

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.

Mega vaccination starts today

- Bangladesh starts the much-awaited countrywide Covid-19 vaccination from today (Sunday) even as convincing the people about getting the Oxford-AstraZeneca shots remains challenging, officials say. The Director general of the Directorate General of Health Services (DGHS) said some 2,400 out of 7,344 vaccination teams will be injecting the vaccines from a total of 1,005 hospitals across the country and all the preparations have almost been completed for the immunisation campaign. Seeking anonymity, a DGHS official blamed poor campaigns by the government for the poor response that came as "a matter of serious concern" for the directorate. He said there are some vaccination centres, which have yet to be prepared completely while the vaccine doses will expire within the month of May.

<https://today.thefinancialexpress.com.bd/first-page/mega-vaccination-starts-today-1612631004>

Apparel exports to US drop 11.73% in 2020 due to Covid

- The country's apparel exports to the United States fell by 11.73% to USD 5.22 billion in 2020 year on year mainly due to the adverse impact of Covid-19 pandemic. Bangladesh fetched USD 5.92 billion in 2019 through exporting readymade garments (RMG) to the single-largest export destination, according to data of the Office of Textiles and Apparel (OTEXA) affiliated with the US Department of Commerce. The country shipped 1.88 billion square metres of apparel items in 2020 which was 2.0 billion square metres in 2019.

<https://today.thefinancialexpress.com.bd/last-page/apparel-exports-to-us-drop-1173pc-in-2020-due-to-covid-1612630302>

<https://www.newagebd.net/article/129428/rmg-exports-to-us-fall-by-1173pc-in-2020>

Bangladesh to boost spending in next two fiscals to offset Covid impact

- The Bangladesh government has decided to fix the public expenditure at 17.1% and 17.2% of the gross domestic product (GDP) in the next two fiscals (2021-22 and 2022-23, respectively), as Prime Minister Sheikh Hasina seeks to pull the economy out of the Covid-19 pit. The growth of public expenditure for the next two fiscals, in fact, will be 7.56% and 13.8%, respectively, according to a government estimation. The decision has been taken keeping in mind the long-term development as well as the present situation. The public expenditure for the current fiscal has been pegged at 17.9% of GDP, while it was kept unchanged in the revised budget of the last financial year. The public expenditure was 13.8%, 13.9%, 13.6%, 14.3% and 15.4% in 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 fiscals, respectively, according to an official document.

<https://today.thefinancialexpress.com.bd/trade-market/bd-to-boost-spending-in-next-two-fiscals-to-offset-covid-impact-1612625676>

Loans to weak sectors face significant pressure: Moody's

- Loans to the vulnerable sectors in Bangladesh such as garment, textile, cement and tanneries will face significant pressure as they are yet to see expected recovery from the shock of the coronavirus pandemic, Moody's said. "The true asset quality of loans will emerge across all sectors, and we expect significant pressure in loans to vulnerable sectors such as readymade garment and textile," said the global credit rating agency in an analysis. The analysis said non-performing loans would increase in the coming quarters because of the expiration of credit moratorium period and weakening of the repayment capacity of borrowers as a result of the coronavirus shock.

- NPLs stood at BDT 944.40 billion as of September, the latest for which data is available. This is down 1.74% from three months earlier and 18.73% year-on-year. The NPL declined to 8.9% in September from 12% a year earlier despite disruptions caused by the coronavirus pandemic. The decline was driven by the loan moratorium and the prohibition on banks downgrading loans until December 2020, which delayed the recognition of NPLs, the credit rating agency said.

<https://www.thedailystar.net/business/news/loans-weak-sectors-face-significant-pressure-moodys-2040521>

Steel exports jump 83%

- Bangladesh's steel export, mainly semi-finished casting products, leaped 82.91% year-on-year during the July-January period of the ongoing fiscal, interestingly coinciding with the ongoing pandemic-induced economic slowdown. Of the export, USD 10 million worth of goods went to China. Bangladesh's steel mills primarily import scrap metal to produce the intermediate casting products which need further processing to be turned into finished goods. The export destinations are mainly the United Arab Emirates, India, Malaysia, Japan, Thailand, Pakistan and Myanmar.

- The export increased due to a leading steel maker exporting around 45,000 tonnes of billet during the pandemic which showed a big jump in steel export, said the president of Bangladesh Steel Mills Owners Association. The leading steel makers tried to bring in cash instead of making a profit by selling at less than the production cost as the situation was not favourable during that time, he said. According to him, such strategies in steel export are good for building images but not commercially viable.

