

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:**World Bank to confirm USD 2.25 Bn loan on May 1**

- The World Bank (WB) is expected to confirm a record-high loan worth USD 2.253 Bn for Bangladesh in a single day on May 1 as Prime Minister Sheikh Hasina is scheduled to visit the bank's headquarters in Washington, officials said. Five separate loan agreements would be signed on five projects and programmes on the day, officials at the Economic Relations Division (ERD) said.
- Of the expected loans, highest USD 753 Mn is earmarked for a regional connectivity project while USD 500 Mn budgetary support for a programme styled 'Bangladesh under the Green, Resilient Inclusive Development (GRID)'. Moreover, USD 500 Mn loan would be provided to the Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) project, USD 250 Mn for Bangladesh Environmental Sustainability and Transformation (BEST) Project, and USD 250 Mn for a project of the Palli Karma-Sahayak Foundation (PKSF).

<https://thefinancialexpress.com.bd/economy/bangladesh/world-bank-to-confirm-225b-loan-on-may-1>

Bangladesh 12 notches up in World Bank's Logistics Performance Index

- Bangladesh has climbed 12 notches in the World Bank's Logistics Performance Index 2023 thanks to competent and high-quality logistics services, timely shipments, and effective customs and border management. According to the seventh edition of the "Connecting to Compete" report released on 21 April, the country's rank has improved to 88th out of 139 countries, from 100th in 2018.
- The country was 87th among 160 economies in 2016 and 108th in 2014. With a score of 2.6 on a 5-point scale, Bangladesh came in third among the five South Asian economies assessed in the 2023 index, behind India (38th) and Sri Lanka (73rd). Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh, said, "It's really a positive sign for Bangladesh. Both Mongla and Chattogram ports showed improvement in operations."

<https://www.tbsnews.net/economy/bangladesh-leaps-12-notches-world-banks-logistic-performance-index-621826>

BB expects to be closer to IMF reserve goal by June

- The Bangladesh Bank is hopeful to have the net reserves reach closer to USD 24 Bn by the end of June as part of the pledge to the International Monetary Fund for receiving the second tranche of its USD 4.7 Bn loan. "It is only April. There is more time ahead. I do not wish to comment on this at the moment," said central bank spokesperson Md Mezbaul Haque when asked about meeting the IMF's stipulated time frame on reaching the reserve target on Tuesday.
- He said currently the country's (gross) reserves stand at over USD 31 Bn and there is no major payment before June except for one to the Asian Clearing Union (ACU). Hinting at some greenback inflow ahead, the central bank spokesperson said he expects to be close to the IMF set reserves target by the end of June.

<https://www.tbsnews.net/economy/banking/bb-expects-be-closer-imf-reserve-goal-june-621850>

BB to follow IMF's formula to calculate net forex reserve

- The Bangladesh Bank will follow the International Monetary Fund's recommendation to calculate the country's net foreign exchange reserves from July this year. Md Mezbaul Haque, spokesperson of the central bank, shared the information today after meetings between the officials of the BB and the IMF. Haque said the central bank had earlier taken the decision to calculate the net reserves following the IMF's suggestions. The country's reserves stood at USD 31.18 Bn on April 17 in contrast to USD 44.16 Bn one year ago.

<https://www.thedailystar.net/business/news/bb-follow-imfs-formula-calculate-net-forex-reserve-3304296>

Power rate hike again in June to meet IMF conditions

- The government is going to increase electricity prices for the fourth time this year by June to secure the second tranche of the International Monetary Fund's USD 4.7 Bn loan package, finance ministry officials said. Despite the adverse impact on low-income groups who are already struggling to manage their livelihoods due to rising inflation, the government is compelled to make this unpopular decision to reduce the subsidy burden as it pledged for the IMF's loan package.
- The finance ministry officials also assured the visiting IMF review team that the price of fuel oil will be adjusted in line with the global market rate from September. There were some disagreements on the mode of reserve calculation, officials said, which they hoped would be resolved in the next course of discussions. A Finance Division official, requesting anonymity, said while the pledge to hike electricity price was made in the meeting, the rate or amount to be increased was not discussed.

<https://www.tbsnews.net/economy/power-rate-hike-again-june-meet-imf-conditions-621982>

No loans from taka fund if EDF export proceeds not repatriated

- Exporters who took loan assistance from the Export Development Fund (EDF) but have not repatriated the proceeds from exported goods will no longer be eligible to receive any financing from the Export Facilitation Pre-finance Fund. The central bank has observed that many exporters, who took loans from the EDF, have not repatriated export proceeds but are taking fresh loans from the Export Facilitation Pre-finance Fund, a Bangladesh Bank circular said on Tuesday.
- It has been reducing borrowings from the EDF to boost reserves. The fund has been reduced from USD 7 Bn to USD 5.2 Bn. Along with this, the central bank formed the BDT 100 Bn Export Facilitation Pre-Finance Fund to facilitate the exporters. Exporters can take loans from this fund for importing raw materials.

