

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.22%) gained 13.21 points and closed the week at 6,066.64 points. The blue-chip index DS30 (+0.07%) gained 1.51 points and stood at 2,205.10 points. The Shariah-based index DSES (+0.49%) gained 6.31 points and stood at 1,299.48 points. The large cap index CDSET (-0.31%) lost -3.79 points and closed at 1,230.52 points. DSEX, DS30, DSES and CDSET showed YTD returns of +12.30%, +12.28%, +4.62%, +9.57%, respectively.

Total Turnover During The Week (DSE): BDT 121.9 billion (USD 1,435 million)

Average Daily Turnover Value (ADTV): BDT 24.4 billion (Δ% Week: +18.8%)

Market P/E: 19.1x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed negatively by -0.25% and continued to be negative by -1.03% in the second session. Market rebounded in the third session by +0.79% and continued to be positive in the fourth and fifth sessions by +0.53% and +0.19% respectively.

Sectoral Performance:

- Financial sectors posted mixed performance this week. Life Insurance booked the highest gain of 5.54% followed by General Insurance (+0.50%), and NBF1 (+0.40%). Bank experienced the highest loss of 5.15% followed by Mutual Fund (-0.26%).

- Non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 4.73% followed by Pharmaceutical (+0.75%). Food & Allied experienced the highest loss of 1.38% followed by Telecommunication (-1.26%), and Fuel & Power (-0.78%).

Macroeconomic arena:

- The World Bank has projected that Bangladesh's GDP growth will be 5.1% in the next 2021-22 fiscal year. This is 1.8% points more than last January's report. The report states that the GDP growth of Bangladesh will be 3.6% in the current fiscal year. However, the government has set a growth target of 6.1% for the current fiscal year and 7.2% for the next fiscal year.

- The country's total export earnings during the July-May period of 2020-21 fiscal year (FY) reached USD 35.18 billion, reflecting 13.64% rise over the corresponding period of last fiscal. Of the total, the country's readymade garment (RMG) products rose by over 11% to USD 28.56 billion during the first 11 months of the current fiscal over the matching period of last fiscal.

- Finance Minister on Thursday proposed cuts in corporate tax rates for both listed and non-listed companies for fiscal year (FY) 2021-22 by 2.5% points. Currently, the tax rate for listed and non-listed companies is 25% and 32.5% respectively.

- Consumers had to spend more to buy products and services other than food in May compared to April owing to the increasing prices of non-food items. Data from the Bangladesh Bureau of Statistics (BBS) showed that non-food price inflation rose to 5.86%, the highest in 11 months, in May.

- Transactions through mobile financial services (MFS) hit an all-time high of BDT 634.79 billion in April last as an increased number of people and businesses preferred using digital services amid the ongoing Covid-19 pandemic.

Stock Market arena:

- The Bangladesh Securities and Exchange Commission (BSEC) lifted the floor price for 30 more listed firms in the second phase on Thursday. The stock market regulator also set the lowest price change limit at 2.0% for the 30 companies, whose floor price bar was withdrawn. However, the upper limit circuit breaker and other conditions remained unchanged.

- Marico Bangladesh is set to invest BDT 2.27 billion to establish a new manufacturing unit at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram as a part of its efforts to catch a greater share of the growing market for fast-moving consumer goods.

- The stock market regulator approved the amalgamation of Bangladesh Steel Re-rolling Mills Ltd (listed) and BSRM Steel Mills Ltd (non-listed) on Monday. After the amalgamation, paid-up capital of Bangladesh Steel Re-rolling Mills would be soared to BDT 2.98 billion, from existing 2.36 billion.

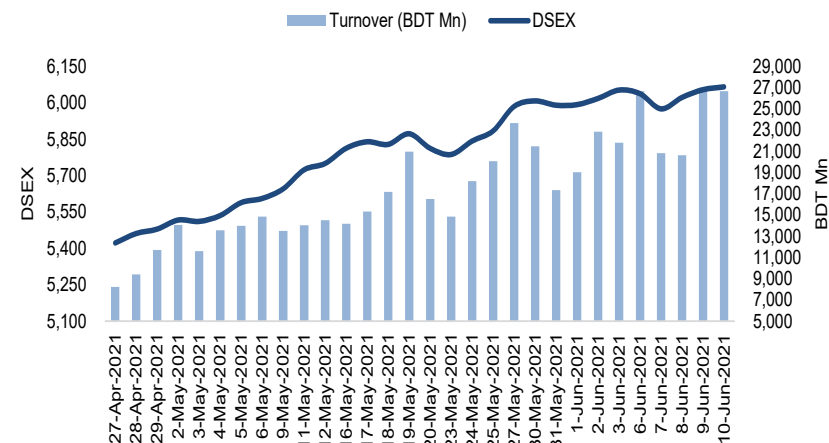
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	6,066.64	6,053.43	+13.21	5,402.07	+0.22%	+12.30%
DS30	2,205.10	2,203.59	+1.51	1,963.96	+0.07%	+12.28%
DSES	1,299.48	1,293.17	+6.31	1,242.11	+0.49%	+4.62%
CDSET	1,230.52	1,234.31	-3.79	1,123.03	-0.31%	+9.57%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,099,378	5,089,475	
	Mn USD	60,021	59,904	+0.2%
Turnover	Mn BDT	121,882	102,587	+18.8%
	Mn USD	1,435	1,207	
Average Daily Turnover	Mn BDT	24,376	20,517	+18.8%
	Mn USD	287	241	
Volume	Mn Shares	3,691	3,314	+11.4%

Figure 1: DSEX & Turnover in last four weeks



Associate:
Md. Rafiqul Islam
 (880) 1708805229
 mrafiqulislam@bracepl.com

Associate:
Md Mahirul Quddus
 (880) 1709636546
 mmahirul.quddus@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
FORTUNE	39.3	26.0	+51.2%	6,083	2,583.7	32.7x	2.9x
COPPERTECH	29.9	20.5	+45.9%	1,884	557.3	47.7x	2.5x
RINGSHINE	10.9	7.8	+39.7%	5,508	1,118.0	38.0x	0.6x
AIL	31.1	24.1	+29.0%	1,376	87.6	17.1x	1.5x
SAFKOSPINN	16.4	12.8	+28.1%	492	97.2	NM	1.0x
ALIF	12.0	9.4	+27.7%	3,119	1,165.4	23.5x	0.9x
NURANI	8.9	7.0	+27.1%	1,091	127.0	NM	1.0x
DSHGARME	168.2	133.3	+26.2%	1,267	64.5	NM	8.9x
ANWARGALV	171.0	136.1	+25.6%	2,607	250.4	64.0x	14.8x
POPULARLIF	103.9	83.0	+25.2%	6,279	489.7	NM	NM

