

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.

EIB provides €250mn to support Covid-19 immunisation in Bangladesh

- The European Investment Bank (EIB), the bank of the European Union and the largest multilateral lender in the world, will provide €250 million to Bangladesh to support the procurement of safe and effective vaccines and country-wide immunisation against Covid-19. Vaccination efforts will also include Rohingya refugees from Myanmar currently hosted in Bangladesh. This is the first operation allocated under the €425 million South Asia Public Healthcare Covid-19 programme approved by the EIB in 2021.
- This programme aims to provide long-term support for Covid-19 vaccination, pandemic preparedness and health system resilience in Bangladesh, the Maldives and potentially other countries in South Asia. EIB Global will bring together all of the EIB's resources and expertise gained outside the European Union under a clear management structure that can make a stronger, more focused contribution to Team Europe projects and initiatives.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/eib-provides-eu250mn-support-covid-19-immunisation>

BB issues PSO licence to Walletmix

- The Bangladesh Bank (BB) issued payment system operator (PSO) licence to Walletmix Limited on Wednesday to provide merchant aggregator services in the country, said a circular of the central bank. The licensee has already been providing payment gateway services with no objection certificate since 2018 to merchandise products or services online as well as process credit cards, debit cards or other forms of payment.
- "Walletmix payment gateway service includes security measures that verify each credit card number and intercept potential criminal attempts before a transaction takes place," according to the company website. In the process of facilitating payment and settlement services, these entities hold money that does not belong to them, but belongs to their customers or payment participants.

<https://today.thefinancialexpress.com.bd/trade-market/bb-issues-psy-licence-to-walletmix-1643907929>

Poor progress in stimulus credit disbursement

- Bangladesh has disbursed 59% of the total credit support unveiled by the government to protect businesses, the economy and the poor since the coronavirus pandemic hit the country more than one-and-a-half years ago. It started with a BDT 5,000 crore stimulus package for apparel manufacturers, providing them low-cost funds so that they can keep paying wages and salaries to the workers in the country's largest export-earning sector. Since then, the government has announced 28 stimulus packages involving more than BDT 187,679 crore.
- Of the sum, BDT 110,893 crore was disbursed as of November, data from the finance ministry and Bangladesh Bank showed. The packages included 11 credit facilities for the large, small, micro, cottage enterprises and agriculture and other sectors. A sum of BDT 76,298 crore was disbursed till November, which accounted for 53 % of the total BDT 143,700 crore allocation made under the programmes. The package has been topped up by BDT 33,000 crore in the current fiscal year, raising the total amount to BDT 73,000 crore. Of the sum, BDT 40,492 crore, or 55 %, was disbursed as of November.
- Banks and other lenders lent BDT 18,771 crore till November, representing 47 % of the total, finance ministry data showed. Similarly, the government first introduced a refinance scheme of BDT 5,000 crore for the agriculture sector and BDT 4,295 crore has been disbursed. The fund was later expanded by BDT 3,000 crore. Similarly, a BDT 2,000 crore credit guarantee scheme for cottage, micro and small entrepreneurs saw only 2 % progress as BDT 31 crore

was lent. The BDT 1,500 crore package for creating jobs in rural areas witnessed 50 % implementation as of November. In July last year, the government earmarked BDT 1,000 crore for hotels and motels.

<https://www.thedailystar.net/business/economy/news/poor-progress-stimulus-credit-disbursement-2954096>

