

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.

Kuwait- Bangladesh joint venture to invest USD10.39m in BEPZA Economic Zone

- Bangladesh Export Processing Zones Authority (BEPZA) signed a land lease agreement on Tuesday with KB Petrochemicals Limited to set up an industry in the economic zone. The company will create employment opportunities for 129 Bangladeshi nationals. The industry will produce 20,000 tonnes of finished lubricants.
- BEPZA Executive Chairman said that BEPZA is now one of the most successful organisations in the country considering its experience, capabilities, expertise, and professional excellence achieved during the journey of 40 years in serving the country's export-oriented industries.

<https://thefinancialexpress.com.bd/economy/bangladesh/kuwait-bangladesh-joint-venture-to-invest-1039m-in-bepza-economic-zone-1645536631>

Phase out subsidies on power, gas

- Prime Minister asks for reducing subsidies and finding ways out of the financial backup especially to power and gas. Mr Mannan said the government had been providing subsidies in some sectors and the prime minister suggested coming out from that trend gently in a way that should be economically acceptable.

<https://today.thefinancialexpress.com.bd/first-page/phase-out-subsidies-on-power-gas-1645553070>

Less spending yields H1 budget surplus

- Bangladesh sees budget surplus in December, reaching BDT 13.57 billion. Government's total receipt up to December was recorded at BDT 1.51 trillion. The budget spending, meanwhile, fell overall in December by 3.4 % to BDT 1.49 trillion. The operating expenditure up to December was recorded BDT 1.11 trillion, nearly 2.0-% down from the July-December 2020 mark. Development spending up to December 2021 amounted to BDT 348.28 billion, in a slide by over 8.0 % from the same period a year earlier.
- Collection of tax revenue consisting of NBR taxes and non-NBR taxes rose to BDT 1.36 trillion while the non-tax revenue fell by nearly 61 % in the first half of the ongoing fiscal year. The non-tax revenue, consisting of incomes from the state-owned enterprises and other fees and tolls, came to BDT 154.83 billion in the July-December 2021 period. It was BDT 248.49 billion in July-December 2020. Economists believe the surplus will not last up till the end of the fiscal year when the spending usually becomes much higher.

<https://today.thefinancialexpress.com.bd/first-page/less-spending-yields-h1-budget-surplus-1645553132>

Govt borrows USD300 million from AIIB to refinance CMSMEs

- The government is borrowing USD 300 million from the Asian Infrastructure Investment Bank (AIIB) to provide working capital loans to the companies of cottage, micro, small and medium enterprise (CMSMEs) sector. The government has taken up a project titled "Covid-19 Emergency and Crisis Response Facility" to implement the loan project within FY2023-24. Bangladesh Bank has already started its activities for the current financial year. Entrepreneurs in the CMSME sector will get this working capital for a period of one year with 4% interest and 1% service charge.

<https://www.tbsnews.net/economy/govt-borrows-300-million-aiib-refinance-cmsmes-374446>

Apparel exports to China dwindle

- Apparel shipments to China fell to USD131.20 million in the July-January period of the current fiscal year, a decrease of 19.66 % from USD163.30 million in 2020-21. Of the total garment exports to the world's second-largest economy

during the period, knitwear shipments brought home USD53.53 million and woven products fetched USD77.68 million, registering a negative growth of 30.77 % and 10.36 % respectively, data from the Export Promotion Bureau showed.

- China became a highly promising export market for local apparel products after Beijing extended duty-free benefits to 97 % of Bangladesh's garment items considering its status as a least-developed country in July 2020. Currently, the country's share of exports to the Chinese market is 0.05 %, which is equivalent to a bit above USD1 billion.
- Garment exports to China fell in recent months for mainly two reasons. First, China has almost completely stopped importing garment items as a part of its zero-tolerance policy towards the spread of Covid-19. Second, Chinese consumers were affected by a recent depreciation in their local currency.

<https://www.thedailystar.net/business/export/news/apparel-exports-china-dwindle-2968506>

Hospitality industry seeks VAT, duty exemption

- Hospitality industry entrepreneurs have demanded VAT and duty exemption on their services, in a bid to recover from pandemic induced losses and help flourish the sector further. The demands came at a meeting Tuesday evening organised by the standing committee on hotels, motels, resorts and guesthouses of the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI). The total tax burden on income of hotels and resorts was 37 % that required further review for future development of the sector.

