

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.

Macro:**Bangladesh's global market share in clothing exports rises to 7.9%**

- Bangladesh has more than tripled its share of clothing exports in the global markets, reaching 7.9% in 2022 from just 2.5% in 2005, according to a World Trade Organisation (WTO) report. Despite facing headwinds in the global markets and grappling with rising production costs due to price hikes of raw materials and energy, Bangladesh retains its position as the world's second-largest clothing exporting country after China.
- Bangladesh exported USD 45 Bn worth of clothing in 2022, accounting for a 7.9% share of the global market, as said in the report titled "World Trade Statistical Review 2023" released on 31 July. Exporters attributed this growth to the country's efforts to go for value-added products and diversification of orders from China. Exports could go up further if exporters get the required support from the government, such as the uninterrupted supply of energy and favourable tax and duties.

<https://www.tbsnews.net/economy/bangladeshs-global-market-share-clothing-exports-rises-79-675394>

Chinese FDI showing strong growth

- Bangladesh has seen rapid growth in foreign direct investment (FDI) from China ever since the country joined its Belt and Road Initiative (BRI) in 2016, according to a report by the Chinese embassy in Dhaka. Besides, Chinese investors have started coming to Bangladesh as the country has a favourable investment climate, it said.
- Bangladesh received more than USD 2.6 Bn in FDI from China over the past 10 years while the total FDI from Japan stands at just USD 380 Mn till date, according to data of Bangladesh Bank. The Chinese FDI was made in industries such as garments, telecommunications, energy, manufacturing, infrastructure, leather and leather goods, chemicals, and so on.

<https://www.thedailystar.net/business/economy/news/chinese-fdi-showing-strong-growth-3384116>

Ministries positive about joining China-led trading bloc RCEP

- An inter-ministerial meeting has in principle decided in favour of Bangladesh joining the Regional Comprehensive Economic Partnership (RCEP), the world's largest trading bloc led by China. The RCEP, a pact of 15 countries that accounts for about 30% of the world's population (2.3 Bn people) and a market of USD 26.3 Tn, was launched in January last year.
- Several officials who participated in the meeting highlighted that in the 21st century, the centre of the global economy comprises East Asian countries, including Asean, which are part of the RCEP. Therefore, it would be logical for Bangladesh to join the centre of the world economy. The officials said that although RCEP is called a China-led trading bloc, America's close allies such as Japan, South Korea and Australia are also members. Moreover, India can also join RCEP as a founding member at any time.

<https://www.tbsnews.net/economy/ministries-positive-about-joining-china-led-trading-bloc-rcep-675402>

Ctg VAT zone attains 38.71% growth, collection exceeds by BDT 11.68 Bn

- The Chattogram Customs, Excise, and VAT Commissionerate has exceeded its VAT collection target by BDT 11.68 Bn in the fiscal year 2022-23 thanks to realising unpaid VAT and instilling a positive attitude towards VAT payment among businesses. It collected BDT 151.31 Bn Value Added Tax (VAT) against the target of BDT 139.63 Bn for the fiscal year.
- Chattogram VAT zones also achieved 38.71% growth or an increase of BDT 42.22 Bn year-on-year as the VAT Commissionerate had collected BDT 109.09 Bn in the 2021-22 fiscal year. VAT Commissionerate officers said they were able to exceed the VAT collection target by increasing surveillance, collecting unpaid VAT, and instilling a positive attitude towards VAT payment among businesses.

<https://www.tbsnews.net/economy/ctg-vat-zone-attains-3871-growth-collection-exceeds-tk1168cr-675222>

Bangladesh focuses on lower duty, higher investment

- Bangladesh focused on areas of duty-reduction and increasing investment from Japan during recent discussions on the potential signing of an Economic Partnership Agreement (EPA) between the two countries, according to an official of the commerce ministry. During the discussions held at a city hotel in Dhaka last week, Japan said it would protect its domestic agriculture industry from implications of the potential EPA as the country is self-sufficient in this regard.
- This means Bangladesh may not enjoy any duty benefits on agricultural exports to Japan even if an EPA is signed between the two countries, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday. Bangladesh's main target for the EPA is to enjoy zero-duty benefit on shipments of garment items, leather and leather goods, electronics and other products, Ghosh told The Daily Star over phone. The relationship between Japan and Bangladesh had turned from a comprehensive one into a strategic partnership through a summit in April earlier this year.

