

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.

Government set to target USD 2,326 per-capita income

■ The government is going to raise the country's per capita income target by USD 153 to USD 2,326 in the next fiscal, despite the economic impact of the coronavirus pandemic. The per capita gross national income or GNI target will be documented in the upcoming national budget, which is expected to be placed before parliament on June 11. For fiscal year 2020, the authorities expect the per head earnings of the population to reach USD 2,173, up by USD 264. According to the Bangladesh Bureau of Statistics (BBS), the per capita GNI was recorded at USD 1,909 in the FY 2019.

■ Bangladesh has been one of top five-fastest growing economies in the world with its stunning GDP growth rate of more than 7.0% over the last few years. Breaking the five-year "6.0% growth trap", the economy chalked out the 7.0% growth band in FY2016. Then it took only two years to surpass the 7.0% rate in FY2019 when the economy expanded at a rapid clip of 8.15%. The outgoing fiscal year's target was to eke out 8.2% GDP growth, but the coronavirus pandemic has made reaching that goal highly unlikely. Nevertheless, the finance officials appeared to be bullish, saying the GDP growth would not be lower than the 6.0% rate in FY 2020.

<https://today.thefinancialexpress.com.bd/last-page/govt-set-to-target-2326-per-capita-income-1591551801>

January to April RMG exports to US rise 2.13%

■ Bangladesh's apparel exports to the United States grew by 2.13% during the first four months of 2020 calendar year, compared to the same period of last year. The country fetched USD 2.07 billion from apparel exports to the US market from January to April of 2020 against USD 2.03 billion earnings of the corresponding period of 2019, according to data of Office of Textiles and Apparel (OTEXA) affiliated with the US Department of Commerce.

■ During January-April period of this calendar year, Bangladesh shipped 748 million square metres of apparel items, which was 728.21 million square metres in the same period of last year. Apparel exports to the US started increasing again from 2018, and the country earned USD 5.93 billion from apparel exports to the US in 2019, according to OTEXA data.

■ On the other hand, Chinese apparel exports to the US witnessed a negative growth of 46.44% to USD 3.88 billion in the first four months of this year. China shipped apparel items worth USD 7.26 billion to the US during January-April period of 2019. Meanwhile, the garment exports of Vietnam also declined by 1.31% to USD 4.18 billion, and India witnessed 13.07% fall to USD 1.36 billion during the same period of 2020.

<https://today.thefinancialexpress.com.bd/first-page/jan-april-rmg-exports-to-us-rise-213pc-1591551566>

Achieving tax target tall order: Center for Policy Dialogue (CPD)

■ Achieving the tax collection target set by the National Board of Revenue or NBR for fiscal year 2020-21 is "impossible," analysts said calling the goal "unrealistic." They said the tax authority sets this unrealistic target to hide mismatch in income and expenditure in the budget. According to the distinguished fellow of the CPD Prof Mustafizur Rahman, if GDP is 8.0%, inflation is 6.0% then 14% is a natural growth of revenue.

■ The government has set a BDT 3.30-trillion revenue collection target for the NBR for fiscal year 2021. The target is 1.35% higher than that of the original goal of BDT 3.25 trillion and almost 10% higher than the revised target set at BDT 3.0 trillion for the outgoing fiscal year.

■ The CPD estimated a revenue shortfall of around BDT 1.25 trillion for FY2020. This implies, the revenue earnings in FY2020 is likely to record a minuscule growth of 0.4%; hence, the revenue-GDP ratio may see a decline, according to the CPD paper.

<https://today.thefinancialexpress.com.bd/first-page/achieving-tax-target-tall-order-says-cpd-1591551330>

<https://tbsnews.net/economy/budget/get-down-reality-improve-life-cpd-90091>

<https://www.dhakatribune.com/business/economy/2020/06/07/cpd-budget-financing-and-fighting-covid-19-the-biggest-challenge>

Income inequality to balloon like never before: Center for Policy Dialogue (CPD)

■ Income inequality is set to blow up to a record high this year, as the coronavirus pandemic continues to wipe out jobs and sweep away livelihoods, said the Centre for Policy Dialogue (CPD) yesterday. The think-tank conducted an analysis to explore the implications of coronavirus in the short-term on poverty and inequality using the unit-level data

of the Household Income and Expenditure Survey 2016.

