

## Weekly Market Update

### Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.10%) gained 6.31 points and closed the week at 6,341.10 points. The blue-chip index DS30 (+0.25%) gained 5.56 points and stood at 2,197.03 points. The Shariah-based index DSES (+0.30%) gained 4.16 points and stood at 1,379.42 points. The large cap index CDSET (-0.07%) lost -0.86 points and closed at 1,211.32 points. DSEX, DS30, DSES and CDSET showed YTD returns of +2.16%, +0.08%, +1.51%, -0.26%, respectively.

**Total Turnover During the Week (DSE):** BDT 42.6 billion (USD 391 million)  
**Average Daily Turnover Value (ADTV):** BDT 8.5 billion ( $\Delta\%$  Week: +18.7%)  
**Market P/E:** 18.4x

### Daily Index Movement during the Week

The market performed five sessions during this week. The market started on a positive note (+0.06%) on Sunday. However, it ended on a negative note on Monday (-0.21%). Further, it closed on a positive note on Tuesday (+0.04%) and remained positive on Wednesday (+0.14%) and on Thursday (+0.07%).

### Sectoral Performance

- Financial sectors posted mixed performance this week. Mutual Fund booked the highest gain of 0.26% followed by Bank (+0.21%), and NBFIs (+0.03%). Life Insurance experienced the highest loss of 2.82% followed by General Insurance (-1.49%).
- All the non-financial sectors posted positive performance this week. Pharmaceutical booked the highest gain of 0.36% followed by Food & Allied (+0.22%), Fuel & Power (+0.16%), Engineering (+0.01%), and Telecommunication (0.00%).

### Macroeconomic arena

Danish firms propose USD 1.3 Bn investment in wind energy. USD 190 Mn ADB loan for upgrading rural roads. Bangladesh sets USD 72 Bn export target for FY24. Forex transactions with cards reach an all-time high in May. Import LC opening in June lowest in FY23. Financial irregularities cost Sadharan Bima BDT 2.1 Bn. CMSME loan disbursement drops 19% in Q1 amid liquidity crunch. Faulty policies, not war, to blame for pinching inflation. Bangladesh, India to launch trade in rupee today. Taka-rupee debit card from September: BB. Bangladesh receives 2nd highest FDI in its history in 2022: Unctad. Edible oil prices fall for lower import cost. IT exports rising though growth decelerates. ICT trade bodies demand amendment to A2i bill. Coordinated fiscal, monetary policy vital in curbing inflation. NBR falls short of revenue collection target by BDT 440 Bn in FY23.

Ceramics export rises to four-year high in FY23. Apparel export to US ebbs. Scrap import duty hike on lifts, escalators. Will take long to recover losses from wide gap in USD buying-selling rate. Revenue collection slides, bank borrowing skyrockets. Indo-Bangla trade in rupee to benefit Bangladesh: MCC. Bicycle exports backpedal by 15.31%. BB dollar sale to banks hits historic high. Higher NPL burden for banking sector. BSCIC plans BDT 8 Bn project to make tannery CETP fully functional. IMF loan equals BD's two months of remittance: FM. RMG exporters bracing for difficult times as orders slow. Financial Intelligence warns 7 banks not to pay higher rate for remittances. Two Bangladeshi banks to offer trade transactions in Indian rupees. NBFIs lend BDT 22.79 Bn, face BDT 36.22 Bn defaults in a year. High-end car sales in slow lane.

### Stock Market arena

JANATAINS | Janata Insurance's profit jumps 53% in Apr-Jun. CNATEX | C&A Textiles calls meeting to reveal financials due for six years. PROGRESLIF | Progressive Life downgraded to Z category; 5 independent directors nominated. EBL | Eastern Bank opens India business desk. PUBALIBANK | Pubali Bank signs deal with Rural Electrification Board. EXCHANGE | DSE to charge. EXCHANGE | Floor price will be lifted once economy stabilises: BSEC chief. EXCHANGE | Block trades make 99% of SME boars turnover. EXCHANGE | Protection Fund left unused even in the decade after demutualization. EXCHANGE | Committee formed to probe embezzlement by Moharam Securities. EXCHANGE | A quarter of BO accounts closed in two years. LOVELLO | Lovello Ice-cream finally pays out due dividend. MTB, GP | Mutual Trust Bank, GP sign partnership agreement. EXCHANGE | Protective Islami Life Insurance files for BDT 150 Mn IPO. ABBANK | AB Bank approves 2% dividend. ISLAMIBANK | Three corporate directors sell off entire Islami Bank holding. RINGSHINE | Ring Shine cancels declared dividend for FY20. NORTHERN, SHURWID, RSRMSTEEL | Downgrading to 'Z' pushes three. BRACBANK | Mayeenuddin elected Brac Bank's vice-chairperson. NAVANAPHAR | Navana Pharma to convert 60% of BDT 1.50 Bn bond into shares. MTB | Ahmad appointed as MTB's company secretary. EXCHANGE | The 'Z' chaos in the stock market. EXCHANGE | Central Depository Bangladesh officials under BSEC scanner.

July 13, 2023 (Week: July 09, 2023 – July 13, 2023)

**Dhaka Stock Exchange**

**DSEX ended in Green (+0.10%) in the week**

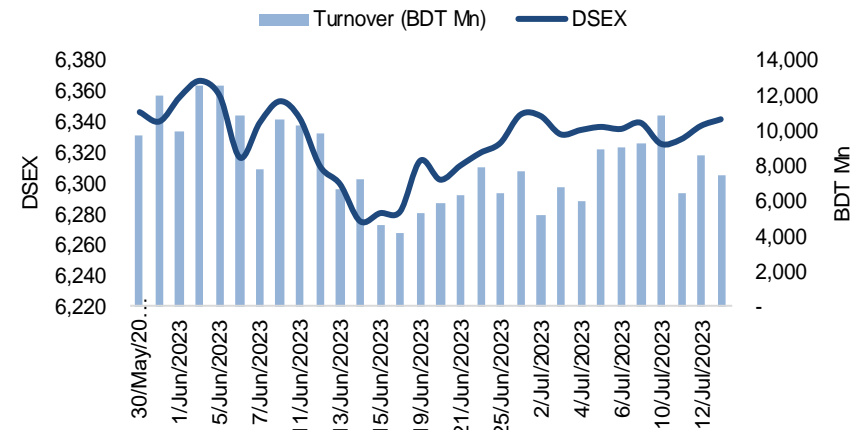
Table 1: Index

Index	Closing*	Opening*	$\Delta$ (Pts)	29-Dec-2022	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,341.10	6,334.79	+6.31	6,206.81	+0.10%	+2.16%
DS30	2,197.03	2,191.46	+5.56	2,195.30	+0.25%	+0.08%
DSES	1,379.42	1,375.26	+4.16	1,358.84	+0.30%	+1.51%
CDSET	1,211.32	1,212.18	-0.86	1,214.42	-0.07%	-0.26%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,611,955	7,713,311	-1.3%
	M n USD	69,834	70,764	
Turnover	M n BDT	42,572	35,857	+18.7%
	M n USD	391	329	
Average Daily Turnover	M n BDT	8,514	7,171	+18.7%
	M n USD	78	66	
Volume	M n Shares	1,282	1,149	+11.5%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FUWANGFOOD	42.9	32.0	+34.1%	4,755	3,246.6	NM	10.8x
CENTRALPHL	15.3	11.8	+29.7%	1,833	381.7	NM	2.7x
WMSHIPYARD	13.3	11.0	+20.9%	3,128	297.3	NM	0.6x
RUPALIBANK	34.4	29.4	+17.0%	15,986	175.2	43.9x	0.9x
FUWANGCER	21.2	18.4	+15.2%	2,889	827.1	815x	18x
YPL	27.9	24.7	+13.0%	2,056	724.1	NM	5.2x
CNATEX	11.8	10.5	+12.4%	2,824	358.4	NM	0.8x
GENNEXT	8.2	7.3	+12.3%	4,059	968.8	NM	0.7x
KPPL	13.6	12.2	+11.5%	993	191.3	NM	NM
ORIONINFU	348.1	314.2	+10.8%	7,087	462.2	NM	25.3x

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
PROGRESLIF	83.7	99.1	-15.5%	1,393	92.2	NM	NM
SONALILIFE	77.0	90.3	-14.7%	3,658	242.8	NM	NM
TILIL	62.0	0.0	-11.8%	2,480	230.6	NM	NM
RUPALILIFE	215.2	244.0	-11.8%	6,459	911.7	NM	NM
PRIMELIFE	69.5	78.5	-11.5%	2,121	219.3	NM	NM
MEGHNALIFE	85.4	96.0	-11.0%	3,621	560.1	NM	NM
CLICL	67.4	74.5	-9.5%	2,528	128.9	NM	NM
POPULARLIF	69.6	76.3	-8.8%	4,206	95.6	NM	NM
PRAGATILIF	113.9	123.8	-8.0%	3,707	113.5	NM	NM
CRYSTALINS	41.2	44.6	-7.6%	1,648	39.7	13.7x	16x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FUWANGFOOD	42.9	32.0	+34.1%	4,755	3,246.6	NM	10.8x
LRBDL	38.7	35.5	+9.0%	5,621	1,724.9	17.7x	10x
DELTALIFE	166.2	153.2	+8.5%	20,567	1,413.2	NM	NM
AOL	36.8	36.5	+0.8%	4,040	1,212.9	23.6x	19x
SEAPEARL	230.3	219.5	+4.9%	27,809	1,097.4	33.4x	13.3x
GENNEXT	8.2	7.3	+12.3%	4,059	968.8	NM	0.7x
RUPALILIFE	215.2	244.0	-11.8%	6,459	911.7	NM	NM
FUWANGCER	21.2	18.4	+15.2%	2,889	827.1	815x	18x
ADNTEL	144.7	138.5	+4.5%	9,355	815.5	37.6x	5.3x
KBPPWBIL	29.3	27.1	+8.1%	2,874	785.9	NM	2.5x

