

## Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.35%) gained 13.92 points and closed the week at 3,967.31 points. The blue-chip index DS30 (+0.78%) gained 10.26 points and stood at 1,331.75 points. The Shariah-based index DSES (+0.42%) gained 3.83 points and stood at 919.79 points. The large cap index CDSET (+0.51%) gained 4.00 points and closed at 787.02 points. DSEX, DS30, DSES and CDSET all showed negative YTD returns of -10.91%, -12.00%, -8.01% and -12.53% respectively.

**Total Turnover During The Week (DSE):** BDT 3.5 billion (USD 41.7 million)

**Average Daily Turnover Value (ADTV):** BDT 0.7 billion (Δ% Week: -48.8%)

**Market P/E:** 11.54x

### Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 0.21% and turned negative in the second session by -0.14%. Market rebounded in the third session by 0.16% and continued to be positive in the fourth and fifth session by 0.11% and 0.01% respectively.

### Sectoral Performance:

- The financial sectors showed mixed performance during this week. Life Insurance booked the highest gain of 0.27% followed by Mutual funds (+0.14%) and Banks (+0.10%). General Insurance experienced the highest loss of 0.16% followed by NBFIs (-0.10%).

- The non-financial sectors showed positive performance during this week except Telecommunication (-0.10%), Pharmaceuticals reported the highest gain of 0.97% followed by Power (+0.45%), Food & Allied (+0.07%) and Engineering (+0.00%).

### Macroeconomic arena:

- Net sales of savings tools fell by 72.9% or BDT 259.4 billion year-on-year to BDT 96.7 billion during the period (July-February) from BDT 356.0 billion in the same period of the last fiscal year – thanks to the strict regulations of the government to lessen investment in high interest-bearing savings tools.

- The inflow of new work orders to Bangladesh's garment sector from international retailers and brands for June is 45% lower than that a year ago as demand is yet to pick up in the western markets because of the coronavirus pandemic.

- Deferred payments against Letters of Credit (LCs) by importers have added to the stress of banks who are already in a tight corner with a two-month suspension on interest payments, thus forcing them to delay settlements with foreign banks. In the last week of April, the Bangladesh Bank instructed all banks to make import payments to the foreign banks in due time.

- The inter-bank weighted average rate of call money bounced back to over 5% after the nationwide lockdown was lifted as government borrowing from the banking sector surged amid revenue shortfalls.

- The banking sector has never witnessed so much supply of money in such a short time. In April, the banks' excess liquidity surged by BDT 240 billion and reached a whopping BDT 1.13 trillion. While the banking sector is sitting over so much surplus cash, credit flow to the private sector hit the lowest growth at 8% in the last two months – March and April.

### Stock Market arena:

- The central bank has now allowed the listed banks to disburse cash dividend for 2019 to individual investors (local and foreign) within September 30. However, the banks cannot disburse the cash dividend to the institutional investors and sponsor-directors, according to the circular.

- The stock market and the real estate industry anticipate a major boost as the government plans on allowing unconditional investment of untaxed money in these sectors for one year beginning from July 1, 2020.

- Stock market investors and intermediaries are now in real peril as the index of the country's bourses have sunk along with turnover in the past few months of the coronavirus pandemic. The solution they say are sustenance incentives in the upcoming budget of FY 2020-21.

