

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.

RMG hopes good growth in export despite Covid

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) estimates that apparel exports will fetch around USD 33.7 billion in the 2021-22 financial year as the US and the EU economies rebound with mass vaccinations. The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) estimates the figure will be USD 35 billion. Numbers reveal that in 11 months of the current fiscal year, Bangladesh exported USD 28.56 billion worth of readymade garments. The BGMEA projects the figure will reach USD 31.2 billion at the end of June. About 54% of this will come from knitwear, and 46% from woven garments.

- Besides, in 11 months since July last year, knitwear exports have grown by more than 20.5%, and woven exports by less than 2%. The first vice-president of the BKMEA, has written to the commerce ministry that knitwear exports will rise by 15% in the next financial year. Exporters estimate knitwear exports will reach USD 16.77 billion at the end of the current fiscal year. The BKMEA estimates the figure will exceed USD 19 billion in the upcoming financial year. The commerce ministry and the Export Promotion Bureau (EPB) set export targets when the financial year begins. They have asked for export targets from export associations.

<https://www.tbsnews.net/economy/rmg/rmg-hopes-good-growth-export-despite-covid-265327>

Government to allow black money investment with penalty

- The government is going to allow the investment of untaxed money in the stock market in the next fiscal year beginning from 1 July, subject to paying 25% tax plus a 10% penalty on the payable tax, according to sources at the finance ministry. Undisclosed bank deposits and savings instruments will also be allowed to be legalised on similar conditions. The government will also offer an opportunity to legalise undisclosed property such as flats, paying BDT 200-BDT 6,000 for per square metre depending on sizes and locations, alongside the penalty.

- Finance Ministry officials said that the National Board of Revenue (NBR) on Tuesday sent such a proposal responding to demands from the business community and other stockholders. The NBR has also incorporated a legal indemnity provision in the finance bill amendment to bar relevant government agencies from asking any question about the sources of such tainted money. As per the NBR proposal, the applicable rate will be 25% – the highest tax rate for an individual investment in the stock market, and a 10% penalty on the tax amount for ensuring justice to other regular taxpayers.

- If anyone withdraws the investment before one year, he/she must pay another 10% in additional penalty, ministry officials added. The officials also mentioned that the government is offering the opportunity to make scope for investment of undisclosed money to bring that into the formal economy, which also helps prevent capital flight. As per the proposed provision, people who will avail the facility to invest in securities such as stocks, mutual funds and bonds will have to pay a total 27.5% tax (25% regular tax and 10% penalty on tax amount) within 30 days of their investments.

<https://www.tbsnews.net/economy/govt-allow-black-money-investment-penalty-264892>

BB for limiting e-commerce companies' liabilities to capacity

- The Bangladesh Bank has recommended taking necessary action to ensure that liabilities of e-commerce companies do not go beyond their financial strength jeopardizing their existence. To streamline the rapidly booming e-commerce sector, the government should introduce a proper accounting system for such companies and regularly monitor them through a registered audit firm to see whether they are conforming to it, the central bank said in its inspection report. In the meantime, the commerce ministry plans to finalise the draft of e-commerce operation guidelines, incorporating three new recommendations in it to protect consumers and formulate policy support to ease the development of the e-commerce sector.

- It is also important to stop e-commerce organisations from engaging in unhealthy competition – selling products even at losses only to draw in customers – or from destroying the competitive market environment, the Bangladesh Bank report said. Besides, there is a need for formulating specific policies and procedures for customer grievance redressal management in the e-commerce sector, the Bangladesh Bank said, adding that it is necessary to define the responsibilities and liabilities of both e-commerce marketplace operators and vendors.

<https://www.tbsnews.net/economy/bb-limiting-e-commerce-cos-liabilities-capacity-265324>

Another BDT 25.20 billion refinancing fund for CMSME sector launched

- The Bangladesh Bank has launched another BDT 25.20 billion refinancing fund for the cottage, micro, small, and medium enterprises (CMSMEs) to help recover Covid-19 losses. The fund was created with support from the Asian Infrastructure Investment Bank (AIIB). The AIIB signed a deal with the Bangladesh government on 26 February this year to provide this assistance. The fund will be managed by the Bangladesh Bank. Its term is three years and the interest rate will be 4%. The CMSME sector will get loans from the fund as working capital.

