

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:**Austerity saves govt BDT 150 Bn**

- The government has so far managed to save some BDT 150 Bn with austerity in expenses since the beginning of FY23, the Finance Division, in its coordination council meeting on Wednesday, revealed. Of the amount, BDT 10.93 Bn came from the allowances of the government employees and BDT 140 Bn from cutting costs in public works and services and investments in shares and equity.
- Although the government had a target of saving 20% from fuel and electricity costs, it did not happen due to price hikes. The Finance Division data said the austerity measures had no impact on increments and promotions of the government employees. They also received their regular festival allowances. Rather, the cut in employee allowances for meetings and foreign travel helped save money.

<https://www.tbsnews.net/economy/austerity-saves-govt-tk15000-crore-613522>

Bangladesh eyes to earn USD 10 Bn in leather-product export

- Bangladesh's leather sector holds all the potential to earn USD 10 Bn in the next five years but appears to be hamstrung by the flawed central effluent-treatment plant (CETP) in its potential hub. The absence of properly functional CETP deprives the country of having the certification from the Leather Working Group (LWG) which is mandatory for exporting leather products to top global brands, sector entrepreneurs said.
- And thus, despite having all the ingredients like high-quality raw leather, expertise and cheap labour for producing world-class finished products, the industry is virtually forced to limit its export earning to around USD 1 Bn. The government has devised a ten-year perspective plan that includes a target to increase the leather sector's export earnings to USD 10-12 Bn by 2030 but getting to the goal without addressing the compliance issue would be impossible, experts and the entrepreneurs forewarn.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-eyes-to-earn-10b-in-leather-product-export>

Daily MFS transactions grow by 24% in a year

- Daily transactions by Mobile Financial Services (MFS) such as bKash and Rocket have grown 24% in the last year. According to data from the Bangladesh Bank, average daily transactions in February this year stood at BDT 34.75 Bn, an increase from BDT 28.05 Bn in the same month a year ago.
- The total transactions at the end of the month stood at BDT 973.08 Bn In April last year, an average of BDT 35.82 Bn was transacted per day – the highest daily transaction since the introduction of MFS. According to that, the second-highest daily transaction was recorded in February this year.

<https://www.tbsnews.net/economy/daily-mfs-transactions-grow-24-year-613914>

BB relaxes rules for banks to facilitate import payments

- The Bangladesh Bank has relaxed rules for banks to settle import payments of capital machinery, industrial raw materials, and government imports using funds obtained from their offshore banking units (OBUs). Banks can transfer funds from their offshore banking units to their onshore or domestic business units to fulfill import payment obligations, up to 40% of their total regulatory capital, according to the central bank.
- Previously, the Bangladesh Bank permitted banks to allocate a maximum of 25% of their regulatory capital from their OBUs to domestic business units, enabling them to make import payments. The central bank had granted the benefit until 30 June this year.

<https://www.tbsnews.net/economy/banking/bb-relaxes-rules-banks-facilitate-import-payments-613894>

Industrial loan increases by BDT 1000 Bn in 2022 amid crisis

- Industrial loans in 2022 amid the Ukraine-Russia war and the liquidity crisis in the banking sector have increased by BDT 1000 Bn due to the increase in import cost of raw materials, capital equipment and low interest rates on bank loans. According to a report of the Central Bank, the banks have disbursed BDT 5,310 Bn loans to the sector in 2022, while in 2021 the figure was BDT 4,290 Bn. In other words, the loan amount has increased by BDT 1013.21 Bn.

<https://www.tbsnews.net/economy/banking/industrial-loan-increases-tk1-lakh-crore-2022-amid-crisis-613922>

Central bank slashes EDF loan ceiling by USD 5 Mn

- The Bangladesh Bank has reduced the ceiling of loans under the Export Development Fund (EDF) by USD 5 Mn to USD 10 Mn for all types of borrowers with an aim to reduce pressure on reserves. A circular issued by the central bank on Sunday stated that the loan ceiling has been reset downward for input procurements under back-to-back LCs against relevant export orders to bring in a wider range of customers for EDF loans.
- Also, the limit for imports under back-to-back LCs by individual members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Textile Mills Association (BTMA) is set at USD 20 Mn, which was USD 25 Mn in the past.

<https://www.tbsnews.net/economy/banking/central-bank-slashes-edf-loan-ceiling-5m-613842>

Bangladesh seeks over USD 1.6 Bn more for Indian LoC-funded projects

- Bangladesh needs more than USD 1.6 Bn in additional funding to complete the developmental projects that are being implemented under the three Indian Line of Credits (LoC). Accordingly, Bangladesh proposed India to sign a new framework agreement to secure the funding needed to cover cost overruns in some of these ongoing projects, officials of the Economic Relations Division (ERD) said.

<https://www.tbsnews.net/economy/bangladesh-seeks-over-16b-more-indian-loc-funded-projects-613542>

Liquidations surge as Covid, war cost SMEs dearly

- Headwinds from two back-to-back major global crises – first the Covid-19 pandemic and then the Russia-Ukraine war – caused significant financial losses for companies operating in Bangladesh like elsewhere in the world, leading to a marked increase in liquidation petitions filed by firms – mostly small and medium ones – over the past three years.
- According to the Registrar of Joint Stock Companies and Firms (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.

<https://www.tbsnews.net/economy/liquidations-surge-covid-war-cost-smes-dearly-613954>

Bangladesh's trade competitiveness eroding

- Bangladesh's competitiveness in trade is eroding for factors such as higher import taxes and non-tariff barriers, excessive dependence on readymade garments, and the delays facing exporters while complying with border and documentary requirements, said the World Bank recently.
- The multilateral lender also warned that competitiveness would narrow further after graduation of the country from the group of least-developed countries in 2026. However, recent years have seen a decline in trade performance and an over-reliance on ready-made garment exports, raising concerns about the sustainability of this growth model," said the WB.

