

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:**Chinese company to invest USD 9.5 Mn in Mongla EPZ**

- China's M/s Yuanshun Enterprise Company Limited has announced its plans to establish a packaging industry at the Mongla Export Processing Zone (Mongla EPZ). With an investment of USD 9.5 Mn, this venture is expected to generate employment opportunities for 490 Bangladeshi nationals. The newly established company, fully owned by foreign investors, will focus on producing various types of packaging boxes including paper boxes, jewellery boxes, jewellery bags, watch boxes, gift boxes, and cartoons. It aims to manufacture 10 Mn pieces annually to cater to the growing demand for quality packaging solutions, reads a press release.

<https://www.tbsnews.net/economy/chinese-company-invest-95-million-mongla-epz-653114>

3 firms to invest USD 27.81 Mn in refuelling station, tourism, agro processing

- Three companies – Istamarina Refuelling Station Ltd, Bangladesh Agriculture Products Ltd, and Rangs Properties Limited – will invest USD 27.81 Mn in refuelling stations, agricultural product processing and tourism sectors. The firms have been allotted 15 acres of land combined at the Bangabandhu Sheikh Mujib Shilpa Nagar and Sabrang Tourism Park, which is expected to create more than 850 jobs.
- According to Beza, the master plan includes food corners at various places in the park, an open stage for cultural programmes on the seashore, a reserve forest for environmental balance and nature lovers, recreation centres, local product stalls, exhibition space, a children's park, an underwater world, a botanical garden, an aquarium, etc., to attract domestic and foreign tourists.

<https://www.tbsnews.net/economy/3-companies-invest-2781m-refuelling-station-agriculture-tourism-sector-653174>

Japan to provide USD 4 Mn for Bangladesh's primary education development

- The Japan government will provide Bangladesh with a USD 4 Mn grant for Fourth Primary Education Development Programme (PEDP4). IWAMA Kiminori, ambassador of Japan to Bangladesh and Sharifa Khan, secretary of Economic Relations Division, Ministry of Finance signed the Exchange of Notes on the Japanese grant aid on Tuesday (20 June 20), reads a press release. Japan has provided total about USD 15 Mn for PEDP4, including this 4th grant, which is the financial support for a variety of implementations for achieving the programme.

<https://www.tbsnews.net/economy/japan-provides-4-million-grant-4th-primary-education-development-programme-653298>

ECNEC approves 16 projects worth BDT 243.62 Bn

- The Executive Committee of National Economic Council (ECNEC) has cleared a total of 16 projects including a BDT 63.45 Bn one to improve urban governance and infrastructure in 88 municipalities under 48 districts. Among the approved projects, three other new projects involving BDT 81.60 Bn were undertaken to improve important Upazila and Union roads in two divisions and important rural infrastructures in three districts, reports UNB.
- "Today a total of 16 projects were approved. The overall estimated cost of the projects is BDT 243.621 Bn (only additional costs of eight revised projects were counted here)," said Planning Minister MA Mannan while briefing reporters after the meeting. Of the total cost, the government will finance BDT 128.731 Bn, while BDT 114.72 Bn will come from foreign sources and the rest BDT 161.50 Mn from the own funds of the organisations concerned.

<https://thefinancialexpress.com.bd/economy/bangladesh/ecnec-approves-16-projects-worth-24362-billion>

BB brings back relaxed loan repayment facility

- The Bangladesh Bank yesterday reintroduced its relaxed loan repayment facility to support borrowers struggling to pay back amid lingering crisis at home and abroad. Bankers, however, say that the central bank has taken the initiative to bring down defaulted loans artificially. But this will eventually worsen the financial health of the banking sector in the long run.
- In a notice yesterday, the central bank said borrowers are facing difficulty to pay back full installments as the price of raw materials and other inputs has gone up in the global markets while the transport cost has surged due to the prolonged war between Russia and Ukraine. As per the new rule, borrowers with unclassified term loans will be allowed to repay 50% of their installments payable for the April-June period of 2023. The loans that carry a repayment period of more than one year are termed term loans. The new rule will also be applicable to short-term farm loans and microloans disbursed by banks.