<https://www.thedailystar.net/business/news/steel-exports-jump-83pc-2040485>

Ceramic industry yet to fully bounce back

- The ceramic industry, a major backward linkage of the construction sector, is yet to fully bounce back from the shocks of the Covid-19 pandemic. Although there has been some improvement after the coronavirus shutdown, the ceramic industry has not been able to turn around as the construction sector has not fully recovered. The ceramic sector suffered around a 30% decline in sales in the last fiscal year due to the coronavirus breakout in the country. Although the situation has improved a bit after the lockdown, the ceramic sector is still at a 10-15% decline in revenue.
- The secretary of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA) said that the demand for ceramic products is low in both domestic and international markets. Although the demand for tiles is high in the country, the demand for tableware and sanitary ware is low. He said that about 80% of the production in the sector is exported abroad. According to the Export Promotion Bureau (EPB), the exports of ceramic products were USD 2.69 billion in fiscal 2019-2020, and the export target has been set at USD 3.5 billion for the current fiscal year. Exports in the first half of the current fiscal year were USD 1.5 billion, which fell short of the target by 10% and 16% less than the previous year.

<https://tbsnews.net/economy/industry/ceramic-industry-yet-fully-bounce-back-197773>

Baraka Patenga Power's IPO share bidding begins Feb 15

- Baraka Patenga Power's bidding to explore the cut-off price of its shares will begin on February 15, aiming to raise BDT 2.25 billion from the capital market under the book-building method. The power generation company's bidding through electronic subscription system (ESS) will be continued until February 18 (round the clock). The minimum value for bidding shall be BDT 5.0 million which is accordance with the Bangladesh Securities and Exchange Commission (BSEC) consent letter to Baraka Patenga Power dated January 11, 2021, according to a statement.
- As per regulatory approval, Baraka Patenga Power will raise BDT 2.25 billion from the capital market under the book-building method. Of the IPO proceeds, more than BDT 1.44 billion will be invested in two of its subsidiaries --Karnaphuli Power and Shikalbaha Power, partial repay long-term bank loans and bear the expenses of IPO process. Subsidiaries of the Baraka Patenga - Karnaphuli Power and Baraka Shikalbaha Power have already started commercial operation after implementing two (HFO) based IPP (Independent Power Producer) power plants having generation capacity of 110MW and 105MW respectively.

<https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-powers-ipo-share-bidding-begins-feb-15-1612624582>

Bangladesh mobile internet service 5th worst in world: Ookla

- Bangladesh has been ranked the fifth worst country in terms of mobile internet speed in a latest report published by Ookla, a global leader in mobile and broadband network intelligence, testing applications, and technology. In Ookla's Speedtest Global Index for the month of December 2020, Bangladesh came in 135th among 139 countries that the global technology company tracks. Mobile internet speed in none of the South Asian countries, except for Afghanistan, was found to be poorer than Bangladesh's mobile internet speed.

<https://www.newagebd.net/article/129314/bangladesh-mobile-internet-service-5th-worst-in-world-ookla>

BSEC seeks to trace Ring Shine's funds raised through private placements

- Ring Shine Textiles Ltd collected BDT 2.75 billion through private placements before its initial public offering (IPO), but did not properly mention – in its audited financial statement – where that funding went. To trace the funds, the Bangladesh Securities and Exchange Commission (BSEC), last week, asked the shareholders who acquired Ring Shine's stocks privately to submit supporting documents in this regard. Additionally, the commission has also sought the name of the bank where the funds were deposited against an allotment of the aforesaid shares and the name of contract details. BSEC officials are due to visit Ring Shine's factory this week to investigate the overall situation of the company.

<https://tbsnews.net/economy/stock/bsec-seeks-trace-ring-shines-funds-raised-through-private-placements-197791>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$56.85	\$8.33	17.17%
Crude Oil (Brent)*	\$59.34	\$7.54	14.56%
Gold Spot*	\$1,814.11	(\$80.99)	-4.27%
DSEX	5,647.67	245.60	4.55%
S&P 500	3,886.83	130.76	3.48%
FTSE 100	6,489.33	28.81	0.45%
BSE SENSEX	50,731.63	2,980.30	6.24%
KSE-100	46,905.79	3,150.41	7.20%
CSEALL	8,275.37	1,501.15	22.16%

Exchange Rates

USD 1 = BDT 84.83*

GBP 1 = BDT 116.51*

EUR 1 = BDT 102.19*

INR 1 = BDT 1.16*

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

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