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ECRL MONTHLY ECONOMIC & BUSINESS REVIEW

CEMENT INDUSTRY OF BANGLADESH

A GLOBAL COMPARISON OF INSIDER TRADING FEATURES AND PENALTIES

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An Overview of the Cement Industry in Bangladesh

Introduction:

The cement industry is one of the key drivers in the economic growth of Bangladesh. In recent years, the country has undergone a major infrastructural development boom, which has led to a surge in demand for cement and construction materials. Bangladesh began developing its cement industry in the early 1950s. However, the country was heavily reliant on imports until the early 1990s. Today, there are 37 active cement factories in Bangladesh, with a total investment of over BDT 30,000 crore. Only ten corporations, including two multinationals, control approximately 75% of the market share. Only six market players are listed on the Dhaka Stock Exchange (bcma, 2023).

The cement industry experienced a significant slowdown during the COVID-19 pandemic. Large cement manufacturers' sales decreased, and most businesses also encountered challenges such as a raw material shortage due to a halt in real estate activity and missed peak season sales. After going through a tough time for the last two years, the cement manufacturers are experiencing a slight increase in demand, riding on some big infrastructure projects. However, the demand is still slow with the global political unrest due to the Russia-Ukraine War.

Bangladesh produced a low quantity of cement in FY2022 compared to other developing countries like Vietnam and Egypt. Though Bangladesh is self-sufficient in cement production, raw materials needed for cement production must be imported. Nevertheless, in FY2022, the total export revenue earning from cement was USD 9.57 million, indicating that 14.94 percent will be growth in the export earnings from the cement industry (EPB, 2023). The sector is also going through a slow pace in the Dhaka Stock Exchange (DSE).

Here are some of the critical challenges facing the cement industry in Bangladesh:

Overcapacity: The cement industry in Bangladesh is facing overcapacity, with a production capacity much higher than the current demand. This has led to lower prices and lower profits for cement manufacturers.

Raw material shortages: The cement industry in Bangladesh is facing raw material shortages, mainly limestone. This is because most of the limestone reserves in Bangladesh are located in remote areas, which makes it difficult and expensive to extract and transport.

High energy costs: Bangladesh's cement industry faces high energy costs, which is a significant factor in the high cost of cement.

Environmental concerns: Bangladesh's cement industry faces environmental concerns, such as air and water pollution.

Despite the challenges, the future outlook of the cement industry in Bangladesh is positive. The industry is expected to grow at a compound annual growth rate (CAGR) of 8% from 2023 to 2028. This growth will be driven by several factors, including:

Infrastructure development: The government of Bangladesh is investing heavily in infrastructure development, which is expected to drive demand for cement in the coming years.

Rising demand for housing and commercial construction: The demand for housing and commercial construction is rising in Bangladesh, which is expected to drive demand for cement in the coming years.

Export market: Bangladesh has a small but growing export market for cement. The government is working to expand the export market for cement in the coming years.

Overall, the cement industry in Bangladesh is facing some challenges, but there are also some growth opportunities. The industry is expected to grow in the coming years, driven by the government's focus on infrastructure development and export in developed countries.

Outlook:

Despite facing some challenges in recent years, Bangladesh's cement sector has solid prospects for growth as the country's economy is expected to reach \$800 billion by 2030.

Bangladesh Cement Industry Overview:

Bangladesh invests heavily in infrastructure development, particularly power generation, highway construction, and bridge building. The cement industry has the potential to play a good role in Bangladesh's goal of becoming a developed country by 2041.

Bangladesh's cement industry is the 40th largest in the world, and the Bangladesh Cement Manufacturers Association estimates that it generates \$3 billion in annual sales. The industry has an annual production capacity of 58 million tonnes, which exceeds the local demand of 33 million tonnes.

The country's cement industry is expected to grow in the coming years, driven by government infrastructure spending and rising demand from the private sector. The industry is also expected to benefit from the country's growing population and rising urbanization.

Global Ranking: 40th

Industry Size: USD 3 billion

Annual Demand: 33 million (MT)

No. of Cement Companies: 37

Listed Companies: 7

Table 1. Bangladesh Cement Industry

Market Share	Consumption	Total Revenue (Listed Companies)	Export
Leading Position Shah Cement Industries Ltd.	Public Sector 45% Real Estate 30% Individual 25%	BDT 80,272 Million	USD 9.57 Million

Table 2. Share Holding Pattern of the cement industry

Company	Sponsor	Govt.	Institute	Foreign	Public
LHBL	64.68%	0%	16.89%	0.63%	17.80%
Heidelberg	60.67%	0%	26.61%	0.43%	12.29%
Confidence Cement	30.03%	0%	35.43%	0%	34.54%
Crown Cement	67.08%	0%	17.70%	0.05%	15.17%
Premier Cement	47.15%	0%	21.31%	0.03%	31.51%
Meghna Cement	49.76%	0%	33.50%	0%	16.74%
Aramit Cement	45.92%	0%	10.02%	0%	44.06%

Source: Royal Capital Ltd. Website (Royal Capital, 2022)

Table 3. Investment Activities of Major Cement Manufacturers

Crown Cement	Confidence Cement
<ul style="list-style-type: none"> The 6th Unit has been established at Munshiganj. Production capacity increase of 8,280 MT/Day Total capacity to be reached 19,280 MT/Day Total investment BDT 7.7 billion Project Completion: February 2023 	<ul style="list-style-type: none"> Formed a consortium in 2022 with Confidence Power Ltd. to develop 660 MW Gas/R-LNG-based power plants in Mirsarai, Chittagong.
Heidelberg Cement	Premier Cement
<ul style="list-style-type: none"> Acquisition of 100% of the shareholding of Emirates Cement Bangladesh (capacity per annum: 0.05 MMT; plant location: Munshiganj) and Emirates Power Company for USD 21.5 million took place in 2021. Total Production Capacity: 3.51 million MT/Annum. 	<ul style="list-style-type: none"> Started commercial production of VRM in July 2022. Capital Invested BDT 8.1 billion (approximate). Total production capacity reached 25,520 MT/Day from 8,000 MT/Day.

Source: EBL Securities Ltd. Website (EBL Securities, 2023)

Table 4. Real-estate activities (at Constant Prices)

Year	BDT billion	% of GDP
2017-18	2,058	8.7%
2018-19	2,133	8.3%
2019-20	2,211	8.3%
2020-21	2,287	8.1%
2021-22	2,371	7.8%

Table 5. Global Cement Industry

Market Size	Production	Consumption	Exporter	Importer
USD 326.81 billion	China	China	United States USD 1.8 billion	Vietnam USD 2.1 billion

Global Market Size:

The cement industry is a crucial driver of infrastructure development around the world. In 2021, the global cement market was valued at USD 326.81 billion, and it is expected to grow at a CAGR of 5.1% from 2022 to 2029, reaching USD 481.73 billion by 2029.

China is the world's leading producer of cement, with a production of 2100 million tons in 2021. India is the second-largest producer, with a production of 370 million tons. Vietnam is the third-largest producer, with a production of 120 million tons. The United States is the fourth-largest producer, producing 95 million tons.

Bangladesh is a relatively small cement producer, producing 17.9 million tons in 2021. However, the country's cement industry is expected to grow in the coming years, driven by government infrastructure spending and rising demand from the private sector (Royal Capital, 2022).

Table 6. Top 10 Largest Cement Companies in the world

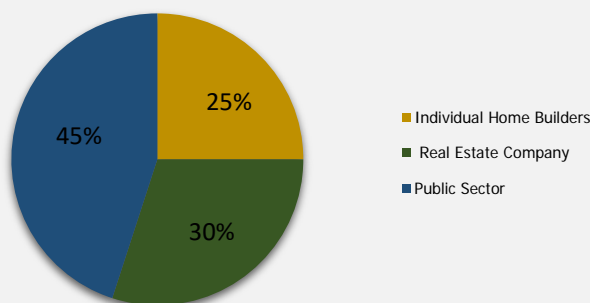
Company	Annual cement Production (Mt/yr)	Cement Production Capacity (Mt/yr)	Country
LafargeHolcim	286.6	386.5	Switzerland
Anhui Conch Cement	217.2	288	China
CNBM	176.22	406	China
Heidelberg Cement	121.11	129	Germany
Cemex	87.09	93	Mexico
Italcementi	76.62	77	Italy
China Resources	71.02	78.3	China
Taiwan Cement	63.72	69	Taiwan
Eurocement	45.18	50	Russia
Votorantim Group	45.02	54.4	Brazil

Source: Royal Capital Ltd. Website (Royal Capital, 2022)

Sector Wise Use:

Cement is used to construct buildings, roads, airports, railways, and other works. Three-quarters of the cement produced in Bangladesh is consumed in Dhaka and Chittagong divisions alone. Figure 1 shows that most cement is used in public organizations, as seen in the chart (45%). Real estate developers used commercial cement products (30%), and individual homemakers used the rest 25%. (Faruquee, 2021)

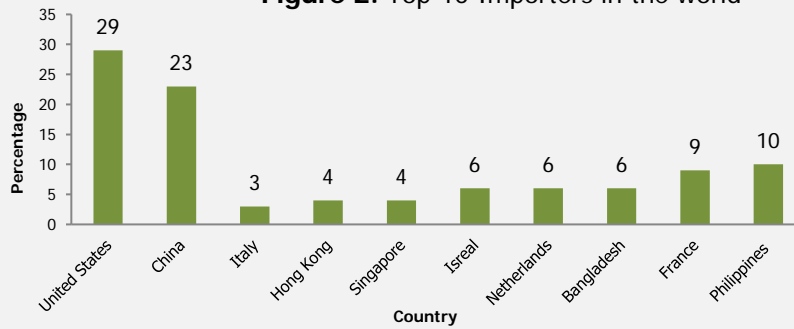
Figure 1. Consumption of cement



Major Importers and Exporters of Cement in 2022:

In 2022, the United States was the world's leading cement importer, with an estimated import volume of 1.8 billion units. Following closely were China, with an import volume of 1.4 billion units, and the Philippines, with an import volume of 608.3 million units, occupying the second and third positions respectively, among global cement importers. During the same year, Bangladesh imported approximately US\$ 384.5 million worth of cement, primarily sourced from the United Arab Emirates, Thailand, Indonesia, Pakistan, and Vietnam. Presented below are ten countries that recorded the highest monetary value of cement purchases in 2022 (Royal Capital, 2022):

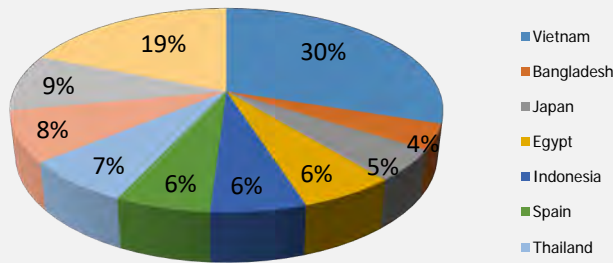
Figure 2. Top 10 Importers in the world



Country Name	US\$
United States	1.8 billion
China	1.4 billion
Philippines	608.3 million
France	560.9 million
Bangladesh	384.5 million
Netherland	357.5 million
Israel	341.3 million
Singapore	233.5 million
Hong Kong	233.2 million
Italy	219.3 million

Below are the ten countries that exported the highest dollar value worth of cement in 2022 (Royal Capital, 2022):

Figure 3. Top 10 Exporters in the world



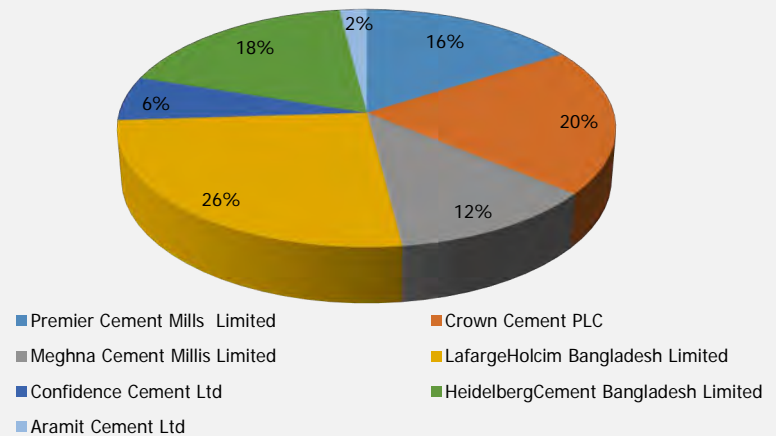
Country Name	US\$
Vietnam	2.1 billion
Turkey	1.4 billion
Bangladesh	9.57 million
Germany	610.4 million
Canada	535.3 million
Thailand	501.9 million
Spain	429.5 million
Indonesia	407.4 million
Egypt	393.8 million
Japan	382.4 million

Among the cement exporter country, Vietnam is in the first position globally. Then Turkey and Bangladesh are in the second and third position of the world for export cement. Besides satisfying the local demands, the country's cement industry is also exporting to neighboring countries like India, Myanmar, Nepal, Maldives, and Sri Lanka.

Market Share (Listed Company):

Among listed companies, LafargeHolcim Bangladesh Ltd. holds the leading position (26% Market Share). Then Crown Cement PLC and Heidelberg Cement Bangladesh Limited in the second (20% market share) and third (18% market share) positions (bcma, 2023).

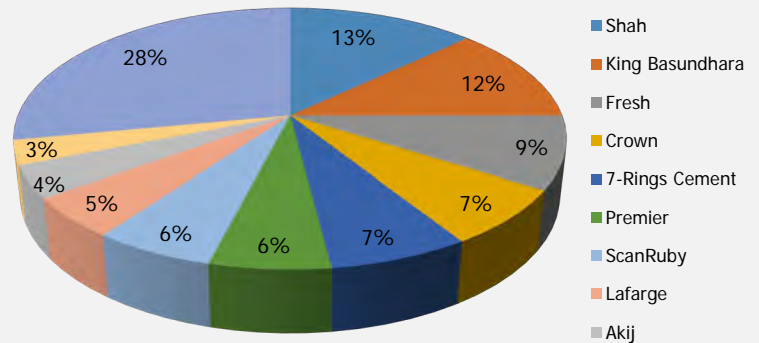
Figure 4. Market Share (Listed Company)



Market Share:

According to the latest data of Bangladesh Cement Manufacturers Association (BCMA), Shah Cement industries limited holds the leading position (13% Market Share). This is the largest cement-producing plant in Bangladesh, with a capacity of 10 million metric tons per annum. Then King Basundhara and fresh cement Bangladesh were limited in the second and third positions (bcma, 2023).

