

*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:****Chinese firm to invest USD 45 Mn in Bangabandhu Sheikh Mujib Shilpa Nagar**

- Chinese firm Fujian Mengba Investment Co Ltd will build a steel construction materials factory at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) by investing USD 45 Mn. To this end, Bangladesh Economic Zones Authority (Beza) and Fujian Mengba Investment signed an agreement on Wednesday (14 June) for allotment of 20 acre land to the company, Beza said in a press release.
- Beza said the company will manufacture construction materials including MS rods, angles, channels with an investment of about USD 45 Mn. The factory is expected to create employment for 1,350 people. Earlier, five Chinese investors were allotted land in BSMSN. Overall, eight Chinese investors have been allocated land in the economic zone.

<https://www.tbsnews.net/economy/chinese-firm-invest-45m-bangabandhu-sheikh-mujib-shilpa-nagar-649770>

**WB-funded regional connectivity project kicks off**

- The first phase of the World Bank-supported Accelerating Transport and Trade Connectivity in Eastern South Asia programme was inaugurated at a capital hotel on Wednesday. The project will upgrade the 43km two-lane Sylhet-Charkai-Sheola road to a four-lane one, support digital systems and infrastructure at three land ports, and modernise the Chattogram Customs House. The World Bank is providing USD 753.45 Mn, equivalent to BDT 81.37 Bn to implement the project.
- Officials said the project will help reduce travel time to India by 30% and fatalities by 40% once it is implemented fully within 2028. The World Bank has confirmed USD 1.28 Bn in loans for accelerated transport and trade connectivity in Eastern South Asia, where it provides USD 753.45 Mn to Bangladesh, USD 275 Mn for Nepal and USD 100 Mn to Bhutan.

<https://www.tbsnews.net/bangladesh/infrastructure/wb-funded-regional-connectivity-project-kicks-649962>

**New law offers scope to strike off TIN-holders**

- For the first time, the National Board of Revenue (NBR) has sought to grant opportunity to individuals and companies to de-register or make their taxpayer identification number (TINs) dormant owing to no taxable income and dissolution. The NBR has kept the provision in the proposed Income Tax Bill 2023 and the rule will come into force after the parliament approves it. The move comes as only a third of registered taxpayers in Bangladesh file income tax returns.
- Bangladesh has around 88 Mn registered taxpayers or TIN-holders. Only 3.2 Mn filed their income tax returns as of April of the current financial year, according to the NBR data. As per the proposed rule, a person can request the NBR to make their TIN inactive if his or her taxable income is zero in the previous three years and is expected to remain zero in the future. Anyone leaving the country for good will also be able to seek to make the TIN dormant or inactive.

<https://www.thedailystar.net/business/economy/news/new-law-offers-scope-strike-tin-holders-3345666>

**Janata Bank boosts lending to SME, agriculture sectors**

- State-owned Janata Bank Limited (JBL) has increased its lending to SME and agriculture sectors considering their vital role in the economy. The JBL disbursed loans amounting to BDT 29.35 Bn to small and medium enterprises (SMEs) and BDT 24.37 Bn to borrowers in the agriculture sector in 2022. After recovery and adjustment, the bank's investment in the SME sector increased from BDT 113.65 Bn in 2021 to BDT 120.36 Bn in 2022. Besides, agriculture loans rose from BDT 24.35 Bn in 2021 to BDT 24.37 Bn last year. The JBL has made a contribution of BDT 11.80 Bn to the government exchequer as Value Added Tax (VAT) and excise duties in 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/janata-bank-boosts-lending-to-sme-agriculture-sectors>

**Electrical, electronic goods export surges**

- The shipment of electrical and electronics goods from Bangladesh displayed an impressive growth of 48% in July-May of the outgoing financial year on the back of improving product quality and government support, official figures showed. According to the Export Promotion Bureau, Bangladesh earned USD 115.30 Mn by selling electrical and electronics items in the overseas markets in the first 11 months of 2022-23, which was USD 77.86 Mn during the identical period a year earlier. The stellar performance comes at a time when Bangladesh's overall export earnings have slowed owing to the global slowdown and higher inflation. The shipment grew 7.11% year-on-year in July-May.

<https://www.thedailystar.net/business/economy/news/electrical-electronic-goods-export-surges-3346646>

**BB frames rules for setting up digital banks**

- The Bangladesh Bank yesterday approved the guideline on digital banks, paving the way for establishing branchless banking operations, a development that is expected to accelerate cashless transactions and digital transformation. As per the guideline, investors willing to set up a digital bank will have to have a minimum paid-up capital of BDT 1.25 Bn and the capital will have to come from sponsors. The minimum paid-up capital that a sponsor will have to contribute has been set at BDT 5 Mn.
- Currently, the central bank is developing a portal to receive applications from interested investors online. Applicants will have to pay a non-refundable application fee of BDT 500,000 for digital banks, sources said. At the same time, the government is developing a machine learning and artificial intelligence-based credit rating system.