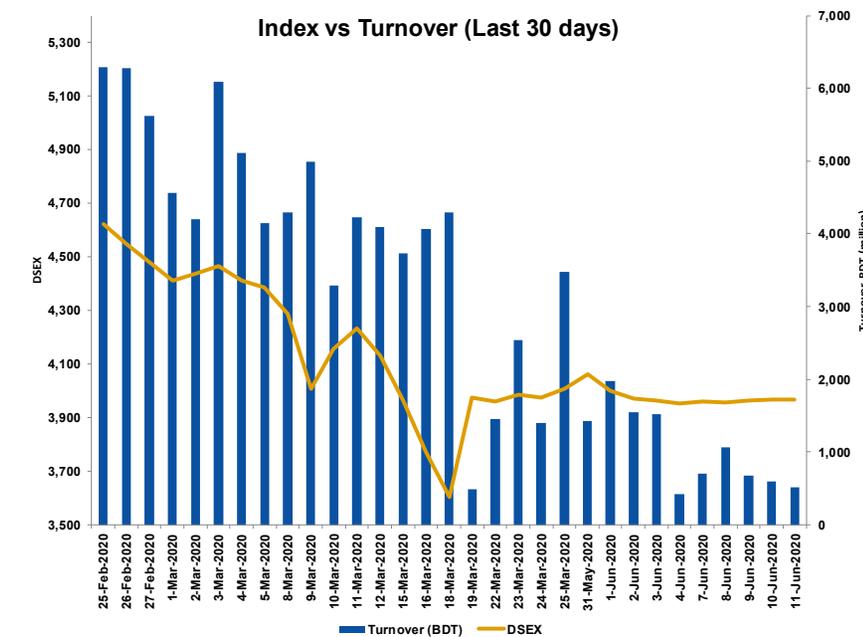
Table 1: Index

| Index | Closing  | Opening  | Δ(Pts) | 30-Dec-2019 | Δ% Week | Δ%YTD   |
|-------|----------|----------|--------|-------------|---------|---------|
| DSEX  | 3,967.31 | 3,953.39 | 13.92  | 4,452.93    | 0.35%   | -10.91% |
| DS30  | 1,331.75 | 1,321.49 | 10.26  | 1,513.35    | 0.78%   | -12.00% |
| DSES  | 919.79   | 915.96   | 3.83   | 999.83      | 0.42%   | -8.01%  |
| CDSET | 787.02   | 783.02   | 4.00   | 899.76      | 0.51%   | -12.53% |

Table 2: Market Statistics

|                        |           | This Week    | Last Week    | %Change |
|------------------------|-----------|--------------|--------------|---------|
| Mcap                   | Mn BDT    | 15,517,022.0 | 15,594,741.0 | -0.5%   |
|                        | Mn USD    | 182,639.1    | 183,553.9    |         |
| Turnover               | Mn BDT    | 3,542.9      | 6,919.1      | -48.8%  |
|                        | Mn USD    | 41.7         | 81.4         |         |
| Average Daily Turnover | Mn BDT    | 708.6        | 1,383.8      | -48.8%  |
|                        | Mn USD    | 8.3          | 16.3         |         |
| Volume                 | Mn Shares | 121.6        | 166.6        | -27.0%  |

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

| Company Name                      | Close    | Open     | Δ%    | Mcap (mn BDT) | Vol (mn BDT) | P/E   | P/B   |
|-----------------------------------|----------|----------|-------|---------------|--------------|-------|-------|
| Beximco Syntehtics                | 5.90     | 4.90     | 20.4% | 511.6         | 9.32         | NM    | 0.4x  |
| Central Pharmaceuticals Limited   | 14       | 12.10    | 11.6% | 1,617.3       | 132.00       | 3.3x  | 0.8x  |
| Dacca Dyeing                      | 3.50     | 3.20     | 9.4%  | 305.0         | .63          | NM    | 0.2x  |
| Phoenix Finance 1st Mutual Fund   | 8.60     | 7.90     | 8.9%  | 516.0         | 27.51        | NM    | 0.7x  |
| Beximco Pharmaceuticals           | 66.30    | 61.10    | 8.5%  | 26,888.4      | 327.51       | 8.2x  | 1.0x  |
| The ACME Laboratories Limited     | 62.30    | 58.00    | 7.4%  | 13,182.8      | 20.04        | 9.2x  | 0.7x  |
| Reckitt Benckiser                 | 3,320.30 | 3,094.50 | 7.3%  | 15,688.4      | 67.72        | 34.4x | 60.7x |
| BD Welding                        | 15.10    | 14.20    | 6.3%  | 648.1         | .91          | 6.8x  | 1.3x  |
| Power Grid Co. of Bangladesh Ltd. | 42.50    | 40.40    | 5.2%  | 19,588.8      | 15.76        | 4.9x  | 1.8x  |
| Republic Insurance                | 19.40    | 18.60    | 4.3%  | 840.8         | 2.03         | 12.8x | 1.5x  |

**Table 4: Top Ten Losers**

| Company Name                  | Close | Open  | Δ%    | Mcap (mn BDT) | Vol (mn BDT) | P/E   | P/B  |
|-------------------------------|-------|-------|-------|---------------|--------------|-------|------|
| Dulamia Cotton                | 48.10 | 50.40 | -4.6% | 363.5         | .02          | NM    | NM   |
| Phoenix Finance               | 24.10 | 25.00 | -3.6% | 3,367.2       | .24          | 14.5x | 1.1x |
| Shinepukur Ceramics           | 8.10  | 8.40  | -3.6% | 1,190.4       | 2.17         | 28.0x | 0.3x |
| Aramit Cement Limited         | 11.70 | 12.10 | -3.3% | 396.4         | .05          | NM    | 3.3x |
| Meghna Cement                 | 72.60 | 74.90 | -3.1% | 1,886.7       | .01          | 26.5x | 2.2x |
| Daffodil Computers Ltd.       | 53.40 | 54.50 | -2.0% | 2,665.3       | .01          | 37.2x | 3.9x |
| NCC Bank                      | 11.50 | 11.70 | -1.7% | 10,664.9      | 20.61        | 4.8x  | 0.6x |
| Paramount Insurance           | 38.40 | 39.00 | -1.5% | 1,275.8       | 10.38        | 41.8x | 3.0x |
| AIBL 1st Islamic Mututal Fund | 6.90  | 7.00  | -1.4% | 690.0         | .04          | NM    | 0.6x |
| Reliance Insurance            | 36.20 | 36.70 | -1.4% | 3,806.8       | 1.01         | 7.2x  | 0.8x |

