

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:**ADB mobilises USD 261 Mn for expressway**

- The Asian Development Bank (ADB) has mobilised USD 261 Mn of private sector capital for a four-lane, 13.5-kilometre expressway between Dhaka and other major cities in order to ease traffic congestions and provide better connectivity. The global lender made the decision as a transaction advisor for the government's Rampura-Amulia-Demra Expressway public-private partnership (PPP) project, it said in a press release yesterday.
- The project is being funded through a USD 193 Mn senior loan from the Asian Infrastructure Investment Bank; Bank of China; DBS Bank Limited; and Infrastructure Development Company Limited, a financial institution based in Bangladesh, it said. The remaining USD 68 Mn is being provided by sponsors as equity contributions, the ADB said, adding that it assisted in project structuring, negotiation, tender execution, and provided support for commercial award and financial closure.

<https://www.thedailystar.net/business/economy/news/adb-mobilises-261m-expressway-3385971>

US apparel buyers to increase sourcing from Bangladesh: Report

- More than half of US apparel executives intend to increase sourcing from Bangladesh, surpassing China, Cambodia, Indonesia, Egypt and other competitors, according to the US Fashion Industry Association's (USFIA) 2023 Benchmarking Study. Bangladeshi apparel entrepreneurs said the potential influx of additional orders to Bangladesh would not only catalyse the growth of existing industries but also pave the way for the creation of numerous job opportunities.
- When queried about the countries or regions from which US fashion companies intend to enhance their sourcing value over the next two years, an equal proportion (52%) of executives intend to boost their sourcing from Vietnam and India alongside Bangladesh. However, 15% of US fashion executives expressed a desire to reduce their sourcing from Vietnam, while 11% aimed to do so from Cambodia and Sri Lanka. Additionally, 7% indicated a similar intention regarding India and Indonesia.

<https://www.tbsnews.net/economy/rmg/us-apparel-buyers-increase-sourcing-bangladesh-report-676582>

Bangladesh's share in global RMG trade trebles in 17 years

- Bangladesh's share in the global readymade garment trade more than tripled in the past 17 years as the country cements its position as one of the largest suppliers internationally. In 2005, the country's share was 2.5% but it rocketed to 7.9% last year, data from the World Trade Statistical Review 2023 showed. A number of factors have driven the expansion in the past two decades as the country solidified its place as the second-largest apparel supplier in the world after China and raised its market share.
- One of the strengths has been the expanding primary textile sector, which has already invested more than USD 23 Bn. As a result, the knitwear segment currently can avail more than 90% of fabrics and yarn from domestic markets, which have cut the lead time by four weeks. Similarly, woven exporters can procure more than 40% of fabrics locally. Equally, the accessories sector meets 90% of the demand.

<https://www.thedailystar.net/business/economy/news/bangladeshs-share-global-rmg-trade-trebles-17-years-3385996>

PMO for increasing leather export to USD 5 Bn within four years

- The Prime Minister's Office (PMO) on Saturday directed the authorities concerned to create an environment to increase the export of leather and leather goods to USD 5 Bn in the next 3-4 years from the existing USD 1.7 Bn. The directive came from a meeting on the upgradation of the environmental compliance of tanneries in Savar, central effluent plant (CETP) and solid waste management to the standards of Leather Working Group (LWG).
- PM's Principal Secretary M Tofazzel Hossain Miah presided over the meeting held at the PMO in the city. High government officials including the industries secretary and the chairman of Bangladesh Small Cottage and Industries (BSCIC), and representatives from tannery owners and leather goods manufacturers including President of Bangladesh Tanners' Association, the president of leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh participated in the meeting.

<https://www.tbsnews.net/bangladesh/pmo-increasing-leather-export-5-billion-within-four-years-677430>

Banks' profits hit by lower income from forex market

- The combined profits of 35 listed banks in Bangladesh dropped 9% year-on-year to BDT 41.60 Bn during the first half of 2023 as volatility in the country's foreign exchange market has curbed their commissions from forex dealings. As per their financial statements for the January-June period of the current calendar year, a majority of these lenders logged higher profits with just 13 registering reduced earnings.
- However, the profit-making banks saw comparatively slow growth, allowing the loss-making ones to outpace the combined gains of the profit makers. For example, profits of Bank Asia soared 52% to BDT 3.54 Bn during the six-month period while losses of National Bank sank further by some 262% to BDT 6.26 Bn.

