

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.

The Asian Development Bank (ADB) cuts growth projection for second wave

- The Asian Development Bank (ADB) has downsized its projection about the Bangladesh's GDP growth in the current fiscal year of 2020-21, considering the second wave of Covid pandemic and fresh lockdown that restricted economic activities. The ADB had projected that Bangladesh's GDP growth would pick up to 6.8% in 2020-21 with stimulus package implementation and recovery in global growth and trade. However, ADB Country Director said that as the second wave of Covid-19 is ongoing and the situation is still fluid, these impacts were not considered in their outlook. It may be in the range of 5.5 to 6%, which is also quite enviable in the circumstances, he said. According to the ADB outlook, Bangladesh's GDP growth in fiscal 2021-22 is expected to edge up further to 7.2% as both exports and imports were picking up under sustained global recovery.
- The government also on Sunday for a second time revised down the GDP growth forecast to 6.1% for FY21, reflecting the devastating impacts of the second wave of the coronavirus pandemic on the battered economy. It had initially targeted to achieve an 8.2% expansion of the gross domestic production (GDP) in the current fiscal year and later the target was reset at 7.4%. Earlier in March, World Bank projected that Bangladesh's GDP might grow as high as 5.6% in FY21. International Monetary Fund (IMF) in its latest World Economic Outlook on April 6 forecast that the country would achieve a GDP growth of 5% in FY21.

<https://www.thedailystar.net/business/news/adb-cuts-growth-projection-second-wave-2085613>
<https://www.tbsnews.net/economy/adb-more-optimistic-world-bank-imf-regarding-bangladeshs-economic-growth-238489>

Tax regime discouraging investment in telecom: Robi

- The high tax regime in Bangladesh – which the telecom operators consider as their biggest challenge – is discouraging investment in this sector, said Robi Axiata Ltd Chief Executive Officer. Telecoms will not be able to provide 100% 4G connectivity even in the next three years if this taxation structure remains unchanged, he said while discussing the upcoming budget and current issues in the telecom industry at a virtual event. Making a presentation, he continued, From 2011-2015, industry average investment per year was BDT 57.27 billion. But from 2016-2020, the per year investment dropped to BDT 45.55 billion.
- The second largest mobile operator's boss also said the mobile operators are the victims of unfair, irrational and discriminatory tax structure, despite fueling the digital economy as a platform for services such as digital payment, ride sharing, deliveries, education, health, agriculture and e-commerce. Mobile operators are currently paying 2% Minimum Turnover Tax, while the tobacco industry is paying only 1% and others 0.60%. Presenting a comparative scenario of corporate tax in some other countries, the Robi CEO said Bangladesh also imposes a higher corporate tax on telecom operators. Corporate tax in Malaysia, Indonesia and Sri Lanka is only 24%, 25% and 28% respectively, but it is 40% in Bangladesh. Due to this high taxation, mobile phone operators' return on investment is also decreasing gradually.

<https://www.tbsnews.net/bangladesh/telecom/tax-regime-discouraging-investment-telecom-robi-238771>
<https://www.newagebd.net/article/136605/robi-for-minimum-turnover-tax-withdrawal-in-fy22>

Plastic pipe industry growing fast

- The domestic plastic pipe industry is growing at around 20% a year thanks to its rising demand in the ongoing government development projects and modern water supply, sewerage and irrigation systems. Around BDT 60 billion worth of plastic pipes were sold in 2020 and 80% of the demand was met by the major local manufacturers, including RFL Plastics, National Polymer, Lira, Gazi, Anwar Polymer Industries Ltd and Bengal Plastic.
- The rising purchasing capacity of people and increasing tendency of using modern technology in water supply and sewerage system have fuelled the demand for pipe, the managing director of National Polymer. Widespread urbanisation has also played a major role, he said. People are adopting state-of-the-art technologies to boost agricultural yield to ensure best use of land amid rising population and depleting agricultural lands, he said. These are giving a boost to the demand for pipe.