**Table 5: Top Ten Most Traded Shares**

| Company Name                        | Close    | Open     | Δ%    | Mcap (mn BDT) | Vol (mn BDT) | P/E   | P/B   |
|-------------------------------------|----------|----------|-------|---------------|--------------|-------|-------|
| Beximco Pharmaceuticals             | 66.30    | 61.10    | 8.5%  | 26,888.4      | 327.51       | 8.2x  | 1.0x  |
| Square Pharmaceuticals              | 172.50   | 172.50   | 0.0%  | 145,631.2     | 205.77       | 11.0x | 2.2x  |
| Grameenphone Ltd.                   | 238.80   | 239.00   | -0.1% | 322,451.6     | 163.02       | 9.3x  | 7.6x  |
| Olympic Industries                  | 150.20   | 150.20   | 0.0%  | 30,030.8      | 136.29       | 15.0x | 4.8x  |
| Central Pharmaceuticals Limited     | 13.50    | 12.10    | 11.6% | 1,617.3       | 132.00       | 3.3x  | 0.8x  |
| EXIM Bank                           | 9.00     | 8.80     | 2.3%  | 12,710.3      | 129.62       | 4.5x  | 0.5x  |
| Beximco Limited                     | 13.50    | 13.30    | 1.5%  | 11,830.3      | 115.64       | 9.8x  | 0.2x  |
| Indo-Bangla Pharmaceuticals Limited | 21.10    | 20.30    | 3.9%  | 2,352.8       | 113.64       | 12.5x | 1.7x  |
| Linde Bangladesh Limited            | 1,262.80 | 1,255.70 | 0.6%  | 19,217.6      | 74.85        | 16.2x | 5.2x  |
| Glaxo Smithkline                    | 2,046.80 | 2,046.30 | 0.0%  | 24,656.7      | 70.97        | 84.8x | 19.7x |

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

| Top 10 Most Appreciated Stocks            | Close    | Δ% YTD | Mcap (mn BDT) | P/E   |
|---|----------|--------|---------------|-------|
| Glaxo Smithkline                          | 2,046.80 | 16.54% | 24,656.7      | 84.8x |
| M.I. Cement Factory Limited               | 43.80    | 12.31% | 6,504.3       | NM    |
| Bangladesh Steel Re-Rolling Mills Limited | 53.50    | 9.63%  | 12,629.7      | 7.9x  |
| ACI Limited                               | 194.10   | 6.94%  | 11,136.0      | NM    |
| LafargeHolcim Bangladesh Limited          | 35.90    | 6.85%  | 41,693.3      | 23.2x |
| Reckitt Benckiser                         | 3,320.30 | 3.98%  | 15,688.4      | 34.4x |
| The ACME Laboratories Limited             | 62.30    | 2.30%  | 13,182.8      | 9.2x  |
| MJL Bangladesh Limited                    | 64.70    | 2.21%  | 20,493.9      | 11.1x |
| Bata Shoe                                 | 693.20   | -0.42% | 9,483.0       | 19.6x |
| Matin Spinning Mills Ltd.                 | 32.80    | -1.20% | 3,197.7       | 51.5x |

**Table 6: Sector Indices**

| Sector Name            | Week Close | Week Open | Year Open | %Δ Week | %Δ YTD  |
|------------------------|------------|-----------|-----------|---------|---------|
| Banks                  | 1090.36    | 1089.29   | 1319.28   | 0.10%   | -17.35% |
| NBFIs                  | 1360.65    | 1362.01   | 1565.13   | -0.10%  | -13.06% |
| Mutual Funds           | 569.04     | 568.22    | 591.17    | 0.14%   | -3.74%  |
| General Insurance      | 1540.34    | 1542.87   | 1927.02   | -0.16%  | -20.07% |
| Life Insurance         | 1736.65    | 1731.98   | 2194.70   | 0.27%   | -20.87% |
| Telecommunication      | 3336.39    | 3339.57   | 3993.59   | -0.10%  | -16.46% |
| Pharmaceuticals        | 2433.16    | 2409.76   | 2492.51   | 0.97%   | -2.38%  |
| Fuel & Power           | 1427.94    | 1421.55   | 1515.21   | 0.45%   | -5.76%  |
| Cement                 | 1182.07    | 1183.27   | 1132.29   | -0.10%  | 4.40%   |
| Services & Real Estate | 949.76     | 949.76    | 886.70    | 0.00%   | 7.11%   |
| Engineering            | 2021.04    | 2021.12   | 2257.22   | 0.00%   | -10.46% |
| Food & Allied          | 11277.84   | 11270.02  | 12121.49  | 0.07%   | -6.96%  |
| IT                     | 1766.27    | 1771.24   | 1823.13   | -0.28%  | -3.12%  |
| Textiles               | 947.49     | 947.20    | 1042.04   | 0.03%   | -9.07%  |
| Paper & Printing       | 5034.65    | 5034.65   | 5233.20   | 0.00%   | -3.79%  |
| Tannery                | 1667.26    | 1667.26   | 1826.45   | 0.00%   | -8.72%  |
| Jute                   | 7919.94    | 7924.56   | 11393.28  | -0.06%  | -30.49% |
| Ceramics               | 390.02     | 390.89    | 459.10    | -0.22%  | -15.05% |
| Miscellaneous          | 1670.95    | 1667.80   | 1745.96   | 0.19%   | -4.30%  |

