

*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:****Pharma exports up 15% in Jul-Aug**

- Pharmaceutical exports from Bangladesh grew nearly 15% year-on-year in the first two months of the current fiscal year as drug-makers secured international tenders, according to industry people. The manufacturers also said to have set a target to ship products by this month against the orders placed for the year in order to avoid disruptions stemming from any possible political unrest centring the upcoming general elections.
- Buyers have also started to place higher orders as economies gradually recover from the impacts of global economic crises brought on by the Russia-Ukraine war. Thus, medicine shipment fetched USD 31.64 Mn in July and August of 2023-24, data from the Export Promotion Bureau showed.

<https://www.thedailystar.net/business/economy/news/pharma-exports-15-jul-aug-3420546>

**'Negotiate with EU to ease GSP Plus conditions'**

- Bangladesh should negotiate with the European Union (EU) to soften some provisions in the proposed Generalised System of Preferences (GSP) Plus since the country has extra time to do so after the EU extended the tenure of the existing GSP status up to 2027, an economist said yesterday. The new GSP Plus was supposed to come into effect from January 2024 and last 10 years up to December 2034, but the EU parliament could not reach a consensus on some provisions. As a result, the current GSP was extended up to 2027.

<https://www.thedailystar.net/business/economy/news/negotiate-eu-ease-gsp-plus-conditions-3421471>

**Rules eased for IRIDP-3 Social Impact Sukuk**

- Bangladesh Bank today lifted the bar on trading of a Sukuk bond in the secondary market at market prices. Until now, banks and financial institutions were allowed to trade the bond termed 'IRIDP-3 Social Impact Sukuk' at a face value of BDT 50 Bn. The central bank said it relaxed the rule regarding trade of the Shariah-based bond at the prices determined by negotiated prices as 30% work of the Important Rural Infrastructure Development Project (IRIDP)-3 have been completed.

<https://www.thedailystar.net/business/news/rules-eased-iridp-3-social-impact-sukuk-3421166>

**Female participation through agent banking rising**

- Female participation in financial activities through agent banking is growing as women now have 1.52% higher number of deposit accounts compared to men in Bangladesh. In Dhaka, men hold 52% of the deposit accounts while women 46.55%, but the scenario is opposite for places outside Dhaka.
- Women in Barishal, Chattogram, Khulna, Mymensingh, Rajshahi, Rangpur and Sylhet have more deposit accounts than men in those divisions, according to data of the Agent Banking Statistics Division of Bangladesh Bank. As of July this year, the number of female deposit account holders stood at 9,995,969, which is 1.52% higher than that of the number of accounts held by men, data from the Bangladesh Bank showed.

<https://www.thedailystar.net/business/news/female-participation-through-agent-banking-rising-3421096>

**Data pack limits to safeguard against 'cheating'**

- Although most customers opt for data packages with a three-day validity, the telecom regulator is removing the option as a safeguard against "cheating". According to Bangladesh Telecommunication Regulatory Commission (BTRC), 69.23% of data packages that customers purchase come with a three-day validity, 16.84% with a seven-day validity, 3.82% with a 15-day validity, and 10.11% with a 30-day validity.
- "Business (of the operators) should have a limit. You cannot survive by cheating while doing business. Consumers are confused by short-term, innumerable packages," said Telecom Minister Mustafa Jabbar. He was speaking at a press conference at the BTRC office in Dhaka yesterday on the regulator's new directive on data packages.

<https://www.thedailystar.net/business/economy/news/data-pack-limits-safeguard-against-cheating-3421466>

**Cos step up to halve imports of man-made fibre raw materials by Jan 2024**

- As investors step forward to bolster the production of the primary raw materials for man-made fibre (MMF) textiles, footwear, and various other products within the country, there's a noticeable reduction in import dependence. Industry insiders are optimistic about the possibility of halving the import dependence by next January. Currently, a handful of companies produce these raw materials and over 90% of the local demand for them – which presently stands at 880 tonnes per day – is met through imports, according to the Bangladesh Textile Mills Association (BTMA).

<https://www.tbsnews.net/economy/cos-step-halve-imports-man-made-fibre-raw-materials-jan-2024-702222>

**5 state bank officials want NBR not to cut due tax exemptions**

- Employees of five state-owned banks have alleged that the National Board of Revenue (NBR) is imposing income taxes on all their allowances and benefits without recognising their status as government employees. According to them, all allowances and benefits for government employees, excluding basic salary, festival allowances, and bonuses, are eligible for income tax exemption, but the NBR is not following this.
- Officials from the state-owned banks Sonali, Janata, Agrani, Rupali, and Bangladesh Development Bank have urged the NBR to cease its imposition of additional income taxes on around 40,000 bank employees. They claim that they have been receiving NBR notices for additional income taxes since 2018 and have been actively opposing the matter ever since.

