

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:**India agrees to import quota of 7 vital food commodities, including rice and wheat**

- India has agreed to fulfil Bangladesh's request for the import of seven vital food commodities, including rice and wheat, subject to Bangladesh guaranteeing the import of the designated quantities within the specified annual quota. At the same time, India has set a condition to ensure the specified amount is imported within the stipulated time.
- The development happened during a virtual meeting titled "Fixation of the annual quota for Bangladesh in import of various essential commodities from India" between representatives from the two neighbouring countries on Sunday (20 August). Tapan Kanti Ghosh, senior secretary of the commerce ministry, led the Bangladesh side during the meeting.

<https://www.tbsnews.net/bangladesh/india-agrees-fulfil-bangladeshs-import-quota-request-686290>

Sri Lanka repays USD 50 Mn to Bangladesh

- Sri Lanka paid back Bangladesh USD 50 Mn of loans, which is one fourth of the USD 200 Mn given by Dhaka in 2021. Bangladesh Bank received the first instalment of the payment on August 17, Md Mezbaul Haque, executive director and spokesperson of the central bank, told The Daily Star. The crisis-hit nation will pay another instalment within August 30, he said.
- However, Haque did not say how much Sri Lanka will pay as the second instalment. He said the central bank hopes the Island country will clear the whole payment of USD 200 Mn by September this year. Bangladesh lent the money to Sri Lanka in three instalments under a currency swap agreement.

<https://www.thedailystar.net/business/news/sri-lanka-repays-50-million-bangladesh-3399586>

Govt set to restore tax benefit for bank depositors, exporters

- The government is set to reinstate tax benefit for certain corporate bank depositors, exempted from mandatory submission of tax returns, and also for exporters to allow them to enjoy source tax at reduced rates, officials said. Source tax on cash incentives for exporters was 10%, which was considered finally paid tax on the income under the Income Tax Ordinance 1984.
- In the Income Tax Act 2023, the National Board of Revenue (NBR) waived the provision. Tax liability of the exporters would go up under the current provision, as they would require paying income tax on the amount of cash incentives at 27.5% rate, tax officials said.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-set-to-restore-tax-benefit-for-bank-depositors-exporters>

Many making beeline to start digital bank

- The Bangladesh Bank (BB) has received a total of 52 applications from banks and various other entities that are interested in setting up digital banks in the country. The central bank Sunday revealed the number of applications and said it was now scrutinising the same, before giving the go-ahead.
- "We had received 52 applications until the deadline came to end on August 17," Md Mezbaul Hoq, a spokesperson for the BB, told the FE. He wouldn't disclose when and how many no-objection certificates (NOCs) could be issued for setting up digital bank-a latest switch in banking in tune with the dawning of the era of digital finance globally.

<https://thefinancialexpress.com.bd/economy/bangladesh/many-making-beeline-to-start-digital-bank>

Sheba Fintech gets PSP licence

- Sheba Fintech Ltd, an IT service and consultation provider of Bangladesh, has received the payment service provider licence from Bangladesh Bank. The licence will enable Sheba to roll out its own mobile wallet. Sheba Fintech has been provided with the licence on some conditions, the central bank said in a circular today. However, the banking regulator did not mention the conditions in the circular. Sheba Fintech works for providing individual users and online and offline businesses with simplified payment experience.

<https://www.thedailystar.net/business/economy/industries/ict/news/sheba-fintech-gets-psp-licence-3399611>

Bangladeshi jute, jute goods may face fresh Indian blow

- Jute and jute goods exporters could come under more pressure in India as New Delhi plans to impose countervailing duty (CVD) on their shipment, at a time when they are already facing an anti-dumping duty (ADD) in the market. India has started investigation to levy CVD as it thinks that its domestic industry is being hurt by the subsidies provided by Bangladesh.
- The Indian government has sent a letter to the commerce ministry of Bangladesh on August 4 seeking a meeting with Senior Commerce Secretary Tapan Kanti Ghosh today as part of the investigation. The ministry has sought two more months to hold the meeting, Ghosh told The Daily Star yesterday.

<https://www.thedailystar.net/news/bangladesh/news/bangladeshi-jute-jute-goods-may-face-fresh-indian-blow-3399261>

Falling exports hit jute growers

- Falling export of jute and jute goods is now having an effect on jute growers as prices of the natural fibre have fallen during the current harvesting season. Cultivated as a cash crop, raw jute is fetching farmers at best BDT 2,700 per maund (around 37 kilogrammes) at local haats (market) of Faridpur, Pabna and some northwestern districts, reports our correspondents from there.
- The current prices are nearly 15% lower than the BDT 3,200 or so they were getting in the same period a year ago. The development comes at a time when farmers increased jute acreage by 2% to 745 thousand hectares in the current season, up from 729 thousand hectares previously, according to the data of the Department of Agricultural Extension.

