

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:**Cuba interested to boost bilateral trade with BD**

- Cuba has expressed the interest to strengthen bilateral trade with Bangladesh based on the existing political relations between the two countries. They also requested Bangladesh to send a high-powered trade delegation to initiate a process in this regard. The Cuban Deputy Minister for Foreign Trade and Investment expressed the interest when Bangladesh High Commissioner to Canada Dr. Khalilur Rahman, also the concurrent ambassador to Cuba, presented his credentials in Havana last month. More than 7,000 new enterprises have been registered under a new investment act, presenting a unique platform for Bangladeshi businesses to tap into these new opportunities.

<https://thefinancialexpress.com.bd/economy/bangladesh/cuba-interested-to-boost-bilateral-trade-with-bd>

End of zero tax!

- The government is considering a minimum BDT 2,000 tax on individuals who will file tax returns even if they do not have taxable income. But, analysts argue that such a move would burden low-income people and contradict the concept of tax-free income thresholds. According to finance ministry officials involved in the process, the budget proposals for the fiscal year 2023-24 are expected to incorporate the new rule regarding the minimum tax and the provision for deregistering from TIN in the event of death or no income. Officials said there is a possibility that the minimum tax could be gradually imposed on all TIN holders.

<https://www.tbsnews.net/nbr/end-zero-tax-635786>

Japanese loans get costlier

- Bangladesh is set to face higher borrowing costs, as Japan – the largest bilateral development partner of the country – has proposed a second increase in lending rates within a little over a year. The new proposal by the Japan International Cooperation Agency (Jica) suggests an interest rate of 1.6%, marking a 40 basis points hike from the previous raise implemented in March. This translates to a total increase of 90 basis points in Jica loan interest rates over the past year, starting from the 0.70% rate at the beginning of the last Japanese fiscal year (April 2022 to March 2023).
- Officials of the Economic Relations Division (ERD) confirmed that Japan presented the new interest rate hike proposal in April this year and the new rate will be effective from the 44th loan package of Jica. However, discussions are ongoing to potentially reduce the proposed interest rate, as stated by AKM Shahabuddin, Additional Secretary of the ERD. He also mentioned that Jica has proposed similar interest rate increases for all countries it lends to.

<https://www.tbsnews.net/economy/japanese-loans-get-costlier-635474>

Upcoming MPS to focus on taming inflation, boosting forex reserves

- Amid high inflation and depleting foreign exchange reserves, the central bank is set to hold a consultation meeting with stakeholders concerned today (Sunday) to prepare the upcoming monetary policy stance (MPS) for the first half (H1) of next fiscal year (FY). People familiar with the development told the FE that two key factors would be addressed prominently during the deliberations and in the MPS - taming the headline inflation and ways to keep foreign exchange reserves at a level recommended by the International Monetary Fund (IMF).

<https://thefinancialexpress.com.bd/economy/bangladesh/upcoming-mps-to-focus-on-taming-inflation-boosting-forex-reserves>

Regulator to cap mobile data prices

- The telecom regulator is set to introduce fixed maximum tariff rates for mobile data packages with the aim of ensuring simple and affordable connectivity services for consumers. The Systems and Services, a division of Bangladesh Telecommunication Regulatory Commission (BTRC), is finalising the conditions in this regard. "We will introduce a rate schedule for data with a ceiling price for operators," said Shyam Sunder Sikder, chairman of the BTRC.
- However, Sikder then said they are yet to finalise the terms and conditions as changes will be brought about after consulting stakeholders. The regulator is conducting consultations with various stakeholders, including mobile network operators, to understand their concerns and take into consideration different perspectives of the industry, said an official of the BTRC.

<https://www.thedailystar.net/business/economy/news/regulator-cap-mobile-data-prices-3325236>

Nagad incurs BDT 6.25 Bn loss, builds hope on BDT 5.1 Bn bond

- Mobile financial services (MFS) provider Nagad has incurred a loss of BDT 6.25 Bn since its inception in 2018, mainly due to substantial promotional and administrative expenses, says a prospectus submitted to the Bangladesh Securities and Exchange Commission (BSEC).
- The company, which operates under an agreement with Bangladesh Post Office on the basis of sharing revenue by 51%, has got BSEC's approval to issue a bond worth BDT 5.1 Bn, which will help it to repay loans and become profitable in a couple of years. Nagad spends more than 60% of its revenue on "uddokta commission".

