

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.

ECNEC approves 12 projects worth BDT 120.17 billion

- The Executive Committee of the National Economic Council (ECNEC) approved a total of 12 projects involving an estimated cost of BDT 120.17 billion during its meeting on Tuesday. Out of the approved 12 projects, 10 are new, two are revised. The Planning Minister said of the total project cost, BDT 79.90 billion will come from the government, BDT 5.94 billion from the concerned organisation's fund while the rest as project assistance.

<https://thefinancialexpress.com.bd/economy/bangladesh/ecnec-approves-12-projects-worth-tk-12017-billion-1649157089>

Lone state-owned drugmaker gets BDT 19.05 Bn revamp

- The government on Tuesday approved a project to relocate the state-owned Essential Drugs Company Limited (EDCL) from Dhaka to Manikganj. In addition, the 60-year-old dilapidated plant will be modernised as per the Current Good Manufacturing Practice (CGMP) guidelines. The Executive Committee of the National Economic Council (Ecneec) approved the project with an estimated expenditure of BDT 19.05 Bn. The revamp aims to achieve public sector self-sufficiency for medicine supply by reducing the dependency on the private sector. The construction of the new plant is set to be completed within the next five years.

<https://www.tbsnews.net/economy/ecnec-clears-12-projects-involving-tk12017-cr-397750>

NSC sales drop by 49.88pc in July-February

- The net sales of national savings certificates dropped by 49.88% year-on-year in 8MFY22, as the government tightened NSC sales rules to contain people's buying spree of the savings instruments. Net sales of NSCs dropped to BDT 146.89 Bn in 8MFY22 against BDT 293.11 Bn in 8MFY21.
- Economists said that the government took the policy measures to check high sales of national savings certificates. One good thing about the moves was that the lower net sales of NSCs would ultimately reduce the interest spending of the government, they said. Interest payments against NSCs constitute the lion's share of the government's total interest spending, they added.

<https://www.newagebd.net/article/167340/nsc-sales-drop-by-4988pc-in-july-february>

China-owned Xihe Textile to invest USD 12.89 million in Mongla EPZ

- China-owned company M/s Xihe Textile Technology Bangladesh Ltd is going to set up a garments manufacturing industry in Mongla EPZ with an investment of USD 12.89 Mn. An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (BEPZA) and M/s Xihe Textile Technology Bangladesh Ltd. This fully foreign-owned company will produce annually 5 million pcs of woven garments and 2.3 million pieces of knit garments. The company has another RMG factory named M/s Garments Manufacture JINLITE Bangladesh in Mongla EPZ.

<https://www.tbsnews.net/economy/corporates/china-owned-xihe-textile-invest-1289-million-mongla-epz-397718>

Iran wants to sign PTA with BD

- Iran seeks to sign a Preferential Trade Agreement (PTA) with Bangladesh to boost bilateral trade, officials said. The Trade Promotion Organisation (TPO) of Iran has also requested Bangladesh to exchange updated commodity/product list between the two countries for the PTA. In 2013, the volume of Iran-Bangladesh trade was less than USD 20 million. In recent years, the trade volume increased to more than USD 100 million.

<https://today.thefinancialexpress.com.bd/trade-market/iran-wants-to-sign-pta-with-bd-1649177242>

FY23 budget: Need for expansion, but govt opts for contraction

- For FY23, the finance ministry will formulate a budget to the tune of a little over BDT 6.83 trillion, which is 13% higher than this fiscal year's main budget and 15% higher than the revised outlay, according to the finance ministry's official document. The total revenue collection target for the next fiscal year may be set at BDT 4.38 trillion, which is 10% of GDP and 0.1 percentage points higher than the current fiscal year's target.
- Target for non-tax revenue collection can be raised from BDT 430.0 Bn to BDT 455.5 Bn in the new financial year, said Finance Division officials. In 8MFY22, the government's budget deficit stood at only BDT 46.41 Bn, which was almost three times lower than in 8MFY21. The finance ministry is estimating a deficit of BDT 2.45 Bn for the next fiscal year, which will be 5.5% of GDP. BDT 928.3 Bn will be collected from the banking sector, BDT 1.08 trillion from foreign sources and the rest from savings certificates.
- Dr Zahid Hussain, former lead economist at the World Bank's Dhaka office, told The Business Standard that the current budget is expansionary but the implementation is contractionary. Even in the six months of the fiscal year, the government had some budget surplus instead of a deficit. If the lion's share of the budget allocation goes to health, education, social security, and necessary urban infrastructure, the deficit due to the expansion will not create any tension, the economist said.
- Economist Debapriya Bhattacharya said that the government does not have the capacity to implement an expansionary budget. He added that lack of efficiency in the public expenditure system is holding back a higher level of impactful public investments.

