

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.

Macro:**Jica offers BDT 22.73 Bn budgetary support loan**

- Japan International Cooperation Agency (Jica) will provide an Official Development Assistance loan of BDT 22.73 Bn (equivalent to JPY 30 Bn) as budgetary support for strengthening public financial management. Ichiguchi Tomohide, chief representative of JICA Bangladesh, and Sharifa Khan, secretary to Economic Relations Division, signed an agreement in this regard at National Economic Council in Dhaka yesterday, according to a press release. The loan comes with an annual interest rate of 1.6% along a 30-year repayment period, including a 10-year grace period. Aimed toward the economic recovery of Bangladesh, it is to be disbursed quickly, it said.

<https://www.thedailystar.net/business/economy/news/jica-offers-tk-2273cr-budgetary-support-loan-3357426>

Reserves surpass USD 31 Bn

- The country's foreign exchange reserves today rose past USD 31 Bn after three multilateral lenders extended USD 925 Mn to Bangladesh. In addition, the higher inflow of remittances ahead of Eid-ul-Azha also played a role in pushing the reserves up. The reserves stood at USD 41.82 Bn at the end of June last year. The BB has so far injected nearly USD 13.5 Bn into the banking sector this fiscal year, which eroded the reserves to a large extent.

<https://www.thedailystar.net/business/news/reserves-surpass-31-billion-3356306>

Remittance rebounds

- Remittance rebounded in Bangladesh in the outgoing financial year, extending some breathing space to an economy struggling to keep its head above water amid the lingering crisis at home and abroad. Families and relatives received USD 2.02 Bn in the first 25 days of June from their breadwinners toiling abroad, up more than 57% from the USD 1.28 Bn that was received in the first 23 days of the same month last year, data from the central bank showed.
- The current pace of growth of 4.6% is much higher than the 2% uptick estimated by the central bank for 2022-23. The overall earnings will be USD 21.45 Bn in the year, said the BB in its latest monetary policy statement. The latest increase in remittance comes as the government says 1.074 Mn migrant workers have left Bangladesh for jobs abroad so far in FY23, the highest in a single year.

<https://www.thedailystar.net/business/economy/news/remittance-rebounds-3356571>

Revenue soars sharply in May

- Revenue collection saw a major jump in May, following negative growth just the previous month, and NBR officials are attributing it to easing import restrictions and an increase in monitoring. According to sources at the National Board of Revenue (NBR), revenue in May increased by around 29% year-on-year, which is the highest in the current fiscal year.
- While approving a USD 4.7 Bn loan to Bangladesh in January, IMF set some conditions, which included increasing the tax-to-GDP ratio by 0.5% to 8.3% in fiscal 2023-24, from 7.8% in fiscal 2021-22. Before disbursing the next tranche of the loan in October, the IMF will review how well its conditions for reforming Bangladesh's financial sector have been met.

<https://www.tbsnews.net/nbr/revenue-soars-sharply-may-656434>

RMG exports get new route through Mongla Port

- Mongla Port, the country's second-largest seaport, has witnessed a surge in activity and has become a key gateway for garment exports and imports, thanks to the enhanced connectivity provided by the Padma Bridge. This development has opened up new opportunities for Bangladesh's largest export-earning sector, the apparel industry, which previously relied heavily on the Chattogram port.
- On 27 July 2022, Swedish fashion giant H&M took the initiative to ship goods from Mongla port through the Padma Bridge, aiming to reduce lead time, as reported by industry insiders and buyers eager to capitalise on the time and cost savings. According to Mongla port (traffic) officials, garment exporters based in Dhaka and its surrounding areas are now increasingly utilising Mongla port due to its proximity to Dhaka, which is only 170 kilometres away compared to 260 kilometres to Chattogram.

<https://www.tbsnews.net/supplement/rmg-exports-get-new-route-through-mongla-port-656382>

ADP execution to miss target

- The Annual Development Programme (ADP) execution is going to miss target this fiscal year (FY), 2022-23, as the government agencies implemented only 61.73% of the ADP till May, insiders said. The government ministries and agencies will have to implement the rest 38.27% within June to execute the total BDT 2.36 Tn ADP in the current fiscal.
- Meanwhile, the public agencies implemented only 11.40% of the ADP in May, the Implementation, Monitoring and Evaluation Division (IMED) data showed. The Ministry of Health is the worst performer among all the big budget-holding ministries and divisions.

