

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.

Bangladesh asks Australia to name state agency for trade transaction

- The move is made as Bangladesh wants to import a slew of commodities in high demand, like coal, liquefied natural gas (LNG), fertilisers, and wheat, from Australia under G-to-G arrangement. Bangladesh imports AUD 20 billion worth of cotton, fuels, iron and steel, cereals, and oilseeds each. If 20% of the imports are procured from Australia, the bilateral trade could grow to AUD 5.0-6.0 billion by 2025 and AUD 10 billion in next ten years.
- Trade between the two countries now hovers around USD 1.5 billion. In FY20, Bangladesh exported goods worth USD 762.9 million to Australia while imports from there valued USD 695.7 million. The two countries have signed Trade and Investment Framework Arrangement (TIFA) aiming to facilitate enhancement of trade between them.

<https://thefinancialexpress.com.bd/economy/bangladesh-asks-australia-to-name-state-agency-for-trade-transaction-1645424063>

Maersk wants to run Patenga container terminal

- Global ports and terminal operator APM Terminals, a subsidiary of Danish shipping company AP Moller Maersk, has expressed interest in developing and operating the under-construction Patenga Container Terminal of the Chattogram port.
- Maersk is the fifth contender in the race to win the deal for running the terminal under an "Equip, Operate and Maintain" model. The other global firms which earlier expressed their interest are Saudi Arabia-based Red Sea Gateway Terminal, Dubai-based DP World, Indian firm Adani Ports and Special Economic Zone, and Singaporean firm PSA International.
- The Prime Minister's Office was mulling over proposals of DP World and Red Sea Gateway when Maersk's one surfaced, according to sources in the shipping ministry and the Chittagong Port Authority (CPA). A senior official of Maersk Bangladesh told The Daily Star that they submitted a proposal to the government in January and now the company representatives were in discussions with the authorities through the Danish embassy.

<https://www.thedailystar.net/business/global-economy/news/maersk-wants-run-patenga-container-terminal-2967041>

South Korea keen to invest in various sectors in Bangladesh

- Ambassador of the Republic of Korea Lee Hang-Keun has expressed his country's interests in investing in other industrial sectors here apart from the readymade garment (RMG) for mutual benefits of both the countries. Efforts are being made to increase Korean investment in other sectors besides the readymade garment sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/south-korea-keen-to-invest-in-various-sectors-in-bangladesh-1645430585>

First park for electrical, engineering products nearing completion

- The construction of the country's first industrial park for electrical and light engineering product manufacturers in Munshiganj is set to be complete in June. Bangladesh Small and Cottage Industries Corporation (BSCIC) is implementing the project under a BDT 309.59 crore project.
- The project aims to bring electrical and light engineering product manufacturers that have sprung up in an unplanned way across the country under a single platform. Half of plots will go to electrical product makers and the rest to light engineering product manufacturers.

<https://www.thedailystar.net/business/economy/news/first-park-electrical-engineering-products-nearing-completion-2967036>

Chartered accountants propose new audit standards for SMEs

- They suggested developing a separate standard for less complex entities (LCEs) which would distinguish the standard from the ISAs by referring specifically to audits of LCEs, while also maintaining identification as a global IAASB standard. The new standard could be titled as 'International Standard on Auditing (ISA) for Audits of Financial Statements of the Less Complex Entities (ISA for LCE),' which would distinguish the standard from the ISAs by referring specifically to audits of LCEs, while also maintaining identification as a global IAASB standard.

<https://www.tbsnews.net/economy/chartered-accountants-propose-new-audit-standards-smes-373492>

Long-awaited project to complete finally

- The project undertaken in 2013 to enable smooth communication between Dhaka and the northern part of Bangladesh via the Bangabandhu Bridge would cost BDT 6,168 crore.
- The Roads and Highways Department (RHD), the implementation agency, will, however, seek an extension of the deadline for the fifth time, to December 2022 from June this year. The upgradation of the 70-kilometre road to a four-lane highway was scheduled to be completed by March 2018 at a cost of BDT 2,788 crore. The fourth revision saw the expenditure go up to BDT 6,214 crore and the tenure extend to June 2022.