**Table 6: Most Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	288.1	+60.9%	16,279	50.6x	4.3x
ADNTEL	144.7	+26.8%	9,355	37.6x	5.3x
OLYMPIC	147.1	+18.6%	29,411	17.9x	3.0x
UNIQUEHRL	68.0	+17.9%	20,019	11.9x	0.8x
UNILEVERCL	2,043.6	+14.8%	39,389	44.8x	13.1x
LHBL	69.4	+7.1%	80,599	14.9x	4.1x
JAMUNAOIL	176.5	+5.5%	19,490	6.5x	0.9x
BATASHOE	1,001.3	+5.1%	13,698	28.7x	3.8x
MIRAKHTER	53.3	+4.9%	6,437	21.9x	1.1x
EBL	29.4	+4.0%	35,493	6.9x	0.9x

\*BDT

\*\*BDT Mn

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,452.7	1,449.7	1,427.09	+0.21%	+1.80%
NBFI	1,925.3	1,924.7	1,927.24	+0.03%	-0.10%
Mutual Fund	834.0	831.9	852.07	+0.26%	-2.12%
General Insurance	3,242.0	3,291.0	3,177.87	-1.49%	+2.02%
Life Insurance	2,944.2	3,029.7	2,492.91	-2.82%	+18.10%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,715.5	3,702.2	3,754.47	+0.36%	-1.04%
Fuel & Power	1,704.8	1,702.1	1,694.29	+0.16%	+0.62%
Cement	2,586.5	2,568.6	2,319.67	+0.70%	+11.50%
Services & Real Estate	2,025.7	2,010.8	1,782.23	+0.74%	+13.66%
Engineering	4,518.6	4,518.2	4,503.40	+0.01%	+0.34%
Food & Allied	21,713.1	21,664.8	21,247.80	+0.22%	+2.19%
IT	3,244.9	3,273.5	3,004.33	-0.87%	+8.01%
Textile	1,648.8	1,653.2	1,621.87	-0.27%	+1.66%
Paper & Printing	10,783.6	10,788.3	10,388.08	-0.04%	+3.81%
Tannery	3,248.5	3,263.6	3,093.43	-0.46%	+5.01%
Jute	15,585.0	14,919.0	14,850.17	+4.46%	+4.95%
Ceramics	699.0	690.0	704.74	+1.30%	-0.82%
Miscellaneous	4,149.1	4,152.1	4,071.46	-0.07%	+1.91%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	127.9	76.6	+66.94%	+167%	11.9x	0.7x
NBFI	127.7	113.2	+12.78%	+167%	NM	4.4x
Mutual Fund	31.7	20.3	+56.32%	+0.42%	NM	0.7x
General Insurance	273.8	189.8	+44.21%	+3.58%	17.3x	15x
Life Insurance	824.0	754.0	+9.29%	+10.78%	NM	NM
Telecommunication	14	10	+48.19%	+0.02%	16.9x	4.3x
Pharmaceutical	697.8	495.7	+40.76%	+9.13%	19.4x	2.3x
Fuel & Power	821.2	311.9	+163.24%	+10.74%	23.6x	1.1x
Cement	175.6	82.4	+113.09%	+2.30%	31.6x	2.7x
Services & Real Estate	380.7	372.1	+2.32%	+4.98%	27.2x	10x
Engineering	747.8	599.4	+24.77%	+9.79%	72.5x	18x
Food & Allied	1,267.9	972.7	+30.34%	+16.59%	20.2x	8.2x
IT	386.5	288.4	+34.04%	+5.06%	29.6x	3.1x
Textile	913.1	1,326.3	-31.16%	+11.95%	85.1x	1.1x
Paper & Printing	196.3	185.9	+5.58%	+2.57%	40.1x	2.1x
Tannery	92.2	95.0	-2.89%	+1.21%	49.4x	3.4x
Jute	29.3	22.1	+32.55%	+0.38%	NM	-1323.5x
Ceramics	187.7	155.3	+20.84%	+2.46%	48.8x	19x
Miscellaneous	359.9	341.0	+5.55%	+4.71%	16.0x	18x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
EGEN	45.2	-13.2%	3,390	31.0x	2.0x
ISLAMIBANK	32.6	-1.2%	52,486	8.9x	0.8x
TRUSTBANK	31.7	-0.1%	27,142	12.0x	1.3x
BRACBANK	35.8	-0.0%	57,596	9.0x	0.9x
IDLC	46.5	-	19,330	10.7x	1.0x
IPDC	57.6	-	21,375	30.8x	3.1x
LANKABAFIN	26.0	-	14,010	28.0x	1.3x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	29.4x	3.5x
UPGDCL	233.7	-	135,475	16.7x	4.4x

## Important News: Business & Economy

### Danish firms propose USD 1.3 Bn investment in wind energy

- Two Danish companies -- Copenhagen Infrastructure Partners (CIP) and Copenhagen Offshore Partners (COP) -- have submitted a USD 1.3 Bn investment proposal to the government of Bangladesh to produce 500 megawatts of offshore wind energy. As Denmark is the pioneer and global leader in wind energy, this initial investment proposal and continued collaboration could be a key driver of Bangladesh's progression into a green nation, it said.
- The proposal has been placed in accordance with the Mujib Climate Prosperity Plan. CIP and COP have also proposed Summit Group, an infrastructure operator and developer in South Asia and an independent power producer in Bangladesh, to join its consortium. The proposal comes at a time when Bangladesh remains heavily reliant on fossil fuel imports to meet its growing energy demand.

<https://www.thedailystar.net/business/economy/news/danish-firms-propose-13b-investment-wind-energy-3367656>

### USD 190 Mn ADB loan for upgrading rural roads

- Asian Development Bank (ADB) has approved a USD 190 Mn funding for upgrading rural roads, making agricultural areas more productive, and improving socioeconomic centres in rural areas of Bangladesh. This loan is for its ongoing "Rural Connectivity Improvement Project" in the country, the ADB said in a statement yesterday.
- The ongoing project, originally approved in November 2018, aimed to upgrade about 1,700 kilometres (km) of rural roads, strengthen the capacity of rural infrastructure agencies and road users, and improve rural road master planning, said the ADB. This latest loan will further extend improvement of another 1,350 km of rural roads with all-weather standards, climate resilience and safety features.

<https://www.thedailystar.net/business/economy/news/190m-adb-loan-upgrading-rural-roads-3366816>

### MFS transactions exceed BDT 1 Tn for 3rd consecutive month

- For the first time since mobile financial services (MFS) were launched in the country in 2011, monthly transactions through these services have crossed BDT 1 Tn for three consecutive months – from March to May this year. Currently, there are 13 banks offering mobile financial services in the country such as bKash, Rocket, UKash, MyCash and SureCash.

- According to the central bank data, transactions involving BDT 1.08 Tn were made using mobile financial services in May this year. Around BDT 760 Bn were traded through these service providers in May last year, around 42% lower compared to the same month of this year. The total number of mobile financial service subscribers stood at 204 Mn at the end of May 2023. The number of subscribers has grown by 25 Mn in the last year. These customers made over 500 Mn transactions in May.

<https://www.tbsnews.net/economy/mfs-transactions-exceed-tk1-lakh-crore-3rd-consecutive-month-664414>

### Bangladesh sets USD 72 Bn export target for FY24

- The government has set a new export target of USD 72 Bn for the current financial year, 11.52% growth over the achieved income in the just-past fiscal. Of the total turnover, merchandise export has been set at USD 62 Bn, 11.59% higher than that of the last FY's achieved export earnings. Some USD 10 Bn is targeted from services export in the current FY2023-24 on the back of 11.11% growth over the achieved earnings billion in the last fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-sets-72-billion-export-target-for-fy24>

### Forex transactions with cards reach an all-time high in May

- Foreign currency transactions with cards reached an all-time high in May at BDT 6.6 Bn, which is more than double compared to the same month last year. This increase is attributed to heightened expenditures on health and foreign travel amid soaring inflation. According to data from the Bangladesh Bank, the transactions stood at BDT 3.58 Bn in May 2022.
- The use of cards for foreign currency transactions has steadily increased as travellers find it more convenient abroad, particularly due to a shortage of dollars in the country. The country's foreign exchange reserves came down to USD 30 Bn on July 9 from a record USD 48.6 Bn in August 2021.

<https://www.tbsnews.net/economy/forex-transactions-cards-reach-all-time-high-may-664410>

### Import LC opening in June lowest in FY23

- The opening of import letters of credit (LCs) saw a decrease in the last month of the just-ended fiscal year, which bankers said occurred due to various restrictions imposed by the central bank and the dollar crisis. According to the central bank data, import LCs worth USD 4.75 Bn were opened in June, which was the lowest in June, and a 44% decrease in LC opening compared to the same month of FY22.

