

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 likely to require BDT 10.15 Tn in three years for executing 1,349 ongoing projects**

- The government will require nearly BDT 10.15 Tn to implement some 1,349 ongoing projects over next three years, officials said on Wednesday. However, the government is likely to allocate BDT 8.21 Tn in the next three fiscal years' (FY) Annual Development Programme (ADP), which is BDT 1.94 Tn lower than the demand.
- The fund allocation will gradually come down, but in a single FY23, implementation of the development projects will require around BDT 6.14 Tn funds, an analysis of the Planning Commission (PC) showed. However, the government has allocated BDT 2.46 Tn in the ADP for the next FY.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-likely-to-require-tk-1015t-in-three-years-for-executing-1349-ongoing-projects-1653100809>

### **Outward FDI sees big jump in 2021**

- The outflow of foreign direct investment (FDI) from Bangladesh recorded a big jump in 2021, reaching USD 91.71 Mn, up 209% year-on-year. In 2020, the net outflow of FDI from the country was only USD 11.60 Mn. Gross amount of outward FDI stood at USD 94.69 Mn last year against USD 31.06 Mn in 2020. In the last year, 57% of the total outward FDI landed in the UK, Hong Kong, Nepal, India and United Arab Emirates (UAE).

<https://thefinancialexpress.com.bd/economy/bangladesh/outward-fdi-sees-big-jump-in-2021-1653131559>

### **NBR nod to join maritime scheme**

- The revenue authority has given the go-ahead to join the critical maritime routes Indo-Pacific project CRIMARIO-II of the European Union (EU). The initiative will help ensure maritime security and drug trafficking through security software. CRIMARIO-II is a four-year EU-funded project at EUR 7.5 Mn. It will be executed exclusively in South Asian and South-East Asian countries.

<https://today.thefinancialexpress.com.bd/first-page/nbr-nod-to-join-maritime-scheme-1653154176>

### **Dealer banks makes six-pt proposals**

- The Bangladesh Foreign Exchange Dealers' Association (BAFEDA) suggested the Bangladesh Bank (BB) providing the state-owned commercial banks (SoCBs) with foreign currency support only for settling of the government's import payments for the next three months.
- The exchange rate to be quoted by the authorised dealer (AD) banks for overseas exchange houses will be BDT 0.10 less per US dollar than that of the inter-bank rate, and necessary arrangement should be made to increase the cash incentive against wage earners' remittances to 5.0% from existing 2.5%. It also proposed to review the inter-bank exchange rates periodically, and that necessary adjustment to be allowed based on the market dynamics. They also suggested ensuring required foreign currency to be injected to the market as and when necessary,

<https://today.thefinancialexpress.com.bd/first-page/dealer-banks-makes-six-pt-proposals-1653154130>

### **WB to lend USD 940 Mn to Bangladesh for improving healthcare**

- The World Bank (WB) has decided to lend USD 940 Mn for improving healthcare in Bangladesh, following successful Covid-19 management. The loan will be provided for the development of the health sector.

<https://www.tbsnews.net/economy/wb-lend-940m-bangladesh-improving-healthcare-422974>

**Entrepreneurs want cut in limit to 20pc**

- Entrepreneurs seek a cut in the limit of local value addition to leather products, as a condition for availing export incentives, to 20%. Presently, leather goods exporters enjoy 15% cash incentives against their export shipments. Besides, Savar Tannery Industrial Estate and those outside of Savar, having effluent-treatment plant (ETP), get 10% export subsidy on exports of finished and crust leather.
- Because of the newer variety and compliance with the standards set by reputed foreign brands and buyers, Bangladesh's export earnings are increasing from exports of the diversified products. During 10MFY22, the sector achieved 33% export growth, surpassing the government-set target. The export volume of leather and leather goods, and products like footwear and bags made from blend of synthetics and fabrics (non-leather) reached USD 1.29 Bn in 10MFY22.