<https://www.thedailystar.net/business/economy/news/bangladeshs-trade-competitiveness-eroding-3293191>

Interest cap, NPLs did more damage than Covid, war

- The business sector in Bangladesh has been going through severe challenges for the past four years, which, for many, have been the toughest period in decades, with the coronavirus pandemic being the dominant factor in the early part before the Russia-Ukraine war broke out. Today, we are running the second report of a series to present how various sectors fared in the face of the two unprecedented shocks.
- Banks and non-bank financial institutions of Bangladesh might have been largely immune from the devastating impacts of the Russian-Ukraine war and the coronavirus pandemic, but the interest rate cap, higher bad loans and a tarnished image spelt trouble for them in the past several years.

<https://www.thedailystar.net/business/economy/news/interest-cap-npls-did-more-damage-covid-war-3293251>

Remittance inflow from US falls 14% in Q3 FY23

- Remittance receipts from the United States dropped 13.69% in the January-March period of the current fiscal year 2022-23 compared to the previous quarter, causing the North American country to lose the top position among Bangladesh's remittance source countries to Saudi Arabia again after two quarters. Data from the Bangladesh Bank show that expatriate Bangladeshis living in the US sent home USD 834 Mn in January-March this year, down from USD 966.89 Mn in the previous quarter.
- Remittance inflow from Saudi Arabia also dropped 6.52% to USD 850.76 Mn in January-March this year from USD 910.14 Mn in the previous quarter. Despite the recent decline, the US remains the top remittance-earning source for Bangladesh if the total earnings of the first nine months of the current fiscal year are considered. In the first two quarters of the current fiscal year, the US became the largest source country of remittance for Bangladesh beating Saudi Arabia.

<https://www.tbsnews.net/economy/remittance-inflow-us-falls-14-q3-fy23-613450>

Stocks:**IDLC | IDLC Finance declares lower dividend for 2022**

- IDLC Finance has declared a 15% cash dividend for its shareholders for 2022, which is lower than that of 2021. In 2021, the non-bank finance institution paid a 20% dividend, of which 15% was cash and 5% was stock dividends. IDLC Finance has reported a 9% decline in consolidated net profit compared to the previous year, according to its disclosure published on the Dhaka Stock Exchange (DSE) website on Sunday.
- It has reported consolidated earnings per share (EPS) of BDT 4.61, which was BDT 5.09 in the previous year. Its consolidated net asset value (NAV) per share stood at BDT 43.56. The company's consolidated net operating cash flow per share (NOCFPS) become negative at BDT 21.10 for the year ended 31 December 2022. The annual general meeting (AGM) has been fixed on 25 May through the digital platform, and to identify shareholders of the company, the record date has been fixed on 2 May.

<https://www.tbsnews.net/economy/stocks/idlc-finance-declares-lower-dividend-2022-613586>

BRACBANK | Brac Bank launches new financial product

- Brac Bank has introduced a financial product called "Tally Loan – Druti" to promote greater financial inclusion in Bangladesh. This business loan is designed specifically for small traders, often overlooked by formal financial institutions, Brac Bank said in a press release yesterday.
- Small business owners can now use their "Tally Khata" as proof of transactions and creditworthiness to apply for a bank loan, it said. Brac Bank's relationship officers will visit small businesses, assess their credit needs based on "Tally Khata" records, and fill out loan applications, it added. Male entrepreneurs with at least two years of experience and women with one year of experience are eligible for loans up to BDT 1.5 Mn without requiring any mortgage, which can be repaid within two years.

<https://www.thedailystar.net/business/economy/news/brac-bank-launches-new-financial-product-3293051>

SOUTHEASTB | Southeast Bank appoints MD

- Southeast Bank has recently appointed a managing director. The appointee, Nuruddin Md Sadeque Hussain, was previously serving as managing director (current charge) and deputy managing director concurrently. He joined Southeast Bank in 2003 as an assistant vice-president, said a press release. He started his career in Islamic banking as a probationary officer in 1991 and later worked for Prime Bank Limited.

<https://www.thedailystar.net/business/economy/news/southeast-bank-appoints-md-3293061>

SHAHJABANK | Shahjalal Islami Bank gets new DMD

- Shahjalal Islami Bank recently promoted an official to the post of deputy managing director. The promotee, Rashed Sarwar, was previously serving as the head of Chattogram zone and manager of an Agrabad branch, said a press release. He joined Shahjalal Islami Bank in 2002. He started his banking career as an officer in American Express Bank in 1994. He also worked for Al Baraka Bank Bangladesh from 1996 to 2002.

<https://www.thedailystar.net/business/economy/news/shahjalal-islami-bank-gets-new-dmd-3293056>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 80.90	USD 5.69	7.57%
Crude Oil (Brent)*	USD 85.33	USD 7.55	9.71%
Gold Spot*	USD 1,992.54	USD 218.39	12.31%
DSEX	6,214.02	7.02	0.11%
S&P 500	4,105.02	265.52	6.92%
FTSE 100	7,741.56	289.82	3.89%
BSE SENSEX	59,832.97	-1,007.77	-1.66%
KSE-100	40,049.65	-370.80	-0.92%
CSEALL	9,256.90	754.41	8.87%

Exchange Rates**1 US Dollar = 105.87 BDT****1 GBP = 131.47 BDT****1 Euro = 115.44 BDT****1 INR = 1.29 BDT**

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