

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:**Govt employees, pensioners, MPO teachers get 5% special incentive**

- The government has decided to disburse a 5% incentive – minimum BDT 1,000 per month – for employees of military and civilian government organisations, self-governing and state-owned institutions, banks, financial institutions, police, Border Guard Bangladesh, and teachers and staff under monthly pay order. For the government pensioners, the special incentive announced by Prime Minister Sheikh Hasina will be a minimum of BDT 500 per month, according to notifications issued by the finance ministry on Tuesday. The special allocation came into effect on 1 July, according to a finance ministry notification.

<https://www.tbsnews.net/economy/pensioners-govt-employees-get-5-special-incentive-667414>

X Ceramics, Dysin to invest USD 42 Mn in ceramics, textile chemicals

- Two Bangladeshi companies will invest USD 42 Mn to build factories in the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) for manufacturing ceramics and textile chemicals. X Ceramics Limited and Dysin Advanced Materials Limited will set up their factories on 30 acres of land. Once up and running, these factories are expected to create employment for 1,691 people, according to sources at the Bangladesh Economic Zones Authority (Beza).
- Beza Chairman Shaikh Yusuf Harun told The Business Standard, land lease agreements with these companies will be made on Wednesday. X Ceramics Limited will build a ceramics factory on 20 acres of land in BSMSN with an investment of USD 28.65 Mn. This factory will employ 1,559 people. The company was incorporated in 2008 with the Registrar of Joint Stock Companies. The other company Dysin Advanced Materials Limited will invest USD 13.32 Mn on 10 acres of land to build a textile chemical factory where 132 people will be employed.

<https://www.tbsnews.net/economy/x-ceramics-dysin-invest-42m-ceramics-textile-chemicals-667662>

BDT 776.16 Bn revenue target set for Chattogram Custom House in 24FY

- The National Board of Revenue (NBR) has set a revenue target of BDT 776.16 Bn for the Chattogram Custom House, the largest customs station in the country, in the 2023-24 fiscal year. This amount represents around 10% of the total national budget for this fiscal year. On 15 July, the NBR issued a notification outlining the revenue targets for six custom houses including Chattogram, two bond commissionerates, and nine customs, excise, and VAT commissionerates across the country. The combined revenue target for these entities exceeds BDT 1.16 Tn. The revenue target assigned to the Chattogram Custom House alone comprises about 66.86% of the total revenue target given to all 17 customs stations combined.

<https://www.tbsnews.net/nbr/tk77616cr-revenue-target-set-chattogram-custom-house-24fy-667682>

BJIT Group teams up with Japan's Marubeni for expansion

- Leading local software exporter BJIT Group has entered into a business and capital alliance with Japanese trading firm Marubeni Corporation as part of efforts to expand global footprint. The partnership is a significant step for BJIT in expanding its global presence and entering the offshore digital transformation industry, focusing on next generation IT infrastructure, said JM Akbar, CEO of BJIT Group. BJIT aims to become a global IT company by leveraging Marubeni's global network, marketing expertise and business promotion capabilities, he added.

<https://www.thedailystar.net/business/economy/news/bjit-group-teams-japans-marubeni-expansion-3372591>

Short-term foreign debt interest payment crosses USD 300 Mn in just 5 months

- The interest cost of short-term foreign debt in the private sector has reached an unprecedented level due to a surge in international interest rates and mounting pressure from businessmen. According to data from the central bank, between January and May this year, principal and interest payments amounted to USD 14.15 Bn. Out of this, the principal payment accounted for USD 13.84 Bn, while the interest payment stood at USD 308 Mn. In comparison, a principal payment of USD 36.49 Bn was made in 2022, with interest payments amounting to just USD 246 Mn. The trend of interest payment was also low in the previous years. Bankers said these short-term loans necessitate an interest payment of over 8%.

