

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.

Next budget set to offer businesses sweeteners

- The government is set to offer a wide-range of tax relief for the businesses in the budget for the upcoming fiscal year (FY) to help the latter survive the Covid-19 pandemic onslaught. The government has also decided to be practical as far as the fixation of the tax revenue target for the next fiscal year is concerned. The target for tax revenue collection for upcoming FY is likely to be equivalent to the original target--- BDT . 3.30 trillion--- for the outgoing FY. This will be the first such incident in the history of the country's budget making. The original target for current FY, however, has been revised downward to BDT 3.01 trillion following a sluggish trend in tax collection.
- The National Board of Revenue (NBR) in upcoming fiscal may reduce the rates of penal tax and Advance Tax (AT) for manufacturing units and also relax the punitive measures for VAT evasion. A number of manufacturing sectors including cement, ceramic, beverage etc may enjoy reduced rate of AT from upcoming FY, sources said. A number of field officials also said the AT for manufacturers should be waived completely.

<https://today.thefinancialexpress.com.bd/first-page/next-budget-set-to-offer-businesses-sweeteners-1621186905>

Record USD 2.9 billion pledged in 2020 private investment: World Bank

- Bangladesh last year witnessed a record USD 2.9 billion investment commitment for its infrastructure development from private sector sponsors, according to a latest report published by the World Bank. The country's (Bangladesh) 2020 investment amounted to USD 2.9 billion, a 190% increase from 2019 levels, and increased investment as a share of GDP from 0.34% to 0.97%, said the report. Bangladesh received South Asia region's second highest private participation in infrastructure (PPI) investment, said the WB. The investment commitment across seven projects was the highest in Bangladesh's history, placing it among the top five countries for the first time, added the WB.
- Bangladesh is a new entrant to the top five countries and the first International Development Association (IDA) country to enter the list, the global lender said. The other four top countries are Brazil, China, India and Mexico. Bangladesh led 2020's investment commitments in IDA countries. The most of 2020 PPI investment commitments for Bangladesh were channelled to a series of fossil fuel powered electric plants, the WB said. Although private investment commitments were high in Bangladesh in 2020, most of them were channelled to natural gas power projects instead of to the renewable sector, the WB said.

<https://today.thefinancialexpress.com.bd/first-page/record-29b-pledged-in-2020-pvt-investment-wb-1621187190>

BDT 2.25 trillion ADP awaits govt nod tomorrow

- The government is likely to approve a BDT 2.25 trillion worth of annual development programme (ADP) for the next fiscal year with a special priority to the health sector, officials said. They said the health sector allocation is set to increase by 33% to BDT 173.06 billion for the FY2021-22. Earlier on May 9, the planning minister-led extended committee of the Planning Commission (PC) finalised the ADP proposal of BDT 2.25 trillion, which is 10% higher than that of the original BDT 2.05 trillion outlay and 14% higher than the revised ADP allocations of BDT 1.97 trillion for the outgoing FY2021.
- Out of the total outlay, BDT 1.37 trillion fund has been proposed to come from the internal resources and the remaining BDT 880.25 billion from the external resources as project aid. According to the planning commission, the transport and communications sector would receive highest BDT 617.21 billion, followed by power and energy sector BDT 456.67 billion, physical infrastructure, water supply and housing sector BDT 237.47 billion, and education and religious affairs BDT 231.78 billion. Meanwhile, the fast-track and mega development projects were getting fund allocations as per their demands for the FY2022, the official said.

<https://today.thefinancialexpress.com.bd/first-page/BDT -225tn-adp-awaits-govt-nod-tomorrow-1621187258>

49% ADP executed in Jul-Apr period

- The government has implemented only 49% of the development projects in the first 10 months of the current fiscal year (FY), with the health ministry performing poorly again, officials said on Sunday. The health services division, 5th highest development fund holders, executed only 25.46% of its Annual Development Programme (ADP) during July-April period of the FY2020-21, the Implementation Monitoring and Evaluation Division (IMED) report said. It showed that all the government ministries and agencies executed only 49.09% of their ADP, the lowest in more than a decade.
- Although there was a big jump in ADP execution in a single month in April (7.17%), the overall implementation rate for the 10-month period remained poor, officials said. The government ministries and agencies spent only BDT 1.02

trillion or 49.09% of the total BDT 2.09 trillion revised ADP outlay during the period under review. A senior IMED official said that even during the massive coronavirus impact in the FY2020, the ADP implementation rate in July-April period was slightly better than the current FY2021. During the first 10 months last FY2020, the overall ADP implementation rate was recorded at 49.13%.

