

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 signs \$120m World Bank loan agreement

- The government has penned a loan agreement of USD 120 Mn with the International Development Association (IDA) of the World Bank group to implement a "Climate Smart Agriculture and Water Management" project. The objectives of this project are, to rehabilitate and modernise Flood Control Drainage and Flood Control Drainage Irrigation (FCDI) infrastructure for climate resilient water resource management, to promote more efficient use of on-farm water resources, and the adoption of Climate-Smart Agricultural (CSA) practices for both crops and fisheries.
- The credit amount to be repaid in 35 years (with a five-year grace period), will have an interest rate of 0.25% on the credit amount, with 0.25% commitment charge on any undisbursed credit balance.

<https://www.tbsnews.net/economy/bangladesh-signs-120m-world-bank-loan-agreement-385434>

EU concerned over delay in EPZ labour law amendment

- European Union (EU) delegation expressed concerns over delays in amending a labour law meant for export processing zones (EPZs), which was also an eligibility criterion for its Everything But Arms (EBA) scheme. Existing labour law ensures freedom of association to workers of factories outside of the EPZs while another EPZ labour law enables unionism inside EPZs under a "Workers Participation Committee". EU demanded that there be a uniform law for all workers. The EPZ labour law was supposed to be amended by December last year.
- The EU delegation also wanted to know about the causes for delays in the recruitment of an adequate number of inspectors for the Department of Inspection for Factories and Establishments. The same was asked over making the Remediation Coordination Council for factories fully functional
- Bangladeshi exporters at the meeting demanded fair prices for garment items and for following a unified code of conduct for audits of garment factories centring the purchase of goods.

<https://www.thedailystar.net/business/economy/news/eu-concerned-over-delay-epz-labour-law-amendment-2983931>

Bepza, StanChart team up to attract investment to EPZs

- Bangladesh Export Processing Zones Authority (Bepza) and Standard Chartered signed a memorandum of understanding (MoU) to enhance mutual cooperation to attract more investment for the export processing zones. Standard Chartered will support Bepza to organise various trade and investment-related conferences, seminars, roundtable meetings and exhibitions at home and abroad.

<https://www.thedailystar.net/business/organisation-news/news/bepza-stanchart-team-attract-investment-epzs-2983916>

Tax refund delays disrupt companies' cash flow

- Up-and-coming business bosses suggest the revenue board to offer tax benefit on the basis of research to pass on its real outcome to where it's really due. The businessmen also suggested resolving tax disparity between industries inside Economic Zones (EZ) and outside, offering similar facilities for local and foreign investors, simplifying tax-refund system, offering tax relief to superstores, expediting release of courier products from airports, withdrawing taxes on education etc.
- The businessmen claimed disruption to their cash flow for not getting tax and VAT refund in time. Many of the businessmen, including from BSRM group, said they had pending refund claim ranging from BDT 1.0 billion to above

from the tax authority.

<https://thefinancialexpress.com.bd/trade/tax-refund-delays-disrupt-companies-cash-flow-1647398732>

MiB maps 3,723 RMG factories in Bangladesh

- A five-year initiative called Mapped in Bangladesh (MiB) compiled and mapped export-oriented ready-made garment (RMG) factory data across Bangladesh using the factory census approach. According to the latest MiB data, there are 2,754 factories that are members of the BGMEA and BKMEA. It also shows that the country's export-oriented RMG facilities employ a total of 2.77 Mn, significantly less than the 4.0 Mn claimed by entrepreneurs.

