

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.

Government's New Stimulus Packages: For the poor made poorer

- The government yesterday announced a BDT 32 billion relief package for the ultra-poor and destitute families and the tourism sector -- segments that were dealt a fresh blow by the latest round of hard lockdown to contain the second wave of Covid-19 cases.
- Under the new package, which comes as the country wraps up two weeks of 'hard' lockdown today, BDT 4.5 billion has been allocated to distribute BDT 2,500 each in cash to about 1.72 million people. In another package, BDT 1 billion has been allocated to all deputy commissioners for providing food assistance when someone makes a request by calling 333. Another BDT 1.5 billion has been allocated for operating 813 special open market sale (OMS) centres across the country from July 25 to August 7 to help the low-income people in urban areas get food.
- The tourism sector, another segment that has been impaired by the pandemic, has been allocated BDT 10 billion. Hotels and motels can take loans at 4% to pay the salaries and allowances of their workers. Another BDT 15 billion has been allocated to Palli Sanchay Bank, Karmasangsthan Bank and Palli Karma-Sahayak Foundation (PKSF) for lending at 4% interest towards job-creating activities in rural areas. The three organisations were previously allocated BDT 32 billion for the end.
- As many as 15 million has slipped into poverty for the pandemic to take the total number of poor in the country to 60 million, according to Bangladesh Institute of Development Studies (BIDS) estimate. But the Centre for Policy Dialogue estimates the number of new poor is as high as 42 million to take the total number of poor to 76 million. The portion of the population living below the poverty line is simulated to be 33–44% against the pre-crisis estimate of 20.5%, according to a recent document of the ADB.

<https://www.thedailystar.net/news/bangladesh/governance/news/govts-new-stimulus-packages-the-poor-made-poorer-2129371>

<https://today.thefinancialexpress.com.bd/first-page/BDT-32b-stimulus-for-low-income-people-1626198757>

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/pm-announces-5-stimulus-packages-low-income-people-274210>

Leather industry recovering, ready to tap export potentials

- Global footwear market, which now stands at USD 1 billion per day and forecasted to reach USD 530 billion a year by 2027, offers limitless potentials for Bangladesh. But there are things to be considered if local leather industry wants to compete more viably in the export market, Apex Footwear Limited Managing Director said. He said daily global footwear sales amounted to USD 300 million and this demand would not fall.
- The MD of Apex Footwear further said brands still wanted durable leather, but the rise in logistics and shipping costs posed a challenge for Bangladesh's leather industry. Giving an impressive picture of Bangladesh's leather goods export even during the pandemic, he said that in six months of 2021 (till June), total export of leather & leather products grew 54% to USD 495.56 million from USD 321.77 million in 2020.

<https://www.tbsnews.net/dropped/industry/leather-industry-recovering-ready-tap-export-potentials-274438>

Covid-19 wrecks tourism industry

- The tourism and travel industry, one of sectors hit hard by the ongoing Covid-19 pandemic, estimates its loss at BDT 114 billion possible loss until now. Industry operators are not hopeful about starting the recovery process in 2021 either. Earlier, in a report in April 2021, the Tour Operators Association of Bangladesh (TOAB) had estimated the loss at BDT 57 billion loss until December 2020. Considering risk factors, banks were not willing to provide loans to the tour operators, as there were travel restrictions in many of the countries across the world.
- According to a report of the The International Civil Aviation Organisation (ICAO) on January 15, 2021, air travel dropped by 60% in 2020, while air industry lost USD370 billion in the pandemic. The ICAO said a regional breakdown in the loss showed USD 120 billion loss year-on-year in the Asia-Pacific region, USD 100 billion in Europe, USD 88 billion in North America; followed by USD 26 billion, USD 22 billion and USD 14 billion in Latin America and the Caribbean, the Middle East, and Africa, respectively.

<https://today.thefinancialexpress.com.bd/first-page/covid-19-wrecks-tourism-industry-1626198612>

Record date for Beximco Sukuk subscription July 19

- Bangladesh Export Import Company (Beximco) set record date on July 19 for entitlement of rights to the existing shareholders of the company to subscribe the asset backed Beximco Green-Sukuk al Istisna for BDT 7.50 billion under private offer. The stock market regulator has accorded consent to Beximco as originator for issuance of Beximco Green-Sukuk Bond of BDT 30 billion on July 8 last. Of BDT 30 billion, BDT 15 billion will be raised through private placement, BDT 7.50 billion from the existing shareholders of Beximco as rights option under private offer and BDT 7.50 billion through IPO (initial public offering). Public offering of Shariah compliant Sukuk issued by Beximco will begin on August 17 and will continue until August 23.

