

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:**Jica's 2nd highest ODA loan disbursement to Bangladesh**

- The Japan International Cooperation Agency (Jica) recently reported that during the Japanese Fiscal Year 2022, both its commitment and disbursement of official development assistance (ODA) loans in Bangladesh reached the second-highest levels since March 1974. In the last Japanese fiscal year (spanning April 2022 to March 2023), Jica committed a total of JPY 331 Bn across five crucial projects, further solidifying its long-standing history of cooperation with Bangladesh. Jica's disbursement in the Japanese Fiscal Year 2022 amounted to JPY 261 Bn, slightly below the JPY 264 Bn disbursement during Japanese FY 2021.
- The projects are — the Dhaka Mass Rapid Transit Development Project Line-5 Northern Route (2nd Tranche) loan amount is around JPY 133,399 Mn ; the Southern Chattogram Regional Development Project loan amount is JPY 32,462 Mn; the Matarbari Port Development Project (2nd Tranche) loan amount is about JPY 105.362 Bn. Chattogram-Cox's Bazar Highway Improvement Project (1st Tranche) loan amount is JPY 55.729 Bn and Project for the Construction of Dual Gauge Double Line between Joydebpur and Ishwardi Section (E/S) loan amount is JPY 4.228 Bn.

<https://www.tbsnews.net/economy/jicas-2nd-highest-oda-loan-disbursement-bangladesh-639646>

Kazi Badam to invest USD 17.22 Mn in BEPZA Economic Zone

- Bangladeshi company Kazi Badam Limited is going to set up an Agro Processing (Cashew Nut) industry in BEPZA Economic Zone (BEPZA EZ). The company will invest USD 17.22 Mn to produce Cashew Nut Kernel and Cashew Nut Shell Liquid, reads a press release. This would be the first agro-based industry in the BEPZA Economic Zone, the release added.
- Kazi Badam Limited signed an agreement with Bangladesh Export Processing Zones Authority (BEPZA) to this effect at BEPZA Complex, Dhaka today (28-05-2023). Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Kazi Zahedul Hasan, Chairman of Kazi Badam Limited signed the agreement on behalf of their respective organisations.

<https://www.tbsnews.net/economy/kazi-badam-invest-1722m-bepza-economic-zone-639462>

VAT waiver planned for potential recycled clothing backward industry

- To encourage garment manufacturing from recycled fibres, the government is considering withdrawing the existing 7.5% value-added tax (VAT) on the collection of textile waste by spinning mills in the next fiscal year. The concept of circular fashion, which primarily relies on recycled fibres, has gained significant attention globally in recent years, including in Bangladesh. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) had previously requested the National Board of Revenue (NBR) to withdraw VAT and other taxes imposed on such waste. Currently, the market for this type of waste in the country is about USD 400 Mn.

<https://www.tbsnews.net/economy/budget/vat-waiver-planned-potential-recycled-clothing-backward-industry-639706>

Aman growers to get BDT 332 Mn govt incentive

- The government is going to extend BDT 332 Mn incentives to the small and marginal farmers to encourage them to grow Aman on an increased area in the next cultivation season that will begin next month. Around 0.49 Mn small growers will be provided with seeds and fertilisers free of cost, the agriculture ministry said in a statement today. Under the scheme, a farmer will get five kilogrammes (kgs) of high-yield varieties of rice seeds, 10 kgs of di-ammonium phosphate (DAP) and 10 kgs of muriate of potash (MOP) for each bigha or 33 decimals of land.

<https://www.thedailystar.net/business/news/aman-growers-get-tk-332-crore-govt-incentive-3331636>

Gold prices drop by BDT 1,749 a bhor

- The jewellers have cut gold prices by BDT 1,749 a bhor for the domestic market thanks to a drop in the rates of pure gold in the local market. From tomorrow, the price of each bhor or 11.664 grams of 22-carat gold ornaments will be BDT 96,695, down from BDT 98,444 earlier. The Bangladesh Jewellers Association (Bajus) took the decision today to adjust the prices with the international market, it said in a press release.

