

*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:****Shipbuilders back to life with BDT 50 Bn orders**

- The country's shipbuilding industry is witnessing a significant boost as three of its largest companies have secured orders to build around two dozen vessels worth approximately BDT 50 Bn. This surge in orders comes after a year of increased inquiries by buyers, which has expanded the industry's potential for acquiring additional orders. Khulna Shipyard, one of the country's leading shipbuilders, has secured orders valued at around BDT 23 Bn, while Karnaphuli Shipyard has orders worth nearly BDT 20 Bn.
- Captain Al Amin Chowdhury, general manager (Design and Planning) of Khulna Shipyard, told TBS, "We got work orders to build a 70-meter cruise ship, two tugboats for Payra Port, four 24-inch dredgers for the Bangladesh Inland Water Transport Authority (BIWTA), five 60-meter patrol craft, three landing craft tanks for the Navy, three diving vessels, a modern floating crane with a 70-tonne capacity for the Coast Guard, two diving boats for the Coast Guard, two ferries, and a survey boat."

<https://www.tbsnews.net/economy/industry/shipbuilders-back-life-tk5000cr-orders-627450>

**Bangladesh may face impediments in RMG export in post-LDC era: Commerce secretary**

- Commerce Secretary Tapan Kanti Ghosh has said that Bangladesh may have to face different impediments in exporting readymade garments (RMG) in the post-LDC (least developed country) graduation era. "So, we have to ensure some policy supports to continue the trend in RMG exports as well as competitiveness in the global market," he said while addressing a validation workshop titled: "Study on policy support and incentives before and after LDC graduation for RMG sector" at Bangladesh Foreign Trade Institution (BFTI) on Sunday.

<https://www.tbsnews.net/economy/bangladesh-may-face-impediments-rmg-export-post-ldc-era-commerce-secretary-627862>

**Project directors asked to fully utilise ADP's foreign fund**

- With less than two months left, the Economic Relations Division (ERD) has directed project directors to completely utilise the foreign fund allocated for their projects in the revised Annual Development Programme (ADP) for the current fiscal year. The ministries and divisions managed to spend only 31.49% of the total foreign fund allocations in the first nine months of the current fiscal year, according to the Implementation Monitoring and Evaluation Division (IMED) data.

<https://www.tbsnews.net/economy/project-directors-asked-fully-utilise-adps-foreign-fund-627890>

**IT export to Japan surges**

- Local software and other information technology-enabled services (ITES) exports to Japan have witnessed a surge in recent times as Bangladeshi companies have established a foothold in the East Asian country. Export of information technology to Japan jumped by over 35% to USD 120 Mn year-on-year in fiscal year 2021-22, according to the Bangladesh Association of Software and Information Services (BASIS). In 2016-17, it was at only USD 56 Mn. Japan accounts for about 8% of Bangladesh's total annual IT exports of over USD 1.4 Bn, according to the top trade body for software and ITES industry of Bangladesh.

<https://www.thedailystar.net/business/economy/news/it-export-japan-surges-3313856>

**Cenbank asks for short shipment info to fix export data mismatch**

- As unrepatriated export money keeps growing, the Bangladesh Bank has asked banks and exporters for data on short shipment of goods to calculate the actual amount of unrealised and overdue export proceeds. Reports suggest that incidents of delayed arrival of export proceeds have increased in recent months, with USD 3 Bn of export proceeds out of the total value of goods exported from Bangladesh between July and February of the current fiscal year 2022-23 not yet arriving in the country.

<https://www.tbsnews.net/economy/banking/cenbank-asks-short-shipment-info-fix-export-data-mismatch-627902>

**Foreign aid commitments fall 43%, disbursement 21%**

- The year-on-year disbursements and commitments of foreign loans from development partners have decreased in the first nine months of the current fiscal year, which may intensify pressure on the country's foreign exchange reserves. According to the Economic Relations Division (ERD) of finance ministry data, foreign aid disbursement has decreased to USD 5.36 Bn in the July-March period of FY23, registering a 21% fall compared to USD 6.79 Bn in the same period of FY22. In addition, commitments of foreign aid declined by 43% to USD 3.07 Bn in the nine months of this fiscal year, down from USD 5.43 Bn in the corresponding period of the last fiscal year.

