

*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 to halt first Covid doses after Feb 26**

- The government will stop administering first doses of the coronavirus vaccine to citizens after 10 million first shots in a single-day drive on Feb 26. The government would now focus on administering the second and booster shots.
- According to the Directorate General of Health Services, nearly 101 million people received a first dose of the vaccine until Monday. Around 71.5 million of these citizens have also received the second dose and the government-administered the booster shots to nearly 2.7 million people. Until Feb 9, Bangladesh received more than 276.7 million COVID-19 vaccine doses.

<https://thefinancialexpress.com.bd/national/bangladesh-to-halt-first-covid-doses-after-feb-26-1644931710>

### **BGMEA for reduced tax rates for 5 more years**

- Bangladesh Garment Manufacturers and Exporters Association has proposed that the government continue offering the existing reduced rates of source tax and corporate tax for the next five years so that the sector could remain competitive on the global market by overcoming the Covid fallout.
- BGMEA in its FY23 budget proposal also demanded value-added tax exemption for the subcontracting factories and withdrawal of the existing 10% advance income tax on cash incentives against export earnings.
- The BGMEA proposed allowing import of industrial racking system, industrial thermostat dehumidifier and other safety equipment with a reduced tax rate, as the buyers putting pressure to install the system.

<https://www.newagebd.net/article/162855/bgmea-for-reduced-tax-rates-for-5-more-years>

### **Merchant banks seek corporate tax for listed cos reduced to 15%**

- Bangladesh Merchant Bankers Association has proposed reducing corporate tax to 15% from the existing 22.5% for listed companies, which will encourage more such companies to enter the capital market. The association pointed out that out of 1.5 lakh registered companies, only 348 are listed on the stock market.
- President of Bangladesh Merchant Bankers Association also demanded cutting tax for merchant banks to 25% from the existing 37.5%. He proposed considering tax deducted at source on profits as the final settlement and reducing VAT on listed companies to 10%.

<https://www.tbsnews.net/economy/stocks/merchant-banks-seek-corporate-tax-listed-cos-reduced-15-371311>

### **BD's per capita investment, value addition in agri low**

- Bangladesh's per capita investment and value addition in agriculture are much lower than those of some south and southeast Asian countries, thus resulting in a low productivity, a study of the Food and Agriculture Organisation (FAO) revealed. It said the country's per capita investment in agriculture is only USD 16, which is USD 43.5 in Thailand, USD 34.4 in India, and USD 26.6 in Myanmar.
- Per capita value addition in agriculture is only USD 1,037 in Bangladesh, whereas average investment is USD 1,820 in South Asia, USD 1,840 in Myanmar, USD 1,992 in India, and USD 2,408 in the lower middle-income countries, it added.

- Bangladesh's average paddy production is 4.73 tonnes per hectare, which is 7.05 tonnes in China and 6.68 tonnes in Japan.

<https://today.thefinancialexpress.com.bd/last-page/bds-per-capita-investment-value-addition-in-agri-low-1644948313>

### **NBFIs, govt entities now allowed to run MFS operation**

- The Bangladesh Bank said that non-bank financial institutions and government entities, alongside banks, would be able to run mobile financial services (MFS). So far in Bangladesh, only banks have been allowed to operate MFS. The NBFIs and the government entities, however, will have to form a subsidiary to provide MFS, according to a BB guideline.
- The parent banks, NBFIs and government entities will have to provide at least 51% of the equity in the subsidiary. The minimum paid-up capital of a subsidiary model-based MFS has been set at BDT 45 crore.
- The latest central bank guidelines will help the Bangladesh Post Office (BPO), which is now running MFS under the brand name of Nagad, take licence for its subsidiary, a central bank official said.
- Four central bankers told the Daily Star that more legal clarities would be needed before giving any comment on whether NBFIs could run MFS in line with existing laws. For example, NBFIs are barred from taking demand deposits from clients, however, the funds kept at MFS is considered demand deposit.

