

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:**Central bank devising scheme to issue guarantee against big farm credit**

- Bangladesh Bank (BB) is planning to introduce a credit guarantee scheme (CGS) for small and medium enterprises (SMEs) and agriculture sectors to boost agriculture production through facilitating farmers with modern farming practices.
- Sources at the central bank said the farmers, in most cases, get short-term bank loans of scanty amount and hardly receive large amounts needed for modern farming. The farmers do not get access to large amounts of loan for lack of having enough collateral that incapacitate them to scale up farming, they said.

<https://thefinancialexpress.com.bd/economy/bangladesh/central-bank-devising-scheme-to-issue-guarantee-against-big-farm-credit-1676602339>

Waiver of source tax demanded to ease essentials price pressure

- To ease price pressure on consumers amid a period of high inflation, the Institute of Cost and Management Accountants of Bangladesh (ICMAB) has proposed withdrawing the existing 2% source tax levied during the supply stage of daily essential agricultural products including rice, wheat, potatoes and onions. At a pre-budget discussion yesterday, the ICMAB said if tax is imposed on daily essentials, it would have an adverse effect on the purchasing power of the common people.
- During the discussion organised by the National Board of Revenue (NBR) at the NBR Bhaban in the capital's Agargaon, the accounting experts also said agricultural products are mainly purchased from small traders and marginal farmers, making tax deductions at source virtually impossible.

<https://www.tbsnews.net/economy/waiver-source-tax-demanded-ease-essentials-price-pressure-585978>

Banks, FIs can give loans to CMSMEs from AIIB fund

- The Bangladesh Bank (BB) on Thursday said the banks and financial institutions (FIs) can now sanction term loans to the cottage, micro, small, and medium enterprises (CMSMEs) from the Asian Infrastructure Investment Bank (AIIB)-sponsored fund. There is an AIIB fund worth USD 300 Mn to mitigate adverse effects of the pandemic in Bangladesh. The fund is used to sanction loans for providing working capital to the CMSMEs.
- The BB circular - issued in this regard by the project implementation unit of the COVID-19 emergency and crisis response facility project - said: "It has been decided to extend the refinance facility to the participating FIs against term loan investment of up to three years to the CMSMEs from the date of issuing the SMESPD circular on September 09, 2021."

<https://thefinancialexpress.com.bd/economy/banks-fis-can-give-loans-to-csmses-from-aiib-fund-1676601364>

PM to open Kalshi flyover tomorrow

- Prime Minister Sheikh Hasina will inaugurate the 2.34km Mirpur-Kalshi flyover for vehicular movement at a function at Kalshi intersection adjoining Balur ground in the city at 10am tomorrow (19 Feb). Under the Road Widening and Development from ECB Square to Mirpur and Construction of Flyover on Kalshi Circle Project, the 2335 meter long flyover has been built and a 3.70 km stretch of road from the ECB square to Kalshi has been widened.

<https://www.tbsnews.net/bangladesh/pm-open-kalshi-flyover-tomorrow-587002>

Bangladesh plans to set up DAP fertiliser factory in Saudi Arabia

- The government is planning to set up a diammonium phosphate (DAP) fertiliser plant in Saudi Arabia through the joint investment of the two countries aiming to reduce production costs and increase supply. According to the ministry of industries sources, Saudi Hanwha Saudi Contracting Company (HSCC) is working on a feasibility study for setting up a DAP fertiliser factory in Saudi Arabia.
- A memorandum of understanding (MoU) in this regard was recently signed between the Saudi company and the Bangladesh Chemical Industries Corporation (BCIC) which is under the ministry of industries. The feasibility study is supposed to be completed within six months. It will determine the place where the factory will be set up in Saudi Arabia, the amount of investment, the production cost of fertiliser etc, said the sources.

<https://www.tbsnews.net/economy/bangladesh-plans-set-dap-fertiliser-factory-saudi-arabia-586742>

FDI reporting time slashed for firms, dealer banks

- The Bangladesh Bank has cut down the time for foreign direct investment receiving and sending firms and their dealer banks to submit FDI reporting forms and supporting documents to the central bank. All FDI recipients and sending firms, both 100% foreign-owned companies and joint ventures, had to hand in the FDI reporting form and supporting papers to their dealer banks on a quarterly basis within a month after the end of a quarter.
- Now, they will get 20 days, according to a notice of the Bangladesh Bank yesterday. Supporting documents include all audited and un-audited financial statements and papers outlining both inward and outward FDIs.