New York bill may push up Bangladesh's garment export costs

- New York, a major destination of global fashions, has introduced a bill that aims to make apparel retailers and makers disclose detailed information on environmental and social practices, including workers' wage and carbon emissions, at all levels of the global supply chain – from raw material sourcing to finished products. The bill, titled the Fashion Sustainability and Social Accountability Act, would require the fashion industry supplying to the US state to disclose if their products are sourced from areas with reported forced or child labour, or "sweatshop" working conditions.
- The initiative came on the heels of similar moves, like the one in the United Kingdom targeting the alleged greenwashing by apparel and footwear industries, to tag the fashion industry more strictly with ESG (Environmental, Social, and Governance) issues. Some other European countries such as Germany have also passed or planned laws that require companies to comply with human rights and environmental protections throughout their supply chain.
- According to the report, Biaggi said in a news release, the act would ensure that "labour, human rights, and environmental protections are prioritised."It would require such companies to map a minimum of 50% of their supply chain, starting with the farms where the raw materials originate through factories and shipping. Finally, it would require companies to disclose their material production volumes to reveal, for example, how much cotton or leather or polyester they sell. All of that information would also have to be made available online, the report added.

<https://www.tbsnews.net/economy/rmg/new-york-bill-may-push-bangladeshs-garment-export-costs-365932>

BGMEA urges NBR to ease business procedures

- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has requested the NBR to simplify business procedures for seizing the new opportunities created for the readymade garment sector. The BGMEA leaders said that it is imperative to remove various customs and bond- related difficulties for the garment exporters to remain competitive in the global market and capture new opportunities.
- They requested the NBR to take necessary measures for addressing the issues like adding new raw materials and other related materials with their harmonised system (HS) code in the bond licences. Both policies and procedures should be revised and updated in accordance with the market demand and time to create an enabling environment for businesses to thrive even in difficult situations, Mr Hassan said. The NBR member assured the BGMEA of taking measures to address the problems raised in the meeting.

<https://today.thefinancialexpress.com.bd/first-page/bgmea-urges-nbr-to-ease-business-procedures-1643911514>

BD shipbreakers grow to global prominence

- Bangladesh annually imports the highest number of scrap ships to provide vital backward linkage to booming steel and re-rolling industries, thus holding top global position. The country imported last year for dismantling 254 ships, in a 76- % year-on-year rise. During 2020, the country brought 144 scrapped ships, down from 236 imported in 2019, according to the data released by NGO Ship-breaking Platform (NSP). About 8,036,554 tonnes were dismantled on the shore in Chattogram in the past year.

<https://today.thefinancialexpress.com.bd/first-page/bd-shipbreakers-grow-to-global-prominence-1643911131>

BAT Bangladesh wins BDT1,924cr tax dispute in court battle

- British American Tobacco (BAT) Bangladesh has won the final court battle against the National Board of Revenue's

(NBR) retrospective claim of BDT1,924 crore in value-added tax and supplementary duty. In November 2013, the revenue board's large tax unit served the retrospective VAT and supplementary duty demand against the company by restating Bristol and Pilot brands in the mid-segment rather than the low segment. At one stage of the legal battle, the NBR won in the High Court in March 2016 and then the next month the company moved an appeal to the Appellate Division and obtained a stay on the High Court judgement.

- In March 2020, the revenue board filed a review petition against the Appellate Division judgement, and after holding a hearing in December 2021, the apex court dismissed the petition. BAT Bangladesh is also fighting another legal battle with the NBR regarding a 2017-18 claim of BDT2,437 crore in Vat and SD. The company is enjoying Appellate Division stay orders on a High Court judgement that went against the company earlier. Against over BDT28,000 crore in annual gross revenue, it pays over BDT22,000 crore to the government in VAT and supplementary duty.

<https://www.tbsnews.net/economy/industry/bat-bangladesh-wins-tk1924cr-tax-dispute-court-battle-366193>

Summit LNG gets BDT 580m duty waiver

- The Internal Resources Division (IRD) under the Ministry of Finance (MoF) has waived BDT 580 million stamp duty of the Summit LNG Terminal Co (Pvt) Ltd. The IRD recently issued a gazette waiving the non-tax revenue. The tax has been waived following clauses of the implementation agreement between the company and the Department of Energy and Mineral Resources to establish a floating, storage and regasification unit (FSRU) having 500 mmcf (million cubic feet per day) capacity at Moheskhal in Cox's Bazar. The stamp duty was payable against registration of certificates, including share pledge agreement, offshore debenture and security assignment agreement. Of the total amount, the IRD exempted BDT 44 million for transferring share pledge agreement, BDT 26 million offshore debentures, and BDT 26 million security assignment agreement.

