

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 moves to ease collateral requirements

- The government is set to introduce an innovative financing model under a new law to enable small businesses and startups to show their moveable assets as collateral with a view to nurturing entrepreneurs and helping them secure loans. A draft law for the collateral protection for movable assets has already been formulated, according to a finance ministry official. Under the proposed law, raw materials, gold and other precious metals, patents, copyrights, work orders, furniture, tree, vehicles, agriculture and processed foods and fishery will be considered as collateral.
- AKM Fahim Mashroor, founder and chief executive officer of bdjobs.com and AjkerDeal, welcomed the initiative, however, thinks that banks will not provide the loans despite the law unless the central bank sets a mandatory minimum disbursement target. He called for setting a BDT 100 crore disbursement target for the local startups.
- The proposed law is in keeping with the conditions set by the global development partners when they extended budgetary support to the government to help the country recover from the shocks triggered by the coronavirus pandemic. The government is framing the law as it wants to facilitate loans for at least 1,000 cottage, micro, small and medium enterprises (CMSMEs) and startup units by 2024.
- The government will help adopt an alternative credit scoring model by using digital transaction data, mainstreaming cluster and value chain financing, and promoting bank lending based on non-traditional collateral such as trade receivables and warehouse receipts.

<https://www.thedailystar.net/business/economy/news/govt-moves-ease-collateral-requirements-2910716>

BB collects BDT 6,500cr from banks thru' two treasury bills

- The Bangladesh Bank has now collected BDT 6,500 crore from banks against government treasury bills at a time when the banking sector is going through a liquidity crunch. Even a few days ago, to ease the crisis, the central bank suspended mopping up money from the market through Bangladesh Bank bills for a month starting from 1 December.
- According to the central bank's auction calendar, the government on Sunday was supposed to raise BDT 2,500 crore through two categories of treasury bills based on their maturity – BDT 1,500 core against the 91-day bill at 2.4% interest and BDT 1,000 crore against the 364-day one at 3.49%. However, the central bank collected BDT 3,841 crore and BDT 2,840 crore respectively through the bills to meet a rising demand for bill payments all of a sudden.

<https://www.tbsnews.net/economy/banking/bb-collects-tk6500cr-banks-thru-two-treasury-bills-339259>

BBIN motor vehicle pact to go ahead without Bhutan

- Bangladesh, India and Nepal have decided to go ahead with a regional motor vehicles agreement without Bhutan as the country pulled out of the deal. Md Nazrul Islam, secretary of Road Transport and Highways Division, told The Business Standard that there was no conclusive decision about the enforcement date of the pact. He added that officials of the three countries will hold some more talks to finalise everything.
- India had been talking about implementing the pact without Bhutan. According to India, Bhutan could be added to the arrangements anytime if it agrees in future. Though Bangladesh, India and Nepal earlier agreed on most of the provisions of the draft cargo protocol, the three neighbours could not get to the point over issues such as the weight of the cargo, introducing bank guarantees against cargo freights, and the amount of goods a country can transport through others.

<https://www.tbsnews.net/bangladesh/transport/bbin-motor-vehicle-pact-go-ahead-without-bhutan-339274>

Indonesia slaps safeguard duties on Bangladeshi RMG goods

- The duties ranging from USD1.33 to USD4.34 are expected not to be a worry for Bangladesh, which exports little to the Southeast Asian country. Indonesia has imposed safeguard duties ranging from USD1.33 to USD4.34 on imports of garments and accessories from all countries, including Bangladesh. The duties, which entered into force on 12 November, 2021, will continue for three years till November, 2024, a notification dated 17 November from the World Trade Organization (WTO).
- The Business Standard received a copy of the notification. It says that the safeguard duties will apply to imports of garments and accessories, except eight items of headwear and neckwear. As per the regulation, the safeguard duties will range from Rp19,260 to Rp63,000 per item for the first year and will decline gradually. Md Hafijur Rahman, director general of WTO Cell under the commerce ministry, confirmed the matter.

<https://www.tbsnews.net/economy/rmg/indonesia-slaps-safeguard-duties-bangladeshi-rmg-goods-339277>

Five state banks register 8.89% bad debt recovery against target

- The banks are responsible for around 42% of BDT 1 lakh crore defaulted loans. Five state-owned banks collectively recouped BDT 151 crore from their written-off loans in the first nine months of this year, which is only 8.89% against the annual target of BDT 1,697 crores. The lenders are Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank and BASIC Bank.
- Bankers and legal experts said a lengthy legal process, coupled with an inadequate number of money loan courts, are the key barriers to recovering the delinquent loans. According to the Bangladesh Bank, Sonali Bank had around BDT 7,000 crore stuck with the money loan courts until December last year. The lender set a BDT 696 crore recovery target from the written-off loans for 2021. But it could recoup only BDT 81 crore in nine months of the current year. The write-off is a tool that allows banks to clean their balance sheet by removing bad assets. Lenders have to keep 100% provisioning against delinquent loans. Banks have to file lawsuits against the defaulters before writing off loans.

