

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.

Government's July-April domestic borrowing falls by 56.42%

- The government's net domestic borrowing fell by 56.42% or BDT 420.84 billion year-on-year in the July-April of the outgoing fiscal year 2020-2021 amid a slow spending for the annual development programme implementation. The latest Bangladesh Bank data showed that the government's net borrowing from the domestic sources reached BDT 325.08 billion in the July-April period of FY21 against that of BDT 745.92 billion in the same period of the previous fiscal year. As the implementation of the budget specially the annual development programme was significantly low, its borrowing from the domestic sources was also low, they said.
- The government data showed that it implemented only 49% of its BDT 2.08 trillion revised annual development programme in the fiscal year 2020-2021. Bangladesh Bank executive director (research) however, expected that the government spending for the implementation of the annual development programme as well as its borrowing from the domestic sources would increase when the data for the entire fiscal year would be available.

<https://www.newagebd.net/article/142144/govts-july-april-domestic-borrowing-falls-by-5642pc>

Corporate tax on MFS to see cut, not hike

- The government is finally going to reduce corporate taxes for mobile financial services (MFS) providers like it has done for other companies, backing out of its earlier decision to hike such taxes for them, according to officials at the finance ministry. The tax rate will be slashed to 30% from the existing 32.5% for non-listed MFS companies, while the rate will be 22.5% for the listed ones in the fiscal 2021-22, the sources said. Earlier, in the budget for FY22, the finance minister had proposed increasing corporate taxes on MFS up to 40% from the existing 32.5%, to bring them into the category of banks, insurance companies and other financial organisations that have been paying a 40% tax.
- The National Board of Revenue (NBR) on Thursday sent a new proposal to parliament to bring changes in the Finance Bill 2021, in the light of demands from MFS providers for not considering them financial institutions like banks, other than service providers, finance ministry officials said adding that the new changes will be incorporated in the bill by 29 June.

<https://www.tbsnews.net/economy/corporate-tax-mfs-see-cut-not-hike-267142>

Government to set merchandising export target at USD 43 billion for FY22

- The government is considering a target of USD 43 billion for the country's merchandising export with 11% year-on-year growth for the upcoming financial year 2021-22. Although the export earnings target drafted by the commerce ministry is USD 2 billion higher than the target of USD 41 billion for FY21, the amount is USD 2.5 billion lower than the target for FY20. According to sources, the Export Promotion Bureau sent a draft to the commerce ministry proposing a USD 43-billion export earnings target for goods for FY22.
- The export earnings target for readymade garment products is likely to be set at USD 34 billion with a 10-per cent growth from the performance in FY21, sources said. The commerce ministry on June 22 held a stakeholder consultation to fix the export earnings targets for FY22. Primarily, they have targeted export earnings of USD 50 billion for goods and services for the financial year 2021-22 and finally, the amount might be USD 51 billion, the commerce secretary said.

<https://www.newagebd.net/article/142145/govt-to-set-merchandising-export-target-at-43b-for-fy22>

Top ten exportable items projected to grow by 10-12% even in pandemic

- The country's top ten exportable items, including readymade garment (RMG), jute and leather, are projected to grow by 10 to 12% in the next fiscal year of 2021-22 amid the ongoing Covid-19 pandemic, sources said. The commerce ministry has made the draft growth projection at a stakeholders' consultation meeting held on June 22, they added.
- The meeting also projected that the overall goods export would grow by 11% to USD 43 billion based on the expected earnings of USD 38.39 billion during the outgoing fiscal year, 2020-21 (FY'21). A 14% overall goods export growth is expected at the end of FY'21, they noted. During the July-May period, the country fetched USD 35.18 billion from goods exports, according to the Export Promotion Bureau (EPB). The ministry has also drafted an additional USD 6.62 billion in earnings from the services export during the FY'21.

<https://today.thefinancialexpress.com.bd/last-page/top-ten-exportable-items-projected-to-grow-by-10-12pc-even-in-pandemic-1624819769>

BB eases rules for borrowers to avoid defaulting

- Borrowers would be able to avoid falling into the default zone by repaying 20% of their loan installment amount as of June, Bangladesh Bank said yesterday. The BB has relaxed its loan classification policy given the ongoing business slowdown. Borrowers will have to give the portion of their loan installments by August this year, according to a central bank notice. In March, the BB provided a repayment deferral support to borrowers to allow them to repay the loans based on the bank-customer relation. This helped them repay the outstanding installments by June.
- Three categories of loans – term, demand and working capital – are eligible for the relaxed facility. This means all borrowers in the banking sector would enjoy the new facility, except for the credit card debt, said a managing director of a bank. In March last year, the Bangladesh Bank declared a loan moratorium facility for the banking sector, which was effective throughout last year.

<https://www.thedailystar.net/business/economy/banks/news/bb-eases-rules-borrowers-avoid-defaulting-2119585>
<https://www.tbsnews.net/economy/banking/central-bank-again-offers-moratorium-loan-repayment-267136>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$74.02	\$25.50	52.56%
Crude Oil (Brent)*	\$76.15	\$24.35	47.01%
Gold Spot*	\$1,774.20	(\$120.90)	-6.38%
DSEX	5,992.73	590.66	10.93%
S&P 500	4,280.70	524.63	13.97%
FTSE 100	7,136.07	675.55	10.46%
BSE SENSEX	52,925.04	5,173.71	10.83%
KSE-100	47,603.36	3,847.98	8.79%
CSEALL	7,809.15	1,034.93	15.28%

Exchange Rates

USD 1 = BDT 84.81*
 GBP 1 = BDT 117.71*
 EUR 1 = BDT 101.12*
 INR 1 = BDT 1.14*

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

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