<https://www.thedailystar.net/business/economy/news/banks-profits-hit-lower-income-forex-market-3387436>

Import tax exemption expands 18% despite efforts to rein in

- The revenue board's repeated talk about boosting revenue by curbing tax exemptions has had no effect in practice as the amount of tax benefits continues to rise. Tax exemptions on imports alone jumped 18% to BDT 610 Bn in the just concluded fiscal year 2022-23, according to a recent internal report of the National Board of Revenue (NBR).
- The report was presented by the customs department at a revenue meeting of NBR last Monday. Growth in import duty collection increased only 4% in the last fiscal, which is the lowest in the last two decades except for the Covid-19 year of 2021.

<https://www.tbsnews.net/nbr/import-tax-exemption-expands-18-despite-efforts-rein-677506>

Deposits grow by BDT 310 Bn in June – 2nd highest in banking history

- Deposits increased by BDT 311.81 Bn in June, marking the highest monthly growth in the last fiscal year and the second-highest in the country's banking history, according to data from the Bangladesh Bank. At the end of June, the deposits amounted to BDT 15.95 Tn, which is an increase from BDT 15.64 Tn in the previous month.
- Syed Mahbubur Rahman, managing director of Mutual Trust Bank, told The Business Standard, "The main reason behind the rise in deposits is the increased interest rate for depositors." "Besides, June witnessed the highest remittances in the outgoing fiscal year, which were also converted into taka and added to deposits," he added.

<https://www.tbsnews.net/economy/banking/deposits-grow-tk3100cr-june-2nd-highest-banking-history-676166>

Indian health-tech company Pristyn Care starts operation in Bangladesh

- Indian healthcare delivery startup Pristyn Care on Thursday (3 August) said it has commenced operations in Bangladesh. The company said it will invest INR 1 Bn over the next two years to expand operations in Bangladesh and plans to have five patient care centres in Dhaka and Chattogram by March 2024, reports the Economic Times. It also aims to hire 200 employees across various departments as part of the expansion plans.

<https://www.tbsnews.net/bangladesh/health/indian-health-tech-company-pristyn-care-starts-operation-bangladesh-676670>

Low imports, high exports ease pressure on external balance

- Bangladesh managed to cut its trade deficit in half and narrow down the current account deficit at the end of the fiscal 2022-23, largely due to a decrease in imports and increases in exports and remittance inflows. This has eased pressure on the external balance of the country. According to data obtained from the Bangladesh Bank, the country's trade deficit narrowed down to USD 17.2 Bn in FY23, an almost 48% reduction from the USD 33.25 Bn deficit recorded in the previous fiscal year.
- The positive trend is further evident in the current account deficit, which saw a remarkable reduction from USD 18.64 Bn in FY22 to USD 3.33 Bn during the July-June period of FY23. This significant improvement can be attributed to a decrease in import payments, which fell by USD 13 Bn, representing a decline of nearly 16%. A senior official of the central bank expressed optimism about the developments, stating, "We have made substantial progress in the trade balance. This achievement is primarily attributed to the increase in exports and strategic measures taken by the central bank to curtail imports."

<https://www.tbsnews.net/economy/low-imports-high-exports-ease-pressure-external-balance-676618>

Export container handling drops by 10,532 TEUs at Ctg port in July

- Container handling of both import and export goods at the Chattogram port decreased in July, compared to the corresponding month last year, due to the Russia-Ukraine warfare and dollar crisis. The port handled 59,592 twenty-foot equivalent units (TEUs) containers of export goods in July, down by 10,532 TEUs from 70,124 TEUs of export containers handled at the port's yard in the same month last year.
- In addition, 1,13,385 (TEUs) of import containers were handled at the port in July this year, down by 212 TEUs from 1,13,597 TEUs in the same month of 2022. In July this year, the amount of empty import container handling was 6,668 TEUs, and the empty export container was 59,352 TEUs.

<https://www.tbsnews.net/economy/export-container-handling-drops-10532-teus-ctg-port-july-676614>

Shrimp exports sink as western consumers tighten spending

- The demand for Bangladesh's black tiger shrimp export is fast losing ground in western markets, prompting the government to approve the commercial production of vannamei, a cheaper top-selling shrimp variety. Bangladesh's shrimp export fell by 26.27% to USD 300 Mn in FY23, according to data from the Bangladesh Export Promotion Bureau. The export was 40% lower than the target of USD 500 Mn.
- To prevent further erosion in the exports, which mostly comprise black tigers, the Department of Fisheries recently gave preliminary permission for vannamei production in the country. To quickly get commercial production up and running, fisheries company Desh Bangla has been granted permission to experimentally produce vannamei juveniles.