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
NCCBANK	14.1	18.0	-21.7%	13,338	309.3	6.8x	0.6x
SOUTHEASTB	13.9	16.7	-16.8%	16,526	425.1	6.7x	0.5x
EXIMBANK	10.9	12.8	-14.8%	15,394	149.0	5.5x	0.5x
ABBANK	13.7	16.0	-14.4%	11,451	947.1	25.0x	0.4x
PHENIXINS	64.7	74.6	-13.3%	2,610	648.3	26.2x	1.7x
GBBPOWER	29.2	33.2	-12.0%	2,973	783.0	19.8x	1.4x
NORTHRNINS	60.9	69.2	-12.0%	2,598	625.0	36.3x	2.9x
PARAMOUNT	79.4	88.7	-10.5%	2,960	400.1	13.2x	2.9x
JANATAINS	41.8	49.0	-10.4%	1,856	229.5	34.0x	3.0x
ONEBANKLTD	12.9	14.4	-10.4%	12,049	512.1	8.4x	0.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	96.4	87.9	+12.4%	86,589	10,807	23.8x	1.3x
LANKABAFIN	37.6	36.3	+3.6%	20,260	3,006	20.8x	2.1x
PIONEERINS	193.9	157.3	+23.3%	13,569	2,636	26.1x	4.0x
FORTUNE	39.3	26.0	+51.2%	6,083	2,584	32.7x	2.9x
NFML	35.4	32.4	+9.3%	3,272	1,727	27.4x	2.7x
SANDHANINS	46.0	41.3	+11.4%	5,046	1,700	NM	NM
IFADAUTOS	54.9	56.5	-2.8%	13,887	1,693	58.3x	1.3x
SONARBAINS	114.4	98.1	+16.6%	4,581	1,662	53.4x	5.6x
NRBCBANK	36.0	36.3	-0.8%	26,555	1,603	14.8x	2.4x
GLOBALINS	70.2	73.0	-3.8%	2,847	1,469	45.3x	5.1x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
EGEN	52.7	+427.0%	3,953	40.6x	2.1x
PIONEERINS	193.9	+157.5%	13,569	26.1x	4.0x
HEIDELBCEM	321.9	+115.2%	18,189	53.4x	4.2x
MICEMENT	70.9	+52.8%	10,529	14.8x	1.4x
ROBI	44.9	+50.7%	235,183	NM	3.5x
BSRMLTD	89.2	+48.2%	21,057	12.2x	0.9x
SQUARETEXT	40.7	+36.6%	8,028	44.4x	1.1x
BATBC	532.7	+35.3%	287,658	24.5x	7.6x
BSRMSTEEL	55.7	+31.1%	20,941	11.8x	1.0x
RUNNERAUTO	66.7	+31.0%	7,573	42.5x	1.0x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,505.61	1,587.31	1,372.63	-5.15%	+9.69%
NBFIs	2,072.46	2,064.30	2,033.53	+0.40%	+1.91%
Mutual Funds	1,009.44	1,012.10	959.61	-0.26%	+5.19%
General Insurance	5,683.55	5,655.07	4,103.56	+0.50%	+38.50%
Life Insurance	2,724.40	2,581.42	2,162.58	+5.54%	+25.98%
Telecommunication	6,297.88	6,378.00	5,463.26	-1.26%	+15.28%
Pharmaceuticals	3,398.45	3,373.31	3,306.03	+0.75%	+2.80%
Fuel & Power	1,690.01	1,703.24	1,618.11	-0.78%	+4.44%
Cement	1,993.73	2,024.09	1,416.18	-1.50%	+40.78%
Services & Real Estate	1,116.84	1,085.30	1,083.79	+2.91%	+3.05%
Engineering	5,023.45	4,796.36	3,959.20	+4.73%	+26.88%
Food & Allied	20,985.26	21,278.94	14,705.76	-1.38%	+42.70%
IT	2,807.33	2,609.65	2,350.28	+7.57%	+19.45%
Textiles	1,266.47	1,148.41	1,087.41	+10.28%	+16.47%
Paper & Printing	5,193.80	5,116.49	5,487.56	+1.51%	-5.35%
Tannery	1,942.36	1,789.59	1,771.77	+8.54%	+9.63%
Jute	8,246.38	8,514.24	12,154.61	-3.15%	-32.15%
Ceramics	541.72	507.68	472.38	+6.71%	+14.68%
Miscellaneous	3,992.83	3,810.78	2,539.70	+4.78%	+57.22%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	2,040.7	3,572.2	-42.9%	8.6%	8.4x	0.8x
NBFI	1,584.9	1,294.0	+22.5%	6.7%	43.9x	3.2x
Mutual Fund	382.1	577.8	-33.9%	1.6%	NM	0.9x
General Insurance	4,848.8	4,697.7	+3.2%	20.4%	27.6x	2.7x
Life Insurance	1,125.2	906.3	+24.2%	4.7%	NM	NM
Telecommunication	412.0	409.0	+0.7%	1.7%	19.0x	5.5x
Pharmaceutical	1,317.1	1,005.1	+31.0%	5.5%	20.4x	2.5x
Fuel & Power	1,111.1	676.9	+64.1%	4.7%	12.3x	1.4x
Cement	509.5	754.4	-32.5%	2.1%	20.5x	2.5x
Services & Real Estate	396.7	236.6	+67.7%	1.7%	NM	0.9x
Engineering	2,453.4	1,412.2	+73.7%	10.3%	33.7x	2.9x
Food & Allied	524.1	456.9	+14.7%	2.2%	32.3x	8.0x
IT	444.0	334.1	+32.9%	1.9%	33.7x	2.4x
Textile	2,973.3	1,587.0	+87.4%	12.5%	NM	0.9x
Paper & Printing	52.5	17.3	+204.2%	0.2%	39.5x	1.0x
Tannery	546.8	104.1	+425.2%	2.3%	NM	2.2x
Jute	18.6	8.6	+115.4%	0.1%	NM	14.8x
Ceramics	217.8	99.2	+119.6%	0.9%	59.1x	1.8x
Miscellaneous	2,839.6	1,560.3	+82.0%	11.9%	30.3x	2.0x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ADNTEL	53.1	-17.4%	3,433	17.3x	2.1x
KPCL	38.8	-14.3%	15,420	11.4x	1.6x
UNIQUEHRL	34.3	-13.4%	10,098	NM	0.4x
OLYMPIC	171.0	-10.5%	34,190	16.5x	3.9x
SHAHJABANK	19.9	-8.8%	20,479	9.9x	1.1x
BXPBARMA	174.5	-8.4%	77,847	17.1x	2.2x
MPETROLEUM	183.0	-7.6%	19,804	7.0x	1.1x
BATASHOE	654.9	-6.8%	8,959	NM	2.5x
IDLC	59.5	-6.2%	22,435	8.3x	1.5x
GHAIL	15.8	-5.4%	3,410	NM	1.1x

Important News: Business & Economy

World Bank projects 5.1% GDP growth for Bangladesh in 2021-22

• The World Bank has projected that Bangladesh's GDP growth will be 5.1% in the next 2021-22 fiscal year. This is 1.8% points more than last January's report. The report states that the GDP growth of Bangladesh will be 3.6% in the current fiscal year. However, the government has set a growth target of 6.1% for the current fiscal year and 7.2% for the next fiscal year.

