

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.

Tax collection up 14.21pc in July-Dec

- Revenue collection by the National Board of Revenue grew by 14.21% year-on-year in 1HFY22. The NBR collected BDT 126,209 crore in 1HFY22 against Tk 110,501 crore in 1HFY21. The revenue collection deficit was BDT 17,081 crore against the target of BDT 143,29 crore for the period. In the six months, the NBR collected 38.25% of the total BDT 330,000 crore target set for FY22.
- Tax officials collected BDT 39,421 crore in income taxes in the six months, up 14.83 per cent on BDT 34,330 crore in the same period of the previous year. The income tax collection target in this period was BDT 43,513 crore, with the revenue board achieving 90.60 per cent of the target.
- VAT collection grew by 9.54 per cent in the period with a collection of BDT 46,558 crore against the target of BDT 52,480 crore. The NBR achieved 88.77 per cent of the VAT collection target. The customs wing collected BDT 40,202 crore in this period, up 19.50 per cent on the corresponding period of the previous year.

<https://www.newagebd.net/article/159193/tax-collection-up-1421pc-in-july-dec>

Big potential in Bay as 17-103 TCF gas hydrates found

- Bangladesh now has all the opportunities to tap into a potential "goldmine" in the form of huge gas hydrates and several hundred species of seaweed discovered in the Bay of Bengal. The country has found the presence of around 17 to 103 trillion cubic feet (TCF) of ice-like hydrate deposits containing huge amounts of methane, the foreign ministry revealed on Wednesday.
- While Bangladesh at COP26 committed to gradually cut down its fossil fuel usage and go for green energy, the country still needs fossil fuel like natural gas in the next two decades in order to ensure a smooth transition and energy security.

<https://www.tbsnews.net/bangladesh/gas-hydrate-found-bay-bengal-353539>

203 Bangladeshi workers reach Korea since lifting of ban on foreign workers

- A total of 203 Bangladesh expatriate workers have traveled to Korea since the lifting of suspension on the arrival of foreign workers in December. On Wednesday, 92 Bangladesh workers left for Korea from Hazrat Shahjalal International Airport (HSIA) in Dhaka via chartered flights operated by a Korean air company. Earlier, in December, 111 Bangladesh workers were admitted to Korea, a spokesperson of the Korea Embassy said.
- The South Korean Government suspended accepting foreign workers in March 2020 due to the Covid-19 pandemic and resumed receiving the expatriates from last month. Korea has been admitting medium and low-skilled foreign workers from 16 countries including Bangladesh through the EPS (Employment Permit System) program.

<https://thefinancialexpress.com.bd/economy/bangladesh/203-bangladeshi-workers-reach-korea-since-lifting-of-ban-on-foreign-workers-1641387963>

Forex reserve falls to USD 44.33b

- Swelling import expenses, coupled with routine payment to the Asian Clearing Union (ACU), have put the country's foreign-exchange reserves under pressure again. The reserve fell below USD 44.50 billion on Wednesday after making a routine payment to the ACU against the imports of the November-December period of 2021.

- The forex reserve has been maintaining a falling trend in the last couple of months following higher import payment obligations along with lower flow of inward remittances. Higher prices of essential commodities, including petroleum products, in the global market have pushed up the country's import payments during the period. The central bank has so far sold nearly USD 2.50 billion from the reserve directly to the commercial banks as liquidity support for settling their import payment obligations in FY 22.

<https://today.thefinancialexpress.com.bd/first-page/forex-reserve-falls-to-4433b-1641404853>

Corporate tax cuts turn 'eyewash'

- Corporate taxpayers have to pay around 97% of their taxes in the form of advance, minimum and source taxes while the rest 3.0% they pay with their annual tax returns. Accountants and corporate taxpayers say effective tax rate -- actually payable at the yearend -- for corporates increased up to 10%, depending on nature of companies, due to upward adjustment of source tax or withholding tax.
- National Board of Revenue (NBR) data also show substantial rise in corporate-tax collection that went up by 25% in 2020-21 despite reduction in its rate by 2.5% that year. Advance Income Tax (AIT) at import stage also grew 20% last year, according to the data.