**Table 7: Sector Trading Matrix**

| Sector Name            | Daily average this Week | Daily average last week | % Change | % of Total Turnover | P/E    | P/B  |
|------------------------|-------------------------|-------------------------|----------|---------------------|--------|------|
| Banks                  | 55.9                    | 93.3                    | -40.07%  | 11.00%              | 5.9x   | 0.6x |
| NBFIs                  | 3.8                     | 5.1                     | -25.39%  | 0.75%               | 79.2x  | 1.8x |
| Mutual Funds           | 11.2                    | 15.7                    | -29.01%  | 2.20%               | NM     | 0.4x |
| General Insurance      | 9.5                     | 14.7                    | -35.06%  | 1.88%               | 10.9x  | 1.0x |
| Life Insurance         | 2.0                     | 2.3                     | -11.93%  | 0.40%               | NM     | 7.2x |
| Telecommunication      | 46.5                    | 95.5                    | -51.28%  | 9.15%               | 9.5x   | 6.9x |
| Pharmaceuticals        | 246.7                   | 469.8                   | -47.48%  | 48.56%              | 16.1x  | 2.1x |
| Fuel & Power           | 57.1                    | 70.2                    | -18.70%  | 11.23%              | 9.3x   | 1.7x |
| Cement                 | 3.5                     | 2.2                     | 61.91%   | 0.69%               | 24.0x  | 2.2x |
| Services & Real Estate | 1.4                     | 1.1                     | 21.24%   | 0.27%               | 56.8x  | 0.8x |
| Engineering            | 3.9                     | 12.5                    | -68.56%  | 0.78%               | 12.2x  | 1.2x |
| Food & Allied          | 30.5                    | 11.4                    | 166.69%  | 6.00%               | 20.2x  | 6.4x |
| IT                     | 1.1                     | 1.9                     | -39.18%  | 0.22%               | 15.7x  | 2.3x |
| Textiles               | 6.3                     | 12.0                    | -47.71%  | 1.24%               | NM     | 0.7x |
| Paper & Printing       | 0.1                     | 2.7                     | -97.09%  | 0.02%               | 250.0x | 1.3x |
| Tannery                | 1.0                     | 0.9                     | 4.04%    | 0.19%               | 20.6x  | 1.8x |
| Jute                   | 0.4                     | 0.2                     | 98.66%   | 0.08%               | NM     | 3.6x |
| Ceramics               | 1.3                     | 24.6                    | -94.79%  | 0.25%               | 24.2x  | 1.5x |
| Miscellaneous          | 25.9                    | 47.6                    | -45.51%  | 5.11%               | 18.4x  | 1.0x |

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

| Top 10 Least Appreciated Stocks | Close  | Δ% YTD  | Mcap (mn BDT) | P/E   |
|---------------------------------|--------|---------|---------------|-------|
| BRAC Bank                       | 31.90  | -39.94% | 42,295.5      | 8.2x  |
| Eastern Cables                  | 140.10 | -29.67% | 3,362.4       | NM    |
| Lankabangla Finance             | 12.90  | -28.33% | 6,620.0       | 11.7x |
| City Bank                       | 16.20  | -23.22% | 16,465.5      | 6.3x  |
| Runner Automobiles Limited      | 46.10  | -22.52% | 5,234.2       | 9.1x  |
| Prime Bank                      | 14.30  | -21.43% | 16,191.7      | 6.6x  |
| Dutch-Bangla Bank               | 56.90  | -20.20% | 28,450.0      | 5.8x  |
| Singer Bangladesh               | 147.00 | -18.51% | 14,656.3      | 14.2x |
| Shahjalal Islami Bank           | 19.20  | -17.95% | 17,921.7      | 12.3x |
| Heidelberg Cement               | 137.30 | -16.69% | 7,757.9       | 48.9x |

## Important News: Business & Economy

### Tightrope walk for finance minister

■ The government unveils the budget for fiscal year 2021 today (Thursday) expanding the social safety-net, but the health sector, as indications are available, is likely to get scanty attention despite the pandemic-spurred public health emergency. Finance minister AHM Mustafa Kamal is set to place the budget proposal for the next fiscal in parliament at 3:00pm. Finance minister is set to place the fiscal blueprint before Jatiya Sangsad with a record outlay of BDT 5.7 trillion. Last year's budget size was BDT 5.2 trillion.

