

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.

WB okays USD 250 m budget aid

- The World Bank (WB) on Monday confirmed USD 250 Mn, the first tranche of its assured budget support worth USD 500 Mn for Bangladesh, to be spent for Covid recovery programmes. Under the title "Bangladesh - First Recovery and Resilience Development Policy Credit (DPC 1)", the loan would assist Bangladesh in its efforts to implement budget stimulus for the subsequent recovery of Covid-19 as well as to enhance resilience to future shocks.
- The package would be utilized to provide stimulus incentives to the affected industries, agriculture sector and export-oriented industries, and to ensure food security. The stimulus incentive has been kept aside to assist the affected industries, agriculture sector and export-oriented industries, to ensure food security, and to promote the government extended social safety-net programmes and employment creation.
- The USD 250 Mn worth of second tranche is expected to be received in the middle of next FY for minimizing potential budget gap. The interest rate of the USD 250 Mn budget support is 1.25%, and service charge is 0.75%. The maturity period of the loan is 30 years, with a grace period of five years.

<https://today.thefinancialexpress.com.bd/last-page/wb-okays-250m-budget-aid-1650303909>

Workers' outflow more than doubles in three months

- The outflow of migrant workers was 322,583 workers to different countries during 1QCY22 as against 146,895 in 1QCY21, registering a 119 per cent growth. Bangladeshi workers went mainly to 20 countries in the last three months. Saudi Arabia received 206,057 workers, while Oman 41,617, the United Arab Emirates (UAE) 39,827, Kuwait 1,966, and Singapore 13,364.
- Recruiters said they were receiving an increased number of requests for workers' hiring from different countries, especially from Saudi Arabia, as the country needs a large number of workers for its construction, maintenance and service sectors. Officials at the BMET observed that a record number of workers would go abroad this year. The number of jobs may cross 1.0 million, if Malaysia starts hiring workers.

<https://today.thefinancialexpress.com.bd/trade-market/workers-outflow-more-than-doubles-in-three-months-1650299587>

Foreign loan use rises 57% in July-March

- Bangladesh's use of foreign loans rose 57% year-on-year to USD 6.8 Bn in 9MFY22 in the current fiscal year. Different ministries used USD 4.38 Bn in the same period last fiscal year. The government still does not have that expertise to implement projects in time and properly utilise foreign funds, an official of the finance ministry said. In 9MFY22, the government paid USD 1.6 Bn. Of which, USD 1.18 Bn was principal amount. The government cleared USD 1.45 Bn in the same period last fiscal year.

<https://www.thedailystar.net/business/news/foreign-loan-use-rises-57-jul-mar-3007171>

Five brick makers get BDT 28.7 Mn off carbon credits

- Five local brick manufacturers received a total of BDT 28.7 Mn for reducing carbon emissions through the use of fuel-efficient technology. The five - Kapita Auto Bricks, Eeta and Tiles, Banolata Refractory, Universal Bricks and Eco Brick – reduced carbon dioxide emissions by 65,603 tonnes using Hybrid Hoffman Kiln (HHK) technology between January 2018 and March 2020.

- The emission reduction was certified by the United Nations Framework Convention on Climate Change (UNFCCC). For this, Asian Development Bank paid USD 524,780 at a rate of USD 8 per tonne. The exchange is run under a Clean Development Mechanism (CDM) of the UNFCCC. It enables earning saleable certified emission reduction credits, each equivalent to one tonne of carbon dioxide, which can be counted towards meeting Kyoto targets.
- The Industrial and Infrastructure Development Finance Company Ltd (IIDFC) has been running the CDM in Bangladesh since 2011.

<https://www.thedailystar.net/business/economy/news/five-brick-makers-get-tk-287cr-carbon-credits-3007496>

Production starts at two jute mills leased to private sector

- Two state-owned jute mills, Bangladesh Jute Mills Ltd and Karnafuli Jute Mills Ltd, which were leased to the private sector, have recently began production. Bangladesh Jute Mills, which was leased by Bay Group, is producing jute yarn and sacks while Unitex Group is using Karnafuli Jute Mills to produce various jute products for local and international markets. Both mills were leased for 20 years through an open bidding system.
- Meanwhile, the leasing of two other jute mills -- Crescent Jute Mills Ltd in Khulna and Hafiz Jute Mills Ltd in Chattogram -- is under process. In addition, 53 proposals have already been received from 18 national and international organisations for 13 other mills.

<https://www.thedailystar.net/business/economy/news/production-starts-two-jute-mills-leased-private-sector-3007421>

Revert to Advance Trade VAT

- A reform panel recommends reinstating the once-discarded Advance Trade VAT (ATV) that taxes products at both ends -- production and import -- and refuses refund. Sources say if this system is re-imposed through the upcoming budget, in an avowed bid to redouble this tax receipt, it would replace the current Advance Tax (AT). Imposition of ATV both at import and production stages for the next financial year could fetch BDT 194.10 Bn in revenue.
- In a bid to plug leaks of trade VAT, the committee has proposed imposing ATV at a rate of 3.0 per cent both at import and production stages of manufactures, says a draft report on the reforms to be executed through the new budget, scheduled to be placed on June 9.

