

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.

Govt focuses on less current expenditure

- The government has moved to reduce its current expenditure with a focus on increasing capital expenditure to stimulate economic growth and offset the impact of COVID-19 pandemic, according to an official document. Public expenditure broadly includes all government consumption, investment and transfer payments. Current expenditure and capital expenditure are the two major categories of budget allocation, said the document recently obtained by UNB.
- According to the government document, the current expenditure of the government has been projected at 52.9 per cent of the total budget in medium term basis (2023-24 fiscal) while it is set at 54.2 per cent of the total budget in the running 2021-22 fiscal. It said the projection for 2022-23 fiscal is 53.2 per cent of the total budget while it was 56.6 per cent, 57.4 per cent, 56.7 per cent, 57.3 per cent, 61.6 per cent and 59.9 per cent in 2020-21, 2019-20, 2018-19, 2017-18, 2016-17 and 2015-16 fiscals respectively.

<https://today.thefinancialexpress.com.bd/trade-market/govt-focuses-on-less-current-expenditure-1638549965>

Promising new cotton variety may cut Bangladesh's import dependency

- Bangladesh is only second to China in cotton consumption in the world thanks to the country's thriving textile and apparel industries. However, due to acute scarcity of arable land and absence of the right technology, the country can hardly meet 3-4% of its yearly demand for 8 million bales of cotton (each bale weighs 180 kilograms). This makes it the world's top importer of the natural fibre. Now, the development of a promising new cotton variety - CDB Tula 1 – ushers in hope that Bangladesh will soon be able to cut its import dependency and increase domestic production through the high-yield, drought-tolerant, and disease-resistant homegrown cotton variety that also has a shorter maturity.
- Thanks to collaboration between the Cotton Development Board (CDB) under the Agriculture Ministry, Bangladesh Institute of Nuclear Agriculture (BINA), International Atomic Energy Agency (IAEA) and Food and Agriculture Organization of the United Nations (FAO), the new variety was developed applying nuclear technology and is now being planted at 13 different locations in Bangladesh. Over a thousand farmers are receiving training on the planting procedure. After the current stage of field demonstrations across 13 different zones in the country, CDB Executive Director Md Akhteruzzaman hopes farmers in all cotton growing zones will get seeds of the new variety by next year.

<https://www.dhakatribune.com/bangladesh/agriculture/2021/12/04/promising-new-cotton-variety-may-cut-import-dependency>

Steel manufacturers want cut in customs duty, AIT on import of raw materials

- Steel manufacturers have requested the government to reduce customs duty and advance income tax (AIT) on the import of raw materials of MS rod (Mild Steel rod), taking into consideration the current abnormal upward price trend of such materials in the international market. They fear that prices of rod may increase if the existing duties are not reduced; besides, the country is likely to face a shortage of raw materials for producing MS rod locally. Under the circumstances, the manufacturers have also requested the government to reduce value added tax (VAT) from the selling level of MS rod. Bangladesh Steel Manufacturers Association (BSMA) made the appeal through a letter sent to the commerce ministry recently.
- "60-grade MS rod/rebar, or better quality, is being sold at BDT 70,000-78,000 per tonne which was BDT 60,000-65,000 even six months back," according to the association. Therefore, BSMA proposed reducing customs duty to BDT 500 from BDT 1,500 per tonne. It also recommended reducing AIT to BDT 300 from BDT 500. Besides, the

association also requested the government to reduce VAT to BDT 250 and BDT 500 per tonne, respectively, from two existing levels of BDT 1,000 and BDT 2,000.

<https://today.thefinancialexpress.com.bd/last-page/steel-manufacturers-want-cut-in-customs-duty-ait-on-import-of-raw-materials-1638555007>

BD looks to skirt labour issues

- Bangladesh does not want inclusion of labour issues in any trade deal, contrary to the richer nations' view on the same, officials said. In a recent preparatory meeting on the just-postponed ministerial conference of the World Trade Organisation (WTO), officials of the Ministry of Commerce (MoC) expressed their reservation on proposals for inclusion of labour issues in the WTO system. The officials also sent a note to Bangladesh's Permanent Mission in Geneva, so that the issue is taken seriously and raised with the proper forum.
- They said some of the wealthier members of the WTO proposed to add labour issues to the WTO objectives. Later, the WTO Secretariat forwarded the proposal to the member countries, seeking their opinions in this regard. Meantime, the Bangladesh Tariff Commission (BTC) recently studied the requirements of reviewing the existing rules and regulations for signing free trade agreements (FTAs) and preferential trade agreements (PTAs). The BTC found that there is no mention of labour issues in the country's existing FTAs and PTAs. On the other hand, various richer nations are keen to include labour issues in the FTA and PTA deals. In this case, the BTC officials said strict pursuance of the labour law, especially the provisions of freedom of association, child labour, and labour inspection are very important.

