

*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:****Govt to pilot universal pension from July**

- The government is set to launch a pilot programme for a universal pension system this July with separate products for expatriates, private sector employees, those engaged in the informal sector, and individuals covered by the social safety net. The initiative is aimed at bringing people from all walks of life under pension coverage in a gradual process. But no specific authority has yet been established to oversee the universal pension system and the pension products have not yet been specified either.
- The officials stated that the government is eager to implement the universal pension system prior to the forthcoming general election slated for this December or January next year, demonstrating its commitment to supporting the welfare of its citizens. As part of that plan, the finance ministry has decided to launch the pilot programme in July despite a lack of necessary preparations, they added.

<https://www.tbsnews.net/economy/govt-pilot-universal-pension-july-639918>

**Govt targets BDT 50 Bn more non-tax revenue in FY24**

- The government aims to realise BDT 500 Bn as non-tax revenue (NTR) in the next fiscal year, up by BDT 50 Bn from the current fiscal budget, according to officials. In the current budget, the target is set at BDT 450 Bn, while it was later revised down to BDT 400 Bn. This rise is supported by recent increases in various fees and charges by different government organisations, including various service providers.
- The government earns NTR from various sources, such as income from telecom and postal services, travel and tourism services, utility services, profits of state-owned banks, insurance, non-bank financial institutions, parks, zoos, interest on loans provided by the government to financial institutions and autonomous bodies.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-targets-tk-50b-more-non-tax-revenue-in-fy24>

**Duty hike on bicycle parts imports coming**

- The government plans to raise customs duty on the imports of freewheel and sprockets – accessories of bicycles and rickshaws – to 15% from existing 10% in the upcoming budget for the fiscal year 2023-24 in a bid to facilitate local manufacturers, said sources from the Finance Ministry. The sector has huge potential to grow on the back of an ever-growing demand for bicycles both at home and abroad. Industry insiders said this backward linkage industry, if given necessary policy support, will emerge as a foreign currency earner after meeting the domestic demand. At present, the demand for various sizes of freewheel is 3.5-4.0 Mn units and sprocket 5.0-5.5 Mn units, which are mostly imported, shows an analysis of the Bangladesh Trade and Tariff Commission (BTTC).

<https://www.tbsnews.net/economy/budget/duty-hike-bicycle-parts-imports-coming-639910>

**Private credit growth hits 13-month low in April**

- Private sector credit growth continued to decline for the fourth consecutive month, with a growth rate of 11.28% this April – the lowest in 13 months, reflecting a slump in business activities amid import curbs. Loan demand in private sector businesses slowed down despite having available liquidity in the banking system. The credit growth falls well below the monetary target of 14.1% set for the current fiscal year, as reported by the Bangladesh Bank.

<https://www.tbsnews.net/economy/banking/private-credit-growth-hits-13-month-low-april-640358>

**Pre-audit made mandatory for BDT 10 Mn or above loans from NBFIs**

- Pre-audit has been made mandatory for BDT 10 Mn or above loans from non-bank financial institutions (NBFIs) in a bid to curb irregularities and increase compliance in the ailing sector. The Department of Financial Institutions and Markets of the central bank on Monday issued a circular to this end, which also asked the institutions to launch their internal dashboards – digital management information system – to report and monitor loan sanctioning. The NBFIs have been directed to inform the central bank immediately if any irregularity is found.

<https://www.tbsnews.net/economy/banking/pre-audit-made-mandatory-tk1cr-or-above-loans-nbfis-640330>

**Govt struggles to clear LNG bills amid dollar dearth**

- The government is now struggling to make payments to global LNG suppliers - both long-term and spot sellers - against purchases due to a brewing currency crisis that poses a risk of halting supplies, said sources. State-run Petrobangla has not been able to pay regularly to the two existing long-term suppliers - Qatargas and Oman Trading International (OTI), currently named OQ - against purchases of liquefied natural gas (LNG) under long-term contracts, according to market insiders. It has also defaulted on paying import bills to spot LNG suppliers, namely Vitol Asia Pte Ltd and TotalEnergies, they added.
- Petrobangla has also been defaulting on payments to floating LNG terminal owners for their LNG re-gasification services, they alleged. Market insiders said Petrobangla owes around USD 100 Mn to LNG suppliers Qatargas, USD 45 Mn to OQ, USD 40 Mn to Vitol Asia and USD 20 Mn to TotalEnergies, which are already overdue.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-struggles-to-clear-lng-bills-amid-dollar-dearth>

