

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.

Important News Snippets

Covid claims 261 more lives Positivity rate at 25.7%

- Covid-19 claimed 261 more lives during the last 24 hours until Saturday morning, the second highest in a single day since the pandemic hit the country. With new ones, the total number of deaths from the highly contagious disease reached 22,411, the data available with the Directorate General of Health Services (DGHS) showed.
- The DGHS in its regular bulletin also said 8,136 more people tested positive during the 24-hour period, taking the total number of cases to 1,343,396.
- The positivity rate was recorded at 25.7% as 31,714 samples were tested during the period, the DGHS said, adding that the country conducted over 8.0 million tests so far.
- The country reported the highest single-day deaths of 264 on Thursday. It logged the first Covid positive case on March 8 and the first death on March 18 last year. During the last 24 hours, the fatality rate was reported at 1.7%.

<https://today.thefinancialexpress.com.bd/first-page/covid-claims-261-more-lives-positivity-rate-at-2565pc-1628359112>

Central bank moves to mop up excess liquidity from banks

- The Bangladesh Bank has decided to mop up excess liquidity from banks by issuing bills, aiming to control price pressure and keep the money market stable. The central bank's intervention has come just a week after it announced an expansionary monetary policy for the current fiscal year.
- The central bank is set to start issuing bills from 9 August through auction after a break of three years. The last auction was held on 29 March 2018.
- The total excess liquidity in the banking sector almost doubled in the last one year and stood at BDT 2.49 trillion this June. The figure was BDT 1.4 trillion in the same period last year, according to Bangladesh Bank's data.
- High inflows of remittance sent by expatriate Bangladeshis have mostly contributed to excess liquidity as the central bank is purchasing dollars from the market injecting money. Remittance inflows hit a record high with over 36.0% growth in the just-concluded fiscal 2020-21 despite the pandemic.

<https://www.tbsnews.net/economy/banking/central-bank-moves-mop-excess-liquidity-banks-284143>

Remittance inflow may decline further: Experts

- Bangladesh witnessed an unprecedented boom in remittance inflow amid the Covid-19 pandemic, hitting the single-month record of USD 2.6 billion in July last year. But the cash inflow has been declining and it may come down further in the coming days, experts say.
- Remittance dropped 28.0% to USD 1.87 billion this July from a year ago, according to a recent report of the Bangladesh Bank, which notes that inflow also decreased by more than 3.0% in the same month compared to the previous one despite the Eid-al-Adha festival.
- In FY 2020-21, the July inflow of USD 2.6 billion was an increase of 62.5% compared to the remittance sent a year ago. The country's remittance earnings reached an all-time high of USD 24.8 billion in the last fiscal year despite the Covid-19 pandemic.

<https://www.tbsnews.net/economy/remittance-inflow-may-decline-further-experts-284185>

Private investment hits a trough

- Private investment in Bangladesh fell to its lowest level in 14 years in the last fiscal year owing to the lingering uncertainty caused by the coronavirus pandemic and continuing structural weaknesses.
- In 2020-21, the private investment-to-gross domestic product (GDP) ratio declined to 21.3%, provisional data from the Bangladesh Bureau of Statistics (BBS) showed. This is the lowest ratio since 2007-08.
- The proportion was also lower than the 24.4% private investment predicted for the last fiscal year in the Eighth Five-Year Plan. The ratio had risen to 23.5% in 2018-19. It declined to 22.1% in 2019-20 amidst the onset of Covid-19 in March last year.

<https://www.thedailystar.net/business/economy/industries/investments/news/private-investment-hits-trough-2147471>

Pharmas eye strong local base for key ingredients

- The pharmaceutical industry of the country is going to make a giant stride as local companies are setting up factories in a dedicated park near Dhaka to produce active pharmaceutical ingredients (APIs) to reduce dependence on import for key raw materials for drugs.
- At least five companies including Acme, Healthcare, UniHealth and Ibn Sina have started setting up factories in Munshiganj's Gazaria API Park and a dozen more companies including Square, Beximco, and Opsonin are going to do the same soon. Some of the companies said they would start production from the beginning of next year.
- According to API Industrial Park Project Director, 27 companies have taken allotment of plots with an expected investment of BDT 30.0 billion. Acme and Healthcare have made considerable progress on their API facilities, and they plan to start production in 2022.
- Experts say that the innovative production of API by the local pharmas would help keep this booming BDT 270.0 billion sector on track in future.
- According to the Bangladesh Association of Pharmaceutical Industries (Bapi), at present, local companies can produce only 3.0% of the total demand for central ingredients of drugs and import the remaining 97% from various countries.