<https://today.thefinancialexpress.com.bd/trade-market/hospitality-industry-seeks-vat-duty-exemption-1645550059>

Soft Tech Innovation gets BB's PSO licence

- Bangladesh Bank on Tuesday gave licence to Soft Tech Innovation Ltd to operate as a payment system operator under its brand name of aamarPay, taking the country's total PSO licensees to seven. Apart from aamarPay, five other existing PSO licensees are IT Consultants Ltd, SSL Commerz Ltd, ShurjoMukhi Ltd, Portonics Limited and Walletmix Limited.

<https://www.newagebd.net/article/163410/soft-tech-innovation-gets-bbs-pso-licence>

Germany wants exporters to check on human rights, environment

- Bangladeshi suppliers need to operate with necessary transparency to enable their German sourcing companies to comply with a new supply chain law that obliges the latter to actively perform due diligence to prevent human rights and environmental abuses within their global supply chains.
- BGMEA President told The Business Standard that Bangladeshi apparel exporters will not face any trouble to comply with the new law. BKMEA vice-president Fazlee Shamim Ehsan said large exporters may not be affected by the law. He added that a number of vendors may be eliminated from the supply chain for failure to comply with new due diligence procedures.
- He also added that exporters now have to do such small jobs by setting up their own facilities to maintain the due diligence for preventing human rights violation in the workplace and environmental abuse.

<https://www.tbsnews.net/economy/germany-wants-exporters-check-human-rights-environment-374563>

More relief for mobile users on the way

- The telecom regulator plans on bringing the number of packages to 95 across three categories: regular packages, customer-centric special packages, and research and development packages, from a few hundred packages each now.

- The number of regular packages could be as high as 50, number of customer-centric special packages will be a maximum of 35, and the rest 10 will come in the research and development category. Every package will contain four types of duration: 3-day, 7-day, 15-day, and 30-day.
- From March 1, the customers will be able to transfer the unused data and talk-time to the same package if it is bought before the existing offer expires. The data can be transferred to the new package under the other three types of duration.
- Operators can offer bonuses on the packages but the price of the products cannot be lower than their cost. However, packages can be offered at the floor price.
- Secretary-general of the Association of Mobile Telecom Operators of Bangladesh told that the regulator has fixed the number of packages after discussions and consultations with the operators.

<https://www.thedailystar.net/business/telecom/news/more-relief-mobile-users-the-way-2968501>

Firms asked to bring BDT 8,674cr negative equity to zero by Dec

- Bangladesh Securities and Exchange Commission has asked 87 brokerage houses and 29 merchant banks to bring their BDT 8,674 crore negative equity to zero by December 30. Only 27 firms, 15 brokerage houses and 12 merchant banks, hold BDT 7,500 crore or 86% of the total negative equity in the market.
- VIPB Asset management chief executive officer Shahidul Islam said that the commission should have taken such initiative long before as there was no reason for bearing the burden of negative equity for such a long time.

<https://www.newagebd.net/article/163404/firms-asked-to-bring-tk-8674cr-negative-equity-to-zero-by-dec>

UCB to form subsidiary company in Singapore

- United Commercial Bank (UCB) has decided to form a subsidiary company in Singapore for 'remittance business' subject to the regulatory approval. The company's board of directors has taken the decision, said a disclosure posted on the website of Dhaka Stock Exchange (DSE). The disclosure said the paid-up capital of the UCB's subsidiary company will be USD 0.9 million.

<https://today.thefinancialexpress.com.bd/stock-corporate/ucb-to-form-subsiary-company-in-singapore-1645544645>

Thrust on attracting local, foreign VC investment

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Venture Capital and Private Equity Association of Bangladesh (VCPEAB) will work together to develop startups and attract local & foreign venture capital investment. The announcement was disclosed during a meeting between FBCCI and VCPEAB.