<https://www.tbsnews.net/economy/five-state-banks-register-889-bad-debt-recovery-against-target-339271>

BPC cuts Jet fuel, furnace oil prices by BDT 2 per litre

- The country's annual demand for Jet A-1 fuel and furnace oil is 3.45 lakh tonne and 3.64 lakh tonne respectively. The Bangladesh Petroleum Corporation (BPC) has decided to decrease the jet fuel and furnace oil prices by BDT 2 per litre from today. The decision was taken at a meeting on Sunday, said a BPC official. Jet fuel is used in the aviation sector while furnace oil is used for power generation in large and captive power plants. As per BPC's latest decision, the price of Jet A-1 fuel has decreased from BDT 77 to BDT 75 per litre, and the price of furnace oil from BDT 62 to BDT 60 per litre. Currently, the country's annual demand for Jet A-1 fuel and furnace oil is 3.45 lakh tonne and 3.64 lakh tonne respectively.

<https://www.tbsnews.net/bangladesh/energy/jet-fuel-furnace-oil-prices-go-down-tk2litre-339034>

BTRC moves to open up all areas for foreign investment

- The Bangladesh Telecommunication Regulatory Commission has initiated a move to open up all telecommunication licences to foreign investors as part of a government decision to attract more foreign direct investments. The commission took the initiative as part of a government decision to withdraw investment restrictions on foreign individuals or entities on a wide range of telecom-related business in the country, a BTRC official told New Age on Sunday.
- Under the proposed amendment, foreign entities would be able to set up fully-owned telecom business in the country.

Besides, the foreign telecom licensees would also get scope for taking up to 20 per cent of its total loans from local banks upon a prior approval from the BTRC. The foreign entities, already taken loans and have total loans from local sources beyond the fresh limit, will have to bring down the ratio within the stipulated rate within five years of the amendments are approved.

<https://www.newagebd.net/article/156582/btrc-moves-to-open-up-all-areas-for-foreign-investment>

Envoy Textiles to raise BDT 870m through preference shares

- Envoy Textiles, an export-oriented denim manufacturer, has decided to raise BDT 870 million through issuing preference shares at par for expansion of a project. Envoy Textiles will issue 87 million shares through a private placement to the potential investors at a face value of BDT 10 each, the company said in a filing with the Dhaka Stock Exchange (DSE) on Sunday. Preference shares mean the shares in a company that are owned by investors who have the right to receive part of the company's profits before the holders of ordinary shares are paid.
- The issuance of preference shares is subject to the approval of general members meeting, and approval from the Bangladesh Securities and Exchange Commission (BSEC), according to the filing. The raised fund will be used to finance the upcoming project expansion for the production of blended yarn and to prepay a portion of high-cost borrowing, it said. The said preference shares shall be fully redeemable cumulative non-convertible within five years.

<https://today.thefinancialexpress.com.bd/stock-corporate/envoy-textiles-to-raise-tk-870m-through-preference-shares-1638723646>

Brummer allowed to sell 2.83 crore shares in Runner Auto

- Bangladesh Securities and Exchange Commission has freed Runner Automobiles Limited's 24.93 per cent or 28,304,347 shares from lock-in after Brummer & Partners (Bangladesh) Limited expressed its interest to sell its entire holdings in the company. The regulator reduced lock-in period for the shares held by Brummer & Partners to two years from usual three years to make the sales possible, BSEC officials said. They said that Brummer requested the BSEC to free their shares so that it could take exit from Runner Automobiles.

<https://www.newagebd.net/article/156586/brummer-allowed-to-sell-283-crore-shares-in-runner-auto>

Paper industry bouncing back

- Absorbing pandemic shocks, the country's paper manufacturers are making a comeback on growing demand following the reopening of the economy, and educational institutions. Most listed paper firms witnessed a higher profit in the July-September quarter of the current fiscal year. A leader of the industry at the Bangladesh Paper Mills Association (BPMA), seeking anonymity, said the paper industry had faced a big blow following the Covid outbreak in the country, but it is now bouncing back following the reopening of the economy.
- Bashundhara Paper Mills (BPML) 1% growth in revenue and 31% growth in profit during Jun-Sep quarter on the back of increasing sales of products. Its profit rose to BDT 6.81 crore from BDT 5.18 crore from the same time of the previous fiscal year while the earning per share (EPS) stood at BDT 0.39, which was BDT 0.30. Net profit of Sonali Paper & Board Mills climbed 957% riding on big jumps in other income from realised, unrealised, and cash dividend income. Its profit rose to BDT 12.18 crore from BDT 1.15 crore in the July-September quarter of FY21.
- Bangladesh Monospool Paper Manufacturing Company and Paper Processing & Packaging also posted higher profit in the July-September quarter. During the period, Monospool Paper's profit rose 163% and its EPS stood at BDT 0.29 from BDT 0.11 at the same time a year ago. On the other hand, Paper Processing & Packaging posted a 3,850% higher profit, while its EPS rose to BDT 0.79 from BDT 0.02 in the same period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/paper-industry-bouncing-back-339256>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 66.26	USD 17.74	36.56%
Crude Oil (Brent)*	USD 69.88	USD 18.08	34.90%
Gold Spot*	USD 1,783.90	(USD 111.20)	-5.87%
DSEX	6,965.63	1,563.56	28.94%
S&P 500	4,538.43	782.36	20.83%
FTSE 100	7,122.32	661.80	10.24%
BSE SENSEX	57,696.46	9,945.13	20.83%
KSE-100	43,232.83	-522.55	-1.19%
CSEALL	10,988.32	4,214.10	62.21%

Exchange Rates**1 US Dollar = 85.72 BDT****1 GBP = 113.43 BDT****1 Euro = 96.98 BDT****1 INR = 1.14 BDT**

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