

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.

Elevator assemblers get 3 more years of VAT waiver

- The National Board of Revenue (NBR) has exempted elevator assemblers from paying value-added tax (VAT) for three more years until June 30, 2025, to encourage the growth of domestic manufacturing capacities. The manufacturers will also enjoy the VAT waiver when importing components and machinery, in addition to waiver on advance tax.
- Chief business officer for electrical appliances at Walton said that it imports motors that are used in lifts. Walton's value addition for lift manufacturing is over 50% as it produces everything but the motor in Bangladesh, he said. Around 5,000 to 6,000 elevators are sold in Bangladesh a year and Walton produces nearly 100 a month, he added.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/elevator-assemblers-get-3-more-years-vat-waiver-2988346>

Revisit VAT law as it is “too complicated”

- At the meeting, businesses demanded the government cut the corporate tax and continue incentives for various sectors in the upcoming budget for FY23, considering the volatile situation at home and abroad. They asked the government to keep reducing the corporate tax in the next fiscal year as well. The FBCCI also urged the government not to classify loans until June 30 if any businessman fails to pay instalments and demanded a separate bank for women entrepreneurs.
- While addressing the event, the President of the FBCCI demanded the government to avoid double taxation. He also called for extending the same kind of tax facilities enjoyed by the export-oriented industries to all productive sectors. He also proposed the government should introduce a tax holiday for eight years for cottage and micro industries with an annual turnover of less than BDT 150.0 Mn. He recommended introducing the tax holiday for five years for small industries with an annual turnover of BDT 500.0 Mn and BDT 3.0 Bn for medium-sized industries.

<https://www.thedailystar.net/business/organisation-news/news/revisit-vat-law-it-too-complicated-2988426>

BR fleet to swell with 200 coaches

- The railway fleet is going to expand as the government has endorsed a BDT 17.04-billion project to procure 200 more broad-gauge passenger coaches. According to the project proposal, the BR will import the carriages during the period from October 2021 to June 2025 for upgrading its passenger services. The European Investment Bank would bankroll the project with its BDT 13.31-billion loan support.
- The Planning Minister says BDT 116.75 billion of the total 12 projects' BDT 157.44 billion will come from internal resources and BDT 12 billion from the implementers. The remaining BDT 40.68 billion will come from external resources as project assistance, he adds.

<https://today.thefinancialexpress.com.bd/last-page/br-fleet-to-swell-with-200-coaches-1647972254>

BDT depreciates sharply due to high import bills

- The exchange rate of Bangladesh BDT (BDT) fell significantly against the US dollar on Tuesday due to higher demand for the greenback for settling import-payment obligations. On the inter-bank foreign-exchange (forex) market on the day, the BDT lost its value by BDT 0.20. The dollar was quoted at BDT 86.20 each on the day against BDT 86.00 on the previous working day. It was BDT 85.80 on January 06 this year.

- The exchange rate of the local currency also depreciated similarly against the US currency at the customers' level for settling the import payments. The exchange rate of the dollar was quoted a maximum of BDT 86.25 each for the sale of bills for collection, generally known as BC, on the day against BDT 86.05 of the previous level. On the other hand, the banks quoted dollars at around BDT 85.25 on the day against BDT 85.05 on the previous working day to the remitters for telegraphic transfer (TT) clean of their funds.

<https://today.thefinancialexpress.com.bd/first-page/bdt-depreciates-sharply-due-to-high-import-bills-1647971770>

Contactless debit cards get BB nod

- Bangladesh Bank gave the green light to rollout contactless debit and prepaid cards with a view to push digital transactions in the country. The central bank introduced the technology for credit cards in July 2018 for the first time in the country.
- Payments amounting up to BDT 3,000 can be made using the contactless method, and it is up to the customer if they want to complete the payment through this mode or the regular method of signing or keying in the PIN number. Banks in Bangladesh issued 25.6 Mn debit cards and 1.2 Mn prepaid cards as of Jan'22.

<https://www.thedailystar.net/business/organisation-news/news/contactless-debit-cards-get-bb-nod-2988421>

Central bank order yet to be executed

- A central bank order over enhancement of shipping agents' commission has been unimplemented for the last one year. Many shipping agents opined that if the increased rates are applied, the foreign shipping owners would raise freight charges for Bangladesh-bound goods, which may escalate inflation. It raised the commission for local part on freights that may be 150 per cent over the existing ones.
- The shipping agents, who handle containers in Bangladesh in favour of the foreign ship owners, want to calculate commission on net freights, while the BB favours gross freights. The shipping agents opined that the foreign ship owners or principles were objecting it, as it would raise freights for Bangladesh-bound goods.

