

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.

Tax holiday sought for new SMEs, land developers outside Dhaka

- The organisations placed their demands in a pre-budget talk organised by the National Board of Revenue (NBR) at its office in the capital on Monday. The SME Foundation sought some other tax facilities for the small-scale entrepreneurs. It suggested increasing the income-tax-free threshold to BDT 500,000 for women entrepreneurs, to BDT 1.0 Mn for third-gender entrepreneurs.
- Other demands of the organisation are: cutting corporate tax for agricultural machinery producers to half and withdrawing tax deducted at source for them, reducing corporate tax for frozen food producers, and lifting tax on cash incentives and advance income tax on locally produced goods. For exporters, the SME Foundation sought a reduction in source tax to 0.25% and corporate tax to 10%.
- Bangladesh Land Developers Association demanded a tax holiday for five years for land developers in metropolitan cities and 10 years for municipality areas. In response, NBR Chairman Muneem said they were in favour of the expansion of housing business to rural areas

<https://www.tbsnews.net/economy/tax-holiday-sought-new-smes-land-developers-outside-dhaka-384930>

Bangladesh eyes USD 10b exports in leather goods by 2030

- The commerce ministry is drawing up a ten-year perspective plan, which includes a target to increase the leather sector's export earnings from below USD1 billion to USD 10-12 billion by 2030. The contribution of leather and leather products to the country's total exports is about 4% and 0.5% of GDP respectively.
- President of the Bangladesh Tanners Association, called for the government's policy support and said foreigners are now buying leather goods at lower prices due to poor compliance. He added that foreign buyers buy leather after seeing certification by Leather Working Group. However, apart from three, no one got the certificate as they were not compliant, which is one of the obstacles for export growth in this sector, says stakeholders in the sector.

<https://www.tbsnews.net/economy/industry/bangladesh-eyes-10b-exports-leather-goods-2030-384472>

VAT on oil slashed

- Officials say the VAT policy wing of the National Board of Revenue (NBR) issued a Statutory Regulatory Order (SRO) withdrawing 15% VAT in manufacturing and 5.0% VAT on trading stages of the edible oils. The revised tax measure takes effect from Monday and will remain valid until June 30, 2022. The value-added tax at a rate of 15 % will be imposed on import of crude soybean oil and palm oil. However, both importers and BTTC, had demanded single-stage VAT on edible oils instead of existing three-tier structure.

<https://today.thefinancialexpress.com.bd/first-page/vat-on-oil-slashed-1647279877>

MRT-6 extension project hits snag

- Dhaka metro rail company is not getting cooperation from two government agencies causing a delay in starting the MRT-6 extension work up to Kamalapur Railway Station. The company also finds problem convincing the existing contractors of the Mass Rapid Transit Line-6 (MRT-6) project to carry out the work on the extension part due to a variation in their work.
- Dhaka Mass Transit Company Limited (DMTCL) officially offered the contractors of the MRT-6 to do the extension

work on variation as it has been incorporated in the middle of the MRT-6 project at the prime minister's intervention. Bangladesh Railway (BR) was not allowing the entry of the MRT-6 and other lines within its station territory for having plans to set up a multimodal transport hub at the Kamalapur Railway Station under the public-private partnership initiative.

<https://today.thefinancialexpress.com.bd/metro-news/mrt-6-extension-project-hits-snag-1647279431>

Authorised dealer banks can retain advance export proceeds for 30 days

- Bangladesh Bank (BB) has allowed the authorised dealer banks to retain export proceeds received in advance in dollar for 30 days for settling payment for the materials imported by the exporters under back-to-back letter of credits (LCs). After that period, the banks will convert the foreign currency into taka and transfer it to the exporters' accounts.

<https://thefinancialexpress.com.bd/trade/authorised-dealer-banks-can-retain-advance-export-proceeds-for-30-days-1647271523>

EU reviewing BD labour rights, standards

- A visiting European Union (EU) mission on Monday started reviewing the progress Bangladesh has so far made on human rights and labour standards. They will also sit with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers, and the Exporters Association (BKMEA) the same day to have the largest foreign currency-earning sector's overview.
- As per the proposed provisions, Bangladesh is found to be the only Asian graduating LDC whose textile and clothing exports could potentially be subject to the EU safeguard measures, resulting in their removal from GSP+ preferences. The EU is the largest export destination of local products, especially ready-made garment. More than 61 % or USD 19.43 billion RMG out of total USD 31.45 billion garment exports destined to the EU in last fiscal year.

<https://today.thefinancialexpress.com.bd/first-page/eu-reviewing-bd-labour-rights-standards-1647280044>

No plan to up energy prices now

- State Minister for Power, Energy and Mineral Resources has said that the government is not willing to increase domestic energy prices right now, although the prices in the international market are in a volatile situation following the ongoing Russia-Ukraine war. He added that the government will keep providing subsidy until it remains within a tolerable limit. However, if the energy prices rise further in a big way in international market, the decision for hiking the prices here may come from the government.
- The state-run Bangladesh Petroleum Corporation (BPC) is currently incurring BDT 800 million per day loss, as the oil prices in international market have soared to record high.

<https://today.thefinancialexpress.com.bd/first-page/no-plan-to-up-energy-prices-now-1647280004>

100pc population comes under electricity coverage

- Bangladesh has achieved yet another milestone as the government is set to announce that it has brought 100 per cent of the population under electricity coverage. The achievement will put Bangladesh ahead of India and Pakistan, among the countries in South Asia, that have brought 98 per cent and 74 per cent of their population under electricity network, data from the World Bank showed. Installed power generation capacity rocketed to 25,514 megawatts from 4,942MW in 2009, while the maximum power production rose to 13,792 MW, up four-fold from 3,268 MW 13 years ago, data from the power division showed.

