

*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:****Japan initiates economic roadmap for Bangladesh's coast to counter Chinese plans**

- Japan is assisting Bangladesh turn its coast into an economic hub countering China's endeavour to increase its presence in the Bay of Bengal region. The move could also transform the economy of the region and benefit India's landlocked north-eastern region, reports The Economic Times.
- Experts familiar with the matter said work in Japan-led development of a coastal economic corridor in Bangladesh is in full swing, which consists of a power plant, port and corporate parks. This is being seen as a Japanese effort to balance China's influence in the region. Under the Bay of Bengal Industrial Growth Belt (BIG-B) initiative, Japan has been implementing projects for improving connectivity, developing infrastructure and accelerating industrial growth along the Dhaka-Chittagong-Cox's Bazar belt area.

<https://www.tbsnews.net/economy/japan-initiates-economic-roadmap-bangladeshs-coast-counter-chinese-plans-660682>

**Bangladesh-UK trade dialogues to take place soon**

- The first and second Bangladesh-United Kingdom (UK) trade and investment dialogue will soon take place in Dhaka to discuss bilateral and investment issues between the two countries, Commerce Minister Tipu Munshi said today. The minister also said the third meeting of a joint working group of both countries would take place shortly as they have already held the first two, according to a statement from the commerce ministry.

<https://www.thedailystar.net/business/news/bangladesh-uk-trade-dialogues-take-place-soon-3361856>

**Bangladesh's merchandise export to UK hits USD 5 Bn milestone**

- Bangladesh has achieved a significant milestone by surpassing the USD 5 Bn-mark in exports to the United Kingdom, according to commerce ministry data. In the just concluded fiscal 2022-23, Bangladesh's merchandise exports to the European country peaked at USD 5.3 Bn, demonstrating substantial growth from USD 4.8 Bn in the previous year and doubling the figures from a decade ago when it stood at USD 2.7 Bn.
- Key export items contributing to this achievement include ready-made garments (RMG), frozen food, IT engineering, leather and jute goods, as well as bicycles. Approximately 80% of the exports comprise knitwear and woven garments. In terms of imports, Bangladesh's trade with the UK amounted to USD 380 Mn during the first 11 months of FY23 till May. It was projected to reach around USD 450 Mn by the end of the fiscal year on 30 June, as stated by a senior official from the commerce ministry.

<https://www.tbsnews.net/economy/bangladeshs-merchandise-export-uk-hits-5bn-milestone-660646>

**Bida, Enterprise Singapore Group partner to expand trade, investment in Bangladesh**

- The Bangladesh Investment Development Authority (Bida) and the Enterprise Singapore Group will jointly work to expand trade and investment in Bangladesh. A memorandum of understanding (MoU) was signed between Bida and Enterprise Singapore Group on Wednesday, reads a press release. Mohsina Yasmin, executive member of Bida, and Audrey Tan, director (South Asia) of Enterprise Singapore Group, signed the MoU on behalf of their respective organisations.

<https://www.tbsnews.net/economy/bida-enterprise-singapore-group-partner-expand-trade-investment-bangladesh-660566>

**Wristwatch market seeing steady uptick**

- Wristwatches have long been considered as a status symbol for being a stylish tool that has practical uses while also being a clear indicator of the wearer's social standing. This is because ever since portable timekeepers were invented in the 16th century, they were only accessible by affluent people and so, their association with luxury persists to this day.
- This is true even in least developed countries like Bangladesh, where the growing purchasing power of the country's middle class has propelled the demand for wristwatches over the past decade. And although there is no reliable data, market insiders believe the demand for regular and premium wristwatches is currently worth around BDT 2 Bn with annual growth of about 8 to 10%.

<https://www.thedailystar.net/business/news/wristwatch-market-seeing-steady-uptick-3361826>

**Dhaka, Delhi set to launch trading in rupee on 11 July**

- Bangladesh and India are all set to start trading in rupee as the central banks of the two neighbours have made all the necessary arrangements to make this happen. According to the agreed trading mechanism, Bangladeshi exporters will now be able to get export proceeds in rupee from 11 July, and the equivalent amount will be used for import bill settlement, sources at the Bangladesh Bank said. Bangladesh Bank Governor Abdur Rouf Talukder is expected to attend the launching event to be organised by the High Commission of India in Dhaka on 11 July.

<https://www.tbsnews.net/economy/dhaka-delhi-set-launch-trading-rupee-11-july-660354>

**Saudi firm to operate Patenga container terminal for 22 years**

- The Red Sea Gateway Terminal (RSGT), a Saudi company, has been confirmed as the operator of Patenga container terminal for 22 years, according to officials involved in the matter. This development marks a milestone for Bangladesh, as it is the first time in the country's history that a foreign company will be engaged to operate a port, which reflects the growing confidence of foreign firms in the country's future growth prospects.
- The Chattogram Port Authority (CPA) and Red Sea Gateway which currently operates in the King Abdulaziz Port in Jeddah are expected to sign a deal in either August or September this year, officials said. According to the Public Private Partnership Authority (PPP Authority), procurement of equipment and additions to the terminal will be undertaken within two years of the 22-year contract. Red Sea Gateway is known for its use of the latest machinery and technology in port management.