<https://today.thefinancialexpress.com.bd/last-page/central-bank-order-yet-to-be-executed-1647972374>

Banks' spread drops for 2nd month in February

- Banks' overall interest rate spread declined for the second consecutive month in Feb'22 as banks had to spend higher for deposits amid rising inflation. The interest rate spread of the banks reached 3.19 percentage points in Dec'21, which dropped to 3.12 percentage points in Jan'22 and 3.08 percentage points in Feb'22.
- A senior BB official said that the demand for liquidity in the country's banking system increased and so the banks' borrowing from the interbank money market rose by 65 per cent in the first two months of 2022. The banks that were in need of cash, had to offer higher interest to their customers, he said.
- The BB data showed that the overall weighted average deposit rate increased by 3 basis points to 4.02 per cent in February 2022 from 3.99 per cent in December 2021. But, the overall weighted average lending rate in banks declined by 8 basis points to 7.1 per cent in February 2022 from 7.18 per cent two months ago.

<https://www.newagebd.net/article/166117/banks-spread-drops-for-2nd-month-in-february>

BERC recommends hiked gas prices for five SW dists

- Household users in five districts of south-western region, including Jashore and Khulna, stare at a hike in prices of gas supplied by the Sundarbans Gas Company Limited (SGCL). The Technical Evaluation Committee of Bangladesh

Energy Regulatory Commission (BERC) has recommended new gas price for double burner oven at BDT 1,080 from existing BDT 975 and for single burner oven at BDT 990 from existing BDT 925 at household consumer level in the five districts where the SGCL is the distributor. The SGCL, however, sought to increase the gas price to BDT 2,100 (115 %increase) for two double burner and BDT 2,000 (116 %increase) for single burner oven from the existing price.

- The BERC technical committee also made its recommendations to raise the gas price per cubic metre to BDT 5.34 from the existing BDT 4.44 for power sector, BDT 15.50 from BDT 13.85 for captive power, BDT 5.34 from BDT 4.44 for fertiliser factories, BDT 12.65 from BDT 10.70 for tea industries, BDT 27.60 from BDT 23 for commercial consumers, BDT 49.50 from BDT 43 while BDT 18 from BDT 12.60 for metered gas oven for household consumers.

<https://today.thefinancialexpress.com.bd/trade-market/berc-recommends-hiked-gas-prices-for-five-sw-dists-1647965400>

Plans to give textiles a boost

- With USD 2.5 billion investment proposals in the pipeline, the textile sector appears to be in the government's good books. The ministry concerned recommends the revenue authority for some favour in taxes, while the revenue authority itself is working to make customs procedures easier for the sector to save money and time.
- In response to the industry's long-held demand, the National Board of Revenue (NBR) has taken steps to resolve complexities concerning the harmonised system (HS) code in importing various spare parts of textile mills.
- The revenue board is also looking positively at the demand for lowering VAT on imports of raw materials for blended yarn and fabrics like polyester, synthetic, viscose and lycra (combinedly known as man-made fibre). As the budget for the next fiscal year is in the works, the Ministry of Textiles and Jute has urged the NBR to keep the income tax rate at 15% for textile and spinning millers till 2026 – as the benefit is set to end on 30 June 2022.

<https://www.tbsnews.net/economy/plans-give-textiles-boost-389494>

Banglalink launches 'Health Hub'

- Banglalink launched 'Health Hub,' a digital health aggregator platform, at a launch event on Tuesday. Banglalink introduced 'Health Hub' as a feature in the MyBL app, which will be a one-stop healthcare solution for its customers. They can avail a wide array of affordable digital health services provided by 'Health Hub' partners - Daktarbhair, DocTime and Pulse.

<https://www.newagebd.net/article/166123/banglalink-launches-health-hub>

Asian Motorbikes allowed to manufacture 500cc Kawasaki motorcycles

- Asian Motorbikes Ltd, the distributor of Japanese Kawasaki motorcycles in Bangladesh, has been allowed to locally manufacture motorcycles with up to 500 cubic centimetre (cc). The industries ministry approved the second such nod for big bike manufacturing plants in the country, to Asian Motorbikes on Sunday. Earlier, the government approved Ifad Motors to manufacture Royal Enfield bikes in October last year.
- The government is also amending its import policy order, which currently bars any import of motorcycles having over 165 cc engine, and their parts or raw materials. According to the draft of the upcoming order, raw material and parts to locally manufacture up to 500 cc motorcycles can be imported into the country. However, completely built bikes over 165 cc engines cannot be imported.

<https://www.tbsnews.net/economy/industry/asian-motorbikes-allowed-manufacture-500cc-kawasaki-motorcycles-389486>

Pharma, food see sharpest profit growth

- The pharmaceuticals sector in Bangladesh displayed the fastest growth in profit between 2015 and 2020 as more

people, armed with rising purchasing power, afford more healthcare products. The five-year average profit growth of drug makers stood at 23 per cent. The food and allied sector came in second as it posted profit growth of 17 per cent.