<https://www.thedailystar.net/business/economy/news/100pc-population-comes-under-electricity-coverage-2983111>

Pharmas seek tax exemptions next fiscal year

- The Bangladesh Association of Pharmaceutical Industries (BAPI) has urged the National Board of Revenue (NBR) to exempt tax deductions at source on various promotional and other expenses from fiscal year 2022-23 to encourage the export of medicine and increase the competitive capacity of the industry in the international market.
- BAPI told that if tax at source is applied on such expenditures, it will increase the cost of export and greatly reduce Bangladesh's competitiveness. The association says that according to the demand of the drug administrations of different countries, registration of pharmaceutical products requires submitting various study reports such as bioequivalence study reports, clinical trial reports and other research information, which are usually outsourced.
- Pharmaceutical shipments from Bangladesh grew 22.21% year-on-year in 1HFY22 on the back of continuous addition of anti-coronavirus drugs to the export basket, quality improvements and policy support.

<https://www.thedailystar.net/business/organisation-news/news/adoption-un-convention-sale-goods-benefit-bangladesh-2982346>

Booming concrete block industry up to grab brick market

- Concrete block-manufacturing industry finds a boom-time in Bangladesh to seize bulk of the BDT 90-billion brick market, as the new-generation building blocks are eco-friendly and cheaper. According to experts, concrete-block makers have already grabbed a share of the market amounting to BDT 2.0 billion. Business groups like Concord, Mir Group, BTI, and Meghna are the market leaders right now with 20% of the concrete-block market in their possessions. The large factories invested BDT 300-500 million each for setting up an automated concrete block-manufacturing factory.
- Among the fully automated factories' owners, Concord is the market leader with annual revenue of around BDT 360 million. Other four to five biggies are selling BDT 150 million worth of concrete- block products annually in the takeoff stage of the green industry.

<https://today.thefinancialexpress.com.bd/first-page/booming-concrete-block-industry-up-to-grab-brick-market-1647283735>

Ceramic makers oppose raising gas prices

- Ceramic manufacturers have urged the Bangladesh Energy Regulatory Commission (BERC) not to hike the prices of gases used for producing ceramic products in order to safeguard the local ceramic industry. The local ceramic industry has 70 ceramic mills producing tableware, tiles and sanitary ware with an investment of BDT 135.0 Bn while the sector is earning BDT 4.0 Bn from annual exports.
- In the last 10 years, the price of gas in the industry has increased by almost 100%. Gas used as fuel in the ceramic industry is considered as one of the raw materials which accounts for 11-12% of the total production cost.

<https://www.thedailystar.net/business/economy/news/ceramic-makers-oppose-raising-gas-prices-2983051>

Bangladesh still tops South Asia region

- Bangladesh still tops the South Asia region, in terms of the number of women on the boards of listed companies, according to a new research by International Finance Corporation (IFC) and Dhaka Stock Exchange (DSE). The new figures showed there was an increase in the percentage of women who are independent directors on listed companies from 5% in 2020 to 6%.
- A 2020 IFC-DSE study showed at the time around 18% of listed company board directors were women, that has remained the same. In terms of women on boards of listed companies, Bangladesh still tops the South Asia region. About 350 companies are listed on the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/bangladesh-still-tops-south-asia-region-1647277990>

CSE-50 Index revised, effective from April 3

- The Chittagong Stock Exchange has revised its CSE-50 Index on the basis of performance of the listed companies. The new index will be effective from April 3. The port-city bourse reviews the index twice in a year. After the latest revision, three companies - Delta Life Insurance Company, Prime Bank and Shahjalal Islami Bank-- have been included in the CSE-50 Index. On the other hand, Jamuna Oil Company, Khulna Power Company and Pubali Bank Ltd have been excluded from the previous list. The CSE-50 companies accounted for 58.83 % of the CSE's total market capitalisation and 42.34 % of turnover in the past six months as of December 31, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/cse-50-index-revised-effective-from-april-3-1647278154>

Mir Akhter to raise BDT 2.49b

- Mir Akhter Hossain, a listed company, will raise a capital worth above BDT 2.49 billion through zero coupon bond. The Bangladesh Securities and Exchange Commission (BSEC) on Monday approved the company's proposal of issuing bond. The company will utilise the fund to repay loan along with enhancing its working capital.
- The tenure of the bond will be four years and it is non-convertible and fully redeemable. The offer price of the bond will be BDT 0.5 million per unit and it will be issued at 7-9 % discount in consideration of market. UCB Investment is working as trustee of the bond, while IDLC investment is the lead arranger. The bond will be listed with alternative trading board of the stock exchange.

<https://today.thefinancialexpress.com.bd/stock-corporate/mir-akhter-to-raise-BDT-249b-1647278033>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 100.37	USD 25.16	33.45%
Crude Oil (Brent)*	USD 104.33	USD 26.55	34.13%
Gold Spot*	USD 1,942.81	USD 113.61	6.21%
DSEX	6,668.15	-88.51	-1.31%
S&P 500	4,173.11	-593.07	-12.44%
FTSE 100	7,193.47	-191.07	-2.59%
BSE SENSEX	56,486.02	-1,767.80	-3.03%
KSE-100	43,366.89	-1,229.18	-2.76%
CSEALL	10,565.26	-1,660.75	-13.58%

Exchange Rates**1 US Dollar = 86.15 BDT****1 GBP = 112.05 BDT****1 Euro = 94.31 BDT****1 INR = 1.12 BDT**

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com