<https://www.thedailystar.net/business/news/gold-prices-drop-tk-1749-bhor-3331736>

BBS to introduce district-wise GDP

- The Bangladesh Bureau of Statistics (BBS) is set to introduce district-wise gross domestic product (GDP) to analyze economic growth, production structure, structural changes, income distribution, consumption, investment, savings, and per capita income at the district level. According to BBS officials, the Statistics and Informatics Division (SID) has submitted a project proposal at an estimated cost of BDT 379.1 Mn.
- The project is aimed at establishing physical and soft infrastructure, conducting surveys and studies, and compiling district GDP data. Additionally, it seeks to enhance the existing system of quarterly GDP, which is expected to be introduced in the upcoming fiscal year.

<https://www.tbsnews.net/economy/bbs-introduce-district-wise-gdp-639714>

Govt plans zero duty on solar-powered water desalination plant imports

- The government is set to introduce a duty-free import facility for solar-powered water desalination plants in a bid to provide affordable and safe drinking water to coastal communities, according to officials from the finance ministry. This initiative is aimed at addressing the water needs of thousands of coastal residents who lack access to grid electricity, particularly those residing in salinity-prone communities in the southern region of the country. Finance Minister AHM Mustafa Kamal is expected to make an announcement of this plan on 1 June during his budget speech for fiscal 2023-24. Industry insiders have said there is a potential for the installation of solar-powered water desalination systems in Bangladesh.

<https://www.tbsnews.net/economy/budget/govt-plans-zero-duty-solar-powered-water-desalination-plant-imports-639606>

Govt's borrowing from treasury bills up by BDT 650 Bn in FY23

- The government's internal debt burden, as indicated by the revised budget, will increase by BDT 650 Bn in the current fiscal year. The finance ministry had initially aimed to keep the internal debt at BDT 1.66 Tn in the main budget, but it has now been revised to BDT 2.39 Tn mainly due to reduced revenue, decreased currency value, and increased expenses, including interest payments. According to finance ministry officials, the revised budget for the fiscal 2022-23 indicates a 49% increase in the government's estimated borrowing from treasury bills compared to the original target in the budget.

<https://www.tbsnews.net/economy/govts-borrowing-treasury-bills-tk73167cr-fy23-639738>

Car imports see uptick ahead of budget

- Car imports through Chattogram and Mongla ports have surged in the last few months of the current fiscal year. Consumer goods importers criticised the development, saying the rise in imports of cars, a luxury item, is concerning as the country is still struggling to meet the import bills of daily necessities amid a dollar crisis. In May 2,641 cars were imported from Japan in two ships – the highest number of cars imported in a month this fiscal year. Of these cars, 1,009 were imported through the Chattogram port and 1,632 through the Mongla port, according to Customs data. According to the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida), more than 800 cars will be imported in the last fiscal month June.

<https://www.tbsnews.net/economy/car-imports-see-uptick-ahead-budget-639730>

Govt to avoid being guarantor of loans to reduce risk

- The government plans a significant reduction in loan guarantees for state-owned enterprises in a bid to boost the capacity of the institutions and reduce external debt burden. Finance ministry sources have revealed that under the new measures, the government will cease to guarantee loans for government institutions or projects except for those deemed genuinely important in the public interest e.g. the TCB's open market sale of essentials at subsidised rates and import of fertilisers. This strategic move is expected to enhance the efficiency in managing government enterprises, particularly ones that have been running at a loss for long and have become overly reliant on government assistance.

<https://www.tbsnews.net/economy/govt-avoid-being-guarantor-loans-reduce-risk-639162>

Pricier LPG likely as govt mulls cutting duty benefits

- Liquefied Petroleum Gas (LPG) cylinder manufacturers, in the ensuing budget, are likely looking at increased duty on raw material imports and a possible addition of 15% VAT, as part of the government's move to curtail certain industry benefits aiming to boost revenue. The local cylinder manufacturers will also see the existing 5% VAT raised to 7.5% at the production stage, according to finance ministry sources. The move, limiting the benefit to import at reduced rates, which officials say the sector has long been enjoying and by now has become self-sufficient, will in effect bite into people's wallets, feared industry stakeholders.

<https://www.tbsnews.net/economy/budget/pricier-lpg-likely-govt-mulls-cutting-duty-benefits-639242>

Turnover tax on beverage may jump eight times

- The government is planning to impose a high turnover tax on the carbonated beverages industry to squeeze out more revenue from this sector, according to finance ministry officials. The existing turnover tax rate is 0.60% for the carbonated beverages industry, which is likely to be fixed at 5% from the next fiscal year, officials said, adding that the advance income tax paid for raw material imports will be counted as the minimum tax. According to experts and sector leaders, the turnover tax hike may put a burden on small and new companies that are not profitable yet. Besides, new companies may not enter this sector due to such a high turnover tax.