<https://www.tbsnews.net/economy/industry/shrimp-exports-sink-western-consumers-tighten-spending-677066>

Cenbank to cut classification time. Bankers fear rise in default loans

- As per the guidelines agreed with the International Monetary Fund to avail of its USD 4.7 Bn budget support, the central bank plans to reduce the overdue period for classifying long-term loans to three months from six months in its efforts to contain non-performing loans and address irregularities in the banking sector.
- "Another big directive is coming. All types of term loans must be classified within the next three months after becoming overdue, which is one of the conditions of the IMF," a high-ranking official of the central bank on condition of anonymity told The Business Standard.

<https://www.tbsnews.net/economy/banking/cenbank-cut-classification-time-bankers-fear-rise-default-loans-677018>

BoP deficit deteriorates 'worryingly'

- Higher external spending against lower earnings caused Bangladesh's balance-of-payments (BoP) situation to deteriorate into a large deficit worth USD 8.2 Bn in the past fiscal, thus further denting its forex reserves. Many leading economists paint such picture of the country's transactions with the rest of the globe as "worrying".
- The fiscal 2022-23 BoP woes have largely been driven by a sharp deficit in financial account and current account. Bangladesh had a financial-account surplus of more than USD 15.5 Bn in FY 2021-22. But it was in large deficit amounting to USD 2.1 Bn in FY 2023 in a reversal of the macroeconomic health.

<https://thefinancialexpress.com.bd/economy/bangladesh/bop-deficit-deteriorates-worryingly>

Labour issues to dominate BD-US TICFA talks

- Labour issues are likely to take centre stage at the upcoming Dhaka-Washington talks on matters of advancing the Trade and Investment Cooperation Forum Agreement (TICFA). The seventh edition of the council is scheduled to convene in mid-September, just a few months before the next national elections in Bangladesh.
- Over the past couple of months, the United States has been vocal about Bangladesh's democratic process, human rights and labour issues. In mid-June of this year, a delegation of US administration officials, led by Uzra Zeya, Under Secretary for Civilian Security, Democracy and Human Rights, visited Bangladesh discussing a gamut of affairs that prominently covered democracy and labour rights.

<https://thefinancialexpress.com.bd/economy/bangladesh/labour-issues-to-dominate-bd-us-ticfa-talks>

Bangladesh's export-GDP ratio lowest among LDCs

- When it comes to the percentage of goods and commercial services exports in gross domestic product (GDP), Bangladesh has had some of the lowest figures among 46 least developed countries (LDCs) over the years. It was 12.5% in 2022, a 2.3% decline over the span of 12 years, according to World Trade Statistical Review 2023.
- GDP is the monetary value of all finished goods and services made within a country during a specific period. Though the share of commercial services exports in GDP rose to 1.2% from 0.9%, the share of goods exports fell to 11.3% from 13.9%. Among the LDCs, Bangladesh ranks 30th, gaining just one step from that in 2010.

<https://www.thedailystar.net/business/economy/news/bangladeshs-export-gdp-ratio-lowest-among-ldcs-3385981>

Companies at sea with oceangoing ships

- The shipping lines, which invested heavily in the fleet of ocean-going vessels to profit from skyrocketing shipping costs during the pandemic years, are now feeling nervous as both freight charges and imports have declined sharply in the recovery period.
- Officials of several ship-owning companies such as KSRM Group, Meghna Group and Karnaphuli Group said freight charges on both bulk carriers and container ships dropped globally by about 50% over the course of a year as an aftermath of the Russia-Ukraine war.

<https://www.tbsnews.net/economy/companies-sea-oceangoing-ships-677502>

Stocks:**BRACBANK, CITYBANK, IDLC | Brac, City Bank, IDLC Finance retain top spots**

- Brac Bank, The City Bank and IDLC Finance Ltd were named as the top banks and non-banks for the third consecutive year in the central bank's Sustainability Rating for 2022. Other banks included in the list are Jamuna Bank, Prime Bank, Shahjalal Islami Bank Limited, Trust Bank, and United Commercial Bank. Agrani SME Financing Company and Bangladesh Finance were included in the list under the non-bank financial institution category for two consecutive years.
- Sustainable finance indicators include banks and financial institutions' sustainable finance performance, including green finance, priority sustainable agriculture and cottage, micro, small and medium enterprise finance, access to sustainable finance for women, in-house green banking performances, environment and social risk management compliance, and participation in green investment.