<https://www.tbsnews.net/economy/fy23-budget-need-expansion-govt-opts-contraction-398030>

BB pumps USD 4.0b to tame forex market

- The central bank has pumped over USD 4.13 Bn into Bangladesh's overheating foreign-exchange market in nearly eight months to check rise in the value of the US currency. Officials say the demand for the greenback has increased following the ongoing Russia-Ukraine war alongside economic rebound from the Covid-19 pandemic.
- A senior BB official also said higher prices of commodities, including fuel oils, on the international market also enhanced import-payment obligations in recent months. As part of the move, the central bank sold USD 91.0 Mn to banks, particularly state-owned commercial banks, in last two working days. Another BB official told the FE that BB may continue providing such foreign-currency liquidity support to the banks in line with the market requirement.
- The settlement of letters of credit (LC) rose by 52.01% to USD 52.60 Bn during 8MFY22 from USD 34.61 Bn in the same period of the previous fiscal. The opening of LCs grew by more than 49% to USD 59.46 Bn during the period under review from USD 39.87 Bn in the same period of FY21.

<https://today.thefinancialexpress.com.bd/first-page/bb-pumps-40b-to-tame-forex-market-1649180768>

BB prepares for issuing digital bank licence

- Bangladesh Bank (BB) has initiated a move to form regulatory guidelines on the operations of full-fledged digital banks in the country. Once the regulatory guidelines are finalised, the central bank would be ready to issue a licence to operate a digital bank. As per the concept, so far adopted by the BB, there would be no branch-based service of the digital banks. Instead, the banks will provide services, including lending and collection of deposits, online.
- BB high officials said that the desire of the government, as well as similar moves in peer countries, were the two major reasons behind the move. However, the deputy governor of BB told New Age that it does not mean that the BB would start issuing licences without a need assessment.

- The paid-up capital requirement for a digital bank would be BDT 5.0 Bn as required for a conventional bank. Besides, other capital-related requirements for digital banks would also be the same as conventional banks. BB said that it was working to create a way to enable the customers of a digital bank getting physical currency in case of any emergency.

<https://www.newagebd.net/article/167326/bb-prepares-for-issuing-digital-bank-licence>

Non-fund income boosts banks' profit, dividend

- Despite the slow growth in private sector investment amid the pandemic and less than expected loan recovery pace, most banks have posted growth in earnings per share (EPS) in 2021 riding on a record rise in the country's exports and imports. Based on this growth, most banks have paid more dividends to their shareholders in 2021 than in 2020.
- Of the 33 banks listed on the Dhaka Stock Exchange (DSE), 13 have released their audited annual accounts for last year. According to the disclosures, the EPS of 10 out of these 13 banks has increased. IFIC Bank saw the highest growth of 122%, followed by Prime Bank, Mercantile Bank and Premier Bank. On the other hand, the EPS of United Commercial Bank and Jamuna Bank decreased. ICB Islamic Bank has been in losses for a long time, although the losses in 2021 have decreased.
- M Reazul Karim, managing director of Premier Bank, told The Business Standard that in 2021, the bank has received more support from the apparel sector owing to record exports while imports have also increased. This has increased their non-funded income, he added. Due to the deferral facility of the Bangladesh Bank, the bank did not have to go through such complications with defaulted loans.

<https://www.tbsnews.net/economy/stocks/non-fund-income-boosts-banks-profit-dividend-397990>

Large foreign banks see profits plunge

- Large foreign banks operating in Bangladesh took a hit in 2021 as their profits plunged due to the impacts of the coronavirus pandemic and the lower interest rate regime. Collective profits for the nine banks fell more than 33% year-on-year to BDT 15.56 Bn in 2021 from BDT 23.36 Bn in 2020.
- Standard Chartered Bangladesh logged profits of BDT 7.58 Bn in 2021, down 44.5% year-on-year. HSBC Bangladesh's profits declined 30% to BDT 3.78 Bn. Profits of Citibank NA plummeted 66.95% to BDT 300 Mn, Woori Bank witnessed 21% lower profits to BDT 639 Mn, while Pakistan-based Habib Bank remained in the red. Sri Lanka's Commercial Bank of Ceylon, State Bank of India, Bank Alfalah of Pakistan, and the National Bank of Pakistan made higher profits in 2021.
- The interest income of Standard Chartered Bangladesh was down 26% to BDT 11.21 Bn, while income from investment fell 31% to BDT 3.38 Bn mainly due to the drop in the interest earnings from government securities. HSBC Bangladesh's net interest income dropped 8.24% to BDT 7.66 Bn, while its commissions, exchanges and brokerage charges increased 12% to BDT 4.61 Bn. The income from the opening of LCs stood at BDT 2.31 Bn, a rise of 27%.

