

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.

Capital machinery imports soar above USD 1b in Dec

- The country's businesses imported capital machinery worth above USD 1 billion in December amid a major spike in export earnings in the recent months of the current fiscal year 2021-2022. The country's import of capital machinery in the July-November period of FY22 was USD1.66 billion and the spending for the same purpose in July-December of FY22 reached USD2.69 billion.
- In July-December of FY22, the spending for capital machinery imports grew by 67.37 % year-on-year. In FY21, the country's spending for capital machinery was USD 3.74 billion. The country's overall import payments in 6MFY22 grew by 52.91 % year-on-year.
- The country's import costs for FY22 would be USD 30 billion higher than the import payments for FY21. Spending for intermediate goods stood at USD 3.39 billion in the first six months of FY22 against USD 2.11 billion in the corresponding period of FY21.

<https://www.newagebd.net/article/162313/capital-machinery-imports-soar-above-1b-in-dec>

NBR relaxes rules for machinery import for govt project

- The National Board of Revenue has eased some rules in importing machinery, parts and equipment for use in government projects. Under the new rules, machinery and equipment imported for a project may be used for other projects subject to permission, subject to approval from the managers of both projects.
- In addition, all liabilities including bank guarantees will have to be borne by the receiver project implementing authority. Importers of any faulty machinery will be responsible for sending those back. Besides, importers will be given approval for a year in importing equipment for projects from now on, which can later be extended for another six months.

<https://www.tbsnews.net/nbr/nbr-relaxes-rules-machinery-import-govt-project-368716>

Lower effective corporate tax rates: MCCI

- An elite chamber urges the government to restructure Bangladesh's corporate income tax as businesses are denied benefits of rate cuts through excessive "disallowance of expense" and "tax deducted at source". The corporate tax rate is 22.5%, but in some cases it ranges from 40 to 50 %.
- The chamber leaders argue that setting the corporate tax rates and overall tax structures matching with regional competitor countries is imperative for a sustainable graduation from the trade preference-endowed LDC status. The government should bring down effective corporate tax as the higher effective tax rates are affecting both domestic and foreign investment in the country.

<https://today.thefinancialexpress.com.bd/first-page/lower-effective-corporate-tax-rates-mcci-1644431795>

EU seeks customs clearance for all imports outside ports

- The European Union has proposed increasing off-dock customs facilities for all imported cargo, removing idle containers quickly and introducing round use of containers to facilitate its trade with Bangladesh. Currently, only 37 inbound goods enjoy the customs clearance through off-docks, while for all other commodities, which is 75% of the total import volume.

- EU demanded that the share of foreign companies in the logistics sector be allowed to increase to 100% from the existing 49%. The EU proposed revising agency commission. If an agent books, the agent gets 5% of net freight. If principal books, then the agent gets 2.5% of net freight.
- EU suggested ensuring electric delivery order, paperless bill of lading (blockchain) and haulage ecosystem. EU proposed the removal of the tax provision that restricts companies from spending on promotional expenses more than 0.5% of companies' turnover.

<https://www.tbsnews.net/economy/eu-seeks-customs-clearance-all-imports-outside-ports-368728>

Track bank accounts with eTINs

- Foreign investors recommended introducing an eTIN-based tracking system of bank accounts to prevent evasion and increase tax collection. The idea is that the central bank will put in place the system which the revenue authority would utilise to do necessary analysis in this regard.
- The banks collect tax deducted at source (TDS) at 10% (accounts with TIN) and 15% (without TIN) rates as per the Income-tax Ordinance, 1984. To encourage TDS compliance and widening the tax net, corporate tax rate for compliant companies could be reduced by 10% of their tax liability.

<https://today.thefinancialexpress.com.bd/first-page/track-bank-accounts-with-etins-1644431868>

Foreigners to pay 25% tax against outward remittances

- The Bangladesh Bank has asked foreign individuals and business entities in Bangladesh to pay 25% tax against their income before repatriating it as outward remittances. According to the circular, if the authority finds irregularities in repatriating income, then an additional 2% simple interest charge will be applied monthly, apart from the existing 25% tax on income.

