

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.

Forex reserve crosses record USD 45 billion mark

- Bangladesh's foreign exchange (forex) reserve crossed USD45 billion-mark for the first time on Monday following lower import payment obligations and higher growth of inward remittance, officials said. The forex reserve rose to USD 45.01 billion on the day, setting a new record, from USD 44.90 billion of the previous working day, according to the central bank's latest data.
- Our forex reserve has crossed the USD 45 billion-mark mainly due to higher inflow of inward remittance in the recent months, the deputy governor of the Bangladesh Bank (BB) said. The central bank officials, however, said higher export earnings in the month of April have also contributed to achieving such forex reserve.

<https://today.thefinancialexpress.com.bd/first-page/forex-reserve-crosses-record-45b-mark-1620063303>
<https://www.tbsnews.net/economy/reserve-touches-45b-40b-6-months-240928>

Red-hot US recovery boosts RMG hope

- The strong performance of the US economy fuelled by the Biden administration's relief cheques to the people and the ongoing rapid vaccination holds promises for the recovery of Bangladesh's garment shipment to its single largest export destination. US economic growth accelerated in the first quarter as the government gave money to mostly lower-income households, fueling consumer spending and setting the course for what is expected to be the strongest performance this year in nearly four decades.
- GDP increased at a 6.4% annualised rate in the January to March quarter, the biggest first-quarter expansion since 1984. That followed a 4.3% growth rate in the fourth quarter, according to Reuters. The ongoing vaccination has boosted the confidence of consumers as they are dining out, shopping and going on holidays. Retailers have reopened stores. As a result, garment suppliers in Bangladesh are receiving a higher number of queries for US-bound work orders.

<https://www.thedailystar.net/business/news/red-hot-us-recovery-boosts-rmg-hope-2087893>

Incentive spending on remittance may go up

- The government may increase its allocation for incentive expenses for remittance in the next fiscal year as it looks to retain the surge of the flow of the cheapest source of foreign currencies for Bangladesh. It had earmarked BDT 30.60 billion in the original budget of the fiscal year of 2020-21 to pay incentives to the beneficiaries of remittance. The allocation has been raised by 47.06% to BDT 45.0 billion in the revised budget.
- The incentive expenses for remittance are increasing as the money sent by the migrant workers has been growing fast since the pandemic struck, defying grim forecasts. The receipts went past the USD 20-billion mark in the first 10 months of the current fiscal year. Between July and April, Bangladeshi received USD 20.66 billion, up 39% year-on-year.

<https://www.thedailystar.net/business/news/incentive-spending-remittance-may-go-2087897>

MFS industry swells riding on low-income groups

- Mobile financial services have gained immense popularity in Bangladesh, particularly among lower-income groups, but the charge to withdraw funds has remained almost unchanged since the inception of the digital platform in 2011. As a result, most clients have to fork out BDT 18.50 to withdraw BDT 1,000 from their accounts. It was the same when the service was rolled out. Although some MFS providers have recently slashed the charge to BDT 14, users and analysts say the rate is still higher, and a further reduction will benefit the poor, who avail the money withdrawal service through mobile phones most.
- A majority of MFS providers opined that only the central bank could cut the charge by issuing an instruction. Five stakeholders – agents, distributors, the government, mobile network operators (MNOs) and MFS providers –share the revenue generated from the cash-out charge. Of the cash-out charge, 77% goes to agents and distributors, 8% to MNOs, 14% to MFS providers, and 1% to the government in the form of tax. The revenue-sharing model is slightly different for the MFS providers that have imposed a lower charge than the maximum of BDT 18.50. Still, they have to share the same amount with the agents, distributors, MNOs, and the government.

- On condition of anonymity, officials of the MFS providers said that they managed a tiny profit from the cash-out charge. MFS providers usually rely on the clients' unused funds kept in their accounts. The operators keep the money

with banks as fixed deposit schemes (FDRs), helping them manage a hefty interest. There is no scope for a single MFS provider to share lower revenue with the agents and distributors than other providers, the officials said. If any MFS provider tries to do so, distributors and agents will not provide the service of the provider.

<https://www.thedailystar.net/business/news/mfs-industry-swells-riding-low-income-groups-2087905>

Mobile connections grow by 4.49 million in Q1

- The number of active mobile phone connections increased by 44.93 lakh in the January-March quarter of the year 2021 when the country's economic activities were better since the rate of Covid infections was lower. As per Bangladesh Telecommunication Regulatory Commission data, the number of mobile connections increased to 174.6 million at the end of March 2021 from 170.1 million at the end of December 2020. The number of mobile internet connections increased by 3.98 million in the first three months of the year 2021.

