

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:**Slash import duty on solar accessories for garment sector to 1%: BGMEA**

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the government to reduce import duties on solar PV system accessories to help the garment sector lower their energy expenses by installing solar systems. In a letter signed by BGMEA President Faruque Hassan, the apparel body urged the finance minister to reduce the Total Tax Incidence (TTI) from its current rate, which can be as high as 58%, to just 1%. The duty cut facility was sought for solar panels, inverters, aluminium structure, walkway, fuel save controller, and other accessories.

<https://www.tbsnews.net/economy/rmg/slash-import-duty-solar-accessories-garment-sector-1-bgmea-616662>

Raise tax-free income limit to BDT 0.4 Mn: Businesses ask NBR

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has proposed raising the tax-free income limit to BDT 0.4 Mn from the existing BDT 0.3 Mn in the next fiscal year to protect low-income people from inflation. Considering the overall economic situation, inflation and rising costs of living, the organisation feels it has become difficult for people with low incomes to pay taxes and for this, it is necessary to increase the tax-free income limit by BDT 0.1 Mn. The tax-free income ceiling for women and senior citizens, outside regular individual taxpayers, was also recommended to be raised from the existing BDT 0.35 Mn to BDT 0.45 Mn.

<https://www.tbsnews.net/economy/raise-tax-free-income-limit-tk4-lakh-businesses-ask-nbr-616146>

Withdraw minimum tax on mobile phone operators: FBCCI

- The Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) on Thursday called on the government to repeal the 2% minimum tax imposed on mobile phone operators, stating that it contradicts the spirit of the income tax law. The FBCCI argued that the income tax should only be paid on income, not sales. Under the current system, a company is required to pay tax even when it is suffering losses. As a result, the company must pay taxes from its capital, which hinders its ability to expand, the FBCCI said in its budget recommendations.

<https://www.tbsnews.net/economy/withdraw-minimum-tax-mobile-phone-operators-fbcci-616154>

Interest rate of EDF loans same for extended period

- The central bank will charge the same interest rate for the extended period of loans made from the Export Development Fund (EDF) like it imposes during the initial repayment period. EDF loans from the Bangladesh Bank are repayable by authorised dealer banks within 180 days from the date of disbursement, extendable up to 270 days. In the case of an extension of tenure beyond 180 days, the interest rate prevailing at the time of such extension will be applicable for the extended period, said the BB in a notice yesterday.

<https://www.thedailystar.net/business/economy/news/interest-rate-edf-loans-same-extended-period-3296801>

Reduce advance income tax to 3%: FBCCI

- FBCCI has urged the National Board of Revenue to reduce Advance Income Tax (AIT) at the import stage to 3% from 5% to reduce the cost of business. The FBCCI made the demand at the 43rd budget consultative meeting with the National Board of Revenue (NBR) on Thursday. It was 3% till June 2010, before being raised to 5%.

<https://www.tbsnews.net/economy/reduce-advance-income-tax-3-fbcci-616142>

Average loans by households nearly double in 6 years: BBS

- An increasing number of families are becoming connected with the formal financial system by depositing and borrowing money, according to the Bangladesh Bureau of Statistics (BBS). For instance, the ratio of households with at least one member having a bank account doubled to 14.12% in 2022 from 7.5% six years ago.
- And more than one-fifth of families had deposits in micro or financial institutions as of 2022. The ratio was 15.09% in 2016, according to the latest Household Income and Expenditure Survey 2022 (HIES) of the BBS. When it comes to borrowing, the ratio of households who received loans from financial institutions or friends rose to 37.03% in 2022 from 29.7% six years ago.

<https://www.thedailystar.net/business/economy/news/average-loans-households-nearly-double-6-years-bbs-3296776>

Increase public involvement in govt procurement: Experts

- Experts have called for increasing people's involvement in government procurement to ensure sustainable development. Ensuring people's involvement in public procurement is challenging but important, because it ensures transparency and accountability, said Planning Minister MA Mannan at a meeting of the Public-Private Stakeholders' Committee of the Central Procurement Technical Unit of the Implementation Monitoring and Evaluation Division (IMED) yesterday.
- Highlighting the recent progress of Electronic Government Procurement (e-GP) system, Central Procurement Technical Unit Director General Mohammad Shoheler Rahman Chowdhury said the Public-Private Stakeholder Committee has been constituted with representatives from public and private sectors to provide recommendations and guidance on the overall development of public procurement activities.

