

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.

Govt looks to USD 58b export next fiscal

- The government looks up to a nearly 15% higher export at USD 58 billion in FY23, officials say, as exporters appear optimistic about a robust post-pandemic trade rebound. It has projected merchandise export at USD 50.0 billion for FY23, higher than that of the current FY's target of USD 43.50 billion. USD 8.5 billion in earnings from services export is being expected, on the back of a 13.33% growth over the estimated USD 7.5 billion set for the current fiscal.
- According to the new Export Policy 2021-2024, the government has set a USD 80 billion export target for FY2024 at the termination of the timeline. The government has projected export target at USD 67 billion and USD 76 billion-both goods and services-for FYs 2023-24 and 2024-25 respectively, according to a commerce ministry document.

<https://today.thefinancialexpress.com.bd/last-page/govt-looks-to-58b-export-next-fiscal-1650219518>

7.5pc GDP growth target set for FY23

- The government has set an ambitious economic growth target of 7.5% for the next fiscal year although the country faces new headwinds owing to higher prices of commodities globally and is still recovering from the shocks of the coronavirus pandemic. It also maintained its previous projection of gross domestic product growth of 7.2 per cent for the current fiscal year, ending in June.
- The WB has projected that Bangladesh's GDP would grow by 6.7 per cent in FY23, while the ADB expected the economy to expand by 7.1 per cent. According to the government's projection, the size of the economy would be USD 512 billion in FY23.

<https://www.thedailystar.net/business/economy/news/75pc-gdp-growth-target-set-fy23-3006791>

Finance Division advises govt over macroeconomic pressures stemming from Ukraine war; next budget to be BDT 6.77 trillion

- The Finance Division proposed that the size of the next budget would be BDT 6.77 trillion or 15.4% of the GDP. It would be 12% bigger than the current budget of BDT 6.03 trillion, which is 17.5% of the GDP. The revenue collection target would be BDT 4.33 trillion, of which BDT 3.70 trillion would be collected by the NBR. The size of the annual development programme will be BDT 2.46 trillion, and that of the revenue budget BDT 4.31 trillion. Of the revenue expenditure, BDT 764.12 Bn will be allocated for salary and allowances, and BDT 802.75 Bn for paying interest on government debts.
- Outlining the budget for fiscal 2022-23, the Finance Division proposed keeping the subsidy allocation below 1% of the GDP. It also suggested gradual adjustment of subsidies for oil, energy, gas and fertiliser. If price is not adjusted, around BDT 180.0 Bn will be required for power, BDT 150.0 Bn for fertiliser and BDT 123.0 Bn for import of LNG in the next fiscal year.
- Proposals were also made for increasing the Letter of Credit (LC) margin up to 100% to discourage people from importing luxury and unnecessary products. The Division also proposed gradual withdrawal of extra loan facilities offered during the pandemic. The Finance Division has recommended that the government avoid hard-term loans and discourage import of luxury goods to cope with macroeconomic pressures arising from the Russia-Ukraine war.

<https://www.thedailystar.net/news/bangladesh/news/be-cautious-3006591>

More subsidies coming to tame inflation

- The government is going to formulate the next budget with the intent to keep inflation at a tolerable level by increasing subsidy allocations without resorting to upward adjustments to the prices of gas, electricity, and fertilisers. Some BDT 727.45 Bn will be earmarked for subsidies and incentives in FY23, which is 54% higher than the original budget for the current fiscal year and 24% higher than the revised budget. The subsidies for LNG, electricity, and agriculture will stand at BDT 463.0 Bn, according to finance ministry officials. The finance ministry fears that if subsidies are withdrawn at the moment, inflation will rise to 9%.
- Besides, the finance ministry has decided to give a further edge to exporters over their competitors in the global market by devaluing taka against dollars in the new fiscal year, keeping in mind the deepening financial crises in Pakistan, Nepal and Sri Lanka.
- Moreover, apart from the existing 2.5% incentives, new benefits may come on offer for expatriate workers so they feel more encouraged to send home remittances through legal channels. At the same time, allocations under the social safety net will be increased by 5% to BDT 1.13 trillion while allocating free or low-cost food to low-income people.
- According to sources in the know about the development, the allocation for the agriculture ministry is going to go up by 43.35% from over BDT 162.0 Bn to a little more than BDT 232.24 Bn.

<https://www.tbsnews.net/economy/more-subsidies-coming-tame-inflation-404954>

BD trade costs highest in South Asia

- Trade cost as a share of trade revenue in Bangladesh remained highest in South Asia on the back of higher total transport expenses, according to a research focused on shift to paperless trading. The study, styled Quantitative Analysis of the Move to Paperless Trade, conducted by the Commonwealth Secretariat, shows that the trade cost in the country was over 80% of trade revenues in the year 2020.
- This is just 80% in Pakistan and more than 60% in India and Sri Lanka. This is less than 20% in the UK and over 20% in Singapore, Canada and New Zealand. This exorbitant cost may be reduced to less than 20 per cent once the overall digitization is adopted by 2026, its report says.