- Import LCs worth about USD 5.84 Bn were opened in May and LCs worth USD 4.85 Bn were opened last April, data shows. Bankers said it has become difficult for traders to open LCs to import goods due to various restrictions of the central bank. Traders are discouraged from opening LCs as there is a 100% margin on imports of certain products.

<https://www.tbsnews.net/economy/import-lc-opening-june-lowest-fy23-664382>

### **CPD for reforming climate budgeting**

- There is a need for reforming the country's climate budgeting in a way that it is considered an all-inclusive strategy compatible with national priorities, Centre for Policy Dialogue (CPD) suggested on Tuesday. The CPD also said the Ministry of Finance should be in charge to drive climate budgeting reforms, while other ministries should be part of the reform process to establish their ownership in the process.
- There exists a large gap in climate-related expenditure despite national and global commitments on climate finance. The need for finance in tackling the climate-related challenges is huge. Tackling climate change is actually the struggle for Bangladesh's existence, which is also reflected in every policy of the country.

<https://thefinancialexpress.com.bd/economy/bangladesh/cpd-for-reforming-climate-budgeting>

### **PHP begins new era of decorative glass production in Bangladesh**

- PHP Float Glass Industries Limited has initiated the production of multicoloured decorative glass for the first time in the country by using state-of-the-art Italian technology. With a monthly production capacity of 1,000 tonnes, the company hopes to meet the growing demand for decorative glass in the country. Mohammed Amir Hossain, managing director of PHP Float Glass Industries, said that the daily glass consumption in Bangladesh is currently 800-1,000 tonnes, which is expected to increase to 2,000-2,500 tonnes in four to five years.

<https://www.tbsnews.net/bangladesh/php-begins-new-era-decorative-glass-production-bangladesh-664134>

### **Financial irregularities cost Sadharan Bima BDT 2.1 Bn**

- A manager of Sadharan Bima Corporation (SBC) embezzled BDT 261.5 Mn over a decade by keeping premiums in a bank account set up using fake documents of a board meeting of the state-run insurer. The audit of the Comptroller and Auditor General of Bangladesh (CAG) found that Abul Kashem opened the account with the Chawk Bazar branch of Exim Bank Ltd in the capital's Imamganj when he was the manager of the New Market branch of SBC in 2009-10.

- Kashem was temporarily suspended following a decision of the 620th board meeting of the corporation as the allegation regarding the irregularities was found to be true in the preliminary investigation. The Anti-Corruption Commission (ACC) has filed a case against him. At one point, he was sent to jail. Later, Kashem came out of the jail on bail, said an official of SBC.

<https://www.thedailystar.net/business/economy/news/financial-irregularities-cost-sadharan-bima-tk-210cr-3367681>

### **CMSME loan disbursement drops 19% in Q1 amid liquidity crunch**

- Loan disbursements to the cottage, micro, small, and medium enterprises (CMSMEs) have declined by BDT 115.43 Bn or 19.04% in the January-March quarter owing to the ongoing economic slowdown and liquidity crisis in the banking sector. Banks and financial institutions disbursed loans amounting to BDT 490.68 Bn in the first quarter of this year, which was BDT 606.11 Bn in the previous October-December quarter, according to Bangladesh Bank data.
- Bankers said the country's overall imports have been consistently declining which has forced banks to focus more on sectors that are under pressure. Hence, loan disbursement to CMSMEs has dropped. The central bank had announced the formation of a three-year refinance scheme of BDT 250 Bn for the CMSME sector in July last year in a bid to curb inflation and provide liquidity to banks.

<https://www.tbsnews.net/economy/cmsme-loan-disbursement-drops-19-q1-amid-liquidity-crunch-664406>

### **Faulty policies, not war, to blame for pinching inflation**

- The Consumers Association of Bangladesh (CAB) said on Tuesday that faulty bank interest policy is the key factor behind the skyrocketing inflation in the country, which is weighing heavily on ordinary people. The association also said that inflation rates have declined to record lows in many countries in April and May this year, but they remain high in Bangladesh. Central banks in other countries use raising interest rates as an effective tool to control inflation.
- However, the Bangladesh Bank remained stuck to its previous policy of 6.0% for savings and 9.0% for loans. The consumer rights body also questioned the authenticity of the inflation data provided by the state-run Bangladesh Bureau of Statistics (BBS). The CAB demanded the formation of a separate ministry to protect the interests of consumers.

<https://thefinancialexpress.com.bd/economy/bangladesh/faulty-policies-not-war-to-blame-for-pinching-inflation>



### **Pragati's car sales plunge 75% for govt austerity measures**

- The sale of vehicles of state-run automobile assembler Pragati Industries Limited has declined 75% year-on-year in fiscal year 2022-23 owing to a halt in such purchases by the government. Pragati sold only 177 vehicles in the year whereas 711 were sold in the preceding year. Pragati assembles Pajero sport and double cabin pickup of Japanese Mitsubishi brand and buses of Indian Tata.
- According to a finance ministry circular of July 3, 2022, the government has ordered all government, semi-government and autonomous institutions to stop purchasing vehicles. It is a part of austerity measures undertaken in the wake of global economic downturns following the pandemic and Russia-Ukraine war.

<https://www.thedailystar.net/business/economy/news/pragatis-car-sales-plunge-75-govt-austerity-measures-3367636>

### **Bangladesh, India to launch trade in rupee today**

- Bangladesh and India are set to launch settlement of bilateral trade in Indian rupee (INR) today in an effort to cut over-dependence on the US dollar for transaction. The move is likely give some respite to the importers since they will be able to open letters of credit in rupee to source a portion of the products from the neighbouring country, thus cutting the use of the US dollar to some extent.
- The government has toughened import rules due to the shortage of the American greenback, driven by higher import bills, with a view to stopping further depletion of Bangladesh's foreign currency reserve, which has fallen by nearly 30% from a year ago. The BB has already given permission to three banks – Sonali Bank, Eastern Bank and State Bank of India (SBI) in Bangladesh – to open nostro accounts with their counterparts in the neighbouring country.

<https://www.thedailystar.net/business/news/bangladesh-india-launch-trade-rupee-today-3366211>

### **Taka-rupee debit card from September: BB**

The central bank is going to introduce a taka-rupee debit card in September to allow travellers to make payments at home and in India, Bangladesh Bank Governor Abdur Rouf Talukder said yesterday. Under the current practices, travellers buy US dollars before travelling to India and convert them into the rupee when they are in the neighbouring country. The use of the card will allow travellers to reduce exchange rate losses twice. The card may allow Bangladesh to save a significant amount of US dollars since a lot of people travel to India for health, tourism and religious purposes.

<https://www.thedailystar.net/business/economy/news/taka-rupee-debit-card-september-bb-3366801>

### **Bangladesh receives 2nd highest FDI in its history in 2022: Unctad**

- Foreign direct investment (FDI) in Bangladesh rose by 20.2% to USD 3.48 Bn in 2022, the second highest in the country's history, according to Unctad's World Investment Report 2023. Unctad mentioned that a recent law "Bangladesh Patents Bill 2022" extended the duration of patent protection from 16 to 20 years, to promote FDI in 2022. This law could have had an influence on the increase in FDI inflows.
- After a strong rebound in 2021, global FDI fell by 12% in 2022 to USD 1.3 Tn, due mainly to overlapping global crises – the war in Ukraine, high food and energy prices, and soaring public debt, shows the report. Meanwhile, outward FDI from Bangladesh declined by about 43% to USD 52.6 Mn in 2022.

<https://www.tbsnews.net/economy/348b-2022s-foreign-direct-investments-quadruple-next-year-bida-executive-chairman-663810>

### **Edible oil prices fall for lower import cost**

- Refiners in Bangladesh have reduced the prices of soybean oil and palm oil as import costs decreased in line with the global market situation. The Bangladesh Vegetable Oil Refiners' and Vanaspati Manufacturers' Association, an association of mill owners, said the new prices will come into effect from today. As per a press release from the association, the price of one-litre bottles of soybean oil has been reduced by BDT 10 to BDT 179, down by some 5%. Bangladesh requires about 2 Mn tonnes of edible oil each year, shows data from the commerce ministry. Only 0.2 Mn tonnes of this requirement can be sourced from local producers while the rest is met through imports.

<https://www.thedailystar.net/business/economy/news/edible-oil-prices-fall-lower-import-cost-3366806>

### **IT exports rising though growth decelerates**

- Information technology exports from Bangladesh grew in the July-April period of the just-concluded fiscal year on the bank of higher demand for IT-enabled services from global clients, official figures showed. Local IT companies saw their earnings jump by 24.60% year-on-year to USD 460 Mn in the first 10 months of 2022-23, according to the Export Promotion Bureau (EPB).
- The higher earnings were driven by ITESs, which include graphic design, image editing and business process outsourcing. Receipts from ITES shipments surged 37.57% to USD 382.31 Mn. Although the overall IT exports climbed 24.60% in July-April of FY23, the pace of growth decelerated compared to a year ago.

