

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:**EPZ planned in Patuakhali with hope for USD 1.5 Bn investment**

- Bangladesh is gearing up to set up its ninth Export Processing Zone (EPZ) in Patuakhali with a target of fetching USD 1.53 Bn in foreign investments and boosting exports by another USD 1.84 Bn. The Bangladesh Export Processing Area Authority (Bepza) will implement the BDT 14.75 Bn project and has already sent the development project proposal to the Planning Commission for approval. After the approval process is done, Bepza wants to start the implementation work this year.
- Bepza officials said the agency aims to implement the Patuakhali EPZ project without delay as the opening of the Padma Bridge has widened the scope of investment in the country's southern part. A feasibility study has found 306 industrial plots can be developed on 418 acres of land of the proposed EPZ stretching over Pocha Koralia and Kuakata in Patuakhali. The EPZ will create employment opportunities for 0.1 Mn Bangladeshis while another 0.2 Mn will find jobs there indirectly.

<https://www.tbsnews.net/economy/epz-planned-patuakhali-hope-15b-investment-655118>

Bhutan urged to build economic zone in Bangladesh

- Commerce Minister Tipu Munshi has invited Bhutan to build an economic zone in Bangladesh to boost the trade relationship between the two countries. The Royal Bhutanese Embassy in Dhaka organised a three-day fair at the Gulshan Shooting Club in the capital. Bangladesh and Bhutan signed a Preferential Trade Agreement (PTA) on 6 December 2020. However, the challenges posed by the pandemic have hindered both countries from fully capitalising on the agreement to enhance business ties between them.
- The Bhutan Trade and Investment Fair-2023 has been organised with the main goal of further facilitating the implementation of the provisions outlined in that historic agreement. It was informed in the inauguration programme that in the fiscal year 2021-22, the total trade between Bangladesh and Bhutan reached USD 45.06 Mn. Bangladesh primarily exported pharmaceuticals, ceramics, garments, and food items, while Bhutan mainly exported calcium carbide, cement, ferrosilicon, and food items.

<https://www.tbsnews.net/economy/commerce-minister-invites-bhutan-build-economic-zone-bangladesh-655010>

Hong Kong investors looking forward to FTA with Bangladesh

- Hong Kong investors are looking forward to signing the Free Trade Agreement (FTA) between Bangladesh and Hong Kong Special Administrative Region (SAR), China. A seminar titled "Investment Opportunities in the EPZs and EZ of BEPZA, Bangladesh" was jointly organised by the Bangladesh Export Processing Zones Authority (BEPZA) and the Hong Kong Exporters' Association (HKEA) on 20 June in InterContinental Grand Stanford Hotel, Hong Kong.
- During the seminar, some renowned investors of Hong Kong who have already been investing in Bangladesh for many years shared their experiences of doing business in Bangladesh, reads a press release. Israt Ara, consul general of Bangladesh and the special guest in the seminar, updated the audience about the ongoing initiatives to sign the trade related agreements between Bangladesh and Hong Kong.

<https://www.tbsnews.net/economy/hong-kong-investors-looking-forward-fta-bangladesh-654550>

Seamless garments: How Urmi Group leads Bangladesh's apparel export diversity

- Seamless garments are paving the way to diversify the export portfolio in the apparel industry of Bangladesh as Urmi Group is contributing to the country's efforts to expand its global market share by using the technology. Since establishing the country's first seamless unit in 2015 with just five machines at its knit composite unit Fakhruddin Textile Mills, the company has experienced significant growth. Currently, it has an impressive fleet of 78 machines. It also has plans to increase the number to 150 within the next two years.
- With a market value of USD 330.97 Bn in 2022, the global athleisure market is projected to reach USD 793.46 Bn by 2028. Currently, the production of seamless garments is primarily dominated by countries such as China, Vietnam, Sri Lanka, and Turkey. Industry insiders said Bangladesh has the potential to capture a substantial share of this market and generate valuable foreign exchange by effectively harnessing seamless technology.

