

## Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-3.38%) lost -239.73 points and closed the week at 6,852.09 points. The blue-chip index DS30 (-3.42%) lost -92.08 points and stood at 2,602.87 points. The Shariah-based index DSES (-2.56%) lost -37.95 points and stood at 1,442.38 points. The large cap index CDSET (-3.30%) lost -47.70 points and closed at 1,399.27 points. DSEX, DS30, DSES and CDSET showed YTD returns of +26.84%, +32.53%, +16.12%, +24.60%, respectively.

**Total Turnover During the Week (DSE):** BDT 63.1 billion (USD 740 million)

**Average Daily Turnover Value (ADTV):** BDT 12.6 billion ( $\Delta\%$  Week: -9.8%)

**Market P/E:** 16.9x

## Daily Index Movement during the Week

Market performed five sessions during this week. The market started negatively and consecutively stayed negative throughout the week. Market ended with -0.09%, -0.89%, -0.13%, -1.36% and -0.95% on Sunday, Monday, Tuesday, Wednesday, and Thursday respectively.

## Sectoral Performance

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 9.75% followed by Life Insurance (+2.55%). NBFIs experienced the highest loss of 4.88% followed by Bank (-1.76%), Mutual Fund (-0.77%).

- All the non-financial sectors registered negative performance this week. Engineering experienced the highest loss of 3.68% followed by Fuel & Power (-3.43%), Telecommunication (-3.20%), Pharmaceutical (-1.99%), and Food & Allied (+1.51%).

## Macroeconomic arena

- Algerian chamber seeks to sign MoU with FBCCI. Bangladesh-Maldives direct shipping likely soon. Japan lends USD 2.67bn. Republic of Korea approves USD 100m loan. Eyeing USD 1bn investment, Japanese economic zone revs up for 2022 opening.

- Bangladesh to become 25th largest economy by 2035, finance minister hopes. Bangladesh's GDP size stands at BDT 34,840bn at current prices in FY21. BIDA selects 11 sectors to woo FDI mainly from 15 countries. Govt aims for major reforms to boost tax receipts. PM asks to resume developmental activities at pre-Covid pace.

- Banks' provision shortfalls hit BDT 62bn in nine months. SCB launches country's first digital trade counter. Banks' defaulted loans over BDT 1 lakh crore. Call money rate almost doubles in a week. Finance ministry asks BB to make fresh rules. Interoperable digital transaction to begin in January. Banks slip into cash crunch as 76% surplus funds held by a few.

- BTRC must inform HC of steps taken to improve telco and IT services. Govt contractors seek price revision as construction costs hit ceiling. Move on to raise edible oil prices yet again. MFS cash-in reaches record BDT 19,777cr in Sept. Bangladesh could capture USD 1.2b of recycled textile industry.

## Stock Market arena

- Most banks see fall in share prices. IBBL awarded as the highest taxpayer. Dhaka Bank inks deal on USD 25m syndicated loan. AB Bank, NRBC Bank allowed to float bonds worth BDT 900 crore. Prime Bank subscribes BDT 2.0b in preference shares of UMPL. MoneyGram expands mobile wallet network in Asia through integration with bKash in Bangladesh.

- BD Thai Food subscription floats from 23 December. IPO shooting stars in capital market frustrate investors. BSEC asks for People's Leasing's business revival plan.

- Olympic to invest BDT 25cr to expand bakery business. LafargeHolcim's aggregate production halted for two weeks. RSRM incurs BDT 38cr loss in FY21. Most listed MNCs see moderate growth in EPS.

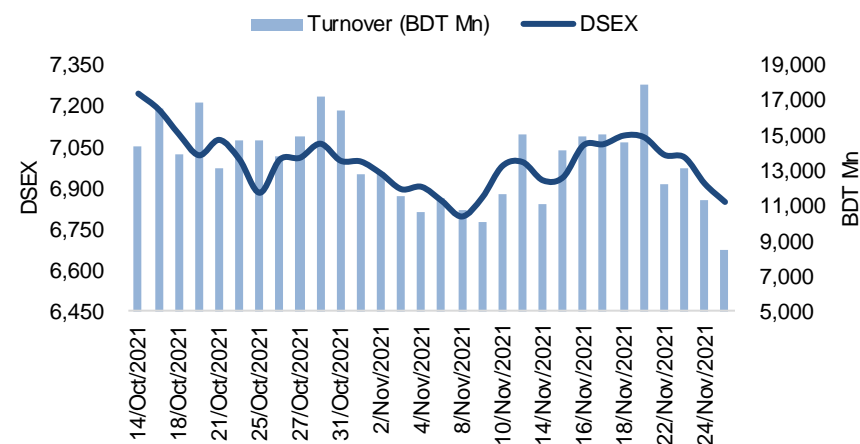
Table 1: Index

Index	Closing*	Opening*	$\Delta$ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,852.09	7,091.82	-239.73	5,402.07	-3.38%	+26.84%
DS30	2,602.87	2,694.95	-92.08	1,963.96	-3.42%	+32.53%
DSES	1,442.38	1,480.33	-37.95	1,242.11	-2.56%	+16.12%
CDSET	1,399.27	1,446.97	-47.70	1,123.03	-3.30%	+24.60%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,460,974	5,610,786	-2.7%
	Mn USD	64,096	65,854	-2.7%
Turnover	Mn BDT	63,063	69,926	-9.8%
	Mn USD	740	821	-9.8%
Average Daily Turnover	Mn BDT	12,613	13,985	-9.8%
	Mn USD	148	164	-9.8%
Volume	Mn Shares	2,109	1,761	+19.7%

Figure 1: DSEX & Turnover in last four weeks



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## Important News: Business & Economy

### Bangladesh to become 25th largest economy by 2035, finance minister hopes

- Finance Minister AHM Mustafa Kamal has expressed his optimism that Bangladesh will become the 25th largest economy in the world by 2035. He also called upon all, including the valued taxpayers, to contribute to the nation-building process from their respective positions.
- Highlighting the salient features of the country's economy, Kamal said Bangladesh has been attaining 7.4% GDP growth on average over the last decade before the pandemic while the per capita income of Bangladesh is now almost the same as India and China. The finance minister mentioned that the direct tax has almost increased by 12 times to now reach BDT 850.00 billion, which was only BDT 70.00 billion in FY06. On the other hand, he said the revenue generation has now reached BDT 2.59 trillion which was only BDT 340.00 billion in FY06.

<https://thefinancialexpress.com.bd/economy/bangladesh-to-become-25th-largest-economy-by-2035-finance-minister-hopes-1637768682>

### US donates another 1.8m vaccines

- The United States donates another 1.8 million doses of Pfizer vaccine for Bangladesh to combat the corona menace, taking its anti-pandemic assistance over USD 121 million. With the latest shipment, the US have now donated a total of 16.8 million doses of COVID-19 vaccines to Bangladesh.
- The consignment of new jabs is expected to help the Government of Bangladesh continue expanding COVID-19 vaccinations for young people aged 12 and above and reach its goal of vaccinating 40% of the eligible population by the end of 2021.

<https://today.thefinancialexpress.com.bd/last-page/us-donates-another-18m-vaccines-1637778886>

### Algerian chamber seeks to sign MoU with FBCCI

- Algerian Chamber of Commerce and Industry is interested in signing a Memorandum of Understanding (MoU) with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) to boost trade and investment opportunities. Algerian Ambassador to Dhaka Rabah Larbi expressed the interest during a courtesy call on FBCCI President Md

Jashim Uddin on Wednesday.

- At present, Algeria imports jute and jute products, woven and knitwear, home textiles and footwear from Bangladesh. An agreement with the Algerian trade organization would help increase trade and investment opportunities between the two countries. The FBCCI president also pledged to send the draft MoU to the Algerian embassy in Dhaka soon.

<https://today.thefinancialexpress.com.bd/trade-market/algerian-chamber-seeks-to-sign-mou-with-fbcci-1637776631>

### BD can boost export of processed food to India

- Bangladesh has further scope to develop a market in India for its agro-processed food items, an Indian trade representative has said at a programme "Buyer-Seller Meeting between Trade Promotion Council of India (TPCI) and Bangladesh Agro-Processors' Association (BAPA)". As part of the collaboration, the Indian representatives offered local food processors to source packaging machinery at competitive prices from the Indian companies and to get better after-sales services with easy access to accessories.
- TPCI deputy director Anik Roy informed that a 15 member delegation from India came to Bangladesh to hold talks with BAPA members and explore business opportunities here. He also said about 65 companies from Bangladesh are scheduled to join the upcoming Food Processing Expo 2022 in New Delhi where they can meet Indian companies that make state-of-the-art agro-processing machinery.