<https://www.tbsnews.net/economy/pharmas-eye-strong-local-base-key-ingredients-284980>

Government to cut total import duty on rice to 15.0%

- The government has decided to cut the total import duty on rice in a bid to rein in prices of the staple in the local market. The National Board of Revenue (NBR) is going to lower the duty on rice to 15.0% from the existing 25.0%.
- Sources said the reduced tax rate on import of rice might be valid until October next. According to the Trading Corporation of Bangladesh (TCB), prices of coarse rice went up by 37.0% in a year.

<https://today.thefinancialexpress.com.bd/first-page/govt-to-cut-total-import-duty-on-rice-to-15pc-1628358921>

Petrobangla owes NBR BDT 213 billion VAT arrears

- The state-owned Petrobangla has suspended submission of monthly VAT (value-added tax) returns since December 2020. The oil and gas company owes BDT 213.2-billion VAT arrears to the National Board of Revenue (NBR) until 07 August 2021.
- NBR officials said non-payment of such a large amount of dues revenue left an adverse impact on the NBR's effort to increase the tax-GDP ratio and mobilise the targeted tax revenue. However, Petrobangla officials say the company is unable to pay the huge amount of VAT under its current financial condition.
- Earlier, there was a decision of finance ministry on 14 March 2017 to settle BDT 167.8-billion VAT dues of Petrobangla through book adjustment that remained unimplemented.
- The petroleum sector contributes 10% of the total revenue collection by the NBR.

<https://today.thefinancialexpress.com.bd/last-page/petrobangla-owes-nbr-BDT -213b-vat-arrears-1628356349>

BRAC gets approval from Microcredit Regulatory Authority (MRA) to issue zero-coupon bonds

- BRAC, the country's largest microcredit provider, on Thursday received approval from Microcredit Regulatory Authority (MRA) to issue zero-coupon bonds worth BDT 13.5 billion. The bond is unsecured, non-convertible, and fully redeemable with its tenure from one and a half years to five years.
- Institutional investors, corporates and high net worth individuals will be eligible to purchase this bond with a multiple of BDT 10.0 million.
- According to the BRAC CFO, the bonds would open up avenues for non-lender institutions to invest in BRAC microfinance programme. The bonds will help improve the livelihoods of people who need access to affordable financial solutions, especially in marginalised communities, in a more efficient way.

<https://today.thefinancialexpress.com.bd/stock-corporate/brac-gets-approval-from-mra-to-issue-zero-coupon-bonds-1628348124>
<https://www.thedailystar.net/business/economy/news/brac-issue-BDT -1350cr-bonds-2147456>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 68.28 | USD 19.76 | 40.73% |
| Crude Oil (Brent)* | USD 70.70 | USD 18.90 | 36.49% |
| Gold Spot* | USD 1,763.03 | (USD 132.07) | -6.97% |
| DSEX | 6,535.87 | 1,133.80 | 20.99% |
| S&P 500 | 4,436.52 | 680.45 | 18.12% |
| FTSE 100 | 7,122.95 | 662.43 | 10.25% |
| BSE SENSEX | 54,277.72 | 6,526.39 | 13.67% |
| KSE-100 | 47,489.95 | 3,734.57 | 8.54% |
| CSEALL | 8,099.12 | 1,324.90 | 19.56% |

Exchange Rates

USD 1 = BDT 84.68*
 GBP 1 = BDT 117.48*
 EUR 1 = BDT 99.61*
 INR 1 = BDT 1.14*

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

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