

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.

'Export target of USD51b attainable through product diversification'

- Commerce Minister Tipu Munshi said the country can attain the export target of USD 51 billion by making quality products and their diversification. The 26th edition of DITF got USD16 billion export order. Besides, around BDT 400 million was sold in the fair this year and the government earned BDT 15 million revenue as tax VAT in this fair.

<https://thefinancialexpress.com.bd/economy/export-target-of-51b-attainable-through-product-diversification-1643634876>

FBCCI for just 5 registration requirements to start a business

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has demanded that the number of registrations required for starting businesses be reduced to attract local and foreign investments in the country. Currently, entrepreneurs need to get 33 types of permits to set up a company. To make the process easier, the FBCCI has proposed only five registrations for land, building, fire safety, environment and tax. Sources related to the FBCCI said 33 types of licences or permits are not required for setting up all the industries. Most businesses require 15-20 types of licences, certificates and permits to start operation.

<https://www.tbsnews.net/economy/fbcci-just-5-registration-requirements-start-business-364828>

McDonald Steel first to begin production

- Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai, Chattogram finally witnessed the start of operations of its maiden factory last week, as McDonald Steel Building Products started the trial operation of its manufacturing plant.
- Another seven industrial units including that of Asian Paints Bangladesh and Nippon & McDonald Steel Industries will start running one after another by December this year. Nippon & McDonald Steel Industries, a joint venture of Japan's Nippon Steel Corporation and Bangladesh's McDonald Steel Building Products, have agreed to invest USD 59.19 million (BDT 500 crore) in phases to establish the plant.

<https://www.thedailystar.net/business/economy/news/mcdonald-steel-first-begin-production-2951746>

Private credit flow rises further in Dec

- Private sector credit grew for the seventh month in December, reaching 10.68% in December year on year as the external and internal economic activities are picking up showing a steady fiscal recovery. The month registered a 0.57 percentage point growth in December against 10.11% in November. In July and August 2021, the growth was 8.38% and 8.42% respectively. It grew to 8.77% in September and 9.88% in October.

<https://www.tbsnews.net/economy/banking/private-credit-flow-rises-further-dec-364819>

Long wait for poor to get cash set to end with new fund transfer software

- Bangladesh Bank is now working on a much bigger data processing software to better manage public transactions by making the process more cost-effective and less time consuming. A nine-member team from the central bank is developing the software that is expected to have a capacity to settle 46 lakh electronic fund transfers (EFTs) every hour, and is well on track to launch its full-fledged operation by September this year. A central bank official, seeking anonymity, told that BB is already capable of settling 600,000 transactions per hour through GeTPH. Now we are looking forward to settling more than 4.6 Mn per hour through Nikash.

<https://www.tbsnews.net/economy/banking/long-wait-poor-get-cash-set-end-new-fund-transfer-software-364825>

DSE considering using MFS accounts to bring in new investments

- The Dhaka Stock Exchange (DSE) is considering setting up beneficiary owner (BO) accounts for people with mobile financial services (MFS) accounts but no traditional bank accounts, so as to increase new investments and the number of investors in the country's capital market.

<https://www.tbsnews.net/economy/stocks/dse-considering-using-mfs-accounts-bring-new-investments-364783>

Top drugmakers keep growth trajectory in H1

- Pharmaceutical companies are doing good business in line with the growing demand for medicines in the country and they have maintained the growth in the first half of the current financial year. Among the listed, large drug manufacturers have reported good growth in the business while small companies suffered a decline mainly because of the Covid-19 pandemic. Among the top drugmakers, Square Pharma posted a 16% growth in sales, Beximco 18%, Renata 17%, ACI 9%, Acme 16%, IBN Sina 25% and Orion Pharma 13%.
- Alongside a local market boom, the country's pharmaceutical sector is expected to rake in over USD 1.5 billion in export earnings per year by 2030 – almost nine times higher than the USD 169 million earned in FY21. At present, the pharmaceutical market in the country is around BDT 30,000 crore and the companies are exporting medicines to more than 100 countries. Companies like Square, Beximco, Renata, ACI and Acme are leading the market.
- However, the World Bank says, among the regional peers, Bangladeshi people spend the least portion of their income on healthcare – only 2.4% to lag behind Pakistan, Indonesia, India, the Philippines, Thailand, Myanmar, Nepal and, of course, Vietnam where the ratio is the highest in the region at 6.4%.

