

*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:****Netherlands-based fund supports sustainable practices in Bangladesh's fashion industry**

- The Good Fashion Fund (GFF), a Netherlands-based impact investment fund promoting sustainable practices in the fashion industry, has made its first investment in Bangladesh. Progress Apparel Ltd, a woven pant exporter based in Adamjee EPZ, Narayanganj would build a modern in-house washing plant out of the USD 1 Mn investment, according to a press statement.
- The Good Fashion Fund's investment – which is structured through Progress Apparels' holding company in Hong Kong, PDS Ltd – is enabling the company, as a new player in the textile sector, to access international funding whilst promoting sustainable investments.

<https://www.tbsnews.net/economy/netherlands-based-fund-supports-sustainable-practices-bangladeshs-fashion-industry-659434>

**Bangladesh earns USD 55.55 Bn in export receipts in FY23, the highest-ever**

- Earnings from merchandise shipment rose 6.67% year-on-year to USD 55.55 Bn in the just-concluded fiscal year, according to data from the Export Promotion Bureau (EPB) today. Shipment fetched USD 52.08 Bn in the previous financial year of 2021-22. In June of 2022-23, exports grew 2.51% year-on-year to USD 5.03 Bn.

<https://www.thedailystar.net/business/economy/news/bangladesh-earns-5555b-export-receipts-fy23-the-highest-ever-3359986>

**Ctg Customs House earns record BDT 614.65 Bn revenue in FY23**

- Chattogram Customs House collected a record revenue of BDT 614.65 Bn in FY23, riding on higher imports in the final two months of the just concluded fiscal year. This amount is 3.90% higher than that of the previous fiscal year when revenue was collected at BDT 591.60 Bn. However, the collected revenue fell 17% short of the BDT 742.06 Bn target.
- Stakeholders believe that revenue collection has increased due to customs' various initiatives to stop smuggling and prevent fraud and duty evasion. Customs officials said the revenue collection was low in the first months of FY23 due to the decrease in the import of luxury goods including cars, cosmetics, electronics, etc. However, revenue picked up in May and June ahead of the new budget due to the increase in car imports.

<https://www.tbsnews.net/economy/ctg-custom-house-earns-record-tk61465cr-revenue-fy23-659098>

**Govt plans reform initiatives aimed at bolstering macroeconomic stability**

- The government has undertaken a series of medium-term (2025-26) reforms aimed at bolstering macroeconomic stability and promoting long-term growth, apart from immediate policy responses due to the global and national economic contexts. The main objectives of these reforms include enhancing revenue generation, reducing the borrowing costs of the public sector, curbing subsidies, and improving spending efficiency through fiscal institutional reforms, according to an official budgetary document.
- In the medium term, the policy will be anchored by the target to keep the primary fiscal deficit (including grants) within around 3.3% of GDP to contain public debt below 45% of GDP. The reforms are expected to generate additional revenue of 0.5% of GDP annually in FY24 and FY25 and 0.7% of GDP in FY26.

<https://thefinancialexpress.com.bd/economy/bangladesh/reform-initiatives-planned-for-strengthening-macroeconomic-stability>

**Inflation climbs to 12-year high**

- Average inflation in Bangladesh surpassed the government's target for the just-concluded fiscal year by a large margin as higher prices of goods and services continue to linger for the economic crisis at home and abroad. The Consumer Price Index (CPI) rose 9.02% in 2022-23 against the government's revised target of 7.5%. This was the highest average inflation rate in 12 years, according to the Bangladesh Bureau of Statistics (BBS).
- This was much higher than the 5-6% average inflation seen in the decade before the Russia-Ukraine war. General inflation was 6.15% in 2021-22. In FY23, average inflation stayed above 9% for six months, above 8% for five months and more than 7% in one month, data from the national statistical agency showed. In June, general inflation fell 20 basis points to 9.74% compared to a month ago. This was down from an 11-year high of 9.94% in May.

