

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.

Matarbari deep seaport construction to be completed by 2026

- Japan plans to complete the construction of the Matarbari Deep seaport by 2026, a senior official of the Japanese Foreign Ministry told the FE. As per the schedule, the port construction will be completed by 2026, and Japan is confident of meeting the deadline.

<https://thefinancialexpress.com.bd/national/matarbari-deep-seaport-construction-to-be-completed-by-2026-1649521847>

Businesses demand 5-year tax exemption for greenfield projects

- The Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI) has demanded a five-year tax exemption for greenfield projects to attract investment in the country. The trade body has also demanded a 250 basis point tax cut in the corporate tax to encourage investment..

<https://www.tbsnews.net/economy/businesses-demand-5-year-tax-exemption-greenfield-projects-400426>

Failsafe device probing payroll tax-dodging

- Evading payroll taxes is being made difficult for both employees and employers as National Board of Revenue (NBR) started monthly scrutiny of salary payout through electronic tax deduction at source (e-TDS) system, as a measure of enhancing government revenue.
- NBR have set a target to register 5,000 companies under the e-TDS system, mopping up BDT 10 billion in taxes by June 30, 2022. According to a primary estimation, NBR assume an annual loss of tax revenue in the form of direct tax worth BDT 250 billion for not having e-TDS system in place thus far. The received a total of BDT 510 billion as Tax Deducted at Source (TDS) from the income taxpayers in FY21.

<https://thefinancialexpress.com.bd/trade/failsafe-device-probing-payroll-tax-dodging-1649557729>

Multilateral lenders mull higher cost loans

- Low-cost foreign loans are going to be a thing of the past for Bangladesh as it enters the realm of increased per capita national income and growing economic development. Different development partners of Bangladesh - from the World Bank (WB), Asian Development Bank (ADB) to JICA and AIIB - have also started mulling revisions to the terms of loans given to the country.
- Pear Mohammad, additional secretary and wing chief, ERD, said, the ADB was set to change the terms of the loans and also reduce the amount of flexible debts, while increasing the Secured Overnight Financing Rate (SOFR) loans. He said that according to calculations, flexible loans for Bangladesh will come down once it graduates from LDC, but ADB wants to do that before the graduation.
- Another ERD official said that the per capita national income of Bangladesh was now more than USD 2,000. The WB wants to recognise Bangladesh as an IDA-blend. The WB will prepare an assessment report and at the end of 2027, following which Bangladesh would become an IDA-blend country. Then the IDA will reduce the amount of flexible loans. As a blend country, Bangladesh will have to take high-interest market based or SOFR based loans, which ranges interest rate of 3-4%.
- The ADB is currently giving Bangladesh loans at a 2% interest rate or a rate based on the London Interbank Offered Rate (LIBOR).

<https://www.tbsnews.net/economy/multilateral-lenders-mull-higher-cost-loans-400442>

Spot-market LNG imports rise on gas shortage

- The government would import three liquefied natural gas (LNG) cargoes, instead of two, from the volatile spot market to overcome the countrywide gas crisis. The rise in LNG import is because of last week's abrupt fall in gas supply from the country's largest Bibiyana gas field, causing this crisis.
- It purchased the latest LNG cargo from the spot market at around USD 35 per metric million British thermal unit (mmBtu) for April delivery. Qatargas also increased supply of LNG under a term contract through rescheduling its previous LNG cargo delivery plan for Bangladesh.
- The overall supply increased to 3,150 mmcf with around 850-mmcf regasified LNG while local gas fields supplied around 2,300 mmcf to overcome the crisis. The country's overall natural gas demand is more than 4,000 mmcf, according to the state-run Petrobangla.

<https://thefinancialexpress.com.bd/trade/spot-market-lng-imports-rise-on-gas-shortage-1649558767>

Bangladesh becoming a key sweater sourcing hub

- Bangladesh is turning into a major sourcing hub for sweaters for international clothing retailers and brands as work orders are shifting from China and global fashion trends are changing. Chinese manufacturers are no longer interested in making sweaters because of the complexities in the manufacturing process, higher cost of production, and shortage of skilled workers, according to industry insiders.
- Earnings from sweater exports reached USD 4.05 billion in FY21, up 12.62% year-on-year. In FY20, the receipts stood at USD 3.59 billion, a decrease of 15.47% from the previous year's USD 4.25 billion, as the severe fallout of the coronavirus pandemic took a toll.
- Managing director of Dragon Sweater and Spinning told that the historical trends indicate that the export earnings will cross USD 6.0 billion at the end of the current fiscal year. He added that his company secured 20% per cent higher rates this year after his buyers adjusted the price in line with increased cutting and manufacturing costs and raw materials prices in the local and international markets.