<https://www.tbsnews.net/economy/stocks/top-drugmakers-keep-growth-trajectory-h1-364801>

Electricity companies feeling the pinch as plants shut

- Listed power generation companies of Bangladesh have started to feel the negative impact of the expiry of power purchase agreements with the government. Of the eight listed power companies, four logged higher profits, one incurred a loss and the rest registered lower profits in the first half of the current financial year of 2021-22..
- Khulna Power Company Ltd (KPCL) incurred a loss of BDT 7 crore during 6MFY22 as KPCL's revenue was zero due to the closure of operation of all of its power plants. The profits of Summit Power dropped due to the closure of three plants—Madanganj Power Plant (Unit 1), Chandina Power Plant (Unit 2) and Madhabdi Power Plant (Unit 2). The profits were down 22% in the first half of 2021-22. The process is underway to have the agreements of the plants renewed, according to the company.
- Chief financial officer of Baraka Patenga Power told that the company's profits rose to BDT 59 crore in 6MFY22. The tenure of its gas-based power plant in Sylhet would expire in 2024. United Power Generation registered profit of BDT 699 crore in 1HFY22.

<https://www.thedailystar.net/business/economy/news/electricity-companies-feeling-the-pinch-plants-shut-2951681>

Cement industry suffers as profitability keeps squeezing

- Cement manufacturers are failing to increase the price of their products in line with the escalated costs of raw materials and transportation owing to stiff competition. Following a robust business growth in FY21, most of the publicly-listed cement makers are posting drastic declines in their profits since the middle of 2021.
- In a year up to last December, the industry's gross profit margin squeezed to single-digit from 14-15% earlier, as per the quarterly financial statements of most of the listed cement manufacturers. Meghna Cement posted a slight

quarterly growth in its cement business and EPS. LafargeHolcim's earnings grew significantly in 2021, which analysts believe was mostly due to its robust profit from the disputed aggregate business. After posting BDT 11 in annual EPS in 2020, HeidelbergCement Bangladesh nosedived into losses again.

- Megaprojects are not boosting cement sales like that in the previous few years as many are at their final stages. Both the individual and corporate home builders were consuming enough, but the steel price hike slowed down many of their construction, especially in the latter part of 2021. Construction rod prices rose to around BDT 80,000 per tonne from around BDT 60,000 a year ago, which is good enough to offset the steel industry's raw material cost hikes.

<https://www.tbsnews.net/economy/industry/cement-industry-suffers-profitability-keeps-squeezing-364813>

Krishibid Seed allowed to raise BDT 11.6cr thru QIO

- The securities regulator has approved Krishibid Seed Limited – a sister concern of Krishibid Group – to raise BDT 11.60 crore capital with a qualified investor offer (QIO). As per 1QFY22, the company's NAV per share and EPS were BDT 12.6 and BDT 0.60 respectively. The company will not be allowed to issue bonus shares for three years after it is listed on the SME platform. SBL Capital Management Limited is working as the issue manager of the company.

<https://www.newagebd.net/article/161493/krishibid-seed-allowed-to-raise-tk-116cr-thru-qio>

LafargeHolcim to pay 25% cash dividend

- LafargeHolcim Bangladesh Limited has recommended a 25% cash dividend for its shareholders for 2021. According to a press release, its sales during the year increased by 27% to BDT 2,053 crore thanks to its aggregates business. But its aggregate production is now suspended as per the High Court order. In 2021, the company reported a profit growth of 64% to BDT 388 crore. Chief executive officer of LHBL said in the press release that top-line improved by 27% and net profit improvement by a staggering 64%.

<https://www.tbsnews.net/economy/stocks/lafargeholcim-pay-25-cash-dividend-364816>

Olympic earnings fall to 6-year low

- Olympic Industries said its earnings slumped to the lowest in six-year suffering an increase in the cost of raw materials. The maker of popular biscuit brands such as Energy Plus and Tip registered BDT 72 crore in net profits in the July-December period of 2021, down 33 % year-on-year.
- Cost of sales of the biscuit and confectionary maker shot up 18% year-on-year to BDT 786 crore in 6MFY22. Besides, the Olympic's administrative and sales expenses rose 23% during the period, which altogether affected its operating profit. The company also incurred losses of BDT 3.27 crore from investments in shares during the period.

<https://www.thedailystar.net/business/organisation-news/news/olympic-earnings-fall-6-year-low-2951701>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 88.21	USD 13.00	17.28%
Crude Oil (Brent)*	USD 91.21	USD 13.43	17.27%
Gold Spot*	USD 1,797.05	(USD 32.15)	-1.76%
DSEX	6,926.29	169.63	2.51%
S&P 500	4,515.55	-250.63	-5.26%
FTSE 100	7,464.37	79.83	1.08%
BSE SENSEX	58,014.17	-239.65	-0.41%
KSE-100	45,374.68	778.61	1.75%
CSEALL	13,009.50	783.49	6.41%

Exchange Rates**1 US Dollar = 85.61 BDT****1 GBP = 115.09 BDT****1 Euro = 96.13 BDT****1 INR = 1.15 BDT**

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