

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.

Finance projects export fall, remittance rise

- The finance ministry has projected that export growth will drop to 20% in FY23 because surging inflation in Bangladesh's major trade destinations, such as the USA and European Union. The falling exports will also cause imports of raw materials to come down to 12% from 30% estimated in FY22 revised budget. Government's various measures to discourage imports and dollar crisis in the country will further dampen import growth. However, Finance Division officials expect a 16% growth in remittance inflows, which has registered a negative growth throughout FY22.

<https://www.tbsnews.net/economy/finance-projects-export-fall-remittance-rise-428838>

Govt borrows 51% of target thru' savings certificate sales in 9 months

- The government borrowed only 51% of its target through sales of national savings certificates in 9MFY22, because of higher interest rates and slow spending on projects under the annual development programme. Till Mar'22, it accumulated BDT 165.04 Bn from selling savings tools against its annual borrowing target of BDT 320.0 Bn for deficit financing.
- Government had initially borrowed less during first half of FY22, however from 2022, it scaled up its borrowing. Fahmida Khatun, executive director at the Centre for Policy Dialogue, told that net borrowing is low because the money borrowed is spent on development projects that see slow implementation in the current fiscal year.

<https://www.tbsnews.net/economy/banking/govt-borrows-51-target-thru-savings-certificate-sales-9-months-428518>

Tax-free income limit likely to be unchanged

- The government is likely to keep the tax-free income limit unchanged for FY23 to expand the tax net, said officials of the finance ministry. Tax rates and slabs may also remain unchanged for the next fiscal year.

<https://www.thedailystar.net/business/economy/news/tax-free-income-limit-likely-be-unchanged-3032916>

Taxpayers likely to get exemption facilities against Sukuk investment

- The government is expected to offer income tax exemption facilities on investing in Shariah-compliant bond Sukuk for individual taxpayer, according to a source of NBR. The Sukuk investment will be considered as saving certificate and treasury bond so that taxpayer can claim tax rebate, which was not available for the Sukuk bond investors during the current fiscal year.

<https://www.newagebd.net/article/171702/taxpayers-likely-to-get-exemption-facilities-against-sukuk-investment>

Consumption surge secures growth, squeezes savings

- Bangladesh's economic growth has been fueled by a surge in consumption as a letup in the pandemic has unfrozen pent-up demand, but it costs people their savings. Consumption (BDT 31.19 Tn) was up 18% year-on-year, has forced 7.0% year-on-year decline in gross national savings (BDT 10.12 Tn). The investment-to-GDP ratio remained almost stagnated at over 31% although private investment edged up by 0.36 percentage point in the year under review.
- Dr Zahid Hussain, a former lead economist of the World Bank, sees consumer spending as the major driver of the GDP in Bangladesh as they have over BDT 41.31 Tn worth of disposable income. The economist added that the savings ratio has dropped as a result of the poor remittance inflow in the year under review.

- Dr Masrur Reaz, chairman at the Policy Exchange of Bangladesh, told that consumption has been high for several reasons, including steady expansion of higher wage income, not experiencing any recession in recent decades, and a large number of people being out of the formal banking system cannot access savings instruments. He added that the recent drop in gross domestic savings rate could be a function of a drop in income due to covid that led to permanent and temporary loss of employment or reduction in income.

<https://today.thefinancialexpress.com.bd/first-page/consumption-surge-secures-growth-squeezes-savings-1653758243>

BDT 20.0 Bn refinance scheme for shipbuilding

- Bangladesh Bank has formed a BDT 20.0 Bn refinance scheme to ensure sustainable development of the shipping industry, increase export earnings and employment and gradually reduce dependence on imports. Bangladesh has more than 100 shipbuilding yards, most of which serve the local market worth more than BDT 30.0 Bn.
- Under the scheme, a customer can get loans at 4.5% interest for a maximum of 12 years, with grace period of three years. The deadline for submitting applications for the loan is June 30, 2024, according to the circular. Working capital loans can be availed under the scheme for one year and loans cannot be renewed for more than three years.

<https://www.thedailystar.net/business/economy/news/tk-2000cr-refinance-scheme-shipbuilding-3032896>

Taka may be weakened further

- Bangladesh's national currency may weaken further against the US dollar by another BDT 2.0, said the managing director of a private commercial bank, as the central bank has moved to restore stability in the foreign exchange market. If it takes place finally, the local currency will trade at BDT 89.80 per USD, up from BDT 87.90 now.