<https://www.tbsnews.net/economy/foreign-aid-commitments-fall-43-disbursement-21-627898>

**BGMEA, Taiwan to collaborate on manmade fibre**

- The BGMEA and Taiwan Textile Research Institute (TTRI) will work together to enhance the capacity of Bangladesh's garment industry, especially in manufacturing high-end products made with manmade fibre (MMF). The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) signed a memorandum of understanding (MoU) with TTRI in Taipei of Taiwan on May 4 to this end, according to a press release issued yesterday. The MoU also aims to foster collaboration on building capacity of the industry through sharing knowledge and expertise in technology adaptation, skills development, innovation, resource efficiency and circularity.

<https://www.thedailystar.net/business/economy/news/bgmea-taiwan-collaborate-manmade-fibre-3312921>

**NBR for no offshore tax amnesty in new budget**

- The much-discussed opportunity to bring home unreported money or assets held by Bangladeshi nationals outside the country paying 7% tax is likely to be cancelled in the forthcoming national budget, according to NBR sources. The government's maiden offshore tax amnesty, which aimed to bring back laundered money home, has not yielded any significant results, as hardly any Bangladeshis have taken advantage of the facility, the sources added.
- Economists have also voiced their support for cancelling this amnesty in the upcoming budget. Dr Ahsan H Mansur, executive director of the Policy Research Institute, commented, "There is no point in keeping this opportunity. As we have said before, no money will come through this. This is because people are looking forward to laundering money abroad. Why would they bring money back?"

<https://www.tbsnews.net/nbr/nbr-no-offshore-tax-amnesty-new-budget-627910>

**BB to set policies for market-based interest rates**

- Bangladesh Bank today said it would roll out a set of policies on the implementation of market-based interest rates and uniform exchange rates and disclosing net and gross reserves following the suggestions of the International Monetary Fund (IMF). Md Mezbaul Haque, the spokesperson of the central bank, said the policies might be implemented from July this year and the next monetary policy will give a roadmap to this end.

<https://www.thedailystar.net/business/news/bb-set-policies-market-based-interest-rates-3313541>

**IMF team warns of potential export decline, calls for steps to cut external deficit**

- The International Monetary Fund's loan review mission has left Dhaka with a happy note at the policy measures taken to meet the June deadline for most of the agreed reforms except for the net foreign exchange reserves threshold, finance officials have said. Citing concerns of a potential decline in the country's export earnings due to growth slowdown and inflation in major markets, the team suggested that Bangladesh needs to take initiatives to reduce balance of payments deficit to reach the agreed target of net reserves of USD 25.32 Bn by September, they said.
- According to finance officials, the IMF expressed satisfaction with the policy measures that Bangladesh has taken to meet the conditions with a June deadline. However, the lender has concerns about whether the country can raise its net foreign exchange reserves to USD 24.46 Bn by the June deadline.

<https://www.tbsnews.net/economy/imf-team-warns-potential-export-decline-calls-steps-cut-external-deficit-627930>

**RMG exporters face fresh pressure as buyers seek discounts**

- International clothing retailers and brands are demanding up to 5% discounts from Bangladesh's apparel exporters, adding another challenge for the suppliers who are already grappling with multiple issues amid volatile global economic scenario. "Suppliers are being compelled to accept the lower prices since retailers will not continue placing orders with them if they don't agree to the new prices. Sometimes, the prices are lower than the production cost," said Mohammad Hatem, executive president of the BGMEA.
- Under the current cost of production situation, local manufacturers need a profit margin of 20% to 25% instead of the current 10% to 15%, Hatem said. "If the profit margin ranges between 20% and 25%, manufacturers can pay a living wage to workers. But the net profit goes down to 2% if the gross profit stands at 10% to 15%."