■ The analysis has applied negative shocks on household consumption in the range of 9-25% among household groups. This led to an increase of national (upper) poverty rate to 35% in 2020 from 24.3% in 2016. At the same time, consumption inequality, measured by the Gini coefficient, rose from 0.32 in 2016 to 0.35 in 2020 and income inequality went up from 0.48 in 2016 to 0.52 in 2020.

<https://www.thedailystar.net/business/news/income-inequality-balloon-never-1910881>
<https://www.newagebd.net/article/107855/poverty-rate-rises-to-35pc>

Money whitening may get full amnesty

■ The government may grant full amnesty to the people if they invest their untaxed money, also known as black money, as it looks to give a boost to the economy reeling from the coronavirus pandemic. Black money is largely attributed to tax evasion and its direct impact is the loss of government revenue. For the last five years, black money-holders have been able to whiten their assets by investing in residential buildings by paying a tax of 10% on the amount invested, which for regular taxpayers is between 10 and 30%.

■ The government may also cut the corporate tax for the non-listed companies by 2.5 percentage points to 32.5% to give some breathing space to the companies after their operations were seriously impacted by the shutdown and sales collapsed.

■ The government may increase the tax-free income limit for individual taxpayers after five years in fiscal 2020-21 to give relief to people in the lower-income bracket such that they can manage the economic hardship brought on by the pandemic better. The tax-free income tax threshold may go up to BDT 0.3 million from BDT 0.25 million. The income tax slabs may be rearranged as well. The rates of income tax now stand at 10% to 30% but it may be cut to 5% to 25% in the next fiscal year.

<https://www.thedailystar.net/business/news/money-whitening-may-get-full-amnesty-1910885>

Delay in import payments put banks in more trouble

■ Deferred payments against Letters of Credit (LCs) by importers have added to the stress of banks who are already in a tight corner with a two-month suspension on interest payments, thus forcing them to delay settlements with foreign banks. In the last week of April, the Bangladesh Bank instructed all banks to make import payments to the foreign banks in due time.

■ In the last week of April, the Bangladesh Bank instructed all banks to make import payments to the foreign banks in due time. According to the secretary general of Association of Bankers Bangladesh (ABB), the directive came after delay by a good number of banks in making payments against LCs, creating a negative impression on the country's banking sector abroad. He also added that the delay will increase LC confirmation charges making imports costlier. LC confirmation fees were always high in Bangladesh because of the banking sector's negative image globally

<https://tbsnews.net/economy/banking/delay-import-payments-put-banks-more-trouble-90115>

Chittagong Customs House (CCH) misses FY '20 tax collection target

■ The Chittagong Customs House (CCH) has failed to achieve its tax collection target in the current financial year (FY 2019-20) which will end on June 30. The CCH had set a target of collecting BDT 631.68 billion in taxes for fiscal year 2019-20 (FY '20) in last year.

■ According to CCH source, it's total collection of taxes from July 19, 2019 to May 20, 2020 stood at BDT 582.24 billion. They said, it is yet to collect BDT 212.2 billion within June 30, 2020, to achieve the target, which looks impossible. During the protracted general holidays, the Chittagong Port was allowed to handle only essential commodities, medicines and other emergency items. On the other hands, most of the luxury goods, including high value taxable goods were not delivered from the country's prime sea port during the prolonged shutdown.

<https://today.thefinancialexpress.com.bd/trade-market/cch-misses-fy-20-tax-collection-target-1591546903>

Listed banks can now disburse cash dividend

■ The central bank has now allowed the listed banks to disburse cash dividend for 2019 to individual investors (local and foreign) within September 30. However, the banks cannot disburse the cash dividend to the institutional investors and sponsor-directors, according to the circular.

■ On May 11, the central bank had issued a circular imposing restriction on the disbursement of cash dividends until September 30. But following a plea made by the Bangladesh Securities and Exchange Commission (BSEC), the BB

has revised its decision, allowing the disbursement of cash dividend.