<https://today.thefinancialexpress.com.bd/stock-corporate/thrust-on-attracting-local-foreign-vc-investment-1645544476>

GDSL inked deal with Green Delta Dragon Asset Management Company

- Under the agreement, Green Delta Securities Ltd. will work as the panel broker of Green Delta Dragon Asset Management Co. Ltd. Wafi Shafique Menhaz Khan, Managing Director & CEO of GDSL, and Shahbaj Talat, Managing Director & CEO of Green Delta Dragon, signed the agreement on behalf of their respective organisations.

<https://today.thefinancialexpress.com.bd/stock-corporate/gdsl-inked-deal-with-green-delta-dragon-asset-management-company-1645544448>

Dominage Steel not allowed to issue stock dividend

- Apart from the stock dividend, the company also recommended 5.0 % cash dividend for the same time period and both the dividends were approved by the shareholders in the 15th Annual General Meeting (AGM).
- Following the BSEC's notification dated August 31, 2021 an application was made to the securities regulator for final approval of stock dividend dated January 05, 2022, said a disclosure posted on the website of Dhaka Stock Exchange (DSE). Another disclosure said, Dominage Steel Building Systems has been placed in 'B' category from existing 'A' category with effect from today as the company has disbursed 5.0 % cash dividend for the year ended on June 30, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/dominage-steel-not-allowed-to-issue-stock-dividend-1645544553>

Three firms get BSEC nod for issuing bonus shares

- Saif Powertec has got the approval for issuing a 6% stock dividend for FY21. For the shareholders to avail bonus shares, the company has fixed 28 February as the record date. It had also approved a 10% cash dividend for FY21. In FY21, its consolidated earnings per share (EPS) rose by 62% to BDT 1.75 from BDT 1.08 in FY20.
- Quasem Industries got the BSEC consent to issue a 10% stock dividend. The company had approved the dividend in its annual general meeting (AGM). The record date for the dividend is 1 March.
- Advent Pharma got approval for issuing a 2% stock dividend, and the record date has been fixed for 27 February.

<https://www.tbsnews.net/economy/stocks/three-firms-get-bsec-nod-issuing-bonus-shares-374503>

Dhaka bourse goes tough against questioned quarterly disclosures

- Among the companies in question, Atlas Bangladesh Ltd widened its loss by a staggering 67%. The state-run two-wheeler seller posed a BDT1.89 crore loss in 2QFY22 compared to BDT 1.13 crore in 1QFY22. In 1QFY22, its net sale was BDT7.30 crore but the figure dropped to BDT 4.90 crore in the following quarter.
- Savar Refractories Ltd, engaged in producing bricks for the local market, posted a per-share loss of BDT 0.20 despite earning a revenue of BDT 79 lakh during the period. Its auditor said the company was unable to achieve sufficient gross profit to absorb the non-production overhead cost due to poor sales, and the intensity of competition from imports and declining local demand.
- In the October-December quarter, the revenue of Fine Foods Limited stood at BDT 1.60 crore but made a net profit of BDT 5 lakh, a jump from a loss of BDT 4 lakh a year ago. Mozaffar Hossain Spinning Mills Ltd posted a net profit of BDT 7.34 crore, which is 200% higher than BDT2.44 crore in the first quarter, introduction of new ring spinning unit and full capacity utilisation at the rotor unit.
- The stock exchange also issued letters to the Hwa Well Textiles (BD) Limited, Prime Textile Spinning Mills Limited, and Walton Hi-Tech Industries PLC in this regard.

<https://www.tbsnews.net/economy/stocks/dhaka-bourse-goes-tough-against-questioned-quarterly-disclosures-374521>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 92.95	USD 17.74	23.59%
Crude Oil (Brent)*	USD 97.01	USD 19.23	24.72%
Gold Spot*	USD 1,905.00	USD 75.80	4.14%
DSEX	6,917.91	161.25	2.39%
S&P 500	4,308.74	-457.44	-9.60%
FTSE 100	7,494.21	109.67	1.49%
BSE SENSEX	57,300.68	-953.14	-1.64%
KSE-100	45,012.18	416.11	0.93%
CSEALL	11,592.30	-633.71	-5.18%

Exchange Rates**1 US Dollar = 85.84 BDT****1 GBP = 116.78 BDT****1 Euro = 97.37 BDT****1 INR = 1.15 BDT**

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