

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.

Biggest FDI for state-of-the-art shipyard in Patuakhali proposed

- With a finance proposal of BDT 14,000 crore in foreign direct investment, the biggest of its kind, the government is one step closer to realising its plan to build a state-of-the-art shipyard near the Payra seaport in Patuakhali. Representatives from Singapore and Australia-based Gentium Solutions and Netherlands-based Damen Shipyards Group have presented the project proposal at a meeting with Industries Minister Nurul Majid Mahmud Humayun at his office on Monday.
- The Gentium-Damen delegation also handed over a feasibility study report – Developing a World Class Shipbuilding and Ship Repair Facility (WCSBF) in the Patuakhali District, conducted by EY India – to the industries minister, said sources at the ministry. The report says Gentium-Damen will support the government's project by building high quality vessels in the country for the export market. Transfer of technology for specific areas of the shipbuilding process will be incorporated in dedicated and allocated shipbuilding projects at the facility.

<https://www.tbsnews.net/economy/govt-build-world-class-shipyard-near-payra-port-tk14000cr-361777>

Lender to push limping projects

- Negotiators are doing hectic homework as the World Bank sits shortly with government side to clear bottlenecks to slow-going projects it has financed in Bangladesh, sources say. A number of the World Bank-funded projects, worth USD 2.80 billion, turned "problematic" and "slow-going" for a slew of reasons, insiders said Monday. Ahead of the reappraisal meeting, the government agencies concerned are going to sit tomorrow (Wednesday) to get armed with preparations to face the WB evaluation, they said.
- The Washington-based lender is learnt to be unhappy with the dreary progress on at least 10 development projects bankrolled by it in Bangladesh as those are performing bleak over the years, they added. "Some ongoing projects have been selected as slow-moving and problematic. The Bank will sit for a tripartite review meeting next week to find ways of their acceleration," says a senior Ministry of Finance (MoF) official.

<https://today.thefinancialexpress.com.bd/first-page/lender-to-push-limping-projects-1643045900>

Almost 50% of total mobile banking transactions now digital

- Total transactions through mobile banking also went up from BDT 65,135.06 crore in September of last year to BDT 67,582.24 crore in October — a BDT 2,447.18 crore rise in one month. Digital transactions through mobile banking have been rising very fast, having accounted for 43% of total transactions as of October 2021, Bangladesh Bank data shows.
- Economists and bankers believe that the digital transactions through mobile banking are increasing rapidly because it is easier to reach all types of people and various public and private services through this medium.

<https://www.dhakatribune.com/banks/2022/01/24/almost-50-of-total-mobile-banking-transactions-now-digital>

Default loan of NBFIs rise to BDT 1429 cr in three months

- The amount of default loan of the non-bank financial institutions (NBFIs) has reached the tune of BDT 11,757 crore after September in a gap of three months, which is BDT 1,429 crore higher than the April-June quarter.
- At the end of the June quarter, the amount of default loan was BDT 10,328 crore, which was 15.39% of the total

credit. The amount increased to BDT 11,757, up by 17.62% compared to the previous quarter. Random bank loans provided to companies, which exist in papers only, without proper scrutiny by the NBFIs was blamed for the situation. The information was disclosed in the Quarterly Financial Stability Assessment Report of the Bangladesh Bank.

- A BB official told The Business Standard that negligence to scrutinize while giving loans to any company has increased the number of default loans in the whole NBFIs sector. In many NBFIs, the default loan rate would be as high as 50% to 90%. Many credit recipients who got benefits from the NBFIs during the Covid pandemic are now willingly becoming defaulters.

<https://www.tbsnews.net/economy/banking/default-loan-nbfis-rise-tk1429-cr-three-months-361900>

Agri credit disbursement rises, 51% target achieved in 6 months

- Banks disbursed BDT 14,497 crore of agriculture and rural credit in 1HFY22, up by 16.68% year-on-year. 51% of the target for this fiscal year has been disbursed. In FY22, the target is to disburse BDT 28,391 crore in agricultural loans but banks cannot fulfill the target due to the Covid pandemic. The credit disbursement increased as demand rose among farmers to grow winter vegetables, revealed the latest report of Bangladesh Bank (BB)

<https://www.tbsnews.net/economy/banking/agri-credit-disbursement-rises-51-target-achieved-6-months-361912>

Reconditioned vehicle import rises by 54.8% in July-Dec

- Reconditioned vehicle import from July to December of the ongoing fiscal year increased by 54.8% compared with that in the same period of the previous fiscal year. In July-December of FY22, a total of 8,768 reconditioned vehicles were imported from different countries like Japan, China, South Korea, Germany, the United States and the United Kingdom through Chattogram and Mongla ports. Of the total imports, 70 % was the hybrid fuel run vehicles.

