

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.

Govt's non-tax revenue dips

- Government earning from non-tax revenue (NTR), the second-biggest resource of fund mobilisation for Bangladesh, dropped 40 %, year on year, in the first quarter of the ongoing fiscal year. Officials say the government collected BDT 90.34 billion during the July-September period of the fiscal year-some 40% down the amount of BDT 150.5 billion received during the same period a year before. The revenue earnings from the government entities were 38% higher during the July-September quarter of the last fiscal year.
- The total revenue target for the period was BDT 657.4 billion, up by over 1.0 % from that in the same period a year before. Total revenue receipts stood at BDT 724 billion mainly due to rises in NBR and non-NBR taxes. Only operating expenditure was more than 14 % in the period. As a result, the budget had a surplus of BDT 16.12 billion during the quarter under review. The set target for resource collection from the NTR for the current fiscal year is BDT 430 billion or 1.1 % of the GDP. During the last fiscal year, 2020-21, the NTR was BDT 588.6 billion or 1.7 % of the GDP.

<https://today.thefinancialexpress.com.bd/first-page/govts-non-tax-revenue-dips-1643306569>

Faster, cheaper export to Europe from Feb

- Bangladesh's export to Europe is going to have a much less lead time and cost from February as a direct freight service is starting from Chattogram port to Europe – the country's biggest apparel export destination. The first ship on the route, carrying export goods, will leave Chattogram for the Port of Ravenna in Italy in the first week next month.
- Initially, two ships will transport export containers from Chattogram on the route every 25 days. It will take just 16 days to reach Italy for a ship through this route, which currently takes about 40 days as they have to travel via several transshipment ports. Businessmen and Chattogram port officials expect that the direct route will reduce the shipment cost by around 40%.

<https://www.tbsnews.net/economy/faster-cheaper-export-europe-feb-363289>

External debt repayment rises 16%

- Bangladesh's external debt repayment has increased gradually in recent times aided by an inflow of a huge amount of foreign loans from multilateral and bilateral partners in the forms of project aid and budget support. The servicing of foreign debt including interest and principal amount saw an increase of 16% in first half of the current fiscal year. The amount was USD 900 million in the same period a year ago. The government has set aside USD2.09 billion to service external debts for the current fiscal year of 2021-22.
- For Bangladesh, most of the foreign loans are medium- and long-term, are usually concessional in nature, and have a minimum repayment period of 20 years. Of the foreign loan repaid in the first six months of FY22, the principal amount was USD 781.05 million and interests amounted to USD 259.33 million. Of the USD 900.22 million repaid in FY21, the principal amount stood at USD 661.89 million and the interests USD 238.33 million. However, the ratio of total public debt service to revenue is projected to exceed 100% by 2022, pointing to the need for more pronounced revenue mobilisation to support increased social and developmental spending while limiting fiscal risks.

<https://www.thedailystar.net/business/economy/news/external-debt-repayment-rises-16pc-2949086>

Foreign aid pledged for Bangladesh in first half plunges 83%

- The foreign aid commitment plunged by 83 % in the first half (H1) of the current fiscal year (FY) 2021-22, officials said

on Wednesday. Foreign development partners had confirmed US\$4.399 billion worth of assistance, US\$1.99 billion lower than H1 last FY2021, for Bangladesh, Economic Relations Division (ERD) data showed. Meanwhile, the government had received an impressive amount of US\$4.17 billion worth of aid during July-December period of the current FY2022, 39 % higher than that in the last FY2021.

- Out of the US\$4.399 billion worth of total commitment, the government signed US\$4.30 billion worth of loans and US\$99.7 million grants deals with the development partners including the World Bank (WB), Asian Development Bank (ADB) and Japan during the H1 of the current fiscal, the ERD data showed. Meanwhile, the government repaid US\$1.04 billion worth of interests and principals for its total outstanding loans during July-December period of the current FY2022.

<https://thefinancialexpress.com.bd/economy/foreign-aid-pledged-for-bangladesh-in-first-half-plunges-83pc-1643252098>

Japanese Economic Zone to go into production next year

- Japanese Ambassador to Bangladesh Ito Naoki has said factories in Araihaazar Economic zone, dedicated for Japanese entrepreneurs, will start production in 2023. Ito Naoki said that Bangladesh would be a major destination for Japanese entrepreneurs to invest in the future. The interest of Japanese companies is increasing, especially around the Araihaazar economic zone, he added. Restriction on overseas remittance from branches, limitation in loans for working capital, restriction on royalty remittance, overdue payment, delay of LC, collection of additional income taxes and VAT, renewal of bond license, wage gap between inside and outside EPZ etc are creating barriers to the investments, he added.

