

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.

Pvt credits grow as trade demand rises

- Credit flow into Bangladesh's private sector increases further as demand for loans, particularly for trade financing, grows for settling import payments. The credit flow rose to 11.07 % in January 2022 on a year-on-year basis, from 10.68 % a month before. It was 3.73-percentage points lower than the Bangladesh Bank (BB) target of 14.80 % for the second half (H2) of fiscal year (FY) 2021-22. Outstanding loans with the private sector rose to BDT 12,662.57 billion in January 2022 from BDT 12,632.47 billion in the previous month.
- The credit growth increased during the period under review mainly due to higher trade financing for settling import-payment obligations. Besides, higher prices of essential commodities, including petroleum products, on the global market also pushed up the country's import payments during the period under review.

<https://today.thefinancialexpress.com.bd/first-page/pvt-credits-grow-as-trade-demand-rises-1646071849>

Bangladesh's energy sector ripe for EU investments: Ambassador Whitley

- European investments in Bangladesh are set to get a boost in the coming years, specifically focused on renewable energies. EU signed a big loan of EUR 250 million during Covid for the health sector. EU plans on a grant package of half a billion euros on renewable energy.

<https://www.tbsnews.net/bangladesh/energy/bangladeshs-energy-sector-ripe-eu-investments-ambassador-whitley-377938>

Concessionary duty remains until May

- The National Board of Revenue (NBR) is likely to extend the concessionary import-duty facility for raw sugar until May 30, 2022. The facility was scheduled to expire Monday (February 28, 2022). The customs wing reduced RD to 20 % from 30 % on import of raw sugar, beet sugar, and cane sugar of specified categories.
- Sources said the NBR would issue a Statutory Regulatory Order (SRO) extending the concessionary taxes within this week. NBR sources said they had no intention yet to reduce duty taxes of other essential commodities as most of them were already tax exempted or enjoying concessionary duties.

<https://today.thefinancialexpress.com.bd/first-page/concessionary-duty-remains-until-may-1646071901>

Cabinet okays draft of 'Export Policy 2021-2024'

- The Cabinet today approved the draft of "Export Policy 2021-2024" with a target of USD 80 billion export for FY2024. The export receipts surpassed the USD 3.91 billion target set for the month, registering more than 48% year-on-year growth. The export target for the fiscal year 2021 was USD60 billion.

<https://www.tbsnews.net/economy/cabinet-okays-draft-export-policy-2021-2024-377650>

Waive tax at source

- Bangladesh Local Carton Manufacturers Association (BLCMA) urged the government on Monday to waive tax at source from carton manufacturers and to rein in growing prices of paper in order to help the industry flourish. The association leaders also called upon paper mills owners to reduce the prices of paper, thereby helping save the packaging industry from incurring financial losses.
- Association President MA Bashar Patwary said they could not sustain in the competitive market because the tax deducted at source ranges between 2.0%-5.0 % while their annual net profit is not more than 4.0-5.0 %. He urged

the government to craft a policy to rein in price hike of paper. He also urged the government to provide policy and other supports for the packaging industry in the next national budget.

<https://today.thefinancialexpress.com.bd/trade-market/waive-tax-at-source-1646070135>

VAT-GDP gap: BDT 1.5 trillion remains out of grasp

- More than BDT 1.50 trillion from VAT-able goods and services annually remains unrealised because of weaknesses in VAT collection measures. Various initiatives taken by the government to increase revenue are also apparently proving futile.
- Around BDT 2.5 trillion was supposed to be mobilised at 15% on VAT-able transactions of BDT 16.6 trillion in 11 sectors based on their contribution to GDP in FY21. But the actual VAT collection amounted to only a little over BDT 970.0 billion – only about 40% of the projected amount. In FY21, 15 sectors contributed nearly BDT 30 trillion to GDP.