<https://www.thedailystar.net/business/economy/news/inflation-climbs-12-year-high-3360391>

**Trade deficit shrinks 44% in first 11 months of FY23**

- Bangladesh's trade deficit in the first 11 months of the last fiscal year narrowed further amid a raft of measures, including import controls, aimed at shoring up eroding forex reserves. The growth of the current account balance assessing foreign transactions has also slowed down. The trade deficit stood at USD 17.16 Bn in the July-May period, representing a 44.32% year-on-year decline, according to an updated report on the balance of payments published by Bangladesh Bank on Sunday.
- Exports rose 6.77% year-on-year to USD 47.6 Bn in July-May, while imports declined 14.11% to USD 64.76 Bn from a year earlier. Meanwhile, the current account deficit shrank 73.91% year-on-year in July-May to USD 4.5 Bn. Bangladesh started the fiscal year 2023 with a record trade deficit of USD 33.24 Bn and a significant current account deficit of USD 18.69 Bn. Since July 2022, the Bangladesh Bank has taken various initiatives to control imports. As a result, there has been a noticeable decrease in the current account deficit.

<https://thefinancialexpress.com.bd/economy/bangladesh/trade-deficit-shrinks-44pc-in-first-11-months-of-fy23>

**CAD widens, financial account remains vulnerable**

- Bangladesh is facing tightrope balancing on the financial front with external payments imbalance staying high, as per May data, apparently following guarded relaxing of import restrictions to feed the economy. The country's current-account deficit widened, according to the statistics available until May, as a result of little loosening of the chokehold resorted to amid fall in foreign-currency reserves.
- And the woes over the financial account continue as it also accounts for a large deficit as recorded last May. The current-account deficit, which is a measure of a country's trade where the value of the goods and services it imports exceeds the value of the products and services it exports, stood at USD 4.5 Bn during the July-May period of the just-past fiscal year, according to Bangladesh Bank's latest report on the country's external financial front. The CAD deficit was approximately USD 3.7 Bn during the July-April period of the FY2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/cad-widens-financial-account-remains-vulnerable>

**USD 1.09 Bn import bills to bring down forex reserve again**

- The Bangladesh Bank will clear import bills to the tune of USD 1.09 Bn through the Asian Clearing Union (ACU) this week, which will bring down the country's foreign exchange reserve level. The ACU is an arrangement for settling payments for intra-regional transactions among member countries. India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka are members of the Tehran-based organisation. Members clear payments every two months.
- The forex reserve usually falls after ACU payments are made. The BB cleared import bills amounting to USD 1.18 Bn in May. The reserves stood at USD 31.19 Bn on June 30 in contrast to USD 41.82 Bn on the same day a year ago, BB data showed. And the reserves could drop below USD 31 Bn after import bills are cleared this week. It rose past USD 31 Bn on June 26 after three multilateral lenders extended USD 925 Mn in loans to Bangladesh. In addition, a higher inflow of remittances on the occasion of Eid-ul-Azha also played an important role in pushing up the reserve level last month. Between July and May of 2022-23, import payments stood at USD 64.76 Bn, down 14.11% year-on-year.

<https://www.thedailystar.net/business/economy/news/109b-import-bills-bring-down-forex-reserve-again-3360386>

**Tannery CETP needs renovation even before offering full service**

- Bangladesh is yet to reap the full benefit from the much-talked central effluent treatment plant (CETP) at the Savar Tannery Industrial Estate (STIE) despite spending more than BDT 5 Bn and waiting for nearly a decade. Yet, it now requires renovation or rebuilding since the contractor that built the facility on the outskirts of the capital city handed over an incomplete CETP.
- Currently, the CETP can treat 25,000 to 30,000 cubic metres of liquid waste. But during Eid-ul-Azha, the generation of waste climbs to 45,000 cubic metres as the number of rawhides collected shoots up. "More than BDT 10 Bn is needed to make the CETP fully functional," said Mustak Ahmed, managing director of the Dhaka Tannery Industrial Estate Waste Treatment Plant Company (DTIEWTPC), which runs the plant and manages the solid waste generated at the STIE.

<https://thedailystar.net/business/economy/news/tannery-cetp-needs-renovation-even-offering-full-service-3360396>

**Stocks:****NAVANAPHAR | Navana Pharma ditches plans for new unit**

- Navana Pharmaceuticals yesterday decided to use the proceeds from its initial public offering (IPO) to expand and modernise existing facilities rather than establish a new production unit, according to a posting on the Dhaka Stock Exchange (DSE) website. The newly listed drug company planned to construct a new general production building using BDT 232.4 Mn from its IPO proceeds worth BDT 750 Mn.
- However, Navana Pharma's board of directors instead recommended utilising BDT 131.2 Mn of the fund for modernising and expanding its small volume parenteral and ophthalmic (SVPO) facility. In addition, they suggested setting aside BDT 46.8 Mn for expanding the company's general liquid facility by adding a dispensing area. Navana Pharma will use another BDT 54.4 Mn of the IPO proceeds for modernising and expanding its animal health facility. Other than establishing a new general production unit, Navana Pharma had planned to spend BDT 97 Mn for constructing a new utility and engineering building, according to the IPO prospectus. Additionally, BDT 178 Mn was lined up for refurbishing the company's cephalosporin unit and BDT 211 Mn for repaying loans.

