

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.

Shrimp exports turn around

- Shrimp exporters have made a turnaround from seven years of decline as shipments surged in 9MFY22 on the back of increased prices powered by higher demand, according to industry insiders. Earnings from shrimp exports stood at USD 332.72 million during the period, up 37% year-on-year.
- Industry operators say that many processing companies resumed shrimp exports as they are getting higher prices in the international market after tackling the strong competition from producers in other countries. Senior vice president of the Bangladesh Frozen Foods Exporters Association told local producers are expecting to export more vannamei shrimps in the future to tackle global demand. Around 80% of the global market is occupied by vannamei shrimps while the black tiger variety holds 11% and giant river prawns 5.5%.

<https://www.thedailystar.net/business/economy/news/shrimp-exports-turn-around-3006056>

Duty erosion may cost USD 5b in EU market: study

- Bangladesh is likely to lose USD 5.28 Bn worth of businesses annually in the European Union in the post-LDC era because of the erosion of preferential trade benefits following the country's graduation from the group of the least-developed countries, according to a new study.
- Currently, Bangladesh enjoys tariff benefits in 38 countries as an LDC. Goods bound for the EU market would be subjected to an 8.91% tariff in the post-LDC period. As a result, 26.28% of the exports to the bloc would be affected, showed the study.
- Bangladesh may lose USD 536 million worth of exports (42.05% of the shipment) in case of Canada, where exporters will face a 14.47% duty. In Japan, the loss might stand at USD 388.12 million (30.53%), with 8.89% duty in the post-LDC period.
- In Korea, Bangladesh will face a 7.94% duty and lose businesses amounting to USD 87.78 Mn (27.53%). In China, the loss would be USD 76.55 Mn (8.29%), owing to a 2.96% tariff. Exporters may face 4.62% duty in New Zealand and lose USD 10.13 Mn (11.90%).

<https://www.thedailystar.net/business/economy/news/duty-erosion-may-cost-5b-eu-market-study-3006066>

No major progress in post-LDC preparation

- Bangladesh is yet to make any significant progress in its preparation to retain duty preference set to be withdrawn once it graduates from the group of the least-developed countries (LDCs). In its Eighth Five Year Plan and the Export Policy for 2021-24, the government said it plans to sign FTAs and PTAs with major trading partners. Bangladesh has, so far, been able to strike a PTA with Bhutan. And talks are underway to ink the Comprehensive Economic Partnership Agreement (CEPA) with India.
- The government plans to pen trade deals with India, China, Malaysia, Vietnam, Japan, and the countries under the Association of South-East Asian Nations (Asean), the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and the Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- Tapan Kanti Ghosh, senior secretary of the commerce ministry, said the government Bangladesh will enjoy duty

benefits in the EU up to 2029 as the bloc has extended three years additionally as a grace period. Australia recently said it will continue the duty privilege to Bangladesh after graduation. Moreover, negotiation is underway through the World Trade Organisation (WTO) for the extension of the LDC-related duty privileges for the graduating countries for 12 more years.

<https://www.thedailystar.net/business/economy/news/no-major-progress-post-ldc-preparation-3006081>

Sukuk auction on Apr 19 to raise BDT 50b

- The central bank will hold an auction to issue Istisna Sukuk bonds to eligible banks, non-banking financial institutions (NBFIs), insurance companies and individuals. The Bangladesh Bank, as a special-purpose vehicle for the issuance of government securities, has completed all necessary preparations to issue the third set of the Shariah-based bonds.
- BDT 50.0 Bn would be raised to implement a rural infrastructure-development project. Investors will receive a 4.75% profit on their investment in these bonds on a half-yearly basis (annualised). The duration of the project is five years. The tenure of the bond is also five years.

The regulator has already set a fresh Sukuk-allotment quota with priority to Shariah-based Islamic banks, NBFIs and insurers for the auction of the bonds. As per the BB criteria, Shariah-based Islamic banks, NBFIs and insurance companies will be eligible for 80% instead of 70% earlier Sukuk certificates. Conventional banks and other financial institutions will be entitled to receive 8.0% of the bonds instead of 15%.

- Besides, 10% of the Bangladesh Government Investment Sukuk (BGIS), generally known as Istisna Sukuk, will be sanctioned to Islamic branches and windows of conventional banks. Individual investors will be eligible to get the remaining 2.0% instead of 5.0% earlier.

