

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.

Three white knights of economy

- Agriculture, exports and remittances have been the key pillars of Bangladesh's economy for much of its history. These three drivers also helped the country navigate a turbulent 2021 when most economies around the world struggled amid recurrent coronavirus waves, supply bottlenecks and unprecedented levels of inflation. Another driver of the economy is the export of garments, which are on the rise. Apparel shipment accounts for 85 % of the national export receipts. Inflation, which rose to a 13-month high in November, is another major worry for the economy.

<https://www.thedailystar.net/business/economy/news/three-white-knights-economy-2929336>

Demand for dollars drops slightly in Dec after mid-year surge

- Demand for US dollars in the country's banking sector decreased slightly in December after a demand surge for the greenbacks in mid-2021, officials of Bangladesh Bank said. They said that the supply of the greenbacks increased in December due to a boost in export earnings. Besides the surge in export earnings, the rapid spread of Omicron, a new variant of Covid-19, has made exporters cautious in spending for industrial inputs and so the pressure on the dollar market eased, they said. In the current fiscal year, the central bank injected USD 641 million in Sep'21, USD 518 million in October, USD 568 million in November, and USD 270 million between December 1 and December 25.

<https://thefinancialexpress.com.bd/trade/e-payment-of-vat-above-tk-50m-mandatory-from-january-1-1640918755>

Bilateral trade volume between Bangladesh, South Korea to reach record high in 2021

- Bilateral trade volume between Bangladesh and South Korea is expected to reach a record high this year, revealed statistics provided by the Korea Trade Association. Between January and November 2021, the trade volume recorded USD 2.014 billion, up by 54.6 % year-on-year. Bangladesh's export increased by 35.8 % in 2021 to USD 498 million from USD 393 million, while Korea's export to Bangladesh rose by 61.9% to USD1.51 billion from in 2020.
- Despite the COVID-19 pandemic, Bangladesh's export to Korea, however, crossed over USD 400 million in 2019 and recorded USD393 million in 2020. It is expected to go over USD500 million by the end of this year. The main export items of Bangladesh to Korea are garments, sports equipment and leisure items and bronze scraps. Garment exports which account for 81 % of the total export to Korea increased by 32.4 % than the previous year to USD 442 million, while sports and leisure items skyrocketed by 92 % with USD 303 million. Export of bronze scrap rose by 175% to USD 9.14 million.

<https://thefinancialexpress.com.bd/economy/bilateral-trade-volume-between-bangladesh-south-korea-to-reach-record-high-in-2021-1640873113>

E-payment of VAT above Tk 5.0m mandatory from January 1

- Businesses will have to pay VAT amounting to BDT 5.0 million and above in a single challan through online mode on a mandatory basis from January 1, 2022 (Saturday). The said amount of VAT, payable against any of the treasury challan, has to be paid through e-payment or A-challan. The recent order would not affect small or medium businesses as BDT 5.0 million and above in one challan is a huge amount of VAT that usually large businesses pay. According to official sources, British American Tobacco Bangladesh is currently paying VAT through e-payment.

<https://thefinancialexpress.com.bd/trade/e-payment-of-vat-above-tk-50m-mandatory-from-january-1-1640918755>

EIB Provides \$283mn Soft Loan For Bangladesh's Healthcare Development

- European Investment Bank (EIB) provides Bangladesh USD283.06 million (EUR 250 million) to purchase the Covid-19 vaccine and strengthen the healthcare system. A finance contract (FC) was signed in this regard between Bangladesh and EIB under a project titled 'Bangladesh Covid-19 Public Health Programme'.

<https://www.dhakatribune.com/business/2021/12/30/eib-provides-283mn-soft-loan-for-bangladeshs-healthcare-development>

Central bank relaxes loan-repayment policy for all sectors

- The central bank relaxes further the loan-repayment policy for all the sectors to expedite Bangladesh's economic recovery from the fallout of Covid-19 pandemic. Under the relaxed stance, the borrowers will get a fresh chance to remain unclassified if they repay minimum 15 % instead of previously-set 25 % of the total outstanding amount of loans for the whole calendar year by December 31 (today), according to a notification issued by the Bangladesh Bank (BB) on Thursday night.
- The remaining 85 % of the outstanding credits during the period from January to December 31 this year will be payable within one year from the date of expiry of the loan tenure, according to officials. The central banker also says the BB may take final decisions after examining the issues considering the facilitation of country's business activities.

<https://thefinancialexpress.com.bd/economy/central-bank-relaxes-loan-repayment-policy-for-all-sectors-1640917867>

Rupali Bank gets primary dealer license

- Bangladesh Bank has approved Rupali Bank for one year as a primary dealer with the aim of boosting the secondary market for government treasury bills and bonds. The central bank's Debt Management Department issued the circular on Thursday, which will go into effect from 2 January. The term of the license may be extended considering the bank's performance over the next one year in the primary and secondary bond markets. Of the 61 banks in the country, about 20 are primary dealers for the bond market.

