

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:**China's CRBC to develop Chinese economic zone in Anwara**

- China Road and Bridge Corporation (CRBC) has won the contract to set up the 'Chinese Economic and Industrial Zone (CEIZ)' in Chattogram as the Chinese government's nominated developer. The Committee on Economic Affairs in a meeting gave in-principle approval to a proposal of BEZA to award the contract to the CRBC through the direct procurement method (DPM).
- The Chinese firm will establish the economic zone on a G2G basis on 784 acres of land in Anwara upazila of Chattogram district, reports UNB. The CRBC will also provide the necessary utility services along with the development of the economic zone. Earlier in June 2014, Prime Minister Sheikh Hasina during her visit to China had offered the Chinese investors to set up an exclusive economic zone in Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/chinas-crbc-to-develop-chinese-economic-zone-in-anwara>

HSBC says Bangladesh stocks have potential like India, Vietnam

- Bangladesh's equity market deserves more attention from global investors as rising consumption and foreign investments boost the outlook for corporate earnings, according to HSBC Holdings Plc. "Like India two decades ago or Vietnam a decade ago, it offers prospects for significant long-term capital appreciation driven by earnings growth," strategists Herald van der Linde and Perna Garg wrote in a note dated Aug 16.
- The rare bullish view on the South Asian nation from a foreign broker signals a potential change in fortunes for the frontier market. Bangladesh is also on track to become a major consumer market by 2030. Bangladesh recently allowed its currency to trade freely and adopted a unified exchange-rate regime, which allows for transparency and efficiency in foreign exchange transactions.

<https://www.tbsnews.net/economy/stocks/hsbc-says-bangladesh-stocks-have-potential-india-vietnam-683490>

China interested in setting up electric vehicle factory in Bangladesh: Envoy

- China is interested in setting up an electric vehicle manufacturing factory in Bangladesh, Chinese Ambassador to Bangladesh Yao Wen said today. Ambassador Yao Wen said China would like to invest more in projects in the southern regions of the country now that connectivity has improved because of the Padma Bridge.
- "Our corporation, the long-term cooperation, is for the benefit of the people of Bangladesh. After the Padma Bridge, China wants to invest in infrastructure development in the western region. At the same time, investors are interested in working together with Bangladesh in the production of electric vehicles," he said on Wednesday (16 August). He also said China will allow Bangladesh tax benefits in the Chinese market following the LDC graduation in 2026.

<https://www.tbsnews.net/economy/china-interested-setting-electric-vehicle-factory-bangladesh-envoy-683186>

Saudi Arabia's Ma'aden to supply 600,000 tonnes of fertilisers to Bangladesh

- Saudi Arabian Mining Company Ma'aden has renewed its agreement with the Bangladesh Agricultural Development Corporation (BADC), to supply 600,000 tonnes of fertilisers. The agreement was signed on the sidelines of a BADC delegation visit to Ma'aden's headquarters, reports the Arab News. Ma'aden, which is the largest multi-commodity mining and metals company in the Middle East, supplies approximately 42% of Bangladesh's estimated requirement of di-ammonium phosphate.

<https://www.tbsnews.net/bangladesh/saudi-arabias-maaden-supply-600000-tonnes-fertilisers-bangladesh-683034>

Four state-owned banks, Daraz want to set up digital banks

- Four state-owned banks – Sonali, Agrani, Janata, and Rupali – as well as Daraz Bangladesh, in collaboration with local firms, are planning to set up digital banks. The respective bank boards have already approved this initiative, and the application will be submitted through the Bangladesh Bank's web portal, he added.