<https://today.thefinancialexpress.com.bd/last-page/listed-banks-can-now-disburse-cash-dividend-1591552030>
<https://www.thedailystar.net/business/news/cheer-retail-investors-bb-allows-banks-give-cash-dividends-them-1910893>
<https://www.newagebd.net/article/107889/bank-cash-dividend-for-general-shareholders-before-sept-30>
<https://www.dhakatribune.com/business/banks/2020/06/07/banks-can-now-disburse-cash-dividend>

One more NBFi gets Bangladesh Banks licence

■ The central bank has issued one more licence to a non-banking financial institution (NBFi) to run its business in Bangladesh. The Bangladesh Bank (BB) issued a notification in this connection on Sunday saying that it provided a licence to Strategic Finance and Investments Limited for running its business as an NBFi.

■ According to a senior officer of Bangladesh Bank, they have issued the licence to the Strategic Finance & Investments Limited after bringing 50% of equity and fund from overseas sources. Earlier on March 12 last, the board of directors of the central bank gave the final approval to the proposed Strategic Finance & Investments Limited to run its business.

<https://www.thedailystar.net/business/news/govt-pledges-transparency-addressing-banking-sector-ills-imf-1909305>
<https://today.thefinancialexpress.com.bd/last-page/one-more-nbfi-gets-bb-licence-1591552125>
<https://www.newagebd.net/article/107885/bangladesh-bank-issues-another-nbfi-licence-in-scam-hit-market>
<https://www.dhakatribune.com/business/banks/2020/06/07/bb-awards-license-to-new-nbfi>

Beximco supplies generic Remdesivir drugs to Nigeria

■ Beximco Pharma has supplied Bemsivir, the generic version of Remdesivir drug produced by the company, for a critically ill coronavirus patient in Nigeria. A Nigerian chartered aircraft landed today around 4.30pm at the Shah Jalal International Airport in Dhaka and departed at 6.00pm with the medicine, read a press release issued by the pharmaceutical company.

■ Earlier, on May 31, Beximco Pharma supplied 48 vials of Bemsivir to Pakistan for three critically ill patients, having been requested officially, through an emergency cargo flight.

<https://tbsnews.net/companies/pharma/beximco-supplies-generic-remdesivir-drugs-nigeria-89971>

Bangladesh Securities and Exchange Commission (BSEC) refuses AB Bank right share approval

■ The [Bangladesh Securities and Exchange Commission \(BSEC\)](#) has refused approval for AB Bank's right share offer. The commission issued a letter to the bank on June 3 in this regard.

■ In the letter, the Commission also claimed that the bank did not submit any updated documents about the right share issue. The BSEC also said that the bank did not even maintain any communication with the securities regulator.

■ In 2017, the bank proposed rights issue 3:2R (2 rights share against existing 3 shares) with face value of BDT 10 each. But from the same year, the bank remained in "Z" category in the stock market as it declared no dividend.

<https://tbsnews.net/economy/stock/bsec-refuses-ab-bank-right-share-approval-90106>

City Bank app for transaction in distance

■ In response to the ongoing pandemic and to ensure physical distancing, City Bank has introduced a mobile app for its working capital finance customers, said a statement. These customers are the distributors and retailers of local and multinational conglomerates. Through this app, customers will be able to withdraw and deposit money 24/7 - 365 days.

■ The on-boarded distributors and retailers will be able to use funds anytime they require by making 3 clicks from their home. They will also be able to repay to City Bank with 3 clicks. It will be a seamless account to account transfer.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-app-for-transaction-in-distance-1591546661>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change YTD
Crude Oil (WTI)*	USD 39.90	(USD 21.73)	-35.26%
Crude Oil (Brent)*	USD 42.88	(USD 25.56)	-37.35%
Gold Spot*	USD 1,688.87	USD 167.40	11.00%
DSEX	3,961.51	-491.42	-11.04%
S&P 500	3,193.93	-36.85	-1.14%
FTSE 100	6,484.30	-1102.75	-14.53%
BSE SENSEX	33,980.70	-7,661.4	-18.40%
KSE-100	34,119.39	-6615.69	-16.24%
CSEALL	4,782.43	-1346.78	-21.97%

Exchange Rates

USD 1 = BDT 84.87*

GBP 1 = BDT 107.84*

EUR 1 = BDT 95.86*

INR 1 = BDT 1.12*

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

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