<https://today.thefinancialexpress.com.bd/trade-market/bd-can-boost-export-of-processed-food-to-india-1637776831>

### BD to push for a functional WTO, alongside reforms

- Bangladesh will support the proposed reforms of the World Trade Organization (WTO) which some member countries are seeking, but will push for keeping the body functional, officials said. According to officials, since the ministerial conference in 2017, the multilateral trading system has been confronted with several challenges.
- The WTO itself has continued to face significant challenges-in particular in its dispute settlement and monitoring system. The two-tier dispute settlement system of the WTO is also facing challenges, according to some draft documents. According to officials, the trade ministers of WTO member countries at the 12th ministerial conference, set to start on

November 30, will establish a working group for carrying out necessary reforms.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-push-for-a-functional-wto-alongside-reforms-1637778670>

### **Banks' provision shortfalls hit BDT 62b in nine months**

- Provision shortfall against loans, particularly classified ones, in Bangladesh's banking system marked a steep fiftyfold rise during the first nine months of the current calendar year. The aggregate amount of provisioning shortfall jumped to BDT 62.04 billion, over 50 times higher, as on September 30, than the level of only BDT 1.23 billion by the end of last year, according to Bangladesh Bank statistics.
- Senior officials of Bangladesh Bank (BB) said the volume of provision shortfall increased significantly during the period under review mainly for an upturn in non-performing loans (NPLs) in the banking sector. The amount of classified loans grew by nearly 14% or BDT 124.16 billion to BDT 1011.50 billion as on September 30, 2021 from BDT 887.34 billion as on December 31, 2020.

<https://today.thefinancialexpress.com.bd/first-page/banks-provision-shortfalls-hit-tk-62b-in-nine-months-1637779078>

### **SCB launches country's first digital trade counter**

- Standard Chartered Bangladesh has launched the country's first Digital Trade Counter. This is an online "drop-off" counter, where clients can submit trade transaction applications and related documents. This innovative, secure and self-reliant platform is low on documentation and high on data security. Through this solution, corporate clients can access a paperless, simpler, smarter application and management flow.
- The clients can upload their instructions to bank through this counter from anywhere in the world. The data on the hard copy forms uploaded on this counter, automatically flows into the bank's system and gets registered. There is no "waiting time" for registering of the transaction. This is an interactive platform, that also informs the clients if any additional documents or information is required to complete the transaction and the clients can then respond to the Bank through this same channel.

<https://today.thefinancialexpress.com.bd/stock-corporate/scb-launches-countrys-first-digital-trade-counter-1637775672>

### **Bangladesh's GDP size stands at BDT 34,840b at current prices in FY21**

- The size of the Gross Domestic Product (GDP) in the last fiscal year (FY21) stood at BDT 34,840 billion at current prices as per the new base year of 2015-16. The GDP growth of the country recorded 5.43% also in the last fiscal year, according to the provisional estimation of the Bangladesh Bureau of Statistics (BBS). The BBS data showed that the per capita income of the country in the last fiscal year (FY21) stood at USD 2,554 or BDT 2,16,589 which was USD 2,326 or BDT 1,97,199 in the previous fiscal year (FY20), according to the fresh base year of 2015-16.
- The BBS has already completed the necessary works for updating the GDP base year from 2005-06 to 2015-16, reports BSS. Revealing the latest provisional figures of the BBS which were also placed before the ECNEC meeting today, Planning Minister MA Mannan said that the base year has been updated for which newer areas have been brought under the calculation.

<https://thefinancialexpress.com.bd/economy/bangladeshs-gdp-size-stands-at-tk-34840b-at-current-prices-in-fy21-1637676707>

### **Bangladesh-Maldives direct shipping likely soon**

- Bangladesh and the Maldives agree to work for establishing direct shipping line between Chattogram seaport and Malé that may open up vast navigation vistas linking the Bay of Bengal and the Indian Ocean. Officials said the consensus came at a high-level Dhaka meet where the Maldives also expressed "keen interest in recruiting specialized professionals and medical doctors" from Bangladesh. The talks took place when Bangladesh Foreign Minister Dr A.K. Abdul Momen called on visiting Vice President of the Maldives Faisal Naseem at a city hotel on Monday evening, said a spokesperson for the ministry on Tuesday.
- The direct shipping arrangement is meant for enhancing bilateral trade, the foreign ministry said, as the two sides emphasized the importance of further deepening their relations. Mr Naseem lauded Bangladeshi expatriate workers in the Maldives, saying that they are "diligently contributing" to the host economy. The vice president, leading a delegation, arrived in Dhaka Monday for a three-day official visit on November 22-24. At the meet the two sides "reviewed the entire spectrum of bilateral relations, discussed ways and means of further strengthening cooperation and exchanged views on regional and international issues".

<https://today.thefinancialexpress.com.bd/last-page/bdesh-maldives-direct-shipping-likely-soon-1637692338>

### **Korea Tourism Fest begins in city today**

- The annual Korean Film and Tourism Festival 2021, organised by the Embassy of the Republic of Korea in Bangladesh, will begin today (Wednesday) at the main auditorium of Bangladesh National Museum in the capital's Shahbagh area, reports UNB. The 2021 film festival will begin with an opening ceremony followed by the premiere of the popular 2019 Korean film "Parasite," the first non-English language film to win the best picture award in the 92-year history of the Academy Awards in 2019.
- State Minister for Cultural Affairs KM Khalid will join the inauguration ceremony as the chief guest. The ceremony will also feature K-pop performances by award-winning Bangladesh youngsters. On the sidelines of the film screening, the Korean Tourism Festival will be paralleled at the National Museum of Bangladesh, with an aim to showcase the picturesque scenery of Korea. Visitors to the Tourism Festival will also enjoy various live activities including Virtual Tour, Korean folk game, Hanbok Wearing, Dalgona Candy making, instant photoshoot, and the Korea Corner at the Museum.

<https://today.thefinancialexpress.com.bd/trade-market/korea-tourism-fest-begins-in-city-today-1637690093>

### **BTRC must inform HC of steps taken to improve telco and IT services**

- The High Court has directed the telecoms regulator to inform it of the steps that have been taken to force the mobile phone companies provide quality services including developed network services to the users, reports UNB. The Bangladesh Telecommunication Regulatory Commission (BTRC) has been asked to submit a report to the court in an affidavit within 60 days. At the same time, a rule has been issued asking why the inaction of BTRC to force mobile companies to provide quality services will not be declared illegal.
- In response to a writ petition on Monday, HC bench of Justice Mojibur Rahman Miah and Justice Kamrul Hossain Mollah passed the order. Advocate Ishrat Hasan appeared for the writ petitioner. Deputy Attorney General Nowroz Md. Rasel Chowdhury and Assistant Attorney General MMG Sarwar Payal were on behalf of the state. Earlier on June 12, a writ petition was filed in the HC challenging the inaction of the authorities to ensure quality network service, resolving issues of weak mobile phone network and slow internet.

<https://today.thefinancialexpress.com.bd/trade-market/btrc-must-inform-hc-of-steps-taken-to-improve-telco-and-it-services-1637690121>

### **Banks' defaulted loans over BDT 1 lakh crore**

- Although the disbursement of loans in the banking sector has increased due to an improved pandemic situation, the amount of defaulted loans has not decreased. In three months, the defaulted loans in the banking sector have increased by about BDT 2,000 crore. At the end of June this year, the amount of defaulted loans was BDT 99,205 crore while at the end of September, it jumped to BDT 1,01,150 crore, which is 8.17% of the total loan disbursed.
- However, the percentage of defaulted loans has decreased from last June, according to the updated report of Bangladesh Bank. A deputy governor of Bangladesh Bank told The Business Standard that the disbursement of loans in the banking sector was somewhat sluggish earlier this year due to the pandemic. He said, "As the situation is normal now, the demand for loans has increased in all sectors. This has increased the amount of total loans in the banking sector."

