

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.

Macro:**Remittance inflow increases by 4.23% in December**

- Expatriate Bangladeshis sent USD 1.7 Bn through the banking channel in December last year, which was 4.23% higher than the corresponding month of the previous year, according to Bangladesh Bank data released on Sunday. The country received USD 1.63 Bn from overseas workers in December 2021, reports BSS.
- Besides, a 2.48% year-on-year growth in remittance earnings was reported in the first six months of the current fiscal. The country received USD 10.49 Bn from July to December against USD 10.24 Bn for the same period of the previous fiscal.

<https://thefinancialexpress.com.bd/economy/remittance-inflow-increases-by-423pc-in-december-1672580787>

BDT 102 per dollar for exporters

- From Monday, businessmen will receive BDT 102 per dollar for export proceeds, following a decision during a joint meeting of the Association of Bankers Bangladesh (ABB) and the Bangladesh Foreign Exchange Dealers' Association (Bafeda) on Sunday.
- Managing directors of both public and private banks joined the meeting which finalised the new rate for exporters. However, the dollar rate for remittances has been left unchanged at BDT 107. "Banks will encash export proceeds at BDT 102 from Monday," Selim RF Hussain, ABB chairman and also the managing director of Brac Bank, told The Business Standard.

<https://www.tbsnews.net/economy/banking/tk102-dollar-exporters-561486>

Fervent Multiboard Industries to invest USD 93 Mn in Jamalpur Economic Zone

- Fervent Multiboard Industries Limited is going to set up a wood and other boards manufacturing industry in the Jamalpur Economic Zone in Jamalpur with an investment of USD 93 Mn. Fervent will produce wood and jutex particle boards, melamine-faced chipboard, and veneered boards in the factory complex on 60 acres of land, where some 1,000 workers are expected to be employed, according to the release.

<https://www.tbsnews.net/economy/fervent-multiboard-industries-invest-93m-jamalpur-economic-zone-561390>

Jute millers seek low-cost fund

- Jute millers have urged the government to speed up the formation of a low-cost fund for the jute sector to allow entrepreneurs to modernise machineries of their dilapidated mills and increase productivity. The view was shared at an annual general meeting of Bangladesh Jute Mills Association (BJMA) on Saturday.
- At the meeting, BJMA Chairman Abul Hossain said the Ministry of Textiles and Jute requested the finance ministry to create an initial low-cost fund of BDT 5 Bn out of its proposed Jute Sector Development Fund of BDT 100 Bn. "We hope this fund will be developed within a short time," he said.

<https://www.thedailystar.net/business/economy/news/jute-millers-seek-low-cost-fund-3210531>

Commerce ministry for 10% cash incentive on export

- The commerce ministry will again write to the finance ministry to provide a 10% cash incentive to garment exporters making goods out of man-made fibres to offset the pandemic's fallouts and challenges of Bangladesh's country status graduation.
- A previous letter did not result in any allocation for the purpose in the national budget, Senior Commerce Secretary Tapan Kanti Ghosh told The Daily Star over the phone. Garment exporters demanded the incentive citing the severe fallouts of the pandemic, the Russia-Ukraine war and possible challenges once Bangladesh graduates from an underdeveloped to a developing country in 2026, he said.

<https://www.thedailystar.net/business/economy/news/commerce-ministry-10-cash-incentive-export-3210546>

Ensure stable energy prices for economic recovery

- The Dhaka Chamber of Commerce and Industry (DCCI) today urged the government to focus on ensuring uninterrupted and affordable energy for both local and export-oriented manufacturing units to further accelerate Bangladesh's economic recovery in 2023.
- Also, emphasis should be placed on improving the ease of doing business and developing an infrastructural environment that is conducive for attracting local and foreign investment, according to a press release from the trade body.

<https://www.thedailystar.net/business/economy/news/ensure-stable-energy-prices-economic-recovery-3210341>

Reduced VAT on edible oil to continue for a while

- The National Board of Revenue (NBR) may retain a VAT reduction of 5% on edible oil for four more months to April 30 so that consumers do not feel the burden of the indirect tax on prices, said a senior official yesterday. "We are working to keep the VAT rate for edible oil low during the month of Ramadan in order to contain the prices. We expect to issue a notification in this regard soon," said the official.

<https://www.thedailystar.net/business/economy/news/reduced-vat-edible-oil-continue-while-3210556>

No smooth sailing this year

- Doing business in Bangladesh may not be all smooth sailing this year as the global economy will continue struggling with sanctions centring the Russia-Ukraine war and ripple effects of Covid-19, according to businesspeople. However, some businesses expect to do better in 2023 than they did last year as certain issues, such as inflated fuel prices, could be resolved.
- Still, a full economic recovery will not take place overnight and with the country set to hold general elections in January 2024, apprehensive investors will be cautious about making any moves at this time. As a result, export earnings and the inflow of remittance may decrease while food prices increase, they said.

