

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:**Foreign banks see spike in deposits**

- Foreign banks operating in Bangladesh registered an 8.57% growth in deposits in the October-December quarter of 2022, the highest since 2018, as many savers shifted their funds from local banks amid a confidence crisis. Nine multinational lenders logged BDT 739.80 Bn in deposits in the fourth quarter, up from BDT 681.43 Bn in the third quarter, according to the Quarterly Scheduled Banks Statistics released by the Bangladesh Bank yesterday.
- On a year-on-year basis, the banks recorded a 14% growth in deposits even though several well-known multinational banks offer lower interest rates on deposits compared to their local competitors. "Due to the perceived high-risk around a few local banks and financial institutions, cautious savers preferred to park their deposits with foreign banks despite lower returns," said Mamun Rashid, a former CEO of Citibank, NA Bangladesh.

<https://www.thedailystar.net/business/economy/news/foreign-banks-see-spike-deposits-3276576>

Finance minister's budget dialogue: Businesses seek fiscal protection

- Bangladesh's trade leaders demanded "logical duty-tax protection" for local industry and investment as the finance minister consulted them Monday on fiscal measures in making the coming budget amid persisting odds. At a virtually held pre-budget meeting with Finance Minister AHM Mustafa Kamal, they also sought tax waiver or bond facility to support domestic production and export diversification.
- The country's apex trade body -- the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) -- placed the pleas in a package of suggestions which include keeping supply and price of essential commodities stable, expansion of tax net by modernising tax policy, and lowering economic inequality by enhancing income and employment generation.

<https://thefinancialexpress.com.bd/economy/bangladesh/finance-ministers-budget-dialogue-businesses-seek-fiscal-protection>

Explainer: How Bangladesh will calculate reserves from June

- The Bangladesh Bank will disclose its new reserve position per the IMF formula in June. The IMF set the floor on net reserves at USD 24.46 Bn for June when the lender will conduct the first review of the performance criteria of the central bank. The net reserve will have to be calculated according to the new formula prescribed by the IMF. According to the central bank data, Bangladesh will show a USD 19 Bn-plus net reserve if the new formula is applied.
- As per the IMF formula based on the Balance of Payments and International Investment Position Manual, the Bangladesh Bank will have to exclude foreign currency loans to local banks, known as the Export Development Fund (EDF), which is now USD 5.5 Bn, deposits with state-owned local banks, deposits with the IDB Group, fixed-income securities below investment grade, a loan to Sri Lanka and other foreign currency assets in non-convertible currencies, which total USD 2 Bn of the gross reserve.
- The IMF says the central bank must also exclude the reserve-related liabilities to estimate the net reserve. Bangladesh's current reserve-related liabilities amount to USD 4 Bn. The net reserve will be USD 19 Bn-plus if this amount is excluded.

<https://www.tbsnews.net/economy/explainer-how-bangladesh-will-calculate-reserves-june-602490>

New inflation measure to replace outmoded index

- Bangladesh is updating the consumer inflation index with lot many goods and services in count, with 2021-22 as new base year, as price rises have upset indices locally and globally. Officials say the updated gauge to measure inflation is likely to be launched next fiscal year, beginning in July, as the existing one uses 2006 fiscal as base year and fails to portray real picture of inflation.
- The updating with the additional items in basket will result in new weightings for the components of its Consumer Price Index (CPI) basket, people at the national statistics office told the FE Sunday. "There have been huge changes in the consumption habits over the years, so we need the latest commodity basket to reflect the real picture of the price changes," said a senior official working at the national accounting wing of Bangladesh Bureau of Statistics (BBS).

<https://thefinancialexpress.com.bd/economy/bangladesh/new-inflation-measure-to-replace-outmoded-index>

Cut source tax on exports, continue cash incentives until LDC graduation, businesses urge

- Businesspeople have called for reducing taxes deducted at source during exports and continuing cash incentives for exporters until the country's graduation from least developed country (LDC) status. In a pre-budget talk with Finance Minister AHM Mustafa Kamal in the capital Monday, they also called for lifting advance taxes on raw material imports, cutting the cost of doing business by improving the business environment, and taking effective measures for preventing tax dodging.
- "We proposed to the finance minister to cut source tax on exports to 0.5% from the existing 1%. We also requested him to withdraw advance tax and advance income tax on raw material imports and reduce tax pressure on small and medium enterprises," Federation of Bangladesh Chambers of Commerce and Industry President Md Jashim Uddin, who participated in the meeting, told The Business Standard.