<https://www.tbsnews.net/economy/rmg/seamless-garments-how-urmi-group-leading-bangladeshs-apparel-export-diversity-654374>

Jamdani shows promise in high-end global market

- A new export opportunity has opened up for Bangladesh as high-end apparel items made from local fabrics such as jamdani bring higher prices and offer an increased level of value-addition. Currently, the shipment of garment items made from jamdani fabrics is very low since only a handful of companies are exploring opportunities in the segment in the global markets.
- In order to support their efforts and raise export earnings from the shipment of apparel items made from the expensive items, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) The trade body, in collaboration with the commerce ministry and the World Trade Organisation, has trained 160 students, weavers and jamdani makers to equip them with the skills to come up with designs in a bid to capture a sizeable share of the global market for high-end garment items. The BGMEA initiative is part of its aim to double the export earnings to USD 100 Bn by 2030 from less than USD 50 Bn now and double its share in the apparel segment.

<https://www.thedailystar.net/business/economy/news/jamdani-shows-promise-high-end-global-market-3352741>

Banks to lend BDT 2.6 Bn to tanners during Eid

- Tanners will get about BDT 2.59 Bn loans from banks as capital aid to procure and preserve rawhides during the upcoming Eid-ul-Azha, the peak season for collecting skins and rawhides of sacrificial animals, according to central bank sources. According to commerce ministry sources, tannery owners have written to the ministry seeking a BDT 5 Bn loan facility. But banks do not want to lend to tannery entrepreneurs as a large part of their previous loans are in default, which is why they seek government assistance to get loans.
- This year's loan amount, determined by the Bangladesh Bank, is BDT 1.84 Bn less than that of last year. A total of 12 public and private banks will disburse the loans among applicants with state-owned ones lending the maximum amount. Leather exports are gaining momentum in recent years. In the eleven months of the 2022-23 fiscal year, exports of leather products fetched USD 1,120 Mn, which is close to the target set by the government. In FY 2021-22, export earnings stood at USD 1,115 Mn.

<https://www.tbsnews.net/economy/banking/banks-lend-tk260cr-tanners-during-eid-654662>

Bashundhara enters toiletries business

- Bashundhara Group, one of the conglomerates in Bangladesh, will start offering toiletries and personal care products in order to have a share of the growing market for the consumer goods. Bashundhara Toiletries Limited (BTL), a new concern, is expected to launch over a dozen products today. Safwan Sobhan Tasvir, vice chairman of Bashundhara Group said they have already invested BDT 500 Mn to set up the production line of home, personal, hair and oral care products creating employment for around 5,000 people and they have a plan to invest BDT 10 Bn in phases over the next five years.
- According to him, the BTL will market a range of products, including detergent powder, toilet cleaner, dishwashing liquid and bar, air freshener and toothpaste. According to a paper of the Federation of Bangladesh Chambers of Commerce and Industry in March, the market size of fast-moving consumer goods in the country is USD 3.6 Bn with an annual growth rate of 9%.

<https://www.thedailystar.net/business/economy/news/bashundhara-enters-toiletries-business-3354861>

Freezer demand soars ahead of Eid

- Refrigerator and chest freezer sales are seeing steady growth in the lead up to this year's Eid-ul-Azha as demand has soared thanks to the stable prices and various discounts on offer, according to market players. Sales usually spike by up to 60% ahead of the religious festival as people often look to upgrade their storage solutions in order to better preserve the meat of their sacrificial animals. Besides, refrigerator and freezer prices have not changed this year despite the current economic situation while the numerous offers available are boosting sales.

<https://www.thedailystar.net/business/economy/news/freezer-demand-soars-ahead-eid-3353641>

Income Tax Law 2023 comes into effect

- The Income Tax Law 2023 came into effect today, a gazette notification issued by the Parliament Secretariat said. The law replaces the Income Tax Ordinance 1984, bringing curbs to the discretionary powers of the income tax officer. The Finance Bill 2023 is scheduled to be passed on 25 June and will come into effect from next month.
- The new law also includes a condition that the National Board of Revenue (NBR) through a gazette notification will be able to amend any provision of the law except the one related to tax imposition or increase in the middle of the year. The new law also brings some major changes based on the recommendations of the Parliamentary Standing Committee on the Ministry of Finance. Individual taxpayers are exempted from mandatory submission of wealth statements for foreign travel, except for treatment and performing religious activities such as hajj, according to the law.

<https://www.tbsnews.net/economy/income-tax-law-2023-comes-effect-654646>

Bangladesh Bank invites applications for digital bank licence

- The Bangladesh Bank has invited applications from entrepreneurs interested in establishing digital banks and delivering financial products efficiently through branchless operations. It has opened a portal for applications in this regard and said it would accept applications until August 1 this year. Applicants will have to pay BDT 0.5 Mn as a non-refundable application processing fee through the web portal, said the central bank in a notice.
- The BB said 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 entity willing to set up a digital bank must be a public limited company. The minimum shareholding stake of each sponsor shall be BDT 5 Mn, it said.