<https://www.tbsnews.net/nbr/5-state-bank-officials-want-nbr-not-cut-due-tax-exemptions-701766>

**Budget spending lower than expected in 11 months**

- The government's budget spending during the past 11 months of fiscal year 2023 remained lower than expected on the back of poor development expenditure, according to a finance division calculation. Official statistics show the spending stood at 64% of the total revised estimate, mostly on the back of non-development expenditure.
- This execution rate is, however, 5.0% up than that of the corresponding period a year earlier. The revised estimate was BDT 6.60 Tn, or 2.6%, lower than that of the original budget placed for FY23. The spending during the 11-month period up to May 2023 was BDT 4.25 Tn, according to the calculation.

<https://thefinancialexpress.com.bd/economy/bangladesh/budget-spending-lower-than-expected-in-11-months>

**High LC confirmation fees make imports costlier**

- Amid a dollar crunch for over a year in the domestic market, Bangladeshi importers are experiencing significantly higher costs because of escalating LC (letter of credit) confirmation fees charged by foreign banks, primarily driven by deteriorating health of the banking sector. And the burden of these rising costs is being transferred directly to consumers, precipitating an unwelcome surge in inflation. According to bankers and businesses, importers are now burdened with confirmation fees of 3.5% of their import value on LCs per year, a substantial increase from 1.7%-2% charged in June last year.

<https://www.tbsnews.net/economy/banking/high-lc-confirmation-fees-make-imports-costlier-702242>

**Foreign loan repayment gets costlier with weaker taka**

- Bangladesh's foreign debt repayment in July of the current fiscal year increased by 41.38% against the same month last fiscal, according to the Economic Relations Division. The increase jumps to 63.77% (BDT 10.75 Bn) when calculated in taka, due to the sharp devaluation of local currency against the US dollar. According to the ERD data, the government cleared USD 253.09 Mn in interest and principal payments for development assistance in the first month of the current fiscal. In the same month of FY23, the repayment was USD 179.02 Mn – an increase by 41.38%.

<https://www.tbsnews.net/economy/foreign-loan-repayment-gets-costlier-weaker-taka-702238>

**Ahead in numbers, not in service, reach**

- The number of banks, insurance companies, brokerage firms, and merchant banks is much higher in Bangladesh than in many other countries at a similar level of development or having a similar size of population and economy. This is largely because the government, in the last few decades, has granted licences for the firms in the financial sector under political consideration and without a proper analysis, said analysts.
- For example, the number of local banks in Bangladesh is 51 where it is 34 in India, 20 in Nepal, 34 in Vietnam, 29 in Pakistan, 16 in Sri Lanka, 22 in Thailand, and 17 in Nigeria, according to the data of the central banks of the countries. Similarly, Bangladesh has the highest number of insurance companies among them: there are 80 insurers in the country whereas India has 58 insurers, Nepal 34, Vietnam 53, Pakistan 54, Sri Lanka 27, Thailand 74, and Nigeria has 57.

<https://www.thedailystar.net/business/economy/news/ahead-numbers-not-service-reach-3421486>

**Bangladesh losing more than 40% export potential in EU: Study**

- Bangladesh is losing more than 40% of its export potential in European markets due to a lack of diversified products and standard certification, according to a study. Furthermore, due to protective tariff masseurs in Bangladesh, the local businesses find the domestic market more lucrative than export, which is also another challenge to the export market, according to the study conducted by the Research and Policy Integration for Development (RAPID).

<https://www.tbsnews.net/economy/bangladesh-losing-more-40-export-potential-eu-study-702226>

**Universal Pension Scheme: About 13,000 sign up in first month**

- About 13,000 people enrolled on the universal pension system in the month since Prime Minister Sheikh Hasina flagged it off, with private sector employees making the majority. As of 5:00pm yesterday, 12,972 people enrolled for the UPS, depositing a total of BDT 77 Mn, according to the National Pension Authority (NPA). The Progoti scheme, which is meant for private sector employers, saw 6,194 enrolments. They deposited a total of BDT 41 Mn. The Surokkha scheme, which is designed for the self-employed and the informal sector workers like farmers, rickshaw pullers and day labourers, saw the next highest number of enrolments: 5,020.

<https://www.thedailystar.net/news/bangladesh/news/universal-pension-scheme-about-13000-sign-first-month-3421331>

**Govt finally okays import of eggs**

- The government yesterday approved the import of 40 Mn eggs from India in efforts to bring stability to the volatile local egg market. The commerce ministry gave approval to four firms to import 10 Mn eggs each, a top ministry official told The Daily Star. Sources at the ministry said that in the initial phase, the government will monitor if the market is stable after the import and take further decisions considering the market situation. The imported eggs will be sold at BDT 12 per piece at the retail level -- the rate fixed by the government.

<https://www.thedailystar.net/news/bangladesh/news/govt-finally-okays-import-eggs-3421641>

**Stocks:****SINGERBD | Japanese Economic Zone gears up for production early next year**

- The Bangladesh Special Economic Zone, jointly developed by the governments of Bangladesh and Japan on 1,000 acres of land in Araihaazar, Narayanganj, is accelerating its construction efforts to start production early next year. Officials said Singer Bangladesh Ltd, a multinational electronics and home appliance company, which has already started factory construction after leasing 33.4 acres of land in the economic zone, will start production within March 2024.

