

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.

Government expects to touch USD 50bn milestone in export earnings in FY22

- The Ministry of Commerce and the Export Promotion Bureau (EPB) expect Bangladesh's product and service exports to reach the USD 50 billion milestone in the upcoming FY22. Exporters and economists believe that this amount of exports will be possible as the developed countries' economies have started turning around after tackling the Covid-19 crisis. Five years ago, the commerce ministry set a target to increase Bangladesh's export earnings to USD 60 billion by 2021. Of this, the exporters were dreaming of earning USD 50 billion by exporting garments, the country's main export item.

- Due to the negative growth in the last fiscal year and the slow growth in the current one amid the pandemic, the EPB reduced the export earnings target by USD 10 billion, said officials concerned. In FY21, the earnings from product exports may reach around USD 38.5-39 billion and services exports USD 6.5 billion. That means export earnings may reach around USD 45 billion in total. They expect more than 10% growth in export earnings in the next fiscal year, EPB Vice-Chairman said. The EPB estimates that the knitwear exports will grow by 11% and woven garment exports by 9% in the next fiscal year.

<https://www.tbsnews.net/economy/govt-expects-touch-50bn-milestone-export-earnings-fy22-266650>

Export stimulus loan repayment deadline may be extended again

- The deadline for repaying loans disbursed from last year's Covid-19 incentive package for the export sector is likely to be extended again, Finance Minister says. The government announced the package to help export-oriented factory owners, including apparel manufacturers, pay workers' wages for three months during the 66-day general holiday. The holiday was announced to tackle the pandemic. Banks disbursed BDT 50.00 billion from the government's own funds at a 2% service charge and another BDT 50.00 billion from the stimulus package for large industries and the service sector.

- When the six-month grace period ended in December last year, the borrowers had to start repaying loans in 18 instalments. The grace period was extended till 30 June at the request of apparel factory owners. Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association recently appealed to the finance ministry to extend the grace period again till December. The finance minister said no decision had yet been made on the appeal but he had talked to the central bank governor about it. The central bank is working on it, he said.

<https://www.tbsnews.net/economy/banking/export-stimulus-loan-repayment-deadline-may-be-extended-again-266530>
<https://www.dhakatribune.com/business/2021/06/26/repayment-deadline-of-export-incentive-packages-likely-to-get-extension>

Loan moratorium may be extended further

- The central bank is considering whether to extend the deadline for non-payment of loan installments in response to a request from businesspeople. It said the decision will be made considering the coronavirus situation, losses in business, and conditions of banks. Due to the outbreak of coronavirus, the central bank had made available the facility of non-payment of loan installments throughout last year. This year the facility has been given on a loan basis but not for all. Initially, this facility was given till March but later it was extended to 30 June.

- It is to be noted that despite the benefit of non-payment of loan installments, the amount of defaulted loans has not decreased. On the contrary, bank defaults stood at BDT 950.85 billion at the end of March this year, an increase by BDT 60 billion from that of December last year. The defaulted amount is 8.07% of the total loans disbursed.

<https://www.thedailystar.net/business/news/apparel-future-lies-manmade-fibre-2117757>
<https://www.tbsnews.net/economy/banking/loan-moratorium-may-be-extended-further-265780>

USD 940 million Asian Development Bank (ADB) loan for jobs

- The Asian Development Bank (ADB) on Thursday confirmed USD940 million loans to Bangladesh for procuring safe and effective vaccines against the COVID-19 disease. Under a project, Bangladesh government will purchase some 44.7 million doses of vaccines to be administered to more than 20 million Bangladeshis by 2024. The vaccines will be secured through the COVID-19 Vaccines Global Access (COVAX) programme, the United Nations Children's Fund (UNICEF), or bilateral arrangements with vaccine manufacturers or distributors.

<https://today.thefinancialexpress.com.bd/public/first-page/940m-adb-loan-for-jobs-1624560034>

Apparel future lies in manmade fibre

- Bangladesh's primary textile sector is undergoing rapid changes with local millers taking to producing significant amounts of manmade fibres alongside cotton fibres to meet rising global demand. Import of manmade fibres grew a substantial 45.72% to reach 99,597 tonnes in the first five months (January to May) of this year compared to 68,348 tonnes during the corresponding period in 2020, according to Bangladesh Textile Mills Association (BTMA) data. Local importers, millers, traders and spinners spent about BDT 12.21 billion during the January-May period this year compared to around BDT 7.06 billion in the same period the last year, registering 73% year-on-year growth.
- Of all garment items produced in the world, 78% is made from manmade fibres while cotton fibre accounts for the rest, according to data from International Textile Manufacturers Federation (ITMF), a Switzerland-based platform for global textile makers. But the case of Bangladesh is almost in reverse compared to the global trend. Of the total garment items made in the country, more than 74% are from cotton.

<https://www.thedailystar.net/business/news/apparel-future-lies-manmade-fibre-2117757>

Stimulus Package: Foreign, JV companies outside EPZs seek loan facility

- Foreign and joint-venture companies operating in Bangladesh are seeking loan facilities from the stimulus packages that the government is implementing to help the pandemic-hit businesses to make a turnaround. Earlier, the government had extended the facility to foreign and joint-venture companies located inside the export processing zones (EPZs), economic zones (EZs) and hi-tech parks.
- The government is implementing 23 stimulus packages worth BDT 1.24 trillion to help recover the country's business sector as well as the poor for making their livelihoods. The first set of packages worth BDT 727 billion were announced in early April last year to counter the adverse impacts of the coronavirus scourge. The last two were announced in January 2021 to lower virus impacts and to boost small businesses to improve the living standards of the poor, including the elderly, widows and female divorcees.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/foreign-jv-cos-outside-epzs-seek-loan-facility-1624637744>

Better productivity crucial for Bangladesh to offset impacts: World Bank

- To boost export growth and help the economy rebound from the COVID 19 pandemic impacts, improving the manufacturing sector's productivity will be crucial for Bangladesh, says a new World Bank report. For this, the report identified three pillars: capabilities of managers and workers, connectivity to international markets, and complementary markets and institutions.
- Bangladesh's manufacturing sector risks becoming uncompetitive because of lower productivity and its reliance on low labour costs as wages are rising locally and the use of labour-saving technologies is growing globally, said the World Bank report.

