

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.

Bangladesh Bank projects V-shaped recovery

- With lingering pandemic in the backdrop, the Bangladesh Bank targets an ambitious 8.2% economic growth for the current fiscal year, accompanied by a V-shaped recovery. The successful and timely implementation of the stimulus packages" will help the economy rebound strongly, the central bank said in the 2019-20 annual report published yesterday. According to the provisional estimate by BBS, Bangladesh's real GDP growth of the fiscal 2020 was recorded at 5.2%. The subdued growth was still the highest in the South Asian region.
- Earlier in October last year, the World Bank forecast U-shaped recovery for Bangladesh, saying that it would be realised if the government spent proactively and could tap international resources. The use of electricity jumped to 7.00 billion kilowatt-hour (kWh) and gas use exceeded 2.50 billion cubic feet a month -- both above their pre-pandemic levels, a finance ministry paper showed.

<https://tbsnews.net/economy/bangladesh-bank-projects-v-shaped-recovery-188395>

Apparel exports to major markets fall in July-Dec

- Bangladesh's readymade garment exports to its major markets declined in the July-December period of the financial year 2020-21 as global demand remained slow amid the coronavirus outbreak. Among its top 10 destinations, Bangladesh's RMG exports witnessed negative growth in seven countries in the first half of FY21. Apparel exports to Germany, the Netherlands and Poland, however, achieved moderate growth amid the outbreak in the period, the data showed.
- Exporters said that RMG export to most of the major destinations, including the United States, the United Kingdom, Spain and France, witnessed negative growth in July-December of FY21 as the second wave of COVID-19 outbreak had once again brought economic activities close to a standstill in the countries. They also said that exports to very few countries, including Germany which is the second largest destination for Bangladeshi exports, increased in the first half of the current fiscal year as they reshipped the goods to other countries.

<https://www.newagebd.net/article/127698/apparel-exports-to-major-markets-fall-in-july-dec>

Pandemic makes MFS the go-to mode for utility bill payment

- The pandemic has enabled mobile financial services (MFS) to take up the mantle of accepting utility bills, which was a tiresome chore before the outbreak, as people had to stand in long queues inside banks. The need to avoid close social gatherings has compelled people to pay their utility bills from their smartphones. MFS users can now pay electricity, gas, water and telephone bills, as well as services related to the city corporations. According to Bangladesh Bank data, paying utility service bill through MFS began in September 2013, when the monthly payment was only about BDT 7.8 million. But as of November last year, the figure stood at BDT 8.31 billion.
- As per the central bank data, BDT 76.52 billion worth of utility bills using MFS was paid from January-November of 2020, which was a huge jump from BDT 50.23 billion during January-December of 2019. During the pandemic, the payment skyrocketed as people chose contactless transactions. After the outbreak began in March, bill payment through MFS dropped to BDT 2.72 billion from BDT 4.33 billion in February.

<https://www.dhakatribune.com/business/economy/2021/01/19/pandemic-makes-mfs-the-go-to-mode-for-utility-bill-payment>

BB eases rules on foreign companies' working capital loans

- The central bank has relaxed its regulations, allowing foreign companies to avail short-term working capital loans for six years instead of three years from their parent companies or shareholders abroad. Under the revised rules, such borrowing will also be admissible for industries engaged in service output activities along with manufacturing enterprises. However, the trading activities will not come under the purview of the relaxations, it added. They've doubled the period for such loans aiming to attract more foreign direct investment (FDI) particularly in economic zones across the country, a senior BB official said.
- Foreign owned/controlled companies may avail such loans from their parent companies/shareholders abroad up to six years from the date of inception of manufacturing and service output activities instead of three years earlier. The maximum rate of interest has been fixed at 3.00% for the loans, received in convertible foreign currency, to run the businesses smoothly, officials said.

<https://today.thefinancialexpress.com.bd/first-page/bb-eases-rules-on-foreign-cos-working-capital-loans-1611079363>
<https://www.dhakatribune.com/business/banks/2021/01/19/bb-eases-accessing-foreign-loans-by-foreign-companies>
<https://www.thedailystar.net/business/news/foreign-owned-firms-can-get-funds-abroad-easily-2030773>
<https://tbsnews.net/economy/banking/tenure-short-term-intercompany-external-loans-extended-188299>
<https://www.newagebd.net/article/127702/intracompany-external-borrowing-made-easy-for-foreign-firms>

Runner to bring KTM motorcycles

- The famed KTM motorcycles will be available in Bangladesh from January 25, thanks to Runner Automobiles. In early August 2020, the Runner announced an agreement with Bajaj Auto that part-owns the Austrian bike brand to become its authorised distributor. Initially models Duke 125 and RC 125 will be launched. Both models are premium and the price range will be between BDT 350,000 to BDT 400,000, said the marketing director of Runner Group. According to him, The current market share of premium motorcycles is about 15% whereas it was only 5% just four years ago.

- Now, the annual demand for motorcycles is around 500,000 units and from the premium segment it is around 35,000 units. Thereby, he believes their two models will win over motorcycle enthusiasts. He said initially the two models will be available at their Tejgaon showroom in the capital.

<https://www.thedailystar.net/business/news/runner-bring-ktm-motorcycles-2030785>

Royal Enfield bikes may hit Dhaka roads soon

- Bikers in Bangladesh are one step closer to ride a high-capacity motorcycle after Ifad Autos signed a memorandum of understanding with British-bred Royal Enfield to import the famous two-wheelers. Ifad Autos will market the bikes of Royal Enfield, said the managing director of Ifad Autos. The local company is the distributor of India's TVS-branded motorcycles and the commercial vehicles of Ashok Leyland. However, the government has to change rules to allow the import of high-capacity bikes. Currently, bikes with a capacity of up to 165cc can be imported, according to the Import Policy Order 2015-2018 of Bangladesh.

- Royal Enfield makes motorbikes in the mid-segment market with a capacity of 250cc to 750cc. Bike manufacturers and assemblers have requested the government to allow them to manufacture up to 500cc motorcycles for the export market. The government has said it would allow them to make bikes of up to 350cc, he said. Ifad Autos is thinking of manufacturing high-capacity bikes to keep the price within the buying power of consumers. Royal Enfield bike will cost BDT 350,000 to BDT 400,000.

<https://www.thedailystar.net/business/news/royal-enfield-bikes-may-hit-dhaka-roads-soon-2030801>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$53.22	\$4.70	9.69%
Crude Oil (Brent)*	\$56.13	\$4.33	8.36%
Gold Spot*	\$1,847.61	(\$47.49)	-2.51%
DSEX	5,820.81	418.74	7.75%
S&P 500	3,797.26	41.19	1.10%
FTSE 100	6,712.95	252.43	3.91%
BSE SENSEX	49,398.29	1,646.96	3.45%
KSE-100	45,903.23	2,147.85	4.91%
CSEALL	7,808.97	1,034.75	15.27%

Exchange Rates

USD 1 = BDT 84.83*
GBP 1 = BDT 115.77*
EUR 1 = BDT 103.00*
INR 1 = BDT 1.16*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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