<https://www.tbsnews.net/economy/japanese-economic-zone-gears-production-early-next-year-701806>

**SQURPHARMA | Square Pharma eyes business boom, concentrating on local market**

- Square Pharmaceuticals will be concentrating its strength on catering to the local demand for drugs, keeping in mind two main factors -- quality and availability, said the company's Managing Director Tapan Chowdhury. The drug manufacturer, which expanded its market share to 18.74% in FY22 from 17.21% a year ago, seeks to further bolster its position in the domestic market.
- In an exclusive interview with the FE, Mr Chowdhury talked at great length about the leading drug maker's vision, mission, and the challenges that it has been striving to overcome and will face in the years to come. He said the company's growth had been driven by local consumers' and health practitioners' faith in its products, which in turn made it committed to the improvement of the sector in the country.

<https://thefinancialexpress.com.bd/stock/bangladesh/square-pharma-eyes-business-boom-concentrating-on-local-market>

**BRACBANK | Brac Bank clinches five awards from Visa**

- Brac Bank Ltd has received the highest number of awards, five in all, from Visa this year for its outstanding business in various card-issuing and acquiring categories. The bank won "Excellence in POS Acquiring Business" for the fifth consecutive year and "Excellence in E-commerce Payment (Issuing)" and "Excellence in Commercial Cards" for the third consecutive year. It also won in two new categories, "Excellence in Product Innovation" and "Excellence in VAS Product".

<https://www.thedailystar.net/business/economy/banks/news/brac-bank-clinches-five-awards-visa-3421411>

**MIDLANDBNK | Midland Bank wins 'Visa Excellence Award'**

- Midland Bank Ltd recently won the "Visa Excellence Award" in the 'Excellence in Prepaid Cards' category in an awards ceremony. Md Zahid Hossain, managing director (current charge) of the bank, received the award from MA Mannan, minister for planning, at the Sheraton Dhaka in Banani, said a press release. Visa, a global digital payment service provider, organised the programme styled "Visa Leadership Conclave 2023, Towards A Cashless, Smart Bangladesh".

<https://www.thedailystar.net/business/economy/banks/news/midland-bank-wins-visa-excellence-award-3421381>

**EXCHANGE | DSE gets new MD**

- An executive director of the Bangladesh Securities and Exchange Commission (BSEC) was appointed managing director of Dhaka Stock Exchange (DSE) yesterday on deputation for a three-year tenure. The stock market regulator on August 8 approved the appointment of ATM Tariquzzaman, who had joined the BSEC as a deputy director in 1997, the DSE said in a press release.

<https://www.thedailystar.net/business/economy/stock/news/dse-gets-new-md-3421456>

**EXCHANGE | BSEC to extend policy support to MFs**

- The securities regulator laid importance on amending rules to remove obstacles to the growth of the country's mutual fund (MF) industry. At a conference titled 'Current State and Future Direction of Mutual Funds & Collective Investment Schemes in Bangladesh' held in Saturday in Cox's Bazar, it spoke of extending policy support.
- Chairman of the Bangladesh Securities and Exchange Commission (BSEC) Prof. Shibli Rubayat UI Islam was the chief guest of the conference attended by BSEC commissioners, top officials of both the bourses and representatives of fund management companies. "The development of the MF industry is a demand of time, and this sector will perform better in the days to come," said the BSEC chairman.

<https://thefinancialexpress.com.bd/stock/bangladesh/bsec-to-extend-policy-support-to-mfs>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 91.07	USD 15.86	21.09%
Crude Oil (Brent)*	USD 94.11	USD 16.33	21.00%
Gold Spot*	USD 1,924.22	USD 150.07	8.46%
DSEX	6,311.29	104.29	1.68%
S&P 500	4,450.32	610.82	15.91%
FTSE 100	7,711.38	259.64	3.48%
BSE SENSEX	67,838.63	6,997.89	11.50%
KSE-100	45,796.77	5,376.32	13.30%
CSEALL	11,465.73	2,963.24	34.85%

**Exchange Rates**

1 US Dollar = 109.66 BDT

1 GBP = 135.86 BDT

1 Euro = 116.94 BDT

1 INR = 1.32 BDT

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Salim Afzal Shawon, CFA	Head of Research	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Fahim Hassan	Research Analyst	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	<a href="mailto:hztowhidi.khan@bracepl.com">hztowhidi.khan@bracepl.com</a>	01708 805 224
Billal Hossain	Research Associate	<a href="mailto:billal.hossain@bracepl.com">billal.hossain@bracepl.com</a>	01708 805 229
Syed Tawsifuzzaman	Research Associate	<a href="mailto:s.tawsifuzzaman@bracepl.com">s.tawsifuzzaman@bracepl.com</a>	01708 805 202
Foyisal Ahmed	Research Associate	<a href="mailto:foysal.ahmed@bracepl.com">foysal.ahmed@bracepl.com</a>	01708 805 201

#### International Trade and Sales

Ahsanur Rahman Bappi	CEO	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-----	--	---------------

### BRAC EPL Stock Brokerage Limited

[www.bracepl.com](http://www.bracepl.com)

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: [research@bracepl.com](mailto:research@bracepl.com)