

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:**China to fund potential Mongla port project**

- A major development it is being billed as China finally agrees to fund a USD 400 Mn project for upgrading the Mongla seaport that holds potential to promote sub-regional cooperation.
- Officials say in a letter sent to the Bangladesh government recently the Chinese side said in response to Bangladesh's request, they decided to fund the 'Expansion and Modernisation of Mongla Port Facilities' through government concessional loan (GCL) as their feasibility study found the project "crucial to development of Bangladesh"

<https://thefinancialexpress.com.bd/economy/china-to-fund-potential-mongla-port-project-1672800136>

Local players eye bigger slice as cloud computing gains foothold

- Cloud storage is becoming more popular in Bangladesh as a way of safely and affordably storing and managing data and websites. The shift from traditional storage systems to cloud storage promises a variety of sectors, including finance, corporate, education, and e-commerce better data loss prevention, maximum efficiency at a minimum cost and uninterrupted IT solutions to businesses.
- The market size of the domestic cloud storage is currently around USD 20 Mn and is expected to reach USD 46.3 Mn by 2025, according to industry stakeholders. Though international vendors such as Amazon, Google, Huawei and Oracle currently dominate the business with around 90% of the market share, local players now look to grab a bigger slice of the pie.

<https://www.tbsnews.net/economy/industry/local-players-eye-bigger-slice-cloud-computing-gains-foothold-562130>

Cenbank goes for printing money to support budget

- The interest rate on long-term government bonds shot up to 8.95% in the last auction called by the Bangladesh Bank on 28 December – at a time when the lending rate cap was 9%. The question then arises why banks would lend at 9% to the private sector when they can instead get the same rate by investing in government bonds.
- The climbing rate on government bonds is symptomatic of a liquidity crisis, a source at the central bank told The Business Standard. Normally, the government borrows money from commercial banks, but in this situation, the Bangladesh Bank has started to print taka to supply money to the government.

<https://www.tbsnews.net/economy/banking/cenbank-goes-printing-money-support-budget-562466>

Bangladesh hopeful of France's support for its bid for GSP+ facility beyond 2029

- State Minister for Foreign Affairs Md Shahriar Alam has expressed his optimism that France will continue to support Bangladesh's bid for a GSP+ facility beyond 2029 under the European Union's new GSP Regulation. Bangladesh is widely considered as a success story for the EU's everything-but-arms (EBA) scheme.
- The EBA scheme removes tariffs and quotas for all imports of goods (except arms and ammunition), coming into the EU from least developed countries (LDCs). Newly appointed French Ambassador to Bangladesh Marie Masdupuy met State Minister Alam at the Ministry of Foreign Affairs on Tuesday and discussed issues of mutual interests.

<https://www.tbsnews.net/economy/bangladesh-hopeful-frances-support-its-bid-gsp-facility-beyond-2029-562362>

Reduced VAT on edible oil until April 30

- The National Board of Revenue (NBR) has extended a VAT reduction of 5% on edible oil for four more months till April 30 so that consumers do not feel the burden of the indirect tax on prices, according to a notification yesterday. The move comes as the value-added tax (VAT) reduction on soybean and palm oil ceased to come into effect on December 31.

<https://www.thedailystar.net/business/economy/news/reduced-vat-edible-oil-until-april-30-3212001>

Monthly profit payout proposed for Pensioner Savings Certificates

- The National Savings Directorate has proposed a monthly profit payout of Pensioner Savings Certificates instead of the current quarterly basis. The directorate recently sent a letter to the finance ministry in this regard.
- Pensioners who hold savings certificates often use the profits they earn to cover their daily household expenses. In the face of increasing inflationary pressure, they have repeatedly requested the directorate that the profits be paid out on a monthly rather than quarterly basis.

