

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:**No currency swap, partial trade with India now in rupee only**

- Bangladesh and India will settle a portion of bilateral trade transactions in rupee, not through the taka-rupee swap that has been under extensive discussions over the past few months. The Bangladesh Bank has permitted Sonali Bank and Eastern Bank Limited (EBL) to open nostro accounts in rupee with the State Bank of India and ICICI Bank. Only the income earned in rupee from exports can be deposited into these accounts. And the money deposited in these accounts can only be used to meet the cost of goods and services imported from India.
- Officials from the two banks concerned hope the banks of the two countries will be able to finish preparations for such transactions by next June. After that, the official announcement will be made regarding the opening of LCs under the initiative. Banks other than Sonali Bank and EBL will be able to conduct transactions with India through these two banks in this manner.

<https://www.tbsnews.net/economy/no-currency-swap-partial-trade-india-now-rupee-only-637702>

Bangladesh getting USD 1.02 Bn soon for deficit financing

- A latest dollop of USD 1.02 Bn in budget-support credits is expected from three foreign lenders next month for Bangladesh government's deficit financing, with two immediate spinoffs. Officials hope the external borrowings in dollar would help in lessening ballooning local-borrowing trend and easing a bit strains on Bangladesh's foreign-exchange reserves amid a global crunch. The Ministry of Finance (MoF) Thursday sat with Economic Relations Division and officials concerned with the task of streamlining the proposed budgetary support within the terminal month of the outgoing fiscal year, they said.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-getting-102b-soon-for-deficit-financing>

Incentives and facilitation key to boosting remittances: Experts

- Migrants would be more inclined to send remittances through formal channels if they are provided with adequate facilitation and additional incentives, experts and stakeholders said at a seminar on Thursday. During the event titled "Remittance Inflow in Bangladesh: Opportunities, Challenges, and Potential Solutions," Tasneem Siddiqui, the founding chair of the Refugee and Migratory Movement Research Unit (RMMRU), highlighted the challenges faced by migrants and their families.

<https://www.tbsnews.net/economy/incentives-and-facilitation-key-boosting-remittances-experts-638262>

More duty planned on cashew nuts to protect local industry

- The government has planned to raise the import duty on processed cashew nuts with the aim of supporting the thriving local industry, which is poised to meet the increasing demands of the domestic market and expand its exports. According to finance ministry sources, the government may increase import duty on processed cashew nuts from 15.25% to 43% in the budget of 2024 FY.

<https://www.tbsnews.net/economy/budget/more-duty-planned-cashew-nuts-protect-local-industry-638878>

Preferential tax facility sought for SMEs

- The SME Foundation has sought separate tax, duty and tariff structures for small and medium enterprises (SMEs) in the upcoming budget for the development of small industries in the country. To this end, the state-run non-profit organisation has sent a 56-point recommendation to the National Board of Revenue (NBR), including the proposal to provide preferential tax regimes or clusters for SMEs.
- "The development of this sector will accelerate the attainment of Sustainable Development Goals by 2030 and the creation of a developed Bangladesh by 2041," Mafizur Rahman further said. The proposal includes a total of 56 recommendations, including 22 on income tax, 15 on VAT and 19 on customs.

<https://www.tbsnews.net/economy/preferential-tax-facility-sought-smes-638650>

MCCI applauds Export Promotion Bureau for extending validity of Registration Certificate

- The Metropolitan Chamber of Commerce and Industry (MCCI) has applauded the Export Promotion Bureau (EPB) for its recent decision to extend the validity of the registration certificate, also known as the enrollment certificate, to five years. "This progressive move by EPB demonstrates their commitment to fostering a thriving export environment in Bangladesh," MCCI said in a press release.

<https://www.tbsnews.net/economy/industry/mcci-applauds-export-promotion-bureau-extending-validity-registration-certificate>

As shipping cos build warehouses in Ctg ICDs, exports to get faster, safer

- Big shipping companies, freight forwarders and logistics entrepreneurs are teaming up with private inland container depots (ICDs) in Chattogram to develop warehouse facilities for faster and safer handling of export goods. According to sector insiders, having warehouse facilities in depots will reduce the time for quality control of goods, as well as prevent theft or other probable damages.
- Maersk, one of the world's largest shipping companies, has already constructed two warehouses on three lakh square feet of space at Chattogram's Ispahani Summit Alliance Terminal Limited (ISATL) and Vertex Off-Dock Logistic Services Ltd.