<https://www.thedailystar.net/business/economy/banks/news/fdi-reporting-time-slashed-firms-dealer-banks-3250086>

Business registration to get costlier

- The Office of the Registrar of Joint Stock Companies and Firms moves to increase different fees against the services it provides to public and private companies, joint ventures and societies, officials familiar with the matter told The Business Standard.
- The fees for 34 types of services are proposed to increase two to six times, while those for 21 services are set to remain unchanged. The fees of three services will be withdrawn, according to a draft placed at a meeting of the agency on 12 February with Commerce Secretary Tapan Kanti Ghosh in the chair.
- The company registration fee might go up six times as the Registrar of Joint Stock Companies and Firms has proposed an increase from the existing BDT 1,000 to BDT 7,000. The fee for changing a firm's name or address may also double from BDT 200 if the proposals are approved.

<https://www.tbsnews.net/economy/business-registration-get-costlier-586746>

France interested to invest in Bangladesh's waste management

- French ambassador in Bangladesh Marie Masdupuy said on Thursday that her country is interested in investing in the waste management sector in Bangladesh. During a meeting with Local Government and Rural Development (LGRD) Minister Tajul Islam, she invited the minister and officials concerned to visit France to have a first-hand look at the country's modern waste management system. The ambassador also claimed that France has the best waste management system in the world.

<https://www.tbsnews.net/economy/france-keen-invest-bangladeshs-waste-management-586094>

Dollar crisis casts shadow over operation of Rampal power plant

- The 1320 MW Rampal power plant has resumed its partial production, but officials still worry about its uninterrupted operation due to dollar crisis that may again disrupt the import of coal, the plant's main fuel. The Unit-1 of the coal-fired plant resumed production from Wednesday after a month-long shutdown caused by shortage of coal.
- The plant is still under a test run that started in August before being discontinued last month, reports UNB. A kind of concern was expressed by the officials of the Bangladesh-India Friendship Power Company Limited (BIFPCL) that has been engaged in implementing the power plant project.
- The project director of the BIFPCL for the Rampal plant said there is no substitute to coal import if the plant is to be kept operational. "The coal used in the plant is of high standard and not available in the subcontinent", he told a group of energy reporters who visited the plant.

<https://thefinancialexpress.com.bd/economy/dollar-crisis-casts-shadow-over-operation-of-rampal-power-plant-1676551883>

Bida identifies 106 risky factories

- The Bangladesh Investment Development Authority (Bida) has identified 106 factories as risky for lacking required fire safety measures and having vulnerable working conditions under a nationwide initiative aimed at preventing fire incidents and other disasters.
- In 2021, the Prime Minister's Office formed a 24-member national committee, headed by Salman F Rahman, private industry and investment adviser to the prime minister, in a bid to avoid preventable incidents after a fire at the Hashem Foods factory in Narayanganj left more than 50 dead.
- As part of the move, 5,206 factories were inspected by the officials of the Bida between November 2021 and March 2022 in the first phase of the initiative in Dhaka, Chattogram, Narayanganj and Gazipur, home to a third of the factories in Bangladesh.

<https://www.thedailystar.net/business/economy/news/bida-identifies-106-risky-factories-3250201>

Fuel price hikes hit supply chain hard: Experts

- Supply chain professionals have said the current fuel price hike has led to a significant rise in the cost of production and transportation that worsens further the situation of the supply chain process. At the event titled "Unveiling the 5th edition of The Supply Chain Street and Pitha Utshab" at the ZNRF University of Management Sciences campus in Dhaka on Friday, they also discussed current supply chain challenges, and supply chain issues businesses face on a day-to-day basis.

<https://www.tbsnews.net/economy/fuel-price-hikes-hit-supply-chain-hard-experts-586610>

Too many licences, too many renewals

- The necessity of obtaining the many licences and certificates for a business and frequent renewals are badly hurting the local entrepreneurs and investors, businesses said yesterday. The business organisations have to renew many certificates every year, which is particularly problematic for small-scale industrial units, said Md Saiful Islam, president of the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI).

<https://www.thedailystar.net/business/economy/news/too-many-licences-too-many-renewals-3251476>

Survey finds poor accountability key challenge for development work

- More than 80% of project officials in Bangladesh have identified the lack of transparency and accountability as a major challenge in implementing the country's development works marred by chronic problems like inadequate feasibility study and flawed design, resulting in cost- and time overruns and reducing intended benefits, according to a government study.
- Conducted by the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry, the study found that three-quarters of the respondents believed that 40% of the projects are affected by such challenges. Moreover, 75% of government officials expressed their concerns that projects are approved without proper feasibility studies and consultations with stakeholders.