<https://www.tbsnews.net/economy/monthly-profit-payout-proposed-pensioner-savings-certificates-562446>

Bangladesh's growth to slow, unlikely to face recession

- Bangladesh is unlikely to fall into any recession but its economic growth may slow down in 2023 because of high inflation, dollar crisis and problems in the banking sector, said economists yesterday. And these challenges, particularly the dollar crisis and problems in the banking sector, are not going to dissipate soon. Rather, those are going to be a drag on the economy, they said.

<https://www.thedailystar.net/business/economy/news/bangladeshs-growth-slow-unlikely-face-recession-3212101>

BB raises dollar rate to BDT 100

- The Bangladesh Bank has increased the dollar selling rate from the forex reserve by BDT 1 to BDT 100, according to officials – the 11th hike since July of the current fiscal year. On Tuesday, the central bank sold USD 78 Mn to state-owned banks at the new rate. The rate was increased from BDT 98 to BDT 99 last on 5 December 2022. In November, the rate was raised to BDT 98, following multiple rises in September and October last year.

<https://www.tbsnews.net/economy/banking/bb-raises-dollar-rate-tk100-562442>

Bagerhat shrimp farmers in hot water

- A drop in prices coupled with a rise in feed costs have put shrimp and prawn farmers of Bagerhat in a tight spot. Exports have fallen for weak demand in the European Union and US amidst apprehensions of a recession as a pandemic fallout and for the Russia-Ukraine war.
- The problems are intensified by repeated natural disasters and diseases. Shrimp have an average size of about 4 cm to 8 cm while larger individuals are often called prawns. Every kilogramme (kg) has been selling for BDT 300 to BDT 800 depending on the size in the last couple of days, according to multiple farmers. In 2021, it was around BDT 400 to BDT 1,400.

<https://www.thedailystar.net/business/economy/news/bagerhat-shrimp-farmers-hot-water-3211186>

Internet subscriber base shrinks for fourth month

- The internet subscriber base in Bangladesh has been on a downward curve for four months till November last year due to a sharp drop in the number of mobile internet users. The number of internet users dropped to 125 Mn in November, down 1.1 Mn from the previous month, according to data from the Bangladesh Telecommunication Regulatory Commission (BTRC).

<https://www.thedailystar.net/business/economy/news/internet-subscriber-base-shrinks-fourth-month-3212106>

Area-wise wage gap 60% among female RMG workers

- The country's female garment workers have a wage gap of around 51% to 60% depending on the area and living wage benchmark in five major industrial areas in Bangladesh, including Dhaka city, a survey finds. However, the wage gap for male workers remains at 45% to 54%, according to the survey of the South Asian Network on Economic Modeling (Sanem).
- The Sanem has been conducting the survey in collaboration with Microfinance Opportunities (MFO), a USA-based non-profit organisation, on 1,300 selected garment workers in Dhaka city, Chittagong, Gazipur, Narayanganj, and Savar every week since April 2020.

<https://www.thedailystar.net/business/economy/news/area-wise-wage-gap-60-among-female-rmg-workers-3211221>

Motorcycle sales drop slightly in 2022

- Motorcycle sales in Bangladesh did not show any growth but rather shrunk in 2022 as the ongoing economic crises, such as rising inflationary pressure, contributed to an overall decrease in local demand, according to industry insiders.
- As per market data, a total of 587,689 motorcycles were sold last year while 587,925 units were sold in 2021. However, the fall in sales was mostly limited to the second half of the year. A total of 241,264 motorcycles were sold from July to December in 2022, down by 18% compared to 294,815 units in 2021, the data shows.

<https://www.thedailystar.net/business/economy/news/motorcycle-sales-drop-slightly-2022-3211246>

Vegetable cultivation shows promise in Pabna

- Vegetable cultivation is gaining popularity in Pabna as growing profits have spurred local farmers to expand their activities over the past few years, according to the Department of Agricultural Extension (DAE) in the district.
- "We once cultivated only mustard and other winter crops but now, we are cultivating carrot and tomato as well," said Md Rojob Ali, a farmer of Varoimari village in Ishwardi upazila. "One bigha of carrot can easily earn BDT 25,000 while the mustard will bring a profit of as much as BDT 15,000," he added.

