

*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.*

### **Exports fall by 14.57% in 2020**

- The country's export earnings in just concluded year of 2020 fell by 14.57% to USD 33.60 billion from USD 39.33 billion in the previous year due to a lower shipment of readymade garment products as the COVID-19 outbreak has hit hard the global business. According to Export Promotion Bureau data, export earnings in the first half (July-December) of the current financial year 2020-21 fell by 0.36% to USD 19.23 billion from USD 19.30 billion in the same period of FY 2019-20. Overcoming an unprecedented supply chain disruption in March-May of 2020, export earnings began to increase from June but the second wave of COVID 19 started taking its toll on the earnings from October, exporters said.

- They also said that the country's export business faced a dire situation in the first half of 2020 as global buyers halted and cancelled their import orders for readymade garment products due to the coronavirus pandemic. Exporters fear that the downward trend in export would continue till April 2021. Export earnings in the second half (July-December) of 2020 almost backed on track but the second wave of the outbreak in the United States and European countries has caused more woes to the exporters. The export earnings in December 2020 fell by 6.11% to USD 3.31 billion from USD 3.52 billion in the same month of the previous year.

<https://www.newagebd.net/article/126269/exports-fall-by-1457pc-in-2020>

<https://www.dhakatribune.com/business/2021/01/05/exports-shrink-to-a-five-year-low-in-2020>

### **Government pays banks BDT 13.90 billion**

- The government has paid BDT 13.90 billion to all scheduled banks against waiver of bank borrowers' interest to certain extend for the months of April and May in 2020. The disbursement was a first of its kind that came from the government for all bank borrowers' without any repayment condition. Earlier, disbursements by the government or the central bank were made in the form of loans as part of implementation of stimulus packages announced by the government. Although the government would provide interest subsidy to the borrowers under a number of stimulus packages, the government has made no payments so far as repayment against the loans are yet to start.

- The government completed disbursements of the borrowers' waived interests by December 28, 2020 through the Bangladesh Bank. Bangladesh Bank executive director confirmed that disbursements of the government assistance to all the banks' current account maintained with the central bank had been completed. The BB data showed that as many as 72,80,253 bank borrowers would get the benefit of the interest waiver scheme announced by the government following the COVID-19 outbreak. Bankers said that they had already given their borrowers the interest waiver immediately after issuance of the circular by the central bank.

<https://www.newagebd.net/article/126268/government-pays-banks-BDT-1390-crore>

<https://www.dhakatribune.com/business/2021/01/05/banks-get-BDT-1-390cr-from-govt-for-interest-waiver>

### **H1 export earnings not 'disappointing'**

- The country's merchandise export earnings during the first half (H1) of current fiscal year (FY), 2020-21, witnessed a marginal decline of 0.36% to USD 19.23 billion over that of the corresponding period of last fiscal. Bangladesh fetched USD 19.30 billion during July-December period of FY 2019-20. Besides, single month earnings in December 2020 witnessed a 6.11% negative growth to USD 3.30 billion against USD 3.52 billion in December 2019, according to the Export Promotion Bureau (EPB) data. During the current FY, single month earnings have witnessed a positive growth since July, except for the month of October.

- After a continuous fall in export earnings since the beginning of 2020, mainly due to the Covid pandemic, exports started recovering from June, and entered positive the territory from July. Both exporters and experts attributed the second wave of the pandemic to the decline. They expressed the hope that the Covid-19 vaccine might help boost merchandise shipments in 2021. The RMG sector that contributed the lion's share to the total exports fetched USD 15.54 billion in proceeds, marking a 2.99% negative growth during the first half of FY 21. It also missed the target set for the period by 4.12%. Pharmaceuticals export income stood at USD 86.33 million, marking a 17.15% growth.

<https://today.thefinancialexpress.com.bd/first-page/h1-export-earnings-not-disappointing-1609782460>

### **BB eases forex rules further**

- The central bank has relaxed its foreign exchange (forex) regulations further, allowing banks to remit admissible payment abroad on behalf of the companies concerned up to 1.0% of annual sales or USD 0.01 million whichever is higher. Under the relaxations, authorized dealer (AD) banks are allowed to remit admissible expenses up to 1.0% of

annual sales as declared in the previous year's income tax return of the remitter-companies concerned or USD 100,000 whichever is higher. Such relaxations will empower the banks to make outward remittances on behalf of their customers for meeting current legitimate expenses within the set threshold, a BB senior official said. The head of finance and commercial at Bangladesh Honda Private Limited (BHL), welcomed the BB's latest move, saying that it has removed an obstacle for sending outward remittances for any kind of services within the limit.