<https://www.thedailystar.net/business/news/world-bank-projects-51-gdp-growth-bangladesh-2021-22-2107425>

July-May exports at USD 35.18 billion

• The country's total export earnings during the July-May period of 2020-21 fiscal year (FY) reached USD 35.18 billion, reflecting 13.64% rise over the corresponding period of last fiscal. Earnings from the country's merchandise products were recorded at nearly USD 3.11 billion for the month of May, 2021, around 112% up from that in the same month of the previous fiscal, according to the Export Promotion Bureau (EPB) data. Of the total, the country's readymade garment (RMG) products rose by over 11% to USD 28.56 billion during the first 11 months of the current fiscal over the matching period of last fiscal, the EPB data showed.

<https://today.thefinancialexpress.com.bd/public/first-page/july-may-exports-at-3518b-1622829057>

Finance minister suggests cuts in corporate taxes

• Finance Minister on Thursday proposed cuts in corporate tax rates for both listed and non-listed companies for fiscal year (FY) 2021-22 by 2.5% points. Currently, the tax rate for listed and non-listed companies is 25% and 32.5% respectively. The proposal has been made to help ease tax burden on businesses and attract investment as well. However, the minister sought to keep the tax rate unchanged for banks, non-bank financial institutions, leasing, insurance, mobile phone and cigarette companies.

• The corporate tax rate in Bangladesh ranges between 32.5% and 45%. The average tax rate is 25.2% in India, 29% in Pakistan, 28% in Sri Lanka and 20% in Vietnam, Indonesia and Myanmar.

<https://today.thefinancialexpress.com.bd/public/last-page/kamal-suggests-cuts-in-corporate-taxes-1622744713>

<https://www.tbsnews.net/economy/budget/both-listed-and-non-listed-companies-get-25-tax-cut-255595>

Non-food inflation at 11-month peak

• Consumers had to spend more to buy products and services other than food in May compared to April owing to the increasing prices of non-food items. Data from the Bangladesh Bureau of Statistics (BBS) showed that non-food price inflation rose to 5.86%, the highest in 11 months, in May. In April, non-food price inflation was 5.55%. Non-food price inflation has been rising gradually since February 2021 after touching 4.69% in January, the lowest in nearly two-and-a-half years.

• Despite the spike, consumers felt less pressure on their wallets in May than April because of a decline in food price inflation. Food inflation dipped 4.87% in May from 5.57% the previous month. Overall inflation dropped to 5.26% in May from 5.56%, the BBS data shows. The decline in food inflation will ease pressure on the poor and low income people, he added.

<https://www.thedailystar.net/business/news/non-food-inflation-11-month-peak-2107409>

<https://www.tbsnews.net/economy/lower-food-prices-brings-down-may-inflation-526-257875>

<http://www.newagebd.net/article/140155/inflation-drops-to-526pc-in-may>

Bangladesh Bank buys record USD 7.7 billion to keep taka stable

• The central bank purchased USD 7.68 billion from the banking system in the first 11 months of the current fiscal year, the highest on record, to contain any abnormal appreciation of the local currency. The previous highest was posted in 2013-14 when Bangladesh Bank bought USD 5.15 billion. The regulator was forced to smash the previous record between July and May because of a higher flow of remittance and lower imports caused by the business slowdown amid the coronavirus pandemic. The central bank needs to continue the intervention until the economy recovers from the slowdown, analysts and businesspeople say.

• The USD purchase is helping the export sector as local products become cheaper in foreign markets. It is also swelling the foreign exchange reserves. But it has flooded the financial sector with excess liquidity. But a lower credit demand has adversely impacted the cost of funds for banks as liquidity has largely remained idle. The excess liquidity in the banking industry stood at around BDT 2.00 trillion in April. Despite the massive dollar purchase, the central bank has failed to devalue the taka against the US currency.

• Since July, the central bank has been intervening in the foreign exchange market after the local currency began strengthening. The interbank exchange rate has been hovering around BDT 84.80 per USD since July. The rate was BDT 84.95 on June 2 last year. Had the central bank had not intervened in the exchange market, local currency would have appreciated.

<https://www.thedailystar.net/business/news/bb-buys-record-77b-keep-taka-stable-2107437>

Net foreign investment rises 32% in 10 months

• Net foreign investment has increased by 32.12% to USD 1.46 billion during the first ten months of the fiscal 2020-21 amid the Covid-19 pandemic. The total investment during the July-April period was USD 2.995 billion, which is 7.85% more than the same period in FY20. An economist said that Bangladesh's annual foreign investment is very low. The amount increases when only one or two companies increase investment. The economist further said the amount of foreign investment in Myanmar is five times more than that in Bangladesh. Due to political instability after the beginning of military rule in the country, some foreign investment may have turned to Bangladesh.

• According to the report of the central bank, the investment of expatriate Bangladeshis has increased by 9% to USD 193 million in July-April as compared to the same period of the last financial year. However, the amount of foreign investment in the capital market did not increase compared to the same period of the last financial year. Rather, the foreigners have sold the shares and withdrawn USD 220 million. Meanwhile, imports increased by 13% during July-April, widening the trade deficit by USD 3 billion to USD 17.22 billion over the same period last year.

<https://www.tbsnews.net/economy/net-foreign-investment-rises-32-10-months-257908>

Mobile Financial Services (MFS) transaction hits all-time high

• Transactions through mobile financial services (MFS) hit an all-time high of BDT 634.79 billion in April last as an increased number of people and businesses preferred using digital services amid the ongoing Covid-19 pandemic. The amount of MFS-based transactions grew by more than 6.0% or BDT 38.36 billion to BDT 634.79 billion in April 2021 from BDT 596.42 billion a month ago, according to the central bank's latest statistics. The previous highest of BDT 629.99 billion was posted in July 2020.

• General people, businessmen and the government agencies now prefer to make their payments using MFS, a senior official of the Bangladesh Bank said while explaining the rising trend of MFS transactions. He also said transactions through MFS normally increase ahead of Eid festivals. Besides, a good number of people sent money to their near and dear ones using the MFS channel for celebration of the Eid festival, according to a senior executive of a leading private commercial bank (PCB), which runs MFS.

<https://today.thefinancialexpress.com.bd/first-page/mfs-transaction-hits-all-time-high-1623174567>

<https://www.tbsnews.net/economy/mfs-transactions-hit-all-time-high-april-257905>

<http://www.newagebd.net/article/140147/amount-of-mfs-transactions-reaches-record-BDT-63479cr-in-april>

MFS clients drop 6.1% in April

• The numbers of registered mobile financial services (MFS) clients have dropped by 6.1% in April as two of the providers are bringing some changes to their services. The number of registered clients of MFS operators stood at 96.5 million in April, down from 102.8 million a month earlier. Bangladesh Bank Executive Director and spokesperson said that recently, United Commercial Bank has changed the name of its MFS operator from U-Cash to U-Pay. As a result, the old customers of the MFS provider dropped from the list but it will be updated soon, he added.