<https://www.thedailystar.net/business/economy/news/large-foreign-banks-see-profits-plunge-2998946>

Banglalink weighs stake selloff

- Owners of Banglalink, the third-largest telecoms operator in Bangladesh, are considering offloading bulk of their stakes in the multinational to improve its liquidity situation, insiders say. Apart from going public, speculations are rife that the company is also mulling over stakes selloff to private sector.
- The authorities of the multinational company were recently in discussion with two major corporate houses of the

country. Previously, total secrecy was maintained when the ownership of Sheba telecom was transferred to Egyptian telecoms giant Orascom in a USD 60 Mn deal in 2004.

- It is learnt that the company wants to sell its stake to expand its network operation and quality as it made a move to set up 3000 new base transceiver stations (BTS) within this year. The operator presently has over 10,200 BTS towers against the 18,023 of Grameenphone and 13,812 of Robi.

<https://today.thefinancialexpress.com.bd/first-page/banglalink-weighs-stake-selloff-1649180478>

BSEC worried about GP investors

- The Bangladesh Securities and Exchange Commission has expressed its worries about the interest of shareholders of Grameenphone after the recent agitations by workers of Grameen Telecom, a substantial shareholder of GP. The BSEC on March 27 issued a letter to GP, expressing its concerns on the matter and asked the mobile operator's top brass to attend a meeting to explain the company's position on the matter on March 31.
- GP's senior officials, however, are yet to meet with the regulator on the issue. GP has refrained from making comment to New Age on the issue related to other business entity. The regulator called the top brass of GP to explore more on this issue and related facts to protect the interest of the local and foreign investors, the letter said.

<https://www.newagebd.net/article/167339/bsec-worried-about-gp-investors>

Two Meghna Group cos under BSEC scanner

- The Bangladesh Securities and Exchange Commission has initiated an enquiry into affairs of Meghna Pet Industries Limited and Meghna Condensed Milk Industries, their head offices and factories. Meghna Condensed Milk has an industrial plant for producing sweetened and non-sweetened condensed milk while Meghna Pet owns an integral mineral water processing and pet bottle manufacturing and filling of edible oil unit and sales of mineral water and marketing of edible oil.

<https://www.newagebd.net/article/167331/two-meghna-group-cos-under-bsec-scanner>

BSEC cancels SS Steel's stock dividend

- The Bangladesh Securities and Exchange Commission (BSEC) has cancelled the bonus shares recommended by SS Steel Limited for fiscal 2020-21. The steel manufacturer had issued an 8% bonus shares for business expansion in fiscal 2019-2020 and again in the following fiscal year, it recommended the same amount of bonus shares as a dividend to utilise the retained amount as capital for business expansion. Meanwhile, the National Feed Mill – another listed firm – has received the regulator's consent for the issuance of a 1% stock dividend.

<https://www.tbsnews.net/economy/stocks/bsec-cancels-ss-steels-stock-dividend-397882>

Achia Sea Foods to raise BDT 150m through QIO

- Achia Sea Foods will raise a capital worth BDT 150 million through Qualified Investor Offer (QIO). The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved the company's proposal. Achia Sea Foods will issue 15 million shares at BDT 10 each to eligible investors (EIs). The company will utilise the fund to purchase machinery, repay loans, and cater to the expenses of QIO.
- As per the financial statement for FY21, the company's earnings per share stood at BDT 1.88, while the NAV per share was BDT 17.07. AAA Finance and Investment is working as issue manager of the Achia Sea Foods.

<https://today.thefinancialexpress.com.bd/stock-corporate/achia-sea-foods-to-raise-tk-150m-through-qio-1649175084>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 101.98	USD 26.77	35.59%
Crude Oil (Brent)*	USD 106.87	USD 29.09	37.40%
Gold Spot*	USD 1,923.69	USD 94.49	5.17%
DSEX	6,694.30	-62.36	-0.92%
S&P 500	4,525.12	-241.06	-5.06%
FTSE 100	7,613.72	229.18	3.10%
BSE SENSEX	59,901.72	1,647.90	2.83%
KSE-100	43,928.08	-667.99	-1.50%
CSEALL	8,738.08	-3,487.93	-28.53%

Exchange Rates**1 US Dollar = 86.23 BDT****1 GBP = 112.70 BDT****1 Euro = 93.99 BDT****1 INR = 1.14 BDT**

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