

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

Daily Covid cases hit an all-time high at 16,230

- The daily Covid-19 caseloads hit an all-time high of 16,230 in Bangladesh on Wednesday, just a day after breaking all previous records of deaths on a single day. Previously, the highest single-day cases were reported at 15,192 along with the highest-ever daily death toll of 258 on Monday, according to the Directorate General of Health Services (DGHS).
- During the last 24 hours until 8:0am on Wednesday, the healthcare authorities reported the fatalities from coronavirus infections at 237. Of the total, the highest number of deaths was reported at 70 in Dhaka division, followed by Chattogram division with 62, Khulna division 34, Rajshahi division 21, Sylhet division 18 and Rangpur division 16.
- According to the official data, the total Covid-19 cases crossed 1.21 million in Bangladesh on the day and out of them, over 1.03 had recovered from the deadly disease. On the other hand, nearly 7.61 million samples had been tested across the country.
- Meanwhile, some 188,003 and 6,529 more people received the 1st and 2nd doses of Chinese Sinopharm vaccine respectively while the government administered 63,738 1st dose of Moderna vaccine on Wednesday. With these, the government administered a total of over 10.11 million doses of Astrazeneca-Covishield vaccine, more than 1.86 million doses Sinopharm vaccine, over 0.545 million doses of Moderna vaccine and nearly 50,500 doses of Pfizer vaccine since the mass vaccination programme was launched in the country on February 7 last.

<https://today.thefinancialexpress.com.bd/first-page/daily-covid-cases-hit-an-all-time-high-at-16230-1627495269>

Monetary policy due today

- The central bank is set to unveil today its monetary policy for the current fiscal year (FY) with an eye to accelerating recovery of the pandemic-hit economy. The Bangladesh Bank (BB) would announce the monetary policy statement for FY 2021-22 through its website to expedite offsetting the adverse impact of coronavirus on the economy through creating scope to finance more in productive sectors.
- According to the officials, the ongoing expansionary monetary policy stance would be continued this fiscal year with necessary adjustment of monetary and other macroeconomic developments. The policy rates, including CRR (cash reserve requirement), SLR (statutory liquidity ratio), repurchase agreement (repo) and reverse repo, might remain unchanged for FY22.
- As part of the strategies, the central bank is not interested in mopping up excess liquidity from the market through using monetary instruments like reverse repo or BB bills immediately. Meanwhile, banks' excess liquidity hit an all-time high of BDT 2.31 trillion as of June 30 this calendar year, fueled by lower private credit growth in a sign that the investment situation has cooled.

<https://today.thefinancialexpress.com.bd/first-page/monetary-policy-due-today-1627495412>

Lockdown's triple trouble for RMG

- The apparel industry is now bracing for a triple whammy - order losses, a burden of high airfreight costs and labor unrest following possible pay cuts - if factories are not opened by 1 August. But even the reopening of factories before 5 August appears to be a pipe dream for them with no sign of immediate respite from the raging pandemic.
- Industry insiders say buyers will cancel orders if they do not get deliveries on time. Besides, apparel exporters have to use air freight at high charges at half of the product prices. With factories sitting idle, owners will have to pay workers half of regular salaries as per law. Moreover, garment workers have threatened to go for a movement if they do not get full payments on time.
- A group of apparel factory owners have urged the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) board to allow their factories to start operation arguing that most of them cannot afford to pay idle workers. The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) leaders are also facing similar pressure as a number of factory owners have already informed their association that they would go with a "no work, no pay" policy.

<https://www.tbsnews.net/economy/rmg/lockdown-triple-trouble-rmg-280426>

Foreign aid in pipeline crosses USD 51.0 billion record

- Despite a more than USD 7 billion disbursement, the size of the foreign aid pipeline burgeoned to a record USD 51 billion in the recently concluded 2020-21 fiscal year, thanks to Covid pandemic-led crises, poor implementation capacity of the authorities and

bureaucratic tangles of the financiers.

- According to the latest report of the Economic Relations Division (ERD), the volume of the pipeline was USD 48.8 billion at the beginning of the 2020-21 fiscal year. Only 14.5% of the foreign aid committed at the beginning of the last fiscal year was disbursed whereas economic experts think a minimum 20.0% disbursement will be deemed as good performance.
- Deadlines for development projects usually range from three to five years as delays in project recruitment, issues over land acquisition and tenders, frequent changes of project directors and delay in decision-making affect project implementation, officials noted. On top of this, bureaucratic tangles of the development partners sometimes hold back prompt implementation as several phases of such projects require the nod of foreign financiers.

