

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.

NBR seeks budget proposals from trade bodies, professionals

- The National Board of Revenue (NBR) has sought proposals on income tax; value added tax (VAT) and import duty for preparation of the budget for FY23. The revenue board asked for the proposals from the Federation of Bangladesh Chamber of Commerce Industry (FBCCI) and other top chambers within February 5, 2022.
- In addition to revenue collection, the NBR formulates fiscal policy after discussing with the traders and stakeholders. Every year the NBR organises pre-budget discussion with representatives from different sectors to ensure participatory budgeting. The NBR is taking similar initiatives for the preparation of budget for FY23.

<https://thefinancialexpress.com.bd/economy/nbr-seeks-budget-proposals-from-trade-bodies-professionals-1643473263>

Government expenditure as fertiliser subsidy quadruples in FY22

- The government expenditure as fertiliser subsidy will fuel up by nearly by four times to BDT 280 billion in FY22, amid an unusual hike in the prices of the inputs in the global market, said the agriculture minister on Saturday. He also stated that the total farm subsidy was BDT 77.0 billion in FY21. He said out of the cost, BDT 190 billion has so far been managed while another BDT 90 billion will be needed within upcoming June.

<https://thefinancialexpress.com.bd/economy/government-expenditure-as-fertiliser-subsidy-quadruples-in-fy22-1643455963>

ICT businesses seek scope for investing abroad

- Local information and communications technology entrepreneurs on Saturday demanded that the government allow them to make investments abroad to promote the country. Businesses of the sector made this demand at the first meeting of the Federation of Bangladesh Chambers of Commerce and Industry standing committee on ICT and digitisation of trade bodies held at the FBCCI conference room in the capital, Dhaka.
- FBCCI president Md Jashim Uddin as chief guest stressed digitisation of all ministries, departments and agencies of the government especially National Board of Revenue and the Bangladesh Bank to continue the pace of development of the country. He also stressed ensuring policy support for the ICT sector to achieve the USD5 billion export target from the sector by 2025. Businesses also wanted to repeal the provision of deducting advance income tax from incentives and urged for extending the tax exemption to the sector till 2030.

<https://www.newagebd.net/article/161310/ict-businesses-seek-scope-for-investing-abroad>

Social media banking faces a setback

- The Bangladesh Bank plans to bar banks from providing financial services through social media platforms as it poses data security risk. The central bank has already rejected applications from two banks that had looked to roll out social media banking.
- Banking services offered through Facebook Messenger, WhatsApp and Viber would make it impossible for the central bank to collect required data from the companies. As per the ICT Policy of Bangladesh, any manufactured, collected and processed data have to be stored inside the country in line with data localisation rules.
- Mutual Trust Bank (MTB) rolled out social media banking in June last year, however the proposal to operate was rejected by the central bank. In the meantime, 11,000 clients have registered with MTB's platform to avail services through WhatsApp. Dhaka Bank introduced WhatsApp banking in 2020. Eastern Bank Ltd offered banking services

through Facebook Messenger and Viber to more than 200,000 customers last year. Prime Bank introduced WhatsApp banking four to five months ago and the platform has already reached 70,000. City Bank says 9,000 queries are placed by clients per month through social media platforms.

<https://www.thedailystar.net/business/economy/banks/news/social-media-banking-faces-setback-2950236>

BPC losing BDT 75m per day as oil price rises

- Bangladesh Petroleum Corporation (BPC) has again started counting losses worth around BDT 75 million per day as the fuel oil price in the international market remains bullish over the past one month. The loss would be around BDT 5.0 per litre in diesel trading as on Saturday, said a senior BPC official. If the uptrend in the international market lasts long, the BPC's losses will increase further.
- Brent crude, the benchmark in international oil price, surged past USD 90 per barrel for the first time in seven years due to global market volatility buoyed by limited inventory and Russia-Ukraine standoff. The Brent crude price was around USD 82 per barrel on November 4, 2021 when the prices of diesel and kerosene were raised by around 23 per cent to BDT 80 per litre from previous BDT 65.

<https://thefinancialexpress.com.bd/trade/bpc-losing-tk-75m-per-day-as-oil-price-rises-1643510703>

Businesses lose USD 1.75b in three months due to gas crisis: BTMA

- Leaders of the Bangladesh Textile Mills Association on Saturday claimed that the sector faced production loss worth USD 1.75 billion in the last three months due to a supply shortage of gas. Opposing the proposal by state-owned distribution companies for a 116-% hike in gas price, the BTMA said that any increase in gas price would erode the competitiveness of the sector as the overhead production cost of yarns would double from the existing 25 cents.
- The BTMA president said that a good number of spinning, weaving, dyeing and printing mills located in Dhaka, Gazipur, Narayanganj, Savar, Ashulia, Manikganj, Narsingdi and Chattogram could not run with a full capacity due to the shortage of gas. Under the circumstances, if the price of gas is increased by 103-116 %, the electricity cost would increase by BDT 20.47 to BDT 23 to produce a kilogram of yarns, he said.