<https://thefinancialexpress.com.bd/economy/bangladesh/adp-execution-to-miss-target>

With heavy reliance on RMG, Bangladesh revises down export target to USD 70 Bn

- The Bangladesh government has revised down the export target to USD 70 Bn for the fiscal year 2023-24. Earlier in 2022, the Cabinet Committee on Economic Affairs had approved the draft of "Export Policy 2021-2024", setting the USD 80 Bn export target for FY2024.
- Of the total, USD 60 Bn is expected from goods and USD 10 Bn from the service sector. The target was revised down to the turbulent global economic situation, sources said. Garments will play a major role in goods export, comprising USD 50.5 Bn of the total target. Among other major sectors, home textiles is expected to contribute USD 1.23 Bn, jute and jute products USD 1.02 Bn, leather and leather goods USD 1.30 Bn and agriculture USD 0.96 Bn to meet the export target.

<https://www.tbsnews.net/economy/heavy-reliance-rmg-bangladesh-revises-down-export-target-70b-656882>

4 more projects to be dropped from Indian LoC

- Four more proposed development projects are in the process of being dropped from the Indian Line of Credit (LoC) list due to complications over implementation and loan terms. India was supposed to lend USD 1.01 Bn to these projects. However, the USD 1 Bn loan meant for these projects will be transferred to other ongoing projects running under Indian credit and are facing cost increases. At present, 40 projects are running under Indian LoC and the number will come down to 36 if the four proposed projects are dropped. Six projects have been dropped from the LOC list in the last three years, including two projects dropped in May 2023.

<https://www.tbsnews.net/economy/4-more-projects-be-dropped-indian-loc-656966>

Govt rolls back fuel oil import duty decision over price hike concerns

- The parliament has passed the Finance Bill 2023 excluding the proposed BDT 13.75 per litre specific duty on the import of 11 types of fuel oils due to concerns over potential price increases at the consumer level. Furthermore, the existing 7.5% VAT on the collection of aluminum scrap has been withdrawn.
- On 1 June, the finance minister proposed a specific duty of BDT 13.75 per litre for 11 petroleum products, including kerosene, light diesel, motor spirit, and jet fuel. Presently, major fuel oils such as furnace oil, jet fuel, diesel, and octane attract a total of 34% government duties and taxes, consisting of a 10% duty, 15% VAT, 2% advance income tax, and 5% advance tax. By eliminating the advance tax, the overall tax ratio on fuel oil prices will decrease to 29%.

<https://www.tbsnews.net/economy/govt-rolls-back-fuel-oil-import-duty-decision-over-price-hike-concerns-656494>

Petrobangla seeks BDT 71.81 Bn loan to foot LNG import bills

- State-owned Petrobangla, the oil gas and mineral corporation of Bangladesh, has sought a loan of BDT 71.81 Bn from the finance ministry to meet the cost of liquefied natural gas (LNG) import until next September. The cash-strapped corporation wrote a letter in the last week of May, mentioning that its loss amounted to BDT 254.8 Bn from 2018 to May this year and it now needs the loan to foot LNG import bills. The amount was over BDT 80 Bn in just one year from May 2022 because of the surge in global LNG spot price.

<https://www.tbsnews.net/bangladesh/energy/petrobangla-seeks-tk7181cr-loan-foot-lng-import-bills-658534>

SMEs suffer as economic woes linger

- The government's various benefits and incentives for small businesses are yet to pull away entrepreneurs from the pandemic-induced devastation as they are now confronted with fresh challenges, one worse than the other. The problem with the sale of manufactured goods has added to their existing woes of difficulty in getting loans and an increase in the price of raw materials due to the dollar crisis.
- According to the RJSC, the number of company liquidations in the country has increased each year since the pandemic broke out worldwide in 2020, with 317 facing liquidation in the first nine months of the current fiscal year 2022-23. These were all small and medium enterprises and had a cumulative investment to the tune of BDT 173 Bn. The contribution of the industrial sector to the economy of Bangladesh is 37.07% while it is about 28% for the SME sector. The government has formulated the SME policy, aiming to increase the contribution of the SME sector to 32% by 2024.