<https://www.tbsnews.net/economy/banking/four-state-owned-banks-daraz-want-set-digital-banks-683622>

Bangladesh seeks more FDI from Singapore

- Terming Singapore as an important investor country in Bangladesh, Foreign Secretary Masud Bin Momen has encouraged for a greater flow of FDI from Singapore, particularly in the Economic Zones of Bangladesh, for mutual benefit. Bangladesh also expressed its interest in greater cooperation with Singapore in the arena of human resource development through training and knowledge-sharing.
- Given the existing bilateral trade, he urged the Singaporean side to seriously consider Bangladesh as a source country for their imports of quality items at very competitive prices including RMG, pharmaceuticals, leather & jute products, ceramics, plastic, bicycles etc. in order to make it more balanced. The two sides took stock of the progress made vis-à-vis the proposed bilateral FTA and expressed determination for its conclusion at the earliest possible time in order to raise the bilateral trade and economic cooperation to its desired level.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-seeks-more-fdi-from-singapore>

Sonali Bank freezes accounts of 2 Myanmar banks

- Sonali Bank has frozen accounts of two banks of Myanmar following sanctions imposed by the US, and further steps will be taken based on Bangladesh Bank's opinions. The US embassy in Dhaka recently gave reminder to Bangladesh that Myanmar Foreign Trade Bank and the Myanmar Investment and Commercial Bank were under US sanctions.
- The US embassy also reminded that those banks have accounts with state-run Sonali Bank. However, a senior official of the state-run bank, seeking anonymity, said the bank already sought opinion from the central bank about the accounts of the two banks of Myanmar. Sonali Bank has USD 200,000 deposited with the two banks of Myanmar, as per the official of the bank. He said further steps would be taken once the central bank's opinion was available.

<https://www.thedailystar.net/business/economy/banks/news/sonali-bank-freezes-accounts-2-myanmar-banks-3396111>

Dhaka urges Delhi for essential food import quotas

- Bangladesh has formally requested an annual import quota for 1.5 Mn tonnes of rice and 2.5 Mn tonnes of wheat from India in order to protect its food security and stabilise prices amid concerns about potential supply disruptions caused by natural disasters and global crises. The commerce ministry recently submitted a report through the foreign ministry to the Indian authorities, outlining the request. The discussion on the import quota is a result of a joint declaration by the prime ministers of both countries and a series of meetings between commerce ministers.

<https://www.tbsnews.net/economy/dhaka-urges-delhi-essential-food-import-quotas-683626>

Idra issues guidelines for insurtech

- The insurance regulator of Bangladesh has finalised a framework enabling tech startups to innovate insurance policies, their distribution and other related tasks. The move comes in a bid to enhance customer experience through digital platforms, streamlined claim management, and personalised policies.
- Idra is set to issue the Insurance Development and Regulatory sandbox guidelines-2023. Under the sandbox, tech startups will be able to apply for developing insurance products, marketing the policy, providing settlement services, underwriting and other insurance facilities. Bangladesh's insurance market is very underdeveloped as less than 3% of the country's population and local businesses are covered by any type of insurance.

<https://www.thedailystar.net/business/economy/news/idra-issues-guidelines-insurtech-3396061>

Governor strictly asks top bankers to prevent under-invoicing

- Bangladesh Bank Governor Abdur Rouf Talukder has issued strict instructions to top bankers to prevent under-invoicing as part of an effort to boost import duty collection and curb hundi transactions amid a dollar crisis. The governor conveyed these instructions during a meeting with the managing directors of all banks operating in the country on Wednesday.
- A central bank official present at the meeting told TBS that over-invoicing has come under control by about 80%. But importers are turning to under-invoicing as one of their tax evasion tools. According to data from the central bank, there are 214,282 cases pending in the money loan court. Out of this, the amount of outstanding loans is BDT 2.07 Tn. The governor has ordered the banks to pay more attention to the recovery of these loans.