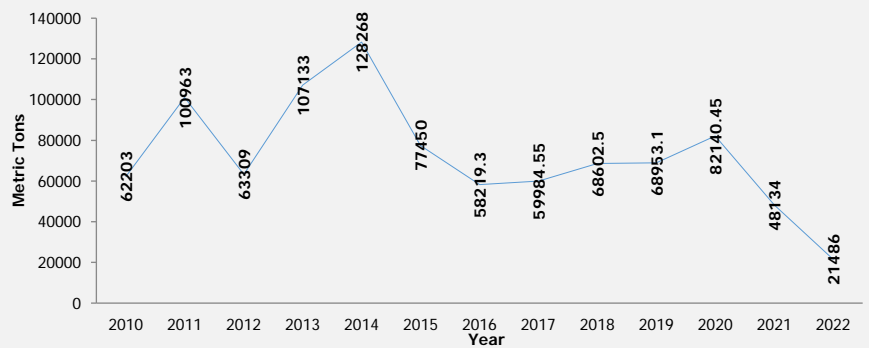
Figure 5. Market Share (%)



Bangladesh Cement production:

Due to the increasing population, rapid urbanization, and infrastructural development, there is a demand for cement in the country, which will contribute to the economic growth of Bangladesh. Cement production in Bangladesh from 2010 to 2022 will be upward and downward. In the year 2010, cement production in Bangladesh was 62203 metric tons, and in 2022 cement production was 21496 metric tons (BB, 2023)

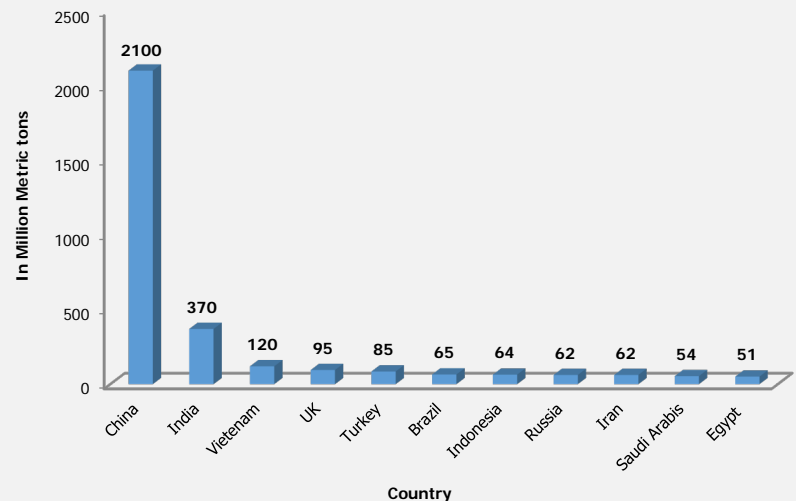
Figure 6. Production (Metric Tons)



World Cement Production:

Cement is used in infrastructure development worldwide. Cement is used for both internal and external works. Cement is also used to construct large civil structures such as dams, railways, highways, and airports and small structures such as residences. The production of cement worldwide in 2022 is depicted in Figure 7. China is the world's biggest producer and user of cement. In 2022, they produced 2100 MT (in millions) of cement. India and Vietnam were in second and third place, producing 370 and 120 MT (in millions) of cement, respectively (statista, 2022)

Figure 7. Production (in million metric tons)

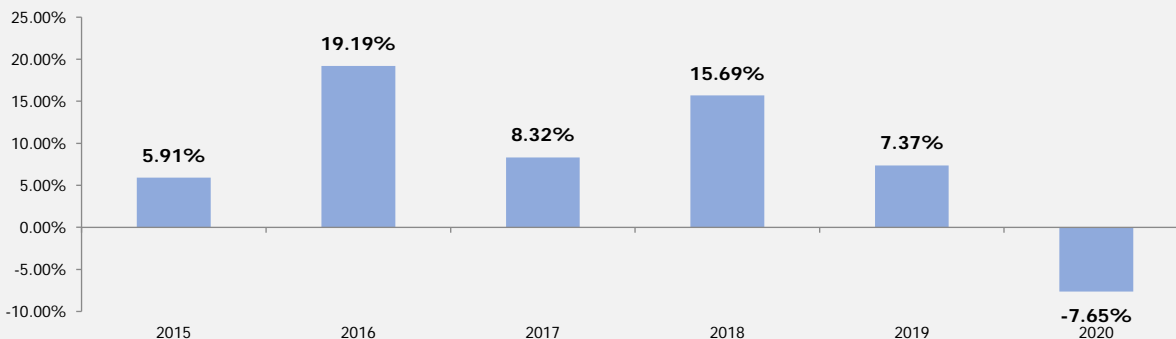


Market Growth:

Bangladesh's cement sector plays a vital role in infrastructure development. During the Pandemic of 2020, various government and commercial development projects in the country were stopped for some

time. During this time, most cement manufacturers saw a drop in sales due to a shortage of raw materials, which affected their economy. The pandemic returned to normal in 2023, and the cement industry recovered quickly. The market growth rate will be faster in 2022 than 2020 and 2021. The Market growth rate of the cement industry in the year 2015, 2016, 2017, 2018, 2019, and 2020 is 5.91%, 19.19%, 8.32%, 15.69%, 7.37%, and -7.65%. In 2016 the market growth rate will be the highest compared to the other years (bcma, 2023).

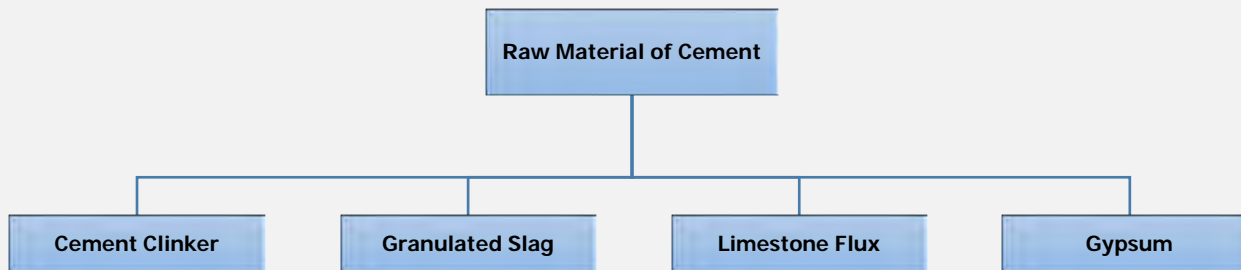
Figure 8. Market Growth of cement industry



Raw Materials Import for Cement:

Though Bangladesh is self-sufficient in cement production, raw materials production for cement is still import dependent. The production amount of cement is high, which also increases the demand for the raw material of the cement. The most important raw material for cement is clinker, where limestone is the main element in making the clinker. However, this limestone cannot be supplied from Bangladesh. There are only two companies in Bangladesh that produce clinker. In FY 2021-2022, Bangladesh imported 384.5 million tons of cement clinker, granulated slag, limestone flux, and gypsum (Faruquee, 2021). Figure 9 shows the essential element in producing cement.

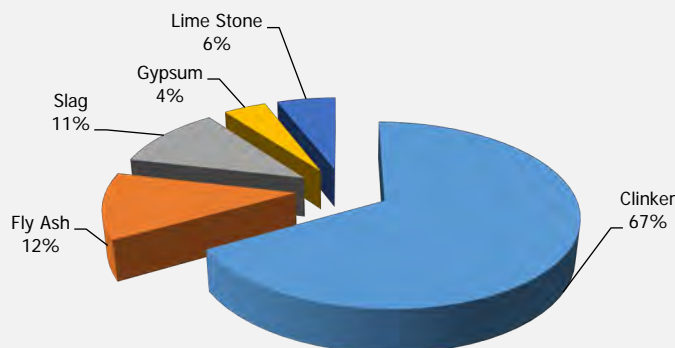
Figure 9. Raw Material to manufacture cement



Raw Materials:

Cement is mainly used for all types of construction, including housing, roads, schools, hospitals, dams, ports, patios, floors, staircases, driveways, pool decks, and items like tables, sculptures, or bookcases. The primary raw materials required in cement manufacturing include clinker, gypsum, limestone, iron slag, fly ash, and clay and soil. ECRL researched some listed cement companies and found that, on average, clinker alone takes 67% of the total raw material cost,

Figure 10. Raw Materials Consumption



followed by iron slag and limestone (Data Export Group, 2022).

Table 7. Raw Materials Price (BDT per MT)

Year	Clinker	Gypsum	Fly ash	Slag	Limestone
2016	4,200	2,302	2,150	2,102	2,015
2017	4,275	2,245	2,025	2,245	2,020
2018	4,683	2,275	2,119	2,706	2,409
2019	4,978	2,571	2,411	2,575	2,304
2020	4,858	2,714	2,465	2,742	2,309
2021	5,988	3,008	2,553	3,182	2,801
2022	6,832	4,010	2,725	3,720	2,991

Source: Bangladesh Bureau of Statistics website (BBS, 2023)

Regional Concentration:

The use of cement varies according to location in our country. According to cement demand, Dhaka 45%, Rajshahi and Rangpur divisions 10%, Chittagong 23%, Sylhet 7%, Khulna 10%, and Barisal 5% are used. About three-quarters of the cement produced in Bangladesh is used in Dhaka and Chittagong divisions.

Social impacts:

Cement production at the local level has both negative and positive impacts. The positive side is that the cement industry can create new business and employment opportunities for local people. Negative impacts include disturbance to the landscape, dust, and noise, and disruption to local biodiversity from quarrying limestone (the raw material for cement).

Challenges: Reducing CO2 emissions is one of the significant challenges of the cement industry because the cement industry contributes 6 to 8% of global carbon emissions. The quality of raw materials, such as limestone and clay, was a concern for the cement industry.

Raw Material Supply: Cement production requires materials like clay, limestone, and gypsum. A proper supply of these materials must be ensured. Disruption in the supply of materials reduces production and increases prices.

Power Supply: The cement manufacturing process is energy-intensive, requiring a reliable and uninterrupted power supply. However, Bangladesh faces power shortages and frequent electricity disruptions, which can disrupt production schedules and increase costs due to the need for backup power generators.

Lack of Skilled Workforce: Cement production and maintenance require a skilled workforce. There is a shortage of skilled and technical workers in Bangladesh. To increase cement production, the workers should be converted into skilled workforce through education programs and training.

Fall in Inward Remittance:

Remittances play an essential role in the economy of Bangladesh. A significant source of income for home builders is remittances. In the fiscal year 2022, Remittance volume decreased by 15% compared to the previous year. By the end of July-Feb, FY'23, the total inward remittance they have stood at USD 14,013 million, which was USD 13,438 million in the previous year. As cement plays a vital role in house construction, reducing inward remittances can reduce overall demand in the cement industry.

Conclusion:

Over the years, the Bangladesh government has supported the cement industry and has implemented various measures to encourage investment and growth in this sector. The significant investments in the sector have led to increased production capacity and improved cement quality in Bangladesh. However, Bangladesh has experienced shrinking public spending, and strictness in development expenditure in Bangladesh has hit the cement sector hard with a fading demand since 2021 with the post-pandemic impact and dollar crunch affecting the imports and exports. The sector improved in 2022 compared to the previous two years. The cement industry in Bangladesh is expected to continue growing in the future, driven by the increasing demand for construction materials and government support for the sector.

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Limitations of Insider Trading Laws in Bangladesh: A Comparative Analysis with the USA and India

Insider trading is the buying or selling a security based on non-public information about the company. This information is not yet known to the public, and it gives the insider an unfair advantage over other investors. Insider trading is illegal in most countries, including the United States, Bangladesh, and others.

The first insider trading regulation was passed in the United States in 1934 in response to the stock market crash in 1929. Since then, more than 27 countries have adopted insider trading regulations. The Securities and Exchange Commission (SEC) introduced insider trading regulations in Bangladesh in 1995. These regulations were updated in 2007 in response to the volatile market conditions at the time. (The Lawyers & Jurists, 2022)

Insider trading can have several negative consequences for the market. It can lead to artificially inflated or deflated stock prices, which can harm investors who are not privy to the inside information. It can also undermine public confidence in the stock market, making it more difficult for companies to raise capital. Insider trading is a serious problem that can harm the stock market and discourage investors. It is important to be aware of insider trading risks and report any suspected cases to the authorities.

The insider trading regulations in Bangladesh are relatively weak compared to those in the United States and India. For example, no clause in the Bangladesh Securities and Exchange Commission (BSEC) Ordinance penalizes the person who passes material information to the traders. Additionally, there is no trading window in Bangladesh, which means that insiders are not prohibited from trading on material information before it is made public.

Penalties for insider trading in Bangladesh are not sufficient to prevent the activities. According to Bangladesh Securities and Exchange Ordinance, penalties for insider traders are up to 5 years of imprisonment or BDT 50.00 million (BSEC Ordinance, 1969). However, in the USA, insider traders have to face strict penalties, including 20 years of imprisonment and a USD 25.00 million fine or three times of profit from insider trading, which is higher (SEC, USA). According to the Securities and Exchange Board of India, penalties for insider traders are ten years of imprisonment, and the fine for trading is 250.00 million rupees or three times profit (SEBI).

Comparing the penalties of insider trading penalties of Bangladesh, with USA and India insider trading penalties of Bangladesh applied comparatively lower fines and imprisonment terms. The law does not have any clause regarding foreign national insider traders. The significant limitations of the penalty system are the amount of fine charged, which is not enough to prevent insider trading. When the fine for inside trading is lower than the profit gained from insider trading, the effectiveness of the laws does not work correctly.

Key points of insider trading laws and penalties are missing in Bangladesh compared to USA and India.

Key points of difference	Implications in Bangladesh	USA	India
Trading window period	As there is no specific period for trading, insiders can trade shares before publishing the information.	Due to having a trading window clause, the insider cannot trade for a certain period before publishing the material information in the USA.	SEBI has inserted trading window regulations to prevent insider trading.
Commission for passing information	The insider trading law of Bangladesh has no regulations regarding commissions for passing material information.	A person who avails commission for passing information is subject to penalties.	When a person passes information in exchange for the commission will have to face a civil penalty as per law.
Imposing Fines on Gain or proceeds from insider trading	Insider trading laws of Bangladesh do not have any clause regarding gain from proceeding. Due to the absence of the clause, insiders are more likely to trade.	SEC of the USA imposes a fine on the total profit or proceeds from insider trading three times the proceeds.	India also imposes a fine on the proceeds gained from insider trading.

As we can see, the insider trading regulations in Bangladesh, the United States, and India are all relatively strict. However, there are some critical differences between the three regimes. For example, the penalties for insider trading in Bangladesh are lower than those in the United States and India. Additionally, the Bangladesh Securities and Exchange Commission (BSEC) does not have a trading window, which means that insiders are not prohibited from trading on material information before it is made public.