<https://www.tbsnews.net/economy/smes-suffer-economic-woes-linger-657050>

Stocks:**BRACBANK | IFC lends USD 50 Mn to Brac Bank for trade finance**

- The International Finance Corporation (IFC) is providing a USD 50 Mn loan to Brac Bank in order to support small and medium-sized enterprises to emerge from the lingering effects of the Covid-19 pandemic. This investment will contribute to the preservation of jobs and bring foreign exchange liquidity into Brac Bank to help support the working capital and trade finance requirements of the bank's clients such as importers and exporters, according to a press release.
- The financing package is part of IFC's USD 8 Bn global Covid-19 fast-track financing facility to support companies during the ongoing public health crisis. Brac Bank is Bangladesh's third-largest private bank and the only SME-focused bank in the country.

<https://www.thedailystar.net/business/economy/news/ifc-lends-50m-brac-bank-trade-finance-3356536>

EBL | EBL to buy exchange house in Dubai to woo remitters

- Eastern Bank Ltd (EBL) has decided to purchase an exchange house in Dubai to attract more remittances sent by Bangladeshi migrants working in the emirate. The bank made the decision at a time when Bangladesh faces a shortage of foreign exchange reserves as total inflows from exports and remittances fall short of the requirement to clear external payments mainly import bills. Once launched, this would be EBL's first exchange house abroad.

<https://www.thedailystar.net/business/economy/news/eb1-buy-exchange-house-dubai-woo-remitters-3357416>

FUWANGCER | Fu-Wang Ceramic's profit doubles in Q3, warding off further business decline

- Fu-Wang Ceramic Industries' profit more than doubled year-on-year to BDT 17.81 Mn in January-March this year, driven by higher sales revenue and a sharp reduction in administrative expenses. The rise in profit took the EPS of the tiles manufacturer to BDT 0.13 for the third quarter of FY23 from BDT 0.06 for the same period a year earlier. The company managed to pass on some of the increased cost to consumers, resulting in comparatively higher profit in the quarter, the company secretary Md A Halim Thakur said. It owns and operates two industrial units for manufacturing of various types and sizes of floor tiles and glazed wall tiles.

<https://thefinancialexpress.com.bd/stock/bangladesh/fu-wang-ceramics-profit-doubles-in-q3-warding-off-further-business-decline>

PRAGATILIF | Pragati Life Insurance declares 12% cash dividend

- The board of directors of Pragati Life Insurance Ltd recommended a 12% cash dividend for the year that ended on 31 December 2022. The decision has come from the board of directors' meeting on Monday. In 2021, the life insurer recommended 11% cash and 6% stock dividends for the year. The record date to identify eligible shareholders who can join the AGM and avail dividends will be 20 July. As of 31 May 2023, the sponsors and directors jointly held 38.37% shares, institutions 34.34%, and the general public held 27.29% shares in the company.

<https://www.tbsnews.net/economy/stocks/pragati-life-insurance-declares-12-cash-dividend-657358>

EASTLAND | Eastland Insurance approves 10% cash dividend

- In its 36th annual general meeting (AGM) on Sunday, Eastland Insurance Company Ltd announced the approval of a 10% cash dividend for the year 2022 as recommended by the board of directors. The virtual meeting, presided over by Chairman Mahbubur Rahman, saw the attendance of directors and a significant number of shareholders, according to a press release. Besides, the appointment of both the statutory auditor and corporate governance compliance auditor for the year 2023 was also endorsed.

<https://thefinancialexpress.com.bd/stock/bangladesh/eastland-insurance-approves-10pc-cash-dividend>

DHAKABANK | Dhaka Bank to issue BDT 6 Bn subordinated bond

- Dhaka Bank Ltd has decided to issue a subordinated bond titled "Dhaka Bank 4th subordinated bond" to raise BDT 6 Bn for meeting its Tier-2 capital base. The decision came at the bank's 449th board of directors' meeting on Monday. The bank is yet to disclose the features of the bond, according to the bank's stock exchange filing.
- In the January to March quarter of 2023, the bank's consolidated net profit stood at BDT 602.2 Mn while its net interest income stood at BDT 1.10 Bn. During the period, its consolidated earnings per share stood at BDT 0.63 and net asset value per share at BDT 23.29. As of 31 May 2023, the sponsors and directors jointly held 42.65% shares, institutions 16.58%, and the general public held 40.77% shares in the bank.