- A senior Planning Commission (PC) official said that the government's development works were still in the frail trajectory as the public agencies' project execution capacity are not improving over the years. The public agencies have failed to prove their capacity in project implementations, he added. They give reminder repeatedly to the executing agencies for completing their tender processing, procurement and other works in time, but most of the cases those fail resulting in the lower execution rate in July-April period, he added.

<https://today.thefinancialexpress.com.bd/trade-market/49pc-adp-executed-in-jul-apr-period-1621182984>

Banks can't appoint former MDs as independent directors

- Banks cannot appoint their former managing directors as independent directors at their respective board as per the provisions of the Banking Companies Act 1991, Bangladesh Bank (BB) said last week. Any regular or contractual officials of a bank will not be allowed to act as independent directors of the lender's board under any circumstances, the central bank said in a circular. Banks appoint managing directors (MDs) on a contractual basis. The BB has taken the move after a number of banks had appointed their former officials as independent directors at their boards.

- The Banking Companies Act has barred banks from appointing an individual as an independent director of the lender's board if there is any possibility of conflict of interest between the lender and the person in the future. Despite that, a number of banks have continued to breach the rule. The central bank cited the banking companies law and said a person, who had an interest in a bank in the past and has at present, cannot be appointed as an independent director. Against the backdrop, the BB asked three banks in January to remove independent directors from their boards.

- In its circular, the central bank also instructed banks not to appoint their MDs, deputy and additional managing directors as advisers and consultants within five years since their retirement. A number of banks earlier suffered from a conflict of interests while taking important decisions due to such appointments, a BB official said.

<https://www.thedailystar.net/business/banking/news/banks-cant-appoint-former-mds-independent-directors-2093549>
<https://www.tbsnews.net/economy/banking/bb-takes-strict-position-appointments-consultants-advisors-banks-245392>
<https://www.newagebd.net/article/137987/ex-officials-barred-from-becoming-director-of-banks>

Nialco Alloys share subscription begins

- The subscription for shares in Nialco Alloys through qualified investor offer (QIO) began on Sunday under the fixed-price method, which will continue until May 20 using an electronic subscription system. Nialco Alloys is the country's first-ever small and medium enterprise (SME) to enter the stock market for trading on the stock exchanges' SME platform. On April 15, the Bangladesh Securities and Exchange Commission (BSEC) allowed Nialco Alloys to raise BDT 75 million from qualified investors by issuing 7.5 million ordinary shares.

- The face value of each share of the company, which mainly manufactures high grade bronze and brass ingots, is fixed at BDT 10. The shares will be traded on the SME platform of the bourses where general investors are not permitted to trade. Only eligible and institutional investors can subscribe to SME shares. Individual investors shall also be considered as qualified investor who shall maintain a minimum investment of BDT 10 million only at market price (the close price of both exchanges, whichever is higher) in matured listed securities as on May 4 as per condition.

<https://today.thefinancialexpress.com.bd/stock-corporate/nialco-alloys-share-subscription-begins-1621182562>

Bank Asia to issue BDT 5.0 billion perpetual bonds

- The board of directors of Bank Asia has decided to raise BDT 5.0 billion through issuance of perpetual bonds to boost the capital base of the bank. The bank will issue the bond through private placement for raising funds as additional Tier 1 capital to support the bank's BASEL-III compliance in line with Bangladesh Bank guidelines on risk-based capital adequacy, the company said in a filing with the Dhaka Stock Exchange (DSE) on Sunday. The bank's consolidated earnings per share (EPS) stood at BDT 1.05 for January-March 2021 as against BDT 1.16 for January-March 2020. Its paid-up capital is BDT 11.65 billion and authorised capital is BDT 15 billion while the total number of securities is 1.16 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/bank-asia-to-issue-BDT-50b-perpetual-bonds-1621182526>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$65.64	\$17.12	35.28%
Crude Oil (Brent)*	\$69.00	\$17.20	33.20%
Gold Spot*	\$1,849.91	(\$45.19)	-2.38%
DSEX	5,813.17	411.10	7.61%
S&P 500	4,173.85	417.78	11.12%
FTSE 100	7,043.61	583.09	9.03%
BSE SENSEX	48,732.55	981.22	2.05%
KSE-100	45,174.67	1,419.29	3.24%
CSEALL	7,228.23	454.01	6.70%

Exchange Rates

USD 1 = BDT 84.63*
GBP 1 = BDT 119.17*
EUR 1 = BDT 102.67*
INR 1 = BDT 1.15*

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

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