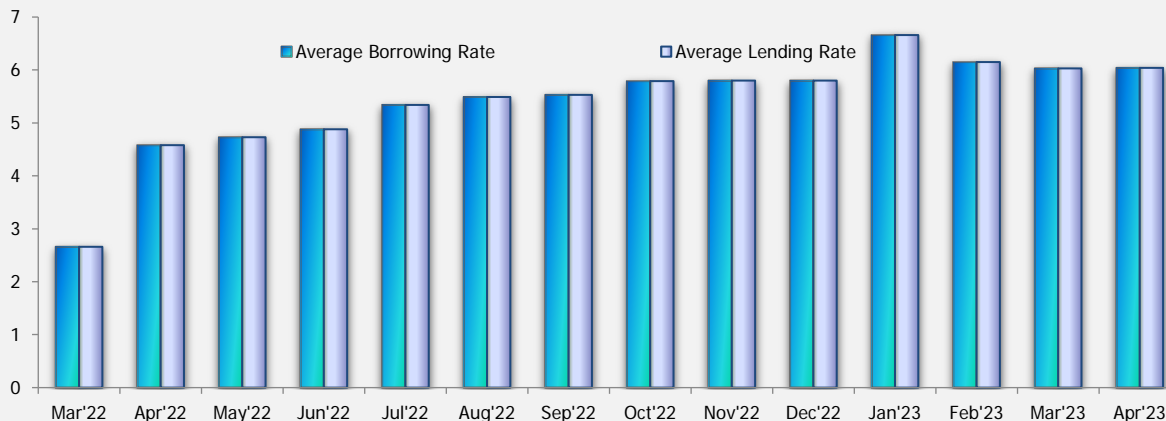
Overall, the insider trading regulations in Bangladesh, the United States, and India are all designed to protect investors and ensure the stock market is fair and efficient. However, there are some critical differences between the three regimes, and it is essential to be aware of them. This is a concern, as insider trading can harm the stock market and discourage investors. The BSEC should consider strengthening its insider trading regulations to deter this illegal activity.

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The average call money rate experienced fluctuations and had a decreasing trend in the past two months and experienced a negligible increase in April 2023. The lending and borrowing rates stood at 6.04%. However, the rates in the same month of the previous year were 4.58% which increased by around 32%.

Figure 1. Call Money Rate



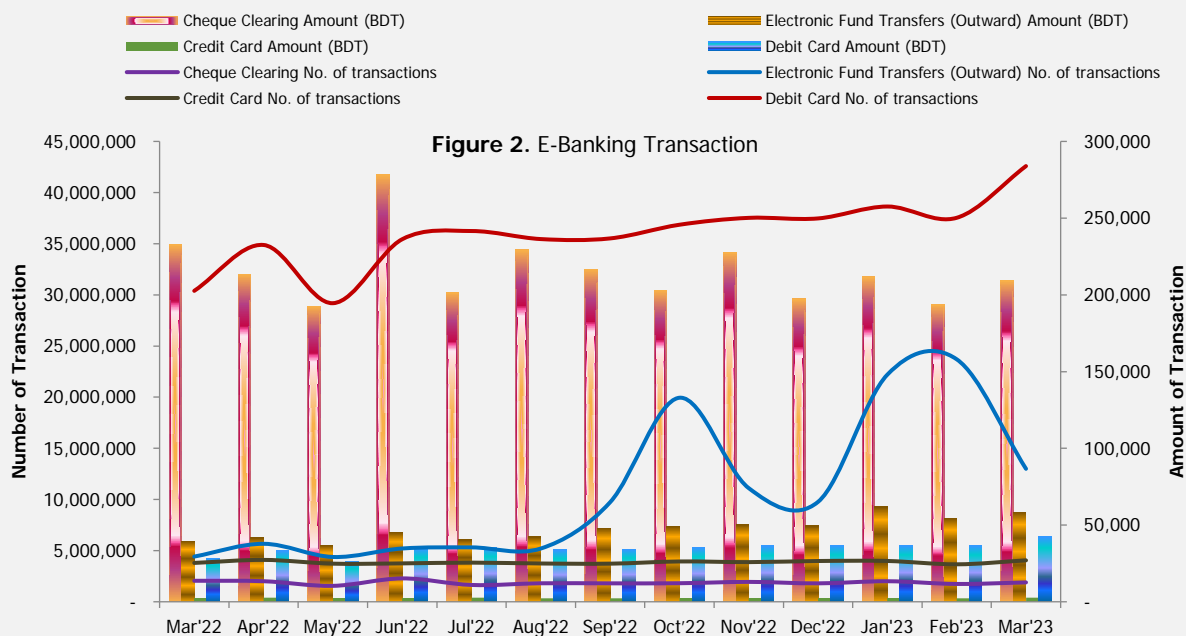
Source: Bangladesh Bank

The e-banking and e-commerce transactions have decreased in March 2023 compared to the previous month. Cheque Clearing, Credit Card, and Debit Card transactions increased by 8.68%, 10.57%, and 13.47%, respectively. However, the Electronic Fund Transfers transactions in March decreased by 45.17%.

Table.1: E-Banking and E-Commerce Statistics (BDT in Crore)

Month	Cheque Clearing		Electronic Fund Transfers (Outward)		Credit Card		Debit Card	
	Transaction	Amount (BDT)	Transaction	Amount (BDT)	Transaction	Amount (BDT)	Transaction	Amount (BDT)
Jan '22	2,011,413.00	219,424.53	21,069,894.00	51,636.26	3,429,392.00	2,138.38	27,109,022.00	24,700.99
Feb '22	1,825,714.00	199,345.69	10,139,310.00	41,696.00	3,249,764.00	2,108.77	25,759,397.00	24,410.74
Mar '22	2,081,906.00	235,939.00	9,793,064.00	48,129.23	3,798,207.00	2,513.44	30,394,108.00	28,375.01
Apr '22	2,030,371.00	215,540.88	25,290,758.00	57,900.42	4,093,995.00	2,715.28	34,878,785.00	33,317.18
May '22	1,581,373.00	193,665.33	14,915,428.00	44,385.42	3,725,590.00	2,371.06	29,186,418.00	26,050.84
Jun '22	2,314,620.00	280,544.27	36,669,413.00	62,368.64	3,752,891.00	2,491.32	35,437,558.00	34,744.66
Jul '22	1,659,033.00	202,842.74	13,398,738.00	49,119.83	3,826,773.00	2,578.10	36,241,858.00	35,407.19
Aug '22	1,823,394.00	231,302.96	10,270,841.00	51,699.03	3,741,940.00	2,302.40	35,454,401.00	33,786.20
Sep '22	1,802,221.00	216,764.37	9,730,251.00	48,008.86	3,725,173.00	2,281.77	35,519,354.00	34,355.20
Oct '22	1,813,675.00	202,943.30	19,944,569.00	49,241.20	3,941,642.00	2,458.20	36,855,390.00	35,253.60
Nov'22	1,943,889.00	227,574.56	11,106,837.00	50,322.47	3,875,289.00	2,459.20	37,528,889.00	36,356.31
Dec '22	1,801,384.00	197,398.62	9,767,821.00	49,478.62	3,985,465.00	2,489.38	37,472,910.00	36,710.65
Jan'23	2,008,460.00	211,740.57	22,203,302.00	62,004.33	3,988,104.00	2,506.51	38,637,515.00	36,765.30
Feb'23	1,740,691.00	193,732.70	23,703,801.00	54,405.70	3,662,104.00	2,312.90	37,534,747.00	36,690.30
Mar'23	1,891,786.00	209,329.20	12,996,763.00	58,432.20	4,049,110.00	2,652.30	42,588,845.00	42,259.6

Source: Bangladesh Bank



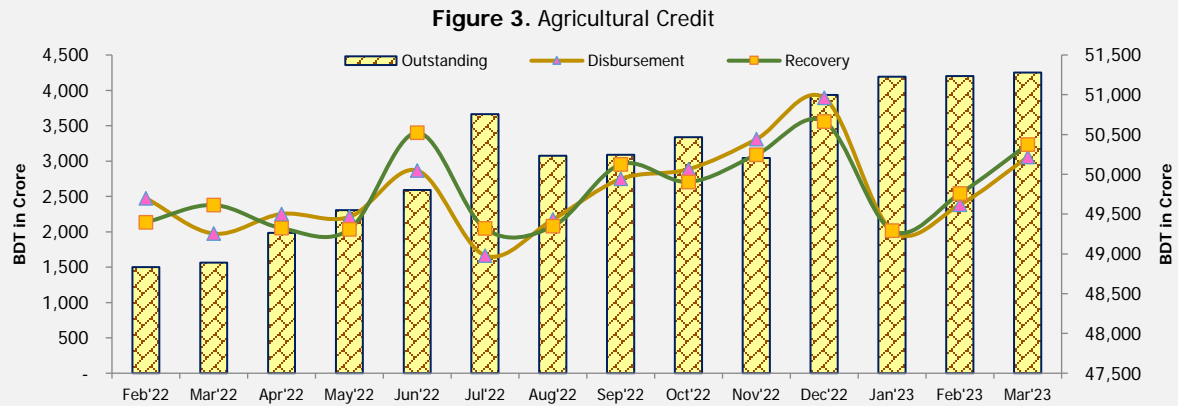
Source: Bangladesh Bank

With globalization and digitization, people prefer the internet and mobile banking. In March 2023, the number of internet banking customers increased by 2.15%, and subscribers of mobile banks increased by 0.68% as compared to the previous month. Agent banking has become popular in rural areas, for which the amount of money transacted through agent banking exceeded the BDT 50,000-crore mark for the first time in January 2022 and currently stood at BDT 77,530.20 crore.

Table.2 Internet, Mobile, and Agent Banking at a Glance

Month	Internet Banking			Mobile Banking				Agent Banking			
	Customer	Transaction	Amount (BDT)	Agents	Transactions	Amount (BDT)	Subscriber	Agents	Transactions	Amount (BDT)	Subscriber
Feb'22	4,699,459	4,496,931	17,763.30	1,445,537	368,643,121	78,545.22	176,274,230	14,168	13,291,184	47,055.91	14,777,744
Mar'22	4,826,551	5,177,824	23,140.75	1,465,032	413,268,681	89,076.99	170,251,728	14,170	13,934,578	56,640.25	15,192,980
Apr'22	4,924,682	5,860,722	22,957.60	1,482,016	444,373,921	107,460.31	172,937,294	14,188	14,189,702	53,463.58	15,485,570
May'22	5,138,554	4,819,088	20,662.97	1,495,856	413,216,473	76,311.97	175,769,859	14,240	14,020,406	48,028.71	15,720,988
Jun'22	5,355,586	5,667,084	23,770.84	1,515,665	461,609,837	94,293.70	178,639,642	14,300	22,596,105	58,534.18	16,073,962
Jul '22	5,472,264	5,703,793	23,548.54	1,526,239	431,892,765	89,169.26	181,137,763	14,412	12,448,213	52,784.44	16,287,310
Aug'22	5,716,529	5,970,748	25,543.98	1,493,398	408,059,052	87,446.37	183,224,610	14,509	12,988,273	57,542.35	16,537,969
Sep '22	5,889,226	6,024,976	26,605.39	1,500,128	408,379,707	87,635.17	185,257,932	14,716	12,732,190	59,295.22	16,781,251
Oct '22	6,019,687	6,117,675	25,965.30	1,521,803	444,062,360	93,034.98	187,523,593	14,833	15,506,520	59,770.28	17,042,562
Nov '22	6,127,001	6,201,828	27,426.64	1,531,405	415,974,768	92,125.75	188,559,736	15,056	14,627,647	65,062.23	17,251,563
Dec'22	6,252,634	5,624,146	27,558.79	1,554,637	428,324,785	96,132.86	191,063,573	15,226	15,621,424	62,761.35	17,478,884
Jan'23	6,432,921	6,901,854	33,925.58	1,569,112	462,957,809	100,593.42	194,125,113	15,270	15,829,033	70,970.07	17,760,150
Feb'23	6,569,164	5,709,234	29,385.90	1,581,284	450,945,081	97,307.59	196,759,117	15,376	16,889,984	63,510.78	18,365,881
Mar '23	6,710,423	6,532,095	33,557.40	1,598,000	482,455,915	108,467.30	198,091,783	15,409	15,428,976	77,530.20	18,935,184

Source: Bangladesh Bank



Source: Bangladesh Bank

The agricultural credit finances statistics showed that the credit disbursement and recovery amount fluctuated in the past 12 months and then increased slightly in February and March 2023 after a drastic decline in January 2023. However, credit disbursement and recovery amounts followed an increasing trend with slight fluctuation from July to December. The disbursement & recovery amount in February 2023 increased by 18.27% & 25.90%, respectively. In March 2023, the amount further increased by 28.29% & 27.39%, respectively. Nevertheless, the outstanding amount slightly increased in March from February 2023, at BDT 51,277.37 Crore.

Dhaka Stock Exchange (DSE)

At the end of April 2023, the total number of listed securities stood at 652. Among them, there were 355 companies, 243 government bonds, 36 mutual funds, 10 corporate bonds, and 8 debentures. The number of companies consists of 35 banks, 23 financial institutions, 56 insurance companies, and 241 other companies.

The DSE Broad Index (DSEX) stood at 6,262.69 at the end of April 2023, which was 0.90% higher than those of March 2023, and 5.90% lower than the same month of the previous year (Figure 1). On the other hand, Figure 1 also shows that the market capitalization of DSE stood at BDT 7,656.91 billion at the end of April 2023, which was 0.48% higher than those of the previous month, and 42.60% higher than the same month of the preceding year.

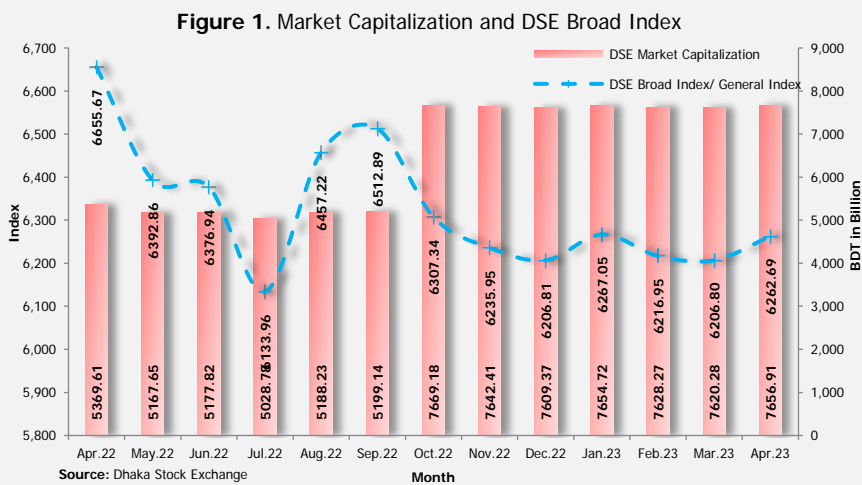
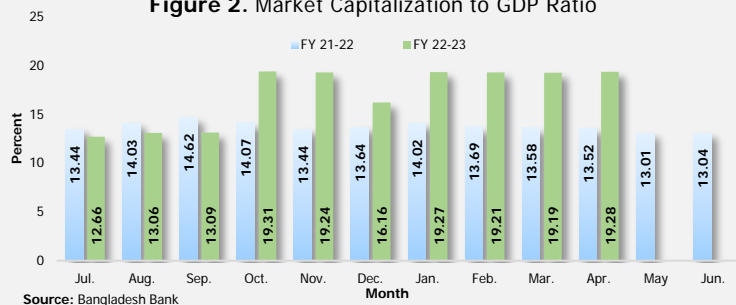


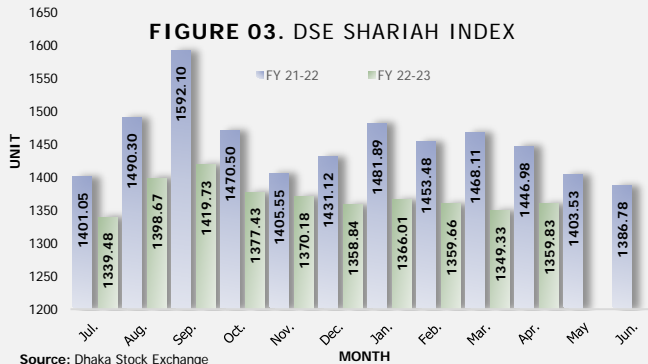
Figure 2. Market Capitalization to GDP Ratio

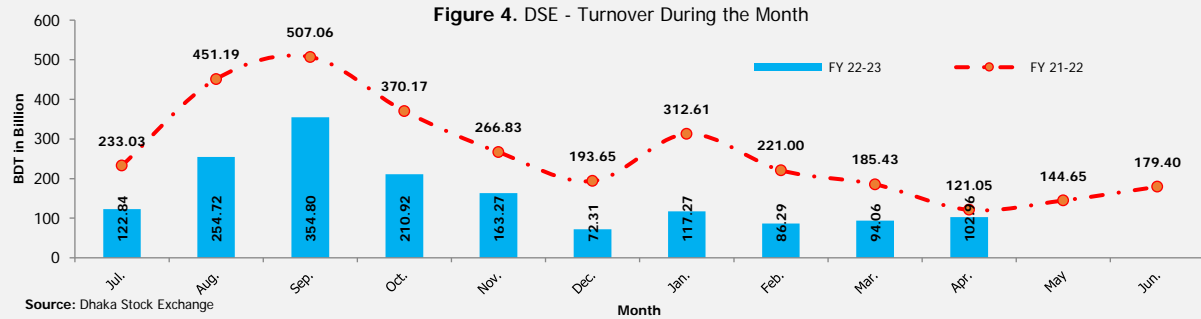


The ratio of market capitalization to GDP for a particular month is calculated as the total market capitalization of that month divided by the total GDP at the current market price to which this particular month belongs.

