

*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.*

### **Beximco cuts deal to be lone distributor of Indian Covid vaccine**

- Beximco Pharmaceuticals Ltd has announced that it will invest with Serum Institute of India (SII) for the development of a Covid-19 vaccine. Beximco Pharmaceuticals – the fastest-growing manufacturer of generic pharmaceutical products and active pharmaceutical ingredients in Bangladesh – will be the exclusive distributor of SII for this vaccine in Bangladesh. The investment amount will be treated as an advance, and once the vaccine receives regulatory approvals, Serum Institute – the world's largest manufacturer of vaccines by volume – will include Bangladesh among the countries that will be the first to receive an agreed quantity of this vaccine from SII on a priority basis, says a press release.

- Beximco's investment amount and Serum Institute's priority supply commitment will be determined in consideration of Serum Institute's production capacity and earlier commitments to other countries. A decision regarding the amount of investment will be made once Serum Institute produces the vaccine, officials of Beximco Pharmaceuticals said.

- If Beximco is ready to supply it in advance, it will be an advantage for Bangladesh. The government will be able to bargain with Beximco here. Bangladesh may be able to buy the vaccine at the rate set by the Indian government, the principal scientific officer at the Institute of Epidemiology Disease Control and Research (IEDCR) argued.

<https://tbsnews.net/coronavirus-chronicle/beximco-invest-indias-serum-institute-produce-covid-19-vaccine-125467>

### **City Bank becomes the third local lender to issue China's UnionPay card**

- City Bank has rolled out UnionPay debit cards, joining a growing list of lenders in Bangladesh offering cards of the world's biggest card issuer. In Bangladesh, Eastern Bank and Mutual Trust Bank already issues the card of the Chinese state-controlled giant, whose cards are accepted at more than 28 million merchants and upwards of 1.7 million ATMs across 179 countries. Earlier this month, City Bank rolled out a dual-currency debit card, joining a growing list of lenders that are offering the facility to lure in the progressively global-minded customers in the country that are averse to using credit cards. The card business has gained momentum since July with the gradual resumption of economic activities, according to the managing director of City Bank.

- Card payments around the world plummeted as most countries banned air travel in early March to prevent the spread of coronavirus. In Bangladesh, economic activities came to a near halt from late March to June during a government-enforced shutdown. During that time, all banks witnessed a nosedive in credit cards payments for travel, tourism and lifestyle products. As the market leader with a 35% share of the credit cards in circulation, City Bank took a big hit. In January BDT 4.87 billion was paid at City Bank's POS terminals, a tool it leads in usage with a 46% market share. It plunged to only BDT 1.37 billion in April. But it has seen a sharp recovery in July to reach BDT 5.22 billion.

<https://www.thedailystar.net/business/news/city-bank-becomes-the-third-local-lender-issue-chinas-unionpay-card-1952177>

### **USD 6.0 billion ADB pledge for next three years**

- The Asian Development Bank (ADB) has pledged nearly USD 6.0-billion assistance to Bangladesh in the next three years from fiscal year (FY) 2021 to FY 2023. Besides, the Manila-based lender has kept aside another USD 5.2 billion standby project aid for the country for disbursement during the period. ADB country director said that, given the coronavirus pandemic, they're enhancing their partnership with Bangladesh adjusting programme priorities to help it overcome immediate challenges related to health and social protection, accelerate economic recovery and maintain inclusive growth.

<https://today.thefinancialexpress.com.bd/public/last-page/60b-adb-pledge-for-next-three-years-1598549460>

### **Bangladesh Bank eases credit rules for exporters**

- The Bangladesh Bank has relaxed rules on securing funds from pre-shipment credit schemes and the Export Development Fund so that exporters can avail soft loans to expedite shipments and make their international business more competitive. The central bank issued two circulars in this regard yesterday. In the case of pre-shipment credit disbursements, lenders can now claim the amount from the BB within a week of disbursing the fund to its clients. Commercial banks have made disbursements from a pre-shipment credit fund of BDT 50 billion, which was allotted by the government in April this year to help businesses survive the Covid-19 fallout. Previously, lenders could only claim the disbursed amount after exporters delivered their shipments of goods as per the participation agreement with the BB.

- Now, exporters can avail sizeable loans from the credit scheme against their letters of credit (LCs). For instance, if the exporter avails an 80% back-to-back loan, he can avail a further 15% loan from the pre-shipment credit scheme with only a 6% interest rate. But if the exporter had received a 70% back-to-back loan, then he or she will be able to avail a 15% loan from the pre-shipment credit scheme while the remainder would come out of his own pocket.
- The central bank also extended the allotted time to receive payments from international buyers so that they do not incur any overdue costs for up to 720 days under the Export Development Fund. The existing timeframe is 300 days. This move will also encourage the exporters as they will get more time to pay their suppliers for raw materials, Hatem said.