<https://www.tbsnews.net/economy/nagad-incurs-tk625cr-loss-builds-hope-tk510cr-bond-635438>

Duty-free access sought again for RMG made from US cotton

- Bangladesh again demanded duty-free access to the American markets today for the locally made garments made from the US cotton, Senior Commerce Secretary Tapan Kanti Ghosh said. Bangladesh placed the demand in a meeting with the senior officials of the United States Trade Representative (USTR) at the secretary's office in the capital's commerce ministry.
- The US government usually does not allow duty-free access to garment items imported from any country, Ghosh said. Bangladesh lifted the rule of mandatory fumigation of US cotton this month and, in reciprocity, the south Asian nation asked for the special access for the locally produced apparels, he said. However, the fumigation is still mandatory for raw cotton brought in from other North American countries, as those are not scientifically tested like the ones imported from the USA.

<https://www.thedailystar.net/business/news/duty-free-access-sought-again-rmg-made-us-cotton-3325861>

Public expenditure stays at lower level

- Bangladesh's public expenditure is not growing in keeping pace with the steadily expanding economy as it struggles to raise adequate revenues, thus failing to ensure full implementation of development programmes and provide expected services to its citizens. The country's public expenditure was BDT 5181.91 Bn in the fiscal year of 2021-22, accounting for 13.05% of the gross domestic product, a measure of final goods and services in an economy during a certain period of time.
- During the current fiscal year, the government targets to spend Tk 6780.64 Bn, but it is unlikely to reach the goal amid a sluggish pace of execution of the Annual Development Programme (ADP). As a result, the development budget has been slashed from the original one.

<https://www.thedailystar.net/business/economy/news/public-expenditure-stays-lower-level-3326186>

Stymied manufacturing growth slows economic rebound

- An anticipated significant fall in the growth of Bangladesh's manufacturing sector for multiple adversities, including contraction in local and global demand, could affect the country's economic recovery this fiscal, analysts say. In the last FY2022, the actual growth of the sector as a component of the gross domestic product (GDP) at constant price was 11.41%, in the process of a rebound from a global and local gloom stemming from the Covid-19 pandemic and the Ukraine war.
- Economists say contraction in domestic and external consumption amid high inflation, import restrictions amid US dollar crisis, and gas and electricity crunch over the last few months have stymied the growth in the manufacturing sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/stymied-manufacturing-growth-slows-economic-rebound>

Stocks:**IFIC | IFIC Bank gets BSEC consent to issue 2.5% stock dividend**

- The IFIC Bank PLC has secured consent from the Bangladesh Securities and Exchange Commission (BSEC) to issue a 2.50% Stock Dividend for 2022. In a disclosure on Sunday on the Dhaka Stock Exchange (DSE), the bank said that BSEC has accorded its consent for raising Paid-up capital by issuing a 2.50% Stock Dividend for the year ended December 31, 2022." The bank recommended, on 30 April this year, a 5% dividend, of which 2.5% cash and 2.5% for its shareholders for the year ended on 31 December 2022.

<https://www.tbsnews.net/economy/stocks/ific-bank-gets-bsec-consent-issue-25-stock-dividend-635362>

UCB | UCB gets BSEC consent to issue 5% stock dividend

- The United Commercial Bank (UCB) has secured consent from the Bangladesh Securities and Exchange Commission (BSEC) to issue a 5% Stock Dividend for 2022. The record date for entitlement of stock dividends has been fixed on 31 May. In a disclosure on Sunday on the Dhaka Stock Exchange (DSE), the bank said that BSEC has accorded its consent for its declaration of a 5% stock dividend. The bank has recommended, on 26 April this year, a total 10% dividend, of which 5% cash and 5% stock dividend for its shareholders for the year ended on 31 December 2022.

<https://www.tbsnews.net/economy/stocks/ucb-gets-bsec-consent-issue-5-stock-dividend-635390>

IFADAUTOS | Ifad Autos to sell land in Gazipur

- Ifad Autos Limited has decided to sell a land measuring 90 decimals in Gazipur. The value of the land is BDT 165 Mn, according to a filing on the Dhaka Stock Exchange (DSE) on Sunday. Ifad Autos had witnessed a significant fall in profit in the January to March quarter and incurred loss in the first nine months of the current fiscal year. According to its financials, its earnings per share (EPS) declined to BDT 0.35 in the January to March of 2022-23, which was BDT 1.22 in the same time of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/ifad-autos-sell-land-gazipur-635410>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.60	(USD 3.61)	-4.80%
Crude Oil (Brent)*	USD 75.67	(USD 2.11)	-2.71%
Gold Spot*	USD 1,981.02	USD 206.87	11.66%
DSEX	6,281.30	74.30	1.20%
S&P 500	4,191.98	352.48	9.18%
FTSE 100	7,756.87	305.13	4.09%
BSE SENSEX	61,729.68	888.94	1.46%
KSE-100	41,614.87	1,194.42	2.95%
CSEALL	8,716.96	214.47	2.52%

Exchange Rates**1 US Dollar = 107.32 BDT****1 GBP = 133.80 BDT****1 Euro = 116.17 BDT****1 INR = 1.30 BDT**

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