<https://thefinancialexpress.com.bd/economy/japanese-economic-zone-to-go-into-production-next-year-1643294606>

Subscription of AB Bank Perpetual Bond opens Sunday

- The subscription of AB Bank Perpetual Bond for the general public and the eligible investors (EIs) will open on Sunday (January 30), aiming to raise BDT 600 million. The subscription of the bond through the electronic subscription system of the stock exchanges will be continued until February 17, according to Dhaka Stock Exchange (DSE). Minimum subscription amount is BDT 1,000 (face value) or its multiples and there is no maximum bar. Earlier on November 23, 2021, Bangladesh Securities and Exchange Commission (BSEC) accorded its consent to AB Bank for raising Additional Tier-I (AT-I) capital through issuance of Perpetual Bonds of BDT 6.0 billion.
- Of the BDT 6.0 billion, BDT 5.40 billion will be issued through private placement and the remaining BDT 600 million under the public offering, as per the BSEC approval. The coupon rate will be 6.0 % to 10 %, subject to having available distributable profit.

<https://today.thefinancialexpress.com.bd/stock-corporate/subscription-of-ab-bank-perpetual-bond-opens-sunday-1643302052>

BSEC probes alleged placement share forgery by Hamdul

- The Bangladesh Securities and Exchange Commission has initiated an enquiry into an allegation of placement share forgery by Banco Finance and Investment Limited managing director Mohammad Hamdul Islam. On Wednesday, the BSEC issued an order to form the two-member enquiry committee headed by its additional director Mohammad Golam Kibria.
- The regulator in the order said that the BSEC came to know from a media report about the alleged illegal activities by Hamdul in connection with the placement shares of some listed companies in which Banco Finance was the issue manager. BSEC officials said that there were some beneficiary owner's accounts which did not hold the companies' shares now, but had a significant amount of shares before the companies went public.

<https://www.newagebd.net/article/161143/bsec-probes-alleged-placement-share-forgery-by-hamdul>

Nine listed companies see robust growth in EPS

- Some nine listed companies saw robust growth in EPS (earnings per share) for October-December, 2021 compared to the same period of the previous year. The companies registered growth up to 745.45 % for October-December, 2021 against October-December, 2020, according to disclosures posted on the website of Dhaka Stock Exchange (DSE) on Thursday. Of the companies, the EPS of Bangladesh Building Systems (BBS) rose 745.45 % to close at BDT. 0.93 for October-December 2021 against BDT. 0.11 for October-December 2020. Gemini Sea Food reported an EPS of BDT 3.51 for October-December 2021 against the loss of BDT 3.24 per share for October-December 2020.
- Bangladesh Lamps registered 206 % growth in EPS for October-December, 2021 compared to the same period of the previous year. The consolidated EPS of Bangladesh Steel Re-Rolling Mills was BDT. 3.82 for October-December 2021 against BDT. 3.52 for October-December 2020. Apex Footwear saw a rise both in EPS and net operating cash flow per share (NOCFPS). BSRM Steels posted an EPS of BDT 2.46 for October-December 2021 against BDT. 2.25 for October-December 2020. JMI Syringes & Medical Devices reported an EPS of BDT 2.04 for October-December 2021 against BDT. 2.08 for October-December 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/nine-listed-companies-see-robust-growth-in-eps-1643302107>

Apex Footwear makes a strong recovery

- Apex Footwear has bounced back strongly from massive impacts wrought by the Covid-19 outbreak in the country and its consequent government restrictions. The local footwear giant has reported a 12% and 9% growth in revenue and profit respectively for the October-December period of fiscal 2021-22 riding on an increase in sales in the local market and exports.
- In the July-September quarter, the local brand with global exposure saw a staggering 29% drop in sales compared to the same period of the previous fiscal year as exports fell amid the pandemic. According to the company, despite a decrease in revenue for lower sales in the first quarter, its profit increased by 21% from a year earlier for the reduction in its cost of production. Its profit rose to BDT 1.95 crore from BDT1.79 crore in the October-December of FY21.

