

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.

Delta Plan investment on rise, govt meets to form fund on Monday

- The government is progressively increasing investment in various projects to support the implementation of the 100-year Bangladesh Delta Plan for economic growth, environmental conservation, and enhanced climate resilience. Officials at the Planning Ministry say a series of institutional and policy reforms are also underway to support the implementation of the Delta Plan. There is also a proposal for setting up a fund to ensure smooth investment flow for the Delta Plan and the first meeting of the council will make-a-decision on this on Monday.
- A report of the General Economics Department (GED) shows that the government has set aside 1.13% of GDP, or BDT 34,821 crore, in its FY22 annual development programme for projects under the Delta Plan. The outlay is still slightly less than the government target of 1.30% of the GDP, says the GED report. The department under the Planning Commission suggests that annual investment for the Delta Plan needs to be increased to 2.5% of the GDP in phases by 2025 to meet the deficit.

<https://www.tbsnews.net/economy/delta-plan-investment-rise-govt-meets-form-fund-monday-364393>

Freelancers to get 4% incentive for export of software, IT-enabled services

- About six lakh freelancers will get a 4 % incentive against export of software or IT-enabled services. Freelancers who work at 55 marketplaces and have been selected by the ICT ministry will get the incentive, according to a Bangladesh Bank circular. Popular marketplaces such as Upwork, Fiverr, Freelancer and Guru were among the selected marketplaces.
- The government has been providing a 10% cash assistance against the export of ICT products or services since 2018. But, only institutional IT and freelancing companies having membership with the BASIS are eligible for the work. With the BB circular, almost all of the freelancers having no membership with BASIS will come under a 4 % incentive package.

<https://www.thedailystar.net/business/news/stocks-fall-below-7000-points-again-2950501>

ICT Division wants corporate tax waiver for IT sector till 2030

- The Information and Communication Division (ICT) will apply to the finance ministry seeking extension of corporate tax waiver for information technology firms from 2024 till 2030. According the ICT Minister, 13 years ago, the export revenue in the ICT sector was only USD 26 million, but now, as a result of policy support and infrastructural development, the ICT industry was generating USD 1.3 billion in export earnings.

<https://www.tbsnews.net/nbr/ict-division-wants-waive-corporate-tax-it-sector-till-2030-364357>

Lending rate rise widens interest spread

- Interest spread widens further as the banks raise their lending rates, riding on higher credit demand, with deposit returns for the savers held in check, bankers say. The weighted average spread between the lending and deposit rates offered by the scheduled banks rose to 3.19% in December 2021 from 3.16% a month before. The weighted average lending rate rose to 7.18% in December 2021 from 7.15% in the previous month while such rate on deposits remained unchanged at 3.99%.
- According to the senior bankers, Bangladesh's credit demand has maintained an upturn in recent months following gradual reopening of economic activities. Higher trade financing for settling import-payment obligations through

discounting of bills in foreign currency has pushed up the private-sector-credit growth in the recent months. The growth in the private-sector-credit flow rose to 10.11% in November 2021 on a year-on-year basis from 9.44% a month before. It was 7.55% in May 2021.

- The pressure on deposit rates may rise if the government borrows from the market as per announcement in the budget, one banker has said, adding that continuously selling of the US dollar by the central bank may create market demand for the local currency.
- Another executive of a PCB said some banks were now offering lending rates around minimum 8.0% instead of 7.50% earlier to their 'good paymasters' among the borrowers. He added that the existing upward trend in lending rate may continue in the coming months if the demand for credits persists.

<https://today.thefinancialexpress.com.bd/first-page/lending-rate-rise-widens-interest-spread-1643565306>

Buyers not paying premium prices but taking credit for sourcing from green factories: experts

- Bangladesh's apparel makers on Sunday said global fashion brands were not willing to pay premium prices for products despite taking credit for sourcing from green factories. Bangladesh readymade garment sector has the highest number of green factories in the world but no buyer pays additional one cent for the environment-friendly production, they said.
- Speakers at the event identified lack of policy support, financing and premium prices for the products as the key challenges for securing green transition of the clothing and textile sector. There are a total of 157 LEED certified factories in Bangladesh RMG sector and it is goodwill of the country, but the green factory owners are not getting any incentive from the government.
- The government has extended a green fund but the fund remains unused as new entrepreneurs cannot avail the fund due to some conditions. The speakers asked for some incentives for the entrepreneurs for securing environment-friendly production as RMG factory owners had to spend 30 per cent additional money to establish a green factory.

<https://www.newagebd.net/article/161412/buyers-not-paying-premium-prices-but-taking-credit-for-sourcing-from-green-factories-experts>

Database on bond defaulters on card

- Bangladesh Securities and Exchange Commission has initiated a move to create a database on defaulters of bonds to bring the issuers to book. To this effect, the BSEC will amend the Debt Securities Rules, 2021 and include a provision in the rules to define bond defaulter, BSEC officials said. If a company fails to maintain the obligations, whether it is in the form of a missed interest payment or a missed principal payment, the company will be considered a bond defaulter.

<https://www.newagebd.net/article/161407/database-on-bond-defaulters-on-card>

Stock investors can now crosscheck portfolios

- Stock investors now can crosscheck their investment portfolios with Central Depository Bangladesh Limited (CDBL). CDBL on Sunday launched a monthly e-statement service as part of its effort to eliminate brokerage house-related irregularities. Under the service, the beneficiary owners' (BO) account holders will receive emails describing their investments on different stocks at the end of every month's first week so that they can identify if there is anything wrong at the brokerage firm's end. The service is free of cost.