<https://www.tbsnews.net/economy/budget/turnover-tax-beverage-may-jump-eight-times-639318>

BDT 109.64 Bn loans turn sour in 3 months

- Banks in Bangladesh witnessed an accumulation of default loans by BDT 109.64 Bn in the first three months of 2023, highlighting the worsening financial health of the banking sector, official figures showed. Non-performing loans stood at BDT 1316.21 Bn as of March 31, up 9% from three months ago and 16% from a year earlier, data from the Bangladesh Bank showed. The latest NPL figure is the second highest in the banking sector's history and was just behind the BDT 1343.96 Bn reported in the July-September quarter of 2022.

<https://www.thedailystar.net/business/economy/news/tk-10964cr-loans-turn-sour-3-months-3332101>

Stocks:**ONEBANKLTD | One Bank to issue bond worth BDT 5 Bn**

- One Bank Limited, a private sector lender, has decided to issue a subordinated bond worth BDT 5 Bn through private placement. According to a disclosure published on Sunday, the bank will issue the bond as a process of inclusion in Tier-II capital. The bond's tenure is 7 years, which is subject to the approval of the regulatory authorities and compliance of all formalities in this respect.

<https://www.tbsnews.net/economy/stocks/one-bank-issue-bond-worth-tk500-crore-639294>

AFCAGRO | AFC Agro's profit declines by 56% in Jul-Mar

- AFC Agro Biotech, an agro-based bio-pharmaceuticals and bio-chemicals products producer, has reported a 56% fall in profit in the first nine months of the current fiscal year. Its net profit after tax declined to BDT 19.6 Mn in the July to March quarter of 2022-23 fiscal, which was BDT 44.5 Mn during the same time of the previous fiscal year. The earnings per share (EPS) stood at BDT 0.17, lower than BDT 0.39 during the same time of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/afc-agros-profit-declines-56-jul-mar-639394>

ACTIVEFINE | Active Fine Chemicals's profit drops 50% in Q3

- Active Fine Chemicals Limited reported a 50% year-on-year decline in profit to BDT 4.799 Mn in the third quarter of the current financial year. The company's profit stood at BDT 9.597 Mn in the January-March quarter of 2021-22. Thus, the earnings per share slipped to BDT 0.02 in January-March of 2022-23 against BDT 0.04 in the third quarter of the previous financial year, according to the unaudited financial statements.

<https://www.thedailystar.net/business/economy/news/active-fine-chemicalss-profit-drops-50-q3-3331966>

AMPL | Al-Madina Pharma's market debut Monday

- Al-Madina Pharmaceuticals will commence the trading of its shares on the SME Platform of the Dhaka Stock Exchange (DSE) on Monday. On 1 February this year, the Bangladesh Securities and Exchange Commission approved the drugmaker's plan to raise BDT 50 Mn from the market through a qualified investor offer (QIO). The company has issued 5 Mn shares at a face value of BDT 10 each, and used the fund to expand its business and repay loans.

<https://www.tbsnews.net/economy/stocks/al-madina-pharmas-market-debut-monday-639658>

RINGSHINE | Wise Star Textile goes ahead with Ring Shine takeover

- Wise Star Textile Mills Ltd – a private firm run by listed Queen South Textile's managing director, will proceed with the takeover of the struggling Ring Shine Textiles after the approval of its general investors. The board of directors has decided to hold an extraordinary general meeting (EGM) to consider the proposed takeover of sponsor directors' shares of the company by Wise Star Textile Mills Ltd and its nominees. The EGM will be held on 20 June this year virtually, said the company in the disclosure through the stock exchanges.

<https://www.tbsnews.net/economy/stocks/wise-star-textile-goes-ahead-ring-shine-takeover-639674>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 73.39 | (USD 1.82) | -2.42% |
| Crude Oil (Brent)* | USD 77.61 | (USD 0.17) | -0.22% |
| Gold Spot* | USD 1,943.39 | USD 169.24 | 9.54% |
| DSEX | 6,339.88 | 132.88 | 2.14% |
| 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 = 107.90 BDT****1 GBP = 133.32 BDT****1 Euro = 115.82 BDT****1 INR = 1.31 BDT**

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