<https://thefinancialexpress.com.bd/trade/mib-maps-3723-rmg-factories-in-bangladesh-1647349740>

Medicine exports to developed markets on the rise

- Medicine exports to the developed countries are steadily growing riding on the attainment of regulatory approval from the US, European and some other countries helped by Bangladesh's capacity to produce high-quality drugs at affordable prices. As a result, shipment rose significantly in the markets of the US, the UK, Australia, Canada and Denmark in the last three years.
- Bangladesh shipped drugs worth USD 14.97 Mn to the US in FY21. Denmark has emerged as the second-largest export destination for Bangladesh, with receipts surging nearly 14 times to USD 2.43 Mn in FY21. Exports to Canada rose to USD 1.34 Mn in FY21, and USD 2.42 Mn from the UK.
- Pharmaceutical shipments from Bangladesh grew 25.0% year-on-year in FY21 thanks to the addition of anti-coronavirus drugs to the export basket, continuous improvement of quality and policy support. Overseas sales brought in USD 130.57 Mn in 8MFY22, up 21.28% year-on-year.

<https://www.thedailystar.net/business/economy/news/medicine-exports-developed-markets-the-rise-2983941>

Mobile users can carry forward unused internet data after renewal

- Mobile phone users in Bangladesh now can carry forward their mobile data while purchasing new data package in which they can use their unused data further.
- According to the new directives, in case of data carry forward, if a customer buys 4GB data pack for a period of 3 days and if his 2GB data is unused on the third day, then if customer buys the same 4GB data pack for three days period, his unused data will be added to the new pack. And a customer will have the opportunity to use the unused data of the pack for the next 30 days. In addition, if a customer purchases the same amount of data and purchases data packs for different validity period, they will have the opportunity to carry it forward.
- Posts and Telecommunications Minister said Bangladesh has come out of the limitation of having any validity on mobile data for the first time in the world. The minister also expressed hope that other mobile operators after Teletalk will introduce this system in phases. He urged the operators to keep the validity of the data package unlimited.

<https://thefinancialexpress.com.bd/national/mobile-users-can-carry-forward-unused-internet-data-after-renewal-1647358967>

Apparel exports see 52% growth in two weeks amid Russia-Ukraine war

- Bangladesh's apparel exports have registered 52% year-on-year growth, reaching USD 1.63 billion in the first two weeks of March amid the Russia-Ukraine war, thanks to continued global demand and the country's leveraging of anti-China sentiments in the United States and the European countries. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) came up with the calculation based on the National Board of Revenue data as the Export Promotion Bureau is yet to make the official announcement.

- In 8MFY22, RMG shipment saw about 30% growth to USD 27.49 billion over the corresponding period in the previous year. Bangladesh apparel exports to the US saw a 45% YoY growth to USD 756 Mn in Jan'22, according to the Office of Textiles and Apparel (OTEXA), US Department of Commerce.

<https://www.tbsnews.net/economy/rmg/apparel-exports-see-52-growth-two-weeks-amid-russia-ukraine-war-385610>

Financial wellness platform Wagely raises \$8.3m

- Financial wellness platform Wagely has announced raising USD 8.3 Mn or BDT 710 Mn in an oversubscribed pre-series A funding in an effort to scale up its operations in helping workers access their earned salaries on demand. The round was led by East Ventures and participated by existing backers, including Integra Partners, Asian Development Bank, Global Founders Capital, Trihill Capital, Blauwpark Partners, and 1982 Ventures.
- The platform offers emergency funding for employees, however, instead of charging interest, the platform charges BDT 50-BDT 100. Launched in Indonesia back in 2020, Wagely was launched in Bangladesh in October 2021. Till now, it has four customers - RMG companies SQ Group, Vision Group, International Classic Composite and Desh Garments. It is on its way to sign with three more, including a non-RMG one.

<https://www.thedailystar.net/business/economy/news/financial-wellness-platform-wagely-raises-83m-2983926>

Animal feed prices escalate in Bangladesh market

- Animal feed has inflated in weeks locally amid a jump in corn and soya meal cost globally, thus marking a substantial surge in cattle, poultry and fish prices. Many farmers thus stopped poultry production amid rising costs of feed and other inputs, according to market sources. Feed producers say export restraints by countries like Argentina have made the situation critical.
- The annual demand for animal feed here is around 6.4-million tonnes-poultry 60 per cent, fish 25 per cent and cattle feed 15 per cent, according to Feed Industries Association of Bangladesh. Local feed millers now produce almost 99 per cent of the total demand, disclosed the association.