<https://www.newagebd.net/article/160912/reconditioned-vehicle-import-rises-by-548pc-in-july-dec>

Marico profits up 20%

- Marico Bangladesh, a listed fast-moving consumer goods multinational, saw a year-on-year sales growth of just over 17% while profit growth of over 20% in the October-December period of the current financial year. Its revenue grew to BDT 334 crore, profits to BDT 86 crore while earnings per share stood at BDT 27.3, according to a press release issued after a board meeting yesterday.
- Based on its profits, the company announced a 200% interim cash dividend for its shareholders. The revenue growth was driven by overall volume growth through a healthy mix in the portfolio led by growth in coconut oil, hair oils, shampoo and baby care portfolios, said the company.

<https://www.thedailystar.net/business/organisation-news/news/marico-profits-20pc-2946601>

Runner's two-wheeler business back in profits, yet to regain all

- Runner Automobiles Ltd has posted profits in the October-December quarter for both its business segments – passenger and commercial vehicles. In the previous quarter, 41 of the 92 days were lost to Covid-19 lockdowns and the company's two-wheeler and three-wheeler business absorbed losses as passenger vehicles were not allowed to run or be sold amid the restrictions.
- Since the October-December quarter saw no lockdowns, the company's passenger segment business recovered. It earned more revenue compared to the same quarter of the previous year and higher than the previous quarter. But, the hikes in costs of raw material and freight charges did not allow the company to bag a higher year-on-year profit in line with the revenue recovery in its businesses of manufacturing or assembling or merely distributing Runner, Vespa, Aprilia, UM and KTM branded two-wheelers and Bajaj branded three-wheelers.

<https://www.tbsnews.net/economy/stocks/runners-two-wheeler-business-back-profits-yet-regain-all-361885>

IBBL establishes credit guarantee arrangement with USDA

- Islami Bank Bangladesh Ltd (IBBL) recently established a credit guarantee arrangement with the United States Department of Agriculture (USDA) in the US. The organisation provides credit guarantees to US approved banks and financial institutions under this export credit guarantee programme (GSM-102), a press release said.
- The USDA's Foreign Agricultural Service (FAS) administers the programme on behalf of the Commodity Credit Corporation (CCC), which actually issues the credit guarantees. The organisation has already approved USD30 million for IBBL, for which the importers of the bank will get discount facilities for a maximum of 18 months from USDA-enlisted banks at a lower discounting rate. The exporter's bank will extend its financing facilities with no requirement of adding confirmation to the irrevocable letter of credit for which IBBL will issue a dollar-denominated, irrevocable letter of credit in favour of the US exporter.

<https://www.thedailystar.net/business/organisation-news/news/ibbl-establishes-credit-guarantee-arrangement-usda-2946636>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------------|-------------------------|---------------------|
| Crude Oil (WTI)* | USD 83.88 | USD 8.67 | 11.53% |
| Crude Oil (Brent)* | USD 86.27 | USD 8.49 | 10.92% |
| Gold Spot* | USD 1,843.12 | USD 13.92 | 0.76% |
| DSEX | 7,019.25 | 262.60 | 3.89% |
| S&P 500 | 4,410.13 | -356.05 | -7.47% |
| FTSE 100 | 7,297.15 | -87.39 | -1.18% |
| BSE SENSEX | 57,491.51 | -762.31 | -1.31% |
| KSE-100 | 44,923.91 | 327.84 | 0.74% |
| CSEALL | 13,384.11 | 1,158.10 | 9.47% |

Exchange Rates**1 US Dollar = 85.77 BDT****1 GBP = 115.67 BDT****1 Euro = 97.11 BDT****1 INR = 1.15 BDT**

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