<https://www.tbsnews.net/economy/increase-public-involvement-govt-procurement-experts-616226>

Dhaka, Moscow agree to settle Rooppur payments in Chinese yuan

- Bangladesh is set to make loan repayment for the Rooppur Nuclear Power Plant project to Russia in yuan as US sanctions on Russian banks have forced the two nations to settle payments using the Chinese currency, moving away from the US dollar.
- The decision was made on Thursday in a meeting between the Economic Relations Division (ERD) and Russian officials following a request by Moscow in March last year to halt loan repayments after losing access to the global payment channel SWIFT due to Western sanctions.
- Under the new arrangement, Bangladesh will make payment settlements with Russia through a Chinese bank, and Russian beneficiaries will receive payments using China's Cross-Border Interbank Payment System (CIPS), a limited alternative to SWIFT for yuan-based payments.

<https://www.tbsnews.net/economy/dhaka-moscow-agree-settle-rooppur-payments-chinese-yuan-616258>

Govt to procure paddy, rice at higher prices this Boro season

- The government will procure 0.4 Mn tonnes of paddy and 1.25 Mn tonnes of rice during this Boro season at a higher price than the previous season, said Food Minister Sadhan Chandra Majumdar on Thursday. "Paddy will be procured at BDT 30 per kilogram and rice at BDT 44," he told. Last Aman season, the government collected paddy at BDT 28 per kg and rice at BDT 42 per kg. The minister said, "The procurement prices of paddy, rice, and wheat have been increased taking into account various factors such as production costs, transportation costs, and the cost of living in the country."

<https://www.tbsnews.net/bangladesh/govt-procure-paddy-rice-higher-prices-boro-season-615906>

Bangladesh cuts energy subsidy to extend targeted assistance: IMF

- Bangladesh is lowering subsidy expenditure to divert higher assistance to a targeted group of people who really deserves to get it. "They are reducing untargeted fiscal subsidies by making them more targeted to people affected by high energy and electricity prices..." said Krishna Srinivasan, Director, Asia and Pacific Department, International Monetary Fund (IMF).
- At a press conference on Thursday in Washington DC, on the side-line of IMF/WB Spring Meetings on the Economic Outlook for Asia Pacific, he further said Bangladesh has "increased electricity and energy prices so that subsidy is channelled towards more targeted fiscal sides".

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-cuts-energy-subsidy-to-extend-targeted-assistance-imf>

Fuel prices to be adjusted to global market from Sept

- The government is set to implement a new formula-based price adjustment mechanism for fuel oil prices starting this September, following recommendations from the International Monetary Fund (IMF). This step is being taken to comply with the IMF-set conditions for a USD 4.7 Bn loan, which requires the reduction of subsidies.
- Under the new mechanism, fuel oil prices will be adjusted every three months initially, with the possibility of monthly adjustments in the future. In addition, the government may raise electricity prices by 5% twice to meet the IMF conditions, officials of the Ministry of Finance have confirmed to The Business Standard. However, there are currently no plans to increase gas prices.

<https://www.tbsnews.net/economy/fuel-prices-be-adjusted-global-market-sept-617086>

Gold price rises by BDT 1,283 a bhoari

- The jewellers have increased pure gold prices by BDT 1,283 a bhoari for the local market with effect from today because of the rising bullion prices in the international market. According to the new rates, each bhoari or 11.664 grammes of 22-carat gold will be sold at BDT 98,444.16.
- The standing committee on pricing and price monitoring of Bangladesh Jewellers Samity (Bajus) announced the new rate yesterday, Bajus said in a press release. On April 10, the Bajus cut gold prices by 2% to BDT 97,161.12 a bhoari from the earlier historic high of BDT 99,144.