• The central bank spokesperson also said that MFS operator SureCash is bringing some changes to its services, which was another reason for the dropping trend of registered clients. However, transactions through mobile financial services rose 6.4% to BDT 634.78 billion in April, as per Bangladesh Bank data. Daily average transactions through the MFS providers also rose 10% to BDT 21.15 billion in that month.

<https://www.dhakatribune.com/business/2021/06/08/mfs-clients-drop-6-1-in-april>

Steel prices unlikely to cool off despite source tax cut

• The cut in source tax in the proposed budget may not bring down the price of steel, meaning the cost of infrastructure and construction projects is unlikely to decline, manufacturers say. In the budget for the next fiscal year, Finance Minister has proposed to reduce the tax deducted at source on the supply of iron and iron products from 3% to 2%. Steel prices jumped 34% in the last year as millers were compelled to hike the rates in the wake of spiralling scrap prices in the global market, making the construction of public projects and home building costlier.

• The impact of the 1% cut in the source tax on steel will not be felt at the consumer level. The cost of infrastructure and construction projects will not fall, said the deputy managing

director of BSRM. The average production cost of steel products is BDT 72,000 per tonne. The government can reduce steel price by cutting the import duty to BDT 500 per tonne from the existing BDT 1,500 and withdrawing the BDT 2,000 value-added tax, he added.

<https://www.thedailystar.net/business/news/steel-prices-unlikely-cool-despite-source-tax-cut-2108057>

RMG accessory makers take a hit as raw material prices skyrocket

• It's a paradox. Garment accessories and packaging makers are now losing money even though apparel exports are climbing. The explanation is simple: prices of raw materials used by the backward linkage industry have skyrocketed in the international market but garment manufacturers, the clients of the industry, are not ready to pay higher prices. Increased demand following the complete rebooting of manufacturing hubs in China and India after the Covid-led shutdown has caused a steep hike in prices of necessary raw materials such as polymer, yarn, kraft paper and chemicals ranging between 40% to 80%.

• But the accessories manufacturers are not getting higher prices for their products as readymade garment prices have dropped in the global market, industry insiders say. Industry owners say they are losing money by importing at a higher rate but not getting a fair price at home. Lack of enough capital is also forcing them to import lesser amounts of the now costlier raw materials and lose production.

<https://www.tbsnews.net/economy/rmg/rmg-accessory-makers-take-heat-raw-material-prices-skyrocket-258448>

Tiles manufacturers say interests unprotected in FY22 budget

• The interests of domestic tiles manufacturers were not protected in the proposed budget of FY2021-22, say industry representatives. Although domestic companies provide about 64% of the demand for tiles used in homes, office buildings, factories or any other installations, the proposed budget for the next fiscal year did not repeal or reduce the 15% supplementary duty on the production and supply of domestic tiles, they added. However, the tariff on imported tiles has been reduced to USD 1 per square metre, so the price of imported tiles can be reduced up to BDT 10 per square foot, they further said.

• Entrepreneurs in the tiles sector said that the steps taken in the proposed budget will increase the scope of the business of foreign tiles in the country but the domestic companies will be affected. The president of Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA), said that the proposed budget has given protection to a large number of local industries.

<https://www.dhakatribune.com/business/2021/06/08/mfs-clients-drop-6-1-in-april>

Telcos seek corporate tax cuts

• Telecom operators yesterday placed a slew of demands before the government, including slashing corporate tax from 40% and 45% to 25% and 32.5% for listed and non-listed entities respectively. Corporate tax for mobile operators is too high which needs to be brought down to a rational level, said the secretary general of the Association of Mobile Telecom Operators of Bangladesh (Amtob), at a post-budget press conference. The operators' also demanded withdrawal or rationalisation of the minimum 2% turnover tax imposed on unprofitable carriers and withdrawal of supplementary duty and surcharge from direct operator billing.

- They sought amortisation facilities on all intangible assets and abolishment of a BDT 200 tax on mobile SIM purchases. They also want the government to reduce the existing 33.25% and 21.75% VAT, SD, and surcharge over BDT 100 talk time and BDT 100 internet usage respectively to a reasonable level.

<https://www.thedailystar.net/business/news/telcos-seek-corporate-tax-cuts-2107417>
<http://www.newagebd.net/article/140154/telcos-iterate-tax-cut-demands>
<https://www.dhakatribune.com/business/2021/06/08/budget-fy22-ambob-urges-government-to-reconsider-telecom-taxation>

Tax holiday to boost local manufacturing of automobiles

- The 20-year tax-exemption support announced in the proposed budget will definitely take Bangladesh's growing automobile industry to an impressive stage and promote local manufacturing, according to industry insiders. Credible data is hard to come by but the sector players assume that annual automobile and three-wheeler sales reach no less than BDT 400.00 billion and are growing at 10 to 12% on average. Manufacturers are set to get a tax holiday for 10 years if 30% of the components used are locally sourced and another 10 years if it is 40%.
- The sector is now import dependent as no manufacturing plant has come about since the country gained independence some 50 years back. This means the country has been spending millions of dollars to import vehicles every year. This long term policy support will encourage investors and help develop the industry, which exemplifies the government's farsightedness, said the chairman of Runner Group.

<https://www.thedailystar.net/business/news/tax-holiday-boost-local-manufacturing-automobiles-2106901>

Export policy support extended till Dec

- The policy support for foreign exchange transactions in the export sector will continue till December, says the Bangladesh Bank. The facilities, introduced last year as part of measures to recover the economy from Covid-19 blows, were supposed to end on 30 June. The facilities include additional time to bring in export earnings and borrow from the Export Development Fund (EDF). Exporters believe extending the facilities will ease foreign trade. They hope to overcome their problems in business by December.
- Bangladesh Knitwear Manufacturers and Exporters Association Senior Vice-President said that exporters would have been under tremendous pressure if the facilities were not increased in light of the present reality. He added that the move would allow exporters to do business with ease. As part of the policy support, exporters have 210 days from the date of shipment to bring in export earnings instead of 120 days.

<https://www.tbsnews.net/dropped/trade/export-policy-support-extended-till-dec-257266>

Net sales of savings certificate drop more than half in April

- According to central bank sources, net saving in April was BDT 15.25 billion which was BDT 36.91 billion in March. The sales in February and January were BDT 36.90 billion and BDT 42.10 billion respectively. About the decline in sales in April, CPD Senior Research Fellow said that many people buy more saving certificates at the end of a financial year – April, May and June – to get income tax rebates. The second wave of Covid-19 may have caused such a decrease in sales in April. He further said that people had reduced their

purchases of savings certificates out of fear that the second wave could lead to another uncertain situation. People want to keep cash to deal with such situations.

- Besides, one has to go to a bank or an institution concerned for buying savings certificates. Since the lockdown began in April, many have not taken risks and gone out. Meanwhile, in the first 10 months of the current financial year, July-April, the net sales of saving certificates were BDT 347.28 billion, which is BDT 44.26 billion more than the target of the revised budget for the current fiscal.