<https://www.thedailystar.net/business/news/bb-eases-credit-rules-exporters-1952153>

### **Bangladesh still among top sourcing destinations**

- Bangladesh remains one of the top sourcing destinations after China for international clothing retailers and brands even during the coronavirus pandemic because of its competitive prices, according to a new report by leading supply chain compliance solutions provider QIMA. After Vietnam, India and Bangladesh, alternative sourcing options of choice are still largely countries in Asia, including Taiwan, which enjoyed overwhelming preference as a sourcing market among US-based respondents.
- The US brands are by far most likely to diversify sourcing, with 95% of US-based respondents reporting plans to the effect, likely due to the pandemic and worsening geopolitical tensions between Washington and Beijing. On the other hand, European buyers are not as ready to walk away from China, with only about half of the EU-based respondents reporting plans to seek suppliers elsewhere.

<https://www.thedailystar.net/business/news/bangladesh-still-among-top-sourcing-destinations-1953273>

### **Prime Bank to get on agent banking bandwagon this year**

- Prime Bank plans to step into the agent banking arena this year as part of its push to widen footprint and cut reliance on branches, said its top executive. Prime Bank has not opened any new branches in the last four years and has no plans to open any in the future either.
- Bank Asia has been a pioneer in popularizing the model, followed by Dutch-Bangla Bank. Agent banking has allowed banks to expand businesses and accelerate financial inclusion using agents as intermediaries, according to the central bank. It has now gone beyond the basic banking services such as cash deposits, cash withdrawal, and receipt of remittances. Rather, banks have started giving out small loans through these outlets.
- Deposits soared 129% year-on-year to BDT 85.35 billion at the end of March, the latest for which data is available. Loan disbursement grew 306% to BDT 8.53 billion. There are outlets 11,875 under 8,260 agents in the country.

<https://www.thedailystar.net/business/news/prime-bank-get-agent-banking-bandwagon-year-1953269>

### **Robi beats pandemic blues as its profit takes a leap in second quarter**

- The second quarter of 2020 will possibly go down in Robi's annals as one of its pluckiest. The global coronavirus pandemic was at its ferocious worst then, so it was a given that businesses in all shapes and sizes would take a battering. But Robi seems to have logged in solid numbers during the three months. A year earlier, the operator was in the losses. Now, it is not only in the black, but its profits trebled from the previous quarter. The country's second-largest mobile phone operator cited the results as a mixture of cost optimisation drives and lower customer acquisition for the pandemic. Another reason is the higher data consumption, which grew 18.9% from the previous quarter and 23.7% from a year earlier. Of its 48 million active subscribers, 32 million are internet users. The operator is not happy though, saying that the pandemic-induced drastic data price reductions resulting in data revenue de-growth of 1.5% compared with the previous quarter.
- In a statement, it said its net profit was "heavily impacted by the discriminatory 2% minimum turnover tax". The harsh impact of the pandemic on the business was further exacerbated due to the increase of supplementary duty by 5% on all SIM services introduced in the budget for fiscal 2020-21 unveiled on 11 June.

<https://www.thedailystar.net/business/news/robi-beats-pandemic-blues-its-profit-takes-leap-second-quarter-1952217>

### **UCB plans to launch new MFS company by Dec**

- The United Commercial Bank Limited's (UCB) MFS wallets - U-Cash and U-pay - are going to be replaced with a new brand under an independent company by this year-end, its project head said. The proposed fintech-based MFS service has a target to provide banking services on mobile phone for the customers, he added. Programme Director of the UCB's MFS project informed that they already applied to the central bank for operating pendent MFS company, instead

of operating as a wing of the UCB, by launching new services and products.

- The project head also added that they would enter the market by this December as a fully independent company, where the customers will get some innovative new products along with the traditional ones. He also said the new brand of their mobile banking wallet would be named soon, and then U-cash and U-pay would be shut. According to the BB, the daily transactions through MFSs in this June were worth BDT 44.831 billion.

<https://today.thefinancialexpress.com.bd/public/trade-market/ucb-plans-to-launch-new-mfs-co-by-dec-1598711195>

### **Restructuring of ICB underway**

- The securities regulator will submit a report by December as part of the government move to restructure the state-run Investment Corporation of Bangladesh (ICB) and its subsidiaries. To this effect, the Bangladesh Securities and Exchange Commission (BSEC) has already invited tenders to pick a qualified consulting firm with intent to assess the ICB's overall operations. The government has decided to revamp the corporation against the backdrop of its deviation from its mandate and the current stalemate, BSEC chairman said.
- The issues such as ICB's role in securities market, state of its financial and non-financial resources, governance, organisational and legal structure and manpower capacity, among others, will be thoroughly assessed. The ICB managing director said the corporation witnessed an erosion in the portfolio value following a continuous slide in the stock market indices. He hailed the government's restructuring plan, saying it will be positive for the ICB and the capital market.
- According to the ICB MD, the ICB with over BDT 7.67-billion paid-up capital has so far invested more than BDT 125 billion in the market. The corporation took BDT 107 billion in loans until January last from different organisations and capital market refinancing scheme to support the market. BSEC chief said that after getting the consultant's report, the BSEC will submit its own report to the government by December this year.