<https://www.tbsnews.net/economy/banking/banks-defaulted-loans-over-tk1-lakh-crore-333751>

### **Govt contractors seek price revision as construction costs hit ceiling**

- Soaring prices of construction raw materials will give a steep rise to the costs of different ongoing development projects too, eventually coming in the way of their scheduled completion. From steel to bitumen to imported stone to cement to brick, all have become very costly – up to 40% higher than the government rates. In this situation, project contractors have already demanded an adjustment to the rate schedule in keeping with the current market prices.
- The LGED Contractors Association in Chattogram on Monday threatened to stop all ongoing government development projects if the prices of construction materials are not readjusted within the next 15 days. The rising construction material prices have thus now appeared as a new headwind at a time when all project work has picked up momentum after a long spell of slowdown caused by the pandemic-led lockdowns. The planning ministry say they are now working on making an unified rate of schedule and will consider raising product prices in it.

<https://www.tbsnews.net/bangladesh/infrastructure/govt-contractors-seek-price-revision-construction-costs-hit-ceiling-333799>

## Call money rate almost doubles in a week

- Call money rate almost doubled on Tuesday in the span of a week, thanks to a sudden increase in demand for cash in banks as investment has risen in various sectors after the pandemic situation turned a corner. The call money rate has significantly been increasing. Now, bank-to-bank call money transactions are happening at a rate of more than BDT 4.50, while the rate is BDT 5.25 for non-bank financial institutions.
- The rate is increasing due to rapid increase in investment in the post-pandemic economy, the official added. According to the Bangladesh Bank, on Monday, interbank call money transactions were worth BDT 5,388 crore at a rate of BDT 4.31. A week ago, the rate was at BDT 2.93. Earlier on 15 November, the call money rate hit a 14-month high. On that day, the interbank call money transactions amounted to BDT 8,378 crore at a rate of BDT 3.14. On 7 November, the amount of call money transactions was BDT 8,748 crore and the rate was BDT 2.27.

<https://www.tbsnews.net/economy/banking/call-money-rate-almost-doubles-week-333793>

## Matarbari power project gets costlier by BDT 158.7b

- The Executive Committee of National Economic Council (Ecne) on Tuesday cleared the first revision of Matarbari 2X600 MW Ultra Supercritical Coal Fired Power Project, raising its cost by BDT 158.7 billion (15,870 crore) and extending the deadline up to December 2026 from June 2023, reports UNB. The approval came from the weekly Ecne meeting held virtually with Ecne Chairperson and Prime Minister Sheikh Hasina in the chair. The Prime Minister joined the meeting from her official residence Ganobhaban, while others got connected from the NEC conference room.
- "The meeting approved 10 development projects involving an estimated cost of BDT 29,3.44 billion (only additional costs of revised projects counted)," said Planning Minister MA Mannan while briefing reporters after the meeting. Of the total cost, BDT 110.03 billion will come from government funds while the rest of BDT 189.32 billion from foreign sources as loans, he said. Of the approved projects, seven are new while three are revised ones, he said.

<https://today.thefinancialexpress.com.bd/trade-market/matarbari-power-project-gets-costlier-by-tk-1587b-1637690058>

## Better branding can be a game changer

- Apart from encouraging environment-friendly manufacturing practices in the leather industry, the sector needs to focus on better branding and marketing of leather products for its sustainability. The suggestion came at a virtual workshop on 'Trade and Investment Opportunities in Bangladesh Leather Industry', organized by Solidaridad in collaboration with the Embassy of Bangladesh in the Netherlands on Tuesday. The speakers at the event also urged for establishing a knowledge and innovation lab for the leather industry, in order to diversify and manufacture high-end products in line with ever-changing demand of the global market.
- In the introductory remark, Bangladesh Ambassador in the Netherlands Riaz Hamidullah said for sustainability of the leather industry, the key challenges regarding exports to the Netherlands and other European countries should be identified first. He said issues like environment-friendly production, carbon neutrality and the efficient use of water in the leather industry should be discussed more among the stakeholders, in order to increase export volume to European countries.

<https://today.thefinancialexpress.com.bd/last-page/better-branding-can-be-a-game-changer-1637692085>

## BIDA selects 11 sectors to woo FDI mainly from 15 countries

- The government has set a primary target to woo investment from 15 countries and regions during the upcoming International Investment Summit 2021. "The target was set through analysing the track record of FDI (foreign direct investment) inflow in the past," said Md. Sirazul Islam, executive chairman of Bangladesh Investment Development Authority (BIDA). The countries and regions include the United States of America (USA), United Kingdom, Singapore, China, Netherlands, India, Japan and Korea, he said. "It does not mean that we don't want investment from other countries. Of course, we will welcome investment from other countries too."

<https://today.thefinancialexpress.com.bd/last-page/bida-selects-11-sectors-to-woo-fdi-mainly-from-15-countries-1637692216>

## Increasing popularity of local TV brands deters illegal import: Report

- Local brands are now getting popularity in the country's television market thanks to the increased investment of some home-grown companies, especially the giant Walton. Currently, Walton holds the lion's share – around 27% – among all the domestic and

international brands for television in the market. Besides, Singer accounts for 9%, Minister 4%, Vision 3%, Jamuna 2% and Nova 2% of the total television market. The Marketing Watch Bangladesh (MWB) on Tuesday revealed the report, based on a study on television uses across the country between January to April this year.

- Riding on increased uses of Information technology, enhanced electricity coverage, and growing income of households, the use of television in Bangladesh has significantly increased; local brands saw substantial growth. The study said the size of Bangladesh television in 2020 reached USD 636 million and is expected to grow to USD 687 million in 2021. MWB Co-founders Prof Dr Mizanur Rahman and Associate Prof Dr Nazmul Hossain, both from the Department of Marketing at the University of Dhaka, conducted the research.

<https://www.tbsnews.net/economy/increasing-popularity-local-tv-brands-deters-illegal-import-report-333802>

### **Homegrown COVID vaccine Bangavax gets nod for human trial**

- Bangladesh Medical Research Council (BMRC) has given ethical clearance to the Bangavax COVID-19 vaccine of Globe Biotech for a small Phase-1 clinical trial on humans. Developed by the local pharmaceutical company, Bangavax is the first experimental vaccine to be used on humans in Bangladesh, reports bdnews24.com. The vaccine can be stored at a temperature of 4.0 degrees Celsius for one month and of -20 degrees Celsius for up to six months.

<https://thefinancialexpress.com.bd/national/homegrown-covid-vaccine-bangavax-gets-nod-for-human-trial-1637672357>

### **Japan lends USD 2.67b**

- Japan confirmed USD 2.665 billion (JPY 292.279 billion) loan for developing the Matarbari power plant and the MRT line-6 as well as for facilitating recovery from the Covid-19 pandemic shocks. The Japanese development partner JICA will provide the loan under its 42nd Official Development Assistance (ODA) package.
- For the two development projects under the 42nd ODA package (1st batch), the JICA will charge interest at a rate of 0.60% for construction-related financing, 0.01% for consultancy service, and 0.2% as the front-end fee (at a time). The loan maturity period will be 30 years with a grace period of 10 years. On the other hand, the agency will charge 0.55% interest and 0.2% front-end fee (at a time) for the USD 365 million budgetary support. The maturity

is 30 years with a grace period of 10 years.

<https://today.thefinancialexpress.com.bd/last-page/japan-lends-267b-1637605675>

### **ROK approves USD 100m loan**

- South Korea has approved the provision of USD 100 million from Economic Development Cooperation Fund (EDCF) to Bangladesh to help the recovery of Bangladesh's economy hit by the coronavirus pandemic. EDCF is a development financing programme of the Republic of Korea (ROK) for assisting the socio-economic development of developing countries.
- This will also be the first EDCF loan to be implemented under the new EDCF Framework Agreement for the years 2021 through 2025 which was signed between the two governments on October 24, 2021. According to the agreement, the South Korean government will provide up to USD 700 million concessional loans to the Government of Bangladesh for the five year period. The new concessional loan of USD 100 million will be used to implement several projects aimed at advancing public finance management system and improving small and medium-sized businesses struggling from the repercussion of the pandemic.

<https://today.thefinancialexpress.com.bd/last-page/rok-approves-100m-loan-1637606026>

### **Eyeing USD 1bn investment, Japanese economic zone revs up for 2022 opening**

- The Japanese Economic Zone in Araihasar upazila of Narayanganj will go into production in late 2022, with the potential of a USD 1 billion Japanese investment and creation of one lakh jobs, the authorities have said. Japanese factories in the economic zone, which is now being built under a government-to-government (G2G) basis, will be manufacturing cars, motorcycles, mobile phones, electronic equipment and motor parts, according to the Bangladesh Economic Zones Authority (Beza).
- The BDT 2,582-crore economic zone sprawls on 1,000 acres of land. Beza Executive Chairman Yusuf Harun stated that the government has already provided the authority with 620 acres of land as the remaining 380 acres are under acquisition process. He also said Bangladesh has a 30% share while Japan holds the remaining 70% share of the economic zone.

