio. He finds subsidy bill growing significantly in recent months while the annual development programme (ADP) schemes now being prepared on borrowed money. "The pressing issues need to be addressed immediately, within months, even within the weeks, and should be done forcefully. Otherwise, situation will go out of control," Dr Mansur said while speaking on the state of Bangladesh economy in 2021 at a discussion titled 'After the pandemic onslaught-economy on strong recovery path'.

- "The current-account deficit now has recorded USD6.0-billion plus in five months of the fiscal year while it was USD3.0-billion plus during the same period a year before," he says about one of the macroeconomic imbalances. He also points out that import is increasing at a rate of 54 % while export is growing at a much smaller pace. The remittance inflow is declining, in another factor of disproportion in balance-of-payments sheet. Dr Mansur, who had worked at the IMF as division chief, predicts: "If this trend continues, the current-account deficit will be in the range of USD14 billion to USD15 billion."

<https://thefinancialexpress.com.bd/economy/gaping-finance-deficits-bode-bad-for-bangladesh-economy-economists-1641955061>

Bangladesh needs 34,000MW of electricity by 2030: ICCB

- The International Chamber of Commerce-Bangladesh has described the smooth supply of energy as a vital utility for economic development and achieving the sustainable development goals. Quoting experts, an editorial of the current news bulletin of the ICCB said Bangladesh will need an estimated 34,000MW of power by 2030 to sustain its economic growth of over 7 per cent. The experts suggest that top priority should be given for on-shore and off-shore gas and oil exploration, improvement of power transmission and distribution segments as well should be given top most priority.

<https://www.newagebd.net/article/159804/bangladesh-needs-34000mw-of-electricity-by-2030-iccb>

Bangladesh to import 14.90 lakh tonnes of refined fuel oil in six months

- The Bangladesh Petroleum Corporation (BPC) will import 14.90 lakh tonnes of refined fuel oil for over BDT 8,417 crore during the January-June period of 2022. Six state-owned enterprises – PTTT Thailand, ENOC UAE, PetroChina, BSP Indonesia, PTLCL Malaysia and UNIPEC China – will supply the fuel on a government-to-government (G2G) basis. Of the cost, BDT 9,589.66 crore will come from the government and BDT 1,205.18 crore will be borrowed from India. BPC would also import 90,000 tonnes of diesel from India's state-run Numaligarh Refinery Ltd at a cost of BDT 512.48 crore.

<https://www.tbsnews.net/bangladesh/energy/bangladesh-import-1490-lakh-tonnes-refined-fuel-oil-six-months-356614>

Union Bank primary shares draw 3.62 times higher offers

- Against its BDT428 crore primary shares, Union Bank has received offers of BDT1,548 crore from investors which is 3.62 times higher than the initial public offering (IPO) size. On Sunday, the Dhaka Stock Exchange (DSE) will hold an allotment of primary shares of the new generation private sector lender among successful applicants. Earlier, the country's premier bourse completed its eligible investors' portion on an electronic subscription system.

<https://www.tbsnews.net/economy/stocks/union-bank-primary-shares-draw-362-times-higher-offers-356602>

Failing at exporting, Legacy Footwear eyes local market

- Failing to create a hold in the export business, Legacy Footwear now wants to enter the local market by extending its plant and for this, the company seeks funds from investors. It has already sought approval from the Bangladesh Securities and Exchange Commission (BSEC) to increase its paid-up capital by BDT 30 crore through issuing a convertible bond.
- A senior BSEC official, seeking anonymity, said the company has not been doing well for more than a decade and for that the commission wanted to know its plans to improve the business. He said the company wants to raise capital without issuing the right shares. The commission, therefore, advised it to apply for a convertible bond.

<https://www.tbsnews.net/economy/failing-exporting-legacy-footwear-eyes-local-market-356611>

Southeast Bank fined again

- The Bangladesh Bank has imposed a fine of BDT 21.50 lakh on Southeast Bank after it failed to bring down its excessive investment in a single stock within the regulatory limit. The fine was imposed in the last week of December. The fine came as Southeast Bank parked 22.05 % of its paid-up capital with National Life Insurance Company Ltd (NLICL), in a clear violation of the Bank Company Act 1991, according to a probe carried out by the central bank in August last year.
- A lender is allowed to invest a maximum 10 % of its paid-up capital and 5 % of the total capital in a single stock. The investment made by the bank in NLICL was 9.83 % of the total capital, said the report. The paid-up capital of the bank stood at BDT 1,188 crore in August. The BB asked the lender on November 7 to cut the excessive investment within 30 working days. But the lender has failed to carry out the order.

<https://www.thedailystar.net/business/economy/banks/news/southeast-bank-fined-again-2938281>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 82.81	USD 7.60	10.11%
Crude Oil (Brent)*	USD 84.87	USD 7.09	9.12%
Gold Spot*	USD 1,824.70	(USD 4.50)	-0.25%
DSEX	6,996.06	239.40	3.54%
S&P 500	4,726.35	-39.83	-0.84%
FTSE 100	7,551.72	167.18	2.26%
BSE SENSEX	61,150.04	2,896.22	4.97%
KSE-100	45,916.00	1,319.93	2.96%
CSEALL	13,122.95	896.94	7.34%

Exchange Rates**1 US Dollar = 85.87 BDT****1 GBP = 117.74 BDT****1 Euro = 98.25 BDT****1 INR = 1.16 BDT**

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