<https://www.thedailystar.net/business/economy/news/rmg-exporters-face-fresh-pressure-buyers-seek-discounts-3312956>

**Sugar production at state-run mills hits 23-year low**

- With sugar currently retailing for as much as BDT 140 per kilogramme (kg), production at mills of the Bangladesh Sugar and Food Industries Corporation (BSFIC) has hit a 23-year low due to reduced supply of sugarcane. The state-run mills produced 21,313 tonnes of sugar so far in the ongoing fiscal year (FY), down by some 13% from 24,509 tonnes in FY2021-22. The BSFIC had produced 48,000 tonnes of the sweetener in FY2020-21, when it shut down six mills in a bid to curb losses. The corporation still suffered provisional losses of BDT 8.8 Bn in FY2021-22 but it was around 15% less than the BDT 10.36 Bn registered the previous year, according to the Bangladesh Economic Review 2022.

<https://www.thedailystar.net/business/economy/news/sugar-production-state-run-mills-hits-23-year-low-3312951>

**Stocks:****AL-HAJTEX | Alhaj Textile's deadlock prolongs amid internal discords**

- The securities regulator's efforts to put the years-long legal battle of Alhaj Textile Mills with its lender to an end and to bring the company back to regular business are facing hiccups because of internal discords among the company's reconstructed board members. It appears they are divided on the question of should the company solve the decade-long problems with the bank immediately to better focus on core business or continue with its legacy of litigations and inefficient operations.

<https://www.tbsnews.net/economy/stocks/alhaj-textiles-deadlock-prolongs-amid-internal-discords-627906>

**SHAHJABANK | Shahjalal Islami Bank posts higher profit in Q1**

- Shahjalal Islami Bank Ltd's profit rose 4.25% year-on-year BDT 1.0589 Bn in the first quarter of 2023. The profit stood at BDT 1.0157 Bn in the January-March quarter of 2022. Thus, the consolidated earnings per share of the bank were BDT 0.98 in January-March against BDT 0.94 reported in the same quarter of the previous financial year, according to the unaudited financial statements. The consolidated net operating cash flow per share (NOCFPS) surged to BDT 12.84 from BDT 2.15. The consolidated net asset value per share (NAVPS) rose to BDT 21.20 on March 31 this year from BDT 18.33 on the same day last year.

<https://www.thedailystar.net/business/economy/news/shahjalal-islami-bank-posts-higher-profit-q1-3313816>

**EXCHANGE | Mutual funds association to launch impact fund for businesses in south region**

- The Association of Asset Management Companies & Funds (AAMCMF) is going to launch an impact fund for financing food security, healthcare, green initiatives and digitalisation of small and micro businesses in Khulna, Gopalganj, and other southern districts of the country. The "Bangladesh Impact Fund - South Region" will have a target size of BDT 2 Bn, and can grow with success, said the association's President Dr Hasan Imam at an event held at Khulna Chamber of Commerce and Industry on Saturday.

<https://www.tbsnews.net/economy/stocks/mutual-funds-association-launch-impact-fund-businesses-south-region-627938>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.39	(USD 3.82)	-5.08%
Crude Oil (Brent)*	USD 75.34	(USD 2.44)	-3.14%
Gold Spot*	USD 2,018.30	USD 244.15	13.76%
DSEX	6,269.34	62.34	1.00%
S&P 500	4,136.25	296.75	7.73%
FTSE 100	7,778.38	326.64	4.38%
BSE SENSEX	61,054.29	213.55	0.35%
KSE-100	42,241.98	1,821.53	4.51%
CSEALL	8,830.36	327.87	3.86%

**Exchange Rates****1 US Dollar = 106.49 BDT****1 GBP = 134.54 BDT****1 Euro = 117.40 BDT****1 INR = 1.30 BDT**

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