<https://www.tbsnews.net/economy/shipping-cos-build-warehouses-ctg-icds-exports-get-faster-safer-638822>

Mobile subscribers grow in April

- The number of subscribers was up by about 0.35 Mn in April from that a month earlier, taking the total to 184.2 Mn. The top two private mobile network operators -- Grameenphone and Robi -- collectively added about 0.45 Mn new customers while third-placed Banglalink and state-owned Teletalk lost about 0.13 Mn customers jointly. This is the fourth consecutive month mobile subscriber numbers in Bangladesh have grown.

<https://www.thedailystar.net/business/economy/news/mobile-subscribers-grow-april-3329681>

Tableware, kitchenware to be costlier; sweets to enjoy lower VAT

- Plastic and aluminium-made table and cookware, among others, are likely to be costlier for an increase in taxes in the next fiscal year while sweet-makers can enjoy lower value-added tax (VAT), according to finance ministry officials involved in formulating the upcoming budget.
- The officials, wishing to remain unnamed, told The Business Standard that the government is going to hike VAT on polypropylene staple fibre, plastic tableware and kitchenware, aluminium kitchenware, tissue papers and ballpoint pens as these industries enjoyed tax facilities and gained strength over the past few years.

<https://www.tbsnews.net/economy/tableware-kitchenware-be-costlier-sweets-enjoy-lower-vat-638106>

Indirect taxes burden low-income people, widen income disparity: Study

- The government's excessive reliance on indirect taxes is disproportionately burdening low-income individuals, a study conducted by the WAVE Foundation has found. The study, titled "Progressive Taxation in Bangladesh: Why and How?" – carried out as part of the "Promoting Citizens Participation for Progressive Taxation Project," implemented by the WAVE Foundation in collaboration with Christian Aid – highlights the fact that indirect taxes, particularly value-added tax (VAT), take away a larger portion of income from the poor compared to the better-off sections of society.
- For instance, a person earning BDT 200 per day is subjected to the same 15% VAT rate as someone earning BDT 2,000-3,000 per day when purchasing the same products. This regressive taxation system exacerbates income inequality in society, the report says.

<https://www.tbsnews.net/nbr/indirect-taxes-burden-low-income-people-widen-income-disparity-study-638230>

Reserves plummet below USD 30 Bn

- The reserves of the Bangladesh Bank have once again fallen below the USD 30 Bn mark, just weeks after reaching it with the World Bank's USD 507 Mn budget support. As of Thursday, reserves stood at USD 29.93 Bn, as the central bank sold USD 59 Mn to banks to cover government imports payments. This decline follows a previous drop below USD 30 Bn on 9 May, when a payment of USD 1.18 Bn through the Asian Clearing Union (ACU) for the March-April import bill contributed to the decrease.

<https://www.tbsnews.net/economy/banking/reserves-plummet-below-30-billion-638250>

Surcharge on the rich to be eased

- The government plans to raise the surcharge-free limit of wealth from BDT 30 Mn to BDT 40 Mn from the next fiscal year, according to sources at the finance ministry. Seeking anonymity, they said the move has been taken considering inflation but the tax rates will remain same as the outgoing fiscal year. Economists and experts said the government should revise the surcharge calculation method in a way so that wealthy people have to pay more tax in the current economic situation, but the proposed measure will reduce it.

<https://www.tbsnews.net/economy/surcharge-rich-be-eased-638298>

Locally-made mobile phones to be costlier

- Locally made mobile handsets are likely to get costlier in the next fiscal year as the government decided to impose value-added tax (VAT) on mobile phones, manufactured and assembled, and increase import duty for raw materials, commerce ministry officials said. At the same time the government may also ease some clauses to import raw materials and micro-parts under the current tax break facility, they added.

<https://www.tbsnews.net/economy/locally-made-mobile-phones-be-costlier-638318>

Economic zone investors may face tax benefit cuts

- Investors say such initiatives may discourage local and foreign investments. Investors in economic zones may lose duty and tax benefits to some extent as the government plans to remove the "disparity" with their counterparts investing elsewhere in the country. Currently, industries in the economic zones enjoy duty-free import of capital machinery but may face a 1% duty similar to other industries in the next fiscal year, according to finance ministry officials involved in the budget formation process.

