

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:**BDT 2630 Bn ADP approved with highest allocation for transport**

- Bangladesh's development budget faces a persistent issue of inefficiency in utilising foreign funds allocated for projects. This trend has continued in recent years, and the upcoming budget follows suit. Of the BDT 2630 Bn budget for the Annual Development Programme (ADP) for upcoming fiscal year 2023-24, BDT 940 Bn or 35.74% will come from foreign sources as project loans, according to the planning commission. The ADP of FY24 is 6.88% higher compared to that of the outgoing year.
- In the outgoing fiscal year, the government reduced the contribution of project loans from the initial proposal of BDT 930 Bn to BDT 745 Bn, accounting for 32.73% of the total outlay. In the previous year, foreign loans accounted for 33.83% of the total ADP budget.

<https://www.tbsnews.net/economy/tk263000cr-adp-approved-highest-allocation-transport-629982>

BGMEA wants source tax to be slashed to 0.50% in upcoming budget

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has demanded the source tax on apparel sector be reduced to 0.50% from 1% in the upcoming fiscal year budget 2023-24. At the same time, the apparel exporters also demanded 10% cash incentives on non-cotton product exports to encourage exporters towards diversification. "If the government makes the tax at source at 0.5%, then, entrepreneurs can confidently undertake mid-term business and investment plans," Faruque Hassan said. The tax at source on the RMG sector was increased to 1% from the previous 0.5% in the previous fiscal year.

<https://www.tbsnews.net/economy/bgmea-wants-source-tax-be-slashed-050-upcoming-budget-630046>

RMG exports reach USD 38.57 Bn with 9.09% YoY growth during July-April

- Bangladesh's apparel industry has recorded a strong year-over-year (YOY) growth of 9.09% for the period of July-April in FY2022-23, according to the data released by the Export Promotion Bureau (EPB). The country's total RMG export during this period reached USD 38.57 Bn, out of which the EU market accounted for USD 19.20 Bn, accounting for 49.78% of total exports. The EPB data revealed that the country's export to EU countries grew by 8.58% compared to the same period of the previous fiscal year. However, exports to Germany, Bulgaria, and Poland have declined. In contrast, Bangladesh's RMG export to France and Spain showed positive growth of 22.21% and 16.69% year-over-year, respectively.

<https://www.tbsnews.net/economy/rmg/rmg-exports-reach-3857-billion-909-yoy-growth-during-july-april-630858>

Govt to give BDT 162 Mn incentive to increase summer onion production

- The government will give an incentive of BDT 162 Mn to increase the cultivation and production of summer onion. "A total of 18,000 farmers of 19 districts will get free seeds and fertilisers under this incentive. Under this incentive, each farmer will get one kg of seeds, and 20 kgs of DAP and 20 kgs of MOP fertilisers at free of cost for cultivating onion on one bigha of land," said an Agriculture Ministry press release today. This incentive will be given from the regular budget of Agriculture Ministry for agricultural support and rehabilitation sector, the release said, adding that a government order was issued in this regard today.

<https://www.tbsnews.net/economy/govt-give-tk1620cr-incentive-increase-summer-onion-production-630126>

IsDB to provide EUR 270 Mn for housing project

- The Islamic Development Bank (IsDB) is set to provide EUR 270 Mn to Bangladesh for the rural and peri-urban housing project. The board of governors of the bank approved the loan during its annual meeting at Jeddah in Saudi Arabia that took place from May 10 to 13, according to a press release from the Economic Relations Division (ERD) of Bangladesh. The theme of this year's meeting was "Partnerships to Fend off Crises" and a delegation from Bangladesh led by ERD Secretary Sharifa Khan took part in the meeting. The delegation emphasized the importance of IsDB supporting its member countries with concessional financing, technical support and building partnerships to tackle the current geopolitical crisis.

<https://www.thedailystar.net/business/economy/news/isdb-provide-eu270m-housing-project-3319246>

Rules allowing exit from locked-in TIN ready

- The government is set to introduce exit policy for taxpayers for the first time to rid cross-sections of people, including expatriates, locked in TIN forever once taken. The revenue authority is likely to incorporate a provision of de-registration into the law for the taxpayers who are searching ways to exit from tax net for various reasons. Under the provision, to be placed with the new budget before Parliament on June 1, 2023, taxpayers will be able to apply for discontinuation of their Taxpayer Identification Number (TIN) to the tax authority by explaining valid reasons.

<https://thefinancialexpress.com.bd/economy/bangladesh/rules-allowing-exit-from-locked-in-tin-ready>

Carbon tax on cars likely in next budget

- Levying carbon tax on private cars and increasing the rate of wealth surcharge are among budgetary means the government envisages to narrow growing income inequality, as Bangladesh reportedly sees rise of some super-rich. The budget for the fiscal year (FY) 2023-24 may impose 'carbon tax' on a taxpayer having more than one vehicle. People having net asset of over BDT 1.0 Bn might have to pay tax at 40%, up by 5%, from the next fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/carbon-tax-on-cars-likely-in-next-budget>

Per capita income falls to USD 2,765

- The per capita income in Bangladesh fell 1% year-on-year to USD 2,765 in 2022-23. Citing estimates by the Bangladesh Bureau of Statistics, a planning ministry official confirmed the fall, chalking it down to the devaluation of the taka against the US dollar. State Minister for Planning Shamsul Alam, however, said per capita income had grown in terms of taka in pace with the economy, which also grew 6.03% this fiscal year. Per capita income was USD 2,824 in 2021-22 fiscal year, up from USD 2,591 in 2020-21. As taka's value fell amid the Russia-Ukraine war and the dollar crisis, incomes also fell.