<https://www.thedailystar.net/business/economy/news/bb-frames-rules-setting-digital-banks-3346636>

**Cut customs barriers for more Japanese investment**

- Bangladesh needs to improve on cumbersome government approval procedures, customs clearance delays, restrictions through customs duty and processes for receiving remittance to attract more Japanese investment, said Iwama Kiminori, Japanese ambassador to Bangladesh, yesterday. Discussions on the overall tax reform, especially reducing reliance on custom duties for generating revenue, is extremely essential said Kiminori. Bangladesh should sign an economic partnership agreement (EPA) with Japan before 2026 so that it can enjoy duty-free benefits on making the United Nations status graduation from a least developed to a developing country that year, said the Japanese envoy.

<https://www.thedailystar.net/business/economy/news/cut-customs-barriers-more-japanese-investment-3346621>

**Tax return for credit card to bar financial inclusion**

- The tax on digital payments tools should be reduced and incentives should be given to encourage electronic payments in a bid to transform the country into a cashless society, said Syed Mohammad Kamal, country manager of Mastercard. Kamal recommends implementing reduced tax rates for two particular areas with a view to supporting the growth of the cashless payments industry. First, a reduced tax rate for the import of plastic cards. Second, a substantial reduction in the tax for point of sale (PoS). Presently, the tax rate is 37% leading to a high cost of PoS machines. This discourages the wider adoption among the merchants and makes it difficult for banks to invest in PoS procurement.

<https://www.thedailystar.net/special-events/national-budget-2023-24/news/tax-return-credit-card-bar-financial-inclusion-3346641>

**Foreign investors worried over income tax law provisions**

- Foreign investors in Bangladesh yesterday expressed concern over some provisions of a proposed income tax law alongside measures, including one on increasing the minimum tax on carbonated beverage makers. The National Board of Revenue (NBR) wants to slap a 5% tax on gross receipts or turnover of carbonated beverage makers from next fiscal year. It is currently 0.6%.
- Besides, as per the bill, individuals could no longer enjoy exemptions on income from Workers Profit Participation Fund, mutual fund and dividend to certain limits. The new law also seeks to make submission tax returns compulsory by government-recognised private funds such as provident funds and gratuity funds.

<https://www.thedailystar.net/business/economy/news/foreign-investors-worried-over-income-tax-law-provisions-3346631>

**Duty hike to destabilise elevator, escalator market**

- The Bangladesh Elevator Escalators and Lift Importers Association (BEELIA) yesterday demanded the withdrawal of the proposed duty on imports of elevators and escalators in the national budget for fiscal year (FY) 2023-24. Currently, operators in the domestic elevator and escalator industry face 15.75% duty on imports of such products. However, a proposal to increase the charge to 25.75% has been included in the draft budget for next fiscal year to promote local manufacturing.
- The association also demanded including lifts and escalators in the category of essential machineries rather than commercial products. At present, Bangladesh needs around 4,000 units of lifts and escalators worth a total of between BDT 25 Bn and BDT 40 Bn each year. Of these units, more than 90% come from abroad through roughly 500 local importers, BEELIA data shows.

<https://www.thedailystar.net/business/economy/news/duty-hike-destabilise-elevator-escalator-market-3346616>

**Stocks:****UNIONINS, SONARBAINS | Union Insurance, Sonar Bangla Insurance declare dividend**

- Two more general insurance companies – Union Insurance and Sonar Bangla Insurance have declared dividends for the year ended in December 2022. Sonar Bangla Insurance recommended 15% dividend (10% cash and 5% stock) while Union Insurance declared 10% cash dividend. As per the Q1 reports, Sonar Bangla's consolidated EPS was BDT 0.85 for January-March 2023 as against BDT 0.82 for January-March 2022. Union's EPS was BDT 0.89 for January-March 2023 as against BDT 0.59 for January-March 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/union-insurance-sonar-bangla-insurance-declare-dividend>

**ABBANK | AB Bank Perpetual Bond makes debut Thursday**

- Trading of the AB Bank Perpetual Bond will commence on the Dhaka Stock Exchange and Chittagong Stock Exchange tomorrow (Thursday) under settlement category 'N'. The private bank got approval to raise BDT 6 Bn in November 2021 by issuing a transferable, unsecured, non-cumulative and contingent-convertible perpetual bond for raising additional Tier-I (AT-I) capital.
- Of the BDT 6.0 Bn, BDT 5.40 Bn raised through private placement and the remaining BDT 600 Mn under the public offering. Despite the securities regulator approving the bond more than 18 months ago, it was delayed to make its debut as the bank struggled to get subscribers as the lender did not get the expected number of subscriptions within the stipulated deadline.