<https://www.thedailystar.net/business/banking/news/bangladesh-bank-invites-applications-digital-bank-licence-3353921>

Indian cargo subject to 15% VAT

- Traders carrying transit and transshipment goods from India through Bangladesh have to pay 15% VAT under the bilateral water-transit protocol as an instruction has been issued to this effect. Sources said the value-added tax or VAT would be imposed on the customs fees and charges under the Value Added Tax (VAT) and Supplementary Duty Act 2012. The tax is levied for using the country's water transit under the Protocol on Inland Water Transit and Trade (PIWTT) with Bangladesh.
- However, the imposition of value-added tax was not mentioned in the PIWTT, signed in 1972, which left both field-level customs officials and traders confused. In 2011, India transported heavy machinery of Palatana Power Plant in Tripura through Ashuganj under special arrangements. Thereafter, India expressed interest in availing the transit facility to carry goods regularly between its two states. The transit facility through the river ports was officially launched in June 2016.

<https://thefinancialexpress.com.bd/economy/bangladesh/indian-cargo-subject-to-15pc-vat>

Govt to spend BDT 175 Mn on TCB's smart cards

- The government will spend BDT 175 Mn to provide 10 Mn poor families with smart cards, who are currently allowed to buy essential commodities at subsidised rates from the Trading Corporation of Bangladesh (TCB). The Infrastructure Investment Facilitation Company (IIFC), a state-sponsored institution, will help digitise the cards. The decision was taken at a meeting of the cabinet committee on the government's purchase at the National Economic Council at the Planning Commission.

<https://www.thedailystar.net/business/news/govt-spend-tk-175-crore-tcbs-smart-cards-3353076>

Bangladeshis' deposits in Swiss banks dip by record 93.7% in 2022

- The overall money parked by Bangladeshi individuals and enterprises in Swiss banks hit a record low at 55.2 Mn Swiss francs (CHF) or about BDT 5.4 Bn in 2022 – a 93.7% drop from 871.1 Mn CHF a year ago. However, individual deposits have increased by 35.3% to CHF 35.6 Mn or about BDT 3.49 Bn from CHF 26.3 Mn a year ago. This record decline in deposits in Swiss Banks is due to a 97.7% decline in bank deposits.
- The Swiss National Bank (SNB) released the data in its annual banking statistics for 2022 on Thursday. In 2022, the amount deposited from Bangladeshi banks to Swiss banks was CHF 19.34 Mn, down from CHF 844.5 Mn a year ago. An extensive pressure of foreign payments in 2022 is one of the main reasons for the record low figure, Mahbubur Rahman, managing director of Mutual Trust Bank told The Business Standard.

<https://www.tbsnews.net/economy/bangladeshis-deposits-swiss-banks-drop-record-937-2022-654598>

Non-banks' loan recovery suffers

- Loan recovery by non-bank financial institutions (NBFIs) dropped in the January-March period as businesses are facing the detrimental effect of a challenging business scenario amid the devaluation of the local currency and electricity shortages. In the first three months of the current calendar year, loan recovery by NBFIs dropped 5.46% to BDT 65.86 Bn from the preceding quarter in 2022.
- The recovery rate declined both in banks and NBFIs as businesses are finding it hard to repay loans, said Kanti Kumar Saha, vice president of the Bangladesh Leasing and Finance Companies Association (BLFCA). The deposits also dropped in the NBFIs as increased inflationary pressure ate away people's savings and interest rate in the NBFIs is low compared to that in banks, said Bhuiyan, who is also the managing director of the Industrial and Infrastructure Development Finance Company.

<https://www.thedailystar.net/business/economy/news/non-banks-loan-recovery-suffers-3353636>

Capital machinery, raw material imports down

- Capital machinery, intermediate goods and raw-material imports have plummeted amid dollar dearth and restrained foreign trade, giving analysts and economists to believe that Bangladesh's economy bears its cascading impact. Bangladesh Bureau of Statistics (BBS) provisional data show that the investment-GDP ratio has fallen to 31.25% in the current FY2023. In the past FY2022, the ratio was recorded a bit higher at 32.05%.
- Besides, the number of unemployed people in the country also increased to 2.59 Mn in the first quarter (January-March) of 2023, up from 2.32 Mn in the last quarter (Oct-Dec) of 2022, the quarterly Labour Force Survey of the BBS show. Customs Department of the National Board of Revenue (NBR) and Bangladesh Bank (BB) data make it clear that import of capital goods, including capital machinery has the biggest fall by 18.8% during the first 10 months (Jul-April) of the current fiscal year, 2022-23 compared to the same period last FY2022.

