

*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.*

### **Companies act to be rewritten this year**

- The previous amendment to the companies act was incomplete as all the stakeholders could not reach a consensus. For instance, e-commerce business platforms have been demanding the reinstatement of the previous option of advance payments, but the government cannot do so for the sake of customers' interests. Many companies want to wind up and seek exit plans from the ministry, but the procedures are complex. So these issues need to be amended in the company law, the senior secretary said.
- The first amendment initiative was taken in 1981 to update the act of 1913 and the amendment was finalized in 1994. In the new act, the issue of share transfer in a company should be addressed, the permission for investment abroad will ensure technology transfer and create new markets. If the government does not allow companies to invest abroad legally, many will resort to illegal means. Issues pertaining to companies' financial statements was also discussed.

<https://www.thedailystar.net/business/economy/news/companies-act-be-rewritten-year-2960626>

### **Tax breaks for fish processing: minister**

- Bangladesh Fisheries Development Corporation (BFDC) is establishing a world-class dry fish processing industry in Cox's Bazar. The government will extend tax exemption benefits to the businesses that will import machinery or take initiatives to set up such industries in the country. The prime minister is working relentlessly for the development of all the people and the government is taking numerous initiatives for the modernization of Cox's Bazar, the minister said.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-breaks-fish-processing-minister-2960621>

### **Health to see highest fund cut in revised ADP**

- The Planning Commission has proposed to cut 18.79% of the allocation to the health sector in its draft revised annual development programme (ADP) as the crucial sector failed to spend the money substantially in development project implementation in the first half of the current fiscal year (FY2021-22).
- Besides, the development budget was proposed to cut 14% for power and energy, 10% for education, and 9.42% for transport and communication. The draft revised ADP also suggested below 10% cuts in allocations for other sectors, including agriculture.
- Planning Commission officials said the government fund of BDT 137,300 crore was kept unchanged in the revised budget, while foreign aid was proposed to be decreased to BDT 17,774 crore from the original BDT 88,024 crore.

<https://www.tbsnews.net/bangladesh/health/health-see-highest-fund-cut-revised-adp-369910>

### **BR's railway project to be delayed by two more years**

- The BR had started the physical work of the railway track installation in fiscal year (FY) 2014-15 although the government approved it in 2010. A senior official at the BR told that the Covid-19 pandemic and some other factors have affected the project work, hence they would require another two years to complete it.
- Initially, the project was delayed by nearly five years due to the funding complexities. The BR claimed that they achieved 66% of physical progress although the financial progress was 34.54% until December last year. The BR official said the project work is progressing at a higher pace and the track is likely to be opened for the passengers

within next one year.

<https://today.thefinancialexpress.com.bd/last-page/brs-railway-project-to-be-delayed-by-two-more-years-1644686059>

### **Dilemma over metro rail fare fixation**

- Sources said the Dhaka Mass Transit Company Limited (DMTCL) has handed over two models for fare calculation - cost recovery and affordability - to the Dhaka Transport Coordination Authority (DTCA) a month ago. The cost recovery model assesses the fare based on operational cost and subsidy. But the affordability model counts the income of people to assess affordability and compare it with fares of other neighboring countries.
- The officials concerned at the Ministry of Road Transport and Bridges, DMTCL and DTCA, they informed the FE that a guideline is there to fix the fare of mass rapid transit line 6 (MRT 6) below the air-conditioned bus services. The DMTCL later took the support of a consultant to prepare a model. The first model which was cost recovery was not accepted by the DTMCL as it calculates the fare at a high level. Managing Director MAN Siddique told the FE that the affordability model will have to focus on the fare fixation and added that the final proposal will come from the special committee.

<https://today.thefinancialexpress.com.bd/first-page/dilemma-over-metro-rail-fare-fixation-1644685502>

### **Internet banking thrives**

- Transactions through internet banking amounted to BDT 20,559 crore in December, up 154% year-on-year and 21% from that a month ago. The number of customers using internet banking stood at 4.4 million in December, up 37% from a year ago.
- In September 2020, the BB increased the limit of inter-bank fund transfers through internet banking for clients, allowing a maximum of BDT 5 lakh per day against the previous BDT 2 lakh. The central bank also doubled the ceiling of a single transaction to BDT 1 lakh from BDT 50,000. Clients now are permitted to settle as many as 10 transactions per day, which was five previously.
- Commercial banks have also rolled out various products in a bid to augment their internet banking operations. For instance, almost all banks have already introduced mobile applications for customers, enabling banking irrespective of location.

<https://www.thedailystar.net/business/economy/news/internet-banking-thrives-2960631>

### **Banks open more branches in 2021 after Covid lull**

- Banks opened 268 branches in 2021 compared to 103 branches in 2020. Banks resumed expanding their network in the year 2021 after adopting a go-slow approach in 2020 when the entities were minimising their costs to tackle the Covid-induced economic fallout.
- The number of total branches of banks increased to 10,939 at the end of December 2021 from 10,671 a year ago. Of the 10,938 branches, 5,239 branches are located in the rural areas against 5,700 branches in the urban areas.
- Both older and newly approved banks went for opening branches as part of their initiative to strengthen their foothold for deposit mobilisation as well as to create new customers. Along with expanding full-fledged branch-based network expansion, banks are now-a-days are also focusing on agent banking- and sub-branch-based network expansion.

<https://www.newagebd.net/article/162583/banks-open-more-branches-in-2021-after-covid-lull>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 93.10	USD 17.89	23.79%
Crude Oil (Brent)*	USD 94.44	USD 16.66	21.42%
Gold Spot*	USD 1,858.76	USD 29.56	1.62%
DSEX	7,085.95	329.29	4.87%
S&P 500	4,418.64	-347.54	-7.29%
FTSE 100	7,661.02	276.48	3.74%
BSE SENSEX	58,152.92	-100.90	-0.17%
KSE-100	46,079.37	1,483.30	3.33%
CSEALL	12,459.80	233.79	1.91%

**Exchange Rates****1 US Dollar = 86.35 BDT****1 GBP = 117.09 BDT****1 Euro = 98.02 BDT****1 INR = 1.13 BDT**

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Salim Afzal Shawon, CFA	Head of Research	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Fahim Hassan	Research Associate	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Md. Mahmudul Hasan	Junior Research Associate	<a href="mailto:mmahmudul.hasan@bracepl.com">mmahmudul.hasan@bracepl.com</a>	01708 805 201

#### International Trade and Sales

Ahsanur Rahman Bappi	CEO	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-----	--	---------------

### BRAC EPL Stock Brokerage Limited

[www.bracepl.com](http://www.bracepl.com)

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: [research@bracepl.com](mailto:research@bracepl.com)