<https://www.thedailystar.net/business/economy/news/taka-may-be-weakened-further-3032921>

Rod prices spike again on tariff plan

- Prices of mild-steel rod, a key construction material, have spiked again after two months of downward trend, with the prices increasing by nearly BDT 2,000 per tonne in the last two days. Traders say the sudden spike in prices came following the announcement that the government plans to impose controlled tariffs on the import of iron ore products in the next budget.
- The price of 75 grade (500 TMT) rod is being sold at prices ranging between BDT 83,500-87,500 across brands from BDT 82,500 - 85,000 two days prior. The Prices of 60 grade MS rod ranges from BDT 80,000-83,000 across brands. At present, per tonne scrap is being sold at BDT 58,000, plate at BDT 67,500 and billet at BDT 72,000 from respectively BDT 56,500, BDT 63,500 and BDT 71,000 two days prior.

<https://www.tbsnews.net/economy/bazaar/rod-prices-spike-again-tariff-plan-428434>

BB disburses BDT 2.05 Bn to capital market refinancing scheme

- Bangladesh Bank (BB) has disbursed BDT 2.05 Bn to the capital market refinancing scheme to enhance liquidity support in the capital market through market operators. The fund came following the government's announcement regarding extension of tenure of the revised refinancing scheme until December 2027 to help revamp the capital market which recently saw persistent downward trend. The fund will be disbursed among market operators including Investment Corporation of Bangladesh (ICB) with an interest rate of 4.0%.

<https://today.thefinancialexpress.com.bd/stock-corporate/bb-disburses-tk-205b-to-capital-market-refinancing-scheme-1653752061>

BSEC orders three banks to cancel lien with Aman Cotton

- Bangladesh Securities and Exchange Commission (BSEC) recently directed Meghna Bank, Al-Arafah Islami Bank, and Commercial Bank of Ceylon PLC to cancel their lien with Aman Cotton Fibrous Ltd in a move to recover BDT 730 Mn of investors' funds.
- Back in August 2018, Aman Cotton raised BDT 800 Mn from the stock market through IPO to buy new machinery and repay loans. But instead of buying machinery, it pledged BDT 730 Mn of the IPO fund as security for credit facilities for two of its sister concerns - Akin Carries Limited, and Aman Food Limited.

<https://www.tbsnews.net/economy/stocks/bsec-orders-three-banks-cancel-lien-aman-cotton-428798>

Bashundhara Group seeks BSEC nod for pvt commodity exchange

- Bashundhara Group has filed an application with the Bangladesh Securities and Exchange Commission for establishing a private commodity exchange ABG Commodity Exchange (ABGEX), under the supervision of the BSEC.
- According to the letter sent to BSEC, ABGEX would provide all facilities related to commodity exchange which includes but not limited to providing a platform to sellers and buyers to sell, buy and transfer all kinds of commodities and derivatives available in Bangladesh and abroad.

<https://www.newagebd.net/article/171774/bashundhara-group-seeks-bsec-nod-for-pvt-commodity-exchange>

Higher freight charges help BSC post stellar growth in Q3 profits

- The Bangladesh Shipping Corporation (BSC) posted a staggering 183% year-on-year growth in profits 3QFY21, thanks to an increase in freight charges. EPS stood at BDT 3.31, which was BDT 1.17 for 3QFY21. In 9MFY22, EPS jumped 310% YoY to BDT 11.59.

<https://www.tbsnews.net/economy/stocks/higher-freight-charges-help-bsc-post-stellar-growth-q3-profits-427526>

SS Steel entrepreneurs to acquire Oimex Electrode

- SS Steel entrepreneurs have proposed to acquire Oimex Electrode, as sources knowledgeable of the deal told that three private firms owned by the founders of SS Steel are set to acquire all 30% of Oimex shares held by its sponsor-directors at face value. They also said Oimex founder MA Maleque finds it better to exit, considering the management and marketing weakness within the company where he himself heads factory operations.

<https://www.tbsnews.net/economy/stocks/ss-steel-entrepreneurs-acquire-oimex-electrode-427550>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 115.07	USD 39.86	53.00%
Crude Oil (Brent)*	USD 119.43	USD 41.65	53.55%
Gold Spot*	USD 1,853.72	USD 24.52	1.34%
DSEX	6,237.98	-518.68	-7.68%
S&P 500	4,158.24	-607.94	-12.76%
FTSE 100	7,585.46	200.92	2.72%
BSE SENSEX	54,884.66	-3,369.16	-5.78%
KSE-100	42,861.45	-1,734.62	-3.89%
CSEALL	8,315.55	-3,910.46	-31.98%

Exchange Rates**1 US Dollar = 87.94 BDT****1 GBP = 111.05 BDT****1 Euro = 94.40 BDT****1 INR = 1.09 BDT**

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