<https://thefinancialexpress.com.bd/economy/bangladesh/capital-machinery-raw-material-imports-down>

Industry's contribution to GDP up, employment down

- Bangladesh's industrial sector has failed to create proportional fresh employment during the last five years despite growth in its contribution to the gross domestic product (GDP), research findings show. Employment in the sector fell by 3.4% last year to 17% which was 20.4% in 2017 while its contribution to the country's GDP went up to 36.9% from 32.5% during the period.
- In another reverse imbalance between growth and jobs, share of agriculture to the GDP fell to 11.6% last year from 14.1% in 2017 but employment share increased by 4.6% points from 40.6% in 2017 to 45.3% in 2022. Urban employment also decreased, with the depression rate being higher for women as. Women employment decreased to 23.58% from 31% in 2017.

<https://thefinancialexpress.com.bd/economy/bangladesh/industrys-contribution-to-gdp-up-employment-down>

Bangladesh's foreign debt rises to USD 82.85 Bn

- Economists say the fall in the private-sector component of the total debt and increase in the public debt amid decrease in foreign-exchange reserves, and export and remittance inflow, and increasing repayment could put the country into trouble in the medium term. The repayment of the foreign debt has been on the rise year on year. The government had to spend USD 2.94 Bn on debt servicing in the last fiscal year, 2021-22, in a rise from USD 2.62 Bn in the previous fiscal for MLTs and other short-term loans of public entities.
- The foreign debt of the public sector (government) in the Q3 (July-March) of the outgoing fiscal had grown by USD 5.25 Bn from last fiscal's total at USD 63.52 Bn, Economic Relations Division (ERD) provisional statistics showed. Meanwhile, the private-sector debt as of March this fiscal decreased to USD 14.08 Bn from USD 16.42 Bn in the last calendar year, 2022, as per Bangladesh Bank (BB) data.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladeshs-foreign-debt-rises-to-8285b>

'Bangladesh lost USD 3.72 Bn in 20 years for climate change'

- Bangladesh has incurred USD 3.72 Bn in economic losses in the last 20 years thanks to climate change, an expert of the Swiss embassy in Dhaka said today. Bangladesh is the seventh most climate change-vulnerable country in the world and it ranked fifth in the world in terms of such losses, said Syeda Zinia Rashid, senior programme officer of the embassy of Switzerland in Bangladesh.
- Around 56% of the country's population or 90 Mn people live in "high climate exposure areas", of which 53 Mn are subject to "very high" exposure, she said. In Bangladesh, climate change took the highest toll on the agriculture sector, where customised microfinance can be a very effective tool in addressing the risks associated with the impacts of the global warming, Rashid said.

<https://www.thedailystar.net/business/news/bangladesh-lost-372-billion-20-years-climate-change-3353196>

Higher borrowing from cenbank also a big reason for inflation: CAB

- Higher government borrowing from the central bank is also a big reason for increased inflation, the Consumer Association of Bangladesh (CAB) on Thursday said. "The excuses of the Russia-Ukraine war and the Covid-19 pandemic for price hikes in the local market are not completely true. Higher government loans from the central bank to meet budget deficits are also a major cause of inflation," CAB President Ghulam Rahman said at a virtual press conference on the price situation ahead of Eid-ul-Adha.
- Criticising inflation gauging systems, he pointed out that most of the goods and services the government takes into consideration for calculating inflation are not used by common people. Mass people are concerned about the prices of necessary 50-60 items. The CAB said the prices of daily essential products are on the rise around the Eid-ul-Adha, but there is a lack of market monitoring by the government agencies.

<https://www.tbsnews.net/economy/banking/higher-borrowing-cenbank-also-big-reason-inflation-cab-654622>

Stocks:**PEOPLESINS | Peoples Ins AGM approves 10.5% cash dividend**

- The 38th annual general meeting (AGM) of Peoples Insurance Company Limited was held on a digital platform on Wednesday, says a press release. Shareholders approved the audited financial statements for the year 2022 and 10.5% cash dividend for the year 2022, and appointed statutory auditors and compliance professionals for the year 2023.