<https://today.thefinancialexpress.com.bd/last-page/bb-eases-forex-rules-further-1609783060>

<https://www.thedailystar.net/business/news/bb-relaxes-payment-rules-availing-foreign-services-2022621>

### **BB asks banks to comply with order over enlistment of insurers**

- The central bank of Bangladesh on Monday issued two key separate circulars on enlistment of non-life private insurance firms with commercial banks by maintaining credit ratings and submission of audited financial reports by enterprises to banks while renewing loans. The CEO at the Reliance Insurance Company said that this is a very good initiative taken by the central bank as it will ensure more transparency in the sector. On the other hand, the BPRD in another circular asked the banks to consider audited financial reports of the enterprises while renewing loans.

<https://today.thefinancialexpress.com.bd/last-page/bb-asks-banks-to-comply-with-order-over-enlistment-of-insurers-1609782949>

### **Bangladesh approves Oxford-AstraZeneca vaccine**

- The Beximco Pharmaceuticals Ltd. has received formal approval from the Directorate General of Drug Administration (DGDA) to import Covid vaccine developed by Oxford-AstraZeneca. The spokesperson of the DGDA, confirmed the information to The Business Standard. He said there is now no obstacle from Bangladesh's side to import the vaccine and use it in emergency cases. The development came within hours after Beximco had applied for the authorisation of emergency use of the vaccine in Bangladesh on Monday noon.

- However, the deal apparently confronted a major setback yesterday when the Indian authority had reportedly banned the commercial export of Oxford-AstraZeneca vaccine. Even though ministers as well as top officials of Beximco came up optimistic and reassured that the reported ban will not affect the deal. The Indian pharmaceutical company is bound to fulfill the agreement and Bangladesh will get the vaccine in due time.

<https://tbsnews.net/bangladesh/govt-approves-oxford-astrazeneca-vaccine-emergency-use-180796>

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/vaccine-hopes-turn-confusions-180907>

<https://www.newagebd.net/article/126268/government-pays-banks-BDT-1390-crore>

<https://www.dhakatribune.com/health/coronavirus/2021/01/04/govt-confident-of-timely-vaccine-delivery-from-india>

### **Home grown motherboards to make Samsung phones "Made in Bangladesh"**

- Two years ago, Samsung mobile sets sold in Bangladesh were manufactured in China, Vietnam, or South Korea. But now Bangladesh is not only making mobile sets of the South Korean electronics brand but also exporting them. The company, Fair Group, that made the export possible is going to take the business one step farther by beginning production of motherboards to make mobile phones even cheaper. Until now, motherboards have been imported for the phones produced at the factory of Fair Group in Narsingdi's Shibpur. A plant set up at a cost of around BDT 600 million in the factory premises will soon start operation to manufacture motherboards.

- The chairman of the Group said that the whole plant was ready, and the company had requested the National Board of Revenue to inspect the plant and give its approval for the production to begin. The company has also finalised a plan to build a plant to manufacture Samsung washing machines. The locally-made Samsung washing machines would be available in the country this year.

<https://tbsnews.net/economy/industry/home-grown-motherboards-make-samsung-phones-made-bangladesh-180919>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$47.74	(\$0.78)	-1.61%
Crude Oil (Brent)*	\$51.14	(\$0.66)	-1.27%
Gold Spot*	\$1,937.61	\$42.51	2.24%
DSEX	5,652.33	250.26	4.63%
S&P 500	3,700.65	(55.42)	-1.48%
FTSE 100	6,571.88	111.36	1.72%
BSE SENSEX	48,176.80	425.47	0.89%
KSE-100	44,686.46	931.08	2.13%
CSEALL	6,894.98	120.76	1.78%

**Exchange Rates**

**USD 1 = BDT 84.77\***

**GBP 1 = BDT 115.06\***

**EUR 1 = BDT 103.93\***

**INR 1 = BDT 1.16\***

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

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229
Md Mahirul Quddus	Research Associate	<a href="mailto:mmahirul.quddus@bracepl.com">mmahirul.quddus@bracepl.com</a>	01709 636 546

#### International Trade and Sales

Ahsanur Rahman Bappi	CEO (Acting)	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	--------------	--	---------------

#### BRAC EPL Research [www.bracepl.com](http://www.bracepl.com)

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142  
Gulshan Avenue, Dhaka – 1212  
Phone: + (880)-2-9852446-50  
Fax: + (880)-2-9852451-52  
E-Mail: [research@bracepl.com](mailto:research@bracepl.com)