■ The upcoming budget will incorporate various proposals for agriculture- and food-friendly programmes, expansion of the social safety net, recovery of afflicted industries, trade and commerce, and employment generation. The upcoming budget will incorporate various proposals for agriculture- and food-friendly programmes, expansion of the social safety net, recovery of afflicted industries, trade and commerce, and employment generation.

■ The budget, which will be the country's 49<sup>th</sup> since Independence, aims to allocate 3.0% of GDP for social safety net programmes, over 1.0% of GDP for the health sector and BDT 1,070 billion as subsidies for agriculture. It is the 12<sup>th</sup> budget in a row by the ruling Awami League government. Of the BDT 5.7 trillion, the authorities will chase BDT 3.8 trillion coming from the National Revenue Board (NBR), non-NBR and non-tax revenue. The NBR alone is supposed to contribute BDT 3.3 trillion.

■ On Friday (June 12, 2020), the finance minister will hold a post-budget press conference at 3:00pm through videoconferencing. One can join the press briefing on the scheduled date and time on Zoom – a videoconferencing application.

<https://today.thefinancialexpress.com.bd/first-page/tightrope-walk-for-kamal-1591810679>  
<https://tbsnews.net/economy/budget/budget-2020-21-be-placed-parliament-thursday-91357>

### Bangladesh gross public debt to be more than 40% of GDP in FY21: International Monetary Fund (IMF)

■ Bangladesh's gross public debt will rise to 40.1% of GDP in FY21, according to an International Monetary Fund report. Gross debt will exceed 40% for the first time since FY08, the report said. According to IMF, the world was hit by the Great Recession that year. Bangladesh's gross public debt is 38.9% of GDP in FY20.

■ It forecasted gross debt for countries around the world – including Bangladesh, India, Nepal, Pakistan, and Sri Lanka – in its recently-published flagship report "Fiscal Monitor – April 2020." Gross public debt is all liabilities that require future payment of interest and principal by the government.

■ Bangladesh's economy will go through a slump in the current fiscal year due to the Covid-19 outbreak. The economy will not fully recover in the next fiscal year either. To mitigate the effects of Covid-19, the government will adopt an expansionary fiscal policy, which will increase public debt.

■ According to the draft budget of FY2020-21, the budget deficit is expected to be around BDT 1.9 trillion. Despite the crisis in the banking sector, the government's reliance on the sector has been growing. Of the deficit budget amount, the government wants to borrow BDT 849.8 billion from the banking sector, BDT 250.0 billion from the non-banking sector, and BDT 760.0 billion from foreign sources.

■ In South Asia, only Nepal will maintain gross debt below 40.0% of total GDP in 2021 – around 38.76%. Sri Lanka will see the highest gross debt – 92.1% of total GDP – followed by Pakistan, 83.4%, and India, 73.8%.

<https://tbsnews.net/economy/bangladesh-gross-public-debt-be-more-40-gdp-fy21-imf-91525>

### Bank debt target likely at BDT 880.0 billion

■ The government is likely to set its bank borrowing target at BDT 880.0 billion to partly finance the budget deficit for fiscal year 2020-21. According to a senior official familiar with the public-debt management, the government will borrow the money from all banks by issuing Treasury Bills and Bangladesh Government Treasury Bonds to close budget gap, defined as the difference between overall expenditure and revenue and other receipts.

■ The government borrowed nearly BDT 750.0 billion from the banks by issuing T-bills and bonds until June 08 to plug budget imbalance. The government has already exceeded its revised bank borrowing target fixed at BDT 729.5 billion. Earlier, the government had lifted its bank borrowing target by more than 54% from the original goal of BDT 473.6 billion for the outgoing fiscal year.

■ The government is set to make a net borrowing of nearly BDT 142.0 billion from the country's banking system in June, the last month of the FY '20. The government may take up to BDT 260.0 billion as gross borrowing from the banking system in June 2020 by issuing T-bills and bonds, according to the auction calendar, issued by the central bank recently. The government's net bank borrowing may reach BDT 141.80 billion in a single month (June), after deducting BDT 118.2 billion against the government securities that would be mature in the month.

■ Currently, three T-bills are being transacted through auctions to adjust government borrowings from the banking system. The T-bills have 91-day, 182-day and 364-day maturity periods. Five government bonds with tenures of 02, 05, 10, 15 and 20 years respectively are traded on the money market.

<https://today.thefinancialexpress.com.bd/first-page/bank-debt-target-likely-at-BDT-880b-1591810837>

### Sales of savings tools drops 73.0% in July-February

■ The net sales of national savings certificates (NSC) fell by around 73% in the first eight months of the current fiscal year– July to February– thanks to the strict regulations of the government to lessen investment in high interest-bearing savings tools. Net sales of savings tools fell by 72.9% or BDT 259.4 billion year-on-year to BDT 96.7 billion during the period (July-February) from BDT 356.0 billion in the same period of the last fiscal year, according to the latest data Bangladesh Bank (BB) latest data. However, sales of NSCs rose by 42.65% to BDT 19.9 billion in February this year, compared to the same month of the previous fiscal year, as revealed in the data.