<https://www.thedailystar.net/business/organisation-news/news/nbfis-govt-entities-now-allowed-run-mfs-operation-2963111>

### **BB fixes capital market investment instruments for NBFIs**

- Bangladesh Bank for the first time fixed the instruments which will be considered as stock market investment for non-bank financial institutions.
- All listed shares, debenture, corporate bonds, mutual funds and other products at market prices shall be considered as share market investment for the NBFIs. However, equity investment of its subsidiary companies, long-term equity investment or venture capital and the shares of Central Depository Bangladesh, stock exchanges would not be counted as the capital market investment.
- The loans to subsidiary companies who are doing direct or indirect business with the stock market, fund that was given to any stock market investment related fund, and loans to companies dealing with the stock market will be included in the exposure.

<https://www.thedailystar.net/business/news/bb-fixes-capital-market-investment-instruments-nbfis-2962781>

### **Regulator creates special exit for defaulters**

- The central bank offers a special bailout to loan defaulters with non-banking financial institutions (NBFIs) through 'One Time Exit' by clearing all dues within one year, in the wake of bad-loan buildup. The borrowers will have to apply by paying 2.0% down payment for availing such facility only after approval by the NBFIs concerned. To get the special offer, the interested borrowers will have to apply to the NBFIs concerned by April 30 this year for availing such facility
- NBFIs are allowed to waive different types of interest, maximum 50%, on the basis of NBFI-client relationship in line board of directors' approval. However, the principal amount cannot be waived in any circumstances.
- The latest BB moves on policy support came against the backdrop of rising trend in non-performing loans (NPLs) in the NBFIs in recent months. The volume of classified loans with the country's NBFIs increased nearly 14% to BDT 117.57 billion as on September 30 from BDT 103.28 billion three months before.

<https://today.thefinancialexpress.com.bd/first-page/regulator-creates-special-exit-for-defaulters-1644947691>

### **Chevron HC hunt zone extended**

- Chevron gets the go-ahead to conduct hydrocarbon exploration in a 60-square-kilometer 'flank' area outside its existing contract zone, as Bangladesh needs fresh gas strike to cut import. The state-run Petrobangla and the Chevron management will have to ink a supplementary agreement to the existing production-sharing contract (PSC) to legitimize Chevron's drilling in new area.
- Chevron Bangladesh is currently the largest producer of natural gas in Bangladesh with its output of around 1,359 mmcfd from three of its onshore fields-Bibiyana, Jalalabad and Moulavi Bazar. The fields are located in blocks 12, 13 and 14 respectively.

<https://today.thefinancialexpress.com.bd/first-page/chevron-hc-hunt-zone-extended-1644947749>

### **Green Delta Ins, Trust Axiata sign deal**

- Green Delta Insurance Company Limited and Trust Axiata Pay Limited (TAP) have signed an agreement recently, which would enable customers to access to health insurance services very soon. Under this partnership, Green Delta Insurance's exclusive micro-health insurance packages will be sold at a very competitive price through the digital platform of TAP. By removing the hassle of traveling distance and filling up numerous forms, the initiative promises to benefit both service providers and end-users in multiple aspects.

<https://today.thefinancialexpress.com.bd/stock-corporate/green-delta-ins-trust-axiata-sign-deal-1644937362>

### **IPO pipeline dries as cos duck listings**

- Bangladesh stock-market's IPO pipeline dries up, with no such equity-investment opportunity in sight for the securities regulator to clear soon, as many eligible companies duck securities listings. It is believed that the small investors who run for the IPOs will not get the equity-investment opportunity too soon after the lone JMI Hospital Requisite subscription, beginning February 27, is over.
- According to the market-regulator BSEC, only five companies' IPO proposals remained on hold, as these companies have been un-cleared for lack of requisite documents or having deficiencies. State-owned companies, having special privilege for floating shares through direct-listing method, also have shied away from offloading on the chips-hungry bourses for many years.
- Some of the CEOs working with the country's merchant banks, who usually process IPOs, told the FE that easy funding from banks is one of the reasons for the supply line going dry, apart from the disruptive coronavirus pandemic.
- Bangladesh Securities and Exchange Commission sources told the FE that pandemic is a key reason as many companies are taking time for preparing their financial statements.