<https://www.tbsnews.net/economy/banking/governor-strictly-asks-top-bankers-prevent-under-invoicing-683598>

Budget Deficit Financing: Govt cuts BB borrowing to tame inflation

- The government has started the fiscal year with the resolve to borrow less from the central bank to fund its budget deficit as it looks to rein in the runaway inflation to a tolerable level ahead of the polls. In July, the government did not borrow from the central bank; rather, it returned BDT 93.54 Bn, according to data from the Bangladesh Bank.
- "Borrowing from the central bank fuels inflation, so we plan to do less of that this year," said a finance ministry official involved with the proceedings. In July, inflation stood at 9.69%, down 10 basis points from the previous month on the back of a drop in non-food inflation, which is mostly fanned by new money entering the economy. The government would instead be training its focus on borrowing for commercial banks to make up its deficit financing of BDT 2.62 Tn this fiscal year. Of the sum, BDT 1.32 Tn would be coming from the banking system, as per the finance division's projections.

<https://www.thedailystar.net/news/bangladesh/news/budget-deficit-financing-govt-cuts-bb-borrowing-tame-inflation-3395856>

Economic headwinds stall investment plans for many

- Even during the pandemic years, when most of the global economies had nosedived amid lockdowns, a number of leading Bangladeshi companies were looking forward and took up expansion plans. But now, most of them find that business prospects are not on solid grounds. The trouble surfaced soon after the Russia-Ukraine war broke out in February last year, sending commodity prices sky high, inflating import and subsidy bills, and depleting the foreign exchange reserves amid a fast erosion of the value of taka. Then banks started delaying the opening of import LCs for want of dollars, which cost many businesses dearly.

<https://www.tbsnews.net/economy/economic-headwinds-stall-investment-plans-many-683634>

Restive forex exchange rates embroil banks

- Volatility on the foreign-exchange market is pushing Bangladesh's banking sector into jitters for exchange-rate risks, and the fears prolong for majority of the scheduled banks. Some 33 out of 61 scheduled banks are possessed with three-fourths of the industry's total foreign-exchange-rate risks, according to the latest financial stability report released by the central bank.
- Spokesperson for the Bangladesh Bank Md Mezbaul Haque says banks which have higher foreign-currency-payment obligations than the forex earnings are in the category of short positioning. "There is risk for banks in long positioning as well. If the exchange rate against local currency depreciates, they will have to face the music. Normally, top banks having more concentration on imports are in short positioning," the central banker says.

<https://thefinancialexpress.com.bd/economy/bangladesh/restive-forex-exchange-rates-embroil-banks>

Bangladeshis spend more abroad than foreigners do here

- Bangladeshis spend higher amount of money abroad through credit cards compared to the foreign nationals roaming inside Bangladesh, according to a central bank report released yesterday. Through credit cards, Bangladeshi nationals bought BDT 3.88 Bn of products and services abroad in June when foreigners spent BDT 1.95 Bn in Bangladesh.
- The Bangladesh Bank (BB) shared the information in its June issue on the overview of credit card users' spending pattern within and outside the country. The usage of credit card by Bangladeshi nationals outside the country and foreign nationals within Bangladesh both decreased in June 2023 compared to the previous month, said the BB report. Yet, overall transaction by Bangladeshi credit cardholders outside the country was almost two times higher than that of the foreigners spending in Bangladesh in June.

<https://www.thedailystar.net/business/economy/banks/news/bangladeshis-spend-more-abroad-foreigners-do-here-3396056>

Apartment sales down 17% in FY23

- Overall sales of flats declined nearly 17% in the last fiscal year of 2022-23 owing to economic uncertainties and a rise in prices of raw materials, according to realtors. Nearly 10,000 units were sold in the fiscal year whereas around 12,000 in the preceding year, according to the Real Estate and Housing Association of Bangladesh (REHAB).
- According to the realtors, the prices of raw materials increased abnormally last fiscal year due to a depreciation in the value of the taka, the local currency, against the US dollar. Besides, people have tightened their belts to be ready for economic setbacks induced by any political instability centring the national elections which were due to be held at the end of this year, he said.