<https://www.tbsnews.net/economy/stocks/dhaka-bank-issue-tk600cr-subordinated-bond-657354>

UCB | UCB gets BSEC nod to issue BDT 3 Bn bond

- The Bangladesh Securities and Exchange Commission (BSEC) has approved United Commercial Bank's proposal to issue UCB 2nd perpetual bond worth BDT 3 Bn. Out of BDT 3 Bn, the bank will issue BDT 2.7 Bn through private placement and BDT 300 Mn through public offering.
- The private sector lender would strengthen its Tier-1 capital base with the collected money. The coupon rate of the bond will be 6% to 10%. Prime Bank Investment Ltd will act as the Trustee of the bond while UCB Investment will be an Arranger. Also, Prime Finance Capital Management will act as the issue manager while Sonali Investment will be an underwriter of the bond. The bond will also enlist with the Alternative Trading Board (ATB) of the stock exchanges.

<https://www.tbsnews.net/economy/stocks/ucb-gets-bsec-nod-issue-tk300cr-bond-656706>

UCB | United Commercial Bank holds 40th annual general meeting

- United Commercial Bank PLC (UCB) held its 40th Annual General Meeting on a virtual platform on Monday. Mrs Rukhmila Zaman, chairman of the bank, presided over the AGM. At the AGM, shareholders approved a 5% Stock dividend and a 5% dividend for the year ended December 31, 2022, according to a press release.

<https://thefinancialexpress.com.bd/stock/bangladesh/united-commercial-bank-plc-holds-40th-annual-general-meeting>

PRIMEBANK | Prime Bank gets approval to issue BDT 3 Bn subordinated bond

- The Bangladesh Securities and Exchange Commission (BSEC) has allowed Prime Bank Limited to issue subordinated bond worth BDT 3 Bn to meet its Tier-2 capital base. The bond will be a non-convertible, unsecured, fully redeemable, floating rate subordinated bond in which the range of coupon rates will be 6% to 10%.
- The private sector lender would strengthen its Tier-2 capital base with the collected money, according to the release. The bond will be issued among institutional investors and high-net-worth individuals through private placement at a face value of BDT 10 Mn per unit. The UCB Investment will act as the Trustee of the bond while Prime Bank Investment Ltd will be an Arranger. The bond will also enlist with the Alternative Trading Board (ATB) of the stock exchanges.

<https://www.tbsnews.net/economy/stocks/prime-bank-gets-approval-issue-tk300cr-subordinated-bond-656698>

OLYMPIC | Aziz Mohammad Bhai's second generation enters Olympic board

- The second generation of businessman Aziz Mohammad Bhai has entered the board of Olympic Industries Limited, a leading biscuit manufacturer of the country, through the appointment of his son and nephew as directors. According to sources within the company, Asar Aziz M Bhai, son of Aziz Mohammad Bhai, has been nominated by Ambee Limited, which holds a 3.29% stake in Olympic Industries while Ahad Mohammad Bhai, son of Aziz's late brother Raja Mohammad Bhai, has been appointed as shareholder director. In the last three years, Olympic Industries has invested around BDT 1.55 Bn for product diversification and business expansion.

<https://www.tbsnews.net/economy/stocks/aziz-mohammad-bhais-second-generation-enters-olympic-board-657402>

SHAHJABANK | Why Shahjalal Islami Bank's former chairman sold half stake

- Shahjalal Islami Bank's former Chairman Akkas Uddin Mollah sold 21.7 Mn shares of the bank, almost half of his stake, on Monday through the block market of the Chittagong Stock Exchange (CSE). Analysts, however, believe the entrepreneur paved the way for two board seats, instead of one, for his family through splitting the shareholding.
- Following the transfer, both his company and himself have had the qualifying stake for a board seat as the securities regulator made it mandatory for a shareholder or nominated director to hold at least 2% of the company shares. On Monday, Shahjalal Islami Bank's shares closed at the floor price of BDT 18.3 each at the Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/why-shahjalal-islami-banks-former-chairman-sold-half-stake-657406>

NTC | Can National Tea now open subscriptions for placement shares?