<https://www.tbsnews.net/bangladesh/foreign-aid-pipeline-crosses-51b-record-280435>

Edible oil prices on the rise

- The price of edible oils, including palm oil, palm super oil, and soybean oil, has increased in the last two weeks. The price of palm oil has gone up by BDT550 per maund in the time at the Khatunganj wholesale market in Chattogram, increasing from BDT3,800 to BDT4,350.
- Wholesale edible oil traders and importers said the price of edible oils, especially palm oil, is increasing in the international market and so, the domestic market price of the product has been affected. Due to the upward trend in international price, local trading of palm oil has also increased a lot, leading to abnormal price hike.
- According to sources, palm oil sold for BDT4,350 per maund (40.9kg) on Tuesday at Khatunganj, the largest wholesale market for commodities in the country. Two weeks ago, it was going for BDT3,800 per maund.
- Currently, BDT Group's Bay Fishing palm oil is selling for BDT4,350 per maund in Khatunganj and S Alam Group's palm oil for BDT4,290, while City Group, Meghna Group and Bashundhara Group palm oil is BDT4,280 per maund.
- Besides palm oil, the price of palm super oil and soybean oil has also gone up by around BDT150 per maund. Two weeks ago, palm super oil was BDT4,400 per maund and is now BDT4,550 a maund.

<https://www.tbsnews.net/economy/edible-oil-prices-rise-280432>

Home appliance assemblers turning into manufacturers

- The value-added tax exemption for producing air conditioners, refrigerators and freezers locally has created interest among home appliance manufacturers in Bangladesh as firms are increasingly setting up full-fledged facilities, cutting their reliance on assembling.
- The revenue authority began to register increased applications from local electronics sellers in 2017 as they look to stay competitive since a 15% VAT waiver provides a considerable advantage in terms of pricing.
- Now 10 local companies are making refrigerators, freezers and ACs. According to the NBR officials, companies that availed the VAT benefit have to invest a lot to fulfil 300% value addition criteria.
- Once fully import-dependent, local manufacturers and assemblers now meet nearly 80% of the annual demand for refrigerators of 2.5 million units. The rest is met through imports from global companies. In the case of ACs, local manufacturers and assemblers cater to almost 70% of the domestic demand, which had been growing until the coronavirus outbreak in the country in March last year.

<https://www.thedailystar.net/business/economy/news/home-appliance-assemblers-turning-manufacturers-2139576>

Facebook seeks National Board of Revenue (NBR) permission to pay VAT through e-pay systems

- Facebook has requested the National Board of Revenue to allow it to pay value added tax through online payment systems for non-resident foreign companies. Ernst and Young Advisory Services Bangladesh Limited, Facebook's local representative, made request for online VAT payment in a letter to the NBR.
- At present, non-residents are not allowed to pay VAT directly from their foreign bank accounts by way of bank transfer or online payment. As per the existing process, taxpayers need to deposit VAT through cheques payable in Dhaka at a prescribed bank for clearance following which the VAT returns can be filed along with the treasury challan.
- In the letter, FB said that it was working out alternative solutions either through the Bank of America's affiliated banks in Bangladesh, if any, or on remitting the net VAT liability through any of its group affiliates in the region whose bankers have a branch in Bangladesh.

<https://www.newagebd.net/article/144834/fb-seeks-nbr-permission-to-pay-vat-thru-e-pay-systems>

World Stock and Commodities

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.45	USD 23.93	49.32%
Crude Oil (Brent)*	USD 74.79	USD 22.99	44.38%
Gold Spot*	USD 1,815.26	(USD 79.84)	-4.21%
DSEX	6,417.19	1,015.12	18.79%
S&P 500	4,400.64	644.57	17.16%
FTSE 100	7,016.63	556.11	8.61%
BSE SENSEX	52,443.71	4,692.38	9.83%
KSE-100	47,318.03	3,562.65	8.14%
CSEALL	8,096.98	1,322.76	19.53%

Exchange Rates
USD 1 = BDT 84.69*
GBP 1 = BDT 117.84*
EUR 1 = BDT 100.33*
INR 1 = BDT 1.14*

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

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