<https://www.tbsnews.net/economy/stocks/rupali-bank-gets-primary-dealer-licence-351139>

Bangladesh's capital market sees off eventful year

- The country's capital market passed yet another eventful year with a 25 % return in the core index of the main bourse despite tussles between the two regulatory bodies concerned over some policy issues. The daily turnover, an important gauge, stood at BDT 14.75 billion on an average in 2021, up by 127 % year-on-year. The DSE witnessed the second highest-ever turnover worth above BDT 3.54 trillion, posted in 240 trading sessions - executed in the outgoing year. The DSE market capitalisation to GDP ratio stood at 18.01 %, while the market P/E (price earnings) stood at 17.58 at the end of 2021.
- Strong participation of investors, consolidation of stock prices, comparably high corporate earnings, and low interest rate on bank deposits were the pivotal reasons behind the decent year for the Bangladesh capital market. Major sectors posted hefty returns in the outgoing year, and the heavyweight banking sector saw the highest return with 15 % gain. It was followed by pharma with 14.9 %, telecom 14.4 %, engineering 11.8 %, power 9.5 %, and food 9.30 %. Corporate borrowers shifted their eyes to the bond market from the traditional bank loans for their funding needs. Of those companies, 14 raised BDT 12.30 billion through IPOs, four banks BDT 2.0 billion through perpetual bonds, and the remaining one BDT 7.50 billion through Sukuk. Among the IPOs in 2021, Union Bank - a fourth generation private commercial bank - raised BDT 4.28 billion through IPO, which is the largest IPO in the banking sector till date.

<https://thefinancialexpress.com.bd/stock/bangladeshs-capital-market-sees-off-eventful-year-1640919091>

22 cos approved to float bonds worth Tk 12,576cr in 2021

- The Bangladesh Securities and Exchange Commission has approved 22 companies, including 16 banks and non-bank financial institutions, to float bonds worth BDT 12,576 crore in 2021. As per the approval, Bangladesh Export Import Company raised the highest, BDT 3,000 crore, through issuing Shariah compliant Sukuk. EXIM Bank got nod to issue Mudaraba perpetual bond worth BDT 600 crore, Al-Arafah Islami Bank BDT 500 crore, Shahjalal Islami Bank BDT 500 crore and Islami Bank BDT 800 crore. AB Bank got approval to issue contingent-convertible perpetual bond of BDT 600 crore, Premier Bank BDT 200 crore and Pubali Bank BDT 500 crore.
- IFIC Bank got BSEC nod to issue subordinate bond worth BDT 500 crore, Meghna Bank BDT 200 crore, Jamuna Bank BDT 250 crore, Southeast Bank BDT 500 crore, EXIM Bank BDT 500 crore and NRB Commercial Bank BDT 300 crore. BRAC Bank will issue non-convertible fixed coupon bond worth BDT 600 crore and Brac will issue non-convertible fully redeemable zero coupon bond worth BDT 1,350 crore. IDLC Finance was approved to issue non-convertible zero coupon bond worth BDT 500 crore, Lanka Bangla Finance BDT 300 crore and Delta Brac Housing Finance Corporation BDT 300 crore. Sajida Foundation got BSEC nod to issue zero coupon bond worth BDT 100 crore, HR Textile Mills BDT 126 crore, Thangamara Mohila Sabuj Sangha BDT 200.1 crore and PRAN Agro Limited got approval for issuing BDT 150 crore coupon bearing green bond.

<https://www.newagebd.net/article/158690/22-cos-approved-to-float-bonds-worth-tk-12576cr-in-2021>

Golden Harvest defers right share fund utilisation due to Covid-19

- Frozen food manufacturer - Golden Harvest Agro Industries - has deferred its right share fund utilisation by one year as a result of the disruption in importing machinery required in its food factories amid the Covid-19 epidemic. Out of the total BDT89.93 crore, almost BDT19.83 crore has remained un-utilised till December 2021 due to the delay in machinery imports. During its annual general meeting on Thursday, the company and its shareholders approved a time extension till 21 January 2023 to utilise the remaining fund as a special resolution. The purpose of issuing the right share was to raise further paid-up capital for expansion of existing production and distribution channels and to pay off the bank loan.
- According to the report up to September 2021, BDT20.88 crore remained unutilised, of which BDT14.69 crore was for machinery and equipment, and BDT2.47 crore for civil and construction purposes. The company has approved a 3% final cash dividend for general shareholders other than sponsors, and directors (a total of 5% cash including 2% interim cash dividend). Due to this dividend, the company has been downgraded to the 'B' category from the existing 'A' category.

<https://www.tbsnews.net/economy/stocks/golden-harvest-defers-right-share-fund-utilisation-due-covid-19-351067>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 76.53	USD 28.01	57.73%
Crude Oil (Brent)*	USD 79.09	USD 27.29	52.68%
Gold Spot*	USD 1,817.33	(USD 77.77)	-4.10%
DSEX	6,756.66	1,354.59	25.08%
S&P 500	4,778.73	1,022.66	27.23%
FTSE 100	7,403.01	942.49	14.59%
BSE SENSEX	58,130.32	10,378.99	21.74%
KSE-100	44,416.20	660.82	1.51%
CSEALL	12,019.75	5,245.53	77.43%

Exchange Rates**1 US Dollar = 85.44 BDT****1 GBP = 115.54 BDT****1 Euro = 96.87 BDT****1 INR = 1.15 BDT**

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