<https://today.thefinancialexpress.com.bd/public/last-page/better-productivity-crucial-for-bd-to-offset-impacts-wb-1624560720>

<https://www.thedailystar.net/business/news/manufacturing-sector-risks-becoming-uncompetitive-wb-2117765>

Bangladesh Bank announces BDT 25.2 billion for tackling Covid-induced losses

- A fresh round of refinancing fund worth BDT 25.2 billion has been announced for cottage, micro, small, and medium enterprises (CMSMEs) by Bangladesh Bank (BB.) Loans from the fund can be sought at 4% interest, while its term is for three years, created with support from the Asian Infrastructure Investment Bank (AIIB). The refinancing fund would be disbursed to banks and non-banking financial institutions (NBFIs), which will have to sign agreements with the central bank, who will manage the fund. The fund will provide loans to businesses under the CMSME sector in the form of working capital.

<https://www.dhakatribune.com/business/banks/2021/06/26/bb-announces-2-520c-for-tackling-covid-induced-losses>

Akij group invests BDT 12 billion in bakery business

- Akij Insaf Ltd, one of the largest industrial conglomerates of the country, has launched Akij Bakers Limited with investment of BDT 12 billion. The company has installed a new factory in Tongi for production of bakery foods. Akij has plan to increase the investment further and import bakery products in foreign countries in the future. The industries under this conglomerate include textiles, tobacco, food & beverage, cement, ceramics, printing and packaging, pharmaceuticals, consumer products etc. Akij also provides services in healthcare, information and communication technology.

- According to the Bangladesh Auto Biscuits and Bread Manufacturers' Association, the country's biscuit and confectionery market size amounts to around BDT 60 billion. Olympic, the market leader which accounts for 25% of the industry. Both Nabisco Biscuit and Bread Factory Limited and Pran-RFL Group jointly hold second place with 8% of the market share each. Haque, Al-Amin and Danish have 5% of the market share each. They are followed by: Bongos, Romania, Deco, Globe, Fu-Wang, Bonoful, Kishowan, Thai Food, Bengal, Gold Mark, Mashafi, and New Olympia, each accounting for a 2-3% stake.

<https://www.tbsnews.net/dropped/trade/akij-group-invests-BDT1200cr-bakery-business-265798>

Disclose directors' engagements with other firms: BSEC

- The boards of directors of listed companies are bound to reveal in reports to shareholders their primary employment and engagements, if any, with other companies, says a Bangladesh Securities and Exchange Commission (BSEC) notification. Any change in directorship also needs to be disclosed so that stock investors can get to know directors better, it said. It is a good decision, a stock broker said, adding that information regarding directors was very important and so such disclosures would give new clues for investors to strategise.

<https://www.thedailystar.net/business/economy/news/disclose-directors-engagements-other-firms-bsec-2119001>

Ring Shine Textiles scam: BSEC to take legal action against 11 sponsor-directors

- The securities regulator has decided to take legal action against 11 sponsor-directors and 33 external local shareholders of Ring Shine Textiles for their involvement in a financial scam related to the process of increasing the company's paid-up capital. According to the findings of the securities regulator, these sponsor-directors and shareholders did not pay money for the shares they received under the private offer.
- The Ring Shine Textiles increased its paid-up capital to BDT 2.85 billion from BDT 99.5 million by issuing ordinary shares totalling BDT 2.75 billion to the existing sponsor-directors and 73 local shareholders under the private placement offer. Afterwards the securities regulator found that the audited financial statements of the company for the periods between June 30, 2017 and June 30, 2020 did not reflect the 'true and fair' view of its financial performance.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-to-take-legal-action-against-11-sponsor-directors-1624557333>

Pubali Bank, Bank Asia perpetual bonds: 10% fund to be raised through public offer

- The boards of directors of Pubali Bank and Bank Asia have decided to issue Perpetual Bonds in a revised manner in order to comply with the securities regulator's latest directive. Both the banks will issue BDT 5.0 billion perpetual bonds each to raise funds as part of the additional Tier-I capital to support their Basel III compliance.
- According to the BSEC directive, if an issuer intends to raise debt capital through issuance of perpetual bond, it shall make a public offer for at least 10% of its intended offer. Both banks will raise BDT 4.50 billion (90% of the total fund) through private placement and BDT 500 million (10%) through public offer instead of 100% private placement as previously decided

<https://today.thefinancialexpress.com.bd/public/stock-corporate/10pc-fund-to-be-raised-through-public-offer-1624557393>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$74.05	\$25.53	52.62%
Crude Oil (Brent)*	\$76.18	\$24.38	47.07%
Gold Spot*	\$1,781.43	(\$113.67)	-6.00%
DSEX	6,092.84	690.77	12.79%
S&P 500	4,280.70	524.63	13.97%
FTSE 100	7,136.07	675.55	10.46%
BSE SENSEX	52,925.04	5,173.71	10.83%
KSE-100	47,603.36	3,847.98	8.79%
CSEALL	7,809.15	1,034.93	15.28%

Exchange Rates

USD 1 = BDT 84.88*

GBP 1 = BDT 117.83*

EUR 1 = BDT 101.31*

INR 1 = BDT 1.14*

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

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