<https://www.thedailystar.net/business/economy/news/it-exports-rising-though-growth-decelerates-3366826>

### **Channel more financing to SMEs**

- At least half of all credits disbursed by banks and other financial institutions in Bangladesh should go to small and medium enterprises (SMEs) since a significant of them still don't have access to the formal credit system despite recent improvements, said Momtaz Uddin Ahmed, a former professor of the economics department at the University of Dhaka. There are nearly 7.8 Mn SME units in Bangladesh, contributing about 25% to the country's GDP and employing around 30% of the workforce.
- Access to financing for them has increased in the past one decade, thanks to initiatives from the government and the Bangladesh Bank. The central bank has set up a separate SME department while banks have opened dedicated SME desks and branches.

<https://www.thedailystar.net/business/economy/news/channel-more-financing-smes-3366796>

### **Chambers urge govt to seek extension of Black Sea grain deal**

- Six major business chambers in Bangladesh yesterday urged the government to pursue a further extension of an international deal to help keep the grain supply smooth at home and abroad. The Black Sea Grain Initiative, negotiated by the United Nations and Turkey, is an agreement that allows Ukraine to export millions of tonnes of grain through the Black Sea despite the ongoing war with Russia. In a joint statement, the six major business chambers said Bangladesh and other countries would face risks if the initiative is not renewed.

<https://www.thedailystar.net/business/economy/news/chambers-urge-govt-seek-extension-black-sea-grain-deal-3366781>

### **Banks want penalty interest against default loans back**

- Banks have requested the central bank to reinstate the penalty interest against defaulted loans to encourage good borrowers and discourage bad ones or willful defaulters. They made the call after the central bank's latest circular lifting the lending rate cap gave no instruction on penalty interest, which the banks have been charging against classified loans as per the central bank's previous circular issued in 2020.
- The Association of Bankers, Bangladesh (ABB) has recently sent a letter to the Bangladesh Bank, highlighting the confusion and expressing their desire. According to central bank data, the total default loan in the banking sector stood at BDT 1.32 Tn in March, which was 8.80% of the total outstanding loans. It was lower in December last year at BDT 1.21 Tn, which is 8.16% of the total outstanding.

<https://www.tbsnews.net/economy/banking/banks-want-penalty-interest-against-default-loans-back-663870>

### **Apparel exports to EU, UK jump big in FY23**

- Bangladesh apparel exports saw a big jump in European markets in the fiscal 2022-23 despite the economic slowdown driven by the Russia-Ukraine war. Apparel exports grew by 9.93% year-on-year in the European Union countries to about USD 23.52 Bn, while the earning was USD 21.40 Bn in FY22, according to the Export Promotion Bureau (EPB). Besides, the UK market also saw 11.78% year-on-year growth to over USD 5 Bn in FY23, while the earning was USD 4.50 Bn in the previous fiscal.
- Bangladesh's overall apparel export grew by 10.27% year-on-year to USD 46.99 Bn in FY23, while the earning was USD 42.61 Bn in FY22. The apparel sector's export income contributed 84.59% to the country's total export earnings worth USD 55.55 Bn in the just-concluded fiscal year of FY23, according to EPB data.

<https://www.tbsnews.net/economy/rmg/apparel-exports-eu-uk-jump-big-fy23-663294>

### **BD posts USD 3.48 Bn FDI inflow in 2022, up by 20.16%**

- Foreign direct investment (FDI) in Bangladesh rose by 20.16% to USD 3.48 Bn in 2022, according to a report of a UN agency. Outward FDI from Bangladesh, however, declined by 42.7% to US USD 53 Mn in 2022 against USD 92 Mn in 2021, according to the 'World Investment Report 2023' of the United Nations Conference on Trade and Development (UNCTAD) published on July 5.
- The top five FDI recipient countries are Ethiopia, Cambodia, Bangladesh, Senegal and Mozambique, accounting for about 70% of the total. The fall in FDI flows was mostly caused by financial transactions of multinational enterprises in developed economies. The UNCTAD expects the downward pressure on global FDI to continue in 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-posts-348b-fdi-inflow-in-2022-up-by-2016pc>

### **Which banks have lowest non-performing loans in Bangladesh?**

- Thirteen banks--seven foreign and six local--are performing outstandingly at present with a non-performing loan (NPL) ratio of less than 3% when the sectoral ratio goes past 8%. These 13 with their good corporate governance and due diligence in banking activities have played a vital role in keeping the sectoral ratio to below the level of 10%. EBL's NPL ratio is 2.78% of its loans, which is one of the lowest in private commercial banks in Bangladesh.

<https://www.thedailystar.net/business/economy/banks/news/which-banks-have-lowest-non-performing-loans-bangladesh-3365786>

### Commerce secretaries to meet next month

- A meeting between the commerce secretaries of Bangladesh and India is likely to be held in Dhaka next month to review the progress towards signing a comprehensive economic partnership agreement (Cepa). The last commerce secretary-level meeting on the Cepa issue was held in New Delhi last year.
- However, the formal or final negotiation for signing the agreement will begin after the completion of negotiations at other levels, Senior Commerce Secretary Tapan Kanti Ghosh over the phone yesterday. If signed, the Cepa will be the first free trade agreement of its kind as Bangladesh has till date signed only a preferential trade agreement with Bhutan in December 2020.

<https://www.thedailystar.net/business/economy/news/commerce-secretaries-meet-next-month-3366016>

### BSCIC suffers BDT 250 Mn losses for dues

- The BSCIC suffered a loss of BDT 253.2 Mn in 2018-2019 and 2019-2020 as it did not realise dues related to service charges and lease money from a number of plot owners in several industrial estates, according to an audit report. The Office of the Comptroller and Auditor General of Bangladesh (CAG) found 12 counts of financial irregularities and violations of rules during the audit at various industrial estates owned by the Bangladesh Small and Cottage Industries Corporation (BSCIC) during the two years.
- The report showed the agency incurred a loss of BDT 95 Mn as it did not collect service charges from several plot owners in the API Industrial Park in Munshiganj and the Savar Tannery Industrial Estate. In its response, the BSCIC said that the owners of the industrial units applied to the industries minister, seeking a waiver of service charge amounting to BDT 70.8 Mn.

<https://www.thedailystar.net/business/economy/news/bscic-suffers-tk-25cr-losses-dues-3365996>

### ICT trade bodies demand amendment to A2i bill

- ICT trade bodies in Bangladesh yesterday urged the government to amend the recently approved Agency to Innovate (A2i) Bill 2023, scrapping the clause that empowers A2i to form companies. The bill was passed in parliament on July 5. "The current clause within the A2i bill grants the agency authority to establish any type of company and provide any service, which directly contradicts the interests of the industry," said Russell T Ahmed, president of BASIS at a press conference on the bill jointly organised by five leading ICT trade associations at the BASIS auditorium in Kawran Bazar, Dhaka.

- Along with some of the trade bodies' demands, it was unanimously agreed that A2i shall not be authorised to form any company. However, A2i was empowered to form companies in the bill that was later passed in parliament.

<https://www.thedailystar.net/business/economy/industries/ict/news/ict-trade-bodies-demand-amendment-a2i-bill-3365826>

### Coordinated fiscal, monetary policy vital in curbing inflation

- Economists and business leaders have called for a synchronised approach by fiscal and monetary authorities to combat rising inflation and alleviate its impact on consumers. In Bangladesh, average inflation for the recently concluded fiscal year 2022-23 far exceeded the government's revised target of 7.5%. The Consumer Price Index (CPI) rose by 9.02%, marking the highest average inflation rate in 12 years.

- Pointing at to the surging commodity prices, former central bank governor Dr Atiur Rahman said the common practice among central banks worldwide to implement regulatory measures, such as interest rate hikes, to effectively combat high inflation.

<https://thefinancialexpress.com.bd/economy/bangladesh/coordinated-fiscal-monetary-policy-vital-in-curbing-inflation>

### NBR falls short of revenue collection target by BDT 440 Bn in FY23

- The National Board of Revenue (NBR) ended the fiscal year 2022-23 with a revenue shortfall of BDT 440 Bn, despite revenue generation growth by 8.12% compared to the previous financial year. In FY 2022-23, the revenue collection target was BDT 3.70 Tn. According to NBR's provisional account, BDT 3.25 Tn revenue has been collected. There is a shortfall in the revenue collection target of around BDT 440.0 Bn, reports UNB.

- In the last financial year FY22, the revenue deficit was BDT 280 Bn. A revenue of BDT 3.85 Tn was collected that year. A senior NBR official said that 87.91% of the revenue collection target has been achieved against the targets in three categories of NBR in FY23.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-falls-short-of-revenue-collection-target-by-tk-440b-in-fy23>

### Ceramics export rises to four-year high in FY23

- Bangladesh's exports of ceramic products rose to a four-year high in the just-concluded fiscal year although the growth slowed as manufacturers failed to deliver products on time owing to the shortage of gas, official figures showed. The industry fetched USD 43.39 Mn from the shipment of ceramic products in 2022-23, up 4.91% year-on-year, according to the Export Promotion Bureau. The export grew 32.95% in 2021-22 and 11.23% in 2020-21.

- The gas crisis hit industries last year after the government paused purchasing liquefied natural gas directly from the international spot market to stop the depletion of foreign currency reserves, leading to a drastic fall in energy supply as domestic production has been inadequate for a long time. Bangladesh mainly ships tableware and has added tiles to the export basket in recent years.