<https://today.thefinancialexpress.com.bd/first-page/entrepreneurs-want-cut-in-limit-to-20pc-1653154569>

**Govt's bank borrowing 43% of target in 10 months of FY22**

- The government has so far borrowed 42.50% of the BDT 764.5 Bn target of borrowing in 10MFY22, of which BDT 252.4 Bn was borrowed from the banks and BDT 72.47 Bn from the central bank. The government's net debt in the banking sector stands at BDT 324.88 Bn.
- In 9MFY22, the government implemented 45.56% of the Annual Development Program (ADP). Experts believe if the pressure to implement ADP increases in the coming days, the credit of the banking sector will also increase. The budget deficit in FY22 was BDT 2.15 Tn, which is 6.2% of the country's GDP. Much of this deficit is met by borrowing from the banking sector.

<https://www.tbsnews.net/economy/banking/govts-bank-borrowing-43-target-10-months-fy22-423178>

**Ice cream business thrives on Eid sales, warm weather**

- The ice cream business that was struggling to recover from the pandemic fallout over the past year has now witnessed a sales spree. The industry sold ice cream worth BDT 2.0 Bn, much more than expectation, in just 30 days before and after Eid-ul-Fitr amid the sweltering summer, industry insiders said.
- With the sales boom, industry insiders now hope their annual turnover will surpass at least BDT 17.0 Bn this year, up by 21% from BDT 14.0 Bn in the previous year. In 2020, turnover drastically fell to BDT 7.30 Bn, nearly half of the pre-pandemic sales – BDT 12.40 Bn in 2019.

<https://www.tbsnews.net/economy/industry/ice-cream-business-thrives-eid-sales-warm-weather-422842>

**Tough conditions get in way of Indian wheat import**

- India has pledged to keep a window open for supplying wheat to its neighbour Bangladesh but on certain conditions that local importers deem very difficult to comply with. Bangladeshi businesses say they will have to struggle a lot to import the grain on a government-to-government basis.
- Director (operations) at TK Group of Industries, a leading consumer goods importer, told The Business Standard that finding new suppliers will be difficult for us as India will allow only its citizens for exports. He added that they would have to take part in government tenders too, which is a complex process. He also mentioned that the wheat imported has to be given to the government. He also noted that they are worried over not getting supplies of their previously-placed orders.

<https://www.tbsnews.net/economy/tough-conditions-get-way-indian-wheat-import-423710>

**Spanish recycled cotton producer opens new facility in Bangladesh**

- The Spanish recycled cotton fibre producer Recover has announced the official opening of its new facility in Bangladesh. Recover came forth with this initiative as Bangladesh produces about 400,000 tonnes of garment cutting waste annually, of which, only 5% can be recycled at four mills, according to industry insiders.
- According to the Bangladesh Textile Mills Association, the Spanish company took this initiative as a joint venture project with the Bangladeshi leading apparel exporter Beximco group. However, company officials are not willing to make any comment on this matter. According to the company website, it is the second out of three recycle hubs for this company, where it has plans to set up another six recycle units.

<https://www.tbsnews.net/economy/industry/spanish-recycled-cotton-producer-opens-new-facility-bangladesh-423878>

**37,000 BO account holders sell all shares in 11 days**

- Investors have sold all shares held by 37,243 beneficiary owner (BO) accounts in just 11 days of continuous decline in the Dhaka Stock Exchange (DSE) index in May. According to the Central Depository Bangladesh Limited (CDBL), the number of the BO accounts that held shares on 27 April was 1.51 Mn. At the end of the trading session on 19 May, it had come down to 1.47 Mn.
- A top official at a brokerage firm said on condition of anonymity mentioned that big investors are not active in the stock market, which has made retail investors more disoriented. A top official of a merchant bank said that due to the decline of the stock market, shares are also being sold from margin loan accounts. Because when the share price goes down, it becomes difficult to repay this loan.

<https://www.tbsnews.net/economy/stocks/37000-bo-account-holders-sell-all-shares-11-days-424274>

**BSEC to tighten IPO subscription process for eligible investors**

- The Bangladesh Securities and Exchange Commission has initiated a move to tighten subscription of initial public offering shares by eligible investors by increasing the minimum stock market investment to BDT 30.0 Mn from the existing BDT 10.0 Mn. The minimum investment for approved pension funds, recognised provident funds and approved gratuity fund would be increased to BDT 15.0 Mn from the existing BDT 5.0 Mn. The conditions, if approved, will be mentioned in the consent letter of each IPO prospectus.