<https://thefinancialexpress.com.bd/trade/animal-feed-prices-escalate-in-bangladesh-market-1647399304>

HC questions BB circular for not giving reasonable time to adjust capital market investment of NBFIs

- The High Court has questioned a Bangladesh Bank (BB) circular that asked the Non-Bank Financial Institutions (NBFIs) to adjust their capital market investment without providing any reasonable period of time. The court has also asked why the relevant circular should not be declared illegal, and also asked why the respondents would not be directed to provide a period of three years to the NBFIs to adjust their capital market investment.

<https://thefinancialexpress.com.bd/stock/hc-questions-bb-circular-for-not-giving-reasonable-time-to-adjust-capital-market-investment-of-nbfis-1647339012>

BSEC demands accurate account of undistributed dividends

- The Bangladesh Securities and Exchange Commission (BSEC) has decided that it will take action against listed companies that fail to show an accurate account of undistributed dividends. The Commission Chairman told that some investors filed applications for their dividends after the BSEC started using undistributed profits to support the domestic stock market.
- Following the instruction, some of the listed companies are repeatedly seeking more time to do so. The Chairman told that the commission will go strict in this regard after March 31 as listed firms were already given a considerable

amount of time to submit the data.

<https://www.thedailystar.net/business/economy/news/bsec-demands-accurate-account-undistributed-dividends-2983921>

Norway's govt fund reduces investments in capital market in 2021

- Norway's sovereign wealth fund (SWF) reduced its investments in Bangladesh capital market in 2021. The Norwegian government pension fund had footprints in only 10 companies in 2021 against 20 companies in 2020 and 22 companies in 2019.
- The fund cut its ownerships in City Bank to 1.92% in 2021 from 2.95% in 2020, in Grameenphone to 0.86% from 1.0%, in IDLC Finance to 1.49% from 3% and Square Pharmaceuticals to 1.74% from 2.17%. It expanded ownership in BRAC Bank to 4.1% from 3.45%, in Beximco Pharmaceuticals to 4.17% from 3.26%, and in Walton to 0.1%.
- The SWF invested the highest USD 47.21 Mn in Grameenphone, USD 41.0 Mn in Beximco Pharmaceuticals, USD 38.57 Mn in Square Pharmaceuticals, USD 36.77 Mn in BRAC Bank, USD 14.46 Mn in Renata and USD 10.56 Mn in Bangladesh Submarine Cables Company.
- The investments by SWF in Bangladesh capital market declined by 14.68% to USD 211.89 Mn in 2021 compared USD 248.35 Mn in 2020. In 2020, the funds had USD 11.52 Mn investments in Summit, USD 9.64 Mn in Berger Paints Bangladesh, USD 5.28 Mn in Prime Bank, USD 4.41 Mn in Olympic Industries, USD 3.31 Mn in IPDC Finance, USD 1.76 Mn in LankaBangla Finance, USD 0.88 Mn in IFAD Autos, USD 0.1 Mn in Delta Brac Housing Finance and USD 0.09 Mn in Robi Axiata Limited.

<https://www.newagebd.net/article/165498/norways-govt-fund-reduces-investments-in-capital-market-in-2021>

Firms manipulate data to trick IPO investors

- Islam Oxygen Limited has recently filed papers with manipulated revenue data to get a better price of its primary shares, in the latest attempt by any company to trick initial public offering (IPO) investors.
- Based on an allegation, the Bangladesh Securities and Exchange Commission (BSEC) asked the National Board of Revenue (NBR) for verifying the company's revenue. Later, NBR found a huge discrepancy between the revenue calculation given in the IPO prospectus of the company and the value-added tax (VAT) invoice.
- According to the audit report, the letter said, from FY17 to FY21, the company has shown a total revenue of more than BDT 4.69 Br, and as such, it has evaded VAT of BDT 610.0 Mn and income tax of BDT 570.0 Mn.