<https://today.thefinancialexpress.com.bd/first-page/corporate-tax-cuts-turn-eyewash-1641404612>

Banks to get credit guarantee scheme facility even for loans of BDT 25,000

- Banks will be able to accept collateral from the Bangladesh Bank's credit guarantee scheme against loans of BDT 25,000 and above given to holders of small accounts worth BDT 10, BDT 15 and BDT 100. The Bangladesh Bank issued a circular on Wednesday giving the banks detailed instruction regarding this.
- Earlier in a circular on 5 September 2021, the central bank mentioned setting up a BDT 500 crore fund under the credit guarantee scheme and instructed the concerned banks not to take any collateral for loans less than BDT3 lakh.

<https://www.tbsnews.net/economy/banking/banks-get-credit-guarantee-scheme-facility-even-loans-tk25000-353701>

Padma Bank's loss of BDT 800 crore to turn into goodwill now

- The Bangladesh Bank has approved a proposal of restructuring Padma Bank's balance sheet by cleaning its accumulated loss of BDT 803 crore, helping the troubled lender get foreign investment for its survival. The bank was allowed to restructure the balance sheet to meet the prior condition of foreign investors who intended to invest in.
- DelMorgan & Co, a USA-based global investment bank, proposed arranging an investment of USD 700 million for the bank. However, it sought policy support from the Bangladesh Bank – allowing the bank to clean up losses from the balance sheet and exempting it from maintaining Statutory Liquidity Ratio or SLR.

<https://www.tbsnews.net/economy/banking/padma-banks-loss-tk800-crore-turn-goodwill-now-353707>

Janata Bank gets go-ahead to regularise AnonTex's default loans

- Bangladesh Bank has allowed Janata Bank to regularise default loans of scam-hit AnonTex Group, relaxing its own rescheduling policy. As per the central bank policy, a defaulter has to pay down payment between 10% and 50% of default loans to reschedule nonperforming loans.
- Ignoring its own rules, the BB gave a no-objection certificate to Janata Bank on Tuesday, which paved the way for the state lender to reschedule default loans around BDT 4,000 crore owned by the group. The group will pay only BDT 86 crore, which is much lower than actual requirement in line with the central bank policy.

<https://www.thedailystar.net/business/news/janata-bank-gets-go-ahead-regularise-anontexs-default-loans-2933376>

Firm sponsors, investors pocketing windfall

- Sponsors and investors in life-insurance firms are picking a windfall profit accrued from fund investment, sometimes at policyholders' expense, sources say. They pocket the profits from investments in secure financial instruments, including government bonds. The life funds are mostly owned by the policyholders.
- Top five local life firms disbursed nearly 68% dividend on average annually over the past 10 years since 2011, according to a calculation by FE. However, higher dividend disbursement was due to unbelievably higher dividend declaration by at least a couple of firms. The returns are higher than the market rate of FDR [fixed deposit receipts] and National Saving Certificates.

<https://today.thefinancialexpress.com.bd/first-page/firm-sponsors-investors-pocketing-windfall-1641404534>

Monthly RMG production capacity to reach USD 8.0b soon, BGMEA president hopes

- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan has expressed his hope that the readymade garment (RMG) industry of the country would achieve the capacity to handle monthly orders worth USD 7.0 to USD 8.0 billion a month.
- He said Bangladesh earned USD 4.0 billion exporting apparel in December 2021 alone, the highest-ever record in one month, as a result of keeping factories in operation and following health guidelines during the pandemic. There are a good number of world-class apparel factories in Bangladesh of which 153 are green ones. The year 2022 will be an important year for investment in backward linkage areas.