<https://today.thefinancialexpress.com.bd/first-page/ipo-pipeline-dries-as-cos-duck-listings-1644947636>

### **Star Adhesive allowed to raise BDT 50m**

- The securities regulator has allowed Star Adhesive to raise a capital worth BDT 50 million through qualified investor offer (QIO). The company will raise the fund issuing 5.0 million shares at an offer price of BDT 10 each.
- The company has reported its basic earnings per share (EPS) of BDT 6.05 while the diluted EPS has stood at BDT 1.80 for FY21. For the same period, the company's NAV (without revaluation reserve) has stood at BDT 12.56. AAA Finance and Investment is working as the issue manager for the QIO of the Star Adhesive.

<https://today.thefinancialexpress.com.bd/stock-corporate/star-adhesive-allowed-to-raise-tk-50m-1644937211>

### **Rahima Food returns to operations after 8yrs**

- Rahima Food Corporation has returned to business operations after remaining out of production for eight years. City Group in 2016 purchased all shares held by the company's sponsors with the aim of bringing the company into operations.
- Rahima Food informed the Dhaka Stock Exchange that the company was going to commence its commercial operations for production and marketing of coconut oil with effect from February 17. In addition, the company will also do bottling and marketing of soya bean and mustered oil.
- The company will set up a manufacturing plant for processing and packing of cashew nuts and marketing thereof at home and abroad.

<https://www.newagebd.net/article/162860/rahima-food-returns-to-operations-after-8yrs>

### **Luxury hotels relieved of pandemic pinch**

- The luxury hotel business in Bangladesh bounced back strongly in the first half of the current financial year as people have started to travel and host public events with the easing of coronavirus restrictions. Among three listed hotel companies, two logged higher profits and one returned to profits in the last six months.
- The Royal Tulip Sea Pearl Beach Resort and Spa saw a profit of around BDT 8.69 crore in the last six months, up 20% year-on-year. Similarly, profits of The Peninsula Chittagong rose to BDT 7.59 crore, up 52% year-on-year.
- Unique Hotel and Resorts Ltd, which operates The Westin Dhaka, registered profits of BDT 1.47 crore in the last six months. It had incurred losses of BDT 2.65 crore during the same period in 2020-21.

<https://www.thedailystar.net/business/economy/news/luxury-hotels-relieved-pandemic-pinch-2962991>

**World Stock and Commodities\***

| <b>Index Name</b>  | <b>Close Value</b> | <b>Value Change YTD</b> | <b>% Change YTD</b> |
|--------------------|--------------------|-------------------------|---------------------|
| Crude Oil (WTI)*   | USD 91.88          | USD 16.67               | 22.16%              |
| Crude Oil (Brent)* | USD 92.97          | USD 15.19               | 19.53%              |
| Gold Spot*         | USD 1,851.98       | USD 22.78               | 1.25%               |
| DSEX               | 7,060.74           | 304.08                  | 4.50%               |
| S&P 500            | 4,471.07           | -295.11                 | -6.19%              |
| FTSE 100           | 7,608.92           | 224.38                  | 3.04%               |
| BSE SENSEX         | 58,142.05          | -111.77                 | -0.19%              |
| KSE-100            | 45,731.70          | 1,135.63                | 2.55%               |
| CSEALL             | 12,364.80          | 138.79                  | 1.14%               |

**Exchange Rates****1 US Dollar = 85.90 BDT****1 GBP = 116.36 BDT****1 Euro = 97.50 BDT****1 INR = 1.14 BDT**

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