<https://www.tbsnews.net/economy/industry/eyeing-1bn-investment-japanese-industrial-zone-revs-2022-opening-332827>

### **Difference over inclusion of apparel delays signing**

- The signing of a preferential trade agreement (PTA) between Bangladesh and Indonesia is facing delays due to a difference over inclusion of Dhaka's apparel on the tariff concession list and also for the pandemic-related complexities, officials said.
- The bilateral trade negotiation committee met last time in October last year and the talks have almost remained stalled since then. At that meeting, Indonesia had submitted a list of 309 products where it wanted to grant tariff waiver to Bangladesh. However, Bangladesh's top export item, the apparel, was not included on the list. Indonesia at the meeting agreed to submit a revised list of products by including some of the Bangladesh made apparel items. However, the new list of products is yet to reach Dhaka.

<https://today.thefinancialexpress.com.bd/last-page/difference-over-inclusion-of-apparel-delays-signing-1637605823>

### **Resume dev activities at pre-Covid pace: PM**

- Prime Minister Sheikh Hasina on Monday directed the officials concerned to bring the development activities back to normalcy like in the situation before the Covid-19 pandemic. She issued the directive at the regular Cabinet meeting held at the Secretariat.
- Cabinet Secretary Khandker Anwarul Islam said the Prime Minister asked the officials concerned to expedite the development works to bring those back to the previous situation before the pandemic. He said that the premier also directed them (officials) to enhance their activities to reduce the backlogs if there is any. Noting that already around 90 million (9 crore) people have been vaccinated, Mr Anwarul Islam said that 20-25 million vaccines will be given every month by next February.

<https://today.thefinancialexpress.com.bd/last-page/resume-dev-activities-at-pre-covid-pace-pm-1637605636>

### **Customs set timeline for service delivery**

- The customs authority has set a timeline for service delivery to the exporters having bonded-warehouse licences in a bid to ease time and cost of doing business through speedy release of goods. The customs officials will have to provide 25 types of services within the maximum time limit, set in an order issued on November 17.

- From now on, the exporters will be able to get bond-related services within maximum 10 ten days as per the new order. In another order, the customs wing of the National Board of Revenue (NBR) also determined requirement of documents for the exporters enjoying 100% bonded-warehouse facility.

<https://today.thefinancialexpress.com.bd/first-page/customs-set-timeline-for-service-delivery-1637606388>

### **Finance ministry asks BB to make fresh rules**

- Government's finance authority asks the Bangladesh Bank to make fresh 'incentive-bonus rules' for state-owned banks (SoBs) as most of them reportedly handed out such perks sans making profit. The Bangladesh Bank received the instruction from the Financial Institutions Division (FID) for framing a set of new rules with updated information and submit it soon.
- The directive came Monday from a committee meeting at the FID which was formed to determine whether the officials of the SoBs are entitled to get incentive bonuses when the banks are incurring losses every year. The meeting discussed that BB had prepared an 'incentive bonus rule' for the SoBs back in December 2014 which now needs to be updated before taking a decision to determine the number of incentive bonuses for SoB officials. The meeting also elicited information from the participants about the provisions and rules followed by the individual banks in providing such perks called incentive bonus.

<https://today.thefinancialexpress.com.bd/first-page/finance-ministry-asks-bb-to-make-fresh-rules-1637606282>

### **BB to auction treasury bonds worth BDT 15 billion**

- The Bangladesh Bank plans to sell two lots of treasury bonds worth BDT 15 billion in total in two separate auctions due to be held on Tuesday. 15-year term treasury bonds worth BDT 8 billion will be sold at one of the auction.
- The fixed interest rate for the bonds has been set at 5.65% per annum, maturing for redemption in July 2036. Apart from this, another 20-year term bond lot worth BDT 7 billion will be auctioned separately on the same day. The coupon rate has been set at 6.07% per annum, maturing in 2041.

<https://www.tbsnews.net/economy/bb-auction-treasury-bonds-worth-tk15-billion-333151>



### **Move on to raise edible oil prices yet again**

- Refiners have again proposed to raise the edible oil prices. They say the proposal has been moved taking into account the current upward price trends of edible oils on the international market. However, according to the global trade web portal Index Mundi, the prices of soyabean oil showed a gradual decline for the last few months.
- Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association (BVORVMA) has proposed to the Commerce Ministry to take necessary steps in this regard. The group of millers has mentioned in the proposal that the new rates will be effective from December 03, 2021. The BVORVMA proposed to increase the maximum retail price (MRP) of per-litre bottled soyabean oil to BDT 172 from BDT 160, according to the proposal. The maximum retail price (MRP) of a five-litre soyabean-oil jar will then rise to BDT 820 from BDT 760.

<https://today.thefinancialexpress.com.bd/first-page/move-on-to-raise-edible-oil-prices-yet-again-1637606212>

### **Tax receipts fall BDT 8,753cr short of target in July-Oct**

- Revenue collection by the National Board of Revenue (NBR) fell short of target by BDT 8,753 crore during 4MFY22, according to NBR provisional data. The NBR managed to collect BDT 79,353 crore against the target set at BDT 88,106 crore, achieving 90.07% of its target. NBR collected BDT 21,085 crore in the month, with a shortfall of BDT 2,325 crore.
- However, the revenue collection in the period grew by 16.47% YoY, as customs duty, VAT and income tax collection grew by 21.31%, 14.26% and 14.12% respectively. VAT collection was BDT 29,279 crore, customs duty BDT 26,404 crore, and income tax collection was BDT 23,669 crore in the period.

<https://www.newagebd.net/article/155441/tax-receipts-fall-tk-8753cr-short-of-target-in-july-oct>

### **Year-on-year fuel import spending jump by 230%**

- The government spent 230% more, USD 359.93 million to be exact, in Oct'21 for fuel import compared to USD 108.97 million in the corresponding period last year, according to the latest Bangladesh Bank data. The government's expenditure last month in letter of credit (LC) settlement for fuel is also 87.43% higher compared to USD 192.03 million in Sep'21 this year, according to the central bank's LC opening and settlement data.

- Sources at BPC said during the Covid-19 outbreak last year, the consumption of different types of fuel was only 8,000 to 9,000 tonnes per day. Now, the daily consumption of fuel has reached around 17,000 tonnes.

<https://www.tbsnews.net/bangladesh/energy/year-year-fuel-import-spending-jump-230-333262>

### **MFS cash-in reaches record BDT 19,777cr in Sept**

- As per the Bangladesh Bank's latest data, cash-in to MFS accounts increased to BDT 19,777.1 crore in Sep'21 from BDT 18,669.7 crore in Aug'21. September's cash-in was the highest after the cash-in of BDT 19,428.8 crore in May'21. In Sep'21, transactions through MFS reached BDT 65,141.4 crore from BDT 62,230.2 crore in Aug'21.
- In Sep'21, customers of MFS operators carried out BDT 19,794.4 crore in person-to-person payments, BDT 2,936.5 crore in merchant payments, BDT 2,458 crore salary disbursements, purchased talk times worth BDT 651.8 crore and paid bills worth BDT 1,331 crore.
- Apart from the payments and purchase, the floating amount in 10.65 crore MFS accounts stood at BDT 7,020.4 crore in September from BDT 5,624.6 crore a year ago.

<https://www.newagebd.net/article/155440/mfs-cash-in-reaches-record-tk-19777cr-in-sept>

### **Reserve heist takes BB back to manual foreign payment**

- The Bangladesh Bank (BB) has not been able to rebuild its compromised foreign transaction messaging network, otherwise known as SWIFT, even five years after it lost USD 81.0 million to cyber hacks, according to various documents and interviews available to The Business Standard. The central bank has been left with no option but to conduct foreign transactions manually as SWIFT has not yet sent its officials to assist in rebuilding its network.
- The Federal Reserve Bank of New York has now warned that it will cut off transactions with the Bangladesh Bank if the SWIFT network is not re-built by June next year. BB's transaction days are already curtailed. As a result, on several days a month, it has to conduct transactions with the help of a locally-based foreign bank paying a charge. If the Fed shuts the transactions, the Bangladesh Bank will have to make all foreign payments through a third party, which will hurt its reputation.

