

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.

CMSME loan disbursement rises 8.75%

- The loan disbursement to cottage, micro, small and medium enterprises (CMSME) rose 8.75% year-on-year in the third quarter of the calendar year 2021, thanks to the growing economic activities amid the ease of the Covid-19 situation.
- As the economic activities have now bounced back with the pandemic situation turning the corner, the small-scale entrepreneurs, along with others, have been returning to their full-swing operation. As a result, the credit flow increased.

<https://www.tbsnews.net/economy/banking/cmsme-loan-disbursement-rises-875-345565>

Insurers' profits grow despite decline in core business

- Industry insiders said the marine insurance business declined around 10% in the third quarter although the economy got back to almost normal. They said currently, marine business especially the shipment of equipment for megaprojects and machinery for factories at the export processing zones are settled abroad, depriving the local insurance companies of these businesses.
- But well-known insurers made an impressive profit from their core business, they added. Insurers said the firms have been able to make an impressive profit due to an increase in investment returns and a reduction in operational costs. The companies have moved their investments to the capital market instead of parking them into fixed deposit receipts (FDRs).

<https://www.tbsnews.net/economy/stocks/insurers-profits-grow-despite-decline-core-business-345556>

BTMA demands duty-free import of all types of fibre

- The Bangladesh Textile Mills Association has demanded that the government allow duty-free import of all types of fibres to ensure product and market diversification as different types of fibres with cotton are being used in the primary textile sector to produce yarns as per the global buyers' demand.
- BTMA president Mohammad Ali Khokon in a letter on December 14 to the National Board of Revenue placed four-point demands, including equal value-added tax at the rate of BDT 3.0/kilogram on the sales of all kinds of yarns based on the certification from the trade body. The trade body has proposed that the government should monitor yarn import through three land ports - Benapole, Bhomra and Sonamasjid - and opposed the partial import of yarns through the land ports.
- BTMA also requested to ensure required infrastructure with installation of yarn measurement equipment and skilled manpower to effectively deal with the raw materials import activities in the ports. The BTMA also demanded 1 per cent import duty on the spare parts which are used in spinning, fabric manufacturing and dyeing, printing and finishing mills. Import duty on capital machinery is at 1.0% but the import duty is up to 104% on the spares of the machinery.

<https://www.newagebd.net/article/157647/btma-demands-duty-free-import-of-all-types-of-fibre>

Cotton consumption to climb this year: USDA

- Bangladesh has been receiving more orders since January 2021, the USDA said in its updated forecast for cotton

and cotton product consumption released last week. The USDA's forecast for the marketing year, which begins on September 1 and ends on August 31, is based on higher yarn and fabric demand from domestic garment factories.

- Bangladesh is the world's second largest buyer of cotton after China as the local garment industry is highly import dependent. Of the country's total garment exports, more than 74 per cent is made from cotton, contrary to the global scenario where 78 per cent of garments are of manmade fibres.

<https://www.thedailystar.net/business/economy/news/cotton-consumption-climb-year-usda-2920736>

Bangladesh scales up might in mobile manufacturing

- Local handset production has made an impressive stride in recent years, aided by the government's huge tax benefits unveiled in the fiscal year of 2017-18. Since then, 14 plants have been set up, and another four are in the pipeline, creating jobs for around 15,000 people.
- Of the total 4.12 crore handsets manufactured and imported in the last fiscal year, about 63 per cent were produced in Bangladesh. Local assemblers and manufacturers are not stopping there as they plan to employ another 10,000 as many of them expand.
- It came amid signs of economic recovery from the coronavirus pandemic. Sales rebounded strongly in July, reversing from a slowdown in early 2021. The industry grew around 15 per cent since the pandemic struck the country, according to an industry estimate.

<https://www.thedailystar.net/business/economy/news/bangladesh-scales-might-mobile-manufacturing-2920741>

BTRC to declare Edotco as SMP soon

- The Bangladesh Telecommunication Regulatory Commission (BTRC) is going to declare mobile tower company Edotco Bangladesh as a significant market power (SMP) soon. To this end, the telecoms regulator sent a set of recommendations to post and telecommunications ministry to slap SMP regulations on Edotco. The decision has been made in the recent BTRC meeting, according to a BTRC source. According to the BTRC, Edotco has already had a 92-per cent share in the tower market, posing a threat to newer players in the tower-sharing sector.
- The initiative has been made as part of the commission's move to implement the SMP Regulations-2018 in the sector in question. As part of the BTRC move to execute the regulations in the mobile telecoms sector, it has already declared Grameenphone as an SMP.