<https://today.thefinancialexpress.com.bd/last-page/summit-lng-gets-tk-580m-duty-waiver-1643912167>

RAK Ceramic's net profit jumps 191% in 2021

- RAK Ceramics (Bangladesh) has posted an impressive 191 % increase in its net profit year-on-year in 2021, riding on what the company says is a "responsive business strategy" taken by the management. The country's leading tiles and sanitary ware maker also cut its finance cost significantly. As a result, its net profit after tax grew 191 % to BDT 905.19 million for the year ended on December 31, 2021 from BDT 310.65 million in the previous year. The company said its consolidated earnings per share (EPS) increased to BDT 2.12 for the year ended on December 31, 2021 from BDT 0.73 in the corresponding period.
- The company also posted a 29.54 % growth in sales to BDT 6.85 billion during the year 2021 which was BDT 5.29 billion in the previous year. Reduction of corporate tax rate by 2.5 % in the current fiscal year also impacted profit after tax eventually, improving earnings per share". But, cash collection from the customers has not been increased in the same proportion due to allowing additional credit terms during the pandemic period which is impacting in net operating cash flow inversely. The board of directors of the company has recommended a 12.50 % cash dividend for the year ended on December 31, 2021.
- The company has also reported consolidated net asset value (NAV) per share of BDT 17.53 for the year ended on December 31, 2021 as against BDT 16.41 for the same period of the previous year. Its consolidated net operating cash flow per share (NOCFPS) stood at BDT 1.36 for the year ended on December 31, 2021 as against BDT 2.87 for the same period of the previous year. Despite the hefty profit growth news, the company's share price fell by 6.45 % to close at BDT 55.10 each on Thursday at the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/rak-ceramics-net-profit-jumps-191pc-in-2021-1643901959>

BSEC rejects Metro Spinning's 5% stock dividend proposal

- The Bangladesh Securities and Exchange Commission (BSEC) has rejected a 5% stock dividend announced by Metro Spinning Ltd for the financial year that ended in June 2021. The board of the listed spinner recommended the dividend in October 2021 and then its shareholders approved the plan in its last annual general meeting on December 29. The company mentioned a planned BMRE (Balancing, Modernisation, Rehabilitation and Expansion) project as the reason behind the planned paid-up capital enhancement through stock dividends.
- A BSEC official told The Business Standard that the justification of the company's plan did not satisfy the regulator. The development has drawn a mixed reaction among stock investors as they might end up in no form of dividends for the 2020-21 fiscal year. Metro Spinning declared a 2% cash dividend for 2020, 2019 and 2017 while a 2% stock dividend for 2017. And it had to seek BSEC approval for the planned stock dividend for the 2020-21 financial year.

<https://www.tbsnews.net/economy/stocks/bsec-rejects-metro-spinnings-5-stock-dividend-proposal-366166>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 90.89	USD 15.68	20.85%
Crude Oil (Brent)*	USD 91.57	USD 13.79	17.73%
Gold Spot*	USD 1,806.52	(USD 22.68)	-1.24%
DSEX	7,023.52	266.86	3.95%
S&P 500	4,477.44	-288.74	-6.06%
FTSE 100	7,528.84	144.30	1.95%
BSE SENSEX	58,788.02	534.20	0.92%
KSE-100	45,862.93	1,266.86	2.84%
CSEALL	12,762.60	536.59	4.39%

Exchange Rates**1 US Dollar = 85.84 BDT****1 GBP = 116.84 BDT****1 Euro = 98.41 BDT****1 INR = 1.15 BDT**

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BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
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BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com