<https://www.tbsnews.net/economy/banking/reserve-heist-takes-bb-back-manual-foreign-payment-333280>

### **StanChart rolls out pre-shipment loans for garment makers**

- Standard Chartered has partnered with large global garment buyers and suppliers and disbursed US dollar-denominated pre-shipment loans under a new finance programme, which aims to support more than 20,000 apparel workers in Bangladesh.
- The bank's clients can avail one-year liquidity support for payment of wages, utilities and other operational expenses under the programme, with a moratorium period of three months.

<https://www.thedailystar.net/business/economy/news/stanchart-rolls-out-pre-shipment-loans-garment-makers-2900511>

### **Bangladesh could capture USD 1.2b of recycled textile industry**

- Bangladesh has the potential to produce USD 1.2 billion worth of recycled textile and garment items as the country has a big production base for cotton fibre clothing items, according to a recent study by the Global Fashion Agenda (GFA) and McKinsey & Company. The study - Circular Fashion Partnership (CFP) Scaling Circularity Report - was launched virtually on Monday.
- Based on reverse resources analysis, 35% of the total amount of fibres wasted while making garment items is generated during production. The CFP's goal is to reduce dependency on virgin materials and increase the availability of recycled materials by establishing a long-term, scalable transition to a circular fashion system in garment manufacturing countries.
- The government plans to make use of the CFP project, but there will be a lot of challenges to implement such an initiative in the country, said the director general of the foreign ministry's wing for west Europe and the EU.

<https://www.thedailystar.net/business/economy/industries/news/bangladesh-could-capture-12b-recycled-textile-industry-2900571>

### **Interoperable digital transaction to begin in January: Palak**

- The government is set to launch the Interoperable Digital Transaction Platform (IDTP) in January next year, allowing people to move funds effortlessly within the financial sector in real-time and at lower costs, said Zunaid Ahmed Palak, state minister for ICT. "The platform will curb the cost of transactions and harassment in making financial transactions," said Palak at an event at the second session of the "Capacity building training for Anandamela

platform users in Bangladesh" organized by Bangladesh Women Chamber of Commerce and Industry at Bangabandhu International Conference Centre in Dhaka. The new system - IDTP-- will be set up to establish the interoperability among banks, mobile financial service operators and payment service providers (PSPs) and would give a major boost to cashless transactions.

- The registered clients of the IDTP will be able to purchase products from shops by scanning the QR (quick response) code. A QR code is a type of barcode that stores information as a series of pixels in a square grid and can easily be read by smartphones. The new system will be highly secure as clients will have to be verified through a two-factor authentication for every transaction. Banks, PSPs and MFS providers will provide clients a one-time password when they attempt to carry out a transaction.

<https://www.thedailystar.net/business/news/interoperable-digital-transaction-begin-january-palak-2235231>

### **'Business-friendly environment will help in attracting FDI'**

- Creating a business-friendly environment as well as simplification of the investment process would help in bringing foreign direct investment, speakers say at a programme. "Everybody is welcome to Bangladesh for investment. We need regular reforms of policies and regulation as per need for creating a business-friendly environment," said MA Mannan, minister for planning. He was addressing an event styled "Accelerating Bangladesh" organised by the Foreign Investors' Chamber of Commerce and Industry (FICCI) at Sheraton Dhaka hotel today.
- FICCI also unveiled a research report on "Growth drivers of Bangladesh: accelerating investment opportunities in agribusiness, digital economy, and green finance." According to the research report, Bangladesh's resiliency and prosperity can be attributed to a number of causes, including increased private sector involvement, remittances, economic liberalisation, and trade integration.

<https://www.thedailystar.net/business/economy/industries/investments/news/business-friendly-environment-will-help-attracting-fdi-2235291>

### **South Korean investors ahead of others in EPZs**

- In FY21, companies operating in the EPZs exported goods worth USD 6.64 billion, which was 17.14% of the country's total export income that year South Korea currently has the

highest number of investors – 71, who have put their money in export processing zones (EPZs) in Bangladesh. Besides, 56 investors from China, 28 from Hong Kong, 31 from Japan, 25 from Taiwan, and 20 investors from India have invested in the EPZs, which are contributing hugely to the country's export earnings, foreign investment and employment. A favourable investment atmosphere is drawing more foreign companies to EPZs. Kido Industrial Company, a renowned apparel manufacturer based in South Korea, is one of them.

- The company has announced to invest USD 36.17 million in the Adamjee EPZ to establish a new company and renovate an existing firm that it recently acquired. The company will make high-value products including motorcycle safety jackets, leather jackets, and fibre jackets. There are many skilled workers in this sector in Bangladesh, said Joseph Ahn, director of Kido Dhaka Co Ltd. Bangladeshi national Md Zahirul Islam, general manager (operations) of the company, told The Business Standard that the establishments of EPZs have created opportunities for local people to work with foreign companies.

<https://www.tbsnews.net/economy/south-korean-investors-ahead-others-epzs-332413>

### **Agriculture credit gains pace on back of Bangladesh Bank policy changes**

- The scheduled banks have disbursed BDT 79.05 billion as agriculture and rural credit in July-October period of the current fiscal (2021-22), almost 28% of the target for the 12 months. It shows that agriculture and rural credit disbursement got pace after Bangladesh Bank (BB) simplified the credit disbursement policy, said Md Serajul Islam, spokesperson and executive director of BB. The central bank's enhanced supervision at field level after falling Covid-19 infection rate in the country also helped to bring about the positive result, he said.
- Compared to the same period of the previous financial year, the loan disbursement has increased by 19.23% or BDT 12.75 billion (1,275 crore), reports UNB. Banks disbursed BDT 66.29 billion in the FY 2020-21's corresponding period, which was 25.22% of the fiscal agriculture and rural credit disbursement target. The central bank set the target of BDT 262.92 billion (26292 crore) disbursement in the agriculture sector. Bangladesh Bank (BB) set a target for banks of BDT 283.91 billion (28391 crore) agriculture and rural credit disbursement target for the fiscal year 2021-22. The agriculture and rural credit disbursement increased in October. Banks disbursed BDT 26.95 billion this month which is the highest ever in a single month. In the previous month in September BDT 25.36 billion was disbursed in this sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/agriculture-credit-gains-pace-on-back-of-bangladesh-bank-policy-changes-1637481753>

### **Bids for BB bills rejected amid interest rate rise**

- The Bangladesh Bank has sharply reduced sales of the Bangladesh Bank bills amid soaring interest rates on the interbank money market. The central bank even rejected all bids placed by eight banks for the purchase of the seven-day Bangladesh Bank bills worth BDT 916.8 crore in the last auction held on November 18.
- It was the second day of rejections of all bids by the BB since BB bills sales resumed in August to bring down the volume of excess liquidity in the banking system after it reached a record high of BDT 2.31 lakh crore at the end of Jun'21. The rising interest rates on the interbank money market suggest that the banks are looking for cash as they have lower amounts of cash in their vaults against the requirement, a BB official said. Participation of the banks was also lukewarm in the last three auctions for the sale of the seven-day, 14-day and 30-day BB bills.
- In the bids, the banks demanded up to 9.0% interest against the 14-day BB bills in November which was 2.97% in August. Against the 30-day BB bills, the banks demanded up to 5.65% in November against their highest demand of 3.0% in August. The banks demanded up to 4.75% against the seven-day BB bills in November which was highest 2.75% in August.

<https://www.newagebd.net/article/155332/bids-for-bb-bills-rejected-amid-interest-rate-rise>

### **Banks slip into cash crunch as 76% surplus funds held by a few**

- The surplus fund totaled BDT 220,880 crore in Oct'21, surprisingly up from 0.6% the month before at a time when concerns about a cash stress have surfaced. Of the total excess fund, BDT 168,508 crore is concentrated to only a dozen of banks, accounting for 76% of the additional liquidity, as some of them are preferring parking funds in securities instead of channeling money to the real economy in the form of loans. The 12 banks are Sonali, Islami Bank, Agrani, Janata, Standard Chartered, Pubali, Dutch-Bangla, Rupali, Southeast, Trust, Bank Asia, and Jamuna Bank.
- "It is a contradictory stance of the BB. It is illogical to mop up funds from banks and inject them simultaneously," said a BB official, wishing not to be named as he is not authorised to speak to the media. "Banks are simultaneously investing in the call money market and the BB Bill. But if the auction of the BB bill discontinues, the funds would go to the call money market, easing pressures" said the central banker.
- The liquidity shortage has forced the cash-poor banks to desperately turn to the inter-bank call money market, sending the interest rate on the overnight borrowing to an elevated level.