<https://www.tbsnews.net/economy/banking/net-sales-savings-certificate-drop-more-half-april-256909>

BTRC imposes ceilings on broadband internet prices

- The Bangladesh Telecommunication Regulatory Commission on Sunday for the first time imposed ceilings on prices of three slabs of broadband internet in the country. The three broadband internet slabs are 5Mbps, 10Mbps and 20Mbps. The monthly price ceilings on 5Mbps, 10Mbps and 20Mbps have been set at BDT 500, BDT 800 and BDT 1,200 respectively. On top of the prices, a 5% VAT will be applicable and customers will have to bear the tax. In the country, the number of unique internet users — mobile and broadband — has reached 58.9 million. Of the users, 49 million are unique mobile internet users and the rest 9.8 million broadband internet users.

- As per the BTRC data, the country's internet consumption has reached 2,409Gbps. Of the usage, the broadband internet users consume 58% or 1,392Gbps and the mobile internet users consume the rest 42% or 1,017Gbps.

<http://www.newagebd.net/article/139926/btrc-imposes-ceilings-on-broadband-internet-prices>
<https://www.dhakatribune.com/business/2021/06/06/broadband-internet-price-set-at-BDT-500-a-month>

11 banks face huge capital shortfall

- Eleven banks faced a capital shortfall of BDT 247.83 billion in the first quarter of 2021, which highlighted the fragile health of the lenders. The banks are Bangladesh Krishi Bank, Sonali, Agrani, ICB Islamic, Rajshahi Krishi Unnayan, BASIC, Bangladesh Commerce, Rupali, Janata, Padma, and AB Bank. Corruptions perpetrated at the banks are mainly responsible for the large capital shortfall. The central bank should take immediate measures to address the problem as such a situation sends a negative message to the international community and local businesspeople that the banking sector is weakening, said an official of the central bank.

- However, the banking sector had a surplus capital of BDT 165.62 billion in March, up from BDT 159.30 billion three months ago. Between January and March, the capital position at Janata Bank improved significantly because of a regulatory forbearance extended by the central bank. The regulator's move would help the state-run bank keep the provision against unclassified and defaulted loans in phases.

<https://www.thedailystar.net/business/economy/news/11-banks-face-huge-capital-shortfall-2106349>

Light engineering set to forge ahead faster, but problems remain

- People linked to light engineering have warmly hailed the proposed budget as it has offered light engineering machine parts manufacturers a 10-year tax holiday, waived value added tax (VAT) on light engineering product manufacturers and addressed the need for technological skills development. The director of the Institute of Appropriate Technology at Bangladesh University of Engineering and Technology (Buet) believes the tax holiday should attract investments for the local manufacturing of components of engineering industries such as automobiles and two wheelers, capital machinery, agro machinery, electrical and electronic products – which are considered thrust sectors.

- The president of the Bangladesh Automobile Manufacturers and Assemblers Association (BAAMA), expects joint ventures in component and parts manufacturing. This will, he believes, help technology transfer. BEIOA President observes that the VAT waiver has come only for the light engineering manufacturers while repairing services by the sector are also saving a huge cost each year and repairing services are still subject to 15% VAT.

<https://www.tbsnews.net/economy/light-engineering-set-forge-ahead-faster-problems-remain-256936>

Government buys time to decide undisclosed money legalization scopes

- Finance minister on Friday said they would take more time to decide whether the current scopes for legalization of undisclosed income on various sectors would be extended beyond June 30. However, in the budget of FY 2021-22, the government has proposed no extension of the opportunity to whiten black money with 10% flat rate of tax on various sectors including stock market in the next fiscal year (FY).

- However, the provision of voluntary disclosure of income has been kept unchanged in the Finance Bill as, taxmen say, this is a sort of penalty with higher tax rates for the undisclosed money holders. Under the legal provision, people will be able to disclose their money by paying 10% penal tax in addition to normal tax rate.

- According to the National Board of Revenue (NBR) data, some 10,404 people disclosed their money in the current FY until May 25, 2021 taking advantage of the blanket opportunity offered on July 1, 2020. Until then (May 25), an amount of BDT 144.59 billion was legalised under the coverage and an amount of BDT 14.45 billion was paid as taxes to the public exchequer.

<http://www.newagebd.net/article/139746/govt-buys-time-to-decide-undisclosed-money-legalisation-scopes>
<https://today.thefinancialexpress.com.bd/public/first-page/no-more-blanket-coverage-of-legalising-illicit-money-1622743655>

Government borrowing set to rise by more than 15%

- The government's borrowing from both foreign and domestic sources is set to increase by more than 15% in the next fiscal year to meet budget deficit. The proposed budget has earmarked BDT 2.11 trillion from external and domestic sources against the revised target of BDT 1.83 trillion in the current fiscal. Of the total, BDT 1.13 trillion has been proposed to be available from domestic sources while BDT 977.38 billion is expected to borrow from overseas sources.

- Out of the total domestic borrowing target, BDT 764.52 billion has been proposed from the

banking system and BDT 370.01 billion from non-bank sources. Bank borrowing for FY 2022 will be 4.0-plus% less than the revised target of BDT 797.49 billion for FY 2021, according to the proposed budget documents. As proposed, the government will borrow BDT 516 billion through long-term Bangladesh Government Treasury Bonds, generally known as bonds, and the remaining BDT 248.52 billion through treasury bills (T-bills).

<https://today.thefinancialexpress.com.bd/public/last-page/govt-borrowing-set-to-rise-by-more-than-15pc-1622744766>

Move to facilitate collecting long-term capital

- The government has proposed exemption in capital gain tax applicable at the time of transferring property to trust and Special Purpose Vehicle, and vice versa. The waiver of 4.0% gain tax has been included in the proposed budget for the fiscal year (FY) 2021-22 with a view to making Sukuk or Islamic bond popular and creating a strong bond market. If endorsed, this will facilitate collecting long-term capital and reduce bank dependency, the finance minister said in budget speech. He said the facility will also add impetus to the economic activities by developing bond market, which, in turn, is expected to have a positive impact on development and growth of infrastructure and capital-intensive industries.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/move-to-facilitate-collecting-long-term-capital-1622741329>

Budget Snippets: Where the money going

- The government has targeted a Gross Domestic Product (GDP) growth rate of 7.2% for fiscal 2021-22 taking the post-Covid recovery situation into account. It had revised down the economic growth projection to 6.1% for 2020-21, the second revision this fiscal year, reflecting the devastating impacts of the pandemic's second wave on a battered economy. The government had initially targeted an 8.2% expansion in GDP but later reset the target to 7.4%.

- A 10-year tax exemption has been proposed for the local producers of washing machines, microwave ovens, electric sewing machines, induction cookers, kitchen hoods, and kitchen knives in order to promote "Made in Bangladesh" products. To promote value addition in agro-processing companies, the government proposed the same facility for fruits processing, vegetable processing, milk and its by-product production, and baby food production.

- A ten-year tax exemption has been proposed for the producers of computer components such as motherboards, casings, UPS, sound systems, USB cables, CCTVs, and pen drives. The proposed budget also suggested the same exemption for light engineering products. The light engineering sector produces machinery used in factories and their spare parts.