<https://today.thefinancialexpress.com.bd/stock-corporate/record-date-for-beximco-sukuk-subscription-july-19-1626193225>

ONE Bank: Pay cut for staff, high dividend for owners

- The 22-year-old ONE Bank is really a unique one in terms of treating its employees and owners as it cut staff salaries due to the Covid-19 pandemic but did not compromise on directors' dividends even amid the deterioration of its financial health last year. At a time when banks are required to maintain higher provision and retained earnings as precautionary measures to fight the upcoming default loan wave after lifting the payment deferral facility for borrowers, ONE Bank is moving in the opposite direction.

- ONE Bank declared 11.5% dividend, including 6% cash and 5.5% stock, for the year 2020 while the 2019 dividend was 10%, including 5% cash and 5% stock, according to the Dhaka Stock Exchange (DSE). It announced the dividends without taking consent from the Bangladesh Bank, thus ignoring the dividend policy that the central bank had issued in February this year, said a senior executive of the central bank requesting anonymity. Considering this, the Bangladesh Bank adjusted the bank's provision from its retained earnings, causing erosion in retained earnings, which needed to be strong to deal with the upcoming difficulties in the near future, he added.

<https://www.tbsnews.net/economy/banking/one-bank-pay-cut-staff-high-dividend-owners-274453>

IFIC Bank to divest from Nepal Bangladesh Bank

- International Finance Investment and Commerce (IFIC) Bank Limited on Tuesday decided to withdraw its entire investment in Nepal Bangladesh Bank Limited. The sale proceeds would be repatriated to Bangladesh, the bank said. This is subject to execution of an agreement with suitable buyer at a desired price and all necessary approvals from regulatory authorities in Bangladesh and Nepal, it added. The Nepalese publicly owned bank was established in 1994 and IFIC was the foreign promoter of the venture.

<https://www.tbsnews.net/economy/banking/ific-bank-divest-investment-nepal-bangladesh-bank-274426>

High Court throws a lifeline to troubled People's Leasing

- The High Court has thrown a lifeline to People's Leasing and Financial Services Ltd (PLFSL) as it constituted a 10-member board to run the troubled non-bank financial institution, thus saving it from potential liquidation. On June 28, a HC bench said it would pass an order to revive PLFSL instead of winding it up as its 201 depositors collectively filed an application seeking restructuring of the company.

- PLFSL, which commenced its operation in 1996, faced a wide range of financial scams from 2004, which forced the central bank to appoint an observer in 2015. In addition, the central bank removed five directors of the NBF1 in 2015 for their alleged involvement in the embezzlement of BDT 3.58 billion. The liquidation process began after the board of PLFSL informed the BB in April 2019 about its inability to pay back the depositors' money despite the maturity of the deposits.

<https://www.thedailystar.net/business/economy/industries/investments/news/hc-throws-lifeline-troubled-peoples-leasing-2129616>

<https://www.tbsnews.net/bangladesh/court/hc-forms-10-member-board-peoples-leasing-273964>

BSEC rejects Chartered Life's IPO

- The Bangladesh Securities and Exchange Commission on Tuesday rejected the BDT 150 million initial public offering proposal of Chartered Life Insurance Company Limited for non-compliance with securities rules. In the letter, the BSEC said that the regulator found in the company's draft IPO prospectus that the company's earnings per share were negative for the last four years till 2019. The regulator also found that the net asset value of the company was constantly less than its face value BDT 10 in the last four years till 2019. According to the BSEC public issue rules, a company cannot have accumulative retained loss at the time of IPO application.

<https://www.newagebd.net/article/143635/bsec-rejects-chartered-lifes-ipo>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$75.04	\$26.52	54.66%
Crude Oil (Brent)*	\$76.33	\$24.53	47.36%
Gold Spot*	\$1,810.94	(\$84.16)	-4.44%
DSEX	6,266.02	863.95	15.99%
S&P 500	4,369.21	613.14	16.32%
FTSE 100	7,124.72	664.20	10.28%
BSE SENSEX	52,769.73	5,018.40	10.51%
KSE-100	47,480.49	3,725.11	8.51%
CSEALL	7,913.47	1,139.25	16.82%

Exchange Rates

USD 1 = BDT 84.76*
 GBP 1 = BDT 117.13*
 EUR 1 = BDT 99.87*
 INR 1 = BDT 1.14*

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

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