<https://www.tbsnews.net/economy/foreigners-pay-25-tax-against-outward-remittances-368713>

Gold prices on the rise, 22-carat gold now BDT 75,000 a bhor

- The price of 21-carat gold has been set at BDT 71,675 per bhor (1 bhor = 11.667 gram), an increase of BDT 1,691. The price of 18-carat gold has been set at BDT 61,819 per bhor, an increase of BDT 814 on its previous price. The price of traditional gold has increased to BDT 51,205, posting an increase of BDT 1,205. The price silver would remain unchanged.

<https://www.tbsnews.net/economy/gold-prices-rise-22-carat-gold-now-tk75000-bhor-368698>

Reform can enhance foreign trade 50%, end smuggling

- ADB says if the government goes for reform and trade-facilitation works, the foreign trade volume will increase by 50%, cargo shipment-and customs-clearance time will be reduced by 50%. The government is going to take up USD 152.5 million project for modernising nine land ports to facilitate cross-border trade. The ADB alone will provide USD 144.5 million and the rest amount will be spent by the government.

<https://today.thefinancialexpress.com.bd/last-page/reform-can-enhance-foreign-trade-50pc-end-smuggling-1644432388>

BKash fetches freelancer's remittance in seconds

- BKash has already signed a deal with Payoneer, an online payment gateway service provider that allows users to send or receive payments from around the world. Under the agreement, BRAC Bank will act as the local payment gateway. The whole process would take in real-time, and a freelancer will be able to withdraw money when a minimum of BDT 1,000 is deposited to their bKash account.

<https://www.thedailystar.net/business/economy/news/bkash-fetches-freelancers-remittance-seconds-2958651>

Troubled NBFIs render BDT 1,000cr bank loans sour

- Twenty-five banks are suffering from a collective default loan of BDT 974.4 crore after several non-bank financial institutions (NBFIs) failed to pay back funds despite maturity. NPL figure is much higher than the amount reported by banks as the BB had earlier asked them not to classify the funds despite their inability of NBFIs to repay on time.
- Banks feel comfort in parking funds at NBFIs as the latter own licences from the central bank to do banking, such as disbursing loans to borrowers and mobilising funds from depositors. Banks have funds of BDT 29,223 crore with NBFIs, either in the form of loans or deposits. NPLs with the country's 34 NBFIs stood at BDT 11,757 crore as of September, up 17 % nine months ago.

<https://www.thedailystar.net/business/economy/banks/news/troubled-nbfis-render-tk-1000cr-bank-loans-sour-2958656>

RMG export to US crosses pre-pandemic level in 2021

- Bangladesh fetched USD 7.14 billion from readymade garment exports to the US in 2021, keeping the market as its single-largest destination without any duty preferences. The apparel exports to the US were 36.69 % or USD 1.91 billion higher than that of the 2020 earnings worth USD 5.22 billion. The 2021 RMG exports also surpassed the pre-pandemic level of 2019 when Bangladesh earned USD 5.92 billion.
- A high demand for the Bangladeshi RMG, especially knit items have helped the exports grow both in terms of volume and value. In 2021, Bangladesh shipped 2.60 billion square metres of apparel items, up by 37.87 % from 1.88 billion square metres in the same period of 2020. the overall apparel imports of the US from across the world during 2021 also increased by 27.36 % to USD 81.59 billion from USD 64.06 billion in 2020.

<https://today.thefinancialexpress.com.bd/first-page/rmg-export-to-us-crosses-pre-pandemic-level-in-2021-1644431920>

Truck sale revving up, bus hits 7-year low

- According to the annual vehicle registration data from the Bangladesh Road Transport Authority (BRTA), the total registration of all segment vehicles increased by 18% year-on-year in 2021. This follows a 24% decline in 2020 amid the first wave of the pandemic.
- Industries, including textiles, construction materials and the consumer sector, have been buying a large portion of trucks and covered vans in 2021, said the chairman of Nitol-Niloy Group that assembles Tata commercial vehicles.
- Director of Ifad Automobiles (assembler & distributor of Ashok Leyland) said corporate clients are contributing to at least 20% of the commercial vehicle demand, up from the previous average of 10%.
- Pickup truck sales could grow more if the double cabin ones did not face a slowdown following a halt in government procurement, said Energypac's general manager heading its JAC commercial vehicles unit.