<https://www.thedailystar.net/business/economy/news/ceramics-export-rises-four-year-high-fy23-3365206>

### **Monthly mobile top-up thru MFS tops BDT 10 Bn for first time**

- Customers are increasingly opting for mobile financial services to top up balances, helping mobile carriers earn more than BDT 10 Bn a month for the first time from the sales processed through MFS providers. Mobile phone recharging through MFS providers rose 7.69% to BDT 10.17 Bn in April from a month ago, data from the Bangladesh Bank showed. The growth was about 30% year-on-year. The amount stood at around BDT 3.75 Bn five years back.
- Digital recharge has experienced widespread popularity across the globe in recent years, particularly in the wake of the Covid-19 pandemic, which forced customers to accelerate the use of digital technologies to stay connected. BKash is the most-preferred platform for customers when it comes to topping up balances.

<https://www.thedailystar.net/business/economy/news/monthly-mobile-top-thru-mfs-tops-tk-1000cr-first-time-3365196>

### **Ctg port's LCL cargo handling moves off-dock in August, to save delivery time**

- Chattogram Port's less-than-container load (LCL) cargo handling process will take place outside the port area from August this year, providing much-needed breathing space to the overworked seaport. Two container sheds, located 2.2km or six minutes away from the port's gate-4, are now undergoing renovation for unstuffing and discharging of LCLs. The move will enable importers to release goods within 24 hours of arrival at the port, reducing chances of theft and spoilage of goods.
- Chattogram Port for long has been suffering from a lack of storage space. The port authority has often written to various businesses urging them to release their imported goods quickly. The port authority also plans to demolish the old sheds inside the port in phases.

<https://www.tbsnews.net/economy/ctg-ports-lcl-cargo-handling-moves-dock-august-save-delivery-time-662326>

### **Apparel export to US ebbs**

- Apparel exports of Bangladesh to America recorded a notable fall during the first five months of 2023, as global economic slowdown, inflation and US rate rises continued to dampen demand, latest statistics show. Under the circumstances, induced by twin crises of pandemic and war, buyers' stores in the United States and Europe bloated, leading to fall in the exports, both in value and volume.
- Bangladesh's readymade garment exports fetched USD 3.30 Bn during the past January-May from the single-largest export destination, marking a 19.16% fall, according to the data released on July 06 by OTEXA, an affiliate of the US Department of Commerce. The earnings were USD 4.09 Bn during the corresponding period of last year.

<https://thefinancialexpress.com.bd/economy/bangladesh/apparel-export-to-us-ebbs>

### **Scrap import duty hike on lifts, escalators**

- Businesses in Chattogram yesterday demanded the withdrawal of a 10% hike in the import duty on lifts and escalators in order to keep their prices stable and thereby prevent local suppliers from incurring loss. They also urged for lifts and escalators to be kept in the category of "essential capital machinery" alongside lowering the import duty to its previous level of 15.75%. The government is raising the import duty in a bid to protect the domestic lift manufacturing industry. As such, leaders of the industry urged the government to lower the duty to the previous level, he added.

<https://www.thedailystar.net/business/economy/news/scrap-import-duty-hike-lifts-escalators-3365186>

### **Will take long to recover losses from wide gap in USD buying-selling rate**

- Exporters will struggle many months before they overcome from the losses they had suffered for buying the US dollar at a much higher rate to clear import bills for the raw materials to make goods for western markets, said manufacturers yesterday. The apparel sector alone incurred losses of nearly BDT 40 Bn in the past four months because of a nearly BDT 10 gap in buying and selling the US dollar.
- At a roundtable on monetary policy, jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Economic Reporters' Forum (ERF), manufacturers expressed concerns about the availability of energy as they are not getting gas with adequate pressure even though the price was doubled last year.

<https://www.thedailystar.net/business/economy/news/will-take-long-recover-losses-wide-gap-usd-buying-selling-rate-3365201>



### **Revenue collection slides, bank borrowing skyrockets**

- Revenue incomes are set to fall nearly BDT 450 Bn below the target of the just-ended fiscal year, preliminary data shows, forcing the government to almost double its borrowing from the banking system to finance the deficit. Bangladesh Bank data revealed a significant surge in bank borrowing, reaching a record high of BDT 1.24 Tn during the fiscal year 2022-23. This amount surpassed the revised target of BDT 1.15 Tn and nearly doubled the borrowing of the previous year.
- NBR officials said the decline in revenue collections can be attributed to the tightening of imports caused by the dollar crisis, as well as a decrease in demand. These factors have adversely impacted the government's ability to generate sufficient revenue.

<https://www.tbsnews.net/economy/banking/revenue-collection-slides-bank-borrowing-skyrockets-662730>

### **Universal Pension: 4 schemes to be on offer**

- The finance ministry has prepared a draft rule for the Universal Pension Scheme (UPS) delineating four separate schemes for both local and non-resident Bangladeshis. The schemes -- Probas, Progati, Surokkha and Samata -- can be availed by everyone except government employees. The detailed mechanisms of the schemes will be defined elaborately by separate rules later, said finance ministry officials.
- In January, the government enacted the Universal Pension Management Act, of 2023. There will be a 16-member governing body headed by the finance minister. Under the proposed scheme, a beneficiary can enjoy pension benefits subject to the payment of a subscription fee up to the age of 60 if the person enrolls between 18 and 50 years of age.

<https://www.thedailystar.net/news/bangladesh/news/universal-pension-4-schemes-be-offer-3365111>

### **Burden of anonymous loans being forced on businessmen: Businesses**

- Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon has alleged that the burden of anonymous loans, which were taken under fictitious names or businesses, is being imposed on businessmen. "There is a lot of discussion about default loans in the country. But no one talks about anonymous loans. The amount of such loans is much larger than default loans. These loans have been taken in the name of drivers and employees. Now the borrowers cannot be found," he said while addressing a "Monetary policy and its implication" roundtable at CA Bhaban in the capital's Karwan Bazar on Sunday.

<https://www.tbsnews.net/economy/burden-anonymous-loans-being-forced-businessmen-businesses-662702>

### **How Pacific Jeans rides out scary time**

- Dozens of garment manufacturers and exporters are going through a dull spell as work orders from North America and Europe have dwindled due to surging inflation and declining purchasing power. However, amidst this crisis, some entrepreneurs refuse to be deterred. Pacific Jeans, one of the country's prominent denim producers and exporters, distinguishes itself by not solely focusing on a single type of buyer.
- The company is headquartered in Chattogram and operates 12 manufacturing units equipped with modern machinery and technology. Pacific Jeans has so far created employment for around 35,000 people. According to data from the Export Processing Bureau, Bangladesh exported merchandise worth USD 55.55 Bn in FY23, reflecting a modest growth of 6.67% compared to that of a year ago.

<https://www.tbsnews.net/economy/industry/how-pacific-jeans-rides-out-scary-time-662382>

### **Indo-Bangla trade in rupee to benefit Bangladesh: MCCI**

- The introduction of the Indian currency in settling transactions of bilateral commerce will cut Bangladesh's reliance on the US dollar and deepen two-way trade, said a top chamber yesterday. Currently, both payments and receipts for international trade are carried out in the US dollar, the leading reserve currency of the Bangladesh Bank.
- Bangladesh's imports from India far outweigh exports to the country. Its exports stand at USD 2 Bn against imports of USD18 Bn through official channels. If the trades through the unofficial channel are added, imports would go up to USD 27 Bn, Talukder had said. "We are trying to execute trades in the Indian currency. This will allow us to minimise exchange rate losses."

<https://www.thedailystar.net/business/economy/news/indo-bangla-trade-rupee-benefit-bangladesh-mcci-3364326>

### **Bicycle exports backpedal by 15.31%**

- Bicycle exports from Bangladesh declined 15.31% in the preceding fiscal year (FY) as demand fell amid the global cost-of-living crisis resulting from the ongoing Russia-Ukraine war. The country earned only USD 142.24 Mn by exporting two-wheelers in the last fiscal, down from USD 167.95 in FY 2021-22, according to the Export Promotion Bureau (EPB).

<https://www.thedailystar.net/business/economy/news/bicycle-exports-backpedal-1531pc-3362956>

### **BB dollar sale to banks hits historic high**

- Bangladesh Bank sold a record amount of dollars to banks in the past fiscal year trying to stabilise the forex market as bankers struggled to settle their foreign-payments obligations. Sources said in the just-concluded fiscal year (FY 2022-23), the central bank fed a total of USD 13.58 Bn to the dollar-starved banks needing the greenback to meet their demands for settling international payments.
- The country's foreign-exchange market became unstable-pace with the global financial volatility-- after beginning the war in Ukraine sometime in February 2022. This (dollar sale) is more than 78% higher than that of the previous FY 2022 when the BB handed out only USD 7.62 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-dollar-sale-to-banks-hits-historic-high>

### **Higher NPL burden for banking sector**

- The banking sector is burdened by a high non-performing loan (NPL) and will need to continue measures to beef up supervision and accelerate loan recovery, according to the Bangladesh Bank. The BB has taken an active role in amending the existing Bank Company Act, 1991 to tackle the challenges associated with the high NPL, the central bank said in its "Bangladesh Bank Quarterly" for the January-March period.
- NPLs stood at BDT 1.32 Tn as of March 31, up 9% from three months ago and 16% from a year earlier, data from the BB showed. The NPL figure is the second-highest in the banking sector's history and comes within a whisker of touching the all-time high of BDT 1.34 Tn reported in the July-September quarter of 2022.