<https://www.thedailystar.net/business/economy/news/bangladesh-focuses-lower-duty-higher-investment-3384146>

'Fisheries sector may get a separate economic zone'

- The government wants to set up a separate economic zone for the fisheries sector to help the sector grow further, Fisheries and Livestock Minister SM Rezaul Karim said today. The minister made the comment at a workshop when stakeholders of the fisheries industry demanded establishing a special zone for fish processing. The minister said the government would extend all kinds of support, including land acquisition support, for setting up the zone as part of the government's action plan for reducing overfishing at the sea to save rare species.

<https://www.thedailystar.net/business/news/fisheries-sector-may-get-separate-economic-zone-3383776>

Customs allows UNHCR imports after over a month

- The customs department has unlocked the business identification number of the United Nations High Commissioner for Refugees (UNHCR), after locking it more than a month ago over alleged irregularities involving vehicles imported under the duty-free facility. Md Abdul Hannan, deputy commissioner of Chattogram Customs House, told The Business Standard, that there will be no obstacles in importing any goods for the UNHCR.
- On condition of anonymity, a senior official of the National Board of Revenue told TBS that the UNHCR's business identification number has been unlocked on humanitarian grounds. The agency has to import various goods including the relief material for the Rohingya refugees, which was being hampered due to locking their business identification number. Earlier, the Chattogram Customs House issued a notice demanding BDT 760 Mn as duty-tax from UNHCR, alleging that the UN agency had handed over 46 vehicles – imported under duty-free facility – to various individuals and organisations without the National board of Revenue's permission.

<https://www.tbsnews.net/economy/customs-allows-unhcr-imports-after-over-month-675378>

Govt agencies can now buy up to BDT 14.5 Mn cars

- The Finance Division has increased the expenditure limit on vehicle purchase by various ministries, departments, directorates and inspectorates of the government. The revision will allow government bodies to buy pricier cars and increase government expenditure at the same time.
- Government agencies can now spend a maximum of BDT 4.5 Mn - including registration, VAT and taxes- to buy a car below 1600 cc, according to the Finance Division circular. Besides, BDT 14.5 Mn can be spent to buy a jeep under 2700 cc. Such cars and jeeps are bought for grade-1 and grade-2 level (senior secretary and secretary rank) officials. Until now, a maximum of BDT 3.5 Mn could be spent on cars, BDT 9.4 Mn on 2700 cc jeeps and BDT 5.7 Mn on 2000 cc jeeps.

<https://www.tbsnews.net/economy/govt-agencies-can-now-buy-pricier-cars-675294>

Banglalink to apply for digital banking licence

- Mobile network operator Banglalink has decided to apply for a digital banking licence as it looks to leverage its vast pool of customers to serve a population increasingly using technologies to make and receive payments. The decision to apply for a digital bank is based on "our global strategy of transforming ourselves" as a digital operator, Kaan Terzioğlu, group chief executive officer of Banglalink's parent company Veon, told The Daily Star on Monday.
- VEON, which operates in seven countries, is increasingly launching more digital services amid the decreasing voice revenue in the global telecom industry. In Bangladesh, Toffee was an example of how great feats could be achieved in entertainment, said Terzioğlu, adding that MyBanglalink is a super app that addresses education and healthcare. The company is planning to utilise its existing customer base as a strategic asset to enhance its position in the digital banking market and bring innovation.