<https://www.thedailystar.net/business/economy/news/bb-brings-back-relaxed-loan-repayment-facility-3351691>

Tax break to stay till 2036 for private power producers

- The National Board of Revenue (NBR) has extended a tax holiday by 12 years on the income privately-run power plants, except for coal-fired ones, that will start generation of electricity anytime before June 30 next year. This means the tax exemption can be enjoyed until June 30, 2036, according to an NBR notification issued on June 19.
- The tax break is being offered since 2011 to support the government's goal to expand the country's energy production capacity to support the economy, which has been growing annually by around 6% over the last two decades. Until January 2023, Bangladesh's total installed capacity was of 23,482 megawatts (MW), of which the private sector accounts for 44%, according to Bangladesh Economic Review 2023.

<https://www.thedailystar.net/business/economy/news/tax-break-stay-till-2036-private-power-producers-3351676>

LC margin eased for importers serving SMEs

- Bangladesh Bank (BB) yesterday relaxed rules regarding financing availed by commercial importers to cater to cottage, micro, small and medium enterprises (SMEs), aiming to accelerate growth of industries and jobs. Banks will be able to fix the amount of down payment or margin for opening letters of credit (LCs) based on their relation with importers, said the central bank in a circular.
- Around a year ago the central bank had imposed a 75% cash margin for opening LCs for the import of machineries, spare parts, textile and chemical raw materials of plastic and packaging items and medical equipment. Commercial importers serving the cottage, micro, SMEs were under its purview, which was brought about in an effort to reduce pressure on the country's foreign exchange reserves and contain volatility in the exchange rate of taka against the US dollar.

<https://www.thedailystar.net/business/economy/news/lc-margin-eased-importers-serving-smes-3351686>

Agribusiness bears highest potential among emerging sectors

- Agribusiness in Bangladesh, including food processing and associated machinery production, has the highest potential among eight emerging sectors, with domestic market sales estimated to reach USD 8 Bn by 2025, according to Bangladesh Investment Development Authority (Bida). "In 2021, the country's domestic market size was USD 3.2 Bn and it is expected to be USD 8 Bn by 2025," said Shah Mohammad Mahboob, director general of an International Investment Promotion wing of Bida. The immense potential of agribusiness is in the manufacture of processed foods, vegetable or fruit products, milk, dairy products, edible oil etc, he said.

<https://www.thedailystar.net/business/economy/news/agribusiness-bears-highest-potential-among-emerging-sectors-3351531>

Synthetic footwear exports on a roll

- The shipment of synthetic footwear and sports shoes from Bangladesh grew 6.21% year-on-year in July-May of the outgoing fiscal year thanks to shifting orders from China and the expanding capacity of manufacturers. Non-leather footwear exporters bagged USD 433.53 Mn during the 11-month period of 2022-23, up from USD 408.18 Mn a year earlier, data from the Export Promotion Bureau showed. The receipts built on a 30.39% whopping shipment growth seen in the previous year when manufacturers brought home USD 449.15 Mn. This came although leather footwear exports from Bangladesh posted a declining trend in recent months owing to slower demand.

<https://www.thedailystar.net/business/economy/news/synthetic-footwear-exports-roll-3351696>

Bill placed to define movable assets as collateral for loan

- The Secure Transactions of (Moveable Assets) Bill 2023 was placed in parliament today aiming to bring movable property under the definition of collateral for bank loans. Finance Minister AHM Mustafa Kamal placed the bill which was sent to the parliamentary standing committee on the finance ministry for further scrutiny.
- As a result, not only immovable property, movable assets such as fixed deposits, gold, silver, intellectual property, can be treated as collateral. However, the movable property must be registered for a mortgage. For this purpose, it has been decided to have a separate authority for the registration of movable assets for which valuation of those is possible, mentioned in the proposed law. As a result, both banks and borrowers will benefit, and providing loans will be easier, as stated in the text of the bill.

