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# TABLE OF CONTENTS

## Economy

Bangladesh Qualifies for LDC graduation.....	01
Among the Fastest Growing Economies in 2021.....	01
Tax Amnesty Program.....	02
Increased Flow of Remittances.....	02
Surge in Imports.....	02

## Venture Capital

Startup Investment in Feb 2021.....	03
Initiatives in the Startup Ecosystem.....	03
Updates on Startups.....	04

## Capital Market

Dubai Road Show.....	05
Sukuk: The New Investment Opportunity in Bangladesh.....	05
Investment from British Universities.....	05

## Bank and NBFIs

Investment in Capital Market.....	06
Dividend Policy Declared by Central Bank.....	06
NBFI Leaders of 2020.....	06

## Corporate

Brac.....	07
Unilever Consumer Care.....	07
Spotify.....	07

## Bangladesh Qualifies for LDC Graduation

- ❑ Graduation in **2026**
- ❑ **Opportunities:**
  - improved branding,
  - upgrade in country credit rating,
  - more investors, and
  - generate more capital from the global financial market
- ❑ **Challenges:**
  - loss of LDC-specific S&DT under WTO may hinder the development of the pharmaceutical industry
  - loss of DFQF market access will have negative effects on exports
  - loss of special access to climate finance
  - cost of development finance and debt servicing liabilities will increase <sup>1</sup>

01

## Among the Fastest Growing Economies in 2021

- ❑ Bangladesh and Vietnam out of six Asian **frontier markets** are expected to remain among the fastest-growing world economies in 2021
- ❑ Bangladesh has supplied **BDT 1 trillion** stimulus to boost the domestic economy
- ❑ Debt as a share of GDP is expected at **40%** <sup>2</sup>

## Tax Amnesty Program

- ❑ A flat **10%** tax rate and no scrutiny from government
- ❑ A record-breaking **\$1.2 billion** in assets were legalized <sup>3</sup>

## Increased Flow of Remittance

- ❑ In 2020, Bangladesh's remittance was **\$21.9 billion**
- ❑ Remittance increased by **23.5%**
- ❑ Remittances cover **6.2%** of GDP and **30%** of import expenditure <sup>4</sup>

## Surge in Imports

- ❑ Total import in value was **\$28.8 billion** from July to December 2020
- ❑ Imports surged in January by **5% - 6%** in terms of goods
- ❑ Letters of credit (LCs) for imports has increased by **2.56%** last December <sup>5</sup>

# VENTURE CAPITAL

## Startup Investment in Feb 2021



IFC proposes an equity investment of up to **\$3 million** in **Truck Lagbe Inc**, a digital trucking platform. <sup>6</sup>

**UpSkill**, an EdTech startup, raises **\$100 thousand** in seed round from Samin Yasar (CEO, VintValley), Anita Gazi (Co-Founder, Legal Circle) and one other investor.

- Revenue growth in 2020: 34.6% <sup>7</sup>



**Maya**, a mobile health consultation platform, raised **\$2.2 million** in seed funding from Anchorless Bangladesh and The Osiris Group (Hong Kong).

- Number of users: 10 million
- Number of licensed healthcare providers: 300 <sup>8</sup>

## Initiatives in the Startup Ecosystem

❑ UN Technology Bank is planning to establish a regional hub for innovation in Dhaka.

- Through SDG Impact Accelerator (SDGia) platform, encourage more startups and provide them with the initial support of **\$15,000** <sup>9</sup>

03

# VENTURE CAPITAL

## Updates on Startups



- Expanded to Narayanganj
- In the process of expanding to Chittagong by Feb 2021
- 170,000 orders per month <sup>10</sup>

7 start-ups have been recognized by the Founders Institute Bangladesh 2020 Graduation Ceremony:

1. **Daktar Bondhu**, a network for patients and health service providers
2. **DailyGoods Limited**, logistics software solutions for increasing e-commerce facilities and simplifying the goods supply process
3. **Kidzwheel**, simplify the process of attaining knowledge, information and the exchange of ideas for children
4. **Showpur Ltd**, motivate small traders to expand their mobile business at low costs
5. **Offset Interactive**, help people connect with the appropriate places for the printing and packing process
6. **BELAB**, solve problems, such as education and employment issues, among the youth
7. **AGROMARS Limited**, assist in life improvement through the intake of healthy food <sup>11</sup>

04

### Dubai Road Show

- ❑ BSEC launched opening **online BO account** facilitates for foreign investors and NRBs
- ❑ Focused on launching bond, debenture, Sukuk and **alternative investment funds** in the market <sup>12</sup>
- ❑ Total transaction of the foreign portfolio investors was **BDT 10,388 crore** in 2020, **7.69%** of the total transaction <sup>13</sup>
- ❑ UCB Stock Brokerage launched **digital booth** in Dubai <sup>14</sup>

### Sukuk: The New Investment Opportunity in Bangladesh

- ❑ One of the main components of the Islamic finance system
- ❑ The first Sukuk was issued by Bangladesh Bank In Dec 2020 to finance safe water supply projects
- ❑ The government collected **BDT 4,000 crore** where the investors submitted bids worth of **BDT 15,153 crore** <sup>15</sup>

### Investment from British Universities

- ❑ At least **9** British universities are eager to invest in Bangladesh
- ❑ Interested in insurance, stock exchange, and **capital market** <sup>16</sup>

# BANK AND NBF I

## Investment in Capital Market

- ❑ Circular issued by BB called for the formation of a special fund of **BDT 200 crore** from each scheduled bank to invest in capital market
- ❑ **25** banks out of 41 have so far invested **BDT 1,033 crore** in the capital market
- ❑ Invest in equity shares, mutual funds, bonds/debentures, special purpose funds without provision <sup>17</sup>

## Dividend Policy Declared by Central Bank

- ❑ Banks with a stronger capital base can provide higher dividend in the form of cash and stock
- ❑ No dividend declaration for NBFIs with a CAR of less than **10%** and more than **10%** default loans
- ❑ NPL of 33 NBFIs stood at **BDT 6,399 crore**, **9.5%** of the total loans in Dec 2020 <sup>18</sup>

## NBFI Leaders in 2020

### ❑ IDLC:

profit – **BDT 254.1 crore**, growth – **49.5%**,  
net operating cash flow/share – **BDT 9.05**, dividend – **35%** (cash) <sup>19</sup>

### ❑ IPDC:

profit – **BDT 70.5 crore**, growth – **25.4%**,  
net operating cash flow/share – **BDT 20.58**, dividend – **12%** (cash) <sup>20</sup>



07

## Brac

- ❑ Raise **BDT 1,350 crore** by issuing zero-coupon bonds
- ❑ Unsecured, non-convertible, and fully redeemable
- ❑ Face value **BDT 1 crore**, tenure 1.5 to 5 years, discount rate **8.5%** <sup>21</sup>

## Unilever Consumer Care

- ❑ Dividend recommended - **440%** (cash)
- ❑ Net asset value (NAV) per share - **BDT 123.08** <sup>22</sup>

## Spotify

- ❑ The world's most popular audio-streaming subscription service with **345 million** users, including **155 million** subscribers, across **93** markets
- ❑ Launches into **85** new markets including **Bangladesh** <sup>23</sup>

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