<https://www.tbsnews.net/economy/budget/economic-zone-investors-may-face-tax-benefit-cuts-638498>

Govt to double gain tax on land, flat registration

- The government plans a two-fold hike in the rates of gain tax on land and flat registration, and penalties for late submission of income tax returns in the upcoming fiscal 2023-24. Under the new measures, the gain tax on land and flat registration will be raised to 8% from 4% in the Rajdhani Unnayan Karttripakkha (Rajuk) and Chattogram Development Authority (CDA) areas, according to officials of the finance ministry. In other areas, the rate will be increased to 6% from 3%, they added.

<https://www.tbsnews.net/economy/budget/govt-double-gain-tax-land-flat-registration-638738>

Reduce fuel oil price by BDT 5-10 a litre: CPD

- The Center for Policy Dialogue (CPD) has urged the government to reduce fuel oil prices by BDT 5-10 per litre. Towhidul Islam Khan, senior research fellow at CPD, stated at a programme, titled "Economy of Bangladesh 2022-23: Third Interim Review", on Saturday that a reduction in fuel oil prices would lead to a decrease in power prices and the required budgetary subsidies. He also highlighted the point that a monopoly market lacks efficiency and emphasised the need for the Bangladesh Petroleum Corporation (BPC) to supply fuel oil at competitive prices.

<https://www.tbsnews.net/economy/bangladesh-economy-crossroads-requires-stability-cpd-638942>

Banking industry to brace for tough competition due to emergence of digital services

- The country's banking industry is expected to brace for tough competition from within in the near future due to the fast emergence of digital banking services. The digital banking services would emerge mostly from the existing mobile financial services (MFSs), challenging the services offered by agent banking or sub-branch banking and microcredit offered by bank-led micro-finance institutes (MFIs). The existing MFIs will have to change their business models which are unlikely to survive and remain competitive due to high interest rates, said economist Dr Ahsan H Mansur, speaking on the future banking industry landscape at a training session in the city on Thursday.

<https://thefinancialexpress.com.bd/economy/bangladesh/banking-industry-to-brace-for-tough-competition-due-to-emergence-of-digital-services>

Novel insurance accelerator up for AI-era economy

- Bangladesh's insurance penetration and financial inclusion through tech-era innovations are poised for a quantum leap with a novel acceleratory body matching with the new economy, sources said. The Insurance Regulatory Sandbox, first of its kind in the country's financial history, is tasked to introduce new concepts and products apace with fast-changing economic operations amidst the fourth industrial revolution. The Insurance Development and Regulatory Authority (IDRA) which now governs 81 insurers has made the move to introduce the regulatory sandbox pivoted by artificial intelligence or AI.

<https://thefinancialexpress.com.bd/economy/bangladesh/novel-insurance-accelerator-up-for-ai-era-economy>

Chattogram customs miss revenue target amid declining imports

- The Chattogram Customs House fell short of its revenue collection target during the first ten months of FY23, according to sources, as a decline in imports has been cited as one of the key reasons. The Chattogram customs had set a target of BDT 626.47 Bn for revenue collection during the first ten months of FY23, while the year-around target for the current fiscal stands at BDT 742.06 Bn. However, the customs house only managed to collect around BDT 488.15 Bn in the first ten months of FY2022-23.

<https://thefinancialexpress.com.bd/economy/bangladesh/chattogram-customs-miss-revenue-target-amid-declining-imports>

Stocks:**TITASGAS | Titas to issue BDT 2580 Mn preference shares to govt at flexible conditions**

- Titas Gas Transmission Company Limited has been instructed to issue preference shares to the government against its total BDT 2579.8 Mn share money deposit with the state-owned gas distributor for the Dhaka and Mymensingh region. At a meeting on 16 April, a committee formed with officials from the finance ministry, Titas, and the Financial Reporting Council (FRC) made the decision to issue irredeemable non-cumulative preference shares in favour of the government and the prescribed way seems to be flexible enough to offer the struggling company a breathing space.

<https://www.tbsnews.net/economy/stocks/titas-issue-tk258cr-preference-shares-govt-flexible-conditions-638238>

EXIMBANK | Exim Bank to issue BDT 6000 Mn bond

- Exim Bank, officially known as Export Import Bank of Bangladesh Limited, wants to raise BDT 6000 Mn by issuing a fifth mudaraba subordinated bond. The proceeds will be regarded as Tier II capital of the issuer, which will help the private sector lender fulfil its Basel-III requirement. The issuance will require approval of the Bangladesh Securities and Exchange Commission and the Bangladesh Bank, according to a stock exchange filing on Thursday. The bank wants to issue the bond for seven years.

