

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.

Invest in connectivity, reap trade benefit

- Countries along the Bay of Bengal region should invest and focus more on infrastructure connectivity to reduce the high trading costs and reap benefits of many untapped economic potentials, the economists suggested at a virtual meeting hosted by South Asian Network on Economic Modeling (SANEM). The nations in the region should also give enough impetus to the other forms of infrastructure like social, digital and financial to translate all efforts into better integration. For a better outcome, they also suggested not only going for mega infrastructure projects, but also rechecking whether the emerging sectors and SMEs are getting benefits from the mega schemes.

<https://today.thefinancialexpress.com.bd/first-page/invest-in-connectivity-reap-trade-benefit-1647104759>

Japanese cos weigh expansion in BD

- According to the latest annual survey of Japan External Trade Organisation (JETRO), Japanese companies interested in expanding their business in Bangladesh were 27.2% higher than that of 2020. 68% of the Japanese companies have expansion plans in Bangladesh, 24% had no plan of expansion, 6.0% of the companies expressed shrinking their businesses, and 2.0% of the companies planning either transferring to another country or withdrawal from Bangladesh.
- The number of Japanese companies in Bangladesh increased to 110 in 2020 from 24 in 2008. But 67.4% of the companies considered lack of quality employees, time consuming and complicated customs procedures and complexities in outbound remittance are among major challenges for them.
- However, the survey found improvement in customs procedures as the complaints came down to 46% in 2021 from 56.1% in 2020. Some 60.9% companies considered wage hike across all industries as a challenge to business expansion in 2021, which was 48.5 % in 2020. Some 61.9 % Japanese companies in the manufacturing sector found cost increase in procurement and difficulty in local procurement of raw materials and parts are the major challenges for them to do business in Bangladesh.

<https://today.thefinancialexpress.com.bd/first-page/japanese-cos-weigh-expansion-in-bd-1647104904>

FBCCI to set up trade centre in Dubai

- The Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) is going to set up a trade centre in Dubai to boost trade and investment with the United Arab Emirates (UAE). A memorandum of understanding (MoU) was signed between the Bangladesh Business Council (BBC) of Dubai and the FBCCI on Friday in Dubai.

<https://www.thedailystar.net/business/organisation-news/news/fbcci-set-trade-centre-dubai-2981621>

Ctg port raises store rent to keep container delivery normal in Ramadan

- Businesses will have to count fourfold store rent from the 21st day of unloading imported goods from a ship, as the Chattogram Port Authority (CPA) has planned to keep the container delivery activity at the country's main seaport smooth. Currently, CPA had 32,708 TEU containers at the Chattogram port at on 11 March, with optimal storage capacity of 41,665 TEU containers.

<https://www.tbsnews.net/economy/ctg-port-raises-store-rent-keep-container-delivery-normal-ramadan-383869>

Meghna Industrial EZ receives USD100m in foreign investment – highest in private zones

- A total of 12 foreign companies from seven different countries finalised agreements to put their money in the Meghna Industrial EZ, while four firms – Australian TIC Manufacturing and TIC Industries Pty, Japanese Sakata Inx and German Siegwark Limited – have started their factory operations.
- Currently 14 factories, including 10 local ones, are manufacturing different types of products – from beverage to garment accessories – in the zone, while their investments have amounted to USD 400 million. Of the amount, local companies, mostly Meghna Group subsidiaries, invested USD 300 million and the rest came from abroad.
- Of the 12 foreign companies, two Chinese firms invested the highest amount of USD 23 million in the economic zone, followed by USD 17.5 million by two Australian companies. Besides, three German firms invested USD 15.9 million, an Indian firm USD 16 million, two Japanese USD 14 million, a Swiss USD 6 million, and a Norwegian company made a USD 5 million investment in the industrial hub. They will produce a range of products, such as garment accessories, inks, paints, chemicals, drugs, and mobile phones.

<https://www.tbsnews.net/economy/meghna-industrial-ez-receives-100m-foreign-investment-highest-private-zones-383473>

MFS accelerated financial inclusion in pandemic

- The pandemic and its subsequent curbs on people's movement gave a huge shot in the arms of the digital financial ecosystem as the number of MFS accounts surged by some 30.0 Mn in a little over one and a half years up to the end of December last year, says research institute Unnayan Shamannay.
- The MFS service has gained momentum in the char areas during the Covid period. According to the survey, the number of MFS accounts opened by char people has increased significantly during the pandemic, which is mainly attributable to the payment of government assistance and social security allowances to MFS accounts.
- Ahsan H Mansur, chairperson of BRAC Bank, asked for further easing MFS transactions and increasing their scopes. Increasing the use of apps will reduce the amount of cash-outs and at the same time will reduce the dependence on agents. Emphasis should be placed on encouraging the use of MFS in other financial transactions apart from cash-in and cash-out, he said, adding that it is possible to move forward to the establishment of "cashless society" through proper use of MFS.

<https://www.tbsnews.net/economy/banking/mfs-accelerated-financial-inclusion-pandemic-383911>

Banks allowed LC opening with zero margin

- The Bangladesh Bank has asked scheduled banks to charge margins at a minimum rate against opening of import letters of credit for essential kitchen commodities amid sharp increase in prices in such commodities ahead of the month of Ramadan. The BB even allowed banks to open LC in zero margin based on bank-customer relationship.