The call money rate stood at 4.49% on November 18, up from 2.25% on October 31. Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says that the central bank should put on hold the BB Bill auction for the time being as many banks do not have enough cash. He added that the call money rate will go up further if the central bank keeps holding BB Bill auctions.

<https://www.thedailystar.net/business/economy/news/banks-slip-cash-crunch-76pc-surplus-funds-held-few-2235701>

### **Tea growers face high production cost, lower auction prices**

- Despite record production, tea garden owners in Bangladesh brace for growing losses owing to price hikes of diesel and coal that are used for processing tea leaves. Besides, lower tea prices and piled up tea consignments unsold in auctions have added to their woes. According to the Bangladesh Tea Board, tea growers produced around 8 crore kilograms of tea in the first ten months of this year.
- In October alone, 1.4 crore kg of tea were produced, surpassing any previous month's production record. Altamash Hasan, vice-chairman of the Bangladesh Tea Association, a platform of tea garden owners, said it was not the case that owners would be able to sell tea at higher prices if its production increased. At present, the cost of tea production is more than BDT 200 per kg compared to its auction price of BDT 170-190. As a result, gardens are losing up to BDT 30 per kg, he added.

<https://www.tbsnews.net/economy/industry/tea-growers-face-high-production-cost-lower-auction-prices-332422>

### **Food price inflation may slow down poverty reduction**

- As Bangladesh's economy is still under recovery from the effects of the COVID-19 pandemic, an upward trend in the prices of different commodities from the food consumption basket has been hovering over the food market lately - adding fuel to the fire. According to the Department of Agricultural Marketing, recently the prices of many essential commodities have skyrocketed. Vegetables such as local potato, carrot, red spinach (laal shak), green banana (kacha kola), Malabar spinach (pui shak), tomato, lady's finger (okra), lemon (kagji), onion etc., have experienced a significant increase in prices (between 13% and 106%) in early November 2021 compared to the prices at the beginning of September 2021. Prices of farm-raised hen, eggs from local hen and local ducks also noticeably grew around 10%.

<https://today.thefinancialexpress.com.bd/views-opinion/food-price-inflation-may-slow-down-poverty-reduction-1637502584>

### **1% rise in female employment could add USD 11.3 billion in GDP: Sanem**

- Simply a 1% increase in female employment would help the economy grow 0.31% further, revealed a study by the South Asian Network on Economic Modeling (Sanem). The potential of adding USD 11.3 billion to the GDP remained untapped as the female participation rate in the labour market is stagnant for the last decade due to the burden of 81.4% of the unpaid domestic work.
- In a webinar titled "Integration of Care Economy in Policy Formulation" organised jointly by Sanem and Manusher Jonno Foundation to unveil the study on Saturday, experts and economists called for finding a way to evaluate the value of unpaid domestic work. "Women who do not participate in the formal labour market spend 6.38 hours on average, in household activities whereas women in the formal labour market are spending an average of 3 hours daily," she further said. She said employed males are spending only 1.28 hours for family work while the male not in the labour market is spending 1.68 hours of the day on average for family work.

<https://www.tbsnews.net/bangladesh/1-increase-female-employment-could-add-113-billion-economy-sanem-332170>

### **FBCCI to work with British-Bangladesh chamber to widen export market**

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will work with the British-Bangladesh Chamber of Commerce and Industry (BBCCI) to expand the south Asian country's export market in the UK. FBCCI President Md Jashim Uddin said this when BBCCI President Bashir Ahmed made a courtesy call on Jashim Uddin at his Dhaka office today. Apart from readymade garments, no other Bangladeshi product is exported to Britain on a large scale and the main buyers of the products are mainly Bangladeshi expatriates, Jashim Uddin said.
- So, the FBCCI, in an attempt to change this situation, wants to jointly work with the BBCCI, he added. To this end, the FBCCI will soon hold a meeting with the visiting BBCCI delegation in Dhaka with traders of agricultural and processed food products, leather goods and footwear and handicrafts of Bangladesh, he said. The BBCCI president said Bangladeshi exporters are lagging behind in marketing strategy in Britain.

<https://www.thedailystar.net/business/export/news/fbcc-work-british-bangladesh-chamber-widen-export-market-2234566>

### **Govt aims for major reforms to boost tax receipts**

- The government plans to merge development and revenue budgets, amend income tax laws and establish a procurement authority in the next three years as part of a set of reforms aimed at boosting revenue collection and ensuring transparency in expenditure. The reform initiatives are in keeping with the conditions set by the global development partners before they had provided budgetary support to the government to help the country recover from shocks triggered by the coronavirus pandemic.
- By July 1 next year, the National Board of the Revenue will implement online payment for income tax exceeding BDT 2.0 million and roll out a piloting of online return filing for the taxpayers with incomes exceeding BDT 7.0 million. The government would make the return submission mandatory for any individual who has spent more than BDT 400,000 for travels abroad in the previous income year.
- Other steps include online payment of VAT amount surpassing BDT 10.0 million with effect from January 1 next year, introducing an electronic contract management system of e-GP (electronic government procurement), and initiating and scaling up citizen monitoring of contract implementation by June 30, 2022. And by December 31 next year, it will integrate e-GP with iBAS++, an integrated budget management system.

<https://www.thedailystar.net/business/economy/news/govt-aims-major-reforms-boost-tax-receipts-2234931>

### **New drivers of economy**

- Tjough Bangladesh has been moving ahead and the country's economy has also been registering a persistent level of growth, the question that still arises is how sustainable the growth is. There is no doubt that the economy will continue to grow defying all odds, as reflected by the pandemic-time trend. Even so, the pace or rate of growth may have to face seasonal or occasional fluctuations in the near future as happened in the past. There may be unseen and unpredictable external and internal shocks. To absorb the shocks, the economy needs some strong instruments and policy adjustments. These will largely depend on identifying and promoting new drivers of the economy in the gradually changing world where traditional and protected drivers are unlikely to run the wheels of economy.

- The drivers of an economy may be divided into two categories, though this type of classification is not universal. One is broader components and policies of the economy, while the other includes real sectors and sub-sectors. In Bangladesh, private investment and trade policy are two core drivers of economic growth for the last three decades in terms of the first category. Agriculture output, ready-made garments and workers' remittance are the main drivers in terms of real sectors.

<https://today.thefinancialexpress.com.bd/editorial/new-drivers-of-economy-1637410115>

### **RMG production cost up 5% on diesel price hike**

- The latest diesel-price hike would raise the readymade garment items' production cost by 5.0%, thereby posing a headwind against the turnaround Bangladesh's main export industry is making with western markets rebounding. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made the observations Saturday and urged the government to reconsider the raise in the fuel price that casts multiple impacts on the industry and transportation.
- "Recently, the price of diesel has been enhanced by 23%. In line with that transportation and cost of electricity production through generator will also go up while related raw materials and other services' cost have increased. All these factors will push up our production cost by 4.0 to 5.0%," BGMEA president Faruque Hassan said. During the last two years, due to the Covid-19 pandemic, fresh employment has hardly been created in the industry, he said, adding that ease of doing business and stable policy are needed to generate employment and attract investment.

<https://today.thefinancialexpress.com.bd/first-page/rmg-production-cost-up-5pc-on-diesel-price-hike-1637427139>

### **Rising raw material costs throw spanner on feed industry's recovery**

- The skyrocketing freight cost comes on top of imported raw materials that continue to be very expensive. Rising raw material prices have now put a spoke in the wheel of the feed industry that had been running on a recovery track with the reboot of economic activities after the pandemic had eased off. Industry insiders say they are now going through a time worse than Covid-19, with raw material prices both at domestic and global markets shooting up to 40% on average.
- Khondaker Monsur Hossain, managing director of Aleya Feeds Ltd that produces poultry and

fish feed, told The Business Standard, "We are still going through a bad patch only because of rising raw material prices even though economic activities have reopened." They could only hike feed prices by 10%. So, many small mills had to shut down for failing to bear rising costs, leading to a 20%-25% drop in production, feed producers say.

