

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:**ADB retains 6.5% GDP growth for Bangladesh for FY24**

- The Asian Development Bank (ADB) has retained its growth projection for Bangladesh's gross domestic product at 6.5% for the current fiscal 2023-24, citing strong domestic demand and favourable trends in fuel and food prices. This came out in the ADB's latest report titled Asian Development Outlook July 2023, released Wednesday. The ADB's GDP forecast for Bangladesh remains higher than the World Bank's projection of 6.2% and aligns with the International Monetary Fund's (IMF) estimate of 6.5%. However, it falls short of the government's ambitious target of 7.5% growth.

<https://www.tbsnews.net/economy/adb-maintains-bangladeshs-gdp-growth-forecast-65-667830>

Bangladesh to get USD 0.176 Mn from FAO for three projects

- The Food and Agriculture Organization of the United Nations (FAO) will provide Bangladesh with USD 0.176 Mn for three technical assistant projects aimed to strengthen the country's agricultural and environmental sectors. The Economic Relations Division (ERD) under the Ministry of Finance signed three technical assistance project agreements with the UN organisation to this end on Wednesday (19 July), according to an ERD press statement.
- Among the projects, Bangladesh will get USD 82,000 under a regional project aiming to enable inclusive and effective blended investment in agri-food systems in the context of the Hand in Hand Initiative (regional project); The country will also get USD 65,000 under a global project that aims to introduce innovative approaches for better plant production.

<https://www.tbsnews.net/economy/bangladesh-get-0176-million-fao-three-projects-668186>

Bapi inks deal with Arab drug makers

- The Arab Union of the Manufacturers of Pharmaceuticals and Medical Appliances (Aupam) and the Bangladesh Association of Pharmaceutical Industries (Bapi) have signed a memorandum of understanding to cooperate on strengthening capacities and encourage trade between members. Headquartered in Amman, Aupam operates under the Council of Arab Economic Unity. Its members include major pharmaceutical industries from Morocco, Algeria, Tunisia, Libya, Egypt, Sudan, Yemen, Saudi Arabia, Oman, United Arab Emirates, Iraq, Syria, Lebanon, Palestine and Jordan.

<https://www.thedailystar.net/business/economy/news/bapi-inks-deal-arab-drug-makers-3373526>

Banks on green loans to fight climate change in Bangladesh

- Green finance is growing fast in Bangladesh, official data shows, with the central bank and private banks boosting efforts to encourage companies from brick-makers to textile mills to invest in technology and solutions that tackle climate change, reports Reuters. Considered one of the most climate-vulnerable countries - due to impacts like worsening flooding, river and coastal erosion and storms - Bangladesh has been exploring a range of financial innovations, from green loans to climate-related insurance and microfinance. Former central bank governor Atiur Rahman, who helped to develop the nation's sustainable and green finance policies more than a decade ago, said the ripple effect of "pioneering green banking in Bangladesh has been phenomenal" - at home and abroad.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-on-green-loans-to-fight-climate-change>

Pran-RFL first company to make helmets locally

- Durable Plastic Limited, a concern of Pran-RFL Group, is scheduled to launch its "Safemet" motorcycle helmet brand at a hotel in the capital today. The company started producing motorcycle helmets, a first in the country, at its factory in Narsingdi's Palash upazila at the start of June. According to the company, 1.5 Mn to 1.6 Mn helmets worth around BDT 5 Bn are annually sold in the country and the sales are growing at some 20%. About 60% of the helmets are imported from India and the rest from other countries, including China, it said.
- About 0.6 Mn motorcycles were sold in 2022 and currently there are 4 Mn motorcycle users in the country, it added. This has led to increasing demand for helmets for which the company invested around BDT 200 Mn to set up the factory and employed 500 people to bring high quality helmets within the purchasing power of people, said Toukirul Islam, executive director of Durable Plastic Limited.

<https://www.thedailystar.net/business/organisation-news/new-product/news/pran-rfl-first-company-make-helmets-locally-3373731>

Formal remittance outflow stood at USD 137 Mn in 2022

- Foreigners working in Bangladesh sent home USD 137 Mn in 2022, World Bank data showed although analysts believe the exact figure would be much higher since many people from other nations are employed in the country without valid permits. The outflow was up 37% from a year ago when it stood at USD 100 Mn, according to the new estimate of the Global Knowledge Partnership on Migration and Development (KNOMAD), an initiative of the Washington-based lender.

<https://www.thedailystar.net/business/economy/news/formal-remittance-outflow-stood-137m-2022-3373736>

How new banks are faring after a decade

- The government awarded licences to set up new nine banks in 2013 despite criticism from analysts and economists and initial reservations from the central bank since the number of lenders was already high in Bangladesh and approvals were largely given on political consideration. Today, some of the nine banks -- Union Bank, Global Islami Bank, Midland Bank, NRB Commercial Bank, NRB Bank, SBAC Bank, Meghna Bank, Modhumoti Bank, and Padma Bank – are in a good position while some are struggling.
- Three banks – NRB Commercial, Union Bank, and Modhumoti – raised their profits above BDT 1 Bn in 2022. On the other hand, Padma Bank sank into an accumulated loss of BDT 8.05 Bn. Most of the new banks are bearing a huge amount of non-performing loans though they are newer compared to second-generation lenders – those receiving licences in 1992-1996 – and third-generation lenders – those that were permitted between 1998 and before 2012.

