

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.

Macro:**GDP growth target set at 6.75% for FY25**

- The government is optimistic that the country's GDP growth will be 6.75% for fiscal year 2024-25, nearly 1% higher than the outgoing year.

<https://www.tbsnews.net/economy/budget/gdp-growth-target-set-675-fy25-870371>

Tax exemption in FY25 rises to BDT 1630 Bn

- Tax exemptions provided by the National Board of Revenue (NBR) are estimated to rise to BDT 1630 Bn in fiscal 2024-25 as the tax administration looks to ease the pressure on individuals and facilitate higher economic growth.

<https://www.thedailystar.net/business/bangladesh-national-budget-fy2024-25/news/tax-exemption-fy25-rises-tk-163000cr-3629471>

Forex reserves decline by USD 51 Mn in a week

- Bangladesh's foreign currency reserves declined by USD 50.78 Mn a week to hit USD 18.67 Bn on June 5. The forex figure was calculated based on the balance of payments and investment position manual of the International Monetary Fund.

<https://www.thedailystar.net/business/news/forex-reserves-decline-51-million-week-3629296>

LED bulb, juice, home appliances among items brought under VAT hike

- The government has increased the value-added tax (VAT) on more than 13 goods and services, including LED bulbs, tube lights, juices, mango bars, rolling paper, security services, auction services, refrigerators, and air conditioners.

<https://www.tbsnews.net/economy/budget/led-bulb-juice-home-appliances-among-13-items-brought-under-vat-hike-870346>

FY25 Budget: Inflation target set at 6.5%

- The inflation target has been set at 6.5% for Fiscal 2024-25, disclosed Finance Minister Abul Hassan Mahmood Ali while unveiling the BDT 7.97 Tn national budget.

<https://www.tbsnews.net/economy/budget/fy25-budget-inflation-target-set-65-870326>

Higher effective tax rate contributes to capital flight

- A higher effective tax rate is driving away potential investors from Bangladesh, and it may contribute to capital flight and discourage reinvestments, businesspeople and analysts warned yesterday.

<https://www.thedailystar.net/business/news/higher-effective-tax-rate-contributes-capital-flight-3630006>

First-time BDT 2 Bn for green energy, ocean exploration

- The government is set to allocate a total of BDT 2 Bn for developing renewable energy and to explore the potential of marine resources for the first time.

<https://today.thefinancialexpress.com.bd/budget-2024-25/first-time-tk-2b-for-green-energy-ocean-exploration-1717699216>

Good sides apart, new duty regime worries trade bodies

- Leading trade bodies found some solace in the proposed budget for the 2024-25 fiscal year with measures such as the reduction of required deposit from 20% to 10% of a disputed amount of VAT claim to appeal against it and allowing the import of 17 textile goods at a reduced rate.

<https://www.tbsnews.net/economy/budget/good-sides-apart-new-duty-regime-worries-trade-bodies-872331>

Most state enterprises turned a profit. That was overshadowed by loss-makers

- Out of 49 SOEs for which the financial data for the first 10 months of 2023-24 was available, 12 incurred combined losses of BDT 193.95 Bn. The rest 38 firms logged profits of BDT 133.53 Bn, according to the Bangladesh Economic Review 2024.

<https://www.thedailystar.net/business/economy/news/most-state-enterprises-turned-profit-was-overshadowed-loss-makers-3630296>

Sectors & Industries:**BANK | Default loans hit historic high of BDT 1822.95 Bn**

- Default loans in the banking sector hit an all-time high of BDT 1822.95 Bn at the end of March this year, according to the latest data of the Bangladesh Bank.

<https://www.thedailystar.net/business/news/default-loans-hit-historic-high-tk-182295-crore-3628321>

RMG | RMG export to USA falls 14% in Jan-Apr

- Bangladesh's garment export to its single largest export destination -- the USA -- declined by 14.44% year-on-year to USD 2.3 Bn in January-April.

<https://www.thedailystar.net/business/news/rmg-export-usa-falls-14-jan-apr-3629316>

BANK | Govt to rely more on bank borrowing in meeting budget deficit, pvt sector may take the hit

- The government intends to finance BDT1375 Bn out of its budget deficit projected at BDT 2516 Bn for fiscal year 2024-25 through borrowing from the banking sector while decreasing its foreign loan target to BDT 907 Bn.

<https://www.tbsnews.net/economy/budget/govts-bank-borrowing-target-set-tk137-lakh-crore-fy25-870606>

PHARMACEUTICALS | Drug makers, consumers have to wait to reap benefits from tax waivers

- The high dollar-taka exchange rate has escalated production costs, eroding profits. Besides, the cancer drugs that will enjoy tax waiver in imports of Active Pharmaceutical Ingredients (APIs) in FY25 are manufactured on a very small scale locally.

<https://today.thefinancialexpress.com.bd/stock-corporate/drug-makers-consumers-have-to-wait-to-reap-benefits-from-tax-waivers-1717859873>

Stocks:**POWERGRID | Power Grid gets large sums as govt prioritises transmission, distribution**

- Around a third of the budgetary allocation set aside for the power division is going to the Power Grid Company of Bangladesh (PGCB) as the government plans to make the most of installed generation capacity by expanding grids and making some of the existing facilities smart.

<https://www.thedailystar.net/business/economy/news/power-grid-gets-large-sums-govt-prioritises-transmission-distribution-3630291>

EXCHANGE | Stock investors face 15% tax on capital gains exceeding BDT 5 Mn

- Individual investors will face a 15% tax on capital gains exceeding BDT 5 Mn from the stock market in the upcoming fiscal year.

<https://www.tbsnews.net/economy/budget/stock-investors-face-15-tax-capital-gains-exceeding-tk50-lakh-870926>

EXCHANGE | How the budget will impact listed firms

- While the new budget lacks comprehensive provisions for the capital market beyond an investment opportunity for black money, the proposed tax measures – rebates for certain sectors and increases for others – could influence stock performance.

<https://www.tbsnews.net/economy/stocks/how-budget-will-impact-listed-firms-872276>

EXCHANGE | Owners of listed companies have to pay more gain tax

- To increase revenue collection from the stock market, the government has decided to raise the tax deducted at source (TDS) on capital gains from the existing 5% to 10% for sponsor-director shareholders and placement shareholders of listed companies or funds.

<https://www.tbsnews.net/economy/budget/owners-listed-companies-have-pay-more-gain-tax-871001>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.53	USD 3.88	5.42%
Crude Oil (Brent)*	USD 79.62	USD 2.58	3.35%
Gold Spot*	USD 2,325.00	USD 262.02	12.70%
DSEX	5,237.32	-1,009.17	-16.16%
S&P 500	5,346.99	577.16	12.10%
FTSE 100	8,245.37	512.13	6.62%
BSE SENSEX	76,693.36	4,453.10	6.16%
KSE-100	73,846.23	11,466.82	18.38%
CSEALL	12,314.38	1,660.22	15.58%

Exchange Rates**1 US Dollar = 117.58 BDT****1 GBP = 149.67 BDT****1 Euro = 127.25 BDT****1 INR = 1.41 BDT**

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