

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.

RTA policy gets cabinet nod

- An umbrella guideline for signing all types of bilateral deals has got the cabinet nod as Bangladesh drives for regional economic integration for substituting loss of preferential market access. Officials say the Regional Trade Agreement (RTA) policy, approved last week, will provide guidance in negotiating, signing, and implementing treaties aimed at encouraging free movement of goods and services, among other economic interactions.
- Objectives of the RTA policy also include guiding identification and prioritisation of potential partners for RTAs, determination of RTA coverage for negotiation, institutional arrangement and authority, strategy for negotiation, and internal procedures for concluding deals.

<https://today.thefinancialexpress.com.bd/first-page/rta-policy-gets-cabinet-nod-1654454740>

Exports of leather, goods go past USD 1.0 Bn again

- Exporters in Bangladesh raked in USD 1.16 Bn in the shipment of leather, leather goods and footwear in 11MFY22, despite a slowdown in May owing to supply chain disruptions and the fallout of the Russia-Ukraine war. Shipment of leather and leather goods had registered year-on-year growth of 28.56% and 34.03% respectively.
- Exporters say higher living costs in the UK, the European Union and other parts of the world are behind the lower demand for leather goods as customers prefer spending on essential commodities in the face of rising inflation.

<https://www.thedailystar.net/business/export/news/exports-leather-goods-go-past-1b-again-3039406>

85% Japanese cos want FTA with Bangladesh: survey

- 85% of the Japanese companies operating in Bangladesh wants signing of a free trade agreement between Japan and Bangladesh to continue duty-market access even after the graduation of Bangladesh from the least developed country to a developing one in 2026, according to a survey. The Japanese companies said that bilateral FTA was mandatory as once the GSP was abolished after graduation, it would be difficult for Bangladesh to differentiate competitiveness with the neighbouring country India.
- The survey found that if the FTA was not signed to retain the duty benefit after Bangladesh's graduation, 20% companies wanted to relocate from the country to other competitive countries like in countries in the Association of Southeast Asian Nations, China and India.

<https://www.newagebd.net/article/172487/85pc-japanese-cos-want-fta-with-bangladesh-survey>

Source tax on bank deposit interests of companies to double next year

- The government is going to raise the rate of source tax to 20% from the existing 10% at source from interests on bank and NBFIs deposits of companies from FY23. The move aimed at thwarting any possible attempts to evade tax by keeping such savings unreported during returns submission, according to sources at the finance ministry.
- The companies, which are enjoying tax exemption, will remain out of the purview of the source tax. If any person or a company fails to furnish proof of income tax return submission, the rate of deduction will be 50% higher.

<https://www.tbsnews.net/nbr/source-tax-bank-deposit-interests-companies-double-next-year-433418>

Default debt increases to BDT 1.13 Tn by 1QCY22

- The size of defaulted debt in Bangladesh has increased to BDT 1.13 Tn by 1QCY22, a BDT 101.67 Bn jump from 4QCY21. The default loan rate stood at 8.53% compared to 7.93% in 4Q'21. The amount of loan disbursed in 4Q'21 was BDT 13.02 Tn while at the end of 1Q'22, the amount stood at BDT 13.30 Tn.

<https://thefinancialexpress.com.bd/economy/bangladesh/default-debt-increases-to-tk-11344-trillion-by-third-quarter-of-fy22-1654440803>

Gas price raised by 23%

- Bangladesh Energy Regulatory Commission (BERC) has raised wholesale gas prices by 22.78% to BDT 11.91 per unit. The decision will boost gas prices across the board, except for CNG users for vehicles. The highest rise of 260% took place in the fertiliser sector.
- Per unit price of gas for power production has been increased by 13%, while it is 16% for private captive power. Large industries saw an increase of 12% in their price, followed by medium industries with a 10%. Commercial gas users such as restaurants and hotels saw their gas price increase by 16%, followed by the tea industry (12% increase).

<https://www.newagebd.net/article/172464/gas-price-raised-by-23pc>

High feed costs: Appetite for poultry farming wanes

- In the wake of surging production costs resulting from high feed prices, the appetite for farming to produce chicken meat is waning among farmers as the demand for chicks declined, poultry industry operators said. Operators said the prices of maize, soybean meal and soybean oil has shot up to exorbitant levels, requiring higher investment.

