

Economy

Govt borrowings fall slightly in July

The government repaid BDT 93.55 Bn to the central bank in July, the first month of FY24, as the implementation of the Annual Development Programme (ADP) of the new fiscal year has not started in full swing and the revenue earnings were good in June, the last month of FY23. However, the government borrowed BDT 55.32 Bn from commercial banks in July, which may mean a large part of the central bank's debt was paid with this borrowed money. According to central bank data, the government repaid BDT 38.23 Bn of earlier borrowings from the banking channel in July. The banking sector borrowing consists of borrowing from the central bank and commercial banks. With this repayment, the government's total borrowing from the central bank has come down to BDT 1.48 Tn and total borrowing from the banking sector to BDT 3.90 Tn.

<https://www.tbsnews.net/economy/banking/govt-borrowings-fall-slightly-july-679310>

IMF's USD 4.7 Bn loan: Two of 6 major conditions missed

The finance ministry has already written to the Washington-based multilateral lender explaining why the country missed the two conditions, The Daily Star has learnt from officials involved with the proceedings. They have also explained the matter to Krishna Srinivasan, the IMF's director of the Asia and Pacific Department, when he called into Bangladesh last month. The government has failed to maintain minimum net international reserves (NIR) of USD 24.46 Bn at the end of June. The NIR target was missed by about USD 3 Bn as the government had to dip into reserves to pay for essential imports of fuel, fertiliser and foodstuff from the reserves, the finance ministry officials said

<https://www.thedailystar.net/news/bangladesh/news/imfs-47b-loan-two-6-major-conditions-missed-3389611>

Fuel & Power Sector

Hike in energy prices fails to improve supply

The perennial energy crisis of industries in Bangladesh remains unresolved even though energy prices have been hiked considerably to offset government subsidies in the sector and facilitate industrial productivity. Entrepreneurs in the country have long been complaining about how they spend exorbitant amounts to set up industrial units, but still lack adequate gas pressure to run operations at full capacity. Besides, many factories are being forced to partially stop production due to the dwindling gas supply. And although some entrepreneurs say the situation has improved a bit, the prevalence of load-shedding is affecting industries every day. As a result, many units have been running at 50% capacity even though they need to run at full steam to offset losses incurred because of the severe fallouts of Covid-19 and the Russia-Ukraine war.

<https://www.thedailystar.net/business/economy/news/hike-energy-prices-fails-improve-supply-3389886>

Fallout of Ukraine war: Bangladesh pays extra \$8.0b for fuel, other imports

Developed countries took away around US\$8.0 billion in an additional cost of imports by Bangladesh because of Ukraine war, a government functionary says to criticisms of lacking in energy extraction. This extra cost was spent by the government to clear import costs of different commodities, including energy.

<https://thefinancialexpress.com.bd/economy/bangladesh/fallout-of-ukraine-war-bangladesh-pays-extra-80b-for-fuel-other-imports>

Textile & Apparel Sector

Bangladesh 3rd largest apparel source for the US in 2022: BGMEA

Bangladesh remains the third largest apparel source for the United States in 2022 with a 9.75% share of its total apparel import, which was 8.76% in 2021, said BGMEA President Faruque Hassan in a recent letter to its members and colleagues. In 2022, US's clothing import from Bangladesh grew by 36.38% year-over-year. The US imported USD 9.74 Bn worth of apparel from Bangladesh in 2022 which was USD 7.16 Bn in 2021 and USD 5.40 Bn in 2018, the letter said. The US is one of the major apparel importers for Bangladesh as well as for the world. In the last five years (2017- 2022), US's apparel import from Bangladesh has increased by 13.99% CAGR whereas their import from the world has grown by 4.50% annually. China, being the top apparel import source for the US and having a 21.75% share, posted 10.83% year-over-year growth in 2022 in dollar value. On the other hand, Vietnam remains in the second position. The value of US's clothing from Vietnam was USD 12.21 Bn in 2018 which increased to USD 14.37 in 2021 and reached USD 18.24 Bn in 2022, the letter reads.

<https://www.tbsnews.net/economy/rmg/bangladesh-3rd-largest-apparel-source-us-2022-bgmea-679158>

Stock/Bond-Specific

Brac Bank gets go-ahead to raise authorised capital

Brac Bank Limited has received permission from the central bank to raise its authorised capital from BDT 20 Bn to BDT 50 Bn. The private commercial lender made the disclosure in a filing on the Dhaka Stock Exchange. The authorised capital is the maximum amount of share capital that a company is allowed to issue to its shareholders as per its constitutional documents. Shares of Brac Bank closed at BDT 35.80 on the DSE yesterday, unchanged from a day earlier.

<https://www.thedailystar.net/business/economy/banks/news/brac-bank-gets-go-ahead-raise-authorized-capital-3389811>

City Bank to invest in digital bank

The City Bank Ltd is going to invest BDT 138.8 Mn in a proposed digital bank as a sponsor shareholder. The private commercial bank said its board has approved the proposal to join a

consortium of nine commercial banks which together will apply for a digital bank. The name of the proposed bank is Digi10 Bank Plc. City Bank plans to become a sponsor shareholder by investing BDT 138.8 Mn, which is 11.11% of the initial paid-up capital of BDT 1250 Mn of the proposed digital bank.

<https://www.thedailystar.net/business/economy/banks/news/city-bank-invest-digital-bank-3389866>

Metro Spinning to double production capacity

Metro Spinning Ltd to increase its production capacity more than double as the company will import new machinery to replace the old machinery under the BMRE project. The company has informed that they have opened LC of 24,000 spindles for the import of latest automated capital machinery with modern technology (Blow Room, Carding, Simplex, Auto cone) to replace the similar numbers of old machinery/existing machinery capacity of 24,000 spindles. After implementation of the BMRE, the total spindle capacity will be 35,520 spindles and the production capacity of the project will be increased by 110% from the existing production capacity, said the company in a stock exchange filing on Tuesday. The project is designed to produce all types of yarn which includes value added Man-Made Fiber (MMF) yarn besides the cotton yarn.

<https://thefinancialexpress.com.bd/stock/bangladesh/metro-spinning-to-double-production-capacity>

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