

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.

Budget proposes 2.50% cut in corporate tax

- The government has proposed to cut the corporate tax rates by 2.50% for publicly and non-publicly traded banks, insurance companies and financial institutions (FIs). Placing the national budget for fiscal year (FY) 2018-19, Finance Minister proposed to reduce the rate to 37.50% from existing 40% for publicly traded banks, insurance companies and financial institutions. Besides, the corporate tax rates for publicly and non-publicly traded companies, listed and non-listed mobile operators, and the dividend income remained unchanged. Mutual Trust Bank Managing Director appreciated the proposal to reduce the corporate tax for publicly and non-publicly traded banks, saying that it would leave a good impact on the banks' profitability.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/budget-proposes-250pc-cut-in-corporate-tax-1528396685>

Profits of banks, NBFIs may increase due to cut in corporate tax rate

- Stakeholders in the banking, insurance and financial institutions (FIs) sectors have expressed satisfaction over the budget proposal to cut the corporate tax rates. They expected that the tax-cut measure in the budget proposed for the fiscal year 2018-19 would help increase the profitability of the companies. It would also allow the banks and the non-bank financial institutions (NBFIs) to offer loans to their clients at lower rates, not in all cases though. The impact will, however, depend on some other factors like the trend of capital market and, the amount and status of loans disbursed by the financial institutions.

- They further viewed that more insurance companies would be encouraged to go public due to the difference in corporate tax between the publicly and non-publicly traded companies. Mutual Trust Bank Managing Director in an instant reaction on the budget appreciated the tax-cut proposal. On Thursday last, the budget proposed to cut the corporate tax rates by 2.50% for publicly and non-publicly traded banks, insurance companies and financial institutions (FIs) for the FY 2018-19. The banks, insurance and financial institutions approved in 2013 will also be entitled to the tax cut facility at a rate of 2.50%.

<http://today.thefinancialexpress.com.bd/stock-corporate/profits-of-banks-nbfis-may-increase-due-to-cut-in-corporate-tax-rate-1528560098>

Corporate tax cut to help reduce lending rates

- Finance Minister defended his proposal to cut corporate tax rates for banks and financial institutions, saying that the move is intended to help bring down the lending rates to single digit. He said that the government had thought about the reduction much earlier, as the corporate tax rates remained high in Bangladesh compared to those in many other countries. The finance minister also focused on the high gross domestic product (GDP) growth rate in the country despite low investment and tax-GDP ratio. He also said that the GDP growth rate has been increasing, as Bangladesh could utilise its investments "efficiently".

<http://today.thefinancialexpress.com.bd/public/first-page/corporate-tax-cut-to-help-reduce-lending-rates-1528480431>

Economists term the budget 'expansionary'

- Prominent economists of the country have termed the latest budget 'expansionary as usual'. It has been formulated keeping in mind the upcoming national election, according to their opinions. They have also expressed grave concern over the capacity of the government to implement such a huge-sized budget. Distinguished Fellow of the Centre for Policy Dialogue (CPD) said that this budget has largely maintained the status quo. It's an expansionary budget like its recent predecessors. A former Finance Adviser said that this budget is ambitious both in terms of revenue and expenditure target.

<http://today.thefinancialexpress.com.bd/public/first-page/economists-term-the-budget-expansionary-1528399562>

Budgetary deficit to soar by 12%

- The overall budget deficit is set to widen by nearly 12% in Fiscal Year (FY) 2018-19 as the government's expenditures will exceed revenue income. The deficit is estimated at BDT 1.25 trillion for the next fiscal, up from BDT 1.12 trillion of the original budget estimates of the outgoing fiscal. The government revised downward its budget deficit to BDT 1.120 trillion from BDT 1.123 trillion for FY'18. However, the proposed deficit in% of gross domestic product (GDP) came down to 4.9% from 5.0% earlier. The government is set to receive BDT 540.67 billion from the overseas sources. The government is set to borrow BDT 500.16 billion from overseas sources.

<http://today.thefinancialexpress.com.bd/public/last-page/budgetary-deficit-to-soar-by-12pc-1528395651>

No directions on addressing banking sector problems in proposed budget: Business Initiative Leading Development (BUILD)

• Business Initiative Leading Development (BUILD), a private think-tank said announcement on reduction of the highest layer of VAT rate will bring positive results to facilitate the growth of Bangladesh economy. The BUILD was also unhappy as income tax limit was not extended in the proposed budget. The BUILD hailed the budget as it has reduced corporate tax rate from 40% to 37.5% for publicly trade Banks, FI and insurance companies, and 40% from 42.5% for non-publicly traded Banks, FI and Insurance companies. There is no specific mention of specific policies for addressing the crisis faced by banks and FIs. In the Budget it is mentioned that there will be a Central Database for Large Credits (CDLC) banks for monitoring the large funds but the budget speech did not mention the regulatory authority of the CDLC.