<https://www.thedailystar.net/frontpage/news/budget-snippets-2104705>
<http://www.newagebd.net/article/139649/tax-holiday-proposed-for-local-vehicle-light-engineering-food-processing-sectors>

The finance minister proposes measures to boost transaction through formal channel

- Finance minister AHM Mustafa Kamal on Thursday proposed a number of provisions to

boost financial inclusion, formalisation of the economy and expansion of the tax net. In his budget speech, he proposed making all business transactions worth over BDT 50,000 mandatory through formal channel, including banks, mobile financial services and any other digital means. As per the existing provision, salary and remuneration above BDT 15,000 to an employee and any payment by way of any rent of any property should be made by businesses through crossed cheque or bank transfer for claiming the tax-free expenditure. The budget also proposed to make mandatory payment of tax up to BDT 0.5 million only through automated challan or e-payment instead of existing methods of payment through treasury challan, pay order, demand draft and cheque.

- Payment to contractors and suppliers should also be made through banking channel or MFS. The rate of TDS will be 50% higher than the applicable rate if suppliers and contractors deny receiving bills through banking channel or MFS, according to the budget proposals. According to the Finance Bill 2021, contractors who do not have electronic taxpayers' identification numbers will also be charged tax at 50% higher rate than that of applicable rate. Mustafa Kamal also proposed including e-commerce platform as a source deducting authority so that the platforms can deduct tax at source from their suppliers and buyers.

<http://www.newagebd.net/article/139646/kamal-proposes-measures-to-boost-transaction-thru-formal-channel>

VAT exemption facility for local manufacturers to be extended

- Finance minister on Thursday proposed a number of changes, including extension of VAT exemption for local manufacturers to promote domestic industries and attract foreign investment in the country. In his budget proposals placed before the parliament, he reduced the advance tax on import of raw materials for industries to 3% from 4%. He also proposed VAT exemption at the local production stage in manufacturing of blender, juicer, mixer, grinder, electric kettle, rice cooker, multi cooker and pressure cooker, washing machine, microwave oven and electric oven to lessen dependence of foreign household goods.

- He also offered extension of existing 5% VAT rate for manufacturing of LPG cylinder for another one year and extension of VAT exemption facility for manufacturing of refrigerator, freezer and its compressor for one more year. Local motor car and motor vehicle manufacturers were offered VAT exemption for five more years, according to the budget proposals.

<http://www.newagebd.net/article/139650/vat-exemption-facility-for-local-manufacturers-to-be-extended>

NBR pins hope on premium cigarettes, telcos and EFDs

- The revenue board has projected the collection of an additional VAT revenue of BDT 60 billion from three areas in the upcoming fiscal year (FY). The Value Added Tax (VAT) is expected to come from tobacco and mobile phone sectors, and through installation of increased number of Electronic Fiscal Devices (EFDs) or Sales Data Controllers (SDCs) in the businesses. According to a projection by the National Board of Revenue (NBR), the upward price adjustment of the high and premium slab cigarettes would help collect an additional BDT 40 billion in VAT in FY2021-22.

- The VAT wing of the board is also expected to collect an additional amount of BDT 10 billion each from the mobile phone sector and businesses through installation of EFDs or SDCs. The VAT wing will have to collect an additional BDT 317.06 billion in the FY2021-22

through the implementation of the fiscal measures and also from the normal growth of businesses at the rate of 15%. The projection has been made on the basis of a provisional estimate of VAT collection worth BDT 962.94 billion in the current fiscal year (until June 30, 2021), showing a shortfall worth BDT 137.06 billion against the revised target.

- In the proposed budget, the government has raised the price slab of high and premium category cigarettes. In the current FY budget, the government had increased the price of low-tier cigarette by BDT 2.0. In the paper, the NBR said the upward adjustment of low and medium tier cigarettes every year may leave negative impact on revenue collection. The rate has been cut to 7.5%, barring the VAT rebate opportunity for the mobile phone operators, he added.

<https://today.thefinancialexpress.com.bd/first-page/nbr-pins-hope-on-premium-cigarettes-telcos-and-efds-1622912372>

Tax sops might boomerang on local manufacturers

- Although the businesses appreciated highly the tax benefits proposed in the new budget for the local manufacturers, a regional research think tank on Saturday voiced concern over the possible long-term effect of the same on global competitiveness of the country's industrial sector. The tax benefits given to the local manufacturing industry might discourage businesses to expand into exports, said the executive director of South Asian Network on Economic Modeling (SANEM). It might emerge as a problem when the country will graduate from the LDC status and fall under the WTO regulations, he said.

- He also noted that there is a consensus among all research works conducted during the pandemic that the poverty rate has increased, leading to urban to rural migration and increasing additional pressure on the rural job market. The emphasis must not only be given to financial recovery, but also on social recovery which would otherwise deprive the marginalised communities and create rural-urban divide, he said.

<https://today.thefinancialexpress.com.bd/first-page/tax-sops-might-boomerang-on-local-manufacturers-1622912707>

Cement makers seek exemption from advance income tax

- Cement makers have sought exemption from advance income tax applicable while importing raw materials and distributing finished products despite the government has proposed a reduction of such tax for the fiscal year 2021-22. Bangladesh Cement Manufacturers Association has sought the exemption of the income tax which is adjusted as final liability as the sector is passing a tough time following the outbreak of COVID-19.

- In the budget proposed for the fiscal year 2021-22, the government has reduced advance income tax to 2.0% from the existing 3.0% applicable while importing raw materials. In a release, the president of Bangladesh Cement Manufacturers Association said that the income tax which is applicable for importing raw materials is still considered as final tax liability. This is unexpected. Cement makers want complete exemption of such income tax. If not possible, the tax at least should be adjusted, he added.

<https://today.thefinancialexpress.com.bd/stock-corporate/cement-makers-seek-exemption-from-advance-income-tax-1622905311>

<https://www.tbsnews.net/economy/budget/cement-industry-leaders-demand-zero-ait-256405>

<https://www.thedailystar.net/business/tax-and-customs/news/tax-cuts-cement-industry->

[nominal-wont-lower-prices-2105693](#)

Corporate tax cut won't pay off

• Despite a 2.5% point corporate tax reduction, listed and non-listed companies might end up paying more tax than that last year because of a new plan to increase the tax deducted at source (TDS), said the ICAB yesterday. The National Board of Revenue (NBR) seeks to hike the TDS to 7% from 5% for local supply while keeping it unchanged at 5% at import, said The Institute of Chartered Accountants of Bangladesh (ICAB).

• If the contradiction is not addressed, it shall certainly not bring relief for local entities encouraging industrialisation and foreign direct investment in Bangladesh, said the president of the apex body of chartered accountants. A convener of the ICAB's tax and law committee said that the effective tax being charge on import-dependent firms, especially suppliers, would be higher following the TDS hike. Change in tax rate could have been more beneficial to the business had the rate of tax deduction at source been reduced, he said.