- In the last decade, rural markets were the main growth driver of pharmaceuticals products, helped by the modernising agricultural sector and the government's huge development projects. Per capita healthcare expenditure in Bangladesh nearly trebled to USD 41.9 from USD 15.8 in the last decade.
- The number of private healthcare facilities rose to 16,979 in 2021 from 3,536 in 2000. The pharmaceutical sector, which meets 97% of the local demand, witnessed a 12.1% compound annual growth over the last five years. The market size was BDT 275.0 Bn as of June 2021. Medicine exports from Bangladesh rose three times in the last decade, fetching USD 169 million in the last fiscal year. The booming poultry industry is also contributing to the sharpest profit growth of pharmaceuticals companies. The animal health industry is a BDT 30.0 Bn market, with local drug makers holding 70% of the market.

<https://www.thedailystar.net/business/economy/news/pharma-food-see-sharpest-profit-growth-2988446>

BSEC imposes restrictions to discipline stockbrokers

- The securities regulator will not renew the licences of stockbrokers until they adjust investors' money and shares kept in the stipulated accounts. Such brokers will not also be entitled to enjoy different other facilities. According to the order, renewal of licence of TREC holder companies and their DP (depository participant) will remain suspended until they adjust the shortages found in the consolidated customers' accounts. The TREC holders get dividends every year as shareholders of the exchanges.

<https://today.thefinancialexpress.com.bd/first-page/bsec-imposes-restrictions-to-discipline-stockbrokers-1647971817>

Mercantile Bank to raise BDT 5.0 billion

- Mercantile Bank will raise a capital worth BDT 5.0 billion through issuing perpetual bond to strengthen its capital base under additional tier-I. Of BDT 5.0 billion, BDT 4.5 billion will be raised issuing the units of bond through private placements, and the rest through issued through initial public offer (IPO).
- The offer price of the bond of Mercantile Bank will be BDT 5,000 per unit. UCB Investment is the trustee of the bond, while IDLC Finance is the lead arranger and IDLC Investments is the issue manager.

<https://today.thefinancialexpress.com.bd/stock-corporate/mercantile-bank-to-raise-BDT-50-billion-1647964547>

Berger Fosroc opens new construction chemical plant

- Berger Fosroc Ltd, a joint venture of Berger Paints Bangladesh and Fosroc International Ltd, opened a construction chemicals plant to cater for the growing domestic market for chemicals and cut import dependence. The joint venture entity invested around BDT 1000 Mn to build the plant. Currently, the annual market size of the items is over BDT 20.0 Bn, which is half of around BDT 40.0 Bn market for paints, according to industry insiders.
- The managing director of Berger Paints Bangladesh Ltd, Chowdhury said the new products will to every sector of the construction industry, specialising in solutions for building construction, industrial facilities, power plants and all types of transportation and civil infrastructure. The products include industrial adhesives, admixtures, grinding aids and joint sealants while the services will encompass concrete repairs, industrial flooring, grouting and anchoring, surface treatment and waterproofing.

<https://www.thedailystar.net/business/organisation-news/news/berger-fosroc-opens-new-construction-chemical-plant-2988436>

Sandhani brings fixed income mutual fund

- Sandhani Asset Management is bringing no-dividend, open-ended fixed-income mutual fund that is the first of its kind in Bangladesh. Sandhani Life Insurance is the fund's sponsor while the Bangladesh General Insurance Company is its trustee. The fund's initial target size is BDT 500 Mn. Sandhani Asset Management will act as the asset manager. At present, there are 36 closed-end mutual funds while the number of open-ended mutual funds is 79. The total assets being managed under mutual funds in the country amount to about BDT 163.0 Bn.

<https://www.thedailystar.net/business/organisation-news/news/primeagrim-wins-bangladesh-innovation-award-2022-2988386>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 109.50	USD 34.29	45.59%
Crude Oil (Brent)*	USD 115.56	USD 37.78	48.57%
Gold Spot*	USD 1,920.73	USD 91.53	5.00%
DSEX	6,771.66	15.00	0.22%
S&P 500	4,511.61	-254.57	-5.34%
FTSE 100	7,476.72	92.18	1.25%
BSE SENSEX	57,989.30	-264.52	-0.45%
KSE-100	43,203.79	-1,392.28	-3.12%
CSEALL	10,490.74	-1,735.27	-14.19%

Exchange Rates**1 US Dollar = 86.23 BDT****1 GBP = 114.47 BDT****1 Euro = 95.05 BDT****1 INR = 1.13 BDT**

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