<https://www.newagebd.net/article/171167/bsec-to-tighten-ipo-subscription-process-for-eligible-investors>

**BSEC suspends pre-opening session in bourses**

- The Bangladesh Securities and Exchange Commission (BSEC) temporarily suspended the 15-minute pre-opening session on the bourses because of misuse of the opportunity. Pre-opening session of the Dhaka Stock Exchange and the session of opening auction call and opening price publication of Chittagong Stock Exchange will be suspended temporarily until further instruction. The new directive will be effective from Sunday (May 22). However, the 10-minute post-closing session will continue.

<https://thefinancialexpress.com.bd/stock/bsec-suspends-pre-opening-session-in-bourses-1653054194>

**BSEC asks bourses to ensure trades through 'genuine' BO accounts**

- The securities regulator has asked the bourses and depository authority to ensure trades through 'genuine' BO (beneficiary owners) accounts only. The regulatory instruction came in the backdrop of conducting trades using some closed BO accounts.
- It said the securities regulator's market surveillance and intelligence department has been observing regular sale

conducted using some closed BO accounts. After analysing international trade practice, the BSEC has found no example of trade using closed BO account and explanation given by trading brokers who are involved in such trading activities is not satisfactory.

<https://thefinancialexpress.com.bd/stock/bangladesh/bsec-asks-bourses-to-ensure-trades-through-genuine-bo-accounts-1653018570>

### **Foreign stakes in small-cap listed companies drop**

- Foreign stakes in many small-cap listed companies declined significantly in last 10 months as the foreigners offloaded their shares held in those companies. The foreign stakes in large-cap companies, however, declined marginally during the period.
- The foreign investors offloaded the entire 18.52% stake in ML Dyeing, while stake in Aamra networks came down from 15.98% in Jun'21 to 0.88% on Apr'22. Foreign stake in Queen South Textile Mills came down from 3.06% on Jun'21 to 1.17% as on Apr'22. Foreign investment in Shepherd Industries dropped to 12.42% from 18.40% in Jun'21. Foreigners held 1.07% shares in IFIC Bank as of Jun'21, which came down to 0.97%.
- Of the large cap companies, foreign investors held 14.20% stake in Square Pharma as against 15.27% as on Jun'21. Foreigners held 37.37% as against 37.88% (Jun'21) in BRAC Bank, Foreigners had 20.48% as against 20.58% in Islami Bank, 1.12% stake against 1.47% in Beximco Limited, 29.19% against 30.55% in Beximco Pharma, and 2.86% against 3.11% in Grameenphone.
- Of other companies which saw marginal decline in foreign stakes are IDLC Finance, Bata Shoe, British American Tobacco, Olympic Industries, Delta Brac Housing, The City Bank and Singer Bangladesh.
- Renata and Eastern Housing saw rise in foreign stakes in last 10 months. The amount of foreign stake in Eastern Housing was zero on Jun'21 and increased to 2.07% as of Apr'22. Foreigners held 22.74% stake in Renata which stood at 22.91% as of Apr'22.

<https://today.thefinancialexpress.com.bd/stock-corporate/foreign-stakes-in-small-cap-listed-companies-drop-1653144955>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 110.28	USD 35.07	46.63%
Crude Oil (Brent)*	USD 112.55	USD 34.77	44.70%
Gold Spot*	USD 1,846.50	USD 17.30	0.95%
DSEX	6,258.25	-498.41	-7.38%
S&P 500	3,901.36	-864.82	-18.14%
FTSE 100	7,389.98	5.44	0.07%
BSE SENSEX	54,326.39	-3,927.43	-6.74%
KSE-100	43,100.70	-1,495.37	-3.35%
CSEALL	8,265.61	-3,960.40	-32.39%

**Exchange Rates****1 US Dollar = 87.50 BDT****1 GBP = 109.28 BDT****1 Euro = 92.43 BDT****1 INR = 1.09 BDT**

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