

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:**Inflation-aligned pay rise for govt employees from July**

- Government employees will receive salary increase in the next fiscal year beyond the stipulated 5% annual increment to cope with inflation. According to finance ministry officials, the upcoming budget will have an announcement in this regard. However, the rate of increase will be determined later. This follows the demand for a new pay scale amid runaway inflation caused by the Russia-Ukraine war. Despite the demand, the finance ministry was considering the inclusion of dearness allowance in the budget for the fiscal 2023-24. However, last week, Prime Minister Sheikh Hasina rejected the idea of dearness allowance and stated that the salary would be increased in line with inflation.

<https://www.tbsnews.net/economy/budget/inflation-aligned-pay-rise-govt-employees-july-635818>

IFC invests in mega rice mill project to boost food security in Bangladesh

- The International Finance Corporation (IFC), the private sector arm of the World Bank Group, has made a groundbreaking move by providing funding to a Bangladeshi private company to establish a state-of-the-art automated composite rice mill. With a total investment of BDT 7000 Mn, the project aims to produce boiled and non-boiled rice, as well as oil, poultry feed, and electricity from husk materials.
- Under the agreement, Tanveer Food Limited (TFL), a subsidiary of the renowned Meghna Group of Industries (MGI), will receive USD 35 Mn in funding from IFC, while MGI will contribute the remaining capital. The funding package includes USD 21 Mn from the IFC's own account and an additional subordinated loan of up to USD 14 Mn from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP).

<https://www.tbsnews.net/economy/ifc-invests-mega-rice-mill-project-boost-food-security-bangladesh-636026>

US welcomes Bangladesh's lift of cotton fumigation on-arrival requirement

- US cotton can arrive to Bangladesh without fumigation at the port of entry, saving Bangladeshi importers millions of dollars and five days of waiting, effective from 16 May. This action follows a November 2022 visit to the United States by a technical delegation from Bangladesh's Ministry of Agriculture, which verified that the US cotton production and pest management strategies, followed by cotton processing techniques—ginning, lint cleaning, and bale compression—that remove any risk of boll weevil in US cotton, according to a press release on Monday (22 May).

<https://www.tbsnews.net/economy/us-welcomes-bangladeshs-lift-cotton-fumigation-arrival-requirement-636262>

Trade-based money laundering falls significantly, says ABB

- Trade-based money laundering has come down significantly in recent months following intensifying monitoring about over and under-invoicing prices of imported products by banks and central bank, the Association of Bankers, Bangladesh (ABB) said on Monday. Office-bearers of the platform of the country's banking sector top executives said bankers have little idea about the perception on trade-based money laundering even a few years ago but close monitoring of prices of imported and exported goods by banks and central bank helps curb the illegal outflow of foreign currencies from Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/trade-based-money-laundering-falls-significantly>

Govt plans BDT 3.03 Bn livestock, poultry project

- The government is planning to undertake a BDT 3.03 Bn project to increase milk, meat and egg production in char areas under Dhaka division by at least 15% to 20% and subsequently improve living standards. The project aims to donate livestock and poultry alongside early-stage feed, vaccine and medicine among 65,290 families in 31 upazilas of Manikganj, Dhaka, Munshiganj, Rajbari, Faridpur, Madaripur and Shariatpur. Proposed by the Ministry of Fisheries and Livestock and to be implemented by the Department of Livestock Services (DLS) from July this year to June 2027, the project will run under 10 packages, according to planning commission documents.

<https://www.thedailystar.net/business/economy/news/govt-plans-tk-303cr-livestock-poultry-project-3326131>

Private firms to get 90% revenue from govt's broadband infrastructure

- The government spent a whopping BDT 12 Bn to lay optical fibre across 2,600 unions of Bangladesh under phase-3 of the Info Sarkar project, which aims to provide high-speed internet at the union level. The Bangladesh Computer Council (BCC) yesterday signed a deal with Summit Communications and Fiber@Home for the maintenance, upgradation, replacement, operation and connection of the new broadband internet infrastructure. Under a public-private partnership (PPP), 90% of the revenue earned from the broadband connections will go to the two private entities while the government will just get 10%.

<https://www.thedailystar.net/business/economy/news/private-firms-get-90-revenue-govts-broadband-infrastructure-3326986>

Ceramic industry wants supplementary duty to go

- Entrepreneurs in the ceramic sector in the country, who are currently facing challenges due to the ongoing dollar and gas crisis, have urged the government to withdraw the supplementary duty and introduce a depreciation facility for the import of raw materials. In a pre-budget discussion organised by The Business Standard on Sunday, they said there is a supplementary duty of 15% and 10% imposed on tiles and sanitary ware production respectively.
- "Supplementary duty is typically levied on luxury items. However, tiles and sanitary ware products have now become essential for both rural and urban areas. Therefore, it is imperative to remove the supplementary duty for these products and consider them as necessities," said Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers & Exporters Association (BCMEA) and director of FARR Ceramics Ltd.