<https://www.tbsnews.net/economy/banking/short-term-foreign-debt-interest-payment-crosses-300m-just-5-months-667318>

Default loans cross over BDT 4 Tn in Bangladesh

- Noting the additional stress exerted on the domestic economy by the alarming rise in the volume of defaulted loans, economists insist things have gotten to a stage where any substantive change for the better requires a political commitment at the national level. They point out that all the defaulters are politically influential, and so the options available to Bangladesh Bank are not enough to pursue with them without a national-level commitment, reports UNB.
- According to official data, the volume of defaulted loans stood at BDT 1.32 Tn in the quarterly financial statement of the central bank. But this may be just one-third of the actual amount. According to information from different sources, the volume of default loans stood at BDT 4.11 Tn till March 2023, which is more than half the size of the national budget for the current fiscal. BDT 550 Bn is written off as bad debt (no longer counted as an asset by the bank) and the largest amount, BDT 2.24 Tn, is held up due to cases filed in different courts.

<https://thefinancialexpress.com.bd/economy/bangladesh/default-loans-cross-over-tk-4-trillion>

Bangladesh faces reduced foreign financing and rising debt liabilities

- As global interest rates continue to rise, Bangladesh faces a considerable increase in its foreign debt servicing liabilities. To compound the challenge, an internal calculation by the Economic Relations Division (ERD) reveals that the government is expected to see a USD 1.5 Bn decline in net financing from external sources next fiscal year and USD 2 Bn the following year. Experts said this double blow threatens to shrink the government's spending capacity, posing significant obstacles to its ability to allocate funds effectively.

<https://www.tbsnews.net/economy/bangladesh-faces-reduced-foreign-financing-and-rising-debt-liabilities-667698>

Home textile suffers 32% drop in exports

- A combination of factors, including the ongoing Russia-Ukraine war-led sluggish demand, excess post-Covid inventory and a local gas-price hike, has significantly impacted the home textile sector in the country, industry insiders said. The sector, which raked in USD 1.63 Bn in the fiscal year 2021-22, experienced a staggering 32% decline in exports in the just-concluded fiscal year of 2022-23, according to official data.
- The country's earnings from home textile exports stood at USD 1.09 Bn in the last fiscal year, showed Export Promotion Bureau data. Pessimism looms among many home textile exporters who foresee no signs of improvement until next January. This decline in exports follows two consecutive fiscal years of over 40% growth, with fiscal year 2021 being heavily impacted by the Covid-19 pandemic. Exporters attribute the export nosedive to a substantial inventory of buyers resulting from extensive sourcing during and after the Covid-19 period.

<https://thefinancialexpress.com.bd/economy/bangladesh/home-textile-suffers-32pc-drop-in-exports>

Foreigners working in Bangladesh on the rise

- The number of foreign nationals working in Bangladesh is rising thanks to expanding industrial activities, a development that also points to the education system's inability to churn out skilled workforce needed to keep the wheel of the economy turning. Bangladesh has maintained more than 6% growth in the last one decade and the contribution of the industrial sector, particularly the manufacturing segment, to the gross domestic product has increased as the country is gradually becoming an industrial hub from an agrarian economy.
- With a view to meeting the demand for skilled workforce, particularly top and mid-level managers, the Bangladesh Investment Development Authority (Bida) alone approved 15,128 applications seeking work permits in 2021-22, up a staggering 87.32% from the previous year. Of them, 7,790 were new and 7,338 sought renewals, according to the annual report of the state-run investment promotion agency. The applicants came from 106 countries.

<https://www.thedailystar.net/business/economy/news/foreigners-working-bangladesh-the-rise-3372771>

17 IG operators fined BDT 0.45 Mn

- Bangladesh Telecommunication Regulatory Commission (BTRC) has recently decided to fine 17 International Internet Gateway (IIG) service operators a total of BDT 0.45 Mn for violating rules, including under invoicing, not sharing revenue and changing share structures without prior approval. The IIG companies operate as international gateways for internet traffic, managing the data flow between the country and the rest of the world and enabling internet service providers and telecom operators to access the global internet.
- Of the highest amounts, Mango Televerservices, I-Tel, Fibre@Home and Apple Communication were each fined BDT 500 thousand, Peerex Network BDT 400 thousand, Windstream Communication, Max Hub and Velocity Networks each BDT 300 thousand, and Virgo Communications, Summit Communications and Level3 Carrier Limited each BDT 200 thousand.