■ The government in the budget for the current fiscal year imposed a 5.0% tax at source on interest income from NSCs worth up to BDT 0.5 million. It also levied 10.0% tax at source for investment in schemes above BDT 0.5 million. To meet a portion of the budget deficit for

the current fiscal year, the borrowing target from savings certificates was set at BDT 270.0 billion. However, the target was reduced drastically in the revised budget owing to a falling trend in NSC sales.

- The highest interest rate for savings instruments is near 12.0% when the government can borrow funds at 8.0 to 9.0% from banks. From July to May this year, the government borrowed BDT 643.0 billion from the banking system, while the government's bank borrowing target was BDT 473.6 billion for FY20, as per central bank data. In the upcoming budget for FY21, borrowing from savings certificates is likely to be proposed at BDT 240.0 billion.

<https://www.dhakatribune.com/business/economy/2020/06/10/sales-of-savings-tools-drops-28-in-july-feb>

### **Borrowers get interest rebate for April-May**

- The Bangladesh Bank yesterday drew up a policy to rebate interest for borrowers for the April-May period as part of its move to give a breathing space to them from the ongoing economic fallout. The borrowers, who have taken out a maximum of BDT 0.1 million in loans from banks, will not have to give any interest, according to a notice issued by the central bank. Banks will have to waive 2.0 percentage points interest for the borrowers, whose credit amount is between BDT 0.1 million and BDT 1.0 million.

- The large borrowers with loans of more than BDT 1.0 million will be allowed to get 1.0 percentage point rebate. Large borrowers will get a highest interest rebate of BDT 1.2 million as per the BB decision. Banks will enjoy a subsidy of BDT 20.0 billion from the government to rebate the interest. This means banks will not rebate any amount by giving money from their own source.

- The Bangladesh Bank calculated that a total of more than BDT 160.0 billion in interest was blocked by banks in the two months, of which BDT 20.0 billion will be rebated.

<https://www.thedailystar.net/business/news/borrowers-get-interest-rebate-apr-may-1912381>  
<https://www.newagebd.net/article/108095/outstanding-loans-up-to-BDT-1-lakh-get-full-interest-waiver-for-april-may>

### **Exports to Canada grew 15.0% in 2019**

- Bangladesh's exports to Canada grew 14.53% year-on-year to CANUSD 1.97 billion last year, riding on the trade privilege extended by the North American nation. In 2018, Bangladesh's shipments to Canada was CANUSD 1.72 billion, more than 92% of which were apparel items, according to data from the Canada Bangladesh Chamber of Commerce and Industry in Bangladesh (CanCham). It was CANUSD 1.65 billion in 2017.

- Canada is one of the traditional markets of Bangladesh. Bilateral trade crossed CANUSD 3.2 billion, registering 36% year-on-year growth. The trade balance is heavily tilted towards Bangladesh with products worth CANUSD 726 million going to Canada in 2019, said the CanCham in a press release yesterday. Canada shipped products worth CANUSD 1.24 billion to Bangladesh in 2019, CANUSD 642.0 million in 2018 and CANUSD 718 million in 2017.

- Canada has turned into a good export destination as Bangladesh has been enjoying duty-free access to the market for garment products, leather, textiles, seafood and

pharmaceuticals since 2004.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-rejects-dragon-sweaters-rights-offer-1591721480>

### **Government to earmark BDT 100.0 billion extra for dealing with Covid-19**

- The government is keeping BDT 100.0 billion in a bulk allocation in the budget for the fiscal year 2020-21 to deal with any special situation in the country related to the coronavirus. The independent fund is additional to the regular allocation of BDT 292.5 billion for the health sector. The independent fund is additional to the regular allocation of BDT 292.5 billion for the health sector.

- The government is also keeping BDT 35.0 billion to pay the interest on an incentive package of BDT 300.0 billion announced to supply the working capital to large industries and service sector and another package of BDT 200.0 billion for the Small and Medium Enterprises sector. In addition, the government is allocating BDT 20.0 billion in the budget to subsidise the bank loan interest whose payment was postponed during the April-May period.

<https://tbsnews.net/economy/budget/govt-earmark-BDT-10000cr-dealing-covid-19-91495>

### **Asian Development Bank (ADB) okays USD 17.7 million loan for Spectra Solar Park Limited (SSPL)**

- The Asian Development Bank (ADB) confirmed USD 17.7 million worth of loan for a Bangladeshi private sector company on Wednesday for setting up a 35-megawatt (mw) solar power plant. The fund will be provided to Spectra Solar Park Limited (SSPL), an independent power producer, where some other multilateral institutions will also take part as co-financiers, said a press release on Wednesday.