<https://today.thefinancialexpress.com.bd/first-page/bd-trade-costs-highest-in-south-asia-1650219349>

NBR to continue support for 'Made in Bangladesh' brand

- The National Board of Revenue (NBR) aims to continue policy support in the next fiscal year for the local industries that produce items with the "Made in Bangladesh" label, according to officials.
- The revenue board is considering exempting the value-added tax (VAT) on local production of CNG-run three-wheelers to reduce import dependence. Similarly, there are plans to exempt VAT on raw materials for PVC pipe manufacturing. Besides, there are also plans to reduce the existing 5% trade VAT on wholesale and retail to 2%, though traders demand slashing it to 0.5%. Restaurants and eateries may also enjoy reduced VAT rates.
- Currently, different tariffs and duties totalling to 90% are slapped on three-wheeler imports. If the vehicles are manufactured locally, the duties and tariffs will be 45%. It will come down to 33% if VAT on manufacturing level is exempted. .
- Traders have been demanding for a long time to reduce the 5% VAT, saying some of the wholesalers, dealers or distributors in some sectors do not even have 5% profit. Therefore, the NBR is not able to collect the expected VAT

from these sectors. Snehasish Barua, partner of a chartered accountant firm, told that if the VAT is reduced to 0.5% and slapped on turnover, many would be interested in paying that tax. The NBR collects BDT 30.0 Bn as trade VAT annually. He noted if this rate is reduced and proper collection is ensured, it will increase several times.

<https://www.tbsnews.net/nbr/nbr-continue-support-made-bangladesh-brand-404378>

Despite BB policy, banks are far off investment limit

- Although the investment volume of banks in the capital market has increased, many are still far away from their investment limit. Although the BB set a limit on investment in the share market, the banks are ignoring it as the compliance is not obligatory by law.
- The latest data found that 36 banks have constituted a special fund of BDT 57.20 billion so far to invest in the capital markets, far below permitted limit of BDT 72 billion. Of the fund, BDT 14 billion has been invested in 'sukuk bond'. Banks can invest around BDT 37.11 billion in the capital market.

<https://thefinancialexpress.com.bd/economy/despite-bb-policy-banks-are-far-off-investment-limit-1650197669>

IDRA fines 21 insurers over BDT 7.2 Mn

- The Insurance Development and Regulatory Authority (IDRA) has fined 21 insurance companies over BDT 7.2 Mn for, among others, purchasing assets without its approval, charging higher premiums than the government fixed rates and forging letters.
- Continental Insurance has to pay the highest, BDT 1.05 Mn. The lowest, BDT 50,000, is payable individually by Meghna Insurance, Desh General Insurance, Asia Pacific, Republic Insurance and Mercantile Islami Life Insurance.
- Pragati Insurance was slapped BDT 1.0 Mn, followed by Islami Commercial Insurance, Takaful Islami Insurance, Prime Insurance Company, Janata Insurance, Federal Insurance, Agrani Insurance and Rupali Insurance.
- Islami Insurance Bangladesh, Eastland Insurance Company, Standard Insurance and Bangladesh National Insurance Company, Karnaphuli Insurance Company, Pioneer Insurance Company and Global Insurance faced BDT 100,000 in fines each.

<https://www.thedailystar.net/business/organisation-news/news/idra-fines-21-insurers-over-tk-72-lakh-3006706>

BTCL rolls out prepaid services

- Bangladesh Telecommunication Company Limited (BTCL) launched its prepaid services that enable customers to avail telephone and internet services without prior deposits. Under the Gigabit Passive Optical Network (GPON) prepaid service, BTCL offers 11 internet packages ranging from 5 mbps to 100 mbps for prices between BDT 500 and BDT 4,200. Customers can use the telephone service for Tk 150 a month.

<https://www.thedailystar.net/business/organisation-news/news/btcl-rolls-out-prepaid-services-3006691>

BSEC seeks info on listed banks' unclaimed dividend status

- The Bangladesh Securities and Exchange Commission has asked the listed banks to give it information about the latest status of their investors' unclaimed dividends which were supposed to be sent to the capital market stabilisation fund. The BSEC issued a letter to the banks on April 12, and copies of the letter were also sent to the Bangladesh Bank governor and the Association of Bankers Bangladesh.
- So, the BSEC asked the banks to inform the commission whether those shares held in suspense account against unclaimed to investors have been carrying against negotiable instrument or not and whether the unclaimed dividends

are kept as payable in the branches of the bank against any depositors' money or held in the safe custody of the bank as part of banks' custodian service or not.

<https://www.newagebd.net/article/168345/bsec-seeks-info-on-listed-banks-unclaimed-dividend-status>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 107.86	USD 32.65	43.41%
Crude Oil (Brent)*	USD 112.80	USD 35.02	45.02%
Gold Spot*	USD 1,984.33	USD 155.13	8.48%
DSEX	6,554.87	-201.78	-2.99%
S&P 500	4,392.59	-373.59	-7.84%
FTSE 100	7,616.38	231.84	3.14%
BSE SENSEX	58,338.93	85.11	0.15%
KSE-100	46,601.54	2,005.47	4.50%
CSEALL	8,135.25	-4,090.76	-33.46%

Exchange Rates**1 US Dollar = 86.43 BDT****1 GBP = 112.36 BDT****1 Euro = 93.10 BDT****1 INR = 1.13 BDT**

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com