

*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:****Business climate improves slightly, shows Business Climate Index of MCCI and Policy Exchange**

- The business climate in the country improved slightly in 2022 compared to 2021 on the back of progress in the areas such as starting a business, infrastructure and labour regulations, according to the Bangladesh Business Climate Index (BBX).
- The Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka, and the Policy Exchange of Bangladesh, a private think-tank, jointly prepared the index, which was first launched in 2021 after the World Bank stopped publishing its Ease of Doing Business Index.

<https://www.thedailystar.net/business/economy/news/business-climate-improves-slightly-3231711>

**Shipping ministry to implement 35 projects involving BDT 70.75 Bn**

- The Ministry of Shipping will implement 35 projects during the ongoing fiscal year of 2022-23 (FY 23) involving a cost of over BDT 70.75 Bn. Of the total projects, 31 are under annual development programme (ADP) while three are managed by the ministry's own finance. The remaining one is a scheme project.
- A high official of the shipping ministry said the ministry at a meeting on Thursday discussed the progress of the projects taken for FY 23. Speaking at the meeting, State Minister for Shipping Khalid Mahmud Chowdhury said that the ministry has achieved a lot, but it has many challenges too.

<https://thefinancialexpress.com.bd/economy/shipping-ministry-to-implement-35-projects-involving-tk-7075b-1674788702>

**Investment proposals rise in 2022**

- Investment proposals in the country increased last year compared to the previous year as a result of different initiatives taken by the Bangladesh Investment Development Authority (Bida) to attract investors.
- According to Bida, the total investment proposals last year were worth around BDT 468.43 Bn, which was around BDT 406.33 Bn in 2021. In October-December last year, 303 industrial units placed around BDT 326.55 Bn investment proposals.

<https://www.tbsnews.net/economy/investment-proposals-rise-2022-575354>

**9 more firms recognised as authorised economic operators**

- The National Board of Revenue (NBR) has recognised nine more companies, including Fair Electronics and Omera Cylinders, as authorised economic operators – who enjoy some privileges at ports during export-import. Other firms are Shoeniverse Footwear, Jihan Footwear, ACI Godrej Agrovet, Towa Personal Protective Device Bangladesh, Cutting Edge Industries, MBM Garments and Footsteps Bangladesh.
- Firms recognised as authorised economic operators are allowed to take their imported products to their warehouses or factories directly without formalities related to customs at ports. In case of any problem, customs officials will go to the factory of the importer concerned and inspect the goods.

<https://www.tbsnews.net/nbr/9-more-firms-recognised-authorised-economic-operators-574710>

**Govt moves to frame logistics dev policy**

- The government has formed a 29-member committee to ensure an efficient transportation of goods and services and the overall development of the logistics sector in Bangladesh.
- The committee will formulate the National Logistics Development Policy, provide policy support and facilitate existing policy frameworks to attract investment in the logistics sector. It will also provide overall guidance in formulating policies and development strategies for the logistics sub-sector.

<https://www.thedailystar.net/business/economy/news/govt-moves-frame-logistics-dev-policy-3233181>

**Additional BDT 26.82 Bn sought for Padma Bridge project**

- The Bridges Division has sought an additional BDT 26.82 Bn for the Padma Multipurpose Bridge project in the 3rd Revised Development Project Proposal, which was sent to the Planning Commission.
- According to the revised proposal, the reasons for the additional fund include currency fluctuation, design change in pile foundation, increase in VAT (value-added tax) and income tax due to change in legislation, increased cost due to the design of 400kV transmission tower foundation platforms, design change in Mawa River training work, additional works for operation and maintenance and other civil works and bridge opening ceremony etc.

<https://www.tbsnews.net/bangladesh/infrastructure/additional-BDT2682cr-sought-padma-bridge-project-575246>

**State banks spend 80% of their forex for govt imports in H1**

- With dollar support by the central bank, state-owned commercial banks spent 80% of their foreign currencies for government imports in July-December, keeping the domestic food and energy supply normal.
- In the first six months of FY23, the Bangladesh Bank has sold USD 7.8 Bn, of which USD 7.2 Bn was supplied to the state-owned banks for importing food, fertiliser and energy, according to industry insiders. The state banks in the July-December period cleared USD 10.68 Bn import bills, including USD 8.41 Bn government goods – which is 80% of the total amount.