<https://www.thedailystar.net/business/economy/news/gold-price-rises-tk-1283-bhoari-3297606>

Subsidy, interest bills highest in a decade

- Bangladesh's spending on subsidies and interest payments surged 45% year-on-year in the first eight months of this fiscal year, turning out to be the highest in at least a decade. This resulted from an increased payment requirement from the coffer particularly to provide fertiliser, food and electricity at subsidised rates.
- From July to February in fiscal year 2022-23, the government spent BDT 562.2 Bn behind interest payments of its domestic and foreign loans, registering a 38% year-on-year growth. Meanwhile, subsidy spending more than doubled to BDT 332.51 Bn whereas it was BDT 155.75 Bn in the same period a year ago.

<https://www.thedailystar.net/business/economy/news/subsidy-interest-bills-highest-decade-3297776>

Import payments drop 39% in March

- Import restrictions imposed by the central bank resulted in a 39% drop in import payments in March and a 45% decrease in LC (letter of credit) opening compared to the same period a year ago. Officials from several banks familiar with the situation have reported pressure on deferred LC payments opened six months to a year ago for the past few months.
- According to Bangladesh Bank data, LC settlements in March of the current fiscal year totalled USD 4.85 Bn, a 38.92% decline from USD 7.94 Bn in the same month the previous year. Besides, LC settlement in the July-March period of the current fiscal year was USD 57.05 Bn, which was USD 60.61 Bn in the corresponding period last year – a 5.87% drop in nine months.

<https://www.tbsnews.net/economy/import-payments-drop-39-march-616422>

Businesses urge NBR to allow black money investments in real estate

- The Federation of Bangladesh Chambers of Commerce & Industries, the apex trade body of the country, has proposed that untaxed money investments in the real estate sector should not be questioned under the income tax law. They suggested that if this facility was given for 5 to 10 years, it could help prevent money laundering from the country and increase revenue.
- They said that many countries permit investments in flats or apartments without raising any questions, and they believe the same should apply in Bangladesh. Considering all this, if the opportunity of investing undisclosed money in real estate is available, the investors will come under the tax network which will increase the government's revenue, the FBCCI added.

<https://www.tbsnews.net/nbr/businesses-urge-nbr-allow-black-money-investments-real-estate-616134>

Govt's bank borrowing up 152%

- Government borrowing from the banking system swelled over 152% year on year to BDT 253.9 Bn during July-February period of this fiscal. According to a Bangladesh Bank (BB) report, the government is now largely sourcing deficit-financing money from the central bank, and less from banks and external sources. Non-bank borrowing of the government from the public also decreased by more than 73% (y-o-y) to BDT 46.56 Bn during the period under review, says the report released recently.

<https://thefinancialexpress.com.bd/economy/bangladesh/govts-bank-borrowing-up-152pc>

Power, telecom suffer, banks gain amid dollar crisis

- 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. The loss of value of Bangladeshi taka against the US dollar due to the shortage of the greenback amid the global economic turmoil has affected various industries as their cost of imports and repayment of foreign loans soared.
- Financial data by listed companies showed that power generation, telecom and manufacturing companies were the main victims of the recent volatility in the dollar market. On the other hand, banks booked higher profit through the dealing of the greenback. Among the listed companies, fuel and power companies had to bear extra costs of BDT 11.28 Bn in the June-December period of 2022 due to the depreciation of the local currency. The listed banks logged an income of BDT 43.28 Bn from the foreign exchange dealings in the January-September period of 2022 whereas it was BDT 14.46 Bn in the same period of the previous year.

<https://www.thedailystar.net/business/economy/news/power-telecom-suffer-banks-gain-amid-dollar-crisis-3295861>

Unlike the past, electronics sales down this Eid

- The sales of electronic home appliances usually pick up ahead of Eid-ul-Fitr as retailers introduce new models and offer discounts and consumers are awash with cash. But the scenario has been disappointing for retailers so far this year as sales have been down by as low as 20% since customers have tightened their belts for the higher cost of living.
- Bangladesh, like many other countries, has been hit hard by the fallout of the Russia-Ukraine war as the world is reeling from deep uncertainty, the energy crisis and higher inflation. As a result, many consumers with a lower level of disposable income have cut down on non-essential spending, particularly the expenses related to home appliances.