- Once operational, the plant is expected to provide over 50 gigawatt-hours of clean electricity annually to the national grid and avoid 33,200 tonnes of carbon dioxide emission. The project aligns with the government's aim to reduce the country's dependence on fossil fuels through renewable energy use as per Vision 2021.

<https://today.thefinancialexpress.com.bd/last-page/adb-okays-177m-loan-for-sspl-1591811819>  
<https://www.thedailystar.net/business/news/adb-finances-landmark-private-sector-solar-plant-1912341>

### **National Budget tomorrow**

- Finance Minister AHM Mustafa Kamal will place the proposed budget for the upcoming fiscal year FY 2020-21 before parliament tomorrow (Thursday). The budget session will open at 5 pm on Wednesday and is likely to continue for 12-15 working days, ending on July 09, according to an official of the Parliament Secretariat.

<https://today.thefinancialexpress.com.bd/first-page/budget-tomorrow-1591724524>

### **World Bank forecasts only 1.6% GDP growth for Bangladesh**

- The World Bank (WB) released a hard-hitting forecast on Monday (June 8) in its June

2020 Global Economic Prospects, that projected Bangladesh's GDP growth to come down to 1.6% in the current fiscal year ending on June 30. Moreover, it may also witness drastic declines to 1% in the coming fiscal year.

- The coronavirus pandemic is set to bring down the country's GDP growth from an all-time high 8.15% recorded in the last fiscal year to straight 1.6% this fiscal year. Earlier, the Economist Intelligence Unit (EIU) had also predicted GDP growth of 1.6% for Bangladesh.

- If the GDP growth comes down to 1.6% as per World Bank's projections, it will be the lowest figure in 37 years in Bangladesh. According to World Bank Indicator (WDI) data, the country's GDP growth rate was 2.13% in the fiscal year 1981-82.

<https://tbsnews.net/economy/world-bank-forecasts-only-16-gdp-growth-bangladesh-90592>  
<https://today.thefinancialexpress.com.bd/first-page/bd-economy-to-hit-speed-bumps-wb-1591724580>  
<https://www.newagebd.net/article/108015/world-bank-slashes-growth-projection-to-16pc>  
<https://www.dhakatribune.com/business/economy/2020/06/09/wb-estimates-gdp-growth-to-be-1-6>

### **Government to extend tax holiday facility to seven new sectors**

- The government may extend tax holiday benefit to seven new sectors from the next fiscal year to encourage expansion of manufacturing activities, said an official of the finance ministry. Transformers and nanotechnology-based manufacturing are likely to be two of the new sectors.

- Currently, the government offers tax exemptions for periods of five to 10 years, depending on the location of the factories to be set up by entrepreneurs. Some 26 industrial sectors such as manufacturing of active pharmaceutical ingredients, agriculture machinery, automobile, computer hardware, tyre and textile machinery get the privilege. Investors will be able to reap the advantage of establishing such industries between July 1, 2019 and June 30, 2024.

- From this fiscal year, the National Board of Revenue (NBR) extended tax break to six sectors to encourage manufacturing of goods namely mobile phone, home appliances, LED television, toys and recycling of plastics. Other sectors that will become eligible for tax exemptions are likely to be announced by Finance Minister AHM Mustafa Kamal during the placement of the fiscal plans for the year 2020-21 tomorrow.

<https://www.thedailystar.net/business/news/seven-new-sectors-may-get-tax-holiday-1911925>  
<https://tbsnews.net/economy/nbr/govt-extend-tax-holiday-facility-7-new-sectors-91066>

### **Fresh orders for apparel plunge 45.0%**

- The inflow of new work orders to Bangladesh's garment sector from international retailers and brands for June is 45% lower than that a year ago as demand is yet to pick up in the western markets because of the coronavirus pandemic.

- According to the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), new orders are being issued but they are at least 40% to 45% lower compared to last year's. After intense negotiation with the buyers, a portion of the USD 3.15 billion worth work orders that were cancelled due to the Covid-19 pandemic have been

reinstated. Finally, the local garment industry will have to face damages amounting to USD 5 billion.

- Suppliers are facing two main challenges from the buyers on payment: unusual deferred payment and discount. The buyers are demanding even 180 to 220 days deferred payment although they primarily agreed to pay the money within 90 days. So, the reinstatement of the payment of the remaining work orders would be delayed.

<https://www.thedailystar.net/business/news/fresh-orders-apparel-plunge-45pc-1911933>

### **Transparency International Bangladesh (TIB) against allowing black money whitening**

- Transparency International Bangladesh (TIB) on Tuesday urged the government not to keep any provision of whitening of black money in the forthcoming national budget in the name of creating employment by attracting investment and boosting revenue generation, reports UNB. TIB condemned the government move to expand scope of whitening undisclosed money through buying flats, land as well as investing those in development projects and the stock market.