<https://www.thedailystar.net/business/economy/news/falling-exports-hit-jute-growers-3399936>

Govt borrowing bloats to BDT 1.84 Tn

- Government borrowing from internal and external sources climbed to BDT 1.84 Tn in the past fiscal, in a 13% year-on-year rise, with the domestic debt dominating the account. Bangladesh Bank statistics show borrowing from domestic sources - banking and non-banking-surged 23% to BDT 1.09 Tn in the financial year 2022-23.
- Foreign or external borrowings increased nearly 2.0% to BDT 746.5 Bn in the period under review. The total deficit financing as percentage of GDP at current market price stood at 4.15% in the FY2023. It was 4.08 in the year before.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-borrowing-bloats-to-tk-184t>

Economists say, recommend mid-and long-term reforms

- Economists suggest mid-and long-term reforms to overcome persisting macroeconomic strains in Bangladesh as they think there is no quick-fix remedy for the major problems the growing economy currently faces. Speaking at a roundtable Sunday in Dhaka, they also called upon the policymakers to take immediate measures to address setbacks related to financial account of the balance of payments (BoP) through intensifying efforts in a structured way to attract more FDI (foreign direct investment) inflow and remittance by enhancing skills of the remitters in line with demand of the time.

<https://thefinancialexpress.com.bd/economy/bangladesh/economists-say-recommend-mid-and-long-term-reforms>

Lift import tariffs on onion

- The Bangladesh Trade and Tariff Commission (BTTC) yesterday requested the revenue authority to lift all import tariffs on onion until December 31 this year as its domestic prices spiked after India slapped 40% export duty on the vegetable. In a letter to the National Board of Revenue (NBR), the BTTC said the prices of Indian onions may rise to USD 400 - USD 420 a tonne from USD 280 - USD 300 after the imposition of the new export duty by New Delhi.

<https://www.thedailystar.net/business/economy/news/lift-import-tariffs-onion-3399931>

Hosting data locally to save forex: experts

- Hosting data locally by domestic companies would help Bangladesh save a huge volume of US dollars that are otherwise needed to store them abroad and ease the current foreign exchange crisis, experts said yesterday. By ensuring that the data generated by telecommunication service providers, over-the-top platforms and other institutions is hosted within the country, prompt access to data can also be ensured, they added.

<https://www.thedailystar.net/business/economy/news/hosting-data-locally-save-forex-experts-3399811>

Apparel behemoths expanding into new sectors

- Textile and garment behemoths in Bangladesh have started ploughing their surplus wealth into new sectors in order to tap the potential in an economy that is growing at a healthy clip and consumers' purchasing power is rising. Immensely successful garment and textile millers have expanded into sectors such as electricity generation, real estate, agriculture, dairy, hospitality, banking, tea estate, computer chips making, insurance, capital market, health, education, leasing, e-commerce, construction, pharmaceuticals, and economic zones.
- Textile and garment manufacturers have been playing a vital role in the economy by earning foreign currencies and creating jobs since the late 1970s when a group of local entrepreneurs sowed the seed for a successful sector exploiting the then quota system. They have been contributing nearly 85% to national export earnings for more than three decades. Currently, over 100 textile and garment factories register an annual export turnover of USD 500 Mn, industry people say.

<https://www.thedailystar.net/business/economy/news/apparel-behemoths-expanding-new-sectors-3399946>

Long-term plan behind high tea production

- It was in 2007 when one of the country's largest tea-producing companies, Consolidated Tea and Lands Company (Bangladesh) Limited, initiated a long-term plan to increase tea production. Fifteen years later, the plan is finally paying off as four gardens of the company, popularly known as Finlays Tea Company, have yielded the highest amount of produce last year.

<https://www.thedailystar.net/business/economy/news/long-term-plan-behind-high-tea-production-3399926>

Projects with Chinese Loans: One complete, eight running at adequate pace

- One of the development projects undertaken on Chinese loans has been completed while eight others are being implemented in full swing following a prolonged hiatus for the pandemic, said relevant officials and Economic Relations Division (ERD). A memorandum of understanding titled "Strengthening investment and production capacity cooperation", comprising 27 projects and a cost of USD 20 Bn, was signed during Chinese President Xi Jinping's visit to Bangladesh in 2016.
- Agreements for loans of USD 8.08 Bn for nine have been signed, out of which the Chinese authority disbursed USD 4.47 Bn till June 2023. The eight projects are running at an "adequate" pace at the moment and disbursement of funds is also "satisfactory", said a senior ERD official. The ERD is sitting with project implementing entities, the embassy of China and the Exim Bank of China from time to time to identify bottlenecks, he said.