The ratio of market capitalization to GDP (at the current market price) stood at 19.28% at the end of April 2023, which was 19.19% at the end of March 2023 and 13.52% in the corresponding month of the previous year (Figure 2).

The DSEX Shariah Index (DSES) stood at 1,359.83 at the end of April 2023, compared to 1,349.33 at the end of March 2023 and 1,446.98 at the end of April 2022 (Figure 3).





In April 2023, the value of the total turnover of the traded securities stood at BDT 102.96 billion, which was 9.46% higher than those of March 2023, and 14.94% lower than the corresponding month of the previous year (Figure 4).

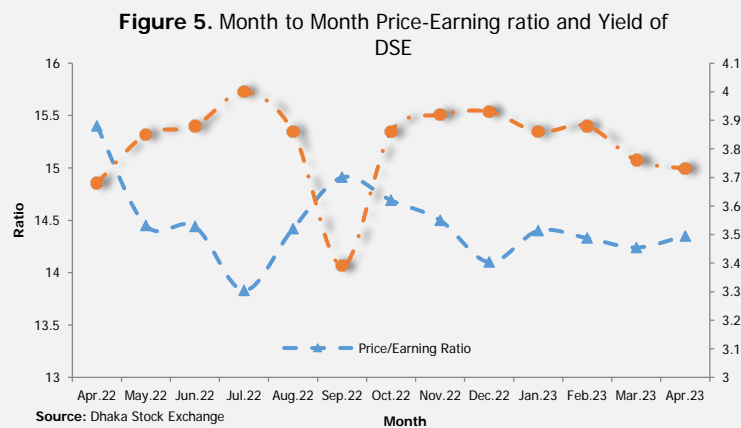
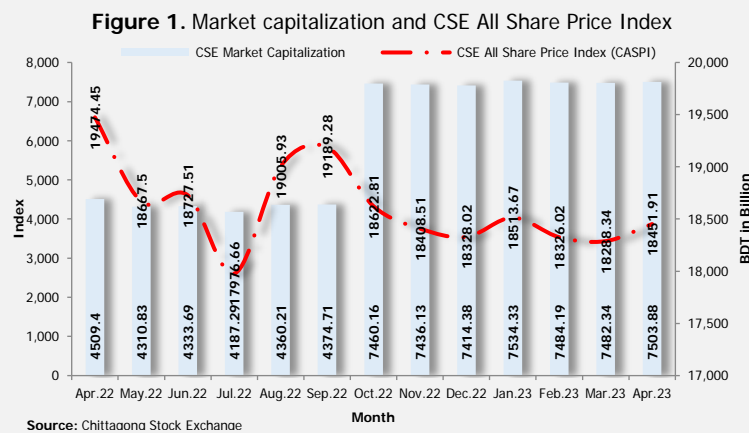


Figure 5 shows the trends in price-earnings ratio and yield. The Price-Earning (P/E) ratio of all securities stood at 14.35 at the end of April 2023, which was 14.24 at the end of March 2023, and this ratio was 15.40 at the end of April 2022. The yield of all securities decreased to 3.73 at the end of April 2023, which was 3.76 at the end of March 2023 and 3.68 at the end of April 2022.

Chittagong Stock Exchange (CSE)

Similarly, the total number of listed securities in the CSE stood at 614 at the end of April 2023. The total amount of issued capital stood at BDT 4,117.41 billion at the end of April 2023, which was BDT 4,128.24 billion at the end of March 2023, and BDT 904.39 billion at the end of the same month of the previous year.



The trends of market capitalization and all share price indexes of the CSE are shown in Figure 1. All Share Price Index of CSE (CASPI) stood at 18,451.91 at the end of April 2023, which was 0.89% higher and 5.25% lower than those of March 2023, and the same month of the previous year. The market capitalization of the CSE stood at BDT 7,503.88 billion at the end of April 2023, which was 0.29% higher than those of March 2023 and 66.41% higher than the same month of the previous year.

The CSE Shariah Index (CSI) stood at 1,161.04 at the end of April 2023, which was 1,148.75 at the end of March 2023 and 1,218.27 in the corresponding month of the previous year (Figure 2).

Figure 2. CSE Shariah Index

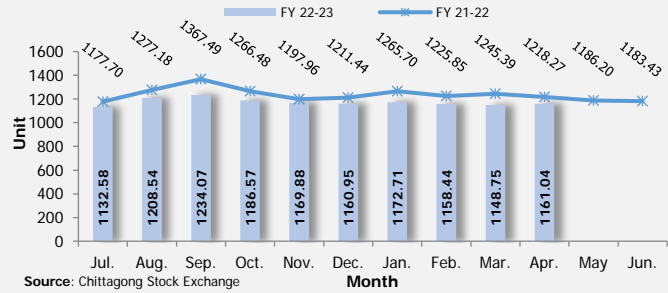
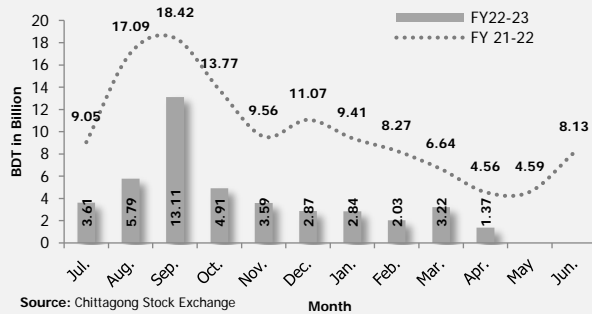


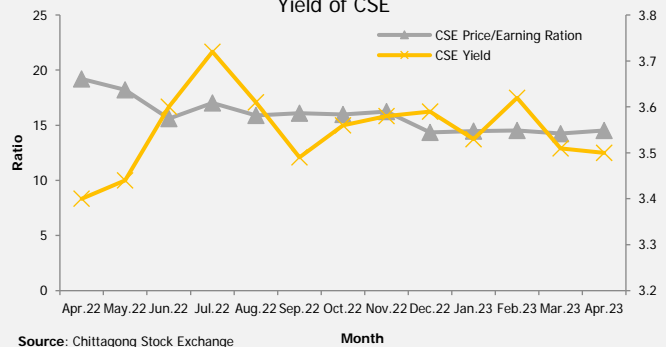
Figure 3. CSE Month to Month Turnover



In April 2023, the value of the total turnover of the traded securities stood at BDT 1.37 billion, which was BDT 3.22 billion during March 2023 and BDT 4.56 billion during the same month of the previous year (Figure 3).

Figure 4 shows the trends in the price-earnings ratio and yield of CSE. The Price-Earnings (P/E) ratio of all securities stood at 14.54 at the end of April 2023, which was 14.25 at the end of March 2023, and this ratio was 19.20 at the end of April 2022. The yield of all securities increased to 3.50 at the end of April 2023, which was 3.51 at the end of March 2023 and 3.40 at the end of April 2022.

Figure 4: Month to Month Price-Earning ratio and Yield of CSE



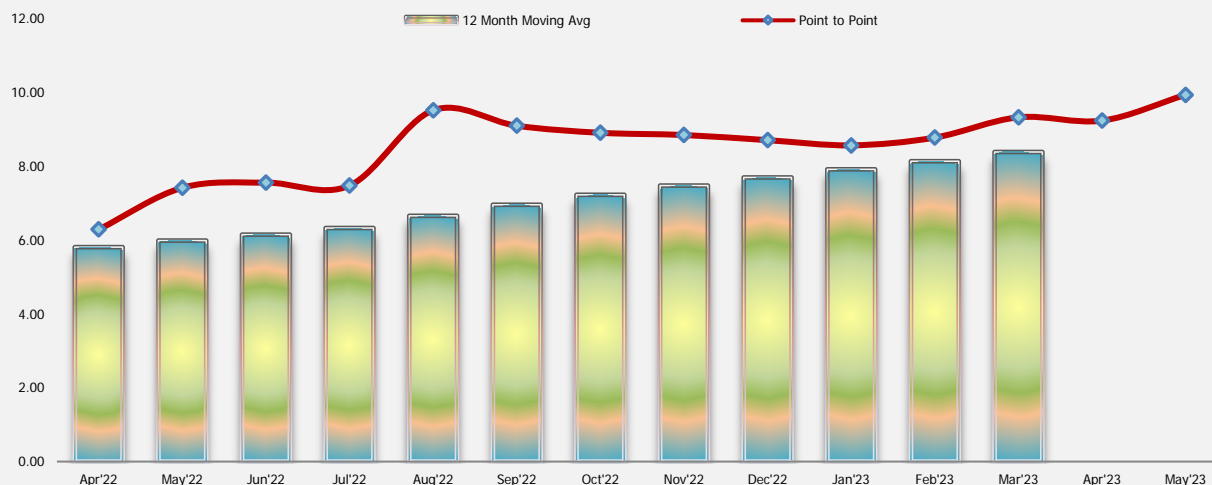
Real Sector Update

In May 2023, the point-to-point inflation stood at 9.94% which had a slight decline in April at 9.24% from 9.33% in March 2023. The twelve-month moving average and point-to-point inflation stood at 8.39% and 9.33%, respectively. For both food and non-food inflation increased in May. Although national food inflation experienced a decline in April, non-food inflation remained constant.

The point-to-point general inflation for urban has been increasing for the last two months since March 2023 standing at 9.97% in May. On the other hand, rural inflation declined in April and then increased standing at 9.85% in May. In April month, the urban and rural inflation for food declined whereas, urban non-food inflation increased in the same month and then declined in May 2023.

The categories of non-food items like Gross Rent, Fuel & Lighting, Furniture & House equipment, Recreation Education & Environment, experienced a significant decrease in the monthly percentage of CPI in May which had an increase in the previous month. Comparatively items like Clothing & Footwear, Medical Care, Transportation, and Miscellaneous Goods and Services increased significantly from a decline in the previous month.

Figure 1. CPI Inflation, Bangladesh (2005/2006=100)



Source: Bangladesh Bureau of Statistics

Table1. CPI Inflation, Bangladesh (2005/2006=100)

Month	National			Urban			Rural		
	General	Food	Non-Food	General	Food	Non-Food	General	Food	Non-Food
Jul'21	5.36	5.08	5.80	5.06	4.01	6.24	5.53	5.56	5.47
Aug'21	5.54	5.16	6.13	5.22	4.02	6.59	5.71	5.67	5.79
Sep'21	5.59	5.21	6.19	5.25	4.03	6.65	5.77	5.74	5.84
Oct'21	5.70	5.22	6.48	5.50	4.31	6.89	5.81	5.62	6.17
Nov'21	5.98	5.43	6.87	5.59	4.37	6.99	6.20	5.90	6.78
Dec'21	6.05	5.46	7.00	5.66	4.41	7.07	6.27	5.93	6.94
Jan'22	5.86	5.60	6.26	5.47	4.85	6.17	6.07	5.94	6.32
Feb'22	6.17	6.22	6.10	5.59	5.30	5.91	6.49	6.62	6.25
Mar'22	6.22	6.34	6.04	5.69	5.49	5.90	6.52	6.71	6.15
Apr'22	6.29	6.23	6.39	5.75	5.31	6.25	6.59	6.64	6.50
May'22	7.42	8.30	6.08	6.49	7.08	5.85	7.94	8.84	6.26
Jun'22	7.56	8.37	6.33	6.62	7.11	6.08	8.09	8.93	6.51
Jul'22	7.48	8.19	6.39	6.51	6.84	6.15	8.02	8.79	6.58
Aug'22	9.52	9.94	8.85	9.18	9.87	8.42	9.70	9.98	9.18
Sep'22	9.10	9.08	9.13	9.03	9.36	8.66	9.13	8.95	9.48
Oct '22	8.91	8.50	9.58	8.90	8.75	9.07	8.92	8.38	9.98
Nov'22	8.85	8.14	9.98	8.70	7.95	9.54	8.94	8.23	10.31
Dec'22	8.71	7.91	9.96	8.43	7.45	9.51	8.86	8.11	10.29
Jan'23	8.57	7.76	9.84	8.39	7.41	9.48	8.67	7.92	10.12
Feb '23	8.78	8.13	9.82	8.75	7.98	9.61	8.80	8.19	9.98
Mar '23	9.33	9.09	9.72	9.36	9.14	9.59	9.32	9.06	9.82
Apr '23	9.24	8.84	9.72	9.68	9.10	9.96	8.92	8.78	9.33
May '23	9.94	9.24	9.96	9.97	9.13	9.88	9.85	9.34	9.83

Source: Bangladesh Bureau of Statistics; Bangladesh Bank

Table2. Monthly % Change in Consumer Price Index (Point to Point Inflation, National) (2005/06=100)

