

*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.*

### **Bangladesh Association of Banks (BAB) decides to lower lending, deposit rates**

- Bangladesh Association of Banks (BAB) has decided to bring down the interest rates on both lending and deposit to 9.0% and 6.0% respectively from July 01.
- The decision was taken at an emergency meeting, held at its office in Dhaka on Wednesday, with its chairman Nazrul Islam Mazumder in the chair. Finance Minister AMA Muhith also instructed the public banks on the day not to increase deposit rate and keep the lending rate within single digit.
- "We've decided to lend at 9.0% and will not take deposits at rates more than 6.0% from July 1," Mr. Mazumder told the Financial Express after the meeting.
- The BAB chief noted that the business activities cannot be viable paying interest rate ranging between 12% and 14%.

<http://today.thefinancialexpress.com.bd/first-page/bab-decides-to-lower-lending-deposit-rates-1529513135>

### **Annual Development Programme (ADP) execution rate lower**

- The government spent almost 63% of the Annual Development Programme (ADP) allocations in the 11 months to May of fiscal year (FY) 2017-18.
- Planning Commission officials said the rate of the development budget spending is two percentage points lower than that of the corresponding period in FY 2016-17.
- The project implementing agencies will have to spend the remaining 37% of the BDT 1.57-trillion ADP outlay of FY '18, they added.
- According to the Implementation, Monitoring and Evaluation Division (IMED), ministries and agencies spent BDT 989.78 billion during the period of the outgoing fiscal. This was 62.81% of the total ADP outlay. In the corresponding period of FY '17, the implementation rate was 64.72% with a total expenditure of BDT 772.04 billion.

<http://today.thefinancialexpress.com.bd/first-page/adp-execution-rate-lower-1529513244>

### **Subsidy outlay to spiral 80%**

- Subsidy expenditure is set to increase 80.26% to BDT 378.0 billion in fiscal 2018-19 as the government looks to bankroll lower gas and fuel prices keeping an eye on the national election due to be held at the end of this year.
- The government is planning to subsidise gas price for the first time next fiscal year as it is importing liquefied natural gas at a rate much higher than that of the locally produced gas.
- The first consignment of imported LNG has arrived and will be added to the national grid in a couple of weeks' time. As soon as it is blended with local gas, the price will shoot up.
- The per unit cost of imported LNG is BDT 25.17; after adding tax and regasification charges the total cost comes to BDT 33.44, according to Petrobangla.
- The cost of production for per unit of gas would be BDT 14.64 when LNG and local gas are blended. The average retail price of gas supplied by Petrobangla from domestic sources is BDT 7.39 per cubic meter.
- The finance ministry has kept aside BDT 55.0 billion for subsidizing gas price, up from BDT 2,500 crore in the outgoing year, said finance ministry officials.

<https://www.thedailystar.net/business/subsidy-outlay-spiral-80pc-1592995>

### **Government's puzzling policy on tobacco**

- The government's move to withdraw the export duty on tobacco contradicts its own plan to discourage cultivation and consumption of the health-hazardous item.
- The initiative has not only created worries about a spike in cultivation of tobacco in the land-scarce nation but has

drawn criticism from some economists and anti-tobacco campaigners. The concerns were raised after Finance Minister AMA Muhith proposed waiving 25% export duty on tobacco products for fiscal year 2018-19.

- At the same, there is a proposal to hike the supplementary duty on low and medium segment cigarettes and the prices of hand-made tobacco stick, locally known as bidi, from next fiscal year.
- The government slapped 10% duty on tobacco export from 2010-11 and the rate has been increased to 25% at the beginning of the current fiscal year.

<https://www.thedailystar.net/business/govts-puzzling-policy-tobacco-1592965>

### Digital service providers demand tax holiday

- Seven digital service related trade bodies yesterday termed the proposed budget unfriendly towards the sector and demanded full withdrawal of VAT along with the other taxes and surcharges from internet usage.
- Currently, there is a 21.75% tax on customers for internet usage. "To become a digital society this tax burden needs to be withdrawn."
- The government is earning about BDT 1,100 crore from value-added tax on internet usage. If the amount is forfeited for two years it will yield the government about BDT 5,000 crore every year, he added.
- According to the president of the Bangladesh Association of Software and Information Services (BASIS), services like online commerce and ride-hailing should be tax-free for a while to create a digital society.
- On the budget day, the NBR issued a statutory regulatory order listing 10 conditions for assemblers, failing which a 15% VAT would be imposed on the handsets assembled.

<https://www.thedailystar.net/business/digital-service-providers-demand-tax-holiday-1593007>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.55	-0.16	-0.24%
Crude Oil (Brent)*	\$74.40	-0.34	-0.45%
Gold Spot*	\$1,265.58	-2.28	-0.18%
DSEX	5384.87	+39.91	+0.75%
Dow Jones Industrial Average	24,657.80	-42.41	-0.17%
FTSE 100	7,627.40	+23.55	+0.31%
Nikkei 225	22,704.44	+149.01	+0.66%

### Exchange Rates

USD 1 = BDT 84.11\*  
 GBP 1 = BDT 110.68\*  
 EUR 1 = BDT 97.24\*  
 INR 1 = BDT 1.23\*

\*Currencies and Commodities are taken from Bloomberg.

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