<https://www.thedailystar.net/business/economy/banks/news/higher-npl-burden-banking-sector-3363006>

### **BSCIC plans BDT 8 Bn project to make tannery CETP fully functional**

- The Bangladesh Small and Cottage Industries Corporation (BSCIC) has sent a proposal to the industries ministry for taking a project that will make the Central Effluent Treatment Plant (CETP) at the Savar Tannery Industrial Estate (STIE) fully functional.
- It will take between BDT 5 Bn and BDT 8 Bn for the proposed project, which includes setting up a shed for solid waste management on 200 acres of land on the southside of the CETP, BSCIC Chairman Md Mahbubor Rahman said yesterday. The BSCIC decided to take up the project as Bangladesh is yet to reap the full benefit from the much talked about CETP despite spending BDT 5.65 Bn and waiting nearly a decade.

<https://www.thedailystar.net/business/economy/news/bscic-plans-tk-800cr-project-make-tannery-cetp-fully-functional-3362991>

### **IMF loan equals BD's two months of remittance: FM**

- Upbeat about the last three years' macro-economic indicators, Finance Minister (FM) A H M Mustafa Kamal on Thursday said Bangladesh took loan from the International Monetary Fund (IMF) fearing possibility of the worst situation due to impact of the Ukraine-Russia war.
- "We could not understand how long the war will continue. The way the prices of essentials were rising... we got frightened. Now the panic is over," he said while replying to a query whether taking a small amount of loan from the IMF was necessary or not. The minister was talking to a group of reporters after a meeting with a delegation of the Japan International Cooperation Agency (JICA), led by its Executive Senior Vice President Dr. Yamada Junichi, at his office in the Ministry of Finance.

<https://thefinancialexpress.com.bd/economy/bangladesh/imf-loan-equals-bds-two-months-of-remittance-fm>

### **RMG exporters bracing for difficult times as orders slow**

- Apparel exporters are anticipating that the next six months will be challenging for the garment industry in Bangladesh as they receive fewer work orders from international buyers amid inflationary pains and depressed customer sentiments.
- They are, however, hopeful about a rebound from December as the impact of a hike in bank interest rate in Bangladesh would ease and consumer prices would maintain their downward trend in the western countries. The EU and the US, the main export destinations for Bangladesh, account for about 85% of the country's apparel shipment. One encouraging sign is consumer prices, which surged to a multi-decade high last year owing to the escalation of energy prices fuelled by the Russia-Ukraine war, are on the decline in the key markets.

<https://www.thedailystar.net/business/economy/news/rmg-exporters-bracing-difficult-times-orders-slow-3362996>

### **Financial Intelligence warns 7 banks not to pay higher rate for remittances**

- The Bangladesh Financial Intelligence Unit has warned seven banks against paying higher rates for remittances than the rate fixed by the authority, saying they would face punishment if they continue doing so. The Financial Intelligence Unit gave the warning in a meeting with the commercial bank officials held at the Bangladesh Bank yesterday, said sources. Of the banks that were warned, one was state-owned while six were private.

<https://www.tbsnews.net/economy/financial-intelligence-warns-7-banks-not-pay-higher-rate-remittances-661266>

### **Income tax collection falls BDT 91.8 Bn short of target in FY23**

- In spite of taking multiple initiatives to boost income tax in FY23, the collection was BDT 91.8 Bn less than the target due to economic slowdown, according to sources at the National Board of Revenue. The revenue board set a target of collecting BDT 3.7 Tn in revenue in FY23, of which income tax and travel tax accounted for about BDT 1.22 Tn. But, BDT 1.12 Tn could be collected in income tax by the end of FY23. The growth in this regard was around 11% compared to FY22.
- Even though the target remained unmet, experts consider the growth in income tax collection a positive achievement in the current economic situation. A review of the NBR's income tax collection statistics showed that in the first 10 months (July 2022 to April 2023) of FY23, the average monthly tax collection was BDT 78 Bn. For the last two months, however, it was close to BDT 175 Bn.

<https://www.tbsnews.net/economy/income-tax-collection-falls-tk9180cr-short-target-fy23-661578>

### **Export revenue drops by BDT 3.04 Bn at Akhaura land port**

- Exports of goods through Brahmanbaria's Akhaura land port fell to BDT 3.76 Bn in the fiscal year 2022-23 thanks to a decline in fish exports - which is BDT 3.04 Bn less than from the previous year. The port's export trade now largely depends on frozen fish. Earlier, 50 to 60 tonnes of fish were exported daily, but now it has been reduced to half, resulting in a significant decline in the overall export income.
- However, fish exporters blame the illegal smuggling of fresh fish through the border for the gradual decrease in exports. Moreover, the import trade of the port is at the bottom as businessmen are losing their interest in import trade due to less opportunity to import their preferred products to meet local demand. So, the port and customs are not getting the revenue as expected. They earned only BDT 5.58 Mn in import revenue.

<https://www.tbsnews.net/economy/export-revenue-drops-tk304cr-akhaura-land-port-660826>

### **Investors alerted about disguised MLM frauds**

- Many multi-level marketing (MLM) companies and similar entities are running nationwide in breach of regulations, thus endangering investors and undermining the country's economic management, according to an official finding. Without valid licences, these companies employ false promises of substantial earnings and commissions to deceive individuals, says an intelligence report.

<https://thefinancialexpress.com.bd/economy/bangladesh/investors-alerted-about-disguised-mlm-frauds>

### **Trade through Hili land port suspended due to election on Indian side**

- Export-import activities between Bangladesh and India through Hili land port have been suspended since this morning due to Panchayat election in West Bengal of India. Full-scale trade activities will resume tomorrow, he said. However, the unloading of goods inside the Hili land port is going on in full swing.

<https://www.thedailystar.net/bangladesh/news/trade-through-hili-land-port-suspended-due-election-indian-side-3363851>

### **Two Bangladeshi banks to offer trade transactions in Indian rupees**

- Two Bangladeshi banks plan to introduce trade transactions in Indian rupees, officials said, as part of efforts to increase foreign exchange reserves by reducing dependency on dollars. Until now, Bangladesh has only carried out trade transactions in dollars.
- State-owned Sonali Bank and Eastern Bank have opened 'nostro' accounts in rupees with State Bank of India and ICICI Bank, officials from both banks said. A nostro account refers to an account a bank holds abroad at another bank in the currency of that jurisdiction. Such accounts are used for international trade and to settle other foreign exchange transactions.

<https://thefinancialexpress.com.bd/economy/bangladesh/two-bangladeshi-banks-to-offer-trade-transactions-in-indian-rupees>

### **Foreigners take away USD 10 Bn of industrial sector annually due to lack of skilled workers in country: DCCI**

- The Dhaka Chamber of Commerce and Industry (DCCI) President Sameer Sattar has said foreign workers take home around USD 10 Bn in salary annually as they are working in management of the industrial sector due to lack of skilled labour in the country.
- Speaking at a seminar titled "Industry-Academia Linkage: Employability of Graduates in the Changing Global Context" organised by the DCCI on Saturday, Sameer Sattar said, "Many foreigners work in management of the country's industrial sector. They are taking home USD 8 - USD10 Bn in salary annually. Lack of quality and skilled labour in the country is to be blamed for this."

<https://www.tbsnews.net/economy/foreigners-take-away-10b-industrial-sector-annually-due-lack-skilled-workers-country-dcci>

### **Is aromatic rice ban dragging down agri exports?**

- The export of raw and processed agricultural products including vegetables, fruits, dry foods, rice, and spices saw a steep fall in the last fiscal, which exporters attribute mainly to the ban on aromatic rice export. Local traders said aromatic rice is a major item in the widely diverse export basket of the country's agricultural products as it alone fetched around USD 9 Mn in export earnings in the fiscal year 2021-22.
- Fewer exports of potatoes and cabbages also contributed to the slump in exports. According to Bangladesh Export Promotion Bureau (EPB) data, around USD 843 Mn worth of agri-products were exported in the fiscal year 2022-23 against the target of USD 1394.12 Mn, which was around 39.53% less than the target.

<https://www.tbsnews.net/economy/aromatic-rice-ban-dragging-down-agri-exports-661826>

### **NBFIs lend BDT 22.79 Bn, face BDT 36.22 Bn defaults in a year**

- Non-performing loans (NPLs) have worryingly exceeded disbursements in the 12 months leading up to March this year, as many scam-hit non-bank financial institutions (NBFIs) have been grappling with a severe fund crisis. According to data from the central bank, NBFIs have disbursed BDT 22.79 Bn during the period when defaulted loans increased by Bn 36.22 Bn.
- And the NPLs have increased by BDT 10.33 Bn in the January-March quarter of this year, when the amount of new loans only increased by BDT 8.26 Bn. At the end of March this year, the total loans of financial institutions stood at BDT 712.65 Bn, of which NPLs amounted to BDT 178.54 Bn, which is 25.05% of the total outstanding.

<https://www.tbsnews.net/economy/banking/nbfis-lend-tk2279cr-face-tk3622cr-defaults-year-661738>

### **High-end car sales in slow lane**

- Sales of sport utility vehicles (SUVs) and luxury cars are in the slow lane as the demand for high-end automobiles has fallen significantly amid the ongoing economic crisis, according to market players. The government, businessmen and high officials of the corporate sector are the major clients of this segment of the vehicles but they are also spending less because of the surging prices of the vehicles resulting from a massive depreciation of the taka in the last one and a half years.
- Market players say the demand for high-end automobiles is dominated by the Toyota Land Cruiser, which accounts for about 60% of sales in the premium segment. Meanwhile, the Mitsubishi Pajero is the second most popular model with a 20% share.