<https://www.thedailystar.net/business/economy/news/no-smooth-sailing-year-3209901>

Card, diary, calendar business dull as New Year dawns

- Sales of New Year calendars, diaries and greetings cards have halved compared to last year, traders said, due to the surging prices of paper and various austerity measures taken by seasonal buyers. According to traders, paper prices have doubled in the past year. At the same time, there is a shortage of good quality paper in the market due to low imports of pulps stemming from the dollar crisis.

<https://www.tbsnews.net/economy/card-diary-calendar-business-dull-new-year-dawns-561234>

BDT 100 Bn fund formed amid talks of contracting EDF

- Amid talks of contracting the existing USD 7 Bn Export Development Fund (EDF), the government has created a new BDT 100 Bn fund for exporters.
- Exporters fear huge financial losses if taking loans from the EDF are made difficult and they have to buy dollars to pay off import bills by borrowing money in taka from the newly formed Export Facilitation Fund (EFF). They also fear a "disaster" in some exporting sectors.

<https://www.tbsnews.net/economy/tk10000cr-fund-formed-amid-talks-contracting-edf-561522>

Pvt sector foreign debt sees first fall since 2020

- For the first time since December 2020, private sector borrowing from external sources declined as the appetite among firms eroded for increased borrowing costs. Firms' total external debt dropped 2% to USD 25.4 Bn at the end of September 2022 from USD 25.95 Bn in June. At the same time, external debt in the public sector decreased as well.
- Meanwhile, the private sector's foreign debt grew 29% year-on-year from USD 19.68 Bn in September 2021, showed Bangladesh Bank data. However, analysts say the pressure of repaying loans will not ease soon, which is needed to cut the demand for US dollar and bring stability in the foreign exchange market.

<https://www.thedailystar.net/business/economy/news/pvt-sector-foreign-debt-sees-first-fall-2020-3210571>

Targets for export, import, reserve also slashed, inflation hiked

- In the face of an unforeseen global recession, the government has doubled down on economic trend revisions, significantly cutting export income and remittance targets along with GDP growth, while revising up consumer price inflation by two percentage points to 7.5%.
- Export growth target has been cut down to 6% from the actual 20% while import growth now has a new target of negative 4%, according to a presentation at a meeting of the Economic Coordination Council on Fiscal, Currency and Exchange Rate on 20 December. The meeting also cut the GDP growth target by 1 percentage point to 6.5% in the revised budget at the end of the current financial year.

<https://www.tbsnews.net/economy/targets-export-import-reserve-also-slashed-inflation-hiked-561518>

RMG workers earn less than half living wage: Sanem

- The country's readymade garment industry workers earn less than half what they need to fulfil their basic needs such as food, housing and healthcare, according to a South Asian Network on Economic Modeling (Sanem) report revealed on Sunday (1 January).
- On average, a worker earned BDT 9,984 per month in the April-June quarter of 2022, while their living wage – the required money to afford a decent standard of living – ranged from BDT 19,200 to BDT 26,000 depending on the areas they live, which means a gap of 51-60% between the actual income and the minimum need.

<https://www.tbsnews.net/economy/rmg/rmg-workers-earn-less-half-living-wage-sanem-561398>

Stocks:

AMBEEPHA | Ambee Pharma restrained from paying stock dividends

- The Bangladesh Securities and Exchange Commission (BSEC) has restrained Ambee Pharmaceuticals from paying stock dividends until it fulfils necessary conditions. The drugmaker had announced 10% cash dividends and 20% stock dividends for fiscal 2021-22.
- But the market regulator has cancelled the stock dividend as the company's past dividend record was not satisfactory and it failed to comply with the conditions related to stock dividend.

<https://www.tbsnews.net/economy/stocks/abee-pharma-restrained-paying-stock-dividends-561458>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 80.26	USD 5.05	6.71%
Crude Oil (Brent)*	USD 85.91	USD 8.13	10.45%
Gold Spot*	USD 1,824.02	(USD 5.18)	-0.28%
DSEX	6,195.37	-561.28	-8.31%
S&P 500	3,839.50	-926.68	-19.44%
FTSE 100	7,451.74	67.20	0.91%
BSE SENSEX	60,840.74	2,586.92	4.44%
KSE-100	40,420.45	-4,175.62	-9.36%
CSEALL	8,502.49	-3,723.52	-30.46%

Exchange Rates**1 US Dollar = 106.35 BDT****1 GBP = 128.49 BDT****1 Euro = 113.75 BDT****1 INR = 1.29 BDT**

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