<http://today.thefinancialexpress.com.bd/trade-market/no-directions-on-addressing-banking-sector-problems-in-proposed-budget-build-1528561150>

Foreign Investors' Chamber of Commerce and Industry (FICCI) finds budget 'highly challenging'

• The Foreign Investors' Chamber of Commerce and Industry (FICCI) has termed the proposed national budget for the next fiscal year (FY), 2018-2019, 'highly challenging'. In a post-budget reaction on Friday, the chamber said the size of the BDT 4.64 trillion budget is 25% larger than that of the revised budget for the last FY. The chamber body expressed its concern over the use of (government's) revenue to meet the deficit of the state-owned enterprises (SoEs) and the public sector commercial banks. The FICCI opined that the gross domestic product (GDP) growth target of 7.8% in the proposed budget is achievable, if the GDP-investment ratio could be increased up to the desired level. The FICCI opined that the proposed enhancement of the rate of VAT (value added tax) on super shops to five% will encourage inflation and discourage the growth of such businesses.

<http://today.thefinancialexpress.com.bd/public/first-page/ficci-finds-budget-highly-challenging-1528480707>

Actual budget size shrinks

• The rate of budget implementation in the country has been shrinking gradually over the years, according to government data. This implies that there is an increasing gap between the original budget size and the eventual figure of it. It revises the fiscal blueprint sometime in January by reducing the size on an average of BDT 120 billion. The actual implementation becomes much lower than the revised one. Between fiscal year 2010 and fiscal year 2018, the average rate of implementation was just 82%, an analysis of the data shows. But in the last couple of fiscal years-FY-2016 and FY 2017-the actual budget implementation rate fell significantly. The rate was 80% in fiscal year 2016 and below 80% in FY 2017. Economists said that the budget implementation capacity is not growing progressively keeping pace with the increased sizes of the budgets.

<http://today.thefinancialexpress.com.bd/public/last-page/actual-budget-size-shrinks-1528395849>

Government gives BATB tax relief of BDT 20 billion

• National Board of Revenue has offered British American Tobacco Bangladesh tax relief worth more than BDT 20.00 billion in the proposed budget through scrapping a special order with retrospective effect. NBR on Friday issued a special order scrapping the previous one issued on July 1, 2017, which had imposed additional taxes on low quality international-brand cigarettes. The revenue board had then set the price of the cigarette at BDT 35 per 10 sticks produced and sold by multinational companies and imposed supplementary duty at the rate of 55%.

• The price of same quality cigarettes produced and sold by local companies was set at BDT 27 per 10 sticks and imposed 52% SD to protect local manufacturers. As per the Friday order, price and supplementary duty for the local tobacco products will also be applicable for the low quality international-brand cigarettes retrospective effect from June 1, 2017. A number of NBR officials expressed disappointment over scrapping of the provision with retrospective effect as the measure would facilitate tax relief worth BDT 20.00 billion to the BATB.

<http://www.newagebd.net/article/43311/govt-gives-batb-tax-relief-of-BDT-2000cr>

LafargeHolcim brings new plastering cement

• LafargeHolcim Bangladesh has recently launched new specialised cement for plastering. Chief executive officer of LafargeHolcim said that plastered surface will be more durable, less prone to cracks thus requiring less repair and maintenance. He also added that the new cement will help customers to save time and cost substantially and is expected to create a big impact in overall construction management process. According to Rajesh, the company invested USUSD 500 million in Bangladesh over the years and plans for even more.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/lafargeholcim-brings-new-plastering-cement->

[1528476379](#)
Most textile cos report better earnings in Q3

• Most of the listed textile companies have reported increased earnings for the January-March quarter (Q3) of 2018 as compared to the same period of previous year. According to un-audited financial statements, the earnings per share (EPS) of Square Textile was BDT. 0.61 in the Q3 of 2018 as against BDT. 0.39 of the corresponding quarter last year. Alif Industries reported EPS of BDT. 0.86 in the Q3, 2018 as against BDT. 0.54 in the Q3 of 2017. The EPS of Hamid Fabrics was BDT. 0.52 for January-March 2018 as against BDT. 0.18 for January-March 2017. Apex Spinning & Knitting Mills reported its EPS of BDT. 0.88 for January-March 2018 against BDT. 0.76 for January-March 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/most-textile-cos-report-better-earnings-in-q3-1528560230>
BSRM incorporates subsidiary in Hong Kong

• Bangladesh Steel Re-Rolling Mills Ltd. (BSRM) has incorporated a subsidiary company, 'BSRM (Hong Kong) Limited', in Hong Kong as per decision of the company's board of directors. It will be engaged in trading of steel products, procurements, and inspection of raw materials/spare parts etc. for the BSRM Group.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsrm-incorporates-subsiary-in-hk-1528560214>
World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.74	-0.21	-0.32%
Crude Oil (Brent)*	\$76.46	-0.86	-1.11%
Gold Spot*	\$1,298.16	+0.98	+0.08%
DSEX	5366.67	-32.09	-0.59%
Dow Jones Industrial Average	25,316.53	+75.12	+0.30%
FTSE 100	7,681.07	-23.33	-0.30%
Nikkei 225	22,694.50	-128.76	-0.56%

Exchange Rates

USD 1 = BDT 84.20*

GBP 1 = BDT 112.87*

EUR 1 = BDT 99.10*

INR 1 = BDT 1.25*

*Currencies and Commodities are taken from Bloomberg.

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