<https://www.tbsnews.net/economy/banking/no-loans-taka-fund-if-edf-export-proceeds-not-repatriated-621986>

Eid remittance falls due to low dollar rate

- Remittance inflow usually increases in Ramadan ahead of Eid but the amount of money sent home by Bangladeshis working abroad dropped by about USD 151 Mn in April compared to March due to a lower rate of the US dollar offered by banks. An analysis of central bank data reveals that the country received USD 1,423 Mn in remittances between 4 and 24 March, which fell to USD 1,272 Mn in the corresponding period of April.
- Of the received amount in April, USD 313 Mn came in the third week of the month, but the first two weeks each saw an inflow of over USD 475 Mn. Asked why remittance flow dropped slightly this Ramadan, senior officials of several banks told The Business Standard that remittance inflow crossed USD 2 Bn in March as more than 20 banks offered remittance rates of up to BDT 114 per dollar.

<https://www.tbsnews.net/economy/eid-remittance-falls-due-low-dollar-rate-621714>

Banks asked to keep 5% provision for off-balance sheet exposures

- The Bangladesh Bank today issued policy guidelines on the off-balance sheet (OBS) exposures in banks, asking them to keep a maximum of 5% provision instead of 1% to strengthen their financial health. A Bangladesh Bank official says that OBS exposures in banks have been increasing in recent years, which is why it drew up the guidelines to mitigate their unexpected financial risks.

<https://www.thedailystar.net/business/news/banks-asked-keep-5-provision-balance-sheet-exposures-3304221>

Proposed EU GSP regulation threatens Bangladesh economy: EuroCommerce

- The safeguard measures proposed in the European Union's (EU) new GSP regulation would severely affect Bangladesh's overall economy, according to EuroCommerce – the principal European organisation representing the retail and wholesale sector. It notes that if the proposed rules remain untouched, Bangladesh could face most-favoured-nation (MFN) tariffs and the suspension of zero-duty benefits for its apparel items in the EU market.
- EuroCommerce, a platform representing over 5 Mn companies in the European retail and wholesale sector, has expressed concern to the EU over a specific article of the new post-2023 GSP regulation proposal connected to the automatic safeguards applied to textile and ready-made garment (RMG) products.

<https://thefinancialexpress.com.bd/economy/bangladesh/proposed-eu-gsp-regulation-threatens-bangladesh-economy-eurocommerce>

Stocks:**DOREENPWR | Doreen Power's profit drops 65% due to costly dollar**

- Doreen Power Generation Company witnessed 65% year-on-year fall in its profits in the January to March period of 2022-23 financial year. The power generation company's profit fell to BDT 180 Mn in the third quarter of 2023 fiscal year, down from BDT 540 Mn posted in the same period previous year.
- In the same way, its earnings per share stood at BDT 1.79 in a period between July of 2022 to March of 2023, down from BDT 7.39 in the same period previous year. The company's EPS has decreased significantly due to a rise in loss in foreign currency transactions incurred by subsidiary companies for a drastic devaluation of the local currency against the greenback, said Doreen Power in its financial report.

<https://www.thedailystar.net/business/news/doreen-powers-profit-drops-65-due-costly-dollar-3304196>

AMPL | Al-Madina Pharma shares' subscription opens 7 May

- The electronic subscription of Al-Madina Pharmaceuticals Limited shares under the qualified investor offer (QIO) will start on 7 May and continue till 11 May 2023. The Dhaka Stock Exchange (DSE) announced the company's QIO subscription date through its website on Tuesday. Each individual investor who has a minimum stock market investment of BDT 2 Mn as per the closing price on 25 April can apply for the QIO.
- In February this year, the Bangladesh Securities and Exchange Commission (BSEC) allowed Al-Madina Pharmaceuticals to raise BDT 50 Mn from the SME platform of the stock market through a QIO. The company will issue 5 Mn shares at face value of BDT 10 each, and use the fund to expand its business and repay loans. Prime Bank Investment is the issue manager of the company's QIO.

<https://www.tbsnews.net/economy/stocks/al-madina-pharma-shares-subscription-opens-7-may-621950>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 77.34	USD 2.13	2.83%
Crude Oil (Brent)*	USD 80.91	USD 3.13	4.02%
Gold Spot*	USD 1,997.63	USD 223.48	12.60%
DSEX	6,263.52	56.52	0.91%
S&P 500	4,071.63	232.13	6.05%
FTSE 100	7,891.13	439.39	5.90%
BSE SENSEX	60,130.71	-710.03	-1.17%
KSE-100	41,007.82	587.37	1.45%
CSEALL	9,187.29	684.80	8.05%

Exchange Rates**1 US Dollar = 107.75 BDT****1 GBP = 133.76 BDT****1 Euro = 118.25 BDT****1 INR = 1.31 BDT**

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