

*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.*

### **BDT 15b cash incentives released for local exporters**

- The government has released BDT 15 billion for the payment of cash incentives to local exporters on their export earnings. It is the 3rd instalment of cash incentives for 3QFY22. Export oriented sectors including readymade garment (RMG), frozen shrimp and other fish, leather items, jute and jute products will enjoy the incentives.
- Of the amount, BDT 3.0 billion will be distributed for the jute sector while BDT 12 billion for other sectors. A special 1.0% cash incentive support fund for the RMG industry has also been included in the instalment. Currently, the government provides up to 20% cash subsidy on 38 products against the export.

<https://thefinancialexpress.com.bd/economy/tk-15b-cash-incentives-released-for-local-exporters-1644988924>

### **Revenue resurrection helps cut Bangladesh's budget deficit**

- Bangladesh's widening budget deficit narrowed to BDT 1.29 trillion in the past fiscal year with the gap between spending and revenue earning declining amid economic recovery from pandemic-induced slump. Outlay for FY21 rose to BDT 4.58 trillion or 8.0% up from that of FY20. Total revenue came to BDT 3.28 trillion in FY21 or up by nearly 24% than FY20. The budget deficit (excluding grants) for FY21 is estimated to be 4.49% of GDP.
- Economists conversant with the corona-time economics, however, attribute much of the lower deficit to tightfisted public spending when people and businesses at loose ends as well as medical care needed pretty much.
- Dr Ahsan H. Mansur, executive director at the Policy Research Institute of Bangladesh (PRI) and Dr Zahid Hussain, former lead economist at the World Bank, opined that the government failed to disburse the funds when and where it was required, hence the lowering of budget deficit has no meaning.

<https://thefinancialexpress.com.bd/economy/revenue-resurrection-helps-cut-bangladeshs-budget-deficit-1645065754>

### **Govt to amend procurement rules**

- A high-level government committee suggested 11 proposals for amending the procurement rules, including making it mandatory for foreign firms to form joint ventures with local bidders when it comes to fulfilling government procurement rules. The Finance Minister has told that in case of highly technical issues, the foreign firms would be hired through bidding.
- As per the recommendations, the procurement process will be implemented by local sub-contracting firms that will have to spend up to 20% of the total estimated cost from their own funds. In case of local purchases, the estimated costs must be mentioned in the bid.
- In addition, the proposal suggests implementing a one-step and two-step envelop system for tenders in case of local procurement contracts worth more than BDT 50 crore. 80% marks can be awarded in technical evaluation and the rest 20% for financial evaluation. However, the Planning Minister made observation regarding this proposal as controversy may arise in giving marks by the evaluation committee.

<https://www.thedailystar.net/business/economy/news/govt-amend-procurement-rules-2964076>

### **MFS transactions amount to record BDT 7,70,167cr in 2021**

- The amount of annual transactions through mobile financial services grew by 37.19% year-on-year in 2021 as

customers found making different kinds of payments through the MFS convenient amid a growing digital financial ecosystem. As per Bangladesh Bank data, the amount of transactions through MFS surged to BDT 7,70,166.7 crore in 2021 from BDT 5,61,395.8 crore in the previous year.

- In 2020, the amount of MFS transactions grew by 29.26% or BDT 1,27,077.6 crore from BDT 4,34,318.2 crore in the previous year. Apart from the amount of transactions, the amounts of cash-in, cash-out and person-to-person transactions, among others, made a significant increase in 2021. Besides, the number of MFS accounts grew by 1.22 crore, 1.97 crore and 1.21 crore in 2021, 2020 and 2019 respectively. The number of MFS accounts increased to 11.15 crore at the end of December 2021 from 9.93 crore a year ago. The number of MFS accounts was 7.97 crore in December 2019 and 6.75 crore in December 2018.

<https://www.newagebd.net/article/162939/mfs-transactions-amount-to-record-tk-770167cr-in-2021>

### **Access to easy loans stressed to ensure housing for all**

- The government needs to take steps to increase loan flows to the real estate sector to ensure housing for every citizen in cities, towns and elsewhere across the country, economists and banking and real estate experts said on Wednesday. They said in neighbouring India, banks and non-banking financial institutions lend 10% of their loans to the housing sector each year, while the rate is only 3% in Bangladesh.
- Citing from a World Bank study, he said a total of USD 16 trillion will be required to ensure sustainable housing. Of which, USD 3 trillion will come from the citizens and the rest has to be provided by the government and various national and international banks and agencies.

<https://www.tbsnews.net/economy/access-easy-loans-stressed-ensure-housing-all-371872>

### **Agri insurance gains ground as farmers get climate compensation**

- Under "Surokkha" project taken up by Syngenta Foundation in September 2018, the introduction of at least 19 crop insurance products commercially has helped many farmers to protect their crops of Aman and Boro rice, potatoes, maize and beans from natural calamities. In the span of only four years, the number of farmers enrolled through two insurers – Sadharan Bima Corporation and Green Delta Insurance Company Limited – has reached 2,14,836 from a mere 1,526 in FY19, according to sources at Syngenta Foundation and insurance companies.
- Insured farmers get weather forecasting, early warning, and agro-advisory services over the phone every week. When it comes to an insurance settlement, they do not have to file a claim, rather the process gets done automatically. A farmer is entitled to claim compensation from their insurers when certain climatic tipping points are reached. For example, as per the terms of the insurance policy, they can claim compensation if the temperature stays below 10 degree Celsius for 72 hours in a row and the percentage of humidity is more than 85%.