<https://today.thefinancialexpress.com.bd/public/first-page/restructuring-of-icb-underway-1598719867>

### **Australian biotech firm to set active pharmaceutical ingredient (API) plant at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) for USD 30 million**

- Australian biotechnology company HA TECH will invest up to USD 80 million, or roughly BDT 7 billion, to establish a large-scale active pharmaceutical ingredient (API) manufacturing facility in Bangladesh that could help the country meet its growing demand. Initially, the Sydney-based company, which produces APIs mainly for cardiovascular, diabetic, ulcer and oncology applications, will invest USD 30 million to develop the facility. But within the next five years, the total investment could reach USD 80 million if the company wants to increase the product range.
- There are about 10 local companies, including Eskayef, Square, Beacon and Beximco, that produce API materials on a limited scale, according to the secretary general of Bangladesh Association of Pharmaceutical Industries (BAPI), a collective of about 250 local drug makers. Local production can at best meet 5 or 6% of the annual demand from the pharmaceutical sector, which has only grown in stature with the onset of the coronavirus pandemic, according to the director for global business development at Beacon Pharmaceuticals. Subsequently, Bangladesh spends about USD 1.3 billion each year to import APIs from the US, Taiwan, Italy, Germany, Spain, Switzerland, France and the UK.

<https://www.thedailystar.net/business/news/australian-biotech-firm-set-api-plant-bsmsn-30m-1953261>

### **Foreign funding for NGOs drops sharply**

- Foreign donors' commitment to NGOs operating in Bangladesh for providing them with funds through a government regulatory body has declined sharply in the last fiscal year (FY) 2019-2020 mainly due to the Covid-19 pandemic. According to the data available with the NGO Affairs Bureau (NGOAB), the commitment for the grants decreased by almost 17% to BDT 75.59 billion in the FY 2019-2020 from BDT 91.18 billion in the previous fiscal (2018-19). The pandemic also caused a slight decrease in the amount of released funds during the same period, the NGOAB data also revealed.
- BDT 78.50 billion was released in the last fiscal, around one% decrease from BDT 79.29 billion in the FY 2018-19. The inflow of grants donated by the foreign entities, except for United Nations (UN) organisations, needs to be approved by the NGOAB. The influx of Rohingya people from Myanmar to Bangladesh at the end of August 2017 created the avenue for rising volumes of foreign grants, which curved down in the last fiscal due to outbreak of Covid-19, an official at NGOAB said.

<https://today.thefinancialexpress.com.bd/public/last-page/foreign-funding-for-ngos-drops-sharply-1598635968>

**Government permits clinical trial of Chinese vaccine**

• The government has permitted in principle doing the clinical trial of Sinovac's COVID-19 vaccine through the International Centre for Diarrhoeal Disease Research, Bangladesh (icddr,b). The application of the Chinese company through ICDDR,B for vaccine trial has been approved after analysing its efficacy, Health Minister said. China has kept Bangladesh on top of the choice list. If Bangladesh takes part in the trial, it will get 0.1 million doses of vaccine free of cost. The country will get priority in the procurement of other vaccines too. The company has informed that it will initially conduct vaccine trials on 4,200 health workers of seven COVID-19 dedicated hospitals in Bangladesh.

<https://today.thefinancialexpress.com.bd/first-page/govt-permits-clinical-trial-of-chinese-vaccine-1598549033>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$43.17	(\$18.46)	-29.95%
Crude Oil (Brent)*	\$46.14	(\$22.30)	-32.58%
Gold Spot*	\$1,970.34	\$448.87	29.50%
DSEX	4,873.18	420.25	9.44%
S&P 500	3,508.01	277.23	8.58%
FTSE 100	5,963.57	(1,623.48)	-21.40%
BSE SENSEX	39,467.31	(2,174.83)	-5.22%
KSE-100	41,056.22	321.14	0.79%
CSEALL	5,320.87	(808.34)	-13.19%

**Exchange Rates**

USD 1 = BDT 84.77\*

GBP 1 = BDT 113.19\*

EUR 1 = BDT 100.98\*

INR 1 = BDT 1.16\*

\*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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