<https://thefinancialexpress.com.bd/trade/btrc-to-declare-edotco-as-smp-soon-1639797901>

Policy drafted to allow private investment in air-cargo handling

- Bangladesh's air-cargo handling is opening for private investment as the government has drafted maiden policy on its privatisation amid an upturn in the country's global air-route trade, sources say. Aiming to introduce the global practice of engaging regulated agents in air-cargo handling, the draft policy has set a number of compliance requirements and fixed tariffs as cargo-handling charges.
- Once private-sector investment allowed, aviation experts say, exporters and importers would enjoy competitive tariffs on air-cargo handling that is currently centralized to only Biman Bangladesh. The policy, framed by the Ministry of Civil Aviation and Tourism, has fixed service charges for Regulated Air Cargo Agents (RACA) operators as tariffs, security deposit, royalty and fees.
- The draft policy has kept provision for joint-venture investment with 51-per cent local share. The joint-venture investors would be able to sell their share after at least seven years of RACA operations. Paid-up capital for Bangladeshi

companies should be at least BDT 100 million while for joint venture with foreign companies is minimum BDT 150 million.

<https://today.thefinancialexpress.com.bd/first-page/policy-drafted-to-allow-private-investment-in-air-cargo-handling-1639847024>

IOCs again allowed to enjoy VAT waiver

- The international oil companies (IOCs) operating in Bangladesh are again granted VAT waiver as the government revives the fiscal incentive two and a half years after the scrapping of the provision. The National Board of Revenue (NBR) has reinstated the VAT waiver that lapsed on implementation of a new VAT law on July 1, 2019.
- In a Statutory Regulatory Order (SRO), the VAT (value-added tax) wing of the NBR allows the IOCs to enjoy again this tax holiday from December 13, 2021 on local production and supply of gas and import of services as per their production-sharing contract (PSC) with the state-owned corporation Petrobangla.

<https://today.thefinancialexpress.com.bd/first-page/iocs-again-allowed-to-enjoy-vat-waiver-1639846905>

Fund raising through right shares low

- Funds raised by listed companies through issuance of rights shares remained low as only one company raised fund through rights issuance in the outgoing calendar year. Insufficient documents, strict conditions on rights issue rules and the securities regulator's conservative approach in giving approval were main factors behind the low fund collection through rights issuance, market insiders said.
- Only one company -- National Polymer Industries - raised BDT 547.38 million by issuing more than 36.49 million rights shares of BDT 15 each, including BDT 5.0 as a premium per share, according to statistics available with the Dhaka Stock Exchange (DSE). The company issued one rights share for existing one share (1R:1) to support the business growth (land purchase and land development, import of capital machinery), finance the increased working capital needed along with repayment of bank loans.

<https://today.thefinancialexpress.com.bd/stock-corporate/fund-raising-through-right-shares-low-1639840163>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------------|-------------------------|---------------------|
| Crude Oil (WTI)* | USD 70.86 | USD 22.34 | 46.04% |
| Crude Oil (Brent)* | USD 73.52 | USD 21.72 | 41.93% |
| Gold Spot* | USD 1,798.11 | (USD 96.99) | -5.12% |
| DSEX | 6,868.17 | 1,466.10 | 27.14% |
| S&P 500 | 4,620.64 | 864.57 | 23.02% |
| FTSE 100 | 7,269.92 | 809.40 | 12.53% |
| BSE SENSEX | 57,011.74 | 9,260.41 | 19.39% |
| KSE-100 | 43,900.68 | 145.30 | 0.33% |
| CSEALL | 11,753.44 | 4,979.22 | 73.50% |

Exchange Rates**1 US Dollar = 84.98 BDT****1 GBP = 112.50 BDT****1 Euro = 95.51 BDT****1 INR = 1.12 BDT**

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