<https://today.thefinancialexpress.com.bd/first-page/bd-looks-to-skirt-labour-issues-1638555286>

Bangladesh likely to face inequality trap despite potential to export manpower, labour-intensive manufacturing goods: UN researcher

- Bangladesh is likely to get caught in the inequality trap despite its huge potential to export manpower and labour-intensive manufacturing goods, a UN researcher said. During a keynote paper presentation, Nazrul Islam, chief of Development Research, United Nations Department of Economic and Social Affairs (UN-DESA), New York, said, "It is necessary to make development inequality-reducing rather than inequality-aggravating. It is urgent to do so before the country gets caught in the inequality trap."
- While speaking at the event, Nazrul Islam said no reduction in inequality takes place while vested interests develop in the political structures favouring inequality. To this effect, he said development needs to be more spatially distributed instead of being centred in the capital city and interests of the community should get precedence over private interests. Mr Nazrul also laid emphasis on the protection of the environment, which has undergone severe damage. Increased financial strength should translate into increased self-reliance in policy making and formulation of national plans, he stated in the keynote presentation. Mr Islam said development strategies, suggested during the early period of Bangladesh, were based on rural institutional changes, including proposals for radical land reform and communal land ownership.

<https://thefinancialexpress.com.bd/trade/bangladesh-likely-to-face-inequality-trap-despite-potential-to-earn-remittance-1638519884>

Shift from agrarian economy hits rural poverty alleviation

- The poverty alleviation efforts in rural Bangladesh have floundered following the country's rapid shift from agrarian economy to service and industry sector-led economy, according to a study. High concentration on a single crop, lack of agro product diversification, knowledge gap about high-value crop and women's unrecognised role in agriculture are the key factors hindering rural poverty reduction, it said. The researchers suggested reforming agricultural policies to support a more diversified and modernised agricultural production system, introducing high-value crops, and agro skill development to sustain poverty reduction landmarks.

<https://today.thefinancialexpress.com.bd/first-page/shift-from-agrarian-economy-hits-rural-poverty-alleviation-1638555499>

Two China-funded projects in slow lane

- Financial progress on two China-funded power- transmission projects, initiated several years ago, is less than 15 per cent now, though electricity supply in Bangladesh is far behind the generation capacity. This was disclosed in a high-level meeting held recently in Dhaka to review the progress of several of the projects funded by China, under a huge credit line, sources told the FE. One of the two projects is 'Expansion and strengthening of the power- transmission system under DPDC area', which was undertaken in 2017. Till last November, the financial progress rate of the project was found only 14.87 per cent. The loan agreement for the project was signed on July 4, 2019.
- China is providing 2630 million RMB as concessional loan and 1021.77 million (over 1.0 billion) US dollars as preferential buyer's credit for the project, scheduled to be completed by 2024. The project aims at ensuring quality power transmission without the hazards of load shedding. About the reasons behind so slow progress an official said that officials of Hifab Oy, the international consultant for the project, have yet to visit Bangladesh, "causing severe problem in completing the drawing and designing works for the project".

<https://today.thefinancialexpress.com.bd/first-page/two-china-funded-projects-in-slow-lane-1638555391>

Banking sector accounts for 29pc transactions on DSE

- The heavyweight banking sector accounted for 29 per cent of transactions on the Dhaka Stock Exchange (DSE) in the outgoing week, with four banks making their way to the list of ten most-traded stocks. Investors were mostly active in the banking sector stocks ahead of their year-end, as many banking shares are still lucrative, according to a stockbroker.
- Meanwhile, the ten most-traded stocks accounted for more than 41 per cent transactions on the prime bourse while Beximco dominated the weekly turnover chart. The four banks which featured in the week's top turnover list are ONE Bank, First Security Islami Bank, IFIC Bank and BRAC Bank. The banking sector also surged 1.80 per cent during the week.

<https://today.thefinancialexpress.com.bd/stock-corporate/banking-sector-accounts-for-29pc-transactions-on-dse-1638544953>

Bills, installment of Runner Motorcycles can be paid through Nagad

- Nagad users can now pay all kinds of bill including installments of Runner Automobiles and customers also can enjoy EMI facilities by using the bill payment option of the mobile financial service, reports BSS. The agreement between Nagad and Runner will reduce the hassle of moving with cash for transactions, which will ultimately save customers valuable time and risk of carrying cash, said a press release. Nagad, a wing of the Bangladesh Postal Department also offers EMI facilities to meet up the demand of consumers. Hence, customers can avail the opportunity through Nagad while buying a motorcycle from Runner.

<https://today.thefinancialexpress.com.bd/trade-market/bills-installment-of-runner-motorcycles-can-be-paid-through-nagad-1638550073>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 66.04	USD 17.52	36.11%
Crude Oil (Brent)*	USD 69.64	USD 17.84	34.44%
Gold Spot*	USD 1,782.90	(USD 112.20)	-5.92%
DSEX	6,936.20	1,534.13	28.40%
S&P 500	4,495.20	739.13	19.68%
FTSE 100	7,122.32	661.80	10.24%
BSE SENSEX	57,696.46	9,945.13	20.83%
KSE-100	43,232.83	-522.55	-1.19%
CSEALL	10,988.32	4,214.10	62.21%

Exchange Rates**1 US Dollar = 85.51 BDT****1 GBP = 113.14 BDT****1 Euro = 96.73 BDT****1 INR = 1.14 BDT**

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