

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.

Tipu Munshi stresses signing FTA with Malaysia

- The Commerce Minister has stressed the need for signing a Free Trade Agreement (FTA) with Malaysia in order to boost the trade, commerce, and investment of the two countries. Bangladesh exported goods worth USD 306.57 million to Malaysia in FY21 against imports of USD 1,576.89 million. The major Bangladeshi exportable items to Malaysia are RMG, jute-made goods, light engineering, and leather products.
- Mentioning that there is a huge demand for Malaysian palm oil, furniture, chocolates, and fruits in Bangladesh, the minister said Malaysia would be benefitted if they set up factories of such products in Bangladesh. As Bangladesh imports a huge volume of palm oil from Malaysia, the commerce minister said Bangladesh would remain grateful if Malaysia lowers the price of palm oil considering the global edible oil price trend.

<https://thefinancialexpress.com.bd/economy/tipu-munshi-stresses-signing-fta-with-malaysia-1645711463>

Steel, furniture exporters want duty-free raw material import facility

- At a pre-budget discussion organised by the National Board of Revenue on Thursday, the exporters said a facility allowing imports of raw materials against bank guarantees equal to the duty they are supposed to pay would be satisfactory, even if the authorities concerned do not provide them a full bonded warehouse facility.
- Currently, importers without a bonded warehouse license have to pay full duties and taxes. If products made with those raw materials are exported, the traders can get back the money paid as duty from NBR's Duty Exemption and Drawback Office (Dedo), but many are not able to avail this facility as the process is time-consuming and costly.
- Bangladesh Plastic Goods Manufacturer and Exporters Association (BPGMEA) and Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association said they enjoy the bonded warehouse facility, but they do not get the same benefits like the garments sector does. BPGMEA has also recommended abolition of advance income tax.
- The Bangladesh Poultry Industries Association has come up with a number of proposals on tariffs, VAT and income tax to protect the relatively small entrepreneurs in the sector instead of the big businesses.

<https://www.tbsnews.net/economy/steel-furniture-exporters-want-duty-free-raw-material-import-facility-375652>

Cut VAT on gold, silver to 2.0pc

- Bangladesh Jewellers Samity (BAJUS) on Thursday proposed cuts in value-added tax (VAT) on gold and silver ornaments from existing 5.0% to 2.0%. The association also urged the government to lower customs duty (CD) on gold bar from BDT 2,000 to BDT 1,000 per bhor (11.664 grams). VAT on gold ornaments should be reduced to prevent people from going to India to buy gold products due to 3.0 % lower VAT there than in Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/cut-vat-on-gold-silver-to-20pc-1645726318>

Businesses fear ripple effect of Russian invasion of Ukraine

- With oil prices hitting above USD 100 in the wake of Russia's invasion of Ukraine, local businesses yesterday feared that the war would have a ripple effect on their domestic and international operations as both countries are major suppliers of agricultural commodities. The conflict may also badly impact the prices of some basic commodities, industrial raw materials and industrial machinery as both Russia and Ukraine are major sources for these items.

- Some bankers said the crisis may also affect the banking sector as major international trading partners have already banned some banks from conducting transactions with Russia. Bilateral trade between Bangladesh and Russia is worth nearly USD1 billion while two-way trade with Ukraine amounts to about USD 350 million.
- On the other hand, Russia and Ukraine are major sources of Bangladesh's wheat, cotton, and industrial materials and machinery. The two countries also supply a good amount of maize, rapeseed, canola, sunflower oil and pulses, and Bangladesh depends on imports to meet its domestic requirement for such commodities. Already, oil prices broke above USD 100 per barrel while the prices of wheat, soybean seeds, crude soybean and palm oil for future delivery also surged in global markets.

