

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.

Macro:**USAID to publish compliance guidelines for Bangladeshi agro exporters to Gulf countries**

- The Feed the Future Bangladesh Trade Activity of the USAID will publish a guideline on "Food Safety Requirements of Fresh Fruits and Vegetables, and Processed Food to Gulf Countries" aiming to capacitate the Bangladeshi agricultural product exporters to capture the share of the Gulf market.
- As Bangladeshi agricultural product exporters lack knowledge about food safety and sanitary and phytosanitary measures (SPS) measures, regulatory compliances, and customer requirements in the Gulf countries, they are not able to capture the opportunities to export fresh fruits, vegetables, frozen, and other processed food products in the Gulf countries although they present a distinct opportunity for the Bangladeshi agro exporters.

<https://www.tbsnews.net/economy/usaid-publish-compliance-guidelines-bangladeshi-agro-exporters-gulf-countries-577406>

Recovery won't be faster until FY27, IMF projects

- Despite an air of optimism, gloomy days will linger for a few more years before the pall lifts, according to projections by the International Monetary Fund (IMF). According to the IMF's assessment, the current fiscal year will be the most challenging as most of the indicators show the economy will be in stress.
- For example, GDP is projected to grow at 5.5% this year, 6.5% in FY24 and 7.4% in FY27. GDP grew by 7.2% in FY22. The multilateral lender projected 7.6% growth in private consumption for FY23, down from 13.2% in FY22, while public sector consumption is expected to see negative growth of 7.5% from positive 5.8%.

<https://www.tbsnews.net/economy/recovery-wont-be-faster-until-fy27-imf-projects-577602>

Argentina keen to boost trade ties with Bangladesh

- An Argentine delegation, including the country's businessmen and higher government officials, is set to be here at the end of February as part of the South American country's keen interest to expand bilateral trade relations. Franco Agustin Senilliani Melchior, head of the Economic and Trade Office said this yesterday at a courtesy meeting with the business leaders of the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI).
- "Both countries have a lot of potential to boost trade ties. There is a huge demand for minerals including lithium, olive oil, processed food, raw materials of gold, etc. Argentina could be a good option for Bangladesh for importing these products," Franco Agustin Senilliani said at the meeting held at the FBCCI office.

<https://www.tbsnews.net/economy/argentina-keen-expand-trade-relations-bangladesh-fbcci-577482>

Bangladesh reserves to fall to USD 30 Bn in FY23 before bouncing back: IMF

- The International Monetary Fund estimates that Bangladesh's foreign currency reserves will fall to USD 30 Bn by the end of the 2022-23 fiscal year. The forex reserve amount estimated by the IMF will be enough to cover the country's import spending for about three and a half months. The international lender's projection came in a statement announcing its Executive Board's decision to give USD 4.7 Bn in loans to the country on Tuesday amid ongoing uncertainty in the global economy.

<https://thefinancialexpress.com.bd/economy/bangladesh-reserves-to-fall-to-30bn-in-fy23-before-bouncing-back-imf-1675153783>

Relaxed rules failed to speed up default loan recovery

- The recovery of default loans is still weak in Bangladesh despite offering relaxed repayment policies for three consecutive years to 2022 as delinquent borrowers are not paying back funds on time, hitting banks' income and cash flow.
- Although the recovery increased a bit between January and September of 2022, the trend is quite unsatisfactory given the recent escalation of bad loans in the banking sector, said experts. Between January and September, banks retrieved BDT 73.57 Bn, which accounted for 5.47% of the outstanding default loans of BDT 1343.96 Bn, data from Bangladesh Bank showed

<https://www.thedailystar.net/business/economy/news/relaxed-rules-failed-speed-default-loan-recovery-3235746>

Small industries up the creek

- The government's decision to increase the power tariff twice last month has created undue pressure on small industries that are unable to keep up with rapidly rising production costs, according to various businesspeople. Customers will now end up bearing the brunt of the higher costs of goods sold, they said
- Small companies usually lack the additional investment capacity needed to face the burden of higher input costs and subsequently become less competitive. Abdur Razzak, president of the Bangladesh Engineering Industry Owners Association (BEIOA), said frequent price hikes for power create a burden for small capital-based businesses, such as those in the light engineering sector.