<https://www.thedailystar.net/business/economy/news/vegetable-cultivation-shows-promise-pabna-3212016>

Imports of key essentials drop for dollar crunch

- The import of essentials such as edible oil, chickpeas, dried peas and sugar fell in July-November as traders face difficulties in opening letters of credit (LCs) to purchase the items from international markets amid the US dollar shortage.
- This led traders and importers to warn that there might be a shortage of the items during Ramadan when their demand usually surges. The dollar shortage is at the heart of the lower imports of edible oil, chickpeas, dried peas, dates, and sugar.

<https://www.thedailystar.net/business/economy/news/imports-key-essentials-drop-dollar-crunch-3212111>

Stocks:**EXCHANGE | DSE, trading technology provider NASDAQ extend partnership**

- The Dhaka Stock Exchange (DSE) and its trading technology provider Nasdaq Technology AB have agreed to extend and strengthen their ties further. Both parties have agreed to extend their existing agreement for another period of three years, which was set to end in December 2024, according to a DSE statement.
- Nasdaq Technology AB will provide its support to DSE to facilitate the Go-live of the new Data Center at DSE Tower in Nikunja, Dhaka, through the upgradation of the matching engine of the country's premier exchange to the new set of technological infrastructure, said the DSE.

<https://www.tbsnews.net/economy/stocks/dse-trading-technology-provider-nasdaq-extend-partnership-562454>

GP | Sales ban on GP SIM withdrawn

- The government has withdrawn the ban on Grameenphone SIM card sales, which it imposed on June 2022. The Bangladesh Telecommunication Regulatory Commission made the move on Monday. Grameenphone chief executive officer Yasir Azman in a statement said that they received the notification from the BTRC on the withdrawal of the SIM sales ban.

<https://www.newagebd.net/article/190732/sales-ban-on-gp-sim-withdrawn>

QUEENSOUTH | Wise Star Textile keen to take over Ring Shine

- Wise Star Textile Mills Ltd – a private company run by Queen South Textile's Managing Director Wong Jammy Kwok Chan – is interested in taking over the struggling Ring Shine Textiles Ltd. Recently, the Bangladesh Securities and Exchange Commission (BSEC) has allowed the Bangladesh Export Processing Zones Authority (Bepza) to transfer the sponsor-director shares of Ring Shine to a suitable buyer.
- An official of the Bepza said already a few meetings have been arranged with Wise Star Textiles in this regard. He declined to comment further on this matter.

<https://www.tbsnews.net/economy/stocks/wise-star-textile-keen-take-over-ring-shine-562430>

VFSTDL | BSEC cancels VFS Thread Dyeing's stock dividend

- The Bangladesh Securities and Exchange Commission (BSEC) has not approved VFS Thread Dyeing to issue stock dividends as the company failed to comply with the guidelines to this end. In a recent board meeting, the 100% export-oriented sewing thread products manufacturer recommended a 5% stock dividend for its shareholders for fiscal 2021-22.

<https://www.tbsnews.net/economy/stocks/bsec-cancels-vfs-thread-dyeings-stock-dividend-562414>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 77.06	USD 1.85	2.46%
Crude Oil (Brent)*	USD 82.37	USD 4.59	5.90%
Gold Spot*	USD 1,845.22	USD 16.02	0.88%
DSEX	6,185.06	-571.59	-8.46%
S&P 500	3,824.14	-942.04	-19.77%
FTSE 100	7,554.09	169.55	2.30%
BSE SENSEX	61,294.20	3,040.38	5.22%
KSE-100	40,630.64	-3,965.43	-8.89%
CSEALL	8,509.60	-3,716.41	-30.40%

Exchange Rates**1 US Dollar = 102.89 BDT****1 GBP = 123.32 BDT****1 Euro = 108.69 BDT****1 INR = 1.24 BDT**

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