

*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.*

### **Monthly import bill hits record USD 6.0b**

- The single-month import payments hit an all-time high of USD 6.0 billion in December 2021 following higher purchase of textile items from the global market to build a satisfactory stock of the capital goods. Rise in import of capital machinery also pushed up the import payment obligations during the period under review, officials said. The settlement of letters of credit (LCs), generally known as actual import, in terms of value, rose by 8.32% to about USD 6.0 billion in December 2021 from USD 5.54 billion in the previous month, according to the central bank's latest statistics.
- It was USD 5.27 billion in October 2021. Imports of textile products under back-to-back LC settlement jumped more than 23 % to USD 758.33 million in December from USD 616.19 million in November, the BB data showed. Imports of textile products under back-to-back LC settlement came down to USD 616.19 million in November 2021 from USD 622.64 million a month before. Imports of capital machinery or industrial equipment used for production increased by more than 67 % to USD 606.21 million in December 2021 against USD 361.59 million a month ago. Actual imports for fuel-oils dropped significantly by over 37 % to USD 357.27 million in December 2021 from USD 568.52 million in the previous month.

<https://today.thefinancialexpress.com.bd/first-page/monthly-import-bill-hits-record-60b-1642440842>

### **High import duty hinders furniture export**

- High import duties on raw materials are dampening price competitiveness of Bangladesh's furniture industry, a major drawback to tapping into international markets. Though manufacturers have been into exporting furniture for the past decade or so, the annual sales figure is yet to cross USD 100 million, a scenario warranting consideration since the government is already trying to diversify the export basket.
- Bangladesh earned USD 79.47 million from furniture exports in FY21 and USD 90 million in FY20, according to the Export Promotion Bureau (EPB). According to the EPB, Bangladesh's furniture exports have increased by about 267% in the last decade. The government provides a 15 % cash incentive on furniture export, but unless export duty reductions and bonded warehouse facilities came about, it can come to little effect in increasing shipments.

<https://www.thedailystar.net/business/export/news/high-import-duty-hinders-furniture-export-2941476>

### **TINs of firms surge, but return filing sluggish**

- The National Board of Revenue (NBR) has seen a massive surge in registrations for Taxpayer Identification Numbers (TIN) by companies, mainly due to its increased monitoring and efforts to bring all registered firms under the tax net. The number of companies with TINs stood at 1.67 lakh by the end of the FY21, up 115% from 77,820 the previous year, showed NBR data. But only 29,785 companies furnished tax returns in FY21, up 18% from the year before.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tins-firms-surge-return-filing-sluggish-2941406>

### **Banks moving towards digital nano lending**

- Complementing an already diversified set of services and products, the country's banking industry is now moving towards product dynamism with nano-lending, which is loaning small amounts without the need for any collateral. The move is in sync with the government's aims to promote financial inclusion and provide loans to marginal people to accelerate financial inclusion and a speedy economic recovery.

- Recently, the City Bank introduced the Digital Nano Loan, targeting small borrowers like cottage, micro, small and medium enterprises (CMSMEs), and even for personal use and also allow bKash users to receive instant loans ranging from BDT500 to BDT20,000 through the mobile app. The Dhaka Bank is going to offer eRin and Prime Bank has moved to set up a digital loan disbursement system for industry workers. Besides, the banking industry is also going to offer the Nano Deposit Pension Scheme (DPS) to customers, according to officials from the Bangladesh Bank.

<https://www.tbsnews.net/economy/banking/banks-moving-towards-digital-nano-lending-358441>

### **Lending thru agent banking reaches BDT 588cr in Nov**

- Lending of the banks through agent banking reached a record high in November 2021 amid a number of banks' move to explore the scope for low-cost lending in the remote areas. The latest Bangladesh Bank data showed that the banks' lending through the agent banking channel reached BDT 587.9 crore in November 2021. The lending was BDT 250.7crore in the same month of the previous year. The year-on-year lending grew by 134.5 % or BDT 337.2 crore in November 2021. Month-on-month growth was 55.61 % or BDT 210.1 crore in November based on the BDT 377.8 crore in lending in October of the year. On December 15, 2021 bKash and The City Bank launched nano lending for bKash customers at the rate of 9 % interest.
- Of the 29 banks which operate agent banking, BRAC Bank's lending was the highest, BDT 2,568 crore, till September 2021, followed by BDT 682 crore in lending of Bank Asia through agent banking, BDT 437 crore of The City Bank, BDT 142 crore of Al-Arafah Islami Bank and BDT 133 crore of Dutch-Bangla Bank. On the other hand, the banks have so far mobilised BDT 23,324.8crore in deposit from the banking channel. Of the banks, Dutch-Bangla Bank collected highest BDT 3,303.03 crore in deposits through the channel, followed by BDT 3,062 crore of Al-Arafah Islami Bank and BDT 2,893 crore of Bank Asia.