<https://thefinancialexpress.com.bd/stock/bangladesh/ab-bank-perpetual-bond-makes-debut-thursday>

**MERCANBANK | Mercantile Bank okays 12% dividends**

- Mercantile Bank shareholders approved 10% cash and 2% dividends for 2022. The bank has also reported consolidated earnings per share of BDT 2.17 and net operating cash flow per share of BDT 4.73. The information was revealed at the bank's 24th annual general meeting (AGM) held virtually yesterday, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/mercantile-bank-okays-12-dividends-3346571>

**NHFIL | National Housing approves 15% cash dividend**

- National Housing Finance and Investments Limited conducted its 24th Annual General Meeting (AGM) on Sunday on the virtual platform, with shareholders approving a 15% cash dividend for the year 2022. The company achieved a net profit of BDT 263.14 Mn, resulting in earnings per share (EPS) of BDT 2.25 and a net asset value per share (NAV) of BDT 19.40.

<https://thefinancialexpress.com.bd/stock/bangladesh/national-housing-approves-15pc-cash-dividend>

**POWERGRID | Power Grid to issue new shares against government funds**

- Power Grid Company of Bangladesh has finally decided to issue shares against the share money deposit it has been taking from the government for years to finance various projects. Till this March, the total share money deposit of the state-owned power producer stood at BDT 89.18 Bn – the highest for any listed firm. Of the amount, BDT 80.43 Bn piled up till June last year. The remaining BDT 8.75 Bn came during the July to March period of the fiscal 2022-23. Also, the company said in a stock exchange filing that it wants to increase its authorised capital to BDT 150 Bn, which is now BDT 100 Bn.

<https://www.tbsnews.net/economy/stocks/power-grid-issue-new-shares-against-government-funds-649950>

**ICB | ICB sells its entire holding of Islami Bank**

- The Investment Corporation of Bangladesh (ICB) has sold its entire shareholding of the Islami Bank Limited for BDT 1.09 Bn. According to Islami Bank data, the ICB holds 3,34,68,956 shares of the bank, which was 2.07% of the total shares. As it sold its entire stake, the ICB has withdrawn Md Abu Taher Md Ahmedur Rahman, a nominated director from the ICB on the board of Islami Bank. An official of ICB, on condition of anonymity, told The Business Standard, "We are facing a liquidity crisis. Most of the funds are stuck in the capital market due to the imposition of floor price."

<https://www.tbsnews.net/economy/stocks/icb-sells-its-entire-holding-islami-bank-649898>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 68.54	(USD 6.67)	-8.87%
Crude Oil (Brent)*	USD 73.20	(USD 4.58)	-5.89%
Gold Spot*	USD 1,935.18	USD 161.03	9.08%
DSEX	6,274.76	67.76	1.09%
S&P 500	4,372.59	533.09	13.88%
FTSE 100	7,602.74	151.00	2.03%
BSE SENSEX	63,228.51	2,387.77	3.92%
KSE-100	41,536.87	1,116.42	2.76%
CSEALL	9,069.64	567.15	6.67%

**Exchange Rates****1 US Dollar = 109.31 BDT****1 GBP = 138.52 BDT****1 Euro = 118.53 BDT****1 INR = 1.33 BDT**

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### BRAC EPL Stock Brokerage Limited

#### Research

Salim Afzal Shawon, CFA	Head of Research	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Fahim Hassan	Research Analyst	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	<a href="mailto:hztowhidi.khan@bracepl.com">hztowhidi.khan@bracepl.com</a>	01708 805 224
Billal Hossain	Research Associate	<a href="mailto:billal.hossain@bracepl.com">billal.hossain@bracepl.com</a>	01708 805 229
Md. Tanvir Ahmed	Research Associate	<a href="mailto:mtanvir.ahmed@bracepl.com">mtanvir.ahmed@bracepl.com</a>	01708 805 201
Syed Tawsifuzzaman	Research Associate	<a href="mailto:s.tawsifuzzaman@bracepl.com">s.tawsifuzzaman@bracepl.com</a>	01708 805 202

#### International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
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For any queries or services, you can reach us at [care@bracepl.com](mailto:care@bracepl.com) or hotline **16285**.