<https://www.thedailystar.net/business/economy/news/appetite-poultry-farming-wanes-3039431>

Startups with growth potentials to be allowed to go public

- The Bangladesh Securities and Exchange Commission has drafted rules, allowing loss-making start-ups having high potentials of business growth to be listed on the country's stock exchanges under the small capital platform.
- To avail the loss-making but high potential business entity getting best price, the BSEC draft rules also allowed determining premium price on the basis of projected business growth. The premium must not exceed the amount of premium charged on shares issued (excluding the bonus shares) within immediately preceding one year.
- The BSEC published the draft BSEC (Qualified Investor Offer by Small Capital Company) Rules, 2022 recently and sought public opinions on the rules by June 10. The rules will repeal the BSEC (Qualified Investor Offer by Small Capital Company) Rules, 2018.

<https://www.newagebd.net/article/172488/startups-with-growth-potentials-to-be-allowed-to-go-public>

BSEC lifts embargo on pre-IPO shares of Associated Oxygen

- The market regulator has lifted an embargo on the pre-IPO shares of Associated Oxygen Ltd except for its four BO accounts. The four beneficiary owner (BO) accounts – Hasan Yousuf Chowdhury, Universal Equity Management, Bengal Assets Holdings, and NRB Equity Management Ltd – together hold 9.8 Mn shares of the company.
- A top official of the BSEC said the commission blocked the pre-IPO shares after getting allegations of irregularities against the company. BSEC observed that the problem has been created among the four BO accounts, but all pre-IPO shareholders suffer. For the interest of other investors, the commission decided to make the company's shares lock-free, he added.

<https://www.tbsnews.net/economy/stocks/bsec-lifts-embargo-pre-ipo-shares-associated-oxygen-433738>

Bourses asked to explain Modern Dyeing delisting

- Bangladesh Securities and Exchange Commission (BSEC) has sought explanations from both stock exchanges of the country about the delisting and postponement of share trading of Modern Dyeing and Screen-Printing Ltd. In July 2018, the board of directors of the Dhaka Stock Exchange decided to delist the firm from the exchange's all boards.

<https://www.tbsnews.net/economy/stocks/bourses-asked-explain-modern-dyeing-delisting-433326>

City Bank raises BDT 7.0 Bn thru bonds

- City Bank recently raised BDT 7.0 Bn issuing its fourth subordinated bond. Agrani Bank, Janata Bank, Sonali Bank, Mercantile Bank, National Life Insurance Company and Shimanto Bank subscribed to the bond. The funds will be used to enhance City Bank's tier-II capital. City Bank Capital Resources and IDLC Investments were the lead arranger and trustee of the issue respectively.

<https://www.thedailystar.net/business/organisation-news/news/city-bank-raises-tk-700cr-thru-bonds-3040201>

Marico exceeds BDT 10.0 Bn sales for 2nd time

- Marico Bangladesh Limited posted BDT 11.3 Bn sales with 15% growth year on year. The company also reported 14% increase in net profit in FY22, reaching BDT 3.55 Bn. The company recommended a 450% interim cash dividend before the end of 1QFY23.
- Year on year, its business is growing by more than 10% owing to product portfolio diversification, and production capacity expansion through a fresh investment.

<https://www.tbsnews.net/economy/stocks/marico-exceeds-tk1000cr-sales-2nd-time-433338>

STS Group's MD to buy 13.5Mn Dhaka Bank shares

- Khondoker Monir Uddin, managing director of STS Group, declared to buy 13.5 Mn shares of Dhaka Bank at the prevailing market price in the block market through the Dhaka Stock Exchange (DSE). According to the DSE source, he has already bought 13.0 Mn shares of the bank at BDT 13.20 each in the block market on Sunday.
- Khondoker Monir Uddin, who used to be the chairman of Dhaka Bank, is now one of the directors of its board. He is also the managing director of Shanta Securities, Shanta Holdings, and Shanta Capital Management Limited.

<https://www.tbsnews.net/economy/stocks/sts-groups-md-buy-135cr-dhaka-bank-shares-433698>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 119.38	USD 44.17	58.73%
Crude Oil (Brent)*	USD 120.12	USD 42.34	54.44%
Gold Spot*	USD 1,853.46	USD 24.26	1.33%
DSEX	6,497.39	-259.26	-3.84%
S&P 500	4,108.54	-657.64	-13.80%
FTSE 100	7,532.95	148.41	2.01%
BSE SENSEX	55,769.23	-2,484.59	-4.27%
KSE-100	41,314.88	-3,281.19	-7.36%
CSEALL	8,054.77	-4,171.24	-34.12%

Exchange Rates**1 US Dollar = 90.40 BDT****1 GBP = 112.86 BDT****1 Euro = 96.86 BDT****1 INR = 1.15 BDT**

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