<https://www.thedailystar.net/business/economy/news/apartment-sales-down-17pc-fy23-3395231>

Stocks:**ALARABANK | AIBL approves 15% dividends**

- Al-Arafah Islami Bank Ltd (AIBL) has approved 15% dividends, including 12% cash dividend, for the year that ended on December 31, 2022. The approval was given at the bank's 28th annual general meeting (AGM) held virtually yesterday, said a press release. The bank achieved growth of 16.40% in deposit and 20.51% in investment during the year 2022 compared to 2021.

<https://www.thedailystar.net/business/economy/banks/news/aibl-approves-15-dividends-3396011>

DUTCHBANGL | DBBL to open merchant bank, invest in digital bank

- Dutch-Bangla Bank Ltd (DBBL) is going to invest in a digital bank and form two subsidiaries in order to expand business in capital market, the bank said yesterday. The DBBL said its board of directors has given the go-ahead to the plan to invest BDT 125 Mn in the proposed Digi10 Bank PLC by joining a consortium of 10 banks. The bank will have 10% share in the proposed virtual bank.
- The private bank also said its board decided to form a full-fledged merchant bank -- Dutch-Bangla Bank Investment Limited -- with a proposed paid-up capital of BDT 250 Mn. It will be a fully owned subsidiary subject to all regulatory approvals. In addition, the DBBL will establish a brokerage house named Dutch-Bangla Bank Securities Limited to act as a stock dealer and broker.

<https://www.thedailystar.net/business/economy/banks/news/dbbl-open-merchant-bank-invest-digital-bank-3396081>

BANKASIA | Bank Asia, Swisscontact sign MoU

- Bank Asia Ltd and Swisscontact Bangladesh have signed a memorandum of understanding (MoU) to promote accessible and small-ticket-sized women-friendly savings products for the RMG workers and their community members. Under the agreement of the project to be implemented in Dhaka, Gazipur, Narayanganj and Chattogram districts, both the organisations will work together to improve financial health of readymade garment workers.

<https://www.thedailystar.net/business/economy/banks/news/bank-asia-swisscontact-sign-mou-3395986>

SHAHJABANK | Shahjalal Islami Bank sues Regent Textile to recover BDT 1.4 Bn loan

- Shahjalal Islami Bank has recently filed a case against the publicly listed Regent Textile Mills Limited to recover BDT 1.4 Bn it had lent to the textile miller. The bank's Chattogram branch filed the case under the Money Loan Court Act, 2003. Seeking anonymity, a Shahjalal Islami Bank official said, "Regent Textile has not been paying the loan instalment for a long time. We issued several letters to recover the money but the company hasn't repaid."

<https://www.tbsnews.net/economy/stocks/shahjalal-islami-bank-sues-regent-textile-recover-tk140cr-loan-683550>

EXCHANGE | BSEC to meet bankers, asset managers as stocks nosedive

- Plummeting Dhaka-Chattogram stocks hit a four-month low on Wednesday as panic grabbed the street. The Bangladesh Securities and Exchange Commission (BSEC), to help support the market, is going to sit with the bank bosses, top brokerage executives and investment bankers at 11 am on Thursday, said the commission's spokesperson and Executive Director Rezaul Karim.

<https://www.tbsnews.net/economy/stocks/bsec-meet-bankers-asset-managers-stocks-nosedive-683510>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 79.47	USD 4.26	5.66%
Crude Oil (Brent)*	USD 83.57	USD 5.79	7.44%
Gold Spot*	USD 1,892.55	USD 118.40	6.67%
DSEX	6,220.80	13.80	0.22%
S&P 500	4,404.33	564.83	14.71%
FTSE 100	7,356.88	-94.86	-1.27%
BSE SENSEX	65,539.42	4,698.68	7.72%
KSE-100	48,151.23	7,730.78	19.13%
CSEALL	11,224.22	2,721.73	32.01%

Exchange Rates**1 US Dollar = 109.68 BDT****1 GBP = 139.53 BDT****1 Euro = 119.22 BDT****1 INR = 1.32 BDT**

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