<https://thefinancialexpress.com.bd/stock/bangladesh/peoples-ins-agm-approves-105pc-cash-dividend>

EBL | EBL gets highest AAA credit rating

- The Credit Rating Agency of Bangladesh has assigned its highest credit rating, "AAA", for Eastern Bank Limited (EBL), which denotes an extremely strong capacity to meet financial commitments. The rating has been issued on the basis of audited financials of 2022 and other relevant quantitative as well as qualitative information, says a press release. For the first time, the EBL has been assigned AAA credit rating in the long term and ST-1 in the short term with stable outlook.

<https://www.thedailystar.net/business/economy/news/eb1-gets-highest-aaa-credit-rating-3354756>

DHAKABANK | Dhaka Bank reelects chairman

- Dhaka Bank Limited has recently reelected the chairman of its Board of Directors. Abdul Hai Sarker is the founder chairman of Dhaka Bank Limited, chairman and CEO of Purbani Group and chairman of the Board of Trustees of Independent University Bangladesh, says a press release. He is also a former vice chairman of the Bangladesh Association of Banks and a former director of the Federation of Bangladesh Chambers of Commerce and Industry.

<https://www.thedailystar.net/business/economy/news/dhaka-bank-reelects-chairman-3354801>

ETL | Evince Textiles to issue shares for Evitex's shareholders

- Evince Textiles Limited has decided to issue 7,92,000 ordinary shares for the shareholders of its non-listed subsidiary Evitex Fashions Limited under the merger process. In May, the High Court gave a verdict in favour of amalgamation of the two companies. Evince will issue the shares at a ratio of 1:1.8 at face value, subject to the consent of the Bangladesh Securities and Exchange Commission (BSEC).
- Evince Textiles, publicly listed since 2016, mainly manufactures, dyes, finishes, and exports 100% cotton woven fabric. In November 2021, the company decided to merge with Evitex Fashions in order to cut expenses. The company deems that the merger will help it reduce management costs and corporate tax, and accounting would also be simpler. The company recommended 2% cash dividends for the 2021-22 fiscal year.

<https://www.tbsnews.net/economy/stocks/evince-textiles-issue-shares-evitexs-shareholders-654406>

RUPALIBANK | Rupali Bank to issue BDT 12 Bn bond to meet capital shortfall

- Rupali Bank Limited – a state-owned, publicly traded commercial bank – is going to issue a bond worth BDT 12 Bn to meet its capital shortfall. The bank is facing a capital shortfall of over BDT 25 Bn as it failed to maintain required capital, and the bank was burdened with over BDT 75 Bn classified loan as of March, 2023. In this situation, the lender has decided to issue the bond for strengthening its regulatory capital base, and secured no objection certificate of the Bangladesh Bank (BB). Now, it needs the consent of the Bangladesh Securities and Exchange Commission (BSEC) to issue the bond.

<https://www.tbsnews.net/economy/stocks/rupali-bank-issue-tk1200cr-bond-meet-capital-shortfall-654678>

EXCHANGE | Individual investors' getting access to T-bond auctions just the start of a vibrant bond market

- The guidelines by the securities regulator for general investors to participate in primary auctions of T-bonds would increase their accessibility of such securities but would not help the bond market thrive. In the "process flow" published on Thursday, the Bangladesh Securities and Exchange Commission (BSEC) set out the role of the brokerage firms that will forge a link between investors and member dealer banks or primary dealer banks to help them purchase T-bonds from auctions conducted by the Bangladesh Bank. But T-bonds will have to be available in the first place so that investors can buy them.

<https://thefinancialexpress.com.bd/stock/bangladesh/individual-investors-getting-access-to-t-bond-auctions-just-the-start-of-a-vibrant-bond-market>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 69.16	(USD 6.05)	-8.04%
Crude Oil (Brent)*	USD 73.85	(USD 3.93)	-5.05%
Gold Spot*	USD 1,921.20	USD 147.05	8.29%
DSEX	6,319.25	112.25	1.81%
S&P 500	4,348.33	508.83	13.25%
FTSE 100	7,461.87	10.13	0.14%
BSE SENSEX	62,979.37	2,138.63	3.52%
KSE-100	40,090.36	-330.09	-0.82%
CSEALL	9,339.43	836.94	9.84%

Exchange Rates**1 US Dollar = 108.23 BDT****1 GBP = 137.60 BDT****1 Euro = 118.14 BDT****1 INR = 1.32 BDT**

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