<https://www.tbsnews.net/economy/agri-insurance-gains-ground-farmers-get-climate-compensation-371881>

### **Seven NBFIs risk losing BDT 2,050cr for anomalies**

- Seven non-bank financial institutions (NBFIs) are now finding it difficult to recover BDT 2,050 crore they had lent to their subsidiaries and associates in breach of rules. Preliminary analysis indicates that the funds have been misused, with neither Bangladesh Bank nor the Bangladesh Securities and Exchange Commission (BSEC) stepping in to prevent it.
- As per the Financial Institutions Act 1993, NBFIs are permitted to disburse a maximum of 30% of their capital to an individual or company, which also could be their subsidiaries and associates. But the seven lent the amounts violating the single borrower exposure limit. The central bank has recently stepped up its monitoring on them and has subsequently sought data from the BSEC on how the funds were used.

<https://www.thedailystar.net/business/economy/news/seven-nbfis-risk-losing-tk-2050cr-anomalies-2964086>

### **Why BD Finance earnings drop despite each businesses' high growth**

- Bangladesh Finance Ltd has had a very good year in 2021 as all of its lending, merchant banking and brokerage business entities thrived, while the soaring capital market helped them increase their income from investments.
- However, the NBFIs posted a 14.98% drop in its consolidated EPS that came down to BDT 1.44 from BDT 1.69. Managing director and CEO of BD Finance told that the consolidated earnings dropped because of the high inter-company dividends from the two capital market subsidiaries which need to be discarded from consolidated profit to satisfy accounting standards.
- BD Finance and its subsidiaries made total provisioning of BDT 31.5 crore in 2021, not opting for the opportunity to make a much lower mandatory provision in deferred phases up to the end of 2023, as offered by the Bangladesh Bank. With a single-digit annual growth in its loan portfolio, the lender reduced its non-performing loans to 2.54% at the end of 2021 which was 3.22% a year ago and 4.84% in 2019, according to its CEO.

<https://www.tbsnews.net/economy/stocks/why-bd-finance-earnings-drop-despite-each-businesses-high-growth-371869>

### **InterContinental narrows quarterly losses**

- The business of Bangladesh Services Limited – the owner of the country's first five-star hotel, the InterContinental – has crawled back to health in the final three months of 2021 thanks to the reopening of the economy amid easing Covid-19 restrictions. Listed on the capital market in 1984, the company reported a decline in its net loss per share compared to the previous fiscal year. The loss per share was BDT 1.78, down from BDT 3.88 a year earlier.

<https://www.tbsnews.net/economy/stocks/intercontinental-narrows-quarterly-losses-371818>

### **C & A Textile to raise BDT 500m**

- C & A Textile will raise a capital worth BDT 500 million issuing new shares to the new management. The company will raise the capital in line with a decision taken by its board of directors. The company will issue the shares at a price of last one year weighted average share price on the Dhaka Stock Exchange (DSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/c-a-textile-to-raise-tk-500m-1645026514>

### **NLI First Mutual Fund to be open-ended**

- VIPB Asset Management Company has decided to convert its fund into open-ended as majority of the unitholders were in favour of converting it into open-ended fund. The fund would now require approval from the Bangladesh Securities and Exchange Commission. The initial size of the fund was BDT 45.8 crore. It has paid a total cash dividend of BDT 52.1 crore throughout its tenure. On February 6, the fund's size, in terms of total net asset value at market value, was BDT 75.2 crore.

<https://www.thedailystar.net/business/economy/stock/news/nli-first-mutual-fund-be-open-ended-2964016>

### **Sonali Paper to undergo a special audit**

- The Bangladesh Securities and Exchange Commission (BSEC) has appointed a special auditor to probe the financial statements of Sonali Paper and Board Mills, a concern of Yunus Group of Industries, for the 2019-20 and 2020-21 fiscal years. The BSEC issued a letter in this regard on Wednesday. Aziz Halim Khair Choudhury & Co Chartered Accountants will conduct the special audit and submit its findings to the BSEC within a month. Earlier in 2016, Sonali Paper had its assets revalued by SH Khan & Co Chartered Accountants, according to sources.

<https://www.tbsnews.net/economy/stocks/sonali-paper-undergo-special-audit-371794>

**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 91.73	USD 16.52	21.97%
Crude Oil (Brent)*	USD 93.06	USD 15.28	19.65%
Gold Spot*	USD 1,868.69	USD 39.49	2.16%
DSEX	7,043.69	287.04	4.25%
S&P 500	4,475.01	-291.17	-6.11%
FTSE 100	7,603.78	219.24	2.97%
BSE SENSEX	57,996.68	-257.14	-0.44%
KSE-100	45,684.80	1,088.73	2.44%
CSEALL	12,364.80	138.79	1.14%

**Exchange Rates****1 US Dollar = 85.94 BDT****1 GBP = 116.84 BDT****1 Euro = 97.82 BDT****1 INR = 1.15 BDT**

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