- National Tea Company shareholders are in a confusion whether the ongoing legal complexities will allow them to subscribe to the fresh shares on time or if the uncertainties will persist. The chamber judge at the Appellate Division of the Supreme Court on Monday stayed a High Court order that had halted the company's fresh share issuance.
- At BDT 119.53 per new share, the government and its entities were offered to buy 4.43 fresh shares against each existing share, while non-government sponsor-directors were offered to buy 3.21 shares against each share and the least 2.85 shares against one were offered to the general public. The special arrangement was approved eyeing 51% government shareholding at the company and the BSEC used its special power to supersede other laws for that, according to its lawyers. National Tea placement shares subscription was set to open on 10 July and end on 10 September.

<https://www.tbsnews.net/economy/stocks/can-national-tea-now-open-subscriptions-placement-shares-656870>

SIMTEX | Independent directors allowed to stay at Simtex board

- The chamber judge of the appellate division has allowed the independent directors, who were appointed at Simtex Industries board by the securities regulator, to continue at the company's board. The chamber judge, however, asked for a hearing at the bench of Justice Farah Mahbub. The publicly listed manufacturer of sewing thread had been in an internal conflict among directors over the control of the company. And, the conflicting groups had been complaining against each other.

<https://www.tbsnews.net/economy/stocks/independent-directors-allowed-stay-simtex-board-657350>

KPPL | Khulna Printing unresponsive to DSE query

- Khulna Printing and Packaging Limited did not respond to the Dhaka Stock Exchange's (DSE) query letter regarding recent unusual share price hike of the company. The DSE informed the investors about the company's activities on Monday through its website.
- Earlier, on 21 October 2021, the court ordered a freeze on bank accounts belonging to Khulna Printing's Chairman SM Amzad Hossain and all his companies, due to a money laundering case filed by the Anti-Corruption Commission (ACC). The company's factory has been shut down since then and SM Amzad Hossain has fled abroad.

<https://www.tbsnews.net/economy/stocks/khulna-printing-unresponsive-dse-query-656506>

AL-HAJTEX | DSE asked to explain flawed filing of Alhaj Textile disclosure

- The securities regulator has asked the Dhaka Stock Exchange (DSE) to explain its role in disseminating a 22 June disclosure by Alhaj Textile Mills about its appointment of independent directors and board chairman, which was later found to have been full of flaws.
- On 22 June, Alhaj Textile informed shareholders through the DSE server news update that it appointed three professional individuals as its new independent directors and one of them was made chairman. According to BSEC officials, appointment of independent directors needed the regulator's prior approval and the company did not do it, while there had been several litigations over the control of the company's board.

<https://www.tbsnews.net/economy/stocks/dse-asked-explain-flawed-filing-alhaj-textile-disclosure-656862>

EXCHANGE | Enquiry team formed to look into DSE Investor Protection Fund

- The Bangladesh Securities and Exchange Commission (BSEC) on Monday formed an enquiry committee to look into the Dhaka Stock Exchange (DSE) Investor Protection Fund. The committee consisting of five BSEC officials, including one from the Central Depository Bangladesh Ltd (CDBL), will report within 60 days after checking if the money supposed to have been in the protection fund was deposited and protected there.
- The committee will also report on if the entire money was not deposited to the investor protection fund, why it happened and who was responsible for that. At present, DSE Investors Protection Fund has BDT 190-200 Mn in assets and the fund is governed by a trustee board which includes a DSE director.

<https://www.tbsnews.net/economy/stocks/enquiry-team-formed-look-dse-investor-protection-fund-656866>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 70.64	(USD 4.57)	-6.08%
Crude Oil (Brent)*	USD 75.41	(USD 2.37)	-3.05%
Gold Spot*	USD 1,919.35	USD 145.20	8.18%
DSEX	6,344.09	137.09	2.21%
S&P 500	4,450.38	610.88	15.91%
FTSE 100	7,531.53	79.79	1.07%
BSE SENSEX	64,718.56	3,877.82	6.37%
KSE-100	41,326.50	906.05	2.24%
CSEALL	9,442.95	940.46	11.06%

Exchange Rates**1 US Dollar = 108.58 BDT****1 GBP = 137.48 BDT****1 Euro = 118.33 BDT****1 INR = 1.32 BDT**

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