<https://www.tbsnews.net/economy/survey-finds-poor-accountability-key-challenge-development-work-587130>

Local markets more profitable than foreign ones: FBCCI President

- Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) President Md Jashim Uddin has said that the profit made by selling products in the local market can be comparatively greater than what is earned from western markets.
- "The apparel product we sell in the American market for USD 5 can be sold for BDT 2,000 in the domestic market. Therefore, utmost importance should be given to markets inside the country," said Jashim Uddin on Saturday at a press conference held in Hotel Intercontinental, Dhaka.

<https://www.tbsnews.net/economy/local-markets-more-profitable-foreign-ones-fbcci-president-586938>

Stocks:**FUWANGCEM | Fu-Wang Ceramic posts lower profit in Oct-Dec**

- Fu-Wang Ceramic Industries Ltd's profit fell about 22% to BDT 9.54 Mn in the second quarter of the current financial year. The cement manufacturer made a profit of BDT 12.3 Mn in the October-December quarter of the previous financial year of 2021-22. Thus, Fu-Wang Ceramic reported earnings per share of BDT 0.07 for October-December of 2022-23 compared to BDT 0.09 in the identical quarter a year earlier, according to the un-audited financial statements.

<https://www.thedailystar.net/business/organisation-news/news/fu-wang-ceramic-posts-lower-profit-oct-dec-3250096>

CONFIDCEM | Confidence Cement's Q2 profit slides 20pc

- Confidence Cement Limited, a concern of Chattogram-based Confidence Group, on Thursday reported a 20% drop in profit year on year in the second quarter (Q2) of fiscal year 2023. The company attributed the lower profit to higher raw material prices in the international market and sharp depreciation of local currency against the US dollar. The cement maker raked in a profit of BDT 214.62 Mn in October-December 2022 as against BDT 267.88 Mn in the same quarter a year earlier.

<https://thefinancialexpress.com.bd/stock/confidence-cements-q2-profit-slides-20pc-1676690259>

ROBI | Robi's profit grows 12 times in Dec quarter

- Robi Axiata Limited posted a staggering 1,100% growth in profits in the October to December quarter of 2022, compared to the same quarter of the previous year. In the quarter, the company's earnings per share (EPS) stood at BDT 0.24, which was BDT 0.02 during the same period of 2021, according to the information published on Robi's website on Thursday.
- Robi's annual profit only inched up by 3% and the EPS stood at BDT 0.35 at the end of 2022, from BDT 0.34 in 2021. In 2022, the number of subscribers of Robi increased by 2% to 54.4 Mn.

<https://www.tbsnews.net/economy/stocks/robi-declares-7-cash-dividend-2022-586142>

RECKITT BEN | Reckitt Benckiser's dividend drops 40.60%

- UK-based multinational Reckitt Benckiser Bangladesh declared a 980% cash dividend to its shareholders for the year that ended on 31 December 2022, which was 40.6% lower than the previous year. In 2021, it had paid the highest ever 1,650% cash dividend in its history.
- The company saw profit growth in the previous years, mainly due to the increase in sales of health and hygiene products because of the Covid-19 pandemic. And based on this profit growth, the company declared handsome dividends for 2019, 2020, and 2021.

<https://www.tbsnews.net/economy/stocks/reckitt-benckisers-dividend-drops-4060-586998>

Exchange | BSEC to extend time for inspecting RACE-operated mutual funds' assets

- The Bangladesh Securities and Exchange Commission (BSEC) is extending time for looking into the assets of mutual funds managed by the Bangladesh RACE Management PCL, a mutual fund asset management company.
- In January, the stock market regulator formed three separate committees to inspect the assets of three fund managers – Race Asset Management, LR Global Bangladesh, and ICB Asset Management. The committees are ordered to submit reports within a month.

<https://www.tbsnews.net/economy/stocks/bsec-extend-time-inspecting-race-operated-mutual-funds-assets-586226>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 76.34	USD 1.13	1.50%
Crude Oil (Brent)*	USD 83.00	USD 5.22	6.71%
Gold Spot*	USD 1,842.36	USD 68.21	3.84%
DSEX	6,246.21	39.21	0.63%
S&P 500	4,079.09	239.59	6.24%
FTSE 100	8,004.36	552.62	7.42%
BSE SENSEX	61,002.57	161.83	0.27%
KSE-100	41,118.61	698.16	1.73%
CSEALL	8,848.36	345.87	4.07%

Exchange Rates**1 US Dollar = 103.99 BDT****1 GBP = 125.23 BDT****1 Euro = 111.22 BDT****1 INR = 1.26 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	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Analyst	fahim.hassan@bracepl.com	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	hztowhidi.khan@bracepl.com	01708 805 224
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Md. Tanvir Ahmed	Research Associate	mtanvir.ahmed@bracepl.com	01708 805 201
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202

International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	bappi@bracepl.com	01730 357 991
----------------------	-------------------------	--	---------------