<https://www.thedailystar.net/business/economy/banks/news/how-new-banks-are-faring-after-decade-3373741>

Child labour rises by 4.5% in a decade

- The number of children engaged in child labour in Bangladesh increased by 4.5% in the last one decade to 1.7 Mn now from 1.6 Mn in 2013, according to the findings of the National Child Labour Survey 2022. At present, Bangladesh has 39.9 Mn children aged 5-17 years, up from 39.6 Mn mentioned in the National Child Labour Survey 2013. In the gap of the surveys, the number of working children has increased to 3.5 Mn from 3.45 Mn. But the good thing is the number of children engaged in hazardous labour decreased by 16.55% to 1.06 Mn now from 1.2 Mn in 2013.
- Various initiatives taken by the government to eradicate child labour have helped Bangladesh lower the number of children in hazardous labour, the Bangladesh Bureau of Statistics (BBS) said in its provisional report on "National Child Labour Survey 2022".

<https://www.thedailystar.net/business/news/child-labour-rises-45pc-decade-3373431>

Cenbank keeps printing money amid inflation worries

- The central bank continues to utilise a potentially inflation-fuelling tool – lending money to the government by printing it – as Bangladesh continues to grapple with high inflationary pressure, the extent of which has been declining in many countries. The latest data from the Bangladesh Bank reveals that in the first 18 days of July, the central bank injected BDT 108 Bn into circulation to meet the government's expenditure needs. This surge in high-powered money comes in response to a revenue shortfall – around BDT 450 Bn – from the target and lower-than-expected foreign funds.
- Comparing this year's data with that of the immediate past fiscal year, it becomes evident that the amount of money injection has increased significantly. In FY23, the government borrowed BDT 1241.22 Bn from the banking system, with BDT 781.4 Bn provided by the central bank, averaging BDT 65 Bn per month. Even in June, the last month of FY23, the central bank provided the government with BDT 65.29 Bn.

<https://www.tbsnews.net/economy/cenbank-keeps-printing-money-amid-inflation-worries-668310>

Spot suppliers forewarn of stopping LNG supply

- At least two spot liquefied natural gas (LNG) suppliers have given Petrobangla three working days to clear their unpaid bills totalling around USD 113 Mn or face supply halt, said sources. The spot suppliers who gave the cut-off time over the payment backlog--purportedly for dollar dearth with the state-run importer of the fuel--are French TotalEnergies and Singapore-based Gunvor.
- Of the two, Gunvor in a recent letter to Petrobangla threatened to cease spot LNG-cargo supply for the months of July and August unless the overdue payments are cleared within three working days. Gunvor Singapore Pte has already been awarded two spot LNG cargo- delivery contracts for late July and mid-August at USD 12.98 per Mn British thermal unit (MMBTu) and USD 13.85 per MMBTu respectively for delivery to the Moheshkhali floating storage and re-gasification unit (FSRU).

<https://thefinancialexpress.com.bd/trade/spot-suppliers-forewarn-of-stopping-lng-supply>

Stocks:**RAKCERAMIC | Fuel, power price hikes bite RAK Ceramics' profit**

- The country's leading tile manufacturer RAK Ceramics reported a 33.73% year-on-year drop in net profit to BDT 285.2 Mn in the first half of 2023. This decline was attributed to inadequate gas supply, hikes in gas and electricity prices, and volatility in the foreign exchange market. However, earnings per share (EPS) declined to BDT 0.67 from BDT 1.01 between January and June a year ago. In a half-yearly unaudited statement, the UAE-based multinational company mentioned that its net sales increased by 0.29% to BDT 3.81 Bn on the back of a revised and responsive business strategy taken by the management.
- The company said its gross profit margin has dropped from 29.66% to 25.25%. This decrease was primarily due to several factors, including the non-availability of adequate gas, an increase in gas and electricity prices, significant volatility in the foreign currency market, disruptions in the global supply chain, and consequent increases in raw material prices and freight charges.

<https://www.tbsnews.net/economy/stocks/fuel-power-price-hikes-bite-rak-ceramics-profit-668298>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.27	USD 0.06	0.08%
Crude Oil (Brent)*	USD 79.63	USD 1.85	2.38%
Gold Spot*	USD 1,984.85	USD 210.70	11.88%
DSEX	6,366.17	159.17	2.56%
S&P 500	4,565.72	726.22	18.91%
FTSE 100	7,588.20	136.46	1.83%
BSE SENSEX	67,097.44	6,256.70	10.28%
KSE-100	45,086.33	4,665.88	11.54%
CSEALL	10,796.07	2,293.58	26.98%

Exchange Rates**1 US Dollar = 108.54 BDT****1 GBP = 140.67 BDT****1 Euro = 121.86 BDT****1 INR = 1.32 BDT**

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