<https://www.thedailystar.net/business/tax-and-customs/news/corporate-tax-cut-wont-pay-2105721>

Important News: Capital Market

BSEC removes floor price for 30 more listed firms

• The Bangladesh Securities and Exchange Commission (BSEC) lifted the floor price for 30 more listed firms in the second phase on Thursday. The stock market regulator issued an order in this regard on the day, saying it took the decision in the interest of investors and the development of the securities market. The companies were selected from all the sectors. The stock market regulator also set the lowest price change limit at 2.0% for the 30 companies, whose floor price bar was withdrawn. However, the upper limit circuit breaker and other conditions remained unchanged.

• The companies whose floor prices restriction withdrawn on Thursday are Renwick Jaineswar, Monno Agro & General Machinery, Bata Shoe, Kohinoor Chemicals, Northern Jute Manufacturing, Standard Ceramic, Wata Chemicals, Sonali Paper, Apex Footwear, Kay & Que, Bangladesh Autocars, Stylecraft, Gemini Sea, Eastern Cables, Apex Spinning & Knitting Mills, Monno Ceramic. The list also includes Bangas, CVO Petrochemical Refinery, Atlas Bangladesh, Apex Tannery, Samata Leather, National Tubes, Aziz Pipes, Sea Pearl Beach Resorts & Spa, Hakkani Pulp & Paper, Orion Infusion, Legacy Footwear, SK Trims & Industries, National Polymer and Daffodil Computers.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-removes-floor-price-for-30-more-listed-firms-1622741301>

<http://www.newagebd.net/article/139660/bsec-lifts-floor-price-restriction-on-another-30-companies>

Marico to invest BDT 2.27 billion in new unit

• Marico Bangladesh is set to invest BDT 2.27 billion to establish a new manufacturing unit at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram as a part of its efforts to catch a greater share of the growing market for fast-moving consumer

goods. A land lease agreement between Marico Bangladesh and the Bangladesh Economic Zones Authority (Beza) to hand over a 10-acre plot for the project will be finalised today. This will be the company's third manufacturing unit in Bangladesh. Through this investment, they will expand the production capacity of our existing product lines, said the director of legal and corporate affairs at Marico Bangladesh.

• Almost 99% of our product portfolio is manufactured in Bangladesh and they cater to both domestic and international markets from their existing factories in Gazipur, she said. This fresh investment will enable us to better serve their consumers and supplement our endeavors to manufacture world-class products in Bangladesh, she added.

<https://www.thedailystar.net/business/economy/news/marico-invest-BDT-227cr-new-unit-2105705>

Dhaka bourse launches new IPO share allotment system

• Dhaka bourse has introduced the electronic subscription system to allot IPO (initial public offering) shares on pro-rata basis instead of lottery. Previously, the IPO shares were allotted among the investors through lottery. On January 20, the Securities and Exchange Commission (BSEC) took the decision of allotting IPO shares on pro-rata basis. The objective of introducing the system is to reduce the time of companies' listing along with increasing investors' participation in the capital market. Dhaka Stock Exchange (DSE) introduced the electronic subscription system of allotting IPO shares at a ceremony held on Tuesday, said a DSE release. The newly introduced electronic subscription system will reduce the cost of issuing IPO shares and the time of companies' listing, the release said.

<https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bourse-launches-new-ipo-share-allotment-system-1623256231>

Second Sukuk auction sparks huge interest

• The BDT 40 billion Sukuk was over-subscribed more than eight times to BDT 327.26 billion in its second auction held at the central bank on Wednesday. A total of 67 institutions -- both conventional and Shariah-compliant financial institutions and individuals took part in the final auction of the Bangladesh Government Investment Sukuk (BGIS), generally known as Ijarah Sukuk, officials said. Bidders particularly banks expressed their interest in the Sukuk bonds to invest their excess liquidity and received a better yield than in conventional treasury bills and bonds, they explained.

• Special purpose vehicle (SPV) allocated the bond certificates as per quota, set by the Bangladesh Bank (BB) earlier, giving priority to the Shariah-based Islamic banks, non-banking financial institutions (NBFIs) and insurance companies, for the second auction of Sukuk. As per the central bank criteria, the Shariah-based Islamic banks, NBFIs and insurance companies will be eligible to get 70% Sukuk certificates, while the conventional banks and other financial institutions will be entitled to receive 15% of the bonds. A senior executive of a leading conventional private commercial bank said that they prefer to invest in the Sukuk bonds because of no revaluation risk.

<https://today.thefinancialexpress.com.bd/first-page/second-sukuk-auction-sparks-huge-interest-1623260266>

<http://www.newagebd.net/article/140248/govt-sukuk-bond-gets-8-times-applications>

Investors to be allowed to trade T-bonds through brokerage houses

• The Bangladesh Bank and the Bangladesh Securities and Exchange Commission have decided to allow stock market investors to trade government's treasury bonds through their beneficiary owners' accounts opened with brokerage houses. A senior BB official said that the central bank had almost completed its process to make the bond tradable on the Dhaka Stock Exchange. He also said that investors would be allowed to trade treasury bonds through both current Market Infrastructure (MI) Module of the Bangladesh Bank as well as the DSE platform as both models would be kept open.

• Only a couple of months may be taken to start the trading of the government securities as the DSE is working to upgrade its software, he said. Now, there are 221 government treasury bonds listed on the DSE. The BB official, however, said that the central bank might reduce the number considering the nature of the bonds. BSEC officials said that if the decision was finalised, general investors could buy or sell bonds through their BO accounts with brokerage houses. The bonds in the BO accounts will remain under the Central Depository Bangladesh Limited custody.

<http://www.newagebd.net/article/140252/investors-to-be-allowed-to-trade-t-bonds-through-brokerage-houses>

BEXIMCO appoints ICB as trustee to BDT 30.00 billion Sukuk

• Bangladesh Export Import Company Limited has appointed the Investment Corporation of Bangladesh as trustee of its Sukuk worth BDT 30.00 billion. Earlier, the BEXIMCO appointed First Security Islami Bank as trustee of the Sukuk, but the BSEC suggested that it should appoint the ICB as trustee. Earlier on April 29, the company filed documents with the BSEC to get approval for issuing the Islamic Shariah compliant Sukuk. The company has filed two applications regarding the issuance of the bonds that include debt securities worth BDT 22.50 billion and public offer worth BDT 7.50 billion, BSEC officials said.

• BSEC and DSE officials said that there were some more works left for BEXIMCO to get the approval from the BSEC. The BSEC would give approval as soon as the issuer and issue manager complete the remaining job done, they said. The BSEC will scan CIB report of the two trustees, they said.

<http://www.newagebd.net/article/140244/beximco-appoints-icb-as-trustee-to-BDT-3000cr-sukuk>

Dhaka Bank arranges USD 40m in foreign financing

• Dhaka Bank has mobilised foreign funds amounting to USD 40 million at a cheap interest rate for Chandpur Power Generations. Two banks based in Germany -- Commerzbank AG and AKA Ausfuhrkredit-Gesellschaft mbH -- provided the fund to Dhaka Bank, after which the lender disbursed the funds to the power company. The fund, covered by global credit guarantee company Euler Hermes, is the first ever loan for Dhaka Bank under the export credit agency (ECA). Dhaka Bank signed an agreement with the two German banks on June 7 to avail the fund.