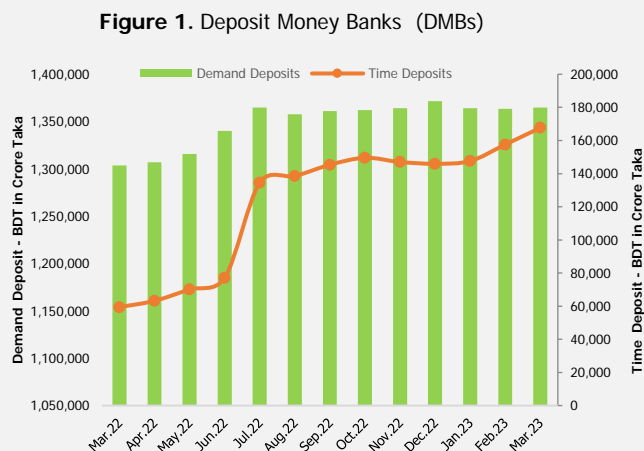
Month	Non-Food	Clothing & Footwear	Gross Rent, Fuel & Lighting	Furniture & House Equipment	Medical Care & Health Expenses	Transportation & Communications	Recreation, Entertainment, Education & Cultural Services	Misc. Goods and Services
Jul '21	5.80	0.37	0.22	0.36	0.22	1.10	0.24	0.30
Aug '21	6.13	1.05	0.41	0.59	0.08	0.41	0.24	0.41
Sep '21	6.19	1.06	1.12	1.54	0.09	0.64	1.05	0.71
Oct '21	6.48	0.27	0.44	0.05	0.04	0.85	0.08	0.18
Nov'21	6.87	0.72	0.35	0.34	0.04	2.30	0.27	0.34
Dec '21	7.00	1.15	0.11	0.25	0.03	0.29	0.39	0.30
Jan'22	6.26	0.37	0.35	0.57	0.11	0.45	1.06	1.37
Feb '22	6.10	0.60	0.05	0.48	0.05	0.45	0.30	0.41
Mar '22	6.04	0.56	0.22	0.45	0.14	0.24	0.58	1.18
Apr '22	6.39	0.88	0.21	0.75	0.27	0.61	0.80	0.67
May '22	6.08	0.37	0.15	0.76	0.18	0.30	0.43	0.36
Jun '22	6.33	0.51	0.20	0.80	0.22	1.23	1.36	1.35
Jul '22	6.39	0.57	0.17	0.18	0.24	0.22	0.71	1.85
Aug '22	8.85	0.42	4.78	1.34	9.32	2.37	0.78	1.22
Sep '22	9.13	0.85	0.37	1.56	4.66	1.38	0.39	1.66
Oct '22	9.58	0.29	0.29	0.90	0.60	1.22	0.46	2.40
Nov'22	9.98	0.81	0.12	1.53	2.64	1.68	0.33	1.75
Dec '22	9.96	0.60	0.01	1.00	0.15	0.28	0.33	0.40
Jan'23	9.84	0.27	0.74	0.31	0.12	0.11	0.64	0.58
Feb '23	9.82	0.17	0.53	0.24	0.11	0.15	0.23	0.33
Mar '23	9.72	0.23	0.44	0.25	0.34	0.26	0.09	0.70
Apr '23	9.72	-1.69	2.47	2.40	-10.14	-1.65	5.95	-3.90
May '23	9.96	0.15	0.62	0.12	1.35	0.24	0.22	0.25

Source: Bangladesh Bureau of Statistics

Monetary Sector Update

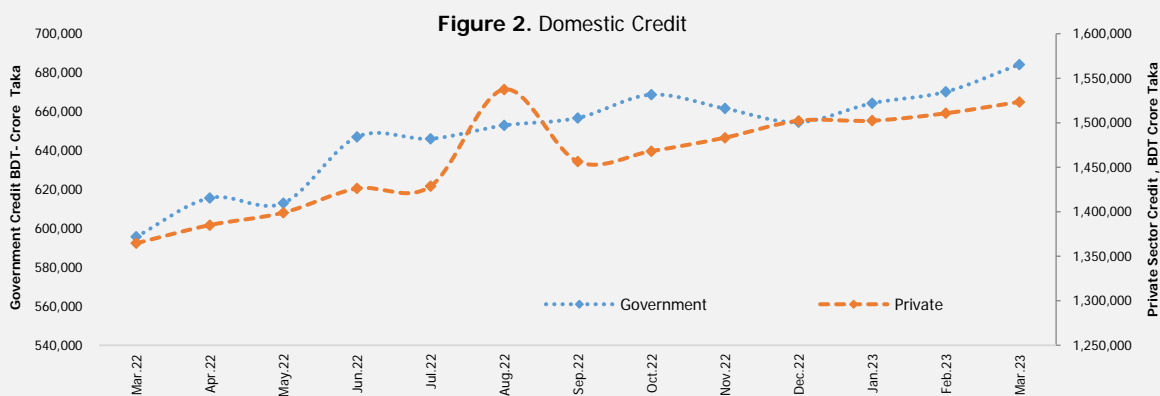
Deposit Money in Bank

Figure 1 shows that Deposit Money Banks (DMBs) comprise 60 Scheduled Banks from March 2022 to March 2023. In the month of March 2022, the demand deposit was BDT 144,956.30 crore and in the month of March 2023 demand deposit decreased to BDT 1749,88.60 crores. However, the time deposit increased to BDT 1,343,407.50 crore compared to the month of March 2022 BDT 1,1154,015.60 crore.



Domestic Credit

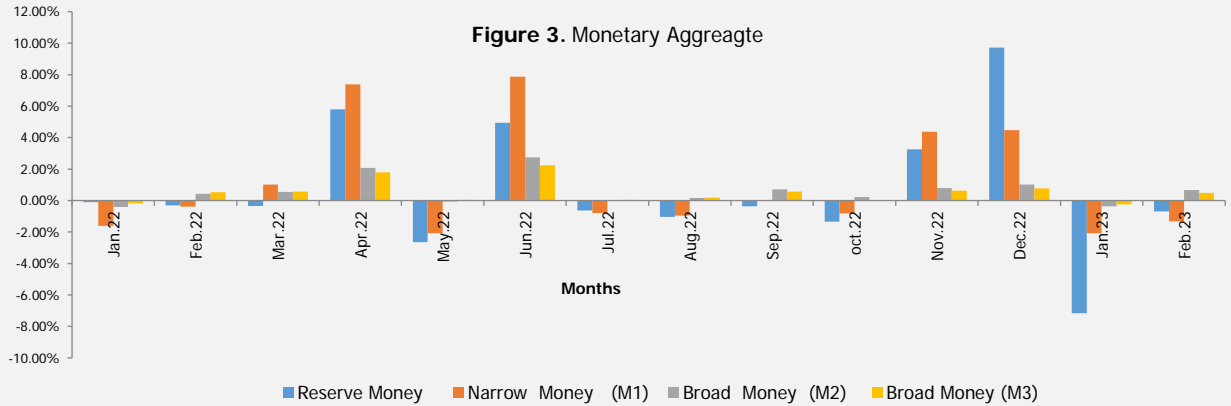
Figure 2 shows the total domestic credit of the government and private sector of Bangladesh, in the month of March 2022, Government sector credit was BDT 595,686.30 crore and in the month of March 2023 government sector credit increased to BDT 664,224.87 crore. However, in the month of March 2022, private sector domestic credit was BDT 1,364,591.80 and in the month of March 2023, the private sector has increased to BDT 1, 1523,401.53.



*Source: Bangladesh Bank

Monetary Aggregate Growth

Table 1 shows the monetary aggregate of Bangladesh Bank. In January 2022, reserve money, narrow money (M1), broad money (M2), and broad money (M3) growth was positive but in the month of January 2023 all of the monetary aggregate growth was negative. However, in the month of February, broad money (M2) and (M3) experienced positive growth.

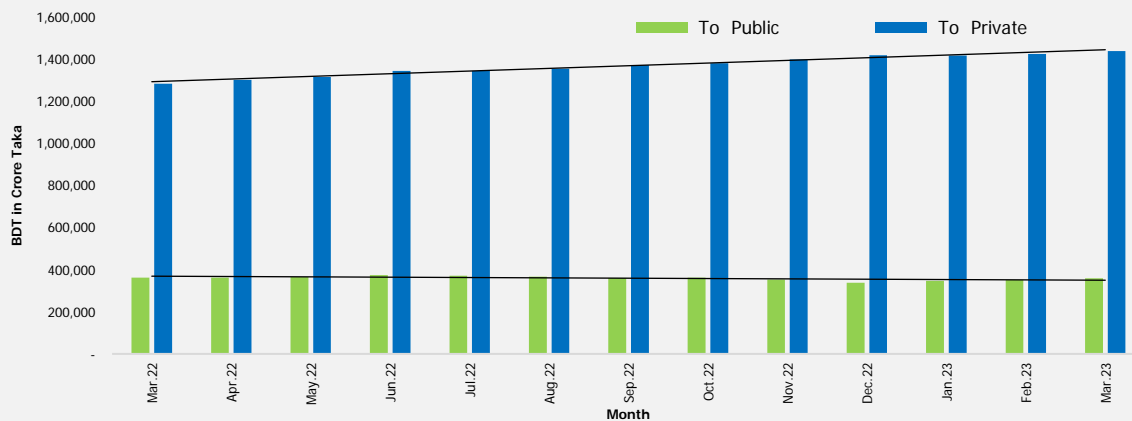


*Source: Bangladesh Bank

DMBs Credit (Advances + Bills + Investment)

Figure 3 shows DMBs' credit for advances, bills, and investments. In the month of January 2022, DMBs credit (Advances + Bills + investment) was BDT 31,135 crore, 366,885 crores, and 1,260,523. DBMs credit indicator was stable in the year 2022. In the month of March, DMBs credit to the public increased to BDT160,196.70 crore, and DBMs credit to advance has increased to BDT 160,196.70 crore.

Figure 3. DMBs Credit (Advances + Bills + Investment)



Source: Bangladesh Bank

External Sector Update

Foreign Direct Investment (FDI) in Bangladesh

Figure 1 shows that the Foreign Direct Investment (FDI) stood at USD 21,581.86 million at the end of October-December 2021, while it stands at USD 21,158.2 million at the end of October-December 2022 decreasing by USD 423.66 million.

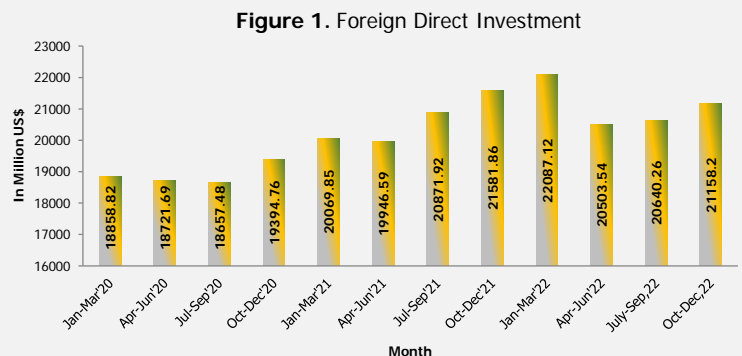
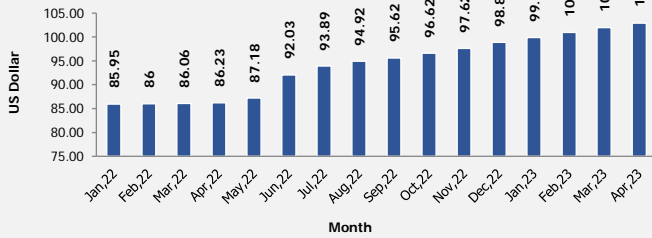


Figure 2. Exchange Rate



Data Source: Bangladesh Bank

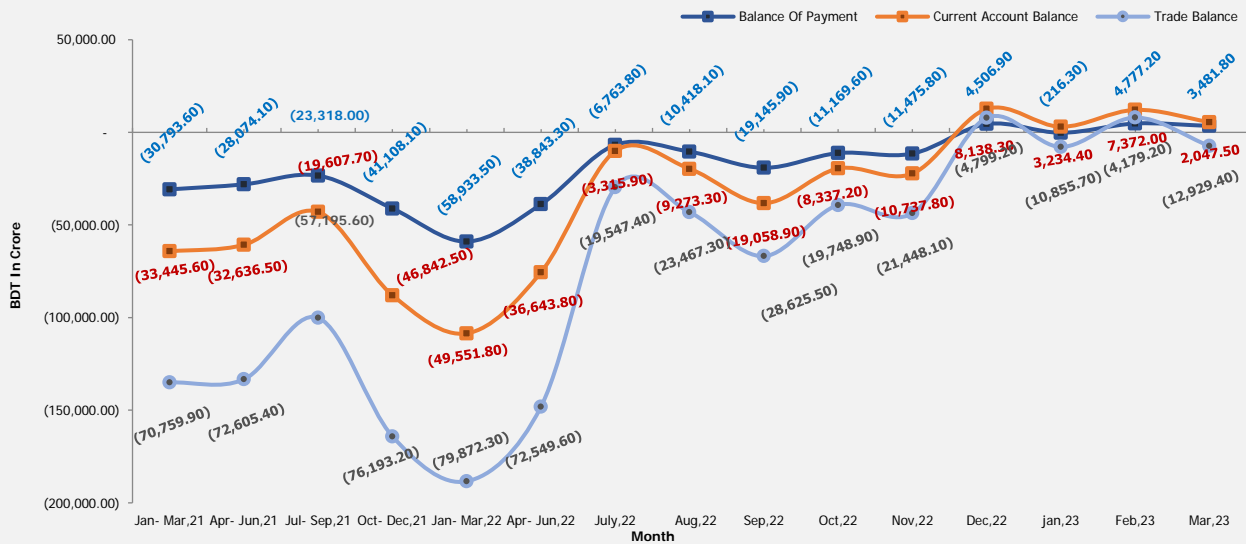
Exchange Rate

Figure 2 shows the exchange rate according to the Bangladesh Bank data which stands at USD 102.96 at the end of April 2023 while it was USD 86.23 at the end of April 2022. Figure 2 also shows that the exchange rate increased significantly from the month of April 2022 to April 2023 increasing by 16.73 US Dollars.

Balance of Payment

Figure 3 shows that the Balance of Payment stands at BDT 3,481.8 million at the end of March 2023, while it was BDT 58,933.5 million at the end of January-March 2022. The Current Account Balance stands at BDT 2,047.5 million at the end of March 2023, while it was BDT 49,551.8 million at the end of January-March 2022. At the end of January-March 2022, the trade balance stood at BDT 79,872.3 million, which improved in March 2023 standing at BDT 12,929.4 million.

Figure 3. Overall Balance of Payment

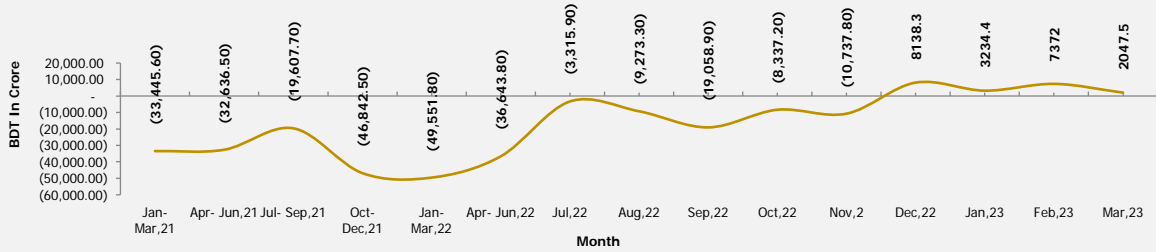


Data Source: Bangladesh Bank

Current Account Balance

Figure 4 shows the current account balance from Jan-Mar 2022 till March 2023. The data suggest that the deficit balance had declined from BDT 49,551.80 million at the end of January-March 2022 to BDT 2,047.5 million in March 2023. The current account balance improved over the year as per Bangladesh Bank data.