<https://www.newagebd.net/article/137017/mobile-connections-grow-by-4493-lakh-in-q1>

Beximco-Serum: Talks on to make Oxford vaccines here

- Serum Institute of India has been in talks with Beximco about producing the Oxford-AstraZeneca vaccine in Bangladesh. Serum's discussion with its Bangladeshi agent Beximco Pharmaceuticals Ltd is part of an effort to ramp up production as the former struggles to meet the demand in India and the global supply commitments. Beximco has asked Serum about the amount of doses that can be produced here and where the doses would be supplied to, Beximco Managing Director said. It will be a milestone in the pharmaceuticals sector of Bangladesh, if Beximco produces the vaccine here, he added.

- Meanwhile, Bangladeshi pharmaceutical company Renata Limited has sought permission from the government to bring Moderna's Covid-19 vaccine. The director general of the Directorate General of Health Services said that if brought to Bangladesh, the Moderna vaccine, that needs to be stored in sub-zero temperature, can be stored in Dhaka. We still do not have the resources to store them outside Dhaka.

<https://www.thedailystar.net/frontpage/news/beximco-serum-talks-make-oxford-vaccines-here-2087673>

Court orders Lafarge to pay BDT 902 million

- LafargeHolcim Bangladesh Ltd, multinational cement manufacturing company, will have to pay an outstanding gas bill of around BDT 902.50 million to state-run Jalalabad Gas Transmission and Distribution Systems Ltd (JGTDSL) in accordance with a court's verdict. It will have to pay BDT 100 million along with regular bills within one month and the remaining amount will have to be paid in quarterly instalments of BDT 100 million.

- Sources said the cement company has been consuming around 16 million cubic feet per day (mmcf) of gas in total of which it consumes 12.30 mmcf to run boiler for cement production and remaining 3.70 mmcf to run a captive power plant at the factory site. LafargeHolcim was earlier paying gas tariff in line with the Gas Sales Agreement (GSA) signed between the JGTDSL and the then Lafarge Surma Cement Ltd 15 years ago in January 2003. It has been paying BDT 7.91 per cubic metre as gas tariff against its gas consumption from the JGTDSL, which was the ceiling price at USD2.8 per Mcf (1,000 cubic feet) as set in the GSA between the two companies. As per the court verdict, the cement factory will have to pay almost double tariff at BDT 13.85 per cubic metre to run its captive power plant and BDT 10.70 per cubic metre for gas consumption in the cement factory.

<https://today.thefinancialexpress.com.bd/first-page/court-orders-lafarge-to-pay-BDT-902m-1620063399>

Foreign companies allowed to be sponsor of mutual funds

- Foreign companies from now on will be allowed to be the sponsor of mutual funds (MFs) managed by local fund managers. As per the new provision, a foreign company will be allowed to contribute maximum 25% of the size of a MF. As per the existing rules, the banks, financial institutions, insurers and any kind of public limited company can be the sponsor of a MF. A sponsor can contribute minimum 10% of the MF.

<https://today.thefinancialexpress.com.bd/stock-corporate/foreign-companies-allowed-to-be-sponsor-of-mutual-funds-1620058297>

<https://www.newagebd.net/article/137015/bsec-allows-foreign-investors-to-be-mfs-sponsor>

BSEC to appoint auditor for Fareast Finance

- The Bangladesh Securities and Exchange Commission (BSEC) will appoint a special auditor for Fareast Finance and Investments to investigate the company's financial situation. Fareast Finance, a listed non-bank financial institution, has failed to provide any dividends to investors since 2017 due to considerable losses. The company's reserve stands

at BDT 1.17 billion in the negative while its paid-up capital is BDT 1.64 billion, data from the Dhaka Stock Exchange (DSE) shows.

<https://www.thedailystar.net/business/news/bsec-appoint-auditor-fareast-finance-2087869>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$64.63	\$16.11	33.20%
Crude Oil (Brent)*	\$67.56	\$15.76	30.42%
Gold Spot*	\$1,792.87	(\$102.23)	-5.39%
DSEX	5,511.36	109.29	2.02%
S&P 500	4,192.66	436.59	11.62%
FTSE 100	6,969.81	509.29	7.88%
BSE SENSEX	48,718.52	967.19	2.03%
KSE-100	44,076.20	320.82	0.73%
CSEALL	7,215.60	441.38	6.52%

Exchange Rates

USD 1 = BDT 84.88*
 GBP 1 = BDT 118.03*
 EUR 1 = BDT 102.36*
 INR 1 = BDT 1.15*

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

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