

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.

Internet users jump by 3.4 million in March

- The country's Internet subscriber base grew by 3.4 million newly registered users in March compared to the previous month. The total number of Internet subscribers reached 116.1 million in March; it was 1.13 million in February, says a report of the Bangladesh Telecommunication Regulatory Commission (BTRC). A large part of the new Internet customers consists cell phone users – 3.1 million– who recently subscribed to Internet services of different mobile operators, whereas broadband Internet providers received only 0.2 million new users.
- During the period, mobile operators also registered 1.2 million new SIM users. The BTRC report says the total number of mobile SIM users rose to 174.6 million in March – from 173.3 million in February.

<https://www.tbsnews.net/companies/telecom/internet-users-jump-34-lakh-march-240049>

Apparel exporters to pressure British retailer EWM for due payments

- Bangladeshi apparel exporters are going to put diplomatic pressure on British apparel empire Edinburgh Woollen Mill Group (EWM) for due payments for shipped goods and cancellations of orders to its Bangladeshi suppliers. Apparel suppliers of the country are preparing to discuss the issue with the Bangladesh High Commission in Britain and with a number of British lawmakers. According to Bangladesh apparel industry insiders, the discount fashion chain has played a trick to deprive its suppliers through getting liabilities write-off. But Bangladeshi factories are holding huge stocks of goods ordered by them and also have not received payments for shipped goods. According to sources, Edinburgh Woollen Mills and its subsidiary brands owe about USD 27 million to some 22 Bangladeshi apparel exporting companies.

<https://www.tbsnews.net/economy/rmg/apparel-exporters-pressure-british-retailer-ewm-due-payments-239806>

Government unlikely to meet bank borrowing target this fiscal

- The government's bank borrowing target is unlikely to be achieved by the end of this fiscal year (FY) due to lower implementation of the annual development programme (ADP) caused by the ongoing Covid-19 pandemic. Higher sales of national savings certificates (NSCs) have also pushed down the borrowing from the country's banking system by the government to meet budget deficit, officials said. The observations came against the backdrop of setting the net bank borrowing target at BDT 30 billion by the Ministry of Finance for the month of May to meet budgetary expenditures.
- The government may take out up to BDT 165 billion in gross borrowing from the banking system for the single month (May) by issuing treasury bills (T-bills) and bonds, according to the auction calendar, issued by the central bank, on Thursday. The government's net bank borrowing may reach BDT 30 billion in May after deducting BDT 135 billion against the government securities that would be matured in the month, the officials added.
- Meanwhile, the implementation rate of the ADP in the first seven months of FY'21 hit a five-year low at 28.45% due to a lack of capacity in utilising funds by major ministries amid the pandemic. The government agencies spent BDT 610.48 billion, only 28.45%, of the total ADP outlay during the July-January period of this fiscal year, according to Implementation Monitoring and Evaluation Division (IMED) figures. On the other hand, the net sales of NSCs more than tripled in the first eight months of FY'21 mainly due to lower interest rate, offered by the scheduled banks, on deposits.

<https://today.thefinancialexpress.com.bd/first-page/govt-unlikely-to-meet-bank-borrowing-target-this-fiscal-1619804248>

Number of agent banking accounts reach 10 million mark in 7 years of launch

- The number of agent banking accounts in the country reached the 10 million mark in January 2021 in seven years of the service launch. The central bank introduced the idea of agent banking in 2013 with a view to bringing the unbanked people under the formal banking channel by taking the services to the remote locations of rural Bangladesh. After the formation of agent banking guidelines in 2013, Bank Asia launched the services in January 2014 and became the country's first bank to seize the opportunity of serving people in a cost-effective manner.
- Following the Covid-19 outbreak in the country, agent banking became more relevant as a concept as the banks opted to refrain from opening branches during the outbreak to stay cost efficient. On the other hand, the number of agents and outlets of the banks during the outbreak expanded by almost one and a half times in a span of one year. In February 2021, transactions through the agent banking wings of the banks increased to BDT 90.64 trillion from BDT 63.89 trillion a year ago.

<https://www.newagebd.net/article/136787/number-of-agent-banking-accounts-reach-one-crore-mark-in-7-years-of-launch>

AC market heats up on people's lifestyle changes

- Riding on lifestyle changes, the local air-conditioner market has been witnessing a sharp rise in sales during the pandemic-led new normal even as most other luxury products have limped along. Local AC manufacturers and traders say AC sales have increased by 25-30% more than at any other time in the first three months of this year. And the sales are several times higher compared to last year.

- In 2020, AC sales of all brands dropped due to misinformation about Covid-19 as well as a pandemic-led long factory and market closure. But the market rebounded quickly as more and more people installed air-conditioners at home as their home office hours were prolonged. On top of this, rapid urbanisation, changes in weather, an increase in per capita income, growing size of the middle class, affordable AC prices and acceptance of the air conditioning system as a utility rather than a luxury item also augmented the market growth.