<https://www.thedailystar.net/business/economy/news/unlike-the-past-electronics-sales-down-eid-3296826>

Ahead of Eid, banks struggling with huge pressure of cash withdrawals

- The demand for cash has increased in the banking sector as businesses and individuals sought to withdraw money to make payments. As a result, banks are struggling to meet the huge demand for cash money every day for the last few weeks. According to Bangladesh Bank, the demand for call money was between BDT 60 Bn to BDT 80 Bn on an average each day last week.
- According to the central bank, last Tuesday, some banks borrowed BDT 79.54 Bn from other banks. The previous day, the loan amount was BDT 68.72 Bn. From the beginning of April, the pressure of interbank, short-term borrowing has increased. In the first eight working days, BDT 627.19 Bn was borrowed from the call money market.

<https://www.tbsnews.net/economy/banking/ahead-eid-banks-struggling-huge-pressure-cash-withdrawals-616986>

Stocks:**CONTININS | Continental Insurance declares a 10% cash dividend**

- The board of directors of Continental Insurance has recommended a 10% cash dividend for the shareholders for 2022. In 2021, the company paid its shareholders a 12% cash dividend. According to its disclosure, the earnings per share (EPS) increased by 7% than the previous year to BDT 1.63, which was BDT 1.51 in 2021. The net asset value (NAV) per share and net operating cash flow per share (NOCFPS) stood at BDT 21.19, BDT 0.92 respectively, which was BDT 20.89, and 0.87 respectively for the year ended 31 December 2021.

<https://www.tbsnews.net/economy/stocks/continental-insurance-declares-10-cash-dividend-615874>

RINGSHINE | Rings Shine Textile declares no dividend for FY21, FY22

- Ring Shine Textile, a listed firm on the stock market has decided not to pay any dividend to its shareholders for the last two fiscal years as it has been incurring losses in FY2020-21 and FY2021-22. Owing to the Covid-19 pandemic, the company's foreign orders significantly fell, and its operation was closed for more than one year till mid of 2021. Now, its production is running partially. According to a disclosure, Ring Shine Textile reported a loss per share of BDT 1.54 in 2021-22 fiscal. The loss per share in 2020-21 fiscal was BDT 1.75.

<https://www.tbsnews.net/economy/stocks/rings-shine-textile-declares-no-dividend-fy21-615810>

EASTLAND | Eastland Insurance's profit grows 7.87% in 2022

- Eastland Insurance Company Ltd, a first-generation non-life insurance firm, reported a 7.87% rise in net profit in 2022, buoyed by an increase in gross premium income. The general insurer earned a net profit of BDT 137 Mn for the year ended December 2022, up from BDT 127 Mn in 2021, as the company achieved modest growth in gross premium income.
- According to a disclosure on the Dhaka Stock Exchange, the insurer's earnings per share (EPS) rose to BDT 1.63 in 2022, compared with BDT 1.51 in the previous year. Based on the profit growth, the board of directors has recommended a 10% cash dividend for 2022, pending final approval at the annual general meeting scheduled for June 25 at 3:00 pm via digital platforms. The record date has been set for May 14.

<https://thefinancialexpress.com.bd/stock/bangladesh/eastland-insurances-profit-grows-787pc-in-2022>

DBH | DBH Finance gets approval to launch Islamic finance window

- DBH Finance PLC – the country's largest and specialist housing finance institution – has received the final approval from Bangladesh Bank (BB) for opening of its Islamic Financing Wing. The non-bank financial institution received the go-ahead from the central bank on Tuesday to introduce the Shariah-based products and services from all of its 14 branches located at all major cities of the country, said a statement issued on Thursday.

<https://thefinancialexpress.com.bd/stock/bangladesh/dbh-finance-gets-approval-to-launch-islamic-finance-window-1>

NAVANAPHAR | Navana Pharma posts 54% higher profit in March quarter

- Navana Pharmaceuticals – which got listed on the stock market in October last year – has reported a 54% year-on-year jump in its net profit during the January to March quarter of the 2022-23 fiscal year, thanks to an increase in sales of its expensive drugs. Moreover, because of its stock market listing, the company got to avail a tax benefit which helped it to post higher profits.
- In the January to March quarter of FY23, Navana Pharma's net profit stood at BDT 105 Mn, which was BDT 68 Mn in the same quarter of the previous fiscal. Also, its revenue increased by 23% to BDT 1.5 Bn, from BDT 1.22 Bn a year ago.