<https://www.thedailystar.net/business/economy/news/bangladesh-becoming-key-sweater-sourcing-hub-3001701>

Bangladesh's apparel exports to US increase by 44.38pc in Jan-Feb

- Bangladesh's apparel exports to the United States grew by 44.38% to USD 1.44 billion in 2MCY22 on the back of increased prices and demand for readymade garment products in the market. Exporters said that the successful rebound of the US economy from the shock of the Covid-19 pandemic and increased import orders of knitwear products from the US to Bangladesh contributed to growth.
- According to the Otexa data, the value of apparel products in January-February increased more than the volume in the world market. In terms of volume, the apparel export to the US from Bangladesh in the first two months of this year grew by 35.11% to 530 million square metres from 392 million square metres in the same period of 2021.

<https://www.newagebd.net/article/167708/bangladeshs-apparel-exports-to-us-increase-by-4438pc-in-jan-feb>

Bourses asked not to list banks in 'Z' category

- Bangladesh Securities and Exchange Commission has asked Dhaka and Chittagong stock exchanges not to degrade any company's share, mainly the banks to 'Z' category, in case of failure to declare cash dividends due to any

regulatory restrictions. The BSEC on April 7 issued a letter to the bourses and gave instructions.

- BSEC instruction said, 'No securities listed with the stock exchanges shall be placed or adjusted to 'Z' category in case of failure of declaring cash dividend for 2 consecutive years for any regulatory restrictions or compliance purpose.' The instruction would only be applicable to the banks as there are no listed companies except banks which have regulatory restrictions in declaration of cash dividend. There are 26 companies whose shares were trading under 'Z' category.

<https://www.newagebd.net/article/167707/bourses-asked-not-to-list-banks-in-z-category>

BB, Brac Bank sign deal to refinance small businesses

- Bangladesh Bank and BRAC Bank have signed an agreement to provide refinancing facilities to cottage, micro, small and medium enterprises (CMSMEs). The financial support will be provided as a Covid-19 stimulus package to help small businesses recover from the onslaught of the pandemic. Asian Infrastructure Investment Bank (AIIB) will provide the fund under its Covid-19 emergency and crisis response facility project. Under the agreement, BRAC Bank and other participating banks will avail of refinancing facilities amounting to BDT 25.2 billion from Bangladesh Bank and provide subsidised interest credit to the CMSMEs.

<https://www.thedailystar.net/business/organisation-news/news/bb-brac-bank-sign-deal-refinance-small-businesses-3001581>

Walton doubles motherboard production

- Walton inaugurated its second motherboard manufacturing plant at its factory in Gazipur's Kaliakoir, where printed circuit board assembly (PCBA) is being produced. Similar to the first manufacturing unit, the second plant also has the capacity of installing 72,000 components per hour. Walton's motherboards have been used in 6.2 Mn digital devices since January 2021. The motherboards are also used in the products it exports to the markets such as the EU and the US.

<https://www.thedailystar.net/business/economy/news/walton-doubles-motherboard-production-3001686>

Two banks declare dividends for 2021

- The City Bank recommended a 25% dividend – 12.5% cash and 12.5% stock. Consolidated net profit was BDT 5,496.1 Mn in 2021, up from BDT 4,364.9 Mn in the previous year. The consolidated EPS stood at BDT 5.15 and its net asset value at BDT 30.68.
- Pubali Bank recommended a 12.5% cash dividend for 2021. The consolidated net profit of the company was BDT 4,349.7 Mn in 2021, which was BDT 3,701.9 Mn in the previous year. Its consolidated EPS stood at BDT 4.23 and its net asset value at BDT 38.69.

<https://www.tbsnews.net/economy/stocks/two-banks-declare-dividends-2021-400398>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 98.26	USD 23.05	30.65%
Crude Oil (Brent)*	USD 102.78	USD 25.00	32.14%
Gold Spot*	USD 1,947.54	USD 118.34	6.47%
DSEX	6,641.23	-115.42	-1.71%
S&P 500	4,488.28	-277.90	-5.83%
FTSE 100	7,669.56	285.02	3.86%
BSE SENSEX	59,447.18	1,193.36	2.05%
KSE-100	44,444.58	-151.49	-0.34%
CSEALL	8,135.25	-4,090.76	-33.46%

Exchange Rates**1 US Dollar = 86.24 BDT****1 GBP = 112.41 BDT****1 Euro = 93.79 BDT****1 INR = 1.14 BDT**

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