<https://www.thedailystar.net/business/economy/news/long-awaited-project-complete-finally-2967611>

Cabinet approves draft law for protection of deposits at financial institutions

- As per the draft law, the NBFIs will have to provide clients with compensation up to BDT 200,000 if they go bust and fail to provide security for their deposits. Revisions have been made in the existing law and enacted the Bank Deposit Protection Act 2022. Previously, it was Bank Deposit Insurance Act, now it will be a protection law. It was only applicable for banks before, not for the financial companies. 'Banks' have been replaced by 'banks and financial companies.'
- Anyone doing national financial transactions now will have to be registered with Bangladesh Bank, regardless of under whose name it is being done. A specific amount of the total paid-up capital has to remain in the central bank deposit as per the rule defined by it.
- The Bangladesh Bank has set a cash reserve ratio or CRR of 4 percent for the listed banks. A fresh CRR has to be set now for the finance companies outside banks. Different leasing companies and financial institutions outside banks that carry out trade deposits will fall under the law. They will have to deposit a safety amount at Bangladesh Bank from the deposits they receive.

<https://thefinancialexpress.com.bd/economy/cabinet-approves-draft-law-for-protection-of-deposits-at-financial-institutions-1645379713>

60% of agri credit target achieved in Jul-Jan

- Banks disbursed BDT 17,055 crore, which is 60.07% of the sector's annual target and 6.26% up from a year earlier, according to the latest report by the Bangladesh Bank. The disbursement target for fiscal 2021-22 has been set at BDT 28,391 crore. In the July-January period of fiscal 2020-21, the disbursement was BDT 14,149 crore, which was 53.81% of the annual target for the agricultural sector.
- During 7MFY22, loan recovery from the agricultural sector stood at BDT 15,465 crore, which was 4.25% lower compared to the corresponding period of the previous fiscal year. As of Jan'22, outstanding agricultural loans has reached BDT 48,355 crore and classified loans stood at BDT 3,940 crore, which is 8.15% of the outstanding amount.

<https://www.tbsnews.net/economy/banking/60-agri-credit-target-achieved-jul-jan-373564>

Nagad-linked investors desperate for multipurpose NBFi licence

- A group of investors linked with mobile financial service operator Nagad Ltd have turned desperate to obtain a multipurpose licence that does not exist in Bangladesh. Turned down twice by Bangladesh Bank in the past three months, they have approached the central bank again with an almost similar application.
- The proposed company's name has been changed from Amar Fintech Ltd to Nagad Finance Ltd. Financial experts are not in favour of a hybrid financial institution. Financial experts are not in favour of a hybrid financial institution. They instead recommend adopting more regulations for the 34 companies in the NBFi sector.

<https://www.thedailystar.net/business/economy/news/nagad-linked-investors-desperate-multipurpose-nbfi-licence-2967626>

Govt resets knitwear wastage rate up to 32pc

- The government has revised the maximum wastage rate for the knitwear subsector in producing apparel products, from yarns to fabrics and fabrics to garments, to up to 32%. The commerce ministry has gone for the upward revision of the wastage rate just after two months of setting the depreciation rate up to 30% on December 19.
- Knitwear makers however opposed the decision and sent a letter to the Commerce Minister demanding the maximum depreciation rate up to 35%.

<https://www.newagebd.net/article/163293/govt-resets-knitwear-wastage-rate-up-to-32pc>

Commerce wants VAT cut on non-cotton yarns to BDT 3 per kg

- Currently, the revenue board collects BDT 3 in VAT on sales of 1kg cotton yarns and BDT 6 for non-cotton yarns. To meet growing local demand for non-cotton yarns, the ministry has finally sent a recommendation to NBR Chairman for lowering VAT on non-cotton yarn sales to BDT 3 per kg.
- The local apparel market is also quite large and stands at around USD 8 billion and non-cotton items account for 22% of it. If the VAT on sales of yarns made from artificial and manmade fibres are lowered to BDT 3 per kg, the use of such yarns will increase, reducing dependence on costly cotton yarns.