<https://www.thedailystar.net/business/economy/news/banglalink-apply-digital-banking-licence-3384136>

Insurance claim settlement far below average

- Claim settlement in the insurance sector in Bangladesh stood at 67% in 2022, highlighting bad investments and non-compliance that prevented insurers from attaining a higher ratio, data from the regulator showed. Last year, 35 life insurance companies settled 66.97% of claims, meaning around 33% of claims made by the clients remained unsettled, according to the Insurance Development & Regulatory Authority (Idra).
- Though the claim settlement ratio improved in 2022 compared to 2021, it was much lower than that of 2020. The ratio plunged to 57.84% owing to the impacts of the coronavirus pandemic. It was 85.08% in 2020. The ratio averaged more than 80% in the decade to 2021. Prof Md Main Uddin, a former chairman of the Department of Banking and Insurance at the University of Dhaka, said "The main reason for the low claim settlements is bad investments and non-compliance. The Idra should take measures and legal actions against the insurers that failed to settle claims despite having sufficient funds."

<https://www.thedailystar.net/business/economy/news/insurance-claim-settlement-far-below-average-3384161>

Remittance inflow falls 5.86% in July

- Remittance inflow to Bangladesh fell 5.86% year-on-year to USD 1.97 Bn in July, central bank data showed today. It was USD 2.09 Bn in the same month last year. Funds transferred by migrant workers in the first month of the new fiscal year declined 10.27% from June's USD 2.19 Bn. Bangladesh Bank assistant spokesperson Md Sarwar Hossain described July's receipts as better.

<https://www.thedailystar.net/business/economy/news/remittance-inflow-falls-586-july-3383736>

Taka becomes weaker against dollar again

- The taka has become weaker against the dollar again as the central bank has increased the price of the greenback by BDT 0.50 to BDT 109.50 in case of selling from forex reserves. The central bank sold around USD 69 Mn dollars at the new rate today, according to sources at the Bangladesh Bank.
- This is the third time the taka was devalued in FY24. The price of a dollar was BDT 109 in July this year. Over the last one year, the country experienced a currency devaluation of BDT 15.05, equivalent to 16%, from BDT 94.45 per dollar a year ago. A senior official of the central bank told TBS that the central bank is selling dollars from reserves at the interbank rate. The interbank rate for dollars rose by BDT 0.50. The central bank has also increased the selling rate of dollars from the reserves.

<https://www.tbsnews.net/economy/taka-becomes-weaker-against-dollar-again-675390>

Current-account deficit little cured, reserves crunch not

- Bangladesh sees its current-account deficit (CAD) recoup slowly with export and remittance earnings outstripping tightfisted import spending meant to weather dollar dearth, official data showed. According to the statistics available with the country's central bank, Bangladesh spent USD 6.34 Bn for import purposes in July 2022 while the total earnings from export and remittance came to USD 6.1 Bn. The spending was USD 256.10 Mn higher than the earnings.
- But things started to make a turnaround in December 2022 and a surplus trend continued till May with USD 76.58 Mn, according to the available BB data. Despite the gradual increase in forex holding, a BB official, who preferred not to be quoted by name, smells a rat in banks' unrelenting dollar suck from the central bank's reserve and wonders as the sale of the US dollar by BB from its reserves continues soaring.

<https://thefinancialexpress.com.bd/economy/bangladesh/current-account-deficit-little-cured-reserves-crunch-not>

Slow import, manufacturing squeeze domestic revenues

- Decline in import of commodities and local manufacturing pulled Bangladesh's domestic tax-revenue growth down the average, to 10%, in the past fiscal, and such "setback" is predicted to prolong for poll unrest. According to central bank data, the opening of letter of credit for import plummeted 27% in the first ten months of the financial year 2022-23.
- The target for entire year was BDT 3.70 Tn while the NBR collected BDT 3.31 Tn in taxes last year on account of value-added tax (VAT), income tax and customs duty. However, Ministry of Finance data on NBR's revenue collection in 2021-22 show BDT 2.87 Tn as aggregate receipt. A senior official of the NBR thinks the target of revenue collection has been set in 'super-ambitious' manner, resulting in a large deficit.