<https://www.tbsnews.net/economy/stocks/navana-pharma-posts-54-higher-profit-march-quarter-617066>

BATASHOE | Bata Shoe back to profits after two years of losses

- Bata Shoe, the country's leading branded footwear manufacturer, posted a profit in 2022 after two consecutive years of losses due to the Covid-19 pandemic. However, the profit growth of the multinational footwear manufacturer was held back by the depreciation of the taka, preventing it from reaching its expected level.
- Despite these challenges, Bata Shoe's earnings per share (EPS) stood at BDT 29.98 by the end of 2022, which were per share losses of BDT 5.01 and BDT 96.94 in the previous two years, respectively. According to stock market analysts, despite no Covid restrictions in 2022 as compared to 2020 and 2021,

<https://www.tbsnews.net/economy/stocks/bata-shoe-back-profits-after-two-years-losses-617054>

ACI | ACI to invest BDT 500 Mn in joint venture with Colgate

- Advance Chemical Industries (ACI) has decided to invest BDT 500 Mn over a period of the next three years in a joint venture company with Colgate-Palmolive (Asia) Pte. As per the decision, ACI's board has approved the signing a joint venture agreement and to establish joint venture company with Colgate-Palmolive.
- ACI will hold 24% of the proposed company, and against the stake it will invest BDT 500 Mn. On Thursday, the information was published on the stock exchanges website, where ACI said, "The agreement with Colgate is subject to the usual condition precedents and other regulatory formalities."

<https://www.tbsnews.net/economy/stocks/aci-invest-tk50cr-joint-venture-colgate-615910>

SHASHADNIM | Shasha Denims to invest BDT 1.55 Bn for capacity expansion

- Shasha Denims Limited is going to invest around BDT 1.55 Bn to expand its production capacity in order to meet the growing demand for its products. The company will install 105 loom machines in its plot at the Dhaka Export Processing Zone (DEPZ). The new project is expected to add BDT 3.5 Bn in the company's annual revenue.
- "We will implement the expansion project within one year, and the fund will come from the company's own sources and through bank loans." After the expansion, the production capacity will be 1.35 Mn whole denim cloths per month, he said.

<https://www.tbsnews.net/economy/stocks/shasha-denims-invest-tk155cr-capacity-expansion-616282>

UCB | UCB inks deal with Syngenta and Upay

- United Commercial Bank (UCB) recently signed an agreement with Syngenta Bangladesh Limited and UCB Fintech Company Limited (Upay) for the former to provide agricultural loans to registered farmers at a low interest rate. Mobile financial service provider Upay will act as a loan withdrawal and repayment platform to facilitate farmers located in remote areas.

<https://www.thedailystar.net/business/economy/banks/news/ucb-inks-deal-syngenta-and-upay-3296791>

DHAKABANK | Dhaka Bank launches 'eRin' app

- Dhaka Bank recently launched an "eRin" app through which a customer can apply for an unsecured personal loan of up to BDT 50,000 for disbursement within two hours on banking days. Customer can apply for the loan 24 hours a week anywhere from Bangladesh without submitting any physical documents. Emranul Huq, managing director of Dhaka Bank, and Syed Ali Jowher Rizvi, chairman of CASHe Alliance (technology partner), inaugurated the product at the bank's head office in Dhaka, said a press release.

<https://www.thedailystar.net/business/economy/news/dhaka-bank-launches-erin-app-3297681>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 82.52 | USD 7.31 | 9.72% |
| Crude Oil (Brent)* | USD 86.31 | USD 8.53 | 10.97% |
| Gold Spot* | USD 2,004.17 | USD 230.02 | 12.97% |
| DSEX | 6,215.18 | 8.18 | 0.13% |
| S&P 500 | 4,137.64 | 298.14 | 7.77% |
| FTSE 100 | 7,871.91 | 420.17 | 5.64% |
| BSE SENSEX | 60,431.00 | -409.74 | -0.67% |
| KSE-100 | 40,205.54 | -214.91 | -0.53% |
| CSEALL | 9,415.28 | 912.79 | 10.74% |

Exchange Rates**1 US Dollar = 106.47 BDT****1 GBP = 132.18 BDT****1 Euro = 117.07 BDT****1 INR = 1.30 BDT**

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