<https://www.tbsnews.net/bangladesh/infrastructure/saudi-firm-operate-patenga-container-terminal-22-years-660302>

**Regulator asks Banglalink to clear BDT 8.23 Bn dues**

- The telecom regulator has instructed Banglalink to clear dues worth around BDT 8.23 Bn after carrying out an audit into the mobile phone operator for the period from 1996 to 2019. Of the amount, BDT 3.93 Bn has been sought as VAT, tax and fees, outstanding dues related to revenue-sharing, handset royalty, access frequency and microwave frequency payments, and licence fees, according to a letter from the Bangladesh Telecommunication Regulatory Commission (BTRC). The rest, or BDT 4.30 Bn, was claimed as late fees.

<https://www.thedailystar.net/business/economy/news/regulator-asks-banglalink-clear-tk-823cr-dues-3362116>

**Rules on 'tax deducted at source' framed as per new tax law**

- The National Board of Revenue (NBR) has framed rules regarding tax deducted at source (TDS) in line with the new income tax law that came into effect last month. "The rules will help the withholding tax deducting authorities, including companies, to cut and deposit the tax to the state coffer without ambiguity," said a senior official of the NBR.
- The new rule on TDS became effective on July 1. As per the new rules, taxpayers will be able to know the withholding tax rates against various sources of their incomes separately. From the rule, importers will also be able to know advance income tax rate against imports of various products, said the official.

<https://www.thedailystar.net/business/economy/news/rules-tax-deducted-source-framed-new-tax-law-3362096>

**How currency devaluation costs govt dearly**

- The growth of Bangladesh's external debt in taka terms was much higher compared to its growth in dollar terms last year, as the high depreciation of the local currency increased the country's debt servicing costs. This has led to a liquidity crisis in both foreign exchange and local markets.
- According to data from the Bangladesh Bank, the total foreign debt of Bangladesh in terms of US dollars grew by 6% year-on-year to USD 96.25 Bn at the end of December 2022, compared to a growth rate of 24.5% in the previous year. In contrast, the total external debt in terms of taka grew by 22.3% to BDT 9.53 Tn last year, compared to a growth rate of 25.9% in the previous year.

<https://www.tbsnews.net/economy/how-currency-devaluation-costs-govt-dearly-660286>

**BEZA unable to repay govt debt now, seeks five years time**

- The Bangladesh Economic Zones Authority (BEZA) has said it is unable to repay government debt with interest and has instead requested an additional five years to do so, according to officials. According to sources, BEZA currently owes BDT 1.31 Bn to the government, and in January of this year, the Ministry of Finance requested that the authority return the money.
- In May, the Treasury and Debt Management Wing of the finance ministry once again reminded BEZA of its repayment obligation. Now, BEZA says it needs five years for the payback. In a recent letter to the Prime Minister's Office (PMO), BEZA Executive Chairman Shaikh Yusuf Harun wrote that the authority had borrowed funds from the government for the development of various economic zones. He said the Finance Division approved a BDT 10.59 Bn annual budget for BEZA to spend in the current fiscal year. However, BEZA's sources of earnings are significantly limited, totalling only BDT 3.27 Bn, in comparison to the substantial sum earmarked for spending.

<https://thefinancialexpress.com.bd/economy/bangladesh/beza-unable-to-repay-govt-debt-now-seeks-five-years-time>

**Wheat import falls for third year straight**

- Bangladesh's wheat imports fell for the third consecutive year, suffered by falling consumption for high prices and banks' sluggishness in opening letters of credit (LCs) amid the US dollar crisis, importers said yesterday. Wheat arrival declined 3.4% year-on-year to 3.875 Mn tonnes in fiscal year (FY) 2022-23 from 4.012 Mn tonnes the previous year, according to data of the food ministry.
- The FY23 import of the grain, for which Bangladesh is highly dependent on the international market, was the lowest in eight years. With the drop in wheat imports, overall imports of food grains by Bangladesh's public and private sectors declined to 4.930 Mn tonnes, down 1.38% from the previous year.

<https://www.thedailystar.net/business/economy/news/wheat-import-falls-third-year-straight-3362126>

**Workers' woes won't end as inflation outpaces wage growth**

- The cost-of-living crisis seems to have brought more woes for daily workers in Bangladesh than other groups of labourers as their average wage growth has been below the inflation rate for the past two fiscal years. This means daily workers did not receive any relief from the 12-year high average inflation in the just-concluded fiscal year although the wage has been ticking up for the past 17 months.
- Data released by the Bangladesh Bureau of Statistics (BBS) showed that the average wage of low and unskilled workers was 7.04% in 2022-23 while the Average Consumer Price rose 9.02%. This results in a 1.98% gap between average inflation and wage growth in FY23 against 0.09% seen a year earlier.