<https://thefinancialexpress.com.bd/trade/monthly-rmg-production-capacity-to-reach-80b-soon-bgmea-president-hopes-1641392097>

Pharma export may cross USD 5b in 3-5 yrs

- Salman Fazlur Rahman, adviser on private industry and investment to Prime Minister Sheikh Hasina, said the country's shipment of pharmaceutical products may cross USD 5.0-billion mark within the next three to five years. "Pharma export makes up about USD 1.0 billion now, but we expect to cross the USD 5.0-billion mark in the next three to five years," he told on the December-January issue of the fDi intelligence, a publication of the Financial Times.
- Bangladesh now exports pharma products to over 100 countries. He noted that the country is self-sufficient in pharmaceuticals with 99% of the demand being met by local production.

<https://today.thefinancialexpress.com.bd/last-page/pharma-export-may-cross-5b-in-3-5-yrs-1641405240>

BSEC now mulls market-set interest rates for margin loans

- The Bangladesh Securities and Exchange Commission (BSEC) considers retreating from its January 2021 notification that announced to cap the interest rate against margin loans at 12%.
- "Since the situation has changed a lot in a year, the regulator is now thinking about leaving the rate to the market," BSEC Commissioner Dr Shaikh Shamsuddin Ahmed told The Business Standard. In the last year, the market has got a large number of new brokerage firms who will need to come up with competitive offers for a position in the brokerage industry. Besides, the BSEC is encouraging a robust financing environment for the capital market intermediary industries.

<https://www.tbsnews.net/economy/stocks/bsec-now-mulls-market-set-interest-rates-margin-loans-353677>

DBA leaders urge for effective initiative to bring MNCs to stock market

- The leaders of the DSE Brokers Association of Bangladesh (DBA) have suggested listing quality companies to boost the capital market, saying there is a crisis of good companies in the stock market. They made the remarks while congratulating the newly elected committee of the Capital Market Journalists' Forum (CMJF), an organization of journalists working on the capital market.
- The DBA president said, "The regulatory body BSEC is doing a commendable job in various ways, including reforming the different securities rules. However, in order to get the benefits of these works, it is necessary to increase the number of good shares in the market. All stakeholders, including BSEC, have a role to play in this regard".

<https://thefinancialexpress.com.bd/stock/bangladesh/dba-leaders-urge-for-effective-initiative-to-bring-mncs-to-stock-market-1641401045>

BSEC accords consent to exit plan of Beximco Synthetics

- The Bangladesh Securities and Exchange Commission (BSEC) has accorded its consent to the proposed exit plan of Beximco Synthetics purchasing the ordinary shares of the company, a disclosure said.
- According to the regulatory approval, the company will execute its exit plan in line with the existing rules formulated in 2020. As per a previous disclosure, the company applied in November last to the securities regulator seeking its consent-in-principle for the exit plan of above 55.77 million securities.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-accords-consent-to-exit-plan-of-beximco-synthetics-1641398133>

Bangladesh Finance to open Shariah-based wing in 6 branches

- The central bank has allowed the listed company Bangladesh Finance to open Islami shariah-based wing in six branches including the principal one. Bangladesh Finance has received an approval from the central bank for opening this wing.
- "Bangladesh Finance has already formulated policies regarding shariah manuals, implementation of separate Islamic CBS (Core Banking Solutions), formation of shariah supervisory committee, deposit receiving, and income distribution in line with the conditions set by the central bank," Md. Kyser Hamid, managing director at Bangladesh Finance, said in a release.

<https://today.thefinancialexpress.com.bd/stock-corporate/bangladesh-finance-to-open-shariah-based-wing-in-6-branches-1641398162>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 77.24	USD 2.03	2.70%
Crude Oil (Brent)*	USD 80.08	USD 2.30	2.96%
Gold Spot*	USD 1,810.59	(USD 18.61)	-1.02%
DSEX	6,929.93	173.27	2.56%
S&P 500	4,700.58	-65.60	-1.38%
FTSE 100	7,516.87	132.33	1.79%
BSE SENSEX	60,223.15	1,969.33	3.38%
KSE-100	45,407.89	811.82	1.82%
CSEALL	13,076.91	850.90	6.96%

Exchange Rates**1 US Dollar = 85.56 BDT****1 GBP = 115.93 BDT****1 Euro = 96.86 BDT****1 INR = 1.15 BDT**

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