- SME Foundation Chairman said that small and women entrepreneurs in the marginal groups still lag behind in getting loans and securing loans for them will be a key challenge. Banks lag behind in implementing the CMSME incentive package. On the other hand, the demand for credit in this sector is not being met, he further said.

https://www.tbsnews.net/economy/banking/another-BDT_2520cr-refinancing-fund-cmsme-sector-launched-265306
https://www.newagebd.net/article/141712/new-refinance-scheme-worth-BDT_-2520cr-launched

BDT 30 billion Beximco Sukuk gets nod

- The securities regulator has approved the proposal of issuing asset-backed Green-Sukuk bond worth BDT 30 billion by the BEXIMCO for the purpose of business expansion. The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday approved the proposal setting some conditions. The Beximco will utilize the fund for expansion of its textile unit and implementing the solar projects of Teesta Solar and Korotoa Solar, two subsidiaries of Beximco Power Company. Of BDT 30 billion, BDT 22.50 billion will be raised through private placements from the existing shareholders and others. The remaining BDT 7.5 billion will be raised through IPO (initial public offering).

- The BSEC officials said the Beximco's existing shareholders will be entitled to subscribe the placement portion worth BDT 7.5 billion within the record date. "It's optional." The tenure of the convertible or redeemable asset-backed green-sukuk will be five years and the offer price of the bond will be BDT 100 per unit. The lowest subscription amount of the bond is BDT 5,000 and the market lot will consist of 50 units. Investment Corporation of Bangladesh (ICB) is the trustee of sukuk bond while City Bank Capital Resources and Agrani Equity & Investment are working as issue managers.

https://today.thefinancialexpress.com.bd/first-page/BDT_-30b-beximco-sukuk-gets-nod-1624473839
<https://www.thedailystar.net/business/news/first-green-sukuk-gets-bsec-nod-2116945>
https://www.tbsnews.net/economy/beximco-gets-nod-float-BDT_3000cr-sukuk-265276
<https://www.dhakatribune.com/business/stock/2021/06/23/beximco-sets-off-with-maiden-3-000c-green-sukuk>
https://www.newagebd.net/article/141648/beximcos-BDT_-3000cr-sukuk-gets-bsecs-primary-approval

SB plans BDT 100 billion perpetual bonds

- Sonali Bank Ltd (SBL) has planned to raise a fund of BDT 100 billion through issuing perpetual bond to meet its capital shortfall. The state-owned bank has already written to the financial institutions division under the finance ministry and requested it to take necessary steps in this regard. The state-owned bank has already written to the financial institutions division under the finance ministry and requested it to take necessary steps in this regard. Since the bank is required to enhance its capital base to comply with the existing BASEL-III guideline, it needs to raise BDT 100 billion, SBL Managing Director (MD) argued in the letter.

- The bank had aggregate capital shortfall of over BDT 78.26 billion as of December, 2020, according to a provisional calculation under the BASEL- III guidelines. A perpetual bond is often considered as a type of equity with no maturity date and that it is not redeemable. They sought funds to offset its capital shortfall, a senior executive at the largest state-owned bank said, adding that the bank needed fresh funds immediately to comply with the BASEL-III guidelines.

https://today.thefinancialexpress.com.bd/first-page/sb-plans-BDT_-100b-perpetual-bonds-1624473648

BSEC initiates steps to make ailing companies viable

- The securities regulator has initiated a move to make the ailing listed companies, including state-owned ones, operationally sound and financially viable for the greater interest of the shareholders and stock market. The Bangladesh Securities and Exchange Commission (BSEC) has already started restructuring the boards and suggested the state-owned companies to reassess their assets and liabilities to reflect fair valuation of the companies. It would also conduct special audit in some errant companies. According to the BSEC officials, initially they were working with 35 non-performing companies while the other ones would come under their supervision gradually.

- BSEC chairman that the regulator preferred not to issue any directive for the state-owned listed companies. Now, they are trying to pursue the companies to consider our suggestions made based on findings for the sake of their viable operations, he said. As part of the move, the BSEC has been holding separate meetings with the companies, most of which presently were out of operations amid huge accumulated losses. It has also asked a non-compliant company to handover their ownership to another party having sound operational background if they are unable to run the entity.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-initiates-steps-to-make-ailing-cos-viable-1624470153>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$73.03	\$24.51	50.52%
Crude Oil (Brent)*	\$75.13	\$23.33	45.04%
Gold Spot*	\$1,777.43	(\$117.67)	-6.21%
DSEX	6,035.84	633.77	11.73%
S&P 500	4,241.84	485.77	12.93%
FTSE 100	7,074.06	613.54	9.50%
BSE SENSEX	52,306.08	4,554.75	9.54%
KSE-100	47,900.70	4,145.32	9.47%
CSEALL	7,742.14	967.92	14.29%

Exchange Rates

USD 1 = BDT 84.75*
GBP 1 = BDT 118.36*
EUR 1 = BDT 101.08*
INR 1 = BDT 1.14*

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

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