<https://www.thedailystar.net/business/news/dhaka-bank-arranges-40m-foreign-financing-2108025>

ACI Motors introduces ENI lubricants

• ACI Motors, a subsidiary of ACI Limited, has introduced globally renowned ENI Lubricants in Bangladesh to support the growing automotive and manufacturing sectors, says a statement. ENI, formerly known as AGIP, is an Italian oil and gas company having operations in more than 80 countries around the world. Its operations range from oil and gas exploration, power generation and refining and marketing of petroleum products. ENI offers 400 plus variants of lubricants to its end consumers.

<https://today.thefinancialexpress.com.bd/trade-market/aci-motors-introduces-eni-lubricants-1623168841>

LankaBangla raises USD 15 million from BlueOrchard Microfinance Fund

• LankaBangla Finance Limited, one of the leading NBFIs in Bangladesh, has received a loan of USD15 million from BlueOrchard Microfinance Fund managed by a Switzerland-based impact fund manager BlueOrchard Finance Limited. This is the second cross-border debt transaction for LankaBangla after it received its maiden foreign funding in 2019 from Islamic Corporation for the Development of the Private Sector (ICD), said a statement.

• BlueOrchard seeks to contribute to economic, environmental, and social development and to improve access to financial services to those at the bottom of the pyramid as well as small and medium enterprises, mainly in emerging markets. For BlueOrchard, this is their first entry in the Bangladesh market and LankaBangla is the first Bangladeshi recipient institution of their financing. The loan proceeds will be utilized to cater to the financing needs of small and medium enterprises (SMEs) and green and sustainable projects as LankaBangla will focus on assisting SMEs to recover from the effects of pandemic. It would be a great help for them to expand their businesses and create new jobs economic development takes place post pandemic.

<https://today.thefinancialexpress.com.bd/stock-corporate/lankabangla-raises-15m-from-blueorchard-microfinance-fund-1623086943>
<https://www.thedailystar.net/business/news/lankabangla-gets-15m-foreign-loan-2106877>

Amalgamation between Bangladesh Steel Re-rolling, BSRM Steel Mills approved

• The stock market regulator approved the amalgamation of Bangladesh Steel Re-rolling Mills Ltd (listed) and BSRM Steel Mills Ltd (non-listed) on Monday. After the amalgamation, paid-up capital of Bangladesh Steel Re-rolling Mills would be soared to BDT 2.98 billion, from existing 2.36 billion, the BSEC said in a press release. As per the amalgamation, the Bangladesh Steel Re-rolling Mills will issue 62.51 million shares against 394.44 million to the BSRM Steel Mills shareholders with a face value of each share at BDT 10. The BSEC approved the amalgamation ratio of 1: 0.288 following the order of the High Court, the BSEC said.

• Bangladesh Steel Re-rolling Mills is currently holding 44.97% stake of the BSRM Steel Mills Ltd. At Monday's meeting, the stock market regulator also decided to void ICB and ICB Capital Management from the trusteeship of two open-ended mutual funds named ICB AMCL Unit Fund and Bangladesh Fund respectively.

<https://today.thefinancialexpress.com.bd/stock-corporate/amalgamation-between-bangladesh-steel-re-rolling-bsrm-steel-mills-approved-1623086849>
<https://www.thedailystar.net/business/news/bsrm-steel-mills-merges-bsrm-2106865>

City Bank re-elects chair, vice chair

• The Board of Directors of City Bank elected its Director Aziz Al Kaiser as the Chairman and Hossain Khaled as the Vice Chairman of the bank on Monday, said a statement. Aziz Al Kaiser is a sponsor director of City Bank. He became the bank's Chairman in 2007 for the first time and then again in 2018 for second time. As chairman, he led the bank's transformation from a traditional institution to a technology and growth driven one. Hossain Khaled is also a sponsor director of City Bank. He is a versatile new-age businessperson. He obtained his BBA in Accounting from the University of Toledo, Ohio, and MBA from International Banking from A&M University (TAMU), Texas, USA.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-re-elects-chair-vice-chair-1623087001>

<https://www.tbsnews.net/economy/banking/aziz-al-kaiser-hossain-khaled-re-elected-city-banks-chairman-vice-chairman-257233>

MI Cement decides to resume expansion plans

• The MI Cement Factory, which produces Crown brand Cement, has decided to resume its expansion plans to increase production capacity as the demand for cement is growing. Earlier in January 2019, the company planned to expand its production capacity by setting up its 6th cement unit at Muktagachha in Munshiganj at a cost of BDT 6.0 billion. However, in October last year, the company postponed its expansion plans due to Covid-19 outbreak and an overcapacity of production against the domestic market demand.

• After completion of the new unit, the production capacity of the company would be 8,280 metric tonnes per day at its existing factory premises, West Mukterpur, Munshiganj and the overall production capacity of the company would be 19,280 metric tonnes per day, from existing 11,000 metric tonnes, said the company. As per the decision, the estimated project cost is BDT 7.70 billion approximately including the civil construction, said the company. The new production unit with a capacity of 8,280 metric tonnes per day is expected to go into commercial operation by February 2023, the company said in the filing.

<https://today.thefinancialexpress.com.bd/stock-corporate/mi-cement-decides-to-resume-expansion-plans-1622998471>

GPH exports USD 50m billet to China

• The GPH Ispat Limited exported its fourth shipment of prime quality steel billet to China's main port known as Jiangyin/Xiamen port on May 6 last. The first shipment was made from the Chittagong port in November last year. The GPH made a total of four shipments of billets worth more than 50 million US dollars so far. Chairman and Managing Director said that it is the first time billet export is made in bulk cargo from Bangladesh. We posted the record export of billet in 2008 -- 2,500 MT only -- and also initiated rod and billet export to India in the year of 2010-11.

<https://today.thefinancialexpress.com.bd/trade-market/gph-exports-50m-billet-to-china-1622997365>

Budget to drive capital market development: Dhaka Stock Exchange

• Dhaka Stock Exchange (DSE) has welcomed the proposed budget, terming it 'business-friendly and capital market development-oriented'. The government is implementing various reform measures to make the capital market dynamic and vibrant. A few more initiatives will

be taken soon to make the stock exchange a profitable and keep pace with the times, said the finance minister in his budget speech. Some of them include introduction of government treasury bonds in the capital market, introduction of various instruments of the modern capital market such as Sukuk, Derivatives, Options, introduction of OTC Bulletin Board, introduction of ETF, listing of open-end mutual funds, etc, the minister said. The finance minister also proposed waiving 4.0% gain tax for FY 2021-22 with a view to making Sukuk or Islamic bond popular and creating a strong bond market.

<https://today.thefinancialexpress.com.bd/public/last-page/budget-to-drive-capital-mkt-development-dse-1622829220>

<http://www.newagebd.net/article/139658/govt-proposes-asset-transfer-tax-free-for-sukuk-investors>

<https://www.tbsnews.net/economy/budget/capital-tax-exemption-sukuk-bonds-proposed-255583>