

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.

Bike, AC, compressor makers get tax benefits till 2032

- The National Board of Revenue (NBR) has extended the reduced tax benefit to the manufacturers of motorcycle, air conditioner and compressors to June 2032 although it doubled the rates. Manufacturers will have to pay 10% tax on their incomes for the years till 2032, up from 5% previously, according to a gazette notification issued by the NBR last week. For the firms that had been enjoying 5% tax prior to the latest move will be able to pay the same rate of tax until the expiry of the initial tenure. And, they will have to apply to the NBR to avail 10% tax benefit, down from 35% regular tax rate for companies, according to the NBR.
- The move comes at a time when seven local and foreign brands of bikes have set up manufacturing facilities and are making the two-wheeler to market locally. Reduced tariff rates for firms to import basic raw materials and semi-finished products of bikes and the value added tax (VAT) benefit for local manufacturing offered by the NBR encouraged enterprises to set up bike-making facilities in the country, which had met its domestic requirement by importing the two-wheelers in completely knocked down form until 2010.
- Similarly, a couple of local firms, including Walton, are making air conditioners and compressors to cater to a rising demand among the middle and upper middle income groups. The NBR offered the 5% tax privilege first in July 2009 to makers of freezers, refrigerators and motorcycles. It said manufacturers would enjoy the tax exemption for a period of 12 years beginning from the date of commercial production. In 2010, the revenue authority included air conditioner amid demand from the sector. It added compressors to the list in its latest notification.
- Sales of motorcycles are likely to grow 10% year-on-year to 0.53 million units by the end of this year from 0.48 million units the previous year. The value of the market would be around BDT 75 billion, said the head of finance and commercial of Bangladesh Honda Pvt Ltd.

<https://www.thedailystar.net/business/news/bike-ac-compressor-makers-get-tax-benefits-till-2032-1841746>
<http://www.newagebd.net/article/93881/compressor-makers-to-enjoy-lower-income-tax-rate-for-12yrs>

Ready-made garment (RMG) export drops 6.61% in July-November

- The country's ready-made garment (RMG) export to major non-traditional markets witnessed a negative growth of 6.61% during the first five months of current fiscal year (FY), 2019-20, according to data. Industry people said Australia, Brazil, Chile, China, India, Japan, Korea, Mexico, Russia, South Africa and Turkey are 11 prospective markets for local RMG items beyond their three traditional export destinations - the European Union (EU), the US and Canada. Export of apparel items to non-traditional markets, including these 11 prospective ones and excepting India, Korea and Mexico, witnessed a negative growth, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) data revealed.
- Bangladeshi RMG sector earned USD 2.24 billion from the non-traditional markets during July-November period of FY 20, which was USD 2.40 billion in the corresponding period of last fiscal. Export to Brazil, China, South Africa and Turkey witnessed a negative growth of 34.12%, 21.47%, 19.47% and 34.92% respectively during the period. RMG export declined by 7.17%, 4.50% and 2.74% to Australia, Japan and Russia respectively, while it fell by less than 1.0% in Chile during the first five months of current FY, data showed. The non-traditional markets accounted for 16.66% or USD 5.68 billion of the country's total garment export volume worth USD 34.13 billion in FY 19.
- Export receipts from the non-traditional markets witnessed a 21.77% growth in last FY. More than 76% of the earning from the non-traditional markets came from these 11 potential ones.
- The RMG export in traditional markets - the EU, the US and Canada - also fell by 8.51%, 5.17% and 13.15% respectively during July-November period of FY 20.

<https://today.thefinancialexpress.com.bd/last-page/rmg-export-drops-661pc-in-july-nov-1576604737>

Poverty rate slips to 20.5%

- The poverty rate in Bangladesh fell by 1.3 percentage points to 20.5% in the fiscal year (FY) 2018-19, official statistics showed on Tuesday. In the previous FY2018, the poverty rate was estimated at 21.8% by the Bangladesh Bureau of Statistics (BBS). Besides, the extreme poverty rate in Bangladesh also dropped to 10.5% in the FY 2019 from 11.3% in the previous FY2018, the Planning Minister said. The Household Income and Expenditure Survey (HIES) 2016 of the BBS estimated Bangladesh's poverty rate at 24.3% among its total population and the extreme poverty rate at 12.9%.

- The Planning Minister said the ECNEC meeting approved nine projects at a combined cost of BDT 32.27 billion.

<https://today.thefinancialexpress.com.bd/first-page/poverty-rate-slips-to-205-per-cent-1576604506>
<https://www.dhakatribune.com/business/2019/12/17/poverty-rate-drops-to-20-says-mannan>

Sustainability practices offer USD 51 billion business opportunities: Global Reporting Initiative (GRI)

• Sustainable businesses can unlock new market opportunities worth USD 51 billion in Bangladesh and USD 5 trillion in Asia by 2030, according to the Global Reporting Initiative's (GRI) Sustainability Reporting Framework. The GRI identified seven areas for sustainable business practices by companies: women care, skill development, equal pay, employing with disability, environmental sustainability, product diversification, and innovation.

• Former principal coordinator for SDG affairs at Prime Minister's Office said that Bangladesh needs to take quick preparations to obtain the Generalized Scheme of Preferences (GSP) Plus status in the European Union as the country is going to lose the existing GSP status when it becomes a developing nation in 2024. He urged international clothing retailers and brands to raise the prices of Bangladeshi-made apparel items as local manufacturers have invested a few billion dollars to remediate factories to strengthen workplace safety. Moreover, Bangladesh is currently the global champion in green garment factories, he said.

<https://www.thedailystar.net/business/news/sustainability-practices-offer-51b-business-opportunities-1841740>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$60.51	-0.43	-0.71%
Crude Oil (Brent)*	\$65.73	-0.37	-0.56%
Gold Spot*	\$1,476.58	+0.36	+0.02%
DSEX	4,419.83	-78.66	-1.75%
Dow Jones Industrial Average	28,267.16	+31.27	+0.11%
FTSE 100	7,525.28	+6.23	+0.08%
Nikkei 225	23,979.97	-86.15	-0.36%
BSE SENSEX	41,442.75	+90.58	+0.22%

Exchange Rates

USD 1 = BDT 84.92*

GBP 1 = BDT 111.20*

EUR 1 = BDT 94.54*

INR 1 = BDT 1.19*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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