<https://www.tbsnews.net/economy/vat-gdp-gap-tk15-lakh-crore-remains-out-grasp-377956>

Bida proposes reforms in 24 sectors

- Bangladesh Investment Development Authority (Bida) has proposed reforms in 24 sectors, including allowing private investment in the power transmission sector and foreign investment in the transport sector. Bida will send the proposals, based on the recommendations from investors at the International Investment Summit 2021 held last November, to the Prime Minister's Office.

<https://www.tbsnews.net/economy/bida-proposes-reforms-24-sectors-377950>

Over USD 600m garment exports to Russia at risk

- Bangladesh will lose one of the most promising apparel export destinations if various Russian lenders are excluded from the SWIFT messaging system in response to the country's invasion of Ukraine, entrepreneurs warned. Bangladesh shipped apparel items worth USD 593.66 million to Russia in the last fiscal year, comprising USD 373.25 million worth of knitwear items and USD 220.41 million worth of woven items.
- But the entrepreneur plans not to ship any goods to Russia until and unless the uncertainty over the SWIFT is resolved as they may face difficulties in getting export proceeds. More than USD 22 billion worth of garment items is shipped from Bangladesh to European countries, representing 64% of the annual apparel export.

<https://www.thedailystar.net/business/global-economy/news/over-600m-garment-exports-russia-risk-2972931>

Fund crunch might hit Rooppur NPP

- Implementation of the USD 13.48 billion Rooppur Nuclear Power Plant (RNPP) project might face wrath of the Western sanctions against Russia over the Ukraine war, as most of the funding of this mega project is being sourced by Russia. The 24,000-megawatt (MW) RNPP is already facing delay due to sluggish progress in installing river-crossing electricity transmission lines from the plant to evacuate its generated electricity, said sources.
- The western nations' decision to impose a harsh set of sanctions to punish Russia, including blocking some banks from the SWIFT international payments system as well as restrictions on the Russian central bank's international reserves, might slow down necessary money transactions for the project, they feared. The Russian Bank for Development and Foreign Economic Affairs and Bangladesh's state-owned Sonali Bank Ltd are the authorised banks for the state loan.

<https://today.thefinancialexpress.com.bd/first-page/fund-crunch-might-hit-rooppur-npp-1646071947>

Bangladesh to have a new avenue for importing electricity from Nepal

- Bangladesh is likely to have a new avenue for importing electricity from Nepal as the latter has agreed to install a cross-border electricity transmission line with West Bengal, India. The installation of the line is also expected to facilitate the proposed electricity trade between Nepal and Bangladesh via the Indian territory Bangladesh is about to finalise a power purchase agreement with Nepal to import 500MW electricity from its proposed 900 MW run-of-the-river hydroelectric power plant. According to the ministry, it would take four to five years to start the import from this plant.

<https://www.tbsnews.net/bangladesh/energy/bangladesh-have-new-avenue-importing-electricity-nepal-377941>

Banglalink's profit drops 22.97% despite revenue growth

- Despite significant revenue growth, the operating profit of Banglalink, dropped by 22.97% to BDT 488.66crore in 2021. The reason for the profit slump, however, could not be known.
- The operator showed encouraging signs of progress in revenue as it registered 5.1% growth in the past year. Erik said that the demand for data services remained robust in the 4th quarter, with data volumes rising 71.5% year-on-year, contributing to a 23.8% increase in mobile data revenue. At the end of 2021, the operator's total consumer base stood at 3.51crore up from 3.32crore in 2020.

<https://www.tbsnews.net/economy/stocks/banglalinks-profit-drops-2297-despite-revenue-growth-377875>

Telcos' data carry-forward launch deferred by 15 days

- Bangladesh Telecommunication Regulatory Commission on Monday deferred by 15 days the implementation of a scope for mobile phone subscribers to carry forward unused data of any package at the expiry of validity. The BTRC is still working on approving all the packages as many of the renewal applications are submitted at the last moment, a BTRC official said. The additional 15-day time would allow the mobile phone operators to prepare their system for the purpose, the official said.