<https://www.thedailystar.net/business/economy/news/high-end-car-sales-slow-lane-3364321>

### **Hili land port misses revenue target again**

- The Hili land port has failed to reach its revenue collection target for the second consecutive year by a big margin. In 2022-23 fiscal year, the port in Hakimpur upazila of Dinajpur could collect BDT 4.24 Bn in revenues, which was 30% lower than the BDT 6.06 Bn target set by the National Board of Revenue (NBR).
- The revenue collection target for 2021-22 fiscal year was BDT 3.81 Bn, when the port earned BDT 3.53 Bn, according to the port officials. Out of the 12 months of 2021-22 fiscal year, the port failed to reach collection target in 11 months. It successfully surpassed the target only in FY22's March when the target was BDT 484 Mn and the port collected around BDT 569.7 Mn.

<https://www.thedailystar.net/business/economy/news/hili-land-port-misses-revenue-target-again-3364311>

### **Why garment owners desperate to lease out factories**

- It's now a battle for survival for garment and textile factories as they are finding it hard to stay afloat with the harsh reality of diminishing orders, high energy price and mounting bank liabilities amid a challenging economic climate and ongoing war. In the face of impending losses, owners are now considering an alternative solution: leasing out these factories.
- Insiders have said this strategic move to survive the declining demand in Western markets is turning into frustration as the owners are struggling to find anyone willing to lease or purchase these factories. For instance, Mahfuzur Rahman, owner of Rose Garden, an Accord-approved medium light woven garments factory with six production lines located on Birulia Road in Savar, has been trying to sell the factory for the past eight months. Despite reducing the selling price by 25% to BDT 30 Mn, he is yet to find a buyer.

<https://www.tbsnews.net/economy/rmg/why-garment-owners-desperate-lease-out-factories-662238>



## Important News: Capital Market

### **JANATAINS | Janata Insurance's profit jumps 53% in Apr-Jun**

- Janata Insurance Company has reported a 53% year-on-year increase in net profit for the April-June quarter this year backed by higher premium income. The company's earnings per share stood at BDT 0.75 for April-June this year against BDT 0.49 for the same period a year ago, according to a regulatory filing on Wednesday. The general insurer's net profit also rose 23% year-on-year to BDT 53 Mn in the first half of this year. The net asset value per share was BDT 15.69 as on June 30, 2023, and BDT 14.55 as on December 31, 2022.
- The principal business of the company is in general insurance that includes fire and allied perils insurance, marine cargo and hull insurance, motor insurance, and miscellaneous insurance. The company declared 11% cash dividend for the year ended December 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/janata-insurances-profit-jumps-53pc-in-apr-jun>

### **CNATEX | C&A Textiles calls meeting to reveal financials due for six years**

- Publicly traded C&A Textiles Limited has scheduled a board of directors' meeting on 17 July to disclose the company's financial performance from fiscal 2016-17 through the 2021-22 and the first, second, and third quarters of the 2022-23 fiscal year. The company said, that it secured the high court's approval regarding this last month. Because of a loan scam, the once profitable Chattogram-based textile firm fell into a crisis in 2017, and has been non-operational since then. The firm's shareholders have also remained in the dark about the company's financial performance.

<https://www.tbsnews.net/economy/stocks/ca-textiles-calls-meeting-reveal-financials-due-six-years-664394>

### **PROGRESLIF | Progressive Life downgraded to Z category; 5 independent directors nominated**

- The Bangladesh Securities and Exchange Commission has downgraded Progressive Life Insurance Company to the "Z" category from the "A" category for its failure to hold annual general meetings (AGMs) and declare dividends for two consecutive years. The company's shares will be traded under the "Z" category from Thursday, according to the securities regulator's directive. On Wednesday, the commission also nominated five Independent directors for the company's board.

- In September last year, the stock market regulator formed a three-member inquiry committee which reported that the preparation and disclosures of financial statements of the company did not reflect its actual condition. They also did not comply with the different provisions of accounting standards. Since 2020, the company has not been calling any general meetings of its shareholders, and over time, its financials have been on a declining trend.

<https://www.tbsnews.net/economy/stocks/progressive-life-downgraded-z-category-5-independent-directors-nominated-664378>

### **EBL | Eastern Bank opens India business desk**

- Eastern Bank Limited (EBL) yesterday launched a dedicated "India Business Desk" to facilitate cross-border business transactions between Bangladesh and India. Md Shahriar Alam, state minister for foreign affairs, inaugurated the desk at the bank's head office in Gulshan, Dhaka yesterday, said a press release. The bank also launched a co-brand card with the India-Bangladesh Chamber of Commerce and Industry (IBCCI) at the same event.

<https://www.thedailystar.net/business/economy/news/eastern-bank-opens-india-business-desk-3366631>

### **PUBALIBANK | Pubali Bank signs deal with Rural Electrification Board**

- Pubali Bank Ltd and Bangladesh Rural Electrification Board (BREB) recently signed an agreement on collecting the latter's postpaid electricity bill through Pubali Bank's online/mobile banking app "PI" by using API. Under the agreement, customers of Polli Biddyt Samity will be able to pay their postpaid electricity bill through Pubali Bank's internet banking/PI mobile banking app.

<https://www.thedailystar.net/business/economy/news/pubali-bank-signs-deal-rural-electrification-board-3366696>

### **EXCHANGE | DSE to charge**

- The DSE has decided to impose a yearly service charge of BDT 1,500 for using its mobile application, DSE-Mobile, for trading of shares. To use the app, the brokerage houses have to take connection from the DSE and the clients have to register under the houses. At the end of 2022-23 fiscal year, there were 46,622 registered users of DSE-Mobile, a mobile application that provides real time securities trading opportunities for investors.
- The decision came at a time when most of the stocks are stuck on the floor price, because of which investors are getting fewer capital gains from their investments. The premier bourse yesterday sent letters to share the information about the new service charge with all the holders of trading right entitlement certificate (TREC).

<https://www.thedailystar.net/business/economy/stock/news/dse-charge-3367651>

**EXCHANGE | Floor price will be lifted once economy stabilises: BSEC chief**

- The stock market regulator will withdraw the market's floor price as soon as the economy reaches a stable condition and investments of investors are secured, said a top official of the Bangladesh Securities and Exchange Commission (BSEC) yesterday. The BSEC set the floor price of every stock at the end of July last year to halt the free fall of the market indices amid global economic uncertainties. Currently the BSEC is working with the finance ministry to enable the listing of 22 state-owned companies soon, said BSEC Chairman Shibli Rubayet UI Islam at a seminar in Dhaka.

<https://www.thedailystar.net/business/economy/news/floor-price-will-be-lifted-once-economy-stabilises-bsec-chief-3366811>

**EXCHANGE | Block trades make 99% of SME boars turnover**

- The daily turnover at the small capital platform of the DSE stood at BDT 212.5 Mn on Tuesday, where 99% came from block market transactions. According to market insiders, investors prefer trading shares through the block market rather than trading through the main platform. Initially after its launch in 2021, there was an obligation to invest at least BDT 10 Mn in the shares of listed companies in order to be considered eligible for trading shares in the SME platform. But, the minimum investment was later reduced to BDT 2 Mn for each investor.

<https://www.tbsnews.net/economy/stocks/block-trades-make-99-sme-boars-turnover-663862>

**EXCHANGE | Protection Fund left unused even in the decade after demutualization**

- Victims of embezzlement of stock brokers have not received any benefit from the Investors' Protection Fund of the Dhaka Stock Exchange (DSE) even after it was brought under the demutualisation scheme in 2014. The fund has been left unused and inadequate. Contribution from the exchange, stock brokers and other possible funds has remained insignificant.
- Officials of the securities regulator say the existing balance, BDT 181.20 Mn, does not match with the amount estimated to lessen the sufferings of the affected investors. Under the demutualisation process, the DSE sold 25% of its stakes at a price of BDT 22 per share to a Chinese strategic partner.

<https://thefinancialexpress.com.bd/stock/bangladesh/protection-fund-left-unused-even-in-the-decade-after-demutualisation>

**EXCHANGE | Committee formed to probe embezzlement by Moharam Securities**

- The Bangladesh Securities and Exchange Commission (BSEC) has formed a probe committee to look into the clients' asset embezzlement cases at Moharam Securities — a member firm of the Chittagong Stock Exchange (CSE) — confirmed Rezaul Karim, BSEC executive director and spokesperson. Moharam Securities is one of the four CSE brokers that have been in suspension due to an identified total of around BDT 500 Mn loophole in their accounts. The other three were Sylhet Metro City, Trendset Securities, and Firstlead Securities.

<https://www.tbsnews.net/economy/stocks/committee-formed-probe-embezzlement-moharam-securities-663886>

**EXCHANGE | A quarter of BO accounts closed in two years**

- Around 0.656 Mn beneficiary owner (BO) accounts, which are needed to trade stocks, were closed over the last two years mainly due to a lackluster condition of the primary and secondary markets of securities in the country. A few years back, a section of investors was operating a huge number of BO accounts, mainly to participate in lotteries of initial public offerings (IPO) to avail shares at low prices, said an official of a leading brokerage house.
- In 2020, the Bangladesh Securities and Exchange Commission (BSEC) changed the system such that all shares were equally divided among everyone who subscribed to an IPO. On top of that, BSEC set a precondition stipulating that anyone intending to subscribe to an IPO must have at least BDT 50,000 invested in the secondary market. These two developments meant that operating BO accounts are no longer profitable and so the IPO hunters are leaving the market, said the official requesting anonymity.