<https://www.tbsnews.net/economy/stocks/firms-manipulate-data-trick-ipo-investors-384850>

BSEC to block Associated Oxygen's pre-IPO shares for irregularities

- The market regulator is going to block Associated Oxygen's pre-IPO shares, as it found allegations of irregularities against the company true. The Bangladesh Securities and Exchange Commission (BSEC) made the decision this week but has not yet issued a letter in this regard, said officials at the commission.
- Associated Oxygen raised BDT 150.0 Mn from the capital market to expand its business in 2020. At the time, the company issued 50.8 Mn pre-IPO shares that were 63% of its paid-up capital. According to BSEC officials, an investor claimed to have bought 2.0 Mn placement shares from the Associated Oxygen, but the company did not mention the allotment in its final prospectus of the initial public offering (IPO).

<https://www.tbsnews.net/economy/stocks/bsec-block-associated-oxygens-pre-ipo-shares-irregularities-385578>

Robi posts 3% rise in earnings

- Robi posted 3% rise in its earnings in 2021, posting EPS of BDT 0.34 in 2021 from BDT 0.33 in 2019. The company recommended 2.0% final cash dividend.
- With 53 Mn mobile subscribers as of Dec'21, Robi said its net asset value a share declined but its net operating cash flow per share increased 16 per cent to BDT 6.22 on December 31, 2021.

<https://www.thedailystar.net/business/news/robi-posts-3-rise-earnings-2983636>

Trust Bank to invest Tk9.1cr in Trust Axiata Digital

- The Trust Bank Limited (TBL) will inject BDT 91.0 Mn of fresh funds in Trust Axiata Digital Limited. The purpose of this investment is to strengthen Trust Axiata's capital base and expand its business.
- The bank also disclosed that its board decided to issue a BDT 4.0 Bn subordinate bond to strengthen the bank's capital base.

<https://www.tbsnews.net/economy/stocks/trust-bank-invest-tk91cr-trust-axiata-digital-385538>

Envoy Textiles shares soar as Kutubuddin bids for higher stake

- Envoy Textiles Ltd Chairman Kutubuddin Ahmed is increasing holding in the company even though he has left the Envoy Group. Kutubuddin and his family on Monday announced buying shares to increase their share in Envoy Textiles. The family bought 12.34% shares of the company for around BDT 880.0 Mn on Tuesday's trading session. Earlier in Jan'22, Fontina Fashion Limited, a company owned by Kutubuddin, bought 2.4 Mn shares of Envoy Textiles.
- On 9 March this year, Envoy Group's founder Kutubuddin Ahmed left the business group after handing over its ownership to his business partner Abdus Salam Murshedy. They agreed on running the group's flagship company – Envoy Textiles – independently.
- Currently, Kutubuddin's son and daughter are acting as directors at Envoy Textiles where Abdus Salam Murshedy is the managing director and Moshedy's son and daughter are also directors.

<https://www.tbsnews.net/economy/stocks/envoy-textiles-shares-soar-kutubuddin-bids-higher-stake-384950>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 97.06	USD 21.85	29.05%
Crude Oil (Brent)*	USD 100.87	USD 23.09	29.69%
Gold Spot*	USD 1,918.88	USD 89.68	4.90%
DSEX	6,765.48	8.82	0.13%
S&P 500	4,262.45	-503.73	-10.57%
FTSE 100	7,175.70	-208.84	-2.83%
BSE SENSEX	56,555.33	-1,698.49	-2.92%
KSE-100	43,719.82	-876.25	-1.96%
CSEALL	10,284.30	-1,941.71	-15.88%

Exchange Rates

1 US Dollar = 85.98 BDT

1 GBP = 112.23 BDT

1 Euro = 94.31 BDT

1 INR = 1.13 BDT

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