<https://www.newagebd.net/article/164029/telcos-data-carry-forward-launch-deferred-by-15-days>

No fresh directive from BSEC

- The securities regulator has not yet issued any fresh directive regarding mandatory settlement of negative equities of the capital market within December 31, 2022. It said the previous directive regarding optional scope of provisioning against unrealised losses will remain effective till December 31, 2022.
- Most of the market operators have already come out of the woods of negative equities availing capital supports from parent companies or selling the shares of portfolios having negative equities, said the securities regulator.

<https://today.thefinancialexpress.com.bd/stock-corporate/no-fresh-directive-from-bsec-1646070577>

BSEC plans to allow share selling the day after purchase

- The Bangladesh Securities and Exchange Commission (BSEC) has taken an initiative to reduce the trade settlement cycles on bourses by a day. Once implemented, investors can sell a share on the very next trading session after their purchase (T+1), while currently, they have to wait at least one day in the middle of the buying and selling days.
- After the change, the settlement will have to be done at the end of the very trading session and there are some practical challenges that include payment processing through the banking channel on the same day, especially as it will take place after 3pm. In case of any default by the relevant brokers either to pay the price or give the share on the next day, the stock exchange does it and clears the settlement.

<https://www.tbsnews.net/economy/stocks/bsec-plans-allow-share-selling-day-after-purchase-377914>

IPDC continues to thrive even amid challenging times

- IPDC Finance Ltd passed another prosperous year in 2021 when its business environment remained challenging and many of its competitors, including the industry leader IDLC Finance, suffered drops in income and profits. The transformed non-bank financial institution (NBFI) posted record deposits, loans, income, and profits for the seventh consecutive year.
- IPDC continued its increasing focus on micro, small and medium enterprises (MSMEs) and retail clients during the pandemic as it found them to be good borrowers and best in terms of utilising the loans. Its supply chain financing grew by 50% to help its market share in the lending industry to be at 54%.
- Around 10,000 small borrowers have increased IPDC's SME loan portfolio to 27% of the total loan book of BDT 65.3 billion. Customer deposits with IPDC grew year-on-year by 20% to around BDT 50.0 billion in 2021, while its bank borrowing grew by 5% to BDT 100.0 billion. As revenue grew by 21% and operating cost grew by 7.9%. Its classified loan ratio stood at 3.15% at the end of last December, which was 1.38% a year ago.

<https://www.tbsnews.net/economy/stocks/ipdc-continues-thrive-even-amid-challenging-times-377899>

Nebras Power makes first phase payment to Unique Hotel for power plant acquisition

- Nebras Power Investment Management BV, a Qatar based investment company, has paid BDT 820 million to Unique Hotel and Resorts Ltd as the first phase payment for acquiring Unique Meghnaghat Power Ltd - a power plant of Unique Hotel.
- In April last year, Nebras Power signed an agreement with Unique Hotel and Strategic Finance & Investments Ltd to buy a 24% stake in Unique Meghnaghat Power at a total cost of BDT4,500 million. As per the agreement, Unique Hotel will sell 11.76% of its holding at a value of BDT 2,050 million, and Strategic Finance will sell 12.24% of its holding at a value of BDT 2,450 million. Nebras will pay off the total amount in four phases.

<https://www.tbsnews.net/economy/stocks/nebras-power-makes-first-phase-payment-unique-hotel-power-plant-acquisition-377890>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 96.55	USD 21.34	28.37%
Crude Oil (Brent)*	USD 100.99	USD 23.21	29.84%
Gold Spot*	USD 1,903.90	USD 74.70	4.08%
DSEX	6,739.45	-17.21	-0.25%
S&P 500	4,373.79	-392.39	-8.23%
FTSE 100	7,458.25	73.71	1.00%
BSE SENSEX	56,247.28	-2,006.54	-3.44%
KSE-100	44,461.01	-135.06	-0.30%
CSEALL	11,577.94	-648.07	-5.30%

Exchange Rates**1 US Dollar = 85.73 BDT****1 GBP = 115.06 BDT****1 Euro = 96.08 BDT****1 INR = 1.14 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 Associate	fahim.hassan@bracepl.com	01709 636 546
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com