<https://www.tbsnews.net/economy/stocks/stock-investors-can-now-crosscheck-portfolios-364387>

ACI profits soar on robust motors, salt, fertiliser sales

- The conglomerate's consolidated revenue which includes figures of all the subsidiary companies grew 27% year-on-year to BDT2,426 crore in that quarter, which was 13% up from the preceding quarter of July-September. FH Ansarey, managing director of ACI Agribusinesses, told The Business Standard, "ACI Motors has demonstrated a significant growth in its business as its Yamaha branded motorcycles, a wide range of agro machinery and construction equipment's sales and profits grew."
- ACI Premiaflex could barely raise prices against a 60% raw material cost hike in a year, it still is posting losses, while its Managing Director Ansarey anticipates the company would take roughly 18 months to come to profits. After ACI Motors, ACI Salt secured the biggest jump in business as it registered over 40% revenue and pre-tax profit jump in the first half of the fiscal year. Following its capacity expansion a few years back, the salt business is continuing its industry leadership with roughly one-third market share. The consolidated quarterly profit after taxes grew to over BDT 30.89 crore from BDT11.96 crore a year earlier. ACI's consolidated earnings per share stood at BDT 2.1 for the October-December quarter and BDT 5.51 for the July-December period.

<https://www.tbsnews.net/economy/industry/textile-mills-profit-skyrockets-q2-364015>

Booming tissue sales boost Bashundhara Paper's revenue, profits

- The booming sales of tissue and hygiene products in the coronavirus pandemic have boosted both the profit and revenue of Bashundhara Paper Mills. The market leader in the tissue industry has reported a 23% year-on-year growth in revenue in the first half of the current fiscal year, while its profit grew by 42%. The revenue of Bashundhara Paper Mills Limited, which is also a major player in the country's paper industry, comes mainly from two segments – paper and tissue products. A significant portion of revenue also comes from the sales of various hygiene products such as diapers and sanitary napkins.
- The sales of Bashundhara Paper Mills products have been increasing gradually in both local and international markets. According to the company data, its 91.08% revenue came from local sales, and 8.92% from exports in the July-December period of fiscal 2021-22. Its local sales grew 25% to BDT 492.06 crore and exports rose 9% to BDT 48.24 crore, up from BDT 393.56 crore, and BDT 44.15 crore, respectively. A company official said the exports of its tissue and hygiene products increased significantly. October-December revenue exceeds the pre-pandemic level.

<https://www.thedailystar.net/business/news/gph-ispats-profit-soars-36-2949896>

Loss in last quarter drags Singer's annual profit to six-year low

- Following the disrupted sales, profits and cash flow in the third (July-September) quarter due to the pandemic, Singer Bangladesh absorbed losses in the fourth quarter of 2021, according to a disclosure of the company on Tuesday. The multinational electronics and home appliances company posted an annual profit of BDT 51.85 crore for the year, which was the lowest in the last six years. Singer Bangladesh posted BDT 5.2 in its annual earnings per share (EPS) for 2021, which was BDT 8.06 in 2020. Its net asset value per share stood at BDT 34.06 at the end of December. Singer shareholders are set to get 60% cash dividends for 2021, which was 30% in 2020 from 77% in 2019.
- The company generated revenue of BDT 1,332 crore in the first three quarters (January-September) of 2021 that yielded BDT 59.5 crore in profit after taxes, slightly higher year-on-year, even in ups and downs in business amid Covid-induced restrictions.

<https://www.tbsnews.net/economy/stocks/loss-last-quarter-drags-singers-annual-profit-six-year-low-362365s>

The devastating stocks of 2021

- ML Dyeing Limited that dyes textile yarns literally faded the colours of its shareholders' lives in 2021. Once flying too

high on the bourses after its market debut in late 2018, its share price dropped more than 53% last year and the stock led the Dhaka Stock Exchange's (DSE) annual losers' table. Three-fourths of the listed companies generated more or less wealth for their investors in the bull market of 2021, according to the EBL Securities Research.

- Some of the losing one-fourth, like ML Dyeing, caused a significant capital erosion for the investors, and experts say they have left some lessons. The top 20 losing stocks of 2021 generated negative returns that ranged from 53% to 22%, according to another research report by the merchant bank PLFS Investments Ltd. Prior to the beginning of 2021, each of the top losers were trading at price levels much higher than they deserved in terms of their business fundamentals, said Chartered Financial Analyst Md Abdul Muktedir, chief executive officer of PLFS Investments.

<https://www.tbsnews.net/economy/stocks/devastating-stocks-2021-361918>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 86.82	USD 11.61	15.44%
Crude Oil (Brent)*	USD 90.03	USD 12.25	15.75%
Gold Spot*	USD 1,791.53	(USD 37.67)	-2.06%
DSEX	6,991.55	234.90	3.48%
S&P 500	4,431.85	-334.33	-7.01%
FTSE 100	7,466.07	81.53	1.10%
BSE SENSEX	57,200.23	-1,053.59	-1.81%
KSE-100	45,077.91	481.84	1.08%
CSEALL	12,863.14	637.13	5.21%

Exchange Rates**1 US Dollar = 84.85 BDT****1 GBP = 113.70 BDT****1 Euro = 94.58 BDT****1 INR = 1.13 BDT**

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