<https://www.tbsnews.net/economy/ceramic-industry-wants-supplementary-duty-go-636386>

Cenbank prints BDT 700 Bn new money in 11 months to support nat'l budget

- The Bangladesh Bank has injected BDT 700 Bn in new money into circulation in the first 11 months of the current fiscal year 2022-23 to support the government's budget expenditure, creating further risk of inflation, which already eroded the living standard of general people. The Bangladesh Bank started to create new money, also known as printing money, at the beginning of the current fiscal year amid a liquidity crunch in banks, said a senior executive of the central bank.
- Although the liquidity situation has improved over the past few months after pumping money into banks, the central bank continued to inject new money into circulation to keep interest rates of treasury bills and bonds below 9%, the executive added.

<https://www.tbsnews.net/economy/budget/cenbank-prints-tk70000cr-new-money-jul-may-fy23-support-natl-budget-635910>

Govt to withdraw 5% advance tax on fuel import

- The government plans to withdraw the existing 5% advance tax on the import of 13 oil and petroleum products in the upcoming budget aiming to alleviate the burden on the public due to rising inflationary pressure, according to sources within the finance ministry. Currently, the prices of major fuel oils such as furnace oil, jet fuel diesel, and octane include a total of 34% government duties and taxes, comprising a 10% duty, 15% VAT, 2% advance income tax, and 5% advance tax. With the removal of the advance tax, the overall tax ratio on fuel oil prices will decrease to 29%.

<https://www.tbsnews.net/bangladesh/energy/govt-withdraw-5-advance-tax-fuel-import-636398>

From orange to red: How shipbreaking pays the price for downgrade in industry category

- The shipbreaking industry, which has been in trouble for a long time owing to disruption in importing scrap ships for the dollar crisis, could resume imports at a limited scale some three to four months ago. However, it got stuck again thanks to a change in its industry category – from less hazardous "orange-b" to highly hazardous "red" – in the Environment Protection Rules.
- The changes, brought in early March this year, made a second round of environmental clearance for breaking every ship mandatory, which industry insiders say causing delays and losses. The required clearance earlier could be obtained in just 48 hours. They added that they are incurring BDT 0.6-0.7 Mn each day for a ship for the delays as they imported these ships with bank loans.

<https://www.tbsnews.net/economy/industry/orange-red-how-shipbreaking-pays-price-downgrade-industry-category-635894>

Stocks:**KEYACOSMET | Keya Cosmetics under BSEC scanner once again**

- The Bangladesh Securities and Exchange Commission (BSEC) will review the financial statements of Keya Cosmetics for the last five years, as the stock market regulator suspects mismatches in the accounts that misled investors. In this regard, the commission on Sunday set up a four-member inquiry panel with BSEC's Additional Director Md Kawsar Ali as the convener, and deputy directors Mawdud Momen, Md Rafiqunnabi, and Assistant Director Md Sakil Ahmed as members. According to BSEC officials, the firm listed on the capital market has failed to comply with regulatory requirements and even did not respond to queries from the commission for a few years.

<https://www.tbsnews.net/economy/stocks/keya-cosmetics-under-bsec-scanner-once-again-636374>

DELTALIFE | Delta Life, Ha-Meem sign deal on insurance coverage

- Delta Life Insurance Company Ltd recently signed an agreement with Ha-Meem Group and its subsidiaries Channel-24 Ltd and the daily Samakal on insurance facilities. Under the agreement, all officials and employees of the three organisations will get the facilities of group and health insurance from Delta Life.

<https://www.thedailystar.net/business/economy/news/delta-life-ha-meem-sign-deal-insurance-coverage-3326991>

PRIMEBANK | Prime Bank joins hands with Dream Square Resort

- Prime Bank has recently signed a strategic partnership agreement with Gazipur-based Dream Square Resort. Nazeem A Choudhury, deputy managing director of the bank, and Md Rafiqul Islam, assistant director of sales and marketing of the resort, signed the deal at the former's head office in Dhaka, said a press release. Under the partnership, the bank's "monarch" (priority banking) customers, credit or debit cardholders and employees will enjoy benefits, including preferential pricing, at the resort.

<https://www.tbsnews.net/economy/corporates/prime-bank-joins-hands-dream-square-resort-enhance-customer-experience-636234>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.99	(USD 3.22)	-4.28%
Crude Oil (Brent)*	USD 75.99	(USD 1.79)	-2.30%
Gold Spot*	USD 1,969.73	USD 195.58	11.02%
DSEX	6,281.65	74.65	1.20%
S&P 500	4,192.63	353.13	9.20%
FTSE 100	7,770.99	319.25	4.28%
BSE SENSEX	61,963.68	1,122.94	1.85%
KSE-100	41,203.50	783.05	1.94%
CSEALL	8,615.22	112.73	1.33%

Exchange Rates**1 US Dollar = 107.26 BDT****1 GBP = 133.43 BDT****1 Euro = 116.01 BDT****1 INR = 1.30 BDT**

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