<https://www.newagebd.net/article/165217/banks-allowed-lc-opening-with-zero-margin>

Local banks explore ways as SWIFT ban takes effect

- Banks in Bangladesh are on the lookout for alternative ways to continue banking with Russian lenders after their transactions with seven major financial institutions came under restriction from SWIFT from Saturday following the western sanction. Because of the suspension, Bangladesh's more than USD 1.0 Bn annual trade with Russia will face uncertainty as payments for both imports and exports would face a roadblock.
- Managing directors of four banks and three officials of the central bank said that there are some scopes, including the use of a Chinese platform named cross-broad interbank payment system (CIPS), to retain banking relations with Russian lenders amid the ban. But Bangladesh will have to take a decision to this end given its diplomatic ties with the countries and blocs that have introduced the sanction.

<https://www.thedailystar.net/business/organisation-news/news/local-banks-explore-ways-swift-ban-takes-effect-2981641>

BGMEA moves to revive US GSP

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has signed a memorandum of understanding (MoU) with the American Apparel and Footwear Association (AAFA) to reinstate GSP status in the American market for local merchandise. The AAFA will support Bangladesh in promoting its trade interests in the US market, especially advocating the withdrawal of GSP suspension to recognise the progress made in the local industry in areas of workplace safety, worker well-being and environmental sustainability.

<https://www.thedailystar.net/business/organisation-news/news/bgmea-moves-revive-us-gsp-2981636>

Chevron moves for fresh gas drilling

- Chevron moves for drilling a new gas well in Bangladesh's largest producing field in Bibiyana, after around a six-year pause, at a time when the country has to make do with insufficient output. The firm has submitted a work plan along with budget to the state-run Petrobangla for drilling the Bibiyana-27 well meant to augment the country's overall natural gas production.
- Petrobangla has already extended the PSC tenure for Jalalabad, Moulvibazar and Bibiyana gas fields of Chevron by five years each with a provision of extending it by five more years to boost exploration. The PSC tenure of Jalalabad and Moulvibazar gas field under block 13 and 14 has been extended by five years to 2029 from the previous schedule of contract expiration in 2024. And the deal could be extended further, until 2034. The tenure of the remaining block 12 (Bibiyana) will also expire in 2034.

<https://today.thefinancialexpress.com.bd/first-page/chevron-moves-for-fresh-gas-drilling-1647104534>

Rock mining at Maddhapara suspended over lack of explosives

- Hard rock production in the country's lone Maddhapara Granite Mining field has been suspended due to lack of explosives required to crush stone layers beneath the ground. Germania-Trest Consortium (GTC), the developer of the mine suspended the production on Saturday morning. GTC was producing around 5,500 tonnes of hard rocks per day to meet the growing demands in different development projects.
- At present, the country has an annual demand of 15 Mn tonnes of rocks, of which MGMCL supplies 6%. The granite market, which is worth BDT 60.0 Bn, has a massive 20-25% annual growth that is met with imports. Due to the production suspension, the civil construction works of a number of mega projects including Rooppur Nuclear Power Plant, Matarbari Plant, third terminal of Hazrat Shahjalal Airport and the railway projects would be in trouble.

<https://www.tbsnews.net/economy/industry/rock-mining-maddhapara-suspended-over-lack-explosives-383860>

Anti-ulcer drugs sales cross BDT 42.0 Bn

- Based on IQVIA data, UCB Asset Management in its research paper published that anti-ulcer drugs are the top-selling medicines in Bangladesh with sales clocking more than 12% growth annually since 2015. Based on estimated BDT 34.19 Bn earnings in FY20, this means yearly sales have topped BDT 42.0 Bn at the current sales growth. Esomeprazole was the highest-selling anti-ulcer medicine fetching BDT 17.76 Bn, which accounted for 7% of the BDT 230.0 Bn drugs sold in Bangladesh.
- The sales of medicines used to treat cardiovascular problems have risen at the fastest clip at 16% annually. In FY20, the segment fetched BDT 26.31 Bn with 11.30% market share. Sales growth of antibiotic drugs has slowed significantly (2.3% annually) during the period (FY15-FY20) thanks to an increased awareness among patients. The sales amounted to BDT 32.83 Bn in FY20, 14% of the total turnover of the industry.

- Medicines used to cure the disorders related to the alimentary tract and metabolism, including anti-ulcer drugs, worth BDT 88.32 Bn were sold on average per year during the period, representing 37.5% of the total drug sales. Medicines related to respiratory problems netted BDT 22.82 Bn in 2020, with market share of 9.80%.

<https://www.thedailystar.net/business/economy/news/anti-ulcer-drugs-sales-cross-tk-4200cr-2981651>

Brokerage houses with CCA deficit may face BSEC sanctions

- Bangladesh Securities and Exchange Commission has taken an initiative to impose four sanctions including suspension of free limit and initial public offering quota facility on brokerage houses which have shortfall in consolidated customer accounts and shares. The BSEC officials have drafted a directive in this regard and would present before the commission meeting for approval soon.

<https://www.newagebd.net/article/165216/brokerage-houses-with-cca-deficit-may-face-bsec-sanctions>

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 109.33	USD 34.12	45.37%
Crude Oil (Brent)*	USD 112.67	USD 34.89	44.86%
Gold Spot*	USD 1,988.46	USD 159.26	8.71%
DSEX	6,668.15	-88.51	-1.31%
S&P 500	4,204.31	-561.87	-11.79%
FTSE 100	7,155.64	-228.90	-3.10%
BSE SENSEX	55,550.30	-2,703.52	-4.64%
KSE-100	43,663.33	-932.74	-2.09%
CSEALL	10,677.46	-1,548.55	-12.67%

Exchange Rates**1 US Dollar = 86.04 BDT****1 GBP = 112.18 BDT****1 Euro = 93.88 BDT****1 INR = 1.12 BDT**

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