<https://www.tbsnews.net/economy/capita-income-falls-2763-630090>

Bangladesh's GDP growth projection for FY23 revised down to 6.03%

- Bangladesh's GDP growth projection has been lowered further to 6.03% for the current fiscal year, State Minister for Planning Shamsul Alam said On Thursday. This growth rate surpasses the estimates made by the Asian Development Bank and the World Bank, although it is slightly lower than the government's initial projection of 6.5%.
- According to The Bangladesh Development Update April 2023 by the World Bank, the country's gross domestic product (GDP) is expected to increase by 5.2% in the fiscal year 2023. This lower projection is influenced by factors such as elevated inflation, tighter financial conditions, disruptive import restrictions, and global economic uncertainty. In line with these figures, the Asian Development Bank (ADB) reported in April that Bangladesh's GDP will grow by 5.3% in FY23.

<https://www.tbsnews.net/economy/bangladeshs-gdp-growth-projection-fy23-revised-down-603-629998>

Bangladesh 2nd in South Asia in bad loan ratio

- Bangladesh's banking sector has the second-highest ratio of non-performing loans (NPL) among the countries in South Asia as lenders continue to face multiple challenges emanating from scams, a lack of corporate governance and borrowers' growing reluctance to make instalments regularly. And in the case of non-bank financial institutions (NBFIs), the ratio of NPL is the highest in Bangladesh, with Sri Lanka coming second, according to a World Bank report, which was released recently. The report styled "Expanding Opportunities: Toward Inclusive Growth" said the latest NPL ratios remain below the 2021 levels and the 10% threshold commonly used to indicate systemic stress in most South Asian countries.

<https://www.thedailystar.net/business/economy/news/bangladesh-2nd-south-asia-bad-loan-ratio-3319251>

Austerity to continue in next budget

- The finance ministry has initiated measures to reduce operating expenses in the budget for the fiscal 2023-24, in line with Prime Minister Sheikh Hasina's directive to continue the government's austerity policy and cut unnecessary allocations. To save dollars, the prime minister has called for continuing restrictions on government officials' foreign trips, and luxury expenses and vehicle purchases of government agencies. The instructions might result in trimming the size of the overall budget for the next fiscal, initially estimated at BDT 7600 Bn, finance officials hinted.

<https://www.tbsnews.net/economy/austerity-continue-next-budget-630250>

Stocks:**BATBC | British American Tobacco to invest BDT 610 Mn for capacity expansion**

- British American Tobacco Bangladesh Company Limited is going to invest BDT 610 Mn in its factory to increase the production capacity. The company's board has taken this decision in a meeting held on Wednesday where the company's unaudited financial report for the January to March quarter of 2023 was reviewed and approved. According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Thursday, British American Tobacco will finance this investment through its own funds and bank loans.

<https://www.tbsnews.net/economy/stocks/british-american-tobacco-invest-tk61cr-capacity-expansion-630202>

RUNNERAUTO | Runner to issue BDT 2650 Mn bond to fuel three-wheeler business

- Runner Automobiles will raise USD 25 Mn, equivalent to around BDT 2650 Mn, through issuing a non-convertible guaranteed bond to fuel its eco-friendly three-wheeler business, according to a disclosure through the Dhaka Stock Exchange (DSE). The money would be utilised partly to set up a rooftop solar power system for its three-wheeler manufacturing facility, and the rest of the amount would be used to augment the customer base for its liquefied petroleum gas (LPG) and compressed natural gas (CNG)-run three-wheelers as well as the electric ones through credit sales. The taka-denominated bond will be guaranteed by GuarantCo, and will have the first ever Moody's sustainability certification for any Bangladeshi company, said Runner's Chief Financial Officer (CFO) Shanat Datta.

<https://www.tbsnews.net/economy/stocks/runner-issue-tk265cr-bond-fuel-three-wheeler-business-630002>

AGRANINS | Agrani Insurance's profit climbs 18%

- Agrani Insurance Company Ltd posted more than 18% year-on-year increase in profit to BDT 63.2 Mn in the financial year that ended on December 31. The profit stood at BDT 53.4 Mn in 2021. The insurer reported consolidated earnings per share of BDT 1.99 for 2022 against BDT 1.68 in 2021. The consolidated net asset value per share improved to BDT 20.17 from BDT 19.84 but the consolidated net operating cash flow per share plummeted to BDT 0.54 from BDT 1.37.

<https://www.thedailystar.net/business/economy/news/agrani-insurances-profit-climbs-18-3317506>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 70.04	(USD 5.17)	-6.87%
Crude Oil (Brent)*	USD 74.17	(USD 3.61)	-4.64%
Gold Spot*	USD 2,010.77	USD 236.62	13.34%
DSEX	6,272.43	65.43	1.05%
S&P 500	4,124.08	284.58	7.41%
FTSE 100	7,754.62	302.88	4.06%
BSE SENSEX	62,027.90	1,187.16	1.95%
KSE-100	41,487.58	1,067.13	2.64%
CSEALL	8,927.74	425.25	5.00%

Exchange Rates**1 US Dollar = 106.93 BDT****1 GBP = 133.12 BDT****1 Euro = 116.03 BDT****1 INR = 1.30 BDT**

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