<https://www.newagebd.net/article/160262/lending-thru-agent-banking-reaches-tk-588cr-in-nov>

### **Savings certificate: Govt's net debt on the decrease**

- According to Bangladesh Bank data, the government's net debt in savings certificates amounted to BDT3,628 crore in August of the current fiscal year. In a month's gap, the net debt decreased to BDT2,825 crore in September. The downtrend continued through the next two months, massively reducing the net debt to BDT701 crore in November. Meanwhile, despite the net debt falling continuously, the sale of savings certificates has not decreased in staggering numbers. A total of BDT8,941 crore worth of savings certificates were sold last November through banks, savings bureaus and post offices, an increase of BDT229 crore compared to the previous month.
- However, sales were much higher in September, a total of BDT2,404 crore more than the November sales. The government cut the interest rate on all savings certificates by around 1% for investments above BDT15 lakh in September. The government has set a target of selling BDT1,24,647 crore worth of savings certificates for the current financial year to meet the budget deficit of the fiscal year. Of this, the target for taking a net loan, after repaying due principal and interest, is BDT32,000 crore.

<https://www.tbsnews.net/economy/savings-certificate-govts-net-debt-decrease-358807>

### **Ctg customs foil bid to launder BDT 1.6cr**

- Chattogram Customs House has seized a consignment on charges of laundering BDT 1.6 crore by exporting 22 times more goods than the declaration. The consignment of RM Sourcing Bangladesh, a Dhaka-based buying house, was seized just before leaving from Chattogram port to Venezuela on Monday, customs officials said. According to the documents, the company has opened a letter of credit (LC) of USD 7,486 with IFIC Bank for the purpose of exporting 6,086 pieces of T-shirt, short set and short pants to Royal Drone International Trading OPC of Venezuela.

- In the bank documents, the US dollar's exchange rate against the Bangladeshi taka has been shown at 96.7. Customs authority physically examined the consignment at the KDS inland container depot and found 137,116 pieces of T-shirts in the consignment, which is 22 times or 131,030 pieces more than the announcement. Customs authority suspected that the company has tried to launder USD 161,166 or BDT 1.6 crore in the name of exporting goods.

<https://www.thedailystar.net/business/economy/industries/ports-and-shipping/news/ctg-customs-foil-bid-launder-tk-16cr-2941471>

### **Fortune Shoes' share keeps rising sans PSI**

- Fortune Shoes, a listed footwear manufacturer, is witnessing an unprecedented price hike and increase in volume of shares despite no undisclosed price sensitive information (PSI). Within two weeks, the shoe maker's share price jumped over 40 % to close at BDT 129.30 on Monday at the Dhaka Stock Exchange (DSE). Its share price also soared 570 % or BDT 110 each in the last one year since January 18, 2021, according to statistics from the DSE.
- Following the recent 'abnormal' price hike, the DSE served show-cause notice on the company on Monday. The company, however in a knee-jerk response, informed the DSE that there is no undisclosed price sensitive information of the company for recent unusual price hike and increase in volume of shares. The company has reported earnings per share (EPS) of BDT 1.29 for July-September 2021 as against BDT 0.43 for July-September 2020. The company disbursed 10 % cash and 5.0 % stock dividend for the year ended on June 30, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/fortune-shoes-share-keeps-rising-sans-psi-1642431127>

### **LankaBangla, City Brokerage to change online trading experience**

- The problems in direct stock trading from smartphones are set to go as two of the leading stockbrokers have launched alternatives to the bourses' mobile trading apps and they have well addressed the problems. Dhaka Stock Exchange (DSE) nowadays is allowing interested brokers direct access to its core trading system, technically called the matching engine, from the brokers' order management system (OMS), bypassing that of the bourse.
- Both brokers' OMSs will get their modern back-office system integrated that would ensure buy-sell risk management. For example, clients can only execute their legitimate buy and sell orders and no orders beyond that would be accepted by the system. Like the rest of the world, investors can stop loss-orders which will sell their matured securities only if the market price breaks down below the price point pre-set to match their allowed limit of loss tolerance. The online services will be free of charge, both the brokers confirmed.

<https://www.tbsnews.net/economy/stocks/how-lankabangla-city-brokerage-change-online-trading-experience-358759>

### **Special auditors to look into financials of 4 firms**

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to appoint special auditors for four listed companies – Alhaj Textile Mills, Bangladesh Welding Electrodes, Fu-Wang Foods, and Safko Spinning Mills – to probe into their financial statements. The securities regulator will send quotations in this regard to the panel of auditors this week.

<https://www.tbsnews.net/economy/stocks/special-auditors-look-financials-4-firms-358771>

**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 84.28	USD 9.07	12.06%
Crude Oil (Brent)*	USD 86.53	USD 8.75	11.25%
Gold Spot*	USD 1,819.57	(USD 9.63)	-0.53%
DSEX	7,055.27	298.61	4.42%
S&P 500	4,662.85	-103.33	-2.17%
FTSE 100	7,611.23	226.69	3.07%
BSE SENSEX	61,308.91	3,055.09	5.24%
KSE-100	45,612.20	1,016.13	2.28%
CSEALL	13,338.49	1,112.48	9.10%

**Exchange Rates****1 US Dollar = 86.01 BDT****1 GBP = 117.45 BDT****1 Euro = 98.22 BDT****1 INR = 1.16 BDT**

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