According to AC makers, 0.45 million units of ACs were sold in the country in 2019 with a growth of more than 15% per annum. In terms of money, annual sales amounted to more than BDT 50 billion. The growing market stumbled in 2020 in light of the Covid-19 outbreak in Bangladesh. Last year, fewer than 0.3 million units of ACs were sold. However, sales this year are expected to surpass 0.6 million units, riding on huge demand. Even ten years ago, the AC market was completely dependent on imports of international brands such as General, Hitachi, Panasonic, Singer, Samsung and LG. But local brand Walton now occupies more than 30% of the market. Besides, Samsung, MyOne, Unitech, Transcom Digital, Vision, Jamuna and Butterfly AC are being manufactured locally. On the other hand, only about 35% of ACs are now being imported.

<https://www.tbsnews.net/economy/industry/ac-market-heats-peoples-lifestyle-changes-239473>

Private sector credit growth drops in March

- Private sector credit growth fell slightly in March this year when compared to the previous month, due to lower credit demand amid anxieties over the second wave of Covid-19 pandemic. In March, private sector credit growth stood at 8.79%, down from 8.93% in February. After plummeting to 8% in October last year, private sector credit growth rose to about 9% in February this year. Entrepreneurs focused on increasing production in the wake of rising demands, thanks to the end of the first wave of Covid-19 was over and the beginning of the vaccination programme. Under the influence of this, the credit growth began to increase.

- But the second wave of Covid-19 since March has once again created an uncertain environment, which has also had an impact on the private sector credit growth. A former president of the Dhaka Chamber of Commerce and Industry and chairman of the Business Initiative Leading Development (BUILD) said that last month that the launch of the vaccination had given everyone hope, which had encouraged private sector investment. This has had a positive impact on debt growth in February, he added.

- However, entrepreneurs are increasingly worried as the pandemic started to a dangerous turn since mid-March. The effect may be felt in April-June. He does not see any possibility of new investments amid such an uncertain situation. There was little change in private sector credit growth over entire of the last financial year. As a result of the disbursement of loans under government-announced incentive packages, the growth in the first three months of the current financial year reached 9.5%. After that, it started to decrease again.

<https://www.tbsnews.net/economy/banking/private-sector-credit-growth-drops-march-239314>

<https://www.newagebd.net/article/136716/private-sector-credit-growth-falls-again-in-march>

<https://www.dhakatribune.com/business/banks/2021/04/29/private-sector-credit-growth-dips-in-march>

Government gives nod for use of Chinese vaccine

- Two days after the approval of Russian Covid-19 vaccine, the government on Thursday gave final approval for emergency use of Chinese coronavirus jab developed by Sinopharm, officials said. Following the latest development, now there is no legal restriction to import and use the Sinopharm vaccine to develop a strong immune system against the viral disease. According to the country's Directorate General of Drug Administration (DGDA), the Covid-19 vaccine developed by Sinopharm is the third coronavirus vaccine to be administered here, after AstraZeneca and Sputnik V.

- The vaccine doses will be collected through G2G (government to government) agreement. At the same time, the government-level talks are taking place on manufacturing the Sinopharm vaccine here. Talking about the local vaccine manufacturing capacity, DGDA director said that three pharmaceutical firms - Incepta, Popular and Health Care - are much capable of making vaccines here. Of these, Incepta alone is capable of producing eight million doses per month. The production will begin within 45 days, if they receive the raw materials.

<https://today.thefinancialexpress.com.bd/first-page/govt-gives-nod-for-use-of-chinese-vaccine-1619717354>

Oxygen supply suspension to hurt shipbuilding, steel industries

- The government's directive to stop oxygen supply to industries may greatly impact shipbuilding and steel industries while several sectors, including automobiles and construction, could be in crisis. Industry players say steel and re-rolling mills will close if there is no oxygen supply while housing and construction may be hampered by rising rod prices. On the other hand, as oxygen is used in assembling chassis and automobile parts at factories and car workshops, the industry may also face a crisis.
- Rod is an essential material in the construction sector. Local companies meet the complete demand for rod in the country. They say oxygen is used in the welding section in rod production. Otherwise, the machines get stuck and production is disrupted. If there is no oxygen supply, it is feared that the whole production will be disrupted. But some factories may be able to continue production for 10-25 days using their existing stocks of oxygen, said the secretary general of Bangladesh Steel Manufacturers Association.

<https://www.tbsnews.net/economy/industry/oxygen-supply-suspension-hurt-shipbuilding-steel-industries-238861>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$63.58	\$15.06	31.04%
Crude Oil (Brent)*	\$66.76	\$14.96	28.88%
Gold Spot*	\$1,769.13	(\$125.97)	-6.65%
DSEX	5,479.62	77.55	1.44%
S&P 500	4,181.17	425.10	11.32%
FTSE 100	6,969.81	509.29	7.88%
BSE SENSEX	48,782.36	1,031.03	2.16%
KSE-100	44,262.35	506.97	1.16%
CSEALL	7,208.20	433.98	6.41%

Exchange Rates

USD 1 = BDT 84.82*
 GBP 1 = BDT 117.21*
 EUR 1 = BDT 101.97*
 INR 1 = BDT 1.14*

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

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