<https://www.tbsnews.net/economy/commerce-wants-vat-cut-non-cotton-yarns-BDT3-kg-373576>

BDT 1,059cr project in the offing to build 5G network

- The government is undertaking a BDT 1,059 crore project to develop an optical fibre transmission network with a view to building 5G infrastructure all over Bangladesh. It aims to raise the data transmission speed to 100 gigabits per second (Gbps) at upazila levels, according to a project proposal of the planning ministry. The project will be implemented by state-owned Bangladesh Telecommunications Company Ltd (BTCL) by December 2024.
- The project will improve and expand BTCL's optical fibre transmission network, said the managing director of BTCL. He added that bandwidth sold by BTCL has risen to 475 gigabytes per second from 137 GBPS in 2019. The fund of the project will be used to procure and install telecommunication and electrical equipment and establish 146 underground optical fibre cable links with a combined length of 3,144 kilometres.

<https://www.thedailystar.net/business/economy/news/tk-1059cr-project-the-offing-build-5g-network-2967616>

DSE seeks tax waiver for interest earnings from bonds, Sukuk

- Dhaka Stock Exchange Limited has proposed that the government offer investors exemption from income tax on interest earnings from bond and Sukuk investments in the forthcoming national budget for the fiscal year 2022-2023.

- DSE officials said that the size of corporate bond in the country was very small, but tax exemption for interest from bond might vibrant the local bond market. They also demanded a reduction in the corporate tax rate of listed companies from the existing 22.50% to 17.50%.
- DSE officials also proposed extending the limit of income from dividend received from a listed company up to BDT 2.50 lakh to attract the small investors. DSE also demanded reducing the source tax from the TREC holders at maximum 0.15% on the value of transaction.
- The bourse proposed a concessional tax rate at 10 per cent for the listed SME companies for a period of five years from the date of listing on the SME board of the stock exchanges. It also proposed reducing tax on dividend income of corporate shareholders at 10% from the existing 20% per cent.

<https://www.newagebd.net/article/163296/dse-seeks-tax-waiver-for-interest-earnings-from-bonds-sukuk>

Bourses asked to report on OTC cos' share demat status

- Bangladesh Securities and Exchange Commission has asked the Dhaka Stock Exchange and the Chittagong Stock Exchange to submit reports about status of dematerialisation process of the share trading on the over the counter market or companies to be traded on the small capital platform and alternative trading board.
- There were 60 companies under the DSE's OTC market as on October 1, 2020. Earlier on September 16, the BSEC abolished the OTC market and sent 23 OTC companies to small capital platform and 18 companies to alternative trading board of the country's stock exchanges. Nineteen other companies would be delisted from the market in accordance with the BSEC's December 28, 2020 exit plan directive.

<https://www.newagebd.net/article/163295/bourses-asked-to-report-on-otc-cos-share-demat-status>

AB Bank's bond subscription time extended until May 22

- As per earlier schedule, the bank's bond subscription was held between January 30 and February 17, aiming to raise BDT 600 million. The subscription period of the bond has been extended as per Bangladesh Securities and Exchange letter dated February 16, said the bank in a filing with the Dhaka Stock Exchange (DSE) on Sunday. Participating eligible investors shall be required to pay full subscription amount and subscription fee is BDT 3,000 in the prescribed bank as of May 22.
- Earlier on November 23, 2021, BSEC accorded its consent to AB Bank for raising Additional Tier-I (AT-I) capital through issuance of Perpetual Bonds of BDT 6.0 billion. Of the BDT 6.0 billion, BDT 5.40 billion will be issued through private placement and the remaining BDT 600 million under the public offering, as per the BSEC approval.

<https://thefinancialexpress.com.bd/stock/ab-banks-bond-subscription-time-extended-until-may-22-1645432572>

Kay & Que plans to get into LPG filling, food business

- "Along with the existing CNG station, we want to add LPG filling and fuel filling services on our premise, which will make us a one-stop station for all types of vehicles," said Abdul Awal Mintoo, chairman of the company, in its annual report for fiscal 2020-21. Also, speaking on condition of anonymity, a senior official at Kay and Que (Bangladesh) Ltd, said the company board has not yet finalised its decision on opening a food business. But it is now assessing the food market.
- Besides, the listed company is going to amalgamate with MultiSourcing Ltd, an ICT-based firm, with the hope that income from the ICT wing will boost the company's overall profit performance which will subsequently make a positive impact on the shareholders' interest. The High Court already endorsed the amalgamation, but the Bangladesh Securities and Exchange Commission (BSEC) moved a petition against approval.