<https://www.tbsnews.net/economy/industry/rising-raw-material-costs-throw-spanner-feed-industrys-recovery-332104>

### **Don't accept work orders below production cost: BGMEA**

- The leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) today urged the apparel makers not to take work order of any item below their production cost. "Please do not negotiate the prices of apparel items below the production cost anymore as we are receiving adequate number of work orders but there is a fear of the return of a crisis in the supply chain," said Faruque Hassan, president of BGMEA. The local garment makers have been receiving higher prices and work orders with the gradual reopening of the advanced economies, he said at a press conference at Amari Hotel in Dhaka.
- But they are struggling to make any profit because of the rising cost of production, he said. At the same time, the apparel manufacturers have been fearing the return of a crisis situation in the global apparel supply chain as the rate of Covid-19 infections has started spiking in different countries in the Europe, Hassan said. The international retailers and brands have been paying higher prices because of a hike in raw material prices and freight charges, he said.

<https://www.thedailystar.net/business/news/stop-accepting-work-orders-below-production-cost-bgmea-2234516>

## **Important News: Capital Market**

### **IBBL awarded as the highest taxpayer**

- Islami Bank Bangladesh Limited was awarded as the highest taxpayer in banking sector in 2020-21 fiscal year. Abu Hena Md. Rahmatul Muneem, Chairman, National Board of Revenue & Senior Secretary, handed over the crest and tax card to Mohammed Monirul Mousa, Managing Director and CEO of IBBL, at a ceremony held at Officers Club, Dhaka on Wednesday.

<https://today.thefinancialexpress.com.bd/stock-corporate/ibbl-awarded-as-the-highest-taxpayer-1637775811>

### **All listed banks bleed**

- All listed banks on Wednesday lost prices and the sector saw the highest loss in market return following investors' selling pressure. Following the price correction, the market capitalisation of the banking sector declined 2.5% on Dhaka Stock Exchange (DSE).
- The sector, however, saw the highest participation from investors as they exerted selling pressure. Following investors' increased participation, the sector solely contributed 34.70% in total market turnover. The banking issues posted an aggregate amount of turnover worth BDT 3.92 billion on the premier bourse DSE. On Wednesday, all listed 32 banks lost prices ranging between 0.73% and 4.95%.

<https://today.thefinancialexpress.com.bd/stock-corporate/all-listed-banks-bleed-1637775600>

### **LafargeHolcim's aggregate production halted for two weeks**

- LafargeHolcim Bangladesh Ltd has halted its business of crushing and selling aggregates derived from imported lime stones coming from its Meghalaya mines for two weeks. On 23 November, the Appellate Division stayed a High Court order on the matter for two weeks.
- Earlier, on 16 November, the High Court issued a one-month stay order on a Ministry of Industries letter, issued on 16 September, that asked the cement maker to stop crushing aggregates. Prior to the ministry's order, a government committee found that the company was crushing aggregates at an unapproved facility in Chhatak, Sunamganj.

<https://www.tbsnews.net/economy/stocks/lafargeholcims-aggregate-production-halted-two-weeks-334339>

### **IPO shooting stars in capital market frustrate investors**

- At least 10 companies have entered the capital market showing high hopes in the last couple of years but they deviated from their commitments after raising funds and deprived the investors, according to the Dhaka Stock Exchange (DSE). These firms showed an ambition for rapid growth and urgency of investment before listing. They also presented their products' potentiality and future demand in an inflated fashion. Some companies also overstated their financial statements tactfully, alleged the investors.
- For example, Aman Cotton Fibrous Ltd collected BDT 80 crore from the share market to buy new machinery and repay its loans in August 2018. So far, the company has only repaid its

loans but it has neither set up any new machinery nor expanded its business. Alif Manufacturing Company raised BDT 109.40 crore by issuing the rights share in 2018, but the company has not been able to utilise the fund till now. Golden Harvest Agro Industries also raised BDT 89.93 crore by issuing the rights share in 2019, but the company has not used the fund so far. Regent Textile Ltd collected BDT 125 crore from the capital market in 2015 to renovate its factory and start a new readymade garment project. But after five years, the company decided to acquire a 99% stake in its group sister concern Legacy Fashion Limited with the money they collected through IPO.

<https://www.tbsnews.net/economy/stocks/ipo-shooting-stars-capital-market-frustrate-investors-334333>

### **BD Thai Food subscription floats from 23 December**

- The subscription of an initial public offering (IPO) of BD Thai Food and Beverage will open on 23 December and continue till 29 December this year. Earlier, the regulator approved the company to raise BDT 15 crore with an IPO under the fixed price method.
- The beverage producer will use the funds for machinery and equipment, land purchase and land development, and bank loan repayments. Unicap Investments Limited and BLI Capital Limited are the issue managers for the company.

<https://www.tbsnews.net/economy/stocks/bd-thai-food-subscription-floats-23-december-334321>

### **Selling pressure affects stock market**

- Dhaka bourse saw a straight fall on Wednesday as most of the listed securities including large cap issues lost prices amid selling pressure executed by shaky investors. On the day, investors' participation also declined and DSEX, broad index of Dhaka Stock Exchange (DSE), went down below 7000 points.
- At the end of the session, the core index settled at 6917.91 with a loss of 1.35% or 95.08 points. The price correction witnessed by all listed banks intensified the fall of the broad index. Apart from banks, the large cap companies which lost prices include Walton Hi-Tech Industries, Grameenphone, Beximco, Square Pharmaceuticals, Renata and MJL Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/selling-pressure-affects-stock-market-1637775573>

### **BSEC for restoring operations of People's Leasing**

- The securities regulator will provide all-out cooperation to restore operations in People's Leasing and Financial Services Limited (PLFSL) in consultations with the company's restructured board. The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday spoke about its decision after a commission meeting held at the BSEC office. "The BSEC has taken the decision of providing all-out cooperation to restore operations in PLFSL in line with the verdict of the High Court (HC)," the securities regulator said in a release. It said the securities regulator will work to restore the troubled company's operations taking into account different options of financial restructuring and conducting consultations with the restructured board.
- Besides, the securities regulator will appoint auditors to conduct special audits on the company's activities and financial statements prepared since 2013 to 2021. At Tuesday's meeting, the securities regulator approved the proposal of perpetual bond worth BDT 6.0 billion to be issued by AB Bank. Of BDT 6.0 billion, BDT 5.4 billion will come from the units to be distributed through private placements and the remaining BDT 600 million will be raised through public offer.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-for-restoring-operations-of-peoples-leasing-1637689553>

### **Dhaka Bank inks deal on USD 25m syndicated loan**

- Dhaka Bank Limited has signed a USD 25 million syndicated loan facility arranged by Bank Muscat, the leading financial services provider in Oman. Bank Muscat is the Mandated Lead Arranger and Book Runner (MLAB) and arranged the participation of renowned international financial institutions in this facility. This milestone agreement has been recently signed by Emranul Huq, Managing Director and CEO of Dhaka Bank, on behalf of the Bank, says a statement.
- The facility reflects Dhaka Bank's great international reputation and the trust that foreign institutions have placed in it as a result of its strong financial strength, performance, and commitment. Dhaka Bank has witnessed an impressive growth of around 58% in its foreign trade business in the first nine months of 2021 compared to that of 2020. This growth is in line with Bangladesh's economic growth and is expected to continue in the coming days. Subsequently, the need for foreign funds has climbed manifold with the excellent business growth. The proceeds from this syndicated loan will support the bank in meeting its ongoing liquidity needs.

<https://today.thefinancialexpress.com.bd/trade-market/dhaka-bank-inks-deal-on-25m-syndicated-loan-1637690078>

### **AB Bank, NRBC Bank allowed to float bonds worth BDT 900 crore**

- Bangladesh Securities and Exchange Commission on Tuesday allowed AB Bank Limited and NRB Commercial Bank Limited to float bonds worth BDT 600 crore and BDT 300 crore respectively. AB Bank will float transferable, unsecured, non-cumulative, contingent-convertible perpetual bond while NRB Commercial Bank will float unsecured, non-convertible, fully redeemable, floating rate subordinated bond.
- The face value of each unit of AB Bank' bond will be BDT 1,000 and that of NRBC Bank's bond will be BDT 10.0 million. The coupon rate of AB Bank's bond is 6-10%. Out of the BDT 600 crore, AB Bank will issue bonds worth BDT 540 crore through private placement and BDT 60 crore through a public offer.
- MTB Capital Limited acts as trustee and Riverstone Capital Limited acts as issue manager while BMSL Investments Limited as underwriter of AB Bank's bond. Regarding NRBC Bank's bond, UCB Investment Limited acts as trustee and City Bank Capital Resources Limited as mandated lead arranger. The bond issued by NRBC Bank must be listed on the alternative trading board of stock exchanges.