<https://today.thefinancialexpress.com.bd/first-page/sukuk-auction-on-apr-19-to-raise-tk-50b-1650129723>

BPDB to incur BDT 302.52b loss annually if bulk power tariff not raised

- State-owned Bangladesh Power Development Board (BPDB) will incur an annual loss of BDT 302.52 billion if the bulk power tariff is not raised. BPDB also claimed that it will require approximately BDT 741.89 billion to generate 88.993 billion units of electricity in the calendar year 2022.
- BPDB is expecting an income of BDT 439.37 billion, and so, the gap between income and expenditure will be BDT 302.51 billion. BPDB moved the proposal a few months back urging the energy regulator to set the bulk power tariff at BDT 8.58 instead of the existing BDT 5.17 per kilowatt-hour. It attributed blame to increasing fuel costs and other soaring expenses for its losses, saying that the production cost of electricity has gone up to BDT 4.24 per unit in 2022 from BDT 2.13 in the fiscal year 2019-20.

<https://thefinancialexpress.com.bd/national/bpdb-to-incur-tk-30252b-loss-annually-if-bulk-power-tariff-not-raised-1650124247>

BSEC moves for maiden Real Estate Investment Trust this year

- Bangladesh Securities and Exchange Commission (BSEC) is planning to introduce a Real Estate Investment Trust (REIT) by this year. Managing Director of City Bank Capital Resources estimates a market ready to build REITs is worth around BDT 50.0 Bn. Professor Shaikh Shamsuddin Ahmed, a BSEC commissioner, told that the regulator are framing the regulations for REITs with a target to introduce the first one by this year.

<https://www.tbsnews.net/economy/stocks/bsec-moves-maiden-real-estate-investment-trust-year-404322>

Licences of five merchant banks to be cancelled soon: BSEC

- A top official of the Bangladesh Securities and Exchange Commission (BSEC) said they have become tougher against

the merchant banks having no role in bringing any IPO. BSEC has already cancelled the licence of merchant banks which failed to bring a single IPO, and the licences of some other five merchant banks are set to be cancelled soon. In the last one decade, a total of 115 companies went public raising capital through IPOs and 32 IPOs of those were solely managed by only three merchant banks. The remaining 43 merchant banks managed 83 IPOs during 2012-2022 and 20 merchant bankers had no role in bringing any IPO.

- The three merchant banks which managed the highest number of IPOs are ICB Capital Management (13 IPOs), LankaBangla Investments (11 IPOs) and IDLC Investments (8 IPOs) on lone basis.

<https://today.thefinancialexpress.com.bd/stock-corporate/licences-of-five-merchant-banks-to-be-cancelled-soon-bsec-1650123521>

NRBC recommends 15pc dividend

- The Board of Directors of NRB Commercial (NRBC) Bank Limited has recommended 7.50% cash dividend and 7.50% stock dividend for the year 2021. Consolidated Earnings per Share (EPS) of NRBC Bank stood at BDT 3.07, which was BDT 1.87 in 2020. consolidated Net Asset value (NAV) per share at December 2021 stands at BDT 16.25 whereas it was BDT 13.33 in the last December last year.
- The bank had given emphasis on disbursement of loans and advances in Islamic banking and microcredit beside the conventional banking. As a result, the total loan disbursement has increased 40.17%. Besides, the deposit collection has increased 27%.

<https://thefinancialexpress.com.bd/trade/nrbc-recommends-15pc-dividend-1650106177>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 106.95	USD 31.74	42.20%
Crude Oil (Brent)*	USD 111.70	USD 33.92	43.61%
Gold Spot*	USD 1,978.24	USD 149.04	8.15%
DSEX	6,584.97	-171.68	-2.54%
S&P 500	4,392.59	-373.59	-7.84%
FTSE 100	7,616.38	231.84	3.14%
BSE SENSEX	58,338.93	85.11	0.15%
KSE-100	46,601.54	2,005.47	4.50%
CSEALL	8,135.25	-4,090.76	-33.46%

Exchange Rates**1 US Dollar = 86.43 BDT****1 GBP = 112.87 BDT****1 Euro = 93.43 BDT****1 INR = 1.11 BDT**

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