**Banks suffer surging provision shortfalls**

- Banks in Bangladesh suffer surging provisioning shortfall as it widened over 48% to BDT 162.98 Bn as of last March against the figures three months ago in December 2022, according to latest official data. Many banking executives told the FE that the ongoing liquidity crunch facing the banking industry and forex-market volatility are the main reasons behind the shortfall. Banks have to maintain 0.50% to 5.0% of their operating profits in provisioning against general-category loans, 20% against classified loans of substandard category, and 50% against classified loans of doubtful category.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-suffer-surging-provision-shortfalls>

**Traditional lenders fall behind Islamic banks in profit growth**

- Conventional lenders in Bangladesh fell behind shariah-based banks in 2022 in terms of profit growth mainly due to the lower interest rate regime. Last year, the combined profit of 41 conventional banks, including foreign and state-run lenders, fell 19% year-on-year to BDT 70.2 Bn, whereas 10 shariah-based banks' profit surged 26% to BDT 24.32 Bn, according to their financial reports.

<https://www.thedailystar.net/business/economy/news/traditional-lenders-fall-behind-islamic-banks-profit-growth-3333036>

**Stocks:****EMERALDOIL | Emerald Oil gets High Court approval to conduct AGM**

- Emerald Oil has got the High Court approval to conduct the pending annual general meeting (AGM) for the last six years from the fiscal year 2016-17 to 2021-22. The rice-bran oil producer also called the board meeting on 1 June to fix the AGM date. It will announce the annual financial statement for the last three fiscal years from 2019-20 to 2021-22. Earlier, on 26 February this year, it published the financial reports for FY2017, FY2018, and FY2019, in which the company announced that no dividends will be given to the investors for those three accounting years.

<https://www.tbsnews.net/economy/stocks/emerald-oil-gets-high-court-approval-conduct-agm-639942>

**HRTEX | BSEC rejects HR Textile's right shares issuance**

- The Bangladesh Securities and Exchange Commission (BSEC) has rejected the right shares issuance of HR Textile Limited because the company failed to submit the required documents within the stipulated time. The commission has issued letters to the related parties in this regard. BSEC Executive Director Mohammad Rezaul Karim said the commission sent HR Textile a deficiency letter regarding some non-compliances of the company. But it failed to submit the answers within the deadline.

<https://www.tbsnews.net/economy/stocks/bsec-rejects-hr-textiles-right-shares-issuance-640058>

**ASIATICLAB | FRC finds Asiatic Laboratories overstated asset value**

- The Financial Reporting Council (FRC) has found that Asiatic Laboratories overstated the value of its properties, a move that market insiders say the drugmaker made in an attempt to obtain better prices for its shares. Officials at the council said it has recently submitted its findings to the Bangladesh Securities and Exchange Commission (BSEC) on the prospectus and audited financial statements of the pharmaceuticals company. The FRC carried out the review after the market regulator halted the public subscription for its initial public offering (IPO) in January this year, following complaints the commission had received from anonymous sources.

<https://www.tbsnews.net/economy/stocks/frc-finds-asiatic-laboratories-overstated-asset-value-640370>

**BEXGSUKUK | Beximco Sukuk calls trustee meeting to fix half-yearly payment**

- Beximco Green Sukuk Al Istisna'a called a trustee meeting on 1 June to fix the payment for the first half of this year. The Investment Corporation of Bangladesh (ICB) is the trustee of the Sukuk. It paid a 5.80% profit against the face value of BDT 100 each in the second half of 2022 (July-December). In the first half of 2022, it paid the same profit to the unit holders. As a result, the Sukuk unitholders received a profit of 11.6% in the last year.

<https://www.tbsnews.net/economy/stocks/beximco-sukuk-calls-trustee-meeting-fix-half-yearly-payment-639958>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	%Change YTD
Crude Oil (WTI)*	USD 73.16	(USD 2.05)	-2.73%
Crude Oil (Brent)*	USD 77.39	(USD 0.39)	-0.50%
Gold Spot*	USD 1,945.52	USD 171.37	9.66%
DSEX	6,332.74	125.74	2.03%
S&P 500	4,205.45	365.95	9.53%
FTSE 100	7,627.20	175.46	2.35%
BSE SENSEX	62,846.38	2,005.64	3.30%
KSE-100	41,350.25	929.80	2.30%
CSEALL	8,697.07	194.58	2.29%

**Exchange Rates****1 US Dollar = 107.22 BDT****1 GBP = 132.60 BDT****1 Euro = 114.95 BDT****1 INR = 1.30 BDT**

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