<https://www.thedailystar.net/business/economy/news/projects-chinese-loans-one-complete-eight-running-adequate-pace-3399941>

Stocks:**EXCHANGE | DSE to tap into potential of green RMG cos for capital market expansion**

- The Dhaka bourse has made a move to bring green ready-made garment factories into the capital market either through an initial public offering (IPO) or through issuance of bonds. It is set to sign an agreement with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) within a month from now.
- The Dhaka Stock Exchange has come to know that there are about 100 LEED certified garment units across the country, which are capable of meeting regulatory requirements to get equity or debt financing solutions. "Such companies have the opportunity to get sustainable investment solutions as more and more investors are now willing to put money in environment-friendly businesses," said DSE acting managing director Shaifur Rahman Mazumdar.

<https://thefinancialexpress.com.bd/stock/bangladesh/dse-to-tap-into-potential-of-green-rmg-cos-for-capital-market-expansion>

MIRACLEIND | Mehmood Equities takes charge of reviving Miracle Industries

- After acquiring a 10% stake in Miracle Industries Ltd, a plastic packaging products exporter, Mehmood Equities Ltd took charge of resuming the operation of the listed company, which has been non-performing for the last two years. In a disclosure on Monday, Miracle Industries informed that Mehmood Equities, the new owner, nominated three directors to its board and planned to invest the necessary funds for resuming operations on 30 September.
- Riding on the development, Miracle's share price jumped over 9% as investors hoped for its return to operation. On Monday, its shares closed at BDT 33.40 each, a 9.87% jump from the previous session at the Dhaka Stock Exchange (DSE). Miracle Industries — founded in 1995 as a joint venture with state-owned Bangladesh Chemical Industries Corporation (BCIC) and four entrepreneurs — manufactures different types of bags for cement, fertiliser, salt, feed, sugar, food grains, and chemicals.

<https://www.tbsnews.net/economy/stocks/miracle-industries-shares-soar-announcement-resuming-production-685898>

ALARABANK | Salim Rahman elected as EC chairman of AIBL

- Salim Rahman has been elected as the chairman of the executive committee of Al-Arafah Islami Bank Ltd (AIBL) in the 390th meeting of the board of directors of the bank on Sunday. Rahman is the managing director of KDS Group, said a press release. Currently, the group consists of KDS Garments Industries Ltd, KDS Accessories Ltd, KDS Apparels Ltd, KDS Logistics Ltd, KDS IDR Ltd, KDS Textiles Ltd, KYCR Coil Industries Ltd, Steel Accessories Ltd, and KDS Poly Industries Ltd. He had held the position of director of another private bank for 15 years before joining as a director of the AIBL.

<https://www.thedailystar.net/business/economy/news/salim-rahman-elected-ec-chairman-aibl-3399781>

GPHISPAT | GPH Ispat gets accreditation board's certificate

- GPH Ispat Quality Control Lab, a steel re-bar manufacturing company in Bangladesh, recently received accreditation certificate from Bangladesh Accreditation Board (BAB) for ensuring the quality of the manufactured products. Sheikh Faezul Amin, director general (additional secretary) of BAB, handed over the certificate to Md Ashrafuzzaman, director of GPH Ispat, at a certificate giving ceremony held at Shilpa Bhaban in Motijheel, said a press release.
- GPH has set up a state-of-the-art quality control lab on its own factory premises in Sitakunda, Chattogram from where it has been producing world-class steel by maintaining various international and national standards. ASM Suman, chief research and project officer of the steel manufacturing company, Saiful Islam, head of laboratory, and other top officials from both the organisations were present.

<https://www.thedailystar.net/business/economy/news/gph-ispate-gets-accreditation-boards-certificate-3399761>

EXCHANGE | Merchant bankers demand a relaxed listing regime

- Merchant bankers, in a discussion with the Dhaka Stock Exchange (DSE) on Monday, demanded relaxation of capital market listing rules as too stringent rules are making it hard to attract high-quality companies to the bourses. Representatives from the country's leading investment banks have expressed the view that the direct listing method should be reinstated for well-performing firms, including numerous multinationals, as these firms do not need fresh capital from the public. This method allows firms to avoid raising capital through an initial public offering (IPO).
- After observing some overvalued trading debuts a decade ago, the securities regulator prohibited direct listing of private sector firms. Also, the process of fixing share price for book building IPOs in the amended public issue rules a few years ago was discouraging companies to go public, investment bankers opined.

<https://www.tbsnews.net/economy/stocks/merchant-bankers-demand-relaxed-listing-regime-686310>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 80.81	USD 5.60	7.45%
Crude Oil (Brent)*	USD 84.40	USD 6.62	8.51%
Gold Spot*	USD 1,895.15	USD 121.00	6.82%
DSEX	6,291.83	84.83	1.37%
S&P 500	4,399.77	560.27	14.59%
FTSE 100	7,257.82	-193.92	-2.60%
BSE SENSEX	65,216.09	4,375.35	7.19%
KSE-100	47,450.61	7,030.16	17.39%
CSEALL	11,403.92	2,901.43	34.12%

Exchange Rates**1 US Dollar = 109.44 BDT****1 GBP = 139.72 BDT****1 Euro = 119.37 BDT****1 INR = 1.32 BDT**

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