<https://www.thedailystar.net/business/economy/news/workers-woes-wont-end-inflation-outpaces-wage-growth-3362136>

**Pharmaceutical exports shrank 7% in FY23**

- Pharmaceutical exports from Bangladesh shrank 7% year-on-year in fiscal 2022-23 due to the impacts of global economic crises and subsequent US dollar shortage in most underdeveloped countries. Data of the Export Promotion Bureau (EPB) shows that pharmaceutical exports fetched USD175.42 Mn in the preceding fiscal year (FY), down from USD188.78 Mn in FY2021-22.

<https://www.thedailystar.net/business/economy/news/pharmaceutical-exports-shrank-7pc-fy23-3362106>

**Stocks:****ISLAMIBANK | Hamzah elected Islami Bank's shariah panel chairman**

- Obaid Ullah Hamzah, director general of Al-Jamia Al-Islamia Patiya Madrasa, has been elected as the chairman of the Shari'ah Supervisory Committee of Islami Bank Bangladesh. Hamzah is the chairman of the Shari'ah Supervisory Committee of Social Islami Bank and a member of the Shari'ah Supervisory Committee of First Security Islami Bank and NRBC Islami Bank.
- He is a member of the Centre for Zakat Management, and Al Haitul Ulya Lil Jamiatil Qawmia, a government-approved Supreme Council for Qawmi Madrasah, said a press release. He served as a teacher and interpreter under the ministry of defense and aviation of Saudi Arabia. He is the chief editor of the Balagh Ash-Sharq, an Arabic and English magazine published by Al-Jamia Al-Islamia Patiya, and At-Tawhid, a monthly magazine

<https://www.thedailystar.net/business/economy/banks/news/hamzah-elected-islami-banks-shariah-panel-chairman-3361891>

**SOUTHEASTB | Southeast Bank announces 10% dividends**

- Southeast Bank Ltd announced 10% dividends, including 6% cash dividend, for the year that ended on December 31, 2022. The dividends were approved by the shareholders at the bank's 28th annual general meeting held virtually yesterday, said a press release. The bank raked in an operating profit of BDT 10.43 Bn in 2022.
- The lender's total deposits amounted to BDT 371.14 Bn and its total assets reached BDT 493.09 Bn as on December 31, 2022. The earnings per share was BDT 1.42, and net asset value per share was BDT 24.87, while the price earnings ratio of the bank was 9.02 times in 2022.

<https://www.thedailystar.net/business/economy/banks/news/southeast-bank-announces-10-dividends-3361886>

**LHBL | Holcim Group CFO joins LafargeHolcim Bangladesh as director**

- Claudia Iris Albertini, Holcim Group's chief financial officer (CFO) for Asia, Middle East and Africa, has joined LafargeHolcim Bangladesh Limited as a director. She is also a member of the audit committee of the company, according to the company's Dhaka Stock Exchange (DSE) filing. LafargeHolcim Bangladesh has made a strong start to the year 2023, posting a net profit of BDT 1.90 Bn in the first three months – the highest in a particular quarter for the company.

<https://www.tbsnews.net/economy/stocks/holcim-group-cfo-joins-lafargeholcim-bangladesh-director-660738>

**EXCHANGE | Clients of 15 brokers suffer as BSEC searches for remedy after DP licence suspension**

- Latif Securities and its clients have been unable to make any share transactions since May 25 as the securities regulator suspended the broker's DP (depository participant) licence for fund shortage in its consolidated customer account (CCA). Without a DP licence, a brokerage firm cannot run its regular trading operation.
- Latif Securities is not alone in this. There are 14 other stock brokers whose clients have long been suffering for the suspension of DP licences of the brokers over various issues of non-compliance, including mismanagement and embezzlement of clients' money, according to the Central Depository Bangladesh Ltd. (CDBL). Of 15 stock brokers whose DP licenses remain suspended, 10 are the TREC (Trading Right Entitlement Certificate) holders of the Dhaka Stock Exchange (DSE) and the remaining five are the TREC holders of the Chittagong Stock Exchange (CSE).

<https://thefinancialexpress.com.bd/stock/bangladesh/clients-of-15-brokers-suffer-as-dse-searches-for-remedy-after-dp-licence-suspension>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.90	(USD 3.31)	-4.40%
Crude Oil (Brent)*	USD 76.63	(USD 1.15)	-1.48%
Gold Spot*	USD 1,918.95	USD 144.80	8.16%
DSEX	6,336.15	129.15	2.08%
S&P 500	4,446.82	607.32	15.82%
FTSE 100	7,442.10	-9.64	-0.13%
BSE SENSEX	65,446.04	4,605.30	7.57%
KSE-100	43,553.81	3,133.36	7.75%
CSEALL	10,120.26	1,617.77	19.03%

**Exchange Rates****1 US Dollar = 108.59 BDT****1 GBP = 137.93 BDT****1 Euro = 117.80 BDT****1 INR = 1.32 BDT**

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