<https://www.thedailystar.net/business/economy/news/small-industries-the-creek-3235726>

Why IMF approves USD 4.7 Bn against Bangladesh's loan proposal for USD 4.5 Bn

- Many people have questions about why the IMF approved an additional USD 200 Mn in loan to Bangladesh against its proposal for USD 4.5 Bn. The Business Standard spoke to relevant officials at the Ministry of Finance to clarify and learned that the additional amount came thanks to the stronger position of IMF's Special Drawing Rights (SDR) against the dollar.
- Currently one SDR is equal to USD 1.35 which fluctuates over time. Given the calculation, Bangladesh's debt will go up if dollar depreciates further in the future. However, if dollar strengthens against the SDR, the amount of debt in dollars will also decrease. Finance Ministry officials said Bangladesh had proposed a total SDR 3.5 Bn in loan from the IMF.

<https://www.tbsnews.net/economy/why-bangladesh-received-200m-more-against-45b-imf-loan-proposal-577398>

Stocks:**OLYMPIC | Olympic shines amid inflation**

- The soaring prices of raw materials, supply chain disruptions, and other economic uncertainties seemed to be not much of a challenge for Olympic Industries in the July to December period of the ongoing fiscal year. According to its unaudited financial statement in the first half of fiscal 2022-23, the company's net profit jumped 46% year-on-year and stood at BDT 1.05 Bn, nearing its previous fiscal's annual profit of BDT 1.20 Bn.
- In the July to December period, the company's revenue also increased by 32% to BDT 13.63 Bn, compared to the same six months a year ago. Olympic registered growths in both the local sales and exports of its products which explains the revenue upsurge.

<https://www.tbsnews.net/economy/stocks/olympic-shines-amid-inflation-577534>

GP | Grameenphone retains growth momentum despite ban on SIM sales

- Grameenphone Ltd registered a 5.1% year-on-year revenue growth in the calendar year 2022, continuing growth for the seventh consecutive quarter in the October-December period, despite a regulatory ban on its new SIM card sales during the second half of that year.
- Over the year, Grameenphone's subscriber base shrank by 5%, but increased investment in networks ensured that its internet data use grew by 38.8% compared to 2021, likely offsetting the impact of a reduced subscriber pool. In the fourth quarter of 2022, the telecom giant invested over BDT 5 Bn on network coverage and expansion, reaching the milestone of 20,000 site infrastructures as well as 19,600 4G site infrastructures. That took its 4G user base to 34.2 Mn, a 23.6% increase compared to 2021.

<https://www.tbsnews.net/economy/stocks/grameenphone-retains-growth-momentum-despite-ban-sim-sales-577514>

APEXFOOT | Apex Footwear's revenue jumped 42% in first half of FY23

- Apex Footwear Limited reported a 42% growth in revenue in the first half of the fiscal year 2022-23. During the period, its revenue stood at BDT 8.01 Bn, which was BDT 5.66 Bn a year ago during the same period. Its net profit also jumped by 42% to BDT 67.7 Mn in the July-December period. Its earnings per share stood at BDT 5.22.

<https://www.tbsnews.net/economy/stocks/apex-footwears-revenue-jumped-42-first-half-fy23-577466>

POWERGRID | Power Grid sinks into losses

- The Power Grid Company of Bangladesh, a state-run listed electricity grid management and transmission entity, incurred a loss in the first half of the financial year of 2022-23 in spite of securing higher sales. It was mainly due to a massive loss incurred for the depreciation of the local currency against foreign ones, said the company.
- Its revenue grew 5.5% year-on-year to BDT 12.25 Bn during the July-December period. However, this could not prevent the company from incurring a loss of BDT 2.81 Bn. It had logged a profit of BDT 1.96 Bn in the same period of the previous year.

<https://www.thedailystar.net/business/economy/news/power-grid-sinks-losses-3235626>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 79.18	USD 3.97	5.28%
Crude Oil (Brent)*	USD 84.49	USD 6.71	8.63%
Gold Spot*	USD 1,927.04	USD 152.89	8.62%
DSEX	6,267.05	60.05	0.97%
S&P 500	4,076.60	237.10	6.18%
FTSE 100	7,771.70	319.96	4.29%
BSE SENSEX	59,549.60	-1,291.14	-2.12%
KSE-100	40,673.06	252.61	0.62%
CSEALL	8,889.67	387.18	4.55%

Exchange Rates**1 US Dollar = 106.57 BDT****1 GBP = 131.19 BDT****1 Euro = 115.46 BDT****1 INR = 1.30 BDT**

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