<https://www.thedailystar.net/business/economy/banks/news/brac-city-bank-idlc-finance-retain-top-spots-3385991>

RECKITT BEN | Reckitt Benckiser's profit 25% higher this Jan-Jun

- The UK-based multinational Reckitt Benckiser (Bangladesh) PLC has posted a 25% year-on-year profit growth in the first half of 2023, thanks to a significant decrease in the company's operating expenses. At the end of this June, its net profit stood at BDT 299 Mn. Also, the company's revenue grew 6.63% to BDT 2.68 Bn in the January to June period this year, compared to the same period last year. The company's half-yearly earnings per share (EPS) stood at BDT 63.29 in 2023, which was BDT 50.68 last year.

<https://www.tbsnews.net/economy/stocks/reckitt-benckisers-profit-25-higher-jan-jun-677486>

SONALILIFE | Sonali Life's net premium income grows 48% in H1 2023

- The net premium income of Sonali Life Insurance Company increased by 47.54% in the first half of 2023, compared to the same period last year. In this January-June period, the life insurer's net premium income stood at BDT 3.46 Bn, which was BDT 2.35 Bn in the same period of 2022. Net premium income is the gross amount of revenue derived from premiums minus any returned premium. In this year's first half, the company's life fund balance increased by 89.83% year-on-year to BDT 7.593 Bn.

<https://www.tbsnews.net/economy/stocks/sonali-lifes-net-premium-income-grows-48-h1-2023-677498>

SQURPHARMA | Aristopharma to make medicines for Square

- Leading local drugmaker Aristopharma has signed a contract manufacturing deal with market leader Square Pharmaceuticals PLC to produce some products for the latter. Aristopharma will manufacture some injectable items, tablets and dry syrups for the listed pharmaceuticals company, officials of the two firms told The Daily Star.
- The board of directors of Square Pharmaceuticals gave go-ahead to the contract manufacturing agreement on July 12 this year to meet increased demand of its existing products and to introduce new products. Square Pharmaceuticals shared the information through a posting on the website of the Dhaka Stock Exchange (DSE) yesterday.

<https://www.thedailystar.net/business/economy/news/aristopharma-make-medicines-square-3385926>

GENEXIL | We'll install 600,00 electronic fiscal devices by this FY: Genex Infosys executive director

- The National Board of Revenue signed an agreement with Genex Infosys Limited in November 2022 to enhance the efficiency of value-added tax (VAT) collection and ensure compliance. Genex Infosys will be responsible for installing Electronic Fiscal Devices (EFDs) to monitor and facilitate VAT collection.
- In exchange, it will receive a commission from each transaction. The programme is currently in a trial phase and is expected to be fully launched soon. In a recent interview with The Business Standard's Senior Correspondent Reyad Hossain, Genex Infosys Executive Director Md Enayetul Islam provided insights into the system's preparation.

<https://www.tbsnews.net/interviews/well-install-60000-electronic-fiscal-devices-fy-genex-infosys-executive-director-677062>

IPDC | IPDC EZ: 'Buy Now, Pay Later' app changes the way you shop

- IPDC has introduced a new app called "IPDC EZ," which enables shoppers to make delayed payments. The full press release is provided below - With Bangladesh progressing towards becoming a developed nation, there is a clear aspiration among its citizens for an improved standard of living. The country's robust GDP growth rate and high ranking on the Inclusive Development Index create an ideal environment for enhancing the quality of life.
- To address this demand, IPDC introduces the innovative IPDC EZ app, revolutionizing the way customers purchase electronic products, home appliances, furniture, training and health packages, IPS, and even travel packages. With a comprehensive approach to elevating lifestyles, IPDC EZ caters to almost every aspect of consumer needs and desires. What sets this app apart is its unique feature of offering zero-interest EMI without requiring a credit card.

<https://www.tbsnews.net/economy/ipdc-ez-buy-now-pay-later-app-changes-way-you-shop-676874>

NRBCBANK | NRB Bank plans to introduce neo-banking services

- NRB Bank is planning and working to onboard digital banking facilities as well as introduce neo-banking services for its customers, according to the top official of the private bank. The new digital banking platform will be introduced in conjunction with telecom operators and mobile financial services, and this will make it simpler for clients to do banking online and on mobile devices, said NRB Bank Managing Director and CEO Mamoon Mahmood Shah.