Figure 4. Total Current Account Balance

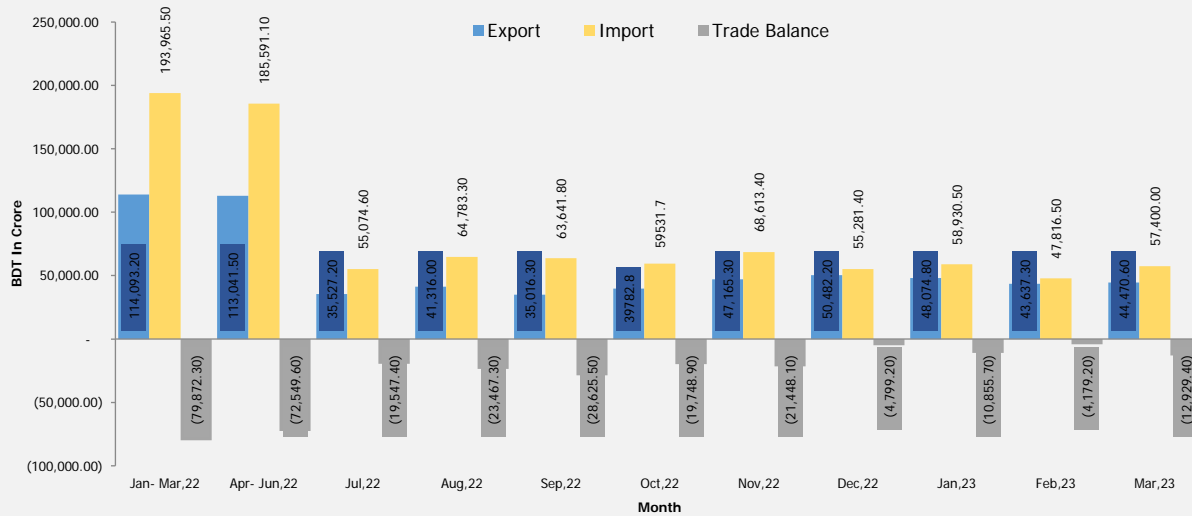


Data Source: Bangladesh Bank

Export, Import, and Trade Balance

Figure 5 shows the data statistics of the Export, Import, and Trade Balance of Bangladesh. Export receipts in March 2023 amounted to BDT 44,470.6 million which is lower than the amount in January-March 2022 amount of BDT 114,093.20 million. Thus, the export product decreased by BDT 69,622.60 million at the end of March 2023 compared to the end of January-March 2022. Import receipts in March 2023 amount to BDT 57,400.00 million which decreased by BDT 136,565.50 million from January-March 2022's amount of BDT 193,965.50 million. The data also suggest that the Trade Balance deficit at the end of March 2023 decreased by BDT 66,942.90 million compared to January-March 2022.

Figure 5. Export, Import and trade Balance

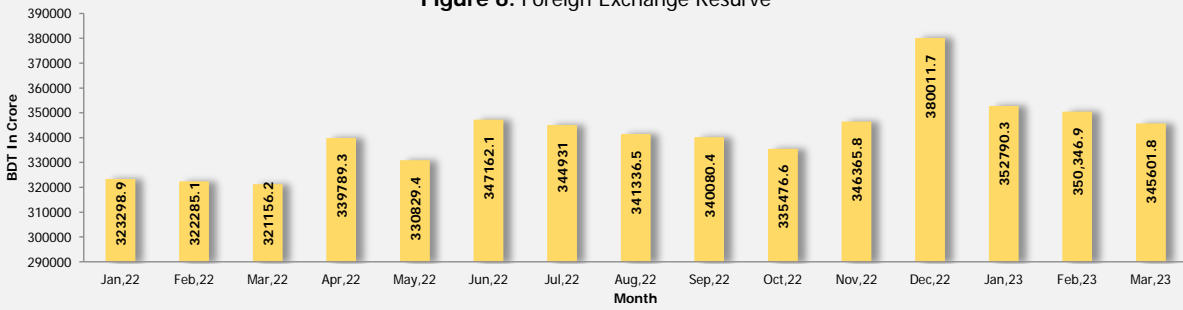


Data Source: Bangladesh Bank

Foreign Exchange Reserve

Figure 6 shows that the Foreign Exchange Reserves stood at BDT 321,156.2 million in March 2022. The Foreign Exchange Reserves in Bangladesh fluctuated over the period. The Foreign Exchange Reserves increased by BDT 24,445.6 million at the end of March 2023 compared to the reserves held at the end of March 2022.

Figure 6. Foreign Exchange Reserve

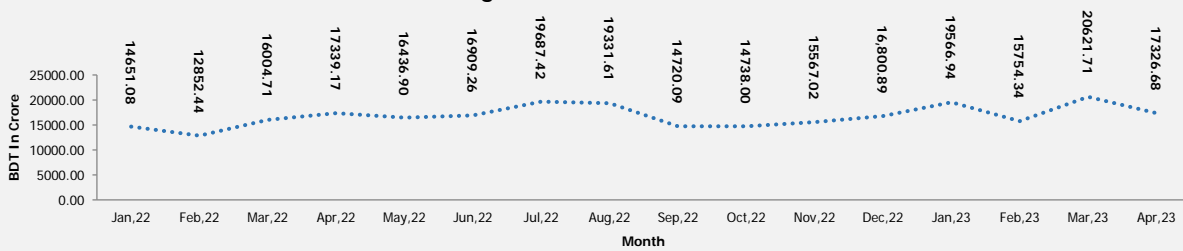


Data Source: Bangladesh Bank

Workers' Remittance

Figure 7 shows the worker's remittance flow from April 2022 to April 2023. The data shows that the remittance stood at BDT 17,326.68 million at the end of April 2023 which was BDT 17,339.17 million at the end of April 2022. Workers' remittance decreased by BDT 12.49 million at the end of April 2023 compared to the end of April 2022.

Figure 7. Worker's Remittance

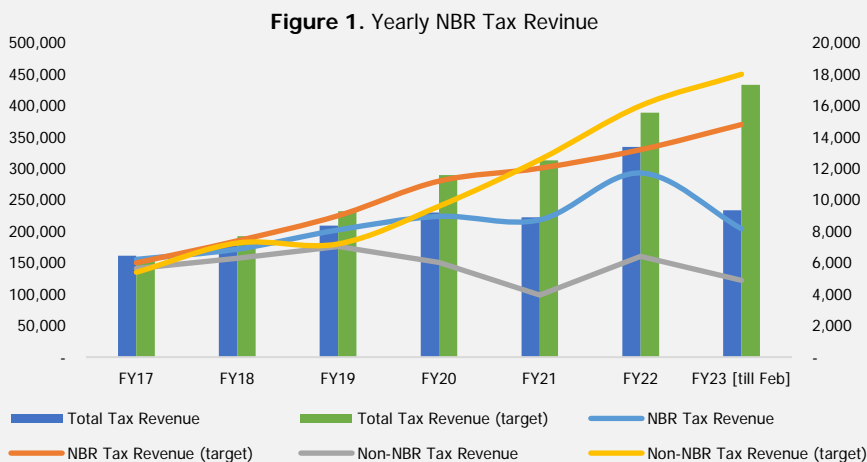


Data Source: Bangladesh Bank

Fiscal Sector Update

The NBR tax revenue collection during July-February of FY23 stood at BDT 196,039.95 crore which was higher by 8.92% (y-o-y). It was 52.98% of the target set for FY23 (the Target for NBR tax revenue collection has been set at BDT 3,70,000.00 crore in the budget for FY23) (Table 1).

Total tax revenue (NBR and Non-NBR) during July-February of FY23 grew (y-o-y) by 9.12% and stood at BDT 201,148.93 crore.

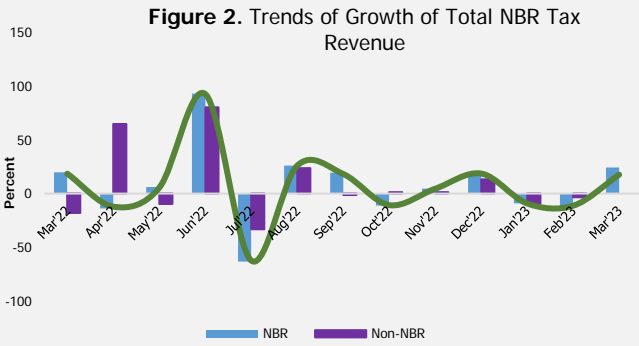


Source: Bangladesh Bank

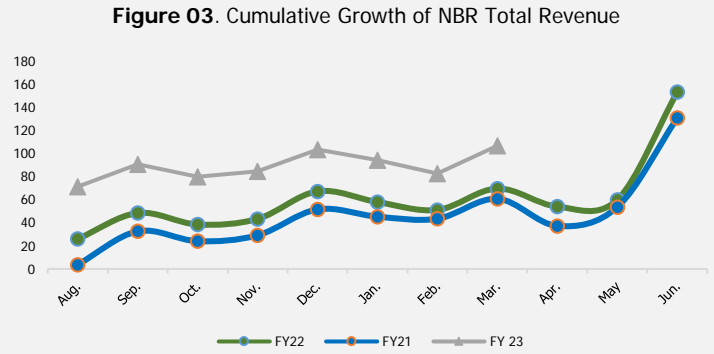
Table 1: NBR and Non-NBR Tax Revenue, FY22 & FY23

	(BDT In Crore)													
	NBR Tax Revenue (FY23)					Non NBR Tax Revenue	Total NBR Revenue Collection	NBR Tax Revenue (FY22)					Non NBR Tax Revenue	Total NBR Revenue Collection
	Customs duties	VAT	Income Tax	others	NBR Tax Revenue Total			Customs duties	VAT	Income Tax	others	NBR Tax Revenue Total		
	1	2	3	4	5=(1+, +4)	6	7=(5+6)	1	2	3	4	5=(1+, +4)	6	7=(5+6)
July	2692.53	5557.52	4656.93	4911.18	17818.16	1067.18	18885.34	1933.39	6777.31	4711.41	1932.22	15354.33	217.21	15571.54
August	3330.91	13308.34	5544.96	288.15	22472.36	1320.52	23792.88	2556.05	8184.75	5242.96	3210.85	19194.61	418.54	19613.15
September	3026.84	13847.62	9606.29	353.18	26833.93	1303.47	28137.40	3230.27	9106.30	7917.00	3548.64	23802.21	215.60	24017.81
October	2979.88	13918.16	6527.94	364.32	23790.30	1322.43	25096.55	2723.41	8996.16	5669.14	3728.21	21116.92	509.62	21626.54
November	3109.85	14670.82	6628.00	491.33	24900.00	1338.46	24722.77	2876.28	9479.29	5971.02	3801.27	22127.86	554.86	22682.72
December	2722.65	13747.04	10991.98	2152.18	29613.85	1622.30	31236.15	2907.56	9616.95	9859.65	5128.61	27512.77	582.98	28095.75
January	3053.41	14531.78	8504.11	789.49	26878.79	1378.89	28257.68	2953.04	9929.24	7036.32	4429.31	24347.91	1136.25	25484.16
February	2672.96	13263.36	7046.36	744.50	23727.18	1332.14	25059.32	3080.29	9677.34	6446.87	3815.06	23019.56	726.10	23745.66
March	3238.67	14785.63	10648.56	798.65	29471.51	-	29471.51	3238.22	9882.06	10252.53	4177.11	27549.92	594.83	28144.75
April	-	-	-	-	0.00	-	0.00	3153.48	10226.88	6003.38	4346.76	23730.50	979.86	24710.36
May	-	-	-	-	0.00	-	0.00	3014.08	10358.01	7411.86	4380.22	25164.17	885.52	26049.69
June	-	-	-	-	0.00	-	0.00	3597.94	18034.75	26386.02	585.89	48604.60	1597.69	50202.29
Total	26827.70	117630.27	70155.13	10892.98	225506.08	10685.39	236191.47	31666.07	102234.29	76522.14	42498.26	252920.76	4955.99	257876.75

Source: Bangladesh Bank; Major Economic Indicators: Monthly Update;



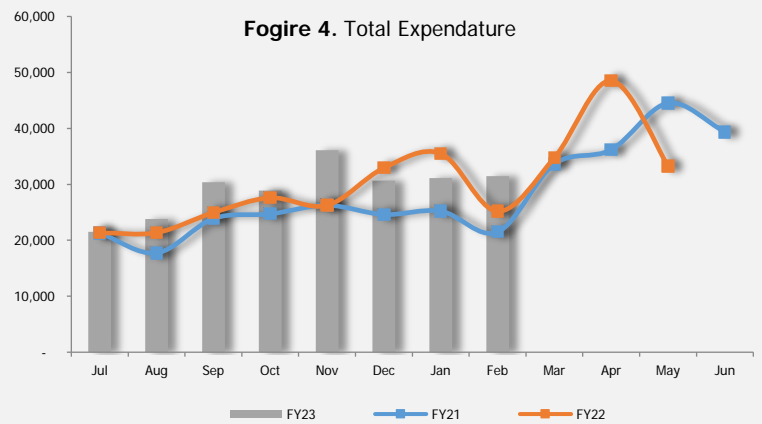
Source: Bangladesh Bank



Source: Bangladesh Bank

Figure 2 shows the trends of Month-over-Month growth of NBR tax revenue. On the other hand, Figure 3 shows the cumulative growth of NBR total revenue (sum of NBR tax and non-NBR tax) where the cumulative growth up to February of FY23 was 106.67%, which is 37.05% more than the February of the previous FY22. This cumulative growth was 69.61% up to February of FY22.

The total government expenditure in February, FY23 was BDT 31,458 crore, which is 24.97% higher than the previous year (FY22) in the same month BDT 25,173 crore.



Source: Bangladesh Bank

According to data, the unemployment rate of the UK, the USA & India, increased in February 2023 and stood at 3.80%, 3.60% & 7.50%, respectively, compared to the previous month. Contrastingly, the unemployment rate of Malaysia decreased from the previous month standing at 3.50%.

The repo rate of India and Vietnam remained constant in February 2023 standing at 6.25% and 6.00% respectively. Comparatively, the repo rate of Bangladesh and the UK increased standing at 6.00% and 4.00%. The deficit balance of Bangladesh, India, and the UK in the month of February declined to stand at USD 0.86 billion, USD 17.43 billion, and USD 6.00 billion, respectively whereas, the USA experienced increased deficit balances of USD 70.50 billion. Nevertheless, the positive balance of trade for Malaysia increased standing at USD 4.32 billion and Vietnam's trade balance declined which stood at USD 2.30 billion. The consumer price index of the UK, Bangladesh, India, Malaysia, and Vietnam experienced an increase except for the USA. Furthermore, the consumer credit for Bangladesh increased excluding Malaysia, the UK, and the USA.