<https://today.thefinancialexpress.com.bd/first-page/revert-to-advance-trade-vat-1650303453>

BB fixes interest rates for NBFIs

- The central bank has fixed interest rates for NBFIs effective from July 1, 2022, and issued a notification on Monday in this regard. The BB notification stated that some NBFIs are providing higher interest rates on deposits along with charging higher interest rates on lending. BB also said it wants to set a rational interest system to minimize the cost of fund as well investment.
- The interest rate/profit will be effective on the deposit and lease or lending since the execution date of the instruction while the interest/profit on earlier collected deposit will be as per the condition. The new rate of interest/ profit will be effective after end of its tenure.

<https://today.thefinancialexpress.com.bd/first-page/bb-fixes-interest-rates-for-nbfis-1650303759>

54% garment workers paid through MFS in Feb: Sanem

- Around 54 per cent of the garment workers in Bangladesh were paid through mobile financial services in February and the rest through cash, a research finds. For their work in December, female workers got an average salary of BDT 12,000 while it was BDT 12,500 for male workers. For January, the amount remained unchanged at BDT 12,000

for female workers but their male counterparts saw a rise by BDT 500 on an average in their salaries.

<https://www.thedailystar.net/business/news/54-garment-workers-were-paid-through-mfs-february-sanem-3007121>

Global LNG suppliers scramble for deals with Bangladesh

- Global suppliers are eyeing a burgeoning Bangladesh fuel market and scrambling for long-term supply deals, either by lobbying government high-ups or through competitive biddings, market-insiders say. But energy experts and stakeholders opine that the government should float international tender inviting the interested long-term LNG (liquefied natural gas) suppliers to submit their price quotes and pick "the best offer".
- State-run Petrobangla has so far picked three firms-US's Excelerate Energy, local Summit Group and Middle East's Emirates' National Oil Company (ENOC) - for negotiation, bypassing tender, on LNG purchase on a long-term basis. AOT Energy AG of Switzerland, Gunvor Group, Trafugura, Vitol Asia, and Eleris Energy are among the firms that are interested to supply the liquid gas under long terms. A number of LNG suppliers are also interested in supplying the fuel from the Commonwealth of Independent States (CIS) countries.

<https://thefinancialexpress.com.bd/trade/global-lng-suppliers-scramble-for-deals-with-bangladesh-1650335272>

City Bank arranges ECA-backed Euro long term financing

- City Bank has recently arranged an ECA-backed long term financing of EUR 28.63 million to facilitate Western Engineering Limited, a local leading dredging solution provider, importing 10 dredgers from Royal IHC, Netherlands. Under the arrangement, Dutch ECA Atradius Dutch State Business (Atradius) provided ECA cover to Commerzbank and AKA Ausfuhrkredit-GesellschaftmbH (AKA) bank, based on which they have extended a term loan of EUR 28.63 million to Western Engineering through City Bank. This is the first ECA transaction of Atradius for a Bangladeshi enterprise arranged by a private commercial bank in Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-arranges-eca-backed-euro-long-term-financing-1650297172>

Double bandwidth at 25pc higher investment

- Bangladesh Submarine Cable Company will increase its planned investment by 25% in a bid to connect to a third submarine cable to avail double the bandwidth. With BDT 8.7 Bn, the company will now get 13,200 Gbps from the South East Asia–Middle East–Western Europe 6 (SEA-ME-WE 6) consortium. Bangladesh will get the bandwidth from January 2025.
- Currently the state-run venture avails 2600 Gbps from SEA-ME-WE 4 and SEA-ME-WE 5. Another 1,000 Gbps or so of the bandwidth comes from India through six international terrestrial cable service providers based in Bangladesh. Demand for bandwidth in the country now stands at 3,400 Gbps. The third cable's addition will take the company's capacity to 15,800 Gbps.

<https://www.thedailystar.net/business/telecom/news/double-bandwidth-25pc-higher-investment-3007511>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 108.20	USD 32.99	43.86%
Crude Oil (Brent)*	USD 113.43	USD 35.65	45.83%
Gold Spot*	USD 1,976.10	USD 146.90	8.03%
DSEX	6,554.87	-201.78	-2.99%
S&P 500	4,391.69	-374.49	-7.86%
FTSE 100	7,616.38	231.84	3.14%
BSE SENSEX	57,166.74	-1,087.08	-1.87%
KSE-100	46,539.59	1,943.52	4.36%
CSEALL	8,135.25	-4,090.76	-33.46%

Exchange Rates**1 US Dollar = 85.76 BDT****1 GBP = 111.46 BDT****1 Euro = 92.35 BDT****1 INR = 1.12 BDT**

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