<https://www.thedailystar.net/business/economy/news/businesses-fear-ripple-effect-russian-invasion-ukraine-2970116>

Bill payment in forex among factors being probed

- Government's revenue authority moves to look into some key factors like payment of subcontracting bills in foreign currencies over apparel exporters' plea for VAT waiver. The value-added tax (VAT) policy wing under the National Board of Revenue (NBR) would also review whether there is any scope to consider subcontracting output as export.
- In an official note to the customs bond wing, the VAT-policy section sought to know where an export-oriented industry having bonded- warehouse licence is allowed to supply product through subcontract as per law.
- In a pre-budget meeting with the NBR earlier, the BGMEA leaders had said one-third of the subcontracting companies are in financial distress due to taxes and VAT on their bills. Officials say the NBR is positively considering the VAT-exemption plea that might take place in the next budget if the NBR got consent of government high-ups. According to BGMEA, some 600-700 factories are currently doing subcontracting and contributing about USUSD5.0-6.0 billion in export earnings.

<https://today.thefinancialexpress.com.bd/last-page/bill-payment-in-forex-among-factors-being-probed-1645726243>

BB asks banks to submit recovery plans every yr

- Under the directive of the Bangladesh Bank, the banks will have to submit respective first recovery plan to the Department of Offsite Supervision (DOS) of the BB by June 30. The plan has to be prepared considering minimum five stress scenarios on the business strategies aiming to protect banks' ongoing functions for the financial intermediation process and to uphold public confidence in the banking system, officials say.
- Business strategies include different indicators of funding, liquidity, capital, asset growth and profitability. Besides, an update of each recovery plan will have to be submitted by the banks to the DOS on a regular basis within 31st January each year.

<https://today.thefinancialexpress.com.bd/first-page/bb-asks-banks-to-submit-recovery-plans-every-yr-1645725890>

Housing gets remittance boost

- According to the annual report of the Bangladesh Bank, inward remittance in the fiscal 2020-21 was nearly BDT 2.1 trillion, the highest ever remittance inflow for the country. Housing sector stakeholders say about 20% of the inward remittances was invested in the housing sector in FY21.
- According to a recent study by the Bangladesh Institute of Planners (BIP), this amounts to nearly BDT 400 billion, which is the highest remittance investment in real estate. In 2019-20 and 2018-19, the amounts were BDT 220 billion and BDT 200 billion respectively.

<https://www.tbsnews.net/dropped/real-estate/housing-gets-remittance-boost-375259>

No cash withdrawal from investor accounts: BSEC

- Brokerage firms will not be able to withdraw cash from their consolidated customers' accounts (CCAs) where they deposit investors' funds. Instead, they will have to withdraw funds through banking channels so that the withdrawals are traceable.
- The Bangladesh Securities and Exchange Commission (BSEC) has recently directed the stock exchanges, brokerage firms, banks and Bangladesh Bank in this regard.

<https://www.tbsnews.net/economy/stocks/no-cash-withdrawal-investor-accounts-bsec-375628>

IDLC savings schemes available on bKash

- IDLC's deposit scheme on bKash attracted around 90,000 customers, and drew deposits of BDT 14 crore since the inception. Of the customers, 64 % availed the service for future purposes, 25 % to ensure the financial security, 6 % to bear educational expenses and the remaining 5 % for other purposes.

<https://www.thedailystar.net/business/economy/news/idlc-savings-schemes-available-bkash-2970021>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 95.35	USD 20.14	26.78%
Crude Oil (Brent)*	USD 101.65	USD 23.87	30.69%
Gold Spot*	USD 1,913.55	USD 84.35	4.61%
DSEX	6,917.91	161.25	2.39%
S&P 500	4,288.70	-477.48	-10.02%
FTSE 100	7,207.01	-177.53	-2.40%
BSE SENSEX	54,529.91	-3,723.91	-6.39%
KSE-100	43,830.51	-765.56	-1.72%
CSEALL	10,657.05	-1,568.96	-12.83%

Exchange Rates**1 US Dollar = 85.94 BDT****1 GBP = 115.28 BDT****1 Euro = 96.37 BDT****1 INR = 1.14 BDT**

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