<https://www.thedailystar.net/business/economy/news/nrb-bank-plans-introduce-neo-banking-services-3387401>

NORTHRNINS | Mortuza elected chairman of Northern Islami Insurance

- Mortuza Siddique Chowdhury, a well-known businessperson, has been elected chairman of Northern Islami Insurance Ltd. while Mostafizur Rahman, a versatile business personality, re-elected vice chairman of the company, says a statement. Presently, Mr Chowdhury, who hails from Chattogram, is serving as Managing Director of Mortuza Assets Ltd., Marsha Transport Ltd. and Marsha Trading, as chairman of Marsha Holding and Marsha Fishing and as vice chairman of Park View Hospital.
- He is a sponsor-shareholder of First Security Islami Bank Ltd. He is also associated with many schools, colleges, social and charitable organisations. Mostafizur Rahman, the re-elected vice chairman, has long business experience in various fields like textile and garments, securities, agro industry, media and communications sector.

<https://thefinancialexpress.com.bd/stock/bangladesh/mortuza-elected-chairman-of-northern-islami-insurance>

RUNNERAUTO | MetLife buys more than 96% of Runner's sustainability bonds

- MetLife Bangladesh has invested more than BDT 2.57 Bn in the country's first-ever internationally certified sustainability bonds issued by Runner Automobiles. The investment is equivalent to more than 96% of the total size of the bonds.
- Publicly traded Runner Automobiles in June this year received regulatory approval to raise BDT 2.65 Bn through the sustainability bonds to expand its customer base and build a rooftop solar plant for its three-wheeler manufacturing plant. The yield rate ranges from 8.5% to 9% per annum with a seven-year maturity period.

<https://thefinancialexpress.com.bd/stock/bangladesh/metlife-buys-more-than-96pc-of-runners-sustainability-bonds>

DELTALIFE | Why Delta Life again halted board meeting

- Delta Life Insurance, on Thursday, again halted its board meeting scheduled for the same day and the postponement of the much awaited meeting to review three years' annual reports and dividends hurt investor sentiment. A sharp selloff made Delta Life the top losing stock on the Dhaka Stock Exchange on Thursday as it closed 6.4% lower at BDT 144.3.
- "Unfortunately, our audit committee chairman fell sick. Without him, the accounts cannot be placed at the board meeting," said Uttam Kumar Sadhu, company secretary of Delta Life. "Hope we can fix the next date for the board meeting by the middle of the month and accomplish the annual general meetings (AGMs) within the stipulated date of 4 October," he added.

<https://www.tbsnews.net/economy/stocks/why-delta-life-again-halted-board-meeting-676566>

EXCHANGE | DSE to visit 42 cos to expose their true worth to investors

- The Dhaka Stock Exchange (DSE) has separated out 42 companies for inspection of physical entities for their failure to meet one or more obligations - holding annual general meetings, giving out dividends as declared, or paying listing fees. Inspections will be carried out in phases. In the first phase, 14 companies will be paid visit to by the DSE. The bourse has already received an approval from the Bangladesh Securities and Exchange Commission (BSEC) in this regard.
- "The aim is to expose real scenario of the companies to investors," said Mohammad Rezaul Karim, spokesperson of the BSEC. Some companies have not been in operation but they refrained from making any disclosure to inform their shareholders, he said. Mr Karim also revealed that the DSE had decided to carry out inspections in phases due to a shortage of skilled manpower.

<https://thefinancialexpress.com.bd/stock/bangladesh/dse-to-visit-42-cos-to-expose-their-true-worth-to-investors>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 82.82	USD 7.61	10.12%
Crude Oil (Brent)*	USD 86.24	USD 8.46	10.88%
Gold Spot*	USD 1,942.91	USD 168.76	9.51%
DSEX	6,329.86	122.86	1.98%
S&P 500	4,478.03	638.53	16.63%
FTSE 100	7,564.37	112.63	1.51%
BSE SENSEX	65,721.25	4,880.51	8.02%
KSE-100	48,588.99	8,168.54	20.21%
CSEALL	11,615.56	3,113.07	36.61%

Exchange Rates**1 US Dollar = 108.60 BDT****1 GBP = 138.45 BDT****1 Euro = 119.64 BDT****1 INR = 1.31 BDT**

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