<https://thefinancialexpress.com.bd/economy/bangladesh/slow-import-manufacturing-squeeze-domestic-revenues>

Health Services Division lowest ADP spender

- The Ministry of Health has once again failed to recover from its decade-long poor performance in spending development budget despite a crying need of improving health services across the country, insiders said on Monday. The Health Services Division (HSD) under the ministry has implemented only 68.2% of its total outlay.
- According to the FE analysis, the HSD, the seventh largest budget-holder, emerged as the worst performer in ADP implementation in the fiscal. It spent only BDT 66.86 Bn, or 68.20%, of its total BDT 98.04 Bn ADP. The ministry has been showing almost the same weakness in its project implementation over the years.

<https://thefinancialexpress.com.bd/economy/bangladesh/health-services-division-lowest-adp-spender>

Stocks:**DHAKABANK | Dhaka Bank's EPS jumps 31% in April-June quarter**

- The consolidated earnings per share of Dhaka Bank Ltd soared 31% year-on-year to BDT 0.71 for April-June this year due to an increase in interest income and a decrease of provision against loans. The lender's half-yearly consolidated EPS also rose more than 7% to BDT 1.31 for January-June 2023, up from BDT 1.22 (restated) for the same period as a year earlier.
- "EPS increased due to increase of interest income and decrease of provision against loans and advances as compared to the previous period," said the bank in its earnings note published on Tuesday. The bank's consolidated net asset value per share was BDT 22.05 as on June 30, 2023, and BDT 20.91 (restated) as on June 30, 2022. The bank disbursed 6% cash and 6% stock dividends for the year 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/dhaka-banks-eps-jumps-31pc-in-april-june-quarter>

GREENDELTA | Green Delta profit rebounds in April-June

- Publicly traded Green Delta Insurance, after a significant drop in profits in the first quarter this year, has turned around in the April-June quarter. The non-life insurer posted a consolidated earnings per share (EPS) of BDT 2.14 for the second quarter that ended in June, which was BDT 2.06 for the same period last year.
- The company thanks its higher underwriting profits that grew to BDT 388.3 Mn in this April-June from BDT 256.5 Mn a year ago for the EPS growth. However, the first quarter EPS that dropped to BDT 0.74 from the previous year's BDT 1.78 did not let the company post a growth in half-yearly profit.

<https://www.tbsnews.net/economy/stocks/green-delta-profit-rebounds-april-june-675370>

CITYBANK | City Bank's profit rises 9% in Q2

- City Bank's consolidated profit rose 9.07% year-on-year to BDT 2.37 Bn in the first half of 2023. The amount was BDT 2.17 Mn during the same period of last year. Consolidated earnings per share (EPS) of the bank was recorded at BDT 1.97 for the half year that ended in June, 2023 against BDT 1.81 during the same period of last year.

<https://www.thedailystar.net/business/economy/news/city-banks-profit-rises-9-q2-3384051>

PIONEERINS | Nasim Manzur becomes Pioneer Insurance chair

- Syed Nasim Manzur has been elected as the chairman of Pioneer Insurance Company Ltd at a meeting of the board of directors of the insurer in Dhaka recently. Manzur is the chairman of Landmark Footwear Ltd and managing director of Apex Footwear Ltd. He is on the board of Apex Tannery Ltd, Apex Pharma Ltd, Blue Ocean Footwear Ltd, Grey Advertising Bangladesh Ltd, Quantum Consumer Solutions Ltd, Sunbeams School Ltd, and International Publications Ltd. He is the president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh and a vice-president of the Bangladesh Association of Publicly Listed Companies.

<https://www.thedailystar.net/business/economy/news/nasim-manzur-becomes-pioneer-insurance-chair-3384016>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 82.28	USD 7.07	9.40%
Crude Oil (Brent)*	USD 85.83	USD 8.05	10.35%
Gold Spot*	USD 1,952.60	USD 178.45	10.06%
DSEX	6,338.77	131.77	2.12%
S&P 500	4,576.73	737.23	19.20%
FTSE 100	7,666.27	214.53	2.88%
BSE SENSEX	66,459.31	5,618.57	9.23%
KSE-100	48,201.25	7,780.80	19.25%
CSEALL	11,386.72	2,884.23	33.92%

Exchange Rates**1 US Dollar = 108.46 BDT****1 GBP = 138.56 BDT****1 Euro = 119.17 BDT****1 INR = 1.32 BDT**

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