<https://www.thedailystar.net/business/economy/news/navana-pharma-ditches-plans-new-unit-3360381>

**EXIMBANK | Exim Bank moves to bring remittance from UK faster**

- Export Import (Exim) Bank of Bangladesh Limited has secured permission from the central bank to extend an overdrawn facility equivalent to GBP 0.5 Mn to Exim Exchange Company (UK) Ltd. The exchange house, which opened more than a decade ago, is a fully-owned subsidiary of the private bank. The investment (overdrawn) facility will facilitate the execution of inward remittance on time, said the bank in a filing on the Dhaka Stock Exchange website yesterday.

<https://www.thedailystar.net/business/economy/news/exim-bank-moves-bring-remittance-uk-faster-3360361>

**UCB | Faruk made DMD of UCB**

- United Commercial Bank (UCB) has recently promoted a senior executive vice-president to the post of deputy managing director (DMD). The promotee, Faruk Ahammad, joined the bank as a chief financial officer in 2019. He previously worked for Prime Bank as a chief internal auditor, City Bank as a chief financial officer and Brac Bank as a company secretary. He was a director of finance at Edotco Bangladesh Company Limited, a subsidiary of Axiata Group Malaysia, managing director and CEO of Apex Investments Limited, and group chief operating officer of Saad Musa Group of Industries.

<https://www.thedailystar.net/business/economy/news/faruk-made-dmd-ucb-3360341>

**PROGRESLIF | Progressive Life Insurance comes under scrutiny for alleged misconducts**

- The securities regulator has formed an inquiry committee to dig out illegal activities, if any, conducted by the chairman of Progressive Life Insurance Company. A three-member committee formed on June 22 by the Bangladesh Securities and Exchange Commission (BSEC) will submit a report within 60 days from the date of the issuance of the order. The move came after some ex-sponsor directors and shareholders of the Progressive Life Insurance Company submitted a complaint letter. The role of independent directors will come under scrutiny during the investigation.

<https://thefinancialexpress.com.bd/stock/bangladesh/progressive-life-insurance-comes-under-scrutiny-for-alleged-misconducts>

**MIDLANDBNK | Midland Bank to issue zero-coupon bonds to boost asset portfolio**

- Midland Bank has decided to issue redeemable zero-coupon bonds to raise BDT 5.06 Bn to boost the lender's asset portfolio. The decision was first taken at a board meeting in November 2021, according to a filing on the Dhaka Stock Exchange. The terms and timeline, and the coupon rate were set in subsequent board meetings considering the prevailing rate of the instruments of the financial market.
- A zero-coupon bond is a debt instrument that does not make interim interest payments. It instead trades at a deep discount, rendering profit at maturity when the bond is redeemed for its full face value. The bonds will be issued to high net worth individuals, general insurance companies, life insurance companies, asset management companies, corporate entities, trusts etc., said the bank. The tenure of the bonds will be 5 years with a discount of 6.50% to 7.75% per year (proposed). The discounted value will be BDT 4.29 Bn – BDT 4.40 Bn depending on the discount rate at which the bonds will be subscribed.

<https://thefinancialexpress.com.bd/stock/bangladesh/midland-bank-to-issue-zero-coupon-bonds-to-boost-asset-portfolio>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 70.08	(USD 5.13)	-6.82%
Crude Oil (Brent)*	USD 74.88	(USD 2.90)	-3.72%
Gold Spot*	USD 1,921.43	USD 147.28	8.30%
DSEX	6,331.36	124.36	2.00%
S&P 500	4,455.59	616.09	16.05%
FTSE 100	7,527.26	75.52	1.01%
BSE SENSEX	65,205.05	4,364.31	7.17%
KSE-100	43,903.29	3,482.84	8.62%
CSEALL	9,442.95	940.46	11.06%

**Exchange Rates****1 US Dollar = 108.13 BDT****1 GBP = 137.23 BDT****1 Euro = 117.96 BDT****1 INR = 1.32 BDT**

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