<https://www.thedailystar.net/business/news/plastic-pipe-industry-growing-fast-2085605>

BSEC move to facilitate renewal of PPAs with listed power companies

- The securities regulator has moved to facilitate the renewal of the power purchase agreements (PPAs) earlier signed between the government and some listed power companies. As part of the move, the BSEC has urged the Ministry of Power Energy and Mineral Resources to provide information regarding the scope of renewing the listed power

companies' PPA. Besides, the securities regulator is trying to convince the government for the renewal of the listed power companies' PPA.

- According to BSEC information, Baraka Power, Dhaka Electric Supply Company, Doreen Power Generation and Systems, Energypac Power Generation, GBB Power, Khulna Power Company, Power Grid Company of Bangladesh, Shahjibazar Power Company, Summit Power and United Power Generation and Distribution Company have signed PPAs with the government. Institutions and general investors have shares ranging between 10% and 68.97% in these listed companies.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-move-to-facilitate-renewal-of-ppas-with-listed-power-cos-1619625577>

City Bank-led consortium to arrange BDT 3 billion for SS Steel

- The City Bank Limited will lead a consortium of lenders to arrange a loan of BDT 3 billion for SS Steel to buy 75% shares of Southeast Union Ceramic Industry Ltd. SS Steel, which produces and sells MS Rods in the local market, has recently signed an agreement with City Bank. As per the agreement, the private sector lender will arrange BDT 2 billion as a term loan and BDT 1 billion as working capital from different banks and non-banking financial institutions. With the money, SS Steel which is listed on the stock exchanges, will buy shares of the country's largest coal-based ceramics company.

- Located in Bagerhat, Southeast Union Ceramics is a China-Bangladesh joint venture initiative with an investment of BDT 9.5 billion. A few Chinese investors and Lockpur Group are the current owners of the company that manufactures ceramic tiles.

<https://www.tbsnews.net/companies/city-bank-led-consortium-arrange-BDT300cr-ss-steel-238765>

Banks allowed to submit balance sheet by June 30

- The central bank has relaxed rules, allowing all the scheduled banks to submit their audited balance sheets by June 30, mainly due to the ongoing Covid-19 pandemic, officials said. Some banks are yet to submit their audited annual reports to the central bank because of the second wave of the (coronavirus) pandemic, a central banker explained. The existing rules stipulate that banks submit their audited balance sheets to the BB within two months after the end of each calendar year.

<https://today.thefinancialexpress.com.bd/first-page/banks-allowed-to-submit-balance-sheet-by-june-30-1619631570>
<https://www.newagebd.net/article/136632/banks-get-two-more-months-for-submission>

Mercantile Bank director Reza removed from board

- Bangladesh Bank has removed AKM Shaheed Reza from the board of Mercantile Bank due to his involvement in a loan scandal. As a result, Reza, a former chairman of the private commercial bank, will not be able to participate in any bank's operational activities in the next two years.

- The BFIU and the central bank inspection teams unearthed that Reza had received a portion of loans, which were actually disbursed to PK Halder, from International Leasing and Financial Services Ltd (ILFSL). Halder, a former managing director of now-defunct NRB Global Bank, is believed to have fled to Canada after he and his accomplices misappropriated about BDT 25 billion from ILFSL, BDT 22 billion from FAS Finance, BDT 30 billion from Peoples' Leasing, and BDT 25 billion from Reliance Finance between 2009 and 2019. Reza has a direct link with Halder, according to the BB inspection.

<https://www.thedailystar.net/business/news/mercantile-bank-director-reza-removed-board-2085573>
<https://www.newagebd.net/article/136630/bangladesh-bank-removes-shaheed-from-mercantile-bank-directorship-bans-for-2yrs>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$64.06	\$15.54	32.03%
Crude Oil (Brent)*	\$67.45	\$15.65	30.21%
Gold Spot*	\$1,788.34	(\$106.76)	-5.63%
DSEX	5,461.34	59.27	1.10%
S&P 500	4,183.18	427.11	11.37%
FTSE 100	6,963.67	503.15	7.79%
BSE SENSEX	49,733.84	1,982.51	4.15%
KSE-100	45,059.12	1,303.74	2.98%
CSEALL	7,239.94	465.72	6.87%

Exchange Rates

USD 1 = BDT 84.65*
 GBP 1 = BDT 118.24*
 EUR 1 = BDT 102.83*
 INR 1 = BDT 1.14*

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

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