<https://www.newagebd.net/article/155518/ab-bank-nrbc-bank-allowed-to-float-bonds-worth-tk-900-crore>

### **Olympic to invest BDT 25cr to expand bakery business**

- Olympic Industries Ltd has announced that it would invest BDT 25.65 crore to expand its production capacity to meet growing demands. Of the BDT 25.65 crore planned investment, BDT 6.49 crore will be invested in the first phase to import and set up cupcake making line to produce plain and custard cakes, along with buying packaging line, nitrogen generator, metal detector, and other items from China. The plain cake production capacity would be 47.52 million pieces annually and custard cake production capacity would be 31.68 million pieces. The line will be established in its factory in Lolati, Narayanganj.

<https://www.thedailystar.net/business/economy/industries/investments/news/olympic-invest-tk25cr-expand-bakery-business-2901376>

### **MoneyGram expands mobile wallet network in Asia through integration with bKash in Bangladesh**

- MoneyGram International, the global leader in the evolution of digital P2P payments, announced the expansion of its mobile wallet network through the integration with bKash. This is the latest integration as part of MoneyGram's ongoing partnership with Thunes, a B2B company that powers payments for the world's fastest-growing businesses
- With this launch, about 56 million bKash wallet users in Bangladesh will now be able to receive funds instantly from around the world via nine local bank accounts, retail partners, and other digital methods. This latest integration with bKash will increase access to direct remittance services and help accelerate financial inclusion in Bangladesh.

<https://www.tbsnews.net/economy/corporates/moneygram-expands-mobile-wallet-network-asia-through-integration-bkash-bangladesh>

### **Most banks see fall in share prices**

- Most of listed banks saw erosion in the prices of their stocks on Dhaka Stock Exchange on Monday as investors exerted selling pressure to book profits. On the day, 30 banks out of 32 lost prices and the market capitalisation of the sector declined 2.9%.
- The share price of 30 banks declined ranging between 1.23% and 7.86%. The DSE broad index DSEX lost 63.37 points on Monday mainly because of price correction witnessed by majority number of banks. The DSE featured a turnover of BDT 12.26 billion of which 43.80% came from transactions of the shares of banks.

<https://today.thefinancialexpress.com.bd/stock-corporate/most-banks-see-fall-in-share-prices-1637604325>

### **BSEC asks for People's Leasing's business revival plan**

- The Bangladesh Securities and Exchange Commission (BSEC) has asked the new board of directors of People's Leasing and Financial Services to submit its plan regarding the business revival of the scam-hit non-bank financial institution (NBFI). It happened in a meeting between the securities regulator and the board members of the listed NBFI on Monday.
- BSEC, as the protector of shareholders' rights, will also appoint a special auditor to learn the



details of the past anomalies within the firm and what its current situation is. BSEC Commissioner Shaikh Shamsuddin Ahmed said the company would submit a report on how it is planning to resume its business to pay back the depositors and protect shareholders' interest.

<https://www.tbsnews.net/economy/bsec-asks-peoples-leasings-business-revival-plan-333253>

### **Corporate earnings come on strong**

- The situation comes in stark contrast to that of last year when around two-thirds of the listed firms absorbed earnings deterioration amid lost sales, supply chain disruptions and depressed demand owing to the first wave of Covid-19. Since the economy reopened in the middle of last year, 55% of publicly-listed firms have improved their profit margins – mainly because of their resilience and increased consumer spending, according to a recent corporate earnings compilation by the EBL Securities Research.
- And, more encouragingly, at least 50% are earning more than what they did even before the pandemic. The situation comes in stark contrast to that of last year when around two-thirds of the listed firms absorbed earnings deterioration amid lost sales, supply chain disruptions and depressed demand owing to the first wave of Covid-19. Even though businesses survived the disruptions from a fresh surge in infections and subsequent restrictions, growing costs of businesses from soaring input prices will make their future recovery even harder, market forecasters say.

<https://www.tbsnews.net/economy/corporate-earnings-come-strong-332806>

### **Turnover rises to BDT 17.86b riding on banking issues**

- Dhaka bourse closed Sunday's session with a marginal loss in broad index as major sectors lost prices amid investors' mixed approach. Dhaka Stock Exchange (DSE), however, saw a rise in turnover riding on banking sector which witnessed significant participation from investors. Of 20 top turnover leaders, 11 were banks which posted turnover values ranging between BDT 226 million and BDT 904 million. Following investors' increased participation, the banking sector solely contributed 43.5% in market turnover featured by the DSE.
- Of the banks, IFIC Bank had the highest contribution of BDT 904 million in market turnover featured by the DSE. The market opened the Sunday's session positively but soon later the DSE broad index DSEX failed to sustain and displayed see-saw movement till closure. At the end of the session, the core index closed at 7085.67 with a loss of 0.08% or 6.14 points. The shariah based index DSES declined 0.34% or 5.05 points to close at 1475.27. DS30

index comprising blue chip securities went down by 0.41% or 11.10 points to close at 2683.84. Of 359 issues traded, 117 advanced, 227 declined and 15 were unchanged on Sunday. The DSE posted a turnover of BDT 17.86 billion which was 22.25% higher than the turnover of previous session. Of total turnover, BDT 325 million came from transactions executed in block board.

<https://today.thefinancialexpress.com.bd/stock-corporate/turnover-rises-to-tk-1786b-riding-on-banking-issues-1637509387>

### **RSRM incurs BDT 38cr loss in FY21**

- Ratanpur Steel Re-rolling Mills (RSRM) Limited has incurred a loss of BDT 38 crore for the year that ended on 30 June 2021. The company's revenue also decreased by 55% to BDT 145 crore in FY21, compared to the previous year. As per the company's financial statements, the main reason behind the loss was the decrease in RSRM's production and sales because the company's procurement of raw materials was severely hampered due to Covid-19. Also, it purchased raw materials from local suppliers at a high cost.
- The annual general meeting (AGM) of RSRM will be held on 30 December 2021. The record date for the AGM will be 8 December. The loss per share of the company stood at BDT 3.75 at the end of FY21. Founded in 1984, the Chattogram-based Ratanpur Group has established itself as one of the leading steel companies. The industrial group has an annual turnover of around BDT 700 crore.

<https://www.tbsnews.net/economy/stocks/rsrm-incurs-tk38cr-loss-fy21-332359>

### **Prime Bank subscribes BDT 2.0b in preference shares of UMPL**

- Prime Bank subscribed BDT 2.0 billion in the preference shares issued by United Mymensingh Power Limited (UMPL), one of the concerns of United Group. As part of the group's initiative to explore alternative instruments to support its financing requirement, Prime Bank arranged and subscribed the preference shares. Moinuddin Hasan Rashid, Managing Director, and Hasan Mahmood Raja, Chief Advisor of UMPL, along with Hassan O. Rashid, Managing Director & CEO, and Shams A. Muhaimin, Deputy Managing Director of Prime Bank, were present with other senior officials from both the organisations.

<https://today.thefinancialexpress.com.bd/stock-corporate/prime-bank-subscribes-tk-20b-in-preference-shares-of-umpl-1637419206>

## Most listed MNCs see moderate growth in EPS

- Most of the listed multinational companies (MNCs) have registered moderate growth in EPS (earnings per share) for July-September (Q3), 2021 compared to same period of previous year riding on increased turnover. Some of those companies said management skill and reduction in costs have also facilitated the growth of their EPS. Of the MNCs, the EPS of Marico Bangladesh increased 13.66% to close at BDT 28.45 for July-September, 2021 from same period of the previous year.
- The company's EPS also rose to BDT 62.73 for April-September, 2021 from BDT 56.67 reported for the same period of the previous year. The EPS of Reckitt Benckiser rose 27.23% to BDT 43.17 for July-September, 2021 from BDT 33.93 reported for the same period of the previous year. For July-September, 2021 Unilever Consumer reported its EPS of BDT 13.52 which was 18.93% higher than that of the same quarter of previous year. The company's EPS, however, declined to BDT 32.10 for January-September, 2021 from BDT 38.05 reported for same period of previous year.

<https://today.thefinancialexpress.com.bd/stock-corporate/most-listed-mncs-see-moderate-growth-in-eps-1637419120>

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