<https://www.tbsnews.net/economy/cut-source-tax-exports-continue-cash-incentives-until-ldc-graduation-businesses-urge-602830>

PM for ensuring sustainable export growth, exploring new markets

- Prime minister Sheikh Hasina on Monday asked all concerned to find a way out to ensure sustainable export growth and explore new global markets for Bangladeshi goods in the context of Ukraine war. "Steps will have to be taken to achieve sustainable export growth after analysing situation steamed from the global economic recession due to the war in Ukraine," she told the 11th meeting of the national committee on export at her official Ganabhaban residence.
- The prime minister also asked all concerned to diversify the export items and explore new markets for those alongside revitalising the local markets. 'A new scope has been created globally to explore new markets for Bangladeshi items due to enhanced demands for goods because of the war in Ukraine. We have to grasp the markets,' she said. The premier also called for formulating a new export policy for another four or five years by revising, changing and improving the existing one going to expire by 2024.

<https://www.newagebd.net/article/197306/pm-for-ensuring-sustainable-export-growth-exploring-new-markets>

'Bank's assets will decrease by 40% if IFRS is followed'

- Chairman of the Financial Reporting Council (FRC) Professor Hamid Ullah Bhuiyan has said no bank in the country follows International Accounting Standards or International Financial Reporting Standards (IFRS) in preparing financial statements. Due to this, the actual picture of the financial health of the banks does not come out in the financial reports. If IFRS is followed, it will reduce banks' assets by 40%, he said.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-assets-will-decrease-by-40pc-if-ifs-is-followed>

Only FRC-listed auditors can audit listed firms

- The Financial Reporting Council (FRC), an independent government regulatory body, is imposing new obligations on the audit of about 5,500 public interest entities (PIEs), including companies listed on the country's capital market. Under the new rules, only auditors enlisted with the FRC will be able to audit PIEs, and firms that are willing to carry out these audits will need to apply for enlistment with the council by 30 May.
- From among the enlisted auditors, the council will form separate auditor panels for the Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC), and other regulatory bodies. The council will set up the panels in the next six months, FRC Chairman Md Hamid Ullah Bhuiyan said at the "CMJF Talk" organised by the Capital Market Journalists' Forum (CMJF) on Monday.

<https://www.tbsnews.net/economy/only-frc-listed-auditors-can-audit-listed-firms-602866>

No minimum deposit for micro-merchant accountholders

- Small merchants who have personal retail accounts will not have to maintain any minimum deposit and face any account maintenance fee, according to a central bank notice. In November 2020, the central bank allowed micro and underprivileged businesses to open personal retail accounts with a view to bringing millions of small traders under the digital payment ecosystem.
- This enables micro and underprivileged businesses that have accounts with banks, mobile financial service and payment service providers to open personal retail accounts without a trade licence. The central bank said the personal retail accounts of the labour-intensive micro/floating enterprises, service providers engaged in various marginalised segments, and the individuals who sell products and services online would be considered special privileged accounts.

<https://www.thedailystar.net/business/economy/news/no-minimum-deposit-micro-merchant-accountholders-3276491>

Stocks:**EXCHANGE | DSE, CSE trading session shortened for Ramadan**

- Securities regulator has shortened trading sessions at both the stock exchanges by 60 minutes for the month of Ramadan. Market will open at 10.00am like before, and close at 1.20pm, instead of 2.20pm during Ramadan, according to a Bangladesh Securities and Exchange Commission (BSEC) announcement on Monday (20 March). The 10-minute post-closing session will run from 1.20pm to 1.30pm, instead of 2.20pm to 2.30pm. In the post-closing session, investors can trade securities at the closing price for the day.

<https://www.tbsnews.net/economy/stocks/dse-cse-trading-session-shortened-ramadan-602598>

ACI | ACI calls creditors' meeting to demerge plastic business

- Advanced Chemical Industries (ACI) Limited has called a creditors' meeting to approve the demerge of the plastic business from Premiaflex Plastics Limited and introduce ACI Premio Plastics Limited. The operation of Premiaflex Plastics Limited will be merged with ACI.
- ACI fixed the creditors' meeting on 13 April through a digital platform as per the direction of the High Court. After the demerger, ACI Premio Plastics will create a brand for the consumer and Premiaflex Plastics will engage as a backward linkage operation.

<https://www.tbsnews.net/economy/stocks/aci-calls-creditors-meeting-demerge-plastic-business-602462>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 67.29	(USD 7.92)	-10.53%
Crude Oil (Brent)*	USD 73.36	(USD 4.42)	-5.68%
Gold Spot*	USD 1,980.93	USD 206.78	11.66%
DSEX	6,204.18	-2.82	-0.05%
S&P 500	3,951.57	112.07	2.92%
FTSE 100	7,403.85	-47.89	-0.64%
BSE SENSEX	57,628.95	-3,211.79	-5.28%
KSE-100	40,918.45	498.00	1.23%
CSEALL	9,699.96	1,197.47	14.08%

Exchange Rates**1 US Dollar = 105.24 BDT****1 GBP = 129.07 BDT****1 Euro = 112.80 BDT****1 INR = 1.27 BDT**

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