

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.

Private credit growth moves upward for 2nd consecutive month

- Private sector credit flow marked a positive growth for two months in a row on the back of the resumption of economic activities following the vaccine rollout. Lending to businesses recorded 8.38% growth in July – a slight increase from 8.35% in the previous month. The credit growth, however, is yet to get pace as bankers have remained cautious in lending amid rising default loans and low recovery of stimulus loans.
- According to bankers, the recent upward trend in credit growth is chiefly attributable to a rise in the number of LC (letter of credit) openings. Import expenditure registered a 21.63% growth in July, central bank data show.

<https://www.tbsnews.net/economy/banking/private-credit-growth-moves-upward-2nd-consecutive-month-298750>

Spinners on an expansion spree

- The spinning industry in Bangladesh is witnessing massive investment as local entrepreneurs are either expanding their production capacities or setting up new units as the demand for garment raw materials is rising. Local spinners have a combined capacity to process 13.43 million bales of cotton each year. But due to various drawbacks, they are unable to run at full steam.
- As a result, the mills currently manage to make use of 8.5 million bales of cotton annually, shows data from the Bangladesh Textile Mills Association (BTMA), a platform for entrepreneurs from the primary textile sector. Just earlier this year, around BDT 1,900 crore was invested in the spinning industry despite the ongoing coronavirus pandemic, said chief executive officer of the BTMA.

<https://www.thedailystar.net/business/economy/industries/news/spinners-expansion-spre-2170206>

RMG: Orders cross pre-pandemic level, not price though

- A year and a half into the Covid-19 pandemic, Bangladesh's woven apparel makers are optimistic about export recovery as they have booked work orders to almost their full capacities for the next five months. Some exporters said buyers were still offering prices that were 10-15% below the pre-pandemic levels although a very small number of manufacturers are getting orders at the previous rates or even higher.
- According to the Export Promotion Bureau data, apparel shipments in August recorded an 11.56% growth year-on-year, with exports reaching USD2.75 billion. Of those, woven items saw a 4.47% growth after a 17.78% fall in July year-on-year. Woven garments saw the first-ever lowest exports of USD0.19 billion in April last year while the figure rose to USD1.18 billion in the same month this year.

<https://www.tbsnews.net/economy/rmg/rmg-orders-cross-pre-pandemic-level-not-price-though-298789>

Apparel orders staging a strong comeback

- The flow of work orders to the garment industry is rebounding strongly on the back of the reopening of stores of retailers and brands in Europe and the US, the two main export destinations for the apparel manufacturers in Bangladesh. Local suppliers estimate that their exports in the next summer might go up by 20 to 30%. The production for the season runs from September to March.

<https://www.thedailystar.net/business/economy/news/apparel-orders-staging-strong-comeback-2170196>

SMEs can now raise up to BDT 30 crore from capital market

- SME Foundation yesterday signed a memorandum of understanding (MoU) with Dhaka Stock Exchange (DSE) to help small and medium enterprises (SMEs) raise up to BDT 30 crore in funds from the capital market for expanding their businesses. At present, there is an opportunity to raise capital ranging from BDT 5 crore to BDT 30 crore but the change in definition of SMEs will further increase the amount
- The DSE launched a "DSE SME" platform from April 30, 2019, as per the BSEC (Qualified Investor Offer by Small Capital Companies) Rules, 2018, with a view of creating opportunities for small entrepreneurs to extract capital from the market.

<https://www.thedailystar.net/business/economy/stock/news/smes-can-now-raise-Tk-30cr-capital-market-2170161>

Three maiden one-man company get going

- Bangladesh's company registrar has approved first three 'one-person company (OPC)' firms under a new business-ownership model that is expected to lure investments from home and abroad. Business promoters think the modus operandi for one-man company would diversify company incorporations with smaller ventures becoming formal firms, ushering in a boom-time for business if a few perceived hurdles are removed
- According to the Companies Act, an OPC has to have a minimum paid-up capital of BDT 2.5 million to maximum BDT 50 million. The minimum turnover for the firms should be BDT 10 million in the immediate-past year. In the meantime, some people who are familiar with the OPC methodology told that the minimum paid-up capital of an OPC (BDT 2.5 million) is too high for the small entrepreneurs. It should be open in order to formalize the informal entities.

<https://today.thefinancialexpress.com.bd/first-page/three-maiden-one-man-cos-get-going-1630952094>

GPH Ispat cares for environment while making steel

- Commitment to safeguarding the environment was the top priority of Bangladesh's leading steelmaker GPH Ispat when it went for a large investment to establish Asia's first quantum electric arc furnace technology-based plant, a cutting-edge technology in steel making. The steelmaker initiated the massive expansion plan in 2016 and invested BDT 2,390 crore to establish the state-of-the-art plant, which is the second of its kind in the world.
- The new plant has a capacity to produce 8.40 lakh tonnes of mild steel (MS) billet annually while its old plant with traditional induction furnaces had melting capacity to produce 1.70 lakh tonnes of billet, he said. Equipped with the newly adopted technology, the combined billet making capacity of GPH Ispat has crossed 1 million tonnes per year, the executive director said.

<https://www.thedailystar.net/business/news/gph-ispac-cares-environment-while-making-steel-2170226>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD68.90	USD20.38	42.00%
Crude Oil (Brent)*	USD72.25	USD20.45	39.48%
Gold Spot*	USD1,826.79	(USD68.31)	-3.60%
DSEX	7,075.49	1,673.42	30.98%
S&P 500	4,535.43	779.36	20.75%
FTSE 100	7,187.18	726.66	11.25%
BSE SENSEX	58,296.91	10,545.58	22.08%
KSE-100	46,918.52	3,163.14	7.23%
CSEALL	9,227.18	2,452.96	36.21%

Exchange Rates

USD 1 = BDT 85.09*

GBP 1 = BDT 117.85*

EUR 1 = BDT 101.09*

INR 1 = BDT 1.16*

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

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