<https://www.thedailystar.net/business/news/bill-placed-define-movable-assets-collateral-loan-3351381>

Foreign banks account for 90% of blocked airlines funds in country

- Foreign banks operating in Bangladesh have been responsible for 90% of the blocked funds of foreign airlines, with Standard Chartered alone handling 70% of the airline business volume in the country, according to banking sources. Despite instructions from the Bangladesh Bank to expedite payments, there has been little progress in releasing the funds due to a dollar crisis faced by foreign banks, as reported by the airlines.
- In a recent press release, the International Air Transport Association (IATA) highlighted that USD 214 Mn of airline funds were trapped in Bangladesh, ranking the country as the second worst performing nation in this regard. However, during a press conference on 6 June, the Bangladesh Bank disputed the figure and claimed that the amount was USD 177 Mn, urging lenders to accelerate the payment owed to airlines.

<https://www.tbsnews.net/economy/aviation/foreign-banks-account-90-blocked-airlines-funds-country-653046>

NPL's unstoppable rise

- Finance Minister AHM Mustafa Kamal, soon after taking over in January 2019, had asserted that non-performing loan (NPL) would not grow "by even a single penny from today". Four years later, it emerged as even a bigger problem in the central bank's new monetary policy statement as default loan has soared by nearly BDT 380 Bn since then to BDT 1316.21 Bn now. "The country's financial sector has also been burdened by a high non-performing loan," says the latest MPS unveiled on 18 June. The outgoing monetary policy, announced in January this year, also stated how a high level of NPLs was considerably disrupting the stability within the financial sector.

<https://www.tbsnews.net/economy/banking/npls-unstoppable-rise-653410>

Stocks:**PUBALIBANK | Pubali Bank director to buy 2 Mn shares**

- Trouser Line Limited, a corporate director of Pubali Bank Ltd, has expressed its intention to buy 2 Mn shares of the company. The director wants to buy these shares at the prevailing market price (in the Public and Block markets) through Dhaka Stock Exchange. Rana Laila Hafiz is the managing director of Trouser Line Limited (a representative) and a director of Pubali Bank Ltd.

<https://www.tbsnews.net/economy/stocks/pubali-bank-director-buy-20-lakh-shares-652994>

ISLAMICFIN | Islamic Finance lends BDT 3.73 Bn without collateral

- Islamic Finance and Investment Limited – a non-bank financial institution – has disbursed loans of BDT 3.73 Bn without any eligible security, such as a mortgage or a lien on shares, according to its independent auditor. In the audit report for 2022, Kazi Zahir Khan and Co mentioned that the collateral-free loans represent 31% of the company's total leases, loans, and advances.
- A central bank official said there is scope to provide collateral-free loans to small entrepreneurs in some emerging sectors, such as women entrepreneurs and agriculture. "However, it should not be more than BDT 0.5- BDT 1 Mn. There is no scope to provide a bigger loan without collateral," he added.

<https://www.tbsnews.net/economy/stocks/islamic-finance-lends-tk373cr-without-collateral-653370>

EBL | EBL to arrange BDT 3.32 Bn loan for lithium battery project

- Eastern Bank Limited (EBL) will arrange a syndicated term loan facility of BDT 3.32 Bn for Bangladesh Lithium Battery Limited. To this end, EBL arranged a bank syndication meeting with the participation of prospective banks and non-bank financial institutions at a hotel in Dhaka recently, said a press release. EBL is acting as the mandated lead arranger for the loan. The lithium battery company will use the fund in setting up a lithium battery plant with a capacity of 1 gigawatt. The plant will create a backward linkage to its concurrent electronic vehicle project and will effectively address the current market demand for lithium batteries.

<https://www.thedailystar.net/business/economy/news/ebL-arrange-tk-332cr-loan-lithium-battery-project-3351651>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.43	(USD 3.78)	-5.03%
Crude Oil (Brent)*	USD 76.11	(USD 1.67)	-2.15%
Gold Spot*	USD 1,937.50	USD 163.35	9.21%
DSEX	6,301.80	94.80	1.53%
S&P 500	4,388.71	549.21	14.30%
FTSE 100	7,569.31	117.57	1.58%
BSE SENSEX	63,327.70	2,486.96	4.09%
KSE-100	40,647.48	227.03	0.56%
CSEALL	9,181.22	678.73	7.98%

Exchange Rates**1 US Dollar = 108.27 BDT****1 GBP = 138.23 BDT****1 Euro = 118.23 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	salim@bracepl.com	01708 805 221
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
----------------------	-------------------------	--	---------------

For any queries or services, you can reach us at care@bracepl.com or hotline **16285**.