<https://www.tbsnews.net/economy/state-banks-spend-80-their-forex-govt-imports-h1-574986>

**UN cuts Bangladesh's growth forecast**

- The United Nations (UN) has trimmed its forecast on Bangladesh's economic growth to 6% for 2023 from its previous projection of 6.4% as the country's economic situation has significantly deteriorated due to high food and energy prices, monetary tightening and fiscal vulnerabilities.
- The UN also projected deceleration of global economic growth from an estimated 3% in 2022 to only 1.9% this year, marking one of the lowest growth rates in recent decades.

<https://www.thedailystar.net/business/economy/news/un-cuts-bangladeshs-growth-forecast-3231696>

**Use of foreign fund in ADP far below target**

- Apart from export and remittance earnings, the government has placed importance on securing more foreign funding in the current fiscal year to shield the country's foreign currency reserves from depletion. However, the implementation of foreign-funded projects under the Annual Development Programme (ADP) remains slow, with just 26.5% of the allocation being spent in the first six months of 2022-23.

<https://www.thedailystar.net/business/economy/news/use-foreign-fund-adp-far-below-target-3231671>

### **Ministries, divisions with highest allocation lag in ADP implementation**

- Annual development programme (ADP) implementation registered a record low of 23.53% progress in the first half of FY23, according to available data, with the execution rate of some of the ministries and divisions that have received the highest allocations is among the lowest. The previous lowest rate of ADP implementation in the July-December period was recorded at 23.54% in FY16.
- Among the 15 ministries and divisions that have got some 83% of the total ADP allocation for this fiscal year, only three – the Bridge Division, the Power Division, and the Ministry of Housing and Public Works – logged over 30% progress in the July-December period of this fiscal year, according to the latest progress report prepared by the Implementation Monitoring and Evaluation Division (IMED).

<https://www.tbsnews.net/economy/ministries-divisions-highest-allocation-lag-adp-implementation-574758>

### **Sugar turning bitter!**

- Refiners hike sugar prices by BDT 5 per kg – third time in 6 months. Amid this situation, the Bangladesh Sugar Refiners Association on Thursday increased the prices of sugar by BDT 5 per kilogram. Loose refined sugar will now cost BDT 107 per kg and packaged refined sugar BDT 112. The new prices will come into effect on 1 February.
- High prices in the global market, difficulties in opening letters of credit (LCs) due to the ongoing dollar crunch, and high tariffs on imports have already created a supply crunch of sugar in the local market – a situation that traders and stakeholders say could worsen in the upcoming Ramadan.

<https://www.tbsnews.net/markets/sugar-turning-bitter-574746>

### **FBCCI seeks PM's directives on not increasing gas price over 57%**

- The apex body of businesses has sought Prime Minister Sheikh Hasina's directives to not increase the gas price over 57% for captive and other sectors instead of a maximum 179% hike announced recently.
- In a letter on 25 January, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) also requested the prime minister to implement the new price from April. On 18 January, the Energy and Mineral Resources Division announced the new gas price with a maximum 179% increase effective from February.

<https://www.tbsnews.net/bangladesh/energy/fbcci-seeks-pms-directives-not-increasing-gas-price-over-57-574750>

### **Higher input, dollar costs take gloss off paint industry**

- Like other sectors, the paint industry in Bangladesh is in troubled waters as the US dollar crunch has made it difficult for manufacturers to import raw materials in line with their demand. Paint manufacturers had posted solid growth in the five to six years on the back of consumption in both urban and rural areas and rising per capita income, before the economic slowdown caused by the coronavirus pandemic and the Russia-Ukraine war hurt sales, industry insiders say.
- Now, owing to the US dollar shortage, the opening of letters of credit (LCs) has fallen, as the Bangladesh Bank has tightened rules to discourage the imports of non-essential and luxury items in order to save the foreign currency reserves from fast depletion.

<https://www.thedailystar.net/business/economy/news/higher-input-dollar-costs-take-gloss-paint-industry-3233231>

**Call money rate rises to 7pc amid liquidity shortage**

- The inter-bank call money rate soared to its highest cap at 7.0% -- a rise by nearly 200 per cent in a year since January 2022 -- on Wednesday amid a liquidity crisis on the financial market. Withdrawal of deposits on the grounds of higher inflation and panic withdrawals from banks following loan irregularities in several banks are believed to be the main reason behind the liquidity shortage.

<https://thefinancialexpress.com.bd/economy/call-money-rate-rises-to-7pc-amid-liquidity-shortage-1674788045>

**Stocks:****BBSCABLES | Higher costs, strong dollar slash BBS Cables profit by 92%**

- BBS Cables Ltd witnessed a big year-on-year drop in profits in the October to December quarter of 2022 owing to its soaring costs of sales as well as the appreciation of dollar against the taka. At the end of the quarter, its net profit dropped by 92% to BDT 19.9 Mn, from BDT 241.1 Mn in the same quarter of 2021. Its earnings per share stood at BDT 0.09 and net asset value per share at BDT 32.76.

