

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.

Go on with policy support to fight second wave: IMF

- Bangladesh faces challenges in sustaining the effective response it unveiled in the initial phase of the pandemic last year as it grapples with a devastating second wave of the deadly pathogen, the International Monetary Fund has said. When asked about the types of fiscal measures the government needs to take to address the pandemic-induced economic downturn, deputy director for the Asia and Pacific Department of the IMF said that the challenge for policy was to sustain the effective response that Bangladesh made during the initial phase of the crisis.

- Since Covid-19 hit Bangladesh on March 8 last year, the government has announced 23 stimulus packages involving BDT 1.24 trillion, which is more than 4% of the country's gross domestic product. As of March 18 this year, banks disbursed about BDT 130.11 billion among 89,892 borrowers under the stimulus package worth BDT 200 billion earmarked for the SME sector, data from the central bank showed. Despite extending the deadline thrice by the central bank, many banks showed unwillingness to disburse loans to the SME sector, which is considered the bedrock of the economy. The Bangladesh Bank has recently asked banks to disburse the fund by June. Banks have disbursed 72% of the stimulus package for the farm sector, which received BDT 50 billion.

<https://www.thedailystar.net/business/news/go-policy-support-fight-second-wave-imf-2080421>

Cigarette, mobile, pharma sectors pay higher VAT

- Three sectors - cigarette, pharmaceuticals and mobile phone - made an impressive contribution to the government's revenue collection efforts during the first three quarters of the current fiscal year despite the disruptions being caused by the Covid pandemic to the country's economy. In the first three quarters of the current fiscal year (FY), 2020-21, VAT collection from large taxpayers grew by 9.17% thanks to those three sectors, officials said. Cigarette industry was the largest contributor, as usual.

- Increase in price of cigarettes and hike in Supplementary Duty (SD) levied in the budget also helped to collect higher revenue from cigarette sector. Price of low-tier cigarettes increased by BDT 2.0 in the budget, while its SD rose to 57% from 55%. On the other hand, tax and price slab of medium-tier cigarette remained unchanged, while prices for high-tier and premium quality increased by BDT 4.0 and BDT 5.0 respectively.

<https://today.thefinancialexpress.com.bd/first-page/cigarette-mobile-pharma-sectors-pay-higher-vat-1618855605>
<https://www.newagebd.net/article/135853/vat-receipts-from-big-cos-grow-by-917pc-in-july-march>

Directorate of National Savings (DNS) to be lone seller to institutional investors

- The government is considering selling savings instruments to institutional buyers only by savings directorate offices instead of banks and post offices with intent to check intrusion of illicit funds. As part of automation to curb misuse of the facility, a senior finance ministry official said, the sale of certificates to institutional investors only by the directorate is under consideration. Government, private sector and autonomous bodies are allowed to invest their provident funds in buying 'Five-year Bangladesh Sanchayapatra' of the Directorate of National Savings (DNS) as institutional investors. There is no upper or lower limit for recognised provident funds in buying the designated savings certificate, meaning they can buy as much as they need.

- According to DNS officials, the banks and post offices, which sell savings tools, do not conduct due diligence properly. Thus, possibilities are there that unauthorised persons or companies may take the advantage and make investment in savings instruments, they said.

- The government in 2020 found that the sale of savings tools went up unusually and feared the investment of unauthorised or undeclared money. Later, the government automated the selling of savings tools and made submission of taxpayer's identification number mandatory for buying the instruments. This has helped check the buying of savings tools with undeclared money, officials said. The government set a net borrowing target of BDT 200 billion by selling savings tools this fiscal year. However, the net borrowing till February 2021 reached BDT 293 billion.

<https://today.thefinancialexpress.com.bd/last-page/dns-to-be-lone-seller-to-institutional-investors-1618856179>

Payra downgraded to seaport from deep seaport

- After five years of effort, the government has given up the idea to build a deep seaport in Payra and decided to build a regular seaport there, says State Minister for Shipping. Accordingly, the port site has been relocated from its original offshore location by 65 kilometres to an onshore location at the mouth of the Rabnabad channel. Downgrading the project from deep seaport means Payra would not host any mother vessel or very large ships-- but smaller vessels like

the ones handled by the Chattogram and Mongla ports. We are not building any deep seaport here considering that we are a cyclone-prone country and the southwestern region is most hit by cyclones, said the state minister.

- This will leave Bangladesh with just one deep seaport project in Matarbari near Maheshkhali that has an 18-metre draft – good enough for berthing mother vessels. The Matarbari deep seaport project is now being developed under a Japanese loan side by side with the Matarbari 1200-megawatt coal power project.

<https://www.tbsnews.net/bangladesh/infrastructure/payra-downgraded-seaport-deep-seaport-234118>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$63.80	\$15.28	31.49%
Crude Oil (Brent)*	\$67.48	\$15.68	30.27%
Gold Spot*	\$1,770.43	(\$124.67)	-6.58%
DSEX	5,349.92	(52.15)	-0.97%
S&P 500	4,163.26	407.19	10.84%
FTSE 100	7,000.08	539.56	8.35%
BSE SENSEX	47,949.42	198.09	0.41%
KSE-100	44,913.57	1,158.19	2.65%
CSEALL	7,553.50	779.28	11.50%

Exchange Rates

USD 1 = BDT 84.87*
GBP 1 = BDT 118.82*
EUR 1 = BDT 102.33*
INR 1 = BDT 1.14*

**Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.*

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