<https://www.tbsnews.net/economy/truck-sale-revving-bus-hits-7-year-low-368734>

BSEC mulls performance-based service fee system for AMCs

- The Bangladesh Securities and Exchange Commission has moved to limit asset management companies to charging annual service fees from mutual funds based on performance by MFs under their management. Currently the AMCs are charging the fees based on weighted average net asset value of mutual funds.
- The BSEC would make categories on the basis of the performance by the mutual funds. The commission would

consider dividend giving ability, net asset value and governance of the funds while assessing performance, they said. BSEC commissioner Shaikh Shamsuddin Ahmed said that the regulator observed that many AMCs were not performing well and failed to provide expected dividend to the unitholders, but charging large amount of service fees.

<https://www.newagebd.net/article/162308/bsec-mulls-performance-based-service-fee-system-for-amcs>

Shipping Corporation's half-yearly profits exceed Tk100cr for the first time

- The profit of the Bangladesh Shipping Corporation have surpassed BDT 100 crore in 1HFY22, for the first time. The profit grew by 400% to BDT 126 crore, and the earnings per share (EPS) rose to BDT 8.28. It has also surpassed the nearly BDT 72 crore annual profit for fiscal 2020-21. The corporation said hikes in shipping fares internationally on a large scale helped it post a higher revenue, and profit than the previous fiscal year.
- In FY21, the corporation had reported a 73.67% profit increase to BDT 71.99 crore, which was the highest for the previous six years, bolstered by a surge in shipping fares, and a decrease in ship operating costs. The share price, which was BDT 49.4 on 23 December last year, closed at BDT 143.4 on 9 February. Unprofitable due to old age, 36 ships have been sold.

<https://www.tbsnews.net/economy/shipping-corporations-half-yearly-profits-exceed-tk100cr-first-time-368737>

BD Thai Food's stock jumps 239% in 12 days

- BD Thai Food & Beverage is rising 'abnormally' since its trading debut although there is no undisclosed price sensitive information (PSI). In the last 12 trading days since its debut, the company saw its share price jumped 239 % or BDT 23.90 each riding on speculation and 'irrational hype' among investors.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-thai-foods-stock-jumps-239pc-in-12-days-1644430318>

Dacca Dyeing profit jumps 188% in Q2

- The Dacca Dyeing and Manufacturing Company reported a 188% jump in profit to BDT 3.63 crore in 2QFY22. During 2QFY22, the company's revenue grew by 109% to BDT 22.94 crore compared to the previous year's Q2. At the end of 1HFY22, revenue stood at BDT 42.20 crore, profit BDT 6.34 crore, and earnings per share BDT 0.73.

<https://www.tbsnews.net/economy/stocks/dacca-dyeing-profit-jumps-188-q2-368689>

BSEC to inquire insider trading allegations against bank director's son

- The Bangladesh Securities and Exchange Commission (BSEC) has formed a three-member committee to look into insider trading allegations against Mamun Azim, the son of Southeast Bank Director Azim Uddin Ahmed. The regulator said BSEC thinks the allegations against Mamun Azim and others in purchasing shares need to be verified.
- Insider trading is defined as use of privileged access to price sensitive information to gain through the buy-sell of company shares. If the allegations are found to be true, they will be accused of violating insider trading and other securities laws.

<https://www.tbsnews.net/economy/stocks/bsec-inquire-insider-trading-allegations-against-bank-directors-son-368701>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 89.81	USD 14.60	19.41%
Crude Oil (Brent)*	USD 91.50	USD 13.72	17.64%
Gold Spot*	USD 1,834.02	USD 4.82	0.26%
DSEX	7,081.38	324.73	4.81%
S&P 500	4,587.18	-179.00	-3.76%
FTSE 100	7,643.42	258.88	3.51%
BSE SENSEX	58,465.97	212.15	0.36%
KSE-100	46,339.76	1,743.69	3.91%
CSEALL	12,081.69	-144.32	-1.18%

Exchange Rates**1 US Dollar = 85.94 BDT****1 GBP = 116.29 BDT****1 Euro = 98.14 BDT****1 INR = 1.15 BDT**

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