<https://www.tbsnews.net/economy/stocks/higher-costs-strong-dollar-slash-bbs-cables-profit-92-574718>

**WALTONHIL | Walton's profit declines by 63.41% in second quarter**

- The profit of Walton Hi-Tech Industries, the country's leading electronics and technology company, has decreased 63.41% in the second quarter due to a number of factors including significant increase in the value of the Dollar compared to the Taka, increase in the cost of raw materials and freights, and the impact of the ongoing global crisis.
- From October to December 2022, the revenue of the company was BDT 11.08 Bn, which was BDT `14.32 Bn in the same period of the previous year. During the period, its net profit after tax dropped by 63.41% to BDT 604.6 Mn. Its earnings per share were BDT 2, which was BDT 5.45 one year ago.

<https://www.tbsnews.net/economy/stocks/waltons-profit-declines-6341-second-quarter-574262>

**COPPERTECH | Coppertech's net profit declines 89% in Q2**

- The net profit of Coppertech Industries Limited has plunged 89.34% in the second quarter (October-December) of the current fiscal year due to the overall economic slowdown of the country and the globe due to ongoing Russia-Ukraine war.
- According to a disclosure published by the company on Thursday (26 January), from October to December 2022, the revenue of the company stood at BDT 117.5 Mn, which was BDT 257.4 Mn in the same period of the previous year. During the period, its net profit stood at BDT 3.4 Mn compared to BDT 31.9 Mn in the same period of the previous year. Its earnings per share (EPS) stood at BDT 0.05 and its net asset value per share was BDT 13.59.

<https://www.tbsnews.net/economy/stocks/coppertechs-net-profit-declines-89-q2-574306>

**BDLAMPS | BD Lamps to invest Mn 3 Mn for new production line**

- Electric bulb producer Bangladesh Lamps Limited – commonly known as BD Lamps – is going to set up a new production line for manufacturing accessories at its factory in Narsingdi.
- According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Thursday, the estimated cost of the project is BDT 32 Mn. But there was no information about the type of products to be manufactured in the new production line.

<https://www.tbsnews.net/economy/industry/bd-lamps-set-new-production-line-574230>

**AIL | Alif Industries now allowed to issue new shares to help C&A Textiles**

- The Bangladesh Securities and Exchange Commission (BSEC) has allowed Alif Industries – a publicly listed textile company – to issue new shares on behalf of its sponsors and directors, and use the fund to help the scam-hit C&A Textiles.
- Back in May last year, the securities regulator allowed Alif to issue a BDT 3 Bn convertible bond for the same purpose. But that bond is yet to get a subscriber. Therefore, since the company is not getting anywhere with its bond plan to help revive C&A Textiles, it has now decided to issue new shares. The new shares will be issued at BDT 22 each, which is a 40% discount on the weighted average share price in six months.

<https://www.tbsnews.net/economy/stocks/alif-industries-now-allowed-issue-new-shares-help-ca-textiles-575718>

**NPOLYMER | Taka devaluation erodes National Polymer profit by 94%**

- National Polymer Industries' profit dropped by 94% in the first half of FY23 due to a significant foreign exchange loss caused by the devaluation of the taka against the dollar.
- The company, which manufactures PVC pipes, PVC doors, and bottle-grade PVC compounds, and sells products in both local and international markets, reported an earnings per share of BDT 0.08 in the July-December period of FY23, which was BDT 1.27 a year ago.

<https://www.tbsnews.net/economy/stocks/taka-devaluation-erodes-national-polymer-profit-94-575702>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 79.68	USD 4.47	5.94%
Crude Oil (Brent)*	USD 86.66	USD 8.88	11.42%
Gold Spot*	USD 1,928.04	USD 153.89	8.67%
DSEX	6,296.26	89.26	1.44%
S&P 500	4,043.43	203.93	5.31%
FTSE 100	7,765.15	313.41	4.21%
BSE SENSEX	59,330.90	-1,509.84	-2.48%
KSE-100	40,450.53	30.08	0.07%
CSEALL	8,958.79	456.30	5.37%

**Exchange Rates****1 US Dollar = 105.35 BDT****1 GBP = 130.50 BDT****1 Euro = 114.52 BDT****1 INR = 1.29 BDT**

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