<https://www.tbsnews.net/economy/stocks/exim-bank-issue-tk600cr-bond-638278>

BSC | Shipping Corp's profit grows 23% in Jan-Mar

- The Bangladesh Shipping Corporation (BSC), a state-owned oceangoing vessel management authority, has reported a 23% year-on-year growth in profit to BDT 620 Mn in the January-March quarter of 2023 as its income from lighterage ships significantly jumped. According to unaudited financial statements, its net revenue grew by 14% to BDT 1230 Mn compared to the same period last year.
- The lighterage ship segment of the corporation has contributed BDT 304.4 Mn, experiencing an increase from BDT 140 Mn. However, the revenue from its charter ships has declined by 8% to BDT 640 Mn due to one ship getting damaged amidst the Russia-Ukraine war.

<https://www.tbsnews.net/economy/stocks/shipping-corps-profit-grows-23-jan-mar-638286>

PROVATIINS | Provati Insurance's profit drops 39% despite higher revenue

- Despite a higher revenue income, Provati Insurance Company Limited – a non-life insurance company – posted a 39% decline in its year-on-year net profit for the January to March quarter of 2023 due to the stock market slowdown. From the first quarter, the total revenue income of the company increased by 32% to BDT 331.9 Mn from BDT 251.0 Mn compared to the same in 2022. Its profit before investments and other income stood at BDT 28.1 Mn, which was BDT 18.4 Mn one year ago.

<https://www.tbsnews.net/economy/stocks/provati-insurances-profit-drops-39-despite-higher-revenue-639106>

PREMIERCEM | Premier Cement to get BDT 3500 Mn loan from Idcol

- Premier Cement PLC will get a BDT 3500 Mn long-term loan for expanding production at two new units. Infrastructure Development Company Limited (Idcol) is providing the loan. An agreement was signed between Idcol and Premier Cement to this end at Pan Pacific Sonargaon Dhaka yesterday. "We have already started production at the two units in Narayanganj and Chattogram involving BDT 1,3000 Mn," said Mohammed Amirul Haque, managing director of Premier Cement.

<https://www.thedailystar.net/business/economy/news/premier-cement-get-tk-350cr-loan-idcol-3331296>

CROWNCEMNT | Crown Cement in BDT 7640 Mn expansion

- Crown Cement PLC is going to increase its annual production capacity by 40% this year by establishing its sixth manufacturing facility, which will turn it into the country's fourth largest cement manufacturer. The company will go for the expansion investing around BDT 7640 Mn which is being availed from local and foreign banks. A "significant" portion is being secured from an overseas lender while BDT 250 Mn from a syndicated loan facility. Eastern Bank Limited (EBL) arranged the syndicated loan facility and a deal was signed in this regard at Sheraton Dhaka on May 25, according to a press release.

<https://www.thedailystar.net/business/economy/news/crown-cement-tk-764cr-expansion-3331291>

Exchange | Lankan Alliance Finance asked to resubmit IPO application

- The securities regulator has asked Lankan Alliance Finance Limited to resubmit its application for the initial public offering (IPO) as it has increased the number of shares through issuing stock dividends after the recent application to go public. The new generation non-bank financial institution (NBFI) applied for raising BDT 300 Mn from the public through an IPO under the fixed price method in April this year to comply with the regulatory requirement of the central bank. The Bangladesh Securities and Exchange Commission (BSEC) asked for resubmission with updated accounts, said BSEC Executive Director Rezaul Karim.

<https://www.tbsnews.net/economy/stocks/lankan-alliance-finance-asked-resubmit-ipo-application-639150>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.67	(USD 2.54)	-3.38%
Crude Oil (Brent)*	USD 76.95	(USD 0.83)	-1.07%
Gold Spot*	USD 1,946.46	USD 172.31	9.71%
DSEX	6,325.73	118.73	1.91%
S&P 500	4,205.45	365.95	9.53%
FTSE 100	7,627.20	175.46	2.35%
BSE SENSEX	62,501.69	1,660.95	2.73%
KSE-100	41,002.60	582.15	1.44%
CSEALL	8,697.07	194.58	2.29%

Exchange Rates**1 US Dollar = 107.23 BDT****1 GBP = 132.39 BDT****1 Euro = 115.06 BDT****1 INR = 1.30 BDT**

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