

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.

Tax exemptions cost 2.28% of GDP: NBR

- Bangladesh counts 2.28 % or BDT 578.78 billion in lost Gross Domestic Product (GDP) on offering tax exemptions to various sectors, an analysis finds and suggests periodical updating of the fiscal measure. It also says some 36% of total domestic product or a sum of BDT 9.15 trillion is excluded from the taxation of a financial year's tax base. The amount is equivalent to more than three consecutive fiscal years' tax revenue-collection targets of the government; the FE analysis shows.
- In the current FY, the government has set a BDT 3.30-trillion tax revenue-collection target, just as the original target of last FY. Following widespread allegations of the country's poor tax-GDP ratio in South Asia, below 10% the country's tax authority conducted the study to assess the volume of tax exemptions that have been eating up revenue. The internal study of the National Board of Revenue (NBR) has compiled the data of tax exemptions taking FY 2018-19 a base year in its report.

<https://today.thefinancialexpress.com.bd/first-page/tax-exemptions-cost-228pc-of-gdp-nbr-1638987015>

Trade deficit rises 35% in October

- The country's trade deficit increased to USD 9.09b in the first four months of the current fiscal year with the Covid-19 pandemic fading away, the country's month-on-month trade deficit widened 35% in October owing to an increase in imports compared to exports. Until September, the country's trade deficit was USD 6.73b, which increased to USD 9.09b at the end of October, according to the Bangladesh Bank data released on Wednesday. Economists say imports have been very low over the past year because of Covid-19 and the inflow of remittances has declined since the beginning of the current financial year.
- However, the foreign exchange reserves are still satisfactory. In this situation, even if imports increase, there is no problem. Because if imports increase, the investment will increase. Increasing investment means creating employment opportunities. The economy as a whole will gain momentum. The trade deficit widened to USD 9.09b in the July-October quarter of the fiscal 2021-22, which was USD 3.49b in the same period of the previous fiscal year. Exports in October this year were about USD 4.73b.

<https://www.tbsnews.net/economy/trade-deficit-rises-35-october-340771>

DSE to encourage listing of top 100 firms; conference to be held 21 Dec

- Dhaka Stock Exchange (DSE) has decided to invite the top 100 firms of the country to a conference to encourage them to be listed. The event, to be held on 21 December, will be attended by representatives of a hundred top-tier corporate groups will be invited. Speaking to The Business Standard, Bangladesh, M Shaifur Rahman Mazumdar, chief operating officer of the premier bourse, said, "Bangladesh has several thousand successful corporate entities who are operating as private companies. In the upcoming conference, we will present the benefits of going public. "We will present the prospects, opportunities of the country's capital market to the invited companies."
- Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-UI-Islam will join the conference as the chief guest. Meanwhile, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Md Jashim Uddin will attend the event as the special guest.

<https://www.tbsnews.net/economy/stocks/dse-encourage-listing-top-100-firms-conference-be-held-21-dec-340819>

Unhealthy competition hampers chemical firms' business recovery

- The local chemical manufacturers' profit margin has shrunk as their production cost increased while product prices remained the same. Listed chemical manufacturing companies have been facing challenges on their way to recovery from pandemic-related losses due to an upsurge in raw material prices and an unfair competition with the companies that abuse bond facilities. Industry insiders said raw material prices at home and abroad rose by around 10%-30%, while freight cost doubled or trebled amid the pandemic.
- The chemical manufacturers, who sell their products mainly to local small and medium enterprises (SMEs), said their sales declined as the local consumption and local companies' productions decreased during the pandemic. Consequently, many small companies ran operations partially to survive, while some others closed down their operations temporarily. Besides, an unhealthy competition with bond facility abusers has been harming the chemical manufacturers, alleged the people involved in this sector. They alleged that a number of companies import chemicals using the bond facility and sell them in the local market at comparatively low prices. In this situation, local chemical manufacturers lose business.

<https://www.tbsnews.net/economy/industry/unhealthy-competition-hampers-chemical-firms-business-recovery-340810>

PGCB to issue preference shares against govt's share deposits

- Power Grid Company of Bangladesh Limited has decided to issue preference shares against government's huge share money deposits in the company to avoid a significant dilution in earnings and share prices. The share money deposit (money paid in exchange for shares) of the government in Power grid Company was BDT 7,180.55 crore, according to PGCB's audited financial statement for FY21. The ministry of power, energy and mineral resources has recently made the decision in this regard and informed the company.
- As per the decision given by the ministry, the company will issue irredeemable and non-cumulative preference shares in favour of Power Division. The company will provide 0.5 % against the preference shares for the first year and 1 % from the next year against the share money deposit to comply with FRC rules, company's financial statement said. On February 11, 2020, the Financial Reporting Council issued a directive saying that share money deposits must be converted into the company's capital within six months of receiving the money.

<https://www.newagebd.net/article/156847/pgcb-to-issue-preference-shares-against-govts-share-deposits>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.58	USD 24.06	49.59%
Crude Oil (Brent)*	USD 76.02	USD 24.22	46.76%
Gold Spot*	USD 1,783.51	(USD 111.59)	-5.89%
DSEX	6,952.14	1,550.07	28.69%
S&P 500	4,688.84	932.77	24.83%
FTSE 100	7,337.35	876.83	13.57%
BSE SENSEX	58,649.68	10,898.35	22.82%
KSE-100	43,846.87	91.49	0.21%
CSEALL	11,021.07	4,246.85	62.69%

Exchange Rates**1 US Dollar = 85.78 BDT****1 GBP = 113.53 BDT****1 Euro = 97.33 BDT****1 INR = 1.14 BDT**

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BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Nazmus Saadat, CFA	Research Analyst	nazmus.saadat@bracepl.com	01708 805 229
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
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BRAC EPL Stock Brokerage Limited

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