<https://www.tbsnews.net/economy/stocks/kay-que-plans-get-lpg-filling-food-business-373996>

National Tea plans to raise paid-up capital by issuing right shares

- The tea manufacturer has recently sought approval from the Bangladesh Securities and Exchange Commission (BSEC). In the July-December period of 2021, the net profit of the company was BDT 5.72 crore, up from BDT1.59 crore a year earlier. In this situation, the company will be able to increase its paid-up capital by issuing rights shares if the stock market regulator provides legal exemptions for the company. The company will take the next decision after getting approval from the stock market regulator.

<https://www.tbsnews.net/economy/stocks/national-tea-plans-raise-paid-capital-issuing-right-shares-373555>

UCB to float its second perpetual bond

- UCB's 2nd Perpetual Bond will be an unsecured, non-cumulative bond without any tenure. But, in certain circumstances, the bond may be recalled by the issuer with regulatory approval. Also, in cases of equity shortfall, the bank can convert part of the bonds into its equity. UCB issued its first perpetual bond worth BDT 400 crore last year.

<https://www.tbsnews.net/economy/stocks/ucb-float-its-second-perpetual-bond-373963>

Four listed companies allowed to issue stock dividend

- The companies are SAIF Powertec, Associated Oxygen, Intraco Refueling Station and Kay & Que (Bangladesh). SAIF Powertec will issue 6.0 % stock dividend for the year ended on June 30, 2021 and the record date for entitlement of such dividend is February 28 this year. Associated Oxygen has received the BSEC's consent to issue 7.0 % stock dividend for the year ended on June 30, 2021 and the record date for the entitlement of such dividend is March 2, 2022.
- Intraco Refueling Station will issue 8.0 % stock dividend for the year ended June 30, 2021. The company has fixed the record date on March 1, 2022. Kay & Que (Bangladesh) has received the BSEC's consent to issue 5.0 % stock dividend for the year ended June 30, 2021. The company has also informed that the record date is February 28, 2022 for entitlement of the aforesaid bonus shares.

<https://thefinancialexpress.com.bd/stock/four-listed-companies-allowed-to-issue-stock-dividend-1645430714>

Why BDBL is selling Investment Corporation shares

- After selling 100,000 shares of the Investment Corporation of Bangladesh (ICB) in January, its corporate director the Bangladesh Development Bank Ltd (BDBL) last week announced offloading of another 1.0 million ICB shares on the public market.
- BDBL is pursuing its approved plan to sell more than 10.0 million ICB shares out of its total holding of 206,538,492 (25.63% of total) in phases. The development bank is reducing its stake in the Investment Corporation in a move to comply with the ICB Act 2014 which does not allow it to hold more than 24% of ICB shares.
- A senior BDBL official told The Business Standard that the bank would enjoy flexibility in offloading its stake. The divestment would partially help ICB to ensure 10% free-float shares. Free float shares represent 3.2% of holdings. BDBL, Sonali Bank, Agrani Bank, Janata Bank and Sadharan Bima Corporation collectively own 69.8% stake.

<https://www.tbsnews.net/economy/stocks/why-bdbl-selling-investment-corporation-shares-373990>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 93.32	USD 18.11	24.08%
Crude Oil (Brent)*	USD 95.82	USD 18.04	23.19%
Gold Spot*	USD 1,899.32	USD 70.12	3.83%
DSEX	6,926.63	169.97	2.52%
S&P 500	4,348.87	-417.31	-8.76%
FTSE 100	7,484.33	99.79	1.35%
BSE SENSEX	57,683.59	-570.23	-0.98%
KSE-100	45,362.85	766.78	1.72%
CSEALL	11,591.37	-634.64	-5.19%

Exchange Rates**1 US Dollar = 85.98 BDT****1 GBP = 116.99 BDT****1 Euro = 97.34 BDT****1 INR = 1.15 BDT**

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