<https://www.newagebd.net/article/161280/businesses-lose-175b-in-three-months-due-to-gas-crisis-btma>

Shurwid Industries seeks regulatory help to be back in business

- Poorly performing and non-operative Shurwid Industries Limited has recently sought help from the Bangladesh Securities and Exchange Commission (BSEC) to revive its business by resolving issues regarding lawsuits, and dividends. In 2014, the company raised BDT 14 crore through an initial public offering (IPO). Its factory has remained closed since 26 March 2020.
- Current Chairman Engineer Mahmudul Hasan alleged that the IPO fund was embezzled by the company's former Chairman and Managing Director, and that they took it over in 2018 after the former management failed to run the company smoothly.
- Refuting allegations, the former Managing Director told that the current management took over the company without having any doubts or questions during the handover. He added that the former management failed to continue the business because the gas generator got damaged. He added that following the purchase of a new generator afterwards, Shurwid did not get the gas line permission from the government.

<https://www.tbsnews.net/economy/industry/shurwid-industries-seeks-regulatory-help-be-back-business-363973>

Textile mills' profit skyrockets in Q2

- The country's spinning and textile millers witnessed a jump in profit in the second quarter (October-December) of fiscal year 2021-22, despite a gas crisis and subsequent production losses in the period. They posted up to 2,357% year-on-year growth in the quarter, according to an analysis on the financial statements of the 58 listed textile companies. Mozaffar Hossain Spinning, Envoy Textile, Maksons Spinning and Metro Spinning were some of the top gainers.
- According to the Export Promotion Bureau, the RMG exports increased by 46.21% to USD10.84 billion in the second quarter of FY2021-22, while it was USD7.42 billion in the corresponding period of the last fiscal (FY2020-21). To keep pace with apparel export growth, yarn makers planned to invest about USD2.5 billion to boost production capacity by the next year.

<https://www.tbsnews.net/economy/industry/textile-mills-profit-skyrockets-q2-364015>

Renata profits BDT275cr in H1

- Renata Limited – a manufacturer of pharmaceuticals and animal health products – has reported a BDT275.23 crore profit, or a 13% year-on-year growth, in the first half of the current fiscal year. The revenue of the company, which is making a substantial growth in recent times owing to a surge in demand for its products, also rose 6% to BDT1,542.87 crore. In the 2020-21 fiscal year, it had touched the BDT500 crore-mark in profit for the first time since its inception and paid 145% cash, and 10% stock dividends to its shareholders.
- Renata Limited, which got listed on the Dhaka Stock Exchange (DSE) in 1979, is exporting drugs to 27 countries. Till December 2021, sponsor and directors held 51.27%, institutional investors 20.72%, foreign investors 22.77%, and general investors 5.24% of the shares in the company. On 27 January, its share price was BDT1,332 each.

<https://www.tbsnews.net/bangladesh/health/renata-profits-tk275cr-h1-363970>

GPH Ispat's profit soars 36%

- Listed steel maker GPH Ispat's profit soared in the first half of the current financial year. The company logged BDT 94.93 crore in profits, posting a 36 % year-on-year rise from the same period previous year's BDT 69.64 crore. Its paid-up capital was BDT 436 crore, according to the DSE data. On December 31 last year, the net asset value per share of GPH Ispat dropped to BDT 27.52, which was BDT 29.86 on June 30 of same year, according to the company's financial reports.
- Its earnings per share was BDT 2.17 in the latest half year, which was BDT 1.59 previously. However, the steel maker's net operating cash flow per share dropped to BDT 0.86 from BDT 3.64. In the last one month, stocks of GPH Ispat rose around 17 % to BDT 59 until last Thursday at the Dhaka Stock Exchange (DSE).

<https://www.thedailystar.net/business/news/gph-ispats-profit-soars-36-2949896>

EPS of Maksons Spinning rises

- Maksons Spinning Mills Limited posted Q2FY22 earnings per share of BDT 1.76 compared to BDT 0.51. As of December 31, the company's net asset value per share stood at BDT 21.86.

<https://www.newagebd.net/article/161312/eps-of-maksons-spinning-rises>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 86.82	USD 11.61	15.44%
Crude Oil (Brent)*	USD 90.03	USD 12.25	15.75%
Gold Spot*	USD 1,791.53	(USD 37.67)	-2.06%
DSEX	7,027.55	270.89	4.01%
S&P 500	4,431.85	-334.33	-7.01%
FTSE 100	7,466.07	81.53	1.10%
BSE SENSEX	57,200.23	-1,053.59	-1.81%
KSE-100	45,077.91	481.84	1.08%
CSEALL	12,863.14	637.13	5.21%

Exchange Rates**1 US Dollar = 85.94 BDT****1 GBP = 115.22 BDT****1 Euro = 95.81 BDT****1 INR = 1.15 BDT**

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