<https://www.thedailystar.net/business/economy/news/17-iig-operators-fined-tk-45-lakh-3372761>

Non-tax revenue collection grows marginally

- The government's overall non-tax revenue collection grew marginally in the first nine months of fiscal year 2022-23, with dividends and profits earned by state-owned enterprises slumping to one-third of that in the preceding year. Collection of non-tax revenue, which includes dividends, profits and interest income from lending, increased 4% year-on-year to BDT 278.21 Bn in the July-March period.
- This is 62% of the target, according to the finance ministry data. Dividends and profits fell to BDT 14.25 Bn from BDT 42.93 Bn a year ago, according to finance ministry data. However, the government agencies collected 25% more non-National Board of Revenue (NBR) tax, which includes revenue from narcotics and liquor, stamp duty and vehicles, during the period.

<https://www.thedailystar.net/business/economy/news/non-tax-revenue-collection-grows-marginally-3372756>

Stone import thru Banglabandha halted for eight days

- Stone import through Banglabandha land port of Panchagarh has remained suspended for the last eight days as the Indian truckers stopped carrying stones to Bangladesh because of the imposition of a new tax. However, the suspension did not leave any impact on the import and export of other items from and to Nepal, India and Bhutan through the port.
- The port earns 90% of its revenue from stone import, which mainly comes from India and Nepal, according to the port officials. Problems began on July 5 when the port opened after a six-day closer for Eid-ul-Azha. That day, the traders came to know that the West Bengal government has imposed a transportation tax on trucks carrying stone from India to Bangladesh, but kept Nepali trucks exempted from such tax. The tax, which should be paid online, was fixed at Rs 3,000 for 6-wheelers and Rs 5,000 for 10/12-wheelers.

<https://www.thedailystar.net/business/economy/news/stone-import-thru-banglabandha-halted-eight-days-3372736>

Bancassurance gets govt nod

- The Financial Institutions Division (FID) of the Finance Ministry on Tuesday okayed the plan to introduce bancassurance—selling insurance products through bank branches—in the country. The FID allowed and instructed the Bangladesh Bank to publish a gazette for its "Bancassurance Guideline" for scheduled banks based on which they would operate as insurance agents. Also the Insurance Development and Regulatory Authority has been instructed to issue the "Corporate Agent (Bancassurance) Directives" to let the country's life and non-life insurance companies make banks their selling agents.

<https://www.tbsnews.net/economy/stocks/bancassurance-gets-govt-nod-667690>

Stocks:**PADMALIFE | Padma Islami Life recommends no dividend**

- Padma Islami Life Insurance did not recommend any dividend for its shareholders at the end of 2023. The life insurer has also reported a decline in its net premium income in January to March quarter this year, according to the earnings disclosure. At the end of March 2023, its life fund was BDT 2.3979 Mn negative, which was BDT 0.1317 Bn in the same period of the previous year. During the period, its net premium income stood at BDT 31.7 Mn down from BDT 78.6 Mn a year ago.

<https://www.tbsnews.net/economy/stocks/padma-islami-life-recommends-no-dividend-667242>

KAY&QUE | Kay & Que allowed to merge with ICT firm Multisourcing

- The securities regulator has allowed Kay & Que Limited — a publicly listed CNG filling station which also sells stones — to merge with ICT firm Multisourcing Limited. Under the scheme of amalgamation approved by the High Court, the Bangladesh Securities and Exchange Commission (BSEC) has allowed Kay & Que to issue 1.71 Mn ordinary shares, only for the shareholders of Multisourcing, at BDT 10 each. As a result, the listed CNG station's paid-up capital will increase to BDT 68.6 Mn from existing BDT 51.6 Mn.

<https://www.tbsnews.net/economy/stocks/kay-que-allowed-merge-ict-firm-multisourcing-667586>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.67	USD 0.46	0.61%
Crude Oil (Brent)*	USD 79.65	USD 1.87	2.40%
Gold Spot*	USD 1,976.73	USD 202.58	11.42%
DSEX	6,351.10	144.10	2.32%
S&P 500	4,554.98	715.48	18.63%
FTSE 100	7,453.69	1.95	0.03%
BSE SENSEX	66,795.14	5,954.40	9.79%
KSE-100	45,019.59	4,599.14	11.38%
CSEALL	10,727.99	2,225.50	26.17%

Exchange Rates**1 US Dollar = 108.66 BDT****1 GBP = 141.55 BDT****1 Euro = 121.97 BDT****1 INR = 1.32 BDT**

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