Table 1. Selected Economic Indicators

Country	Unemployment Rate [%]	Repo Rate [%]	Consumer Price Index [CPI]	Balance of Trade [billion \$]	Consumer Credit [billion \$]
Bangladesh	...	6.00	110.21	-0.86	171.09
India	7.50	6.25	176.8	-17.43	...
Malaysia	3.50	...	129.8	4.32	107.38
Vietnam	...	6.00	110.92	2.30	...
UK	3.80	4.00	127.89	-6.00	175.20
USA	3.60	...	300.84	-70.50	1,849.50

Source: Trading Economics [February 2023]

Figure 1 show the price per ounce of gold and silver in the BDT currency (where one ounce equals 2.43 bhuri). In the recent year, the highest price of gold was BDT 212,354 in March 2023, and the lowest price of gold was BDT 162,698 on August 2022. On the other hand, the highest silver selling price per ounce was BDT 2,651 in April 2023, and the lowest selling price was BDT 1,712 in August 2022. However, the latest price of gold was 27.23% higher than the previous year's price, and the price of silver was 32.68% higher than the previous year's price.



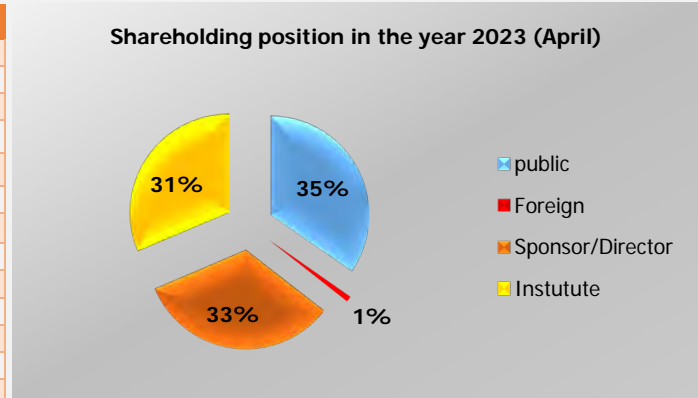
Source: Goldprice.org

Stock Analysis of Beximco Pharmaceuticals Ltd.

Table 1. Stock Statistics

Particulars	Details
Company	Beximco Pharmaceuticals Ltd.
Stock Code	BXPHARMA
Listing Year	1986
Market Category	A
Sector	Pharmaceuticals and Chemicals
Market Capitalization (BDT in Million)	65,221,587
Authorized Capital (BDT in Million)	15,000.00
Paid Up Capital (BDT in Million)	4,461.12
Total Shares	895,941,514
P/E (Interim) as on 3-May-2023	13.45
P/E (Audited) as on 3-May-2023	13.05
52 Weeks Range	140.70-194.90
Beta	1.70

Figure 1. Shareholding Position



Source: Annual Report & Quarterly Report of Shinepukur Ceramics Limited

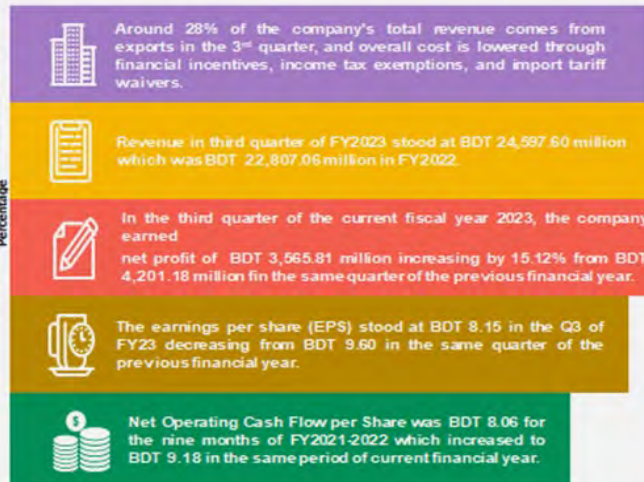
Business Overview

- **Date of Incorporation:** 1976
- **Commencement of Commercial Production:** 1993
- **First Export:** 1993
- **Chairman:** Mr. A S F Rahman
- **Vice Chairman:** Mr. Salman F Rahman
- **Corporate Office:** 17, Dhanmondi R/A, Road No. 1 Dhaka 1205, Bangladesh
 - **Nature of Business:** Leading manufacturer and exporter of medicines in Bangladesh. The company started its operation by importing products from Bayer, Germany, USA and selling them in the local market.
 - **Production:** Beximco Pharmaceuticals produces a diverse portfolio of products, including tablets, capsules, injections, syrups, suspensions, creams, ointments, and more.
 - **Total Employee:** 5,377

Table 2. Financial Highlights

Particulars	2021 (Q3)	2022 (Q3)	2023 (Q3)
Revenue (BDT in Millions)	21,762.49	25,928.47	29,232.97
COGS (BDT in Millions)	11,488.05	13,709.23	16,153.30
Gross Profit Margin (%)	44.74	47.13	47.21
Net Profit Margin (%)	12.20	16.20	16.98
Return on Assets (%)	5.18	6.45	7.21
Return on Equity (%)	7.65	9.58	10.30
Current Ratio (x)	1.39	1.43	1.58
Debt-to-Equity (x)	0.39	0.45	0.45

Key Financial Highlights



Historical Financial Performance

Table 3. Company Basics

Particulars	2019	2020	2021	2022
Market Cap (BDT in Millions)	33,864.00	28,065.00	79,096.00	68,969.00
Dividend (%)	15.00	15.00	35.00	35.00
Dividend per Share (BDT)	1.36	1.36	3.5	3.5
Basic Earnings per Share (BDT)	7.48	7.88	11.49	11.48
Price-Earnings Ratio at Year-End (BDT)	11.16	8.80	15.43	13.47
Net Asset Value per share (BDT)	72.96	80.12	83.01	91.01
Share price (BDT)	83.5	69.2	177.3	154.6

Table 4. Financial Performance of Last Five Years

Particulars	Annual Performance				Quarterly Performance*		
	2019	2020	2021	2022	2021(Q3)	2022(Q3)	2023(Q3)
Profitability							
Revenue (BDT in Millions)	22,816.63	25,611.95	29,493.57	34,669.17	21,762.49	25,928.47	29,232.97
Revenue Growth (%)	28.79	12.25	15.16	17.55	13.91	19.14	12.74
COGS (BDT in Millions)	12,196.29	13,712.85	15,570.07	18,854.92	11,488.05	13,709.23	16,153.30
COGS Growth (%)	29.32	12.43	13.54	21.10	12.60	19.33	17.83
Gross Profit Margin (%)	46.55	46.46	47.21	45.61	47.21	47.13	44.74
Operating Profit Margin (%)	22.20	21.90	22.55	19.91	23.89	22.06	19.21
Net Profit Margin (%)	13.33	13.84	17.51	14.42	16.98	16.20	12.20
Return on Assets (%)	6.18	7.07	9.89	7.56	7.21	6.45	5.18
Return on Equity (%)	10.18	10.81	13.83	11.20	10.30	9.58	7.65
Liquidity							
Current Ratio (x)	1.04	1.15	1.47	1.45	1.39	1.43	1.58
Quick Assets Ratio (x)	0.58	0.63	0.71	0.63	0.68	0.64	0.64
CFO (BDT in Millions)	2,959.92	5,542.49	6,023.26	5,214.18	4,036.57	3,963.25	4,310.62
Leverage							
Debt-to-Equity (x)	0.62	0.49	0.37	0.45	0.39	0.45	0.45
Total Liability-to-Total Assets	0.39	0.35	0.28	0.33	0.30	0.33	0.32

*Q3 of FY2023 (First Nine Months till December 2022)

Strength

- In the pharmaceuticals sector Beximco is one of the medicine exporter in Bangladesh. It earns 55% of its revenue from exports.
- At present Beximco is producing a range of high-tech, specialized products of more than 500 products.
- Diversification of products and increased capacity with the new unit-3 expansion project .

Risk

- Strong competition with other similar pharmaceuticals industries in the country.
- Profits in the third quarter declined as compared to same quarter of previous year.
- Increase in raw materials price affecting the profits of the company.

Figure 3. Revenue Composition

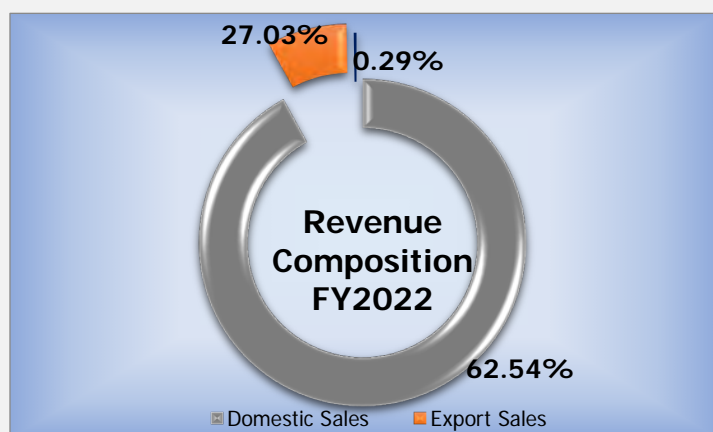
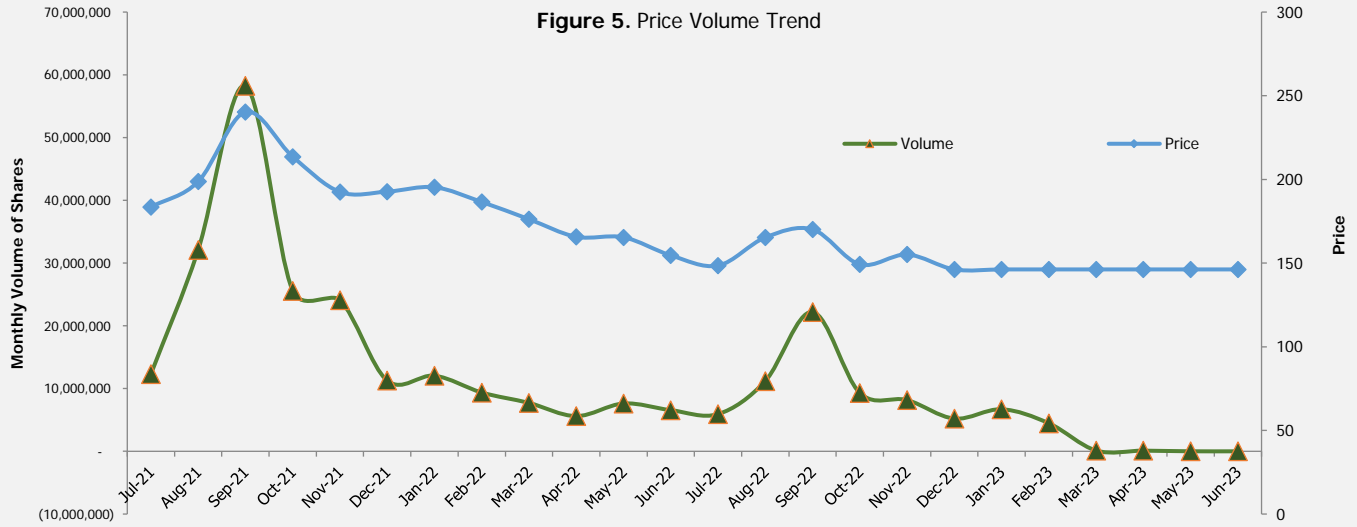


Figure 4. Cost & Expenses





Source: Investing.com

Figure 6. Market Capitalization Trend

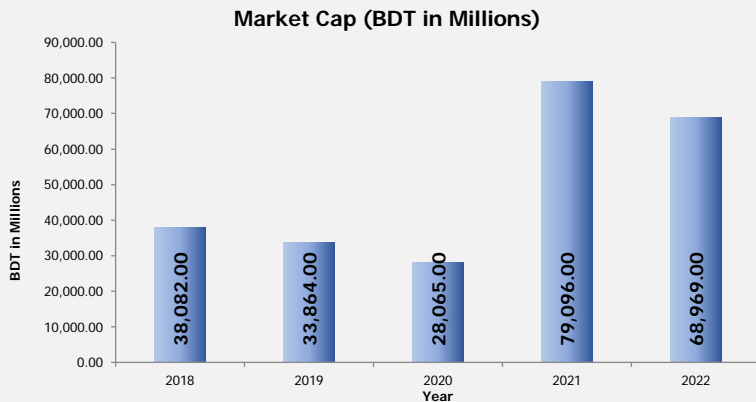


Figure 7. Dividend Payout Ratio

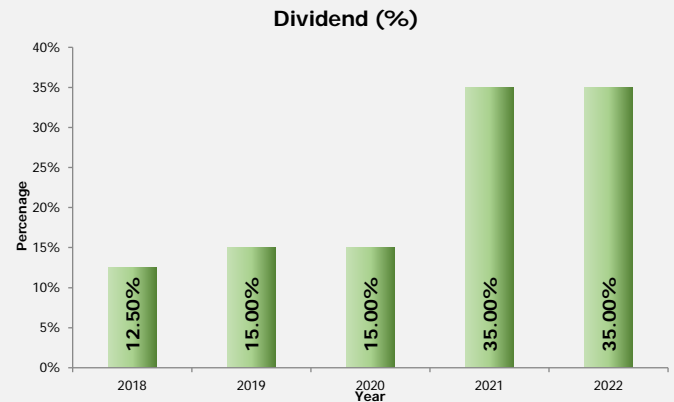


Figure 8. Dividend per Share, Earnings per Share, Net Asset value, Price Earnings Ratio

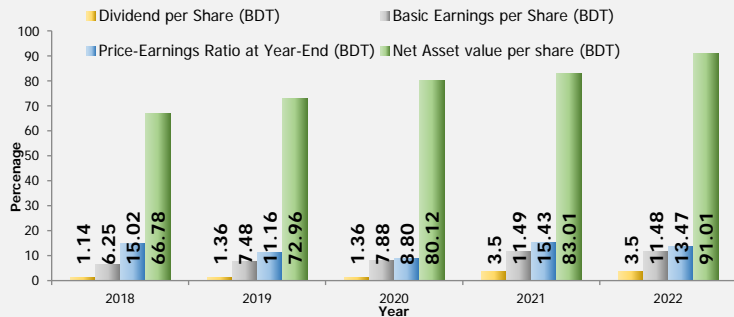
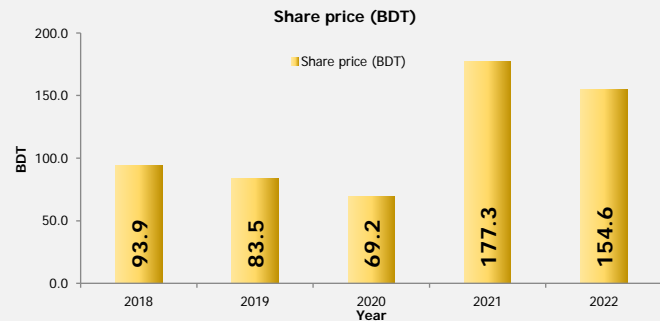


Figure 9. Price per Share, Average Share Volume per Day



Future Investments of Beximco

Beximco Pharmaceutical Company has commenced newly expanded unit with installation of European and modern machinery to increase production. This project will help in removing production constraints as well as diversify new products while determining product quality.