<https://www.thedailystar.net/business/economy/news/quarter-bo-accounts-closed-two-years-3366791>

**LOVELLO | Lovello Ice-cream finally pays out due dividend**

- Taufika Foods and Lovello Ice-cream PLC, after a delay of over five months, has at last disbursed the dividend it had declared for the 2021-22 fiscal year to the shareholders' bank accounts. The listed firm in the food and allied sector of the stock exchanges had declared a 12% cash dividend for FY22.
- In the January to March quarter, its revenue fell by 29% year-on-year to BDT 240.9 Mn, and profit by 25% to BDT 34.7 Mn. The company had raised BDT 300 Mn from the stock market through an initial public offering (IPO) to expand its business.

<https://www.tbsnews.net/economy/stocks/lovello-ice-cream-finally-pays-out-due-dividend-663274>

**MTB, GP | Mutual Trust Bank, GP sign partnership agreement**

- Mutual Trust Bank Ltd and Grameenphone have signed a partnership agreement to introduce a touch-free automation system for mobile operator's distributors with a bid to align with "Smart Bangladesh" vision. The system intelligently generates auto purchase orders when stock levels are low, guaranteeing distributors never experience shortages. Financial transactions are seamlessly completed by depositing funds directly into GP distributors' accounts from the distributors.
- This unique partnership utilises distributors' profiles and pre-approved CC loans, allowing the bank to provide automatic financing when fund shortages occur. Cash transactions for product lifting become effortless and efficient.

<https://www.thedailystar.net/business/economy/news/mutual-trust-bank-gp-sign-partnership-agreement-3365871>

**EXCHANGE | Protective Islami Life Insurance files for BDT 150 Mn IPO**

- Protective Islami Life Insurance Ltd wants to raise BDT 150 Mn from the capital market through an initial public offering (IPO) under the fixed price method. The company will issue 15 Mn ordinary shares with a face value of BDT 10 apiece. ICB Capital Management Limited is working as the issue manager for the company's IPO. The life insurer has recently submitted its IPO application to the Bangladesh Securities and Exchange Commission (BSEC) along with its prospectus and other relevant documents.
- Protective Islami Life Insurance was established in 2013. It mainly provides individual life insurance, pensions, and group life and health insurance. The company said in its IPO prospectus that of the BDT 150 Mn, it will invest BDT 139.5 Mn in the capital market, including government treasury bonds and fixed deposit receipts.

<https://www.tbsnews.net/economy/stocks/protective-islami-life-insurance-files-tk15-crore-ipo-663278>

**ABBANK | AB Bank approves 2% dividend**

- Shareholders of AB Bank in its 41st annual general meeting (AGM) approved a 2% stock dividend for the year that ended on December 31, 2022. At the end of 2022, operating profit of the bank stood at BDT 5.48 Bn, profit after tax stood at BDT 680 Mn, while earnings per share was BDT 0.79 and net asset value per share was BDT 28.37.

<https://www.thedailystar.net/business/economy/news/ab-bank-approves-2-dividend-3365041>

**ISLAMIBANK | Three corporate directors sell off entire Islami Bank holding**

- Three corporate shareholders – Armada Spinning Mills, Kingsway Endeavors, and Uniglobe Business Resources – withdrew their directorship from the Islami Bank board in June after selling off their entire holding in the country's largest private sector lender. It comes a month after the Investment Corporation of Bangladesh (ICB) sold its entire shareholding in the bank in May and withdrew its nominated director.
- As a result, the Islami Bank's shareholding by sponsors-directors came down to 41.90% at the end of June from 55.06% in December last year, according to a report on the monthly shareholding position for June submitted to the chief regulatory officer of the Dhaka Stock Exchange (DSE) on 5 July. According to DSE data, since April this year, a large amount of Islami Bank's shares have been transacted through the block market.

<https://www.tbsnews.net/economy/stocks/three-corporate-directors-sell-entire-islami-bank-holding-662706>

**RINGSHINE | Ring Shine cancels declared dividend for FY20**

- Ring Shine Textile, a listed firm on the stock market, has cancelled its declared dividend for the shareholders for the 2019-20 fiscal. Informing the cancellation owing to incurring losses, Ring Shine Textile said, the 1% cash and 1% stock dividend will be revoked and will consider as no dividend for 2019. Ring Shine Textile declared the dividend on October 2020 based on its annual profit in the 2019-20 fiscal.
- Now, the board of directors has decided no cash and stock dividend shall be recommended for that year. Owing to the covid-19, the company was forced to shut down its production as product demand declined significantly. To date, it failed to operate its factory in full-fledge, and now its partial production is continuing. Later, the Bangladesh Securities and Exchange Commission (BSEC) reconstituted its board.

<https://www.tbsnews.net/economy/stocks/ring-shine-cancels-declared-dividend-fy20-662450>

**NORTHERN, SHURWID, RSRMSTEEL | Downgrading to 'Z' pushes three companies to top of loser list**

- Since losing their 'A' category status, three non-performing companies saw their steep price fall, becoming the top losers of the last week on the Dhaka Stock Exchange (DSE). Additionally, three other companies that are still in the 'B' category faced the same fate as they are set to be downgraded to 'Z' category shortly.

- The three top losers -- Northern Jute Manufacturing Company, Shurwid Industries, Ratanpur Steel Re-Rolling Mills -- have long existed in the 'A' category under 'false appearance', despite their non-compliances with the listing provision. They were sent to the 'Z' category on June 25. These companies experienced a decline in share prices of more than 22% over five trading sessions of the last week. Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) has asked the Dhaka bourse to explain their position for not downgrading the companies to 'Z' category on time. The deadline for submitting the reply was June 4.

<https://thefinancialexpress.com.bd/stock/bangladesh/downgrading-to-z-pushes-three-companies-to-top-of-loser-list>

### **BRACBANK | Mayeenuddin elected Brac Bank's vice-chairperson**

- Faruq Mayeenuddin, an independent director of Brac Bank Ltd, has been elected as the vice-chairperson of the bank. Mayeenuddin was serving the bank as the chairman of the board executive committee, said a press release. He was appointed as an independent director to the board in December 2021.
- He is a career banker with over 37 years of experience holding key management positions in different leading private commercial banks of the country. Mayeenuddin started his professional career with AB Bank Ltd as a probationary officer in 1984. He previously worked for Trust Bank Ltd, City Bank Ltd, Mercantile Bank Ltd and AB Bank Ltd.

<https://www.thedailystar.net/business/economy/news/mayeenuddin-elected-brac-banks-vice-chairperson-3364286>

### **NAVANAPHAR | Navana Pharma to convert 60% of BDT 1.50 Bn bond into shares**

- Navana Pharmaceuticals Limited is going to issue a BDT 1.50 Bn bond and wants to convert 60% or BDT 900 Mn of the bond into shares. The company said in a statement that it will issue the bond for five years, and the conversion process will start in the third year.
- As per its plan, the company will convert 20% of the bond into shares each year starting from the third year till the fifth. To convert into shares, the company will seek shareholders' approval by holding an extraordinary general meeting (EGM) on 31 July. After shareholders' approval, the company will seek the securities regulator's consent.

<https://www.tbsnews.net/economy/stocks/navana-pharma-convert-60-tk150cr-bond-shares-662206>

### **MTB | Ahmad appointed as MTB's company secretary**

- Mutual Trust Bank Limited (MTB) recently appointed Rais Uddin Ahmad as its company secretary. Ahmad was serving the bank as a deputy managing director and chief anti-money laundering compliance officer concurrently, said a press release. He joined the bank in 2021 from Brac Bank Limited. He has around 30 years of working experience in business, regulatory, risk management and company matters in the banking sector.

<https://www.thedailystar.net/business/economy/banks/news/ahmad-appointed-mtbs-company-secretary-3362896>

### **EXCHANGE | The 'Z' chaos in the stock market**

- Bourses and stock investors, over the last two weeks, have seemed too puzzled to conclude when a listed company should be punished as a so-called "Z" category stock and when it should not be. They were finding too many deviations between the regulations and the ongoing practices.
- At least 23 of the listed firms were clearly deserving of being downgraded to "Z" much earlier last fiscal year, according to the 1 September 2020 notification by the Bangladesh Securities and Exchange Commission (BSEC) that relaxed the criteria for the companies to be placed in the "Z" category.

<https://www.tbsnews.net/economy/stocks/z-chaos-stock-market-661254>

### **EXCHANGE | Central Depository Bangladesh officials under BSEC scanner**

- The securities regulator has formed an inquiry committee to investigate the overall activities of the Central Depository Bangladesh Limited (CDBL) because of some allegations of various misconduct against CDBL officials. Recently, the Bangladesh Securities and Exchange Commission (BSEC) has come to know of some wrongdoings such as involvement in securities trading, information trafficking, and holding key positions with forged academic certificates by CDBL officials through media reports. Hence, for the interest of investors and development of the capital market, the BSEC formed the committee after considering these allegations.

<https://www.tbsnews.net/economy/stocks/central-depository-bangladesh-officials-under-bsec-scanner-661238>



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