<https://www.tbsnews.net/economy/stocks/apex-footwear-makes-strong-recovery-363247>

BD Building Systems' profit soars on capital gain from BBS Cables shares

- Bangladesh Building Systems Ltd is yet to increase its sales of pre-fabricated steel building structures even compared to the sales in the stressed periods of 2020. However, selling 25 lakh shares of BBS Cables Ltd, another listed company of BBS Group, helped BD Building Systems book a hefty capital gain in the last week of December. BD Building Systems' net profit for the October-December quarter soared to over BDT 15 crore, from that of BDT 1.87 crore in the same period a year ago. The company lost BDT 0.22 per share in the 2020-21 financial year and paid 2% cash dividends

<https://www.tbsnews.net/economy/stocks/bd-building-systems-profit-soars-capital-gain-bbs-cables-shares-363238>

National Polymer's quarterly profit grows 25%

- National Polymer Industries has posted 25% profit growth in the second quarter of the current fiscal year owing to an increase in demand for its households and construction-related products. The conglomerate reported a net profit of BDT5.18 crore, which was BDT4.16 crore a year ago. In addition, cash sales and collection from receivables had also gone up significantly.
- The earnings per share (EPS) stood at BDT 0.71 and its net asset value per share at BDT28.24 till December 2021. In the first six months of fiscal 2021-22, its EPS stood at BDT1.27, which was BDT 0.88 in the same period of the previous year.

<https://www.tbsnews.net/economy/stocks/national-polymers-quarterly-profit-grows-25-363232>

Berger declares 300% interim cash dividend

- Berger Paints Bangladesh Limited has declared a 300% interim cash dividend for its shareholders for the period ended 31 December 2021. The declaration came from the board meeting of Berger Paints on Thursday evening. The company has posted 21% revenue growth in the third quarter (October to December) of 2021 compared to the same period of the previous year. During the period, the revenue of the company stood at BDT 629.34 crore, which was BDT519.34 crore in the same period 2020.
- Its net profit stood at BDT 81.24 crore from BDT 90.20 crore during the period. In October to December period, its earnings per share was BDT 17.52, which was BDT 19.45 in the same period of 2020. The company said its net profit declined due to the increase of raw materials cost in the international market. From April to December period 2021, its revenue and net profit rose by 42% and 20% respectively. Berger shares closed at BDT1,775 on Thursday at Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/berger-declares-300-interim-cash-dividend-363235>

JMI logs robust growth in earnings per share

- The earnings per share (EPS) of JMI Syringes and Medical Devices Limited rose by BDT 2.04 to BDT 2.90 during the second quarter of the current financial year. The companies EPS in the first quarter was BDT 0.86. Besides, the net asset value (NAV) per share stood at BDT 122.70 during the corresponding period which was BDT 122.60 last year, reads a press release.
- "The demand for auto-disable syringes (0.5 ml), needed for inoculation, has increased exponentially due to the global coronavirus pandemic. Thus, we have invested in building the production capacity of our factories to meet the excess demand that includes foreign buyers as well," said the managing director of JMI Syringes and Medical Devices.

<https://www.tbsnews.net/economy/stocks/jmi-logs-robust-growth-earnings-share-362917>

GP net profit dips by 8% in 2021

- The net profit after tax of the country's leading mobile phone operator Grameenphone dropped by 8.22% or BDT 305.8 crore to BDT 3,413 crore year-on-year in 2021, according to statements issued by the telecom operator. GP's net profit after tax was BDT 3,719 crore in the previous year. GP's earnings per share based on comprehensive income dropped to BDT 25.28 in 2021 from BDT 27.54 in 2020. The mobile operator witnessed the fall in the net profit even after trimming its number of employees by 450 in the past year.
- Grameenphone's revenue, however, increased by 2.48% or BDT 346.04 crore year-on-year in 2021. GP's audited financial statements showed that the operator's revenue increased to BDT 14,306.65 crore in 2021 from BDT 13,960.61 crore in the previous year. Grameenphone reported an improved financial performance in 2021, driven by higher users and usage due to network and experience enhancement. At present, 53.5% or 4.46 crore of GP's total connections are using internet. Based on the profit in 2021, the operator declared 250% cash dividend for its shareholders. The shareholders of the telecom operator received 275% dividend in the previous year.

<https://www.newagebd.net/article/161142/gp-net-profit-dips-by-8pc-in-2021>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 87.07	USD 11.86	15.77%
Crude Oil (Brent)*	USD 89.69	USD 11.91	15.31%
Gold Spot*	USD 1,798.18	(USD 31.02)	-1.70%
DSEX	7,027.55	270.89	4.01%
S&P 500	4,326.50	-439.68	-9.22%
FTSE 100	7,554.31	169.77	2.30%
BSE SENSEX	57,276.94	-976.88	-1.68%
KSE-100	45,083.04	486.97	1.09%
CSEALL	12,885.70	659.69	5.40%

Exchange Rates

1 US Dollar = 85.67 BDT
1 GBP = 114.75 BDT
1 Euro = 95.80 BDT
1 INR = 1.14 BDT

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