- ✦ According to industry insiders, currently, 265 companies are listed with the Directorate General of Drug Administration (DGDA) as medicine manufacturers in Bangladesh.
- ✦ The pharmaceutical industry currently meets 97% of local pharmaceutical demand.
- ✦ This industry has grown significantly at a CAGR of 15.6% in the last five years.
- ✦ The domestic market is about USD3.5 billion and in FY22 the export was USD188.8 million.
- ✦ Bangladesh imports a significant amount of raw materials and chemicals, which was about USD 1.050 billion in the year 2022. The raw materials are mostly imported from developing countries such as China, India, Korea, Singapore, and Malaysia.

Top 30 Market Share Paramaceuticals Ltd.

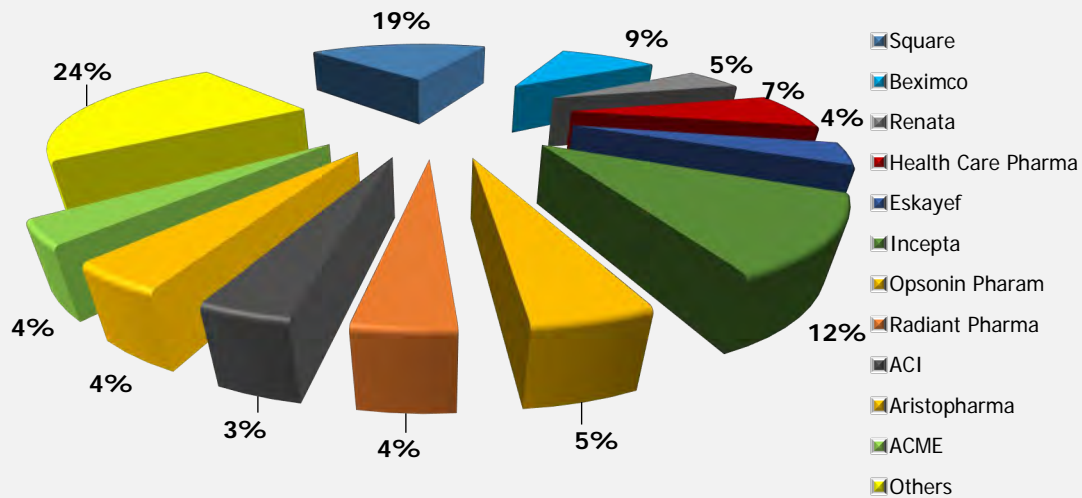


Table 5. Peer Analysis

Symbol	ACI	ACIFORMULA	KOHINOOR	SQURPHARMA	RECKITBEN
NAV	128.29	67.41	54.02	118.53	176.8
Dividend Yield (%)	1.92	1.61	0.5	4.8	2.06
Current Ratio	0.742	1.266	2.397	17.327	1.177
Quick Ratio	0.398	0.763	1.294	15.048	0.883
Cash Ratio	0.076	0.076	0.736	13.643	0.846
Debt to Equity	0.706	-	0.264	0.001	-
Debt to Total Assets	0.109	-	0.128	0.001	-
Operating Cash Flow to Sales	-0.023	0.156	0.099	0.189	0.257
Gross Profit Margin	0.269	0.292	0.193	0.444	0.565
Operating Profit Margin	0.065	0.111	0.072	0.276	0.203
Net Profit Margin	0.005	0.055	0.056	0.251	0.139
Return on Equity (ROE)	0.039	0.071	0.19	0.16	0.915
Return on Assets (ROA)	0.006	0.038	0.092	-	0.228
Net Fixed Asset Turnover	2.708	1.628	13.675	2.55	7.355
Equity Turnover	7.273	1.286	3.377	0.642	6.604



ECRL opened new office in Chattogram on 23rd May, 2023 which was inaugurated by our esteemed chairman, Dr. Jamal Uddin Ahmed; FCA. The opening ceremony witnessed the presence of our honorable executive vice president, Mr. N.K.A Mobin, FCA, FCS along with Chief Executive Officer Mr. Arifur Rahman, FCCA, FCA, CSAA.



Dr. Jamaluddin Ahmed, FCA
Chairman

Dr. Jamaluddin Ahmed is one of the sponsor directors of Emerging Credit Rating Ltd. (ECRL). He is also the Chairman of the company. Professionally a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1990, he was awarded a Ph.D. in Accounting from Cardiff Business School, University of Wales, under Commonwealth Scholarship in 1996, and secured First Class in Masters Degree and Bachelors with Honours from Accounting Department of Dhaka University.

He has many years of experience in the financial sector of Bangladesh and has used his expertise and experience to carry out numerous research work and publications. He is the Audit Engagement Partner of 10 banks and leasing companies, 4 energy companies, 10 listed non-bank companies, and a tax advisor for many local and multinational companies. He also performs the following responsibilities:

- The Board of Directors of Janata Bank Limited (2008-2013), Essential Drugs Limited, Power Grid Company of Bangladesh Limited.
- The Chairman of the Board Audit Committee of Janata Bank Limited (2008-2013) and Power Grid Company of Bangladesh Limited.
- The Member of the Board of Directors and Chairman of the Audit Committee of Grameen Phone Limited, Advisor to the Board and Audit Committee of Bangladesh Bank.
- Previously He had been the representative of ICAB to the Board of Dhaka WASA, Dhaka Stock Exchange Ltd, Consultative Committee at the Security and Exchange Commission, Bangladesh Telecommunication Company Limited.
- From 1999 to 2013 he was a partner at Hoda Vasi Chowdhury & Co., An Independent Firm of Deloitte Touche & Tohmatsu. He has taken several training courses in the power and energy sector and has completed assignments at numerous banks.



Mr. N K A Mobin, FCS, FCA
Executive President

Mr. N K A Mobin is a veteran businessman and skilled in a broad range of trade ventures. He is one of the 4 sponsor Directors of Emerging Credit Rating Ltd, the eminent credit rating agency in Bangladesh. Mr. Mobin has completed his Bachelor of Business Administration & Masters of Business Administration from the University of Dhaka majoring in Finance with first class results. He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) & Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) since 1992 and 1998, respectively. He is also a Member of the Institute of Financial Consultants (IFC) of the USA since 2002.

Mr. Mobin has working experience of more than 34 years in different corporate arenas like financial management systems including the budgeting and reporting system, Tax management and optimization in tax expenses, involved in different projects cost optimization/efficiency and revenue maximization areas, etc. He has been the Director of Projects & Administration and Director of Finance and Company Secretary at Grameenphone Ltd. (GP). He has also been the Director of Finance and Company Secretary at Novartis (Bangladesh) Limited. He also performs the following responsibilities:

- People's Leasing and Financial Services Limited – Court appointed as the Director of People's Leasing and Financial Services Limited.
- Dhaka Chamber of Commerce and Industry (DCCI) – Appointed as one of the Board members for 2020-2022 and also Senior Vice President for 2021.
- Institute of Chartered Accountants of Bangladesh (ICAB) – Elected Council member for 2019-21 and Ex-Vice President (Education and Examination) for 2019.
- Unique Hotel And Resort - Appointed as the Independent Director of Unique Hotel And Resort



Mr. Arifur Rahman, FCCA, FCA, CSAA
Chief Executive Officer (CEO)

Mr. Arifur Rahman is a dynamic professional representing Emerging Credit Rating Limited as the Chief Executive Officer (CEO), of the distinguished credit rating agency in Bangladesh. He has completed his B.Sc. (Hons) in Civil Engineering with first class result from Bangladesh University of Engineering & Technology (BUET) and also completed BSc (Hons) achieving higher second class honors (2:1) in Applied Accounting from Oxford Brookes University.

Mr. Rahman has 21 years of expertise in various sectors like Civil Engineering, Auditing, Financial Consultancy, Feasibility Studies, Tax Advisory and Planning, etc. He is also a Certified Sharia Adviser & Auditor (CSAA). He is actively involved in taking charge of the technical and organizational interests and advising the company in articulating current business strategies as well as future growth potentials. He is responsible to administer different departments and plays an important role in taking the managerial and operational decisions of the organization. Mr. Rahman is also a Fellow Member of the Association of Chartered Certified Accountants. Mr. Rahman is qualified as a chartered accountant from the institute of the Institute of Chartered Accountants of Bangladesh (ICAB).



Mr. Saami Alam
Chief Rating Officer

Mr. Saami Alam is a dedicated and enthusiastic professional holding the position of the Chief Rating Officer in Emerging Credit Rating Limited since 2018 having work experience of more than nine years. He joined ECRL in the year 2011 and has been actively involved in the strategic and management decision making.

Mr. Alam completed his Bachelor of Business Administration and Masters of Business Administration from North South University majoring in Finance. Along with supervising the credit rating reports, he is co-coordinating different industry analysis, feasibility studies, and other projects. He is involved in preparing and presenting financial and economic models for management, board of directors, investors and lenders. He is responsible to supervising overall operational management, co-ordinate and control the department work process to meet common target and evaluating performances of the team members. He is a member of Internal Rating Committee in ECRL.



Mr. Md. Harun Chowdhury
Portfolio Manager

Mr. Md. Harun Chowdhury completed Bachelor of Business Administration major in Finance from Dhaka University. Mr. Chowdhury joined ECRL in the year 2013 and is holding the position of the Portfolio Manager in Emerging Credit Rating Limited since 2020. He has working experience of more than seven years in related field.

He is responsible to supervise and coordinate different projects, NBF1 and Bank Rating which involve preparation and analysis of financial models, co-ordinate training and setting strategies for meeting operational goals of the department work process to meet common target. He is a member of Internal Rating Committee in ECRL and is also involved in the performance assessment and evaluation of the team members.

Research Team



Mr. Al Mamun
Research Fellow

Mr. Al Mamun is a Research Fellow at ECRL, working on different issues related to macroeconomic analysis, industry research, data bank development, project management, and the financial & banking sector. In addition, he is also interested in working on macroeconomic policies, energy, and environmental-related issues.

Mr. Mamun also served as a Research Fellow at the Center for Policy and Economic Research (CPE). He played a remarkable role in the industry, labor market discrimination, poverty, international trade, sustainable development, etc.

Mr. Mamun completed an undergraduate and postgraduate program in Economics from East West University, Bangladesh. He also obtained an advanced degree in Statistics from the same university.



Mr. Md. Saiful Hasan
Senior Business Consultant

Mr. Shaiful Hasan is an accomplished professional with a wealth of experience in the field of financial analysis and project management. He holds a Master of Science degree in Economics and a Bachelor of Business Administration degree with a major in Finance & Economics, both from East West University with Dean's Scholarship.

With over 8 years of working experience, Mr. Shaiful has successfully undertaken various projects like, feasibility reports, distribution assessments, credit ratings, customer credit line assessments, business plans, startup plans, financial projections, investor pitch decks, marketing strategies & plans. Throughout his career, he has collaborated with over 1,000 companies and businesses, aiding them in realizing their objectives through a comprehensive range of services.



Ms. Nabihatul Afroz
Senior Research Associate

Ms. Nabihatul Afroz completed her Master of Science in Economics from City University London, UK and Bachelor of Business Administration major in Finance & Economics from East West University. She has working experience of more than four years on different projects, financial reporting and credit rating assessments.

Ms. Afroz joined ECRL in the year 2016 and had been holding the position of Senior Research Associate. She is engaged in different tasks, meeting common target or completing special project assigned by the management and writing reports which involve analyzing assorted industry data (both primary & secondary) and preparation of financial and economic research. She is also responsible to prepare and analyze different research based projects, survey questionnaire, data management, etc.



Mr. Md. Asaduzzaman
Research Associate

Md. Asaduzzaman accomplished his Master of Business Administration (MBA) in Finance and Banking from Manarat International University, BD and Bachelor of Business Administration (BBA) major in Finance and Banking from the same university. He has working experience of more than two and half years on different projects, financial reporting and credit rating assessments.

He joined ECRL in 2022 and collaborated with credit rating corporate clientele as well as research team in the preparation and analysis of various industries. He enjoys working with financial data while having academic knowledge of financial planning, analysis and projection for companies and corporations.



Mr. Md. Junaid Bogdad
Research Associate

Mr. Md. Junaid Bogdad completed Bachelor of Business Administration (BBA) & Masters of Business Administration (MBA) majoring in Finance from the University of Dhaka. Mr. Junaid joined ECRL in the year 2022 as Research Associate. He has working experience in the capital market and related fields. He is responsible for keeping track of the microeconomic and preparing analysis reports on recent macroeconomic updates.

He is also responsible for preparing industry analysis reports and involves in the document verification system of selected entities. He has experience in company valuation, IPO valuation, and financial modeling and he has research experience on capital market issues.



Mr. Md. Nahidul Islam Shawon
Research Associate

Mr. Md. Nahidul Islam Shawon completed his Master of Science and Bachelor of Science in Applied Statistics from East West University. He has working experience of more than one and half years on different projects and Industrial reporting. He has also worked as a Graduate Teaching Assistant (GTA) and Undergraduate Teaching Assistant (UTA) Department of Applied Statistics, East West University.

Mr. Md. Nahidul Islam Shawon joined ECRL in 2022 and is still working in the ECRL. Md. Nahidul Islam Shawon is a Research Associate at ECRL, working on different issues related to Statistical data analysis, data collection, data Input, Industry Analysis and report write, forecasting and to prepare and analysis research based projects. Additionally he is quite interested in biostatistics, data science and artificial neural Network.

About ECRL

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinion in various industry segments around Bangladesh. ECRL obtained credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996 and also received Bangladesh Bank Recognition as an External Credit Assessment Institutions (ECAI) in October 2010 to do the rating of Banks, Financial Institutions and their borrowers and also from Insurance Development & Regulatory Authority (IDRA) in 2015 to do the rating of Insurance Companies & affiliated with Malaysian Rating Corporation Berhad.

Emerging Credit Rating Limited's team is oriented towards the continuous improvement of processes, striving for an important role in the leadership of the business world. Every individual in ECRL is committed to providing topmost ingenious Credit Rating Services and Comprehensive Research Services in Bangladesh. ECRL's rating services and solutions reflect independence, professional, transparency and impartial opinions, which assist businesses in enhancing the quality of their decisions and helping issuers access a broader investor base and even smaller known companies approach the money and capital markets. The Credit Rating process is an informed, well-researched and intended opinion of rating agencies on the creditworthiness of issuers or issues in terms of their/ its ability and willingness of discharging its financial obligations in a timely manner. Issuers, lenders, fixed-income investors use these risk assessments for the purpose of lending to or investment in a corporation (such as a financial institution, an insurance company, a non-banking corporation or a corporate entity) as well as evaluating the risk of default of an organization's financial obligations in terms of loan or debt.



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Editorial Overview

ECRL Research provides insights, opinions and analysis on Bangladesh and International Economies. ECRL Research conducts surveys and produces working papers and reports on Bangladesh's different socio economic issues, industries and capital market. It also provides training programs to professionals from financial and economic sectors on a wide array of technical issues.

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