- According to the TIB Executive Director, the forthcoming budget is not only giving the opportunity to whiten black money on a large scale but also it's going to remove the provision of Anti-Corruption Commission to question the source...it cannot be desired. He noted that the country's economy never benefited from this facility in the past years neither it helped to collect significant revenue.

<https://www.newagebd.net/article/107801/call-money-rate-rises-over-5pc-on-government-bank-borrowing>  
<https://www.dhakatribune.com/business/economy/2020/06/09/budget-for-fy21-tib-against-provision-to-whiten-black-money>

### **Government to set up four more power grid substations**

- The government will set up four more power grid substations at different locations in the country while capacity of four more substations will be enhanced, reports UNB. According to Power Grid Company of Bangladesh (PGCB), the implementing agency of the projects, the new substations, each having 230/132 kV, will be installed at Feni, Birulia (Savar), Noagan and East Sadipur (Dinajpur). The substations, whose capacity will be extended, are 400/230 kV Bhulta (Narayanganj), 230/132 kV Bogura, 230/132 kV Barapukuria and 132/33 kV Niamatpur (Noagan).

- The PGCB on Monday signed a contract with China National Technical Import and Export Corporation (CNTIEC) to implement the projects in order to facilitate enhanced power supply at better quality. As per the contract, the CNTIEC will complete the construction and extension work of the projects within the next 30 months on turnkey basis at a cost of over BDT 5.97 billion (BDT 597.55 crore) and hand over to PGCB.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-set-up-four-more-power-grid-substations-1591721662>

### **Government set to target USD 2,326 per-capita income**

- The government is going to raise the country's per capita income target by USD 153 to

USD 2,326 in the next fiscal, despite the economic impact of the coronavirus pandemic. The per capita gross national income or GNI target will be documented in the upcoming national budget, which is expected to be placed before parliament on June 11. For fiscal year 2020, the authorities expect the per head earnings of the population to reach USD 2,173, up by USD 264. According to the Bangladesh Bureau of Statistics (BBS), the per capita GNI was recorded at USD 1,909 in the FY 2019.

■ Bangladesh has been one of top five-fastest growing economies in the world with its stunning GDP growth rate of more than 7.0% over the last few years. Breaking the five-year "6.0% growth trap", the economy chalked out the 7.0% growth band in FY2016. Then it took only two years to surpass the 7.0% rate in FY2019 when the economy expanded at a rapid clip of 8.15%. The outgoing fiscal year's target was to eke out 8.2% GDP growth, but the coronavirus pandemic has made reaching that goal highly unlikely. Nevertheless, the finance officials appeared to be bullish, saying the GDP growth would not be lower than the 6.0% rate in FY 2020.

<https://today.thefinancialexpress.com.bd/last-page/govt-set-to-target-2326-per-capita-income-1591551801>

### January to April RMG exports to US rise 2.13%

■ Bangladesh's apparel exports to the United States grew by 2.13% during the first four months of 2020 calendar year, compared to the same period of last year. The country fetched USD 2.07 billion from apparel exports to the US market from January to April of 2020 against USD 2.03 billion earnings of the corresponding period of 2019, according to data of Office of Textiles and Apparel (OTEXA) affiliated with the US Department of Commerce.

■ During January-April period of this calendar year, Bangladesh shipped 748 million square metres of apparel items, which was 728.21 million square metres in the same period of last year. Apparel exports to the US started increasing again from 2018, and the country earned USD 5.93 billion from apparel exports to the US in 2019, according to OTEXA data.

■ On the other hand, Chinese apparel exports to the US witnessed a negative growth of 46.44% to USD 3.88 billion in the first four months of this year. China shipped apparel items worth USD 7.26 billion to the US during January-April period of 2019. Meanwhile, the garment exports of Vietnam also declined by 1.31% to USD 4.18 billion, and India witnessed 13.07% fall to USD 1.36 billion during the same period of 2020.

<https://today.thefinancialexpress.com.bd/first-page/jan-april-rmg-exports-to-us-rise-213pc-1591551566>

### Achieving tax target tall order: Center for Policy Dialogue (CPD)

■ Achieving the tax collection target set by the National Board of Revenue or NBR for fiscal year 2020-21 is "impossible," analysts said calling the goal "unrealistic." They said the tax authority sets this unrealistic target to hide mismatch in income and expenditure in the budget. According to the distinguished fellow of the CPD Prof Mustafizur Rahman, if GDP is 8.0%, inflation is 6.0% then 14% is a natural growth of revenue.

■ The government has set a BDT 3.30-trillion revenue collection target for the NBR for fiscal year 2021. The target is 1.35% higher than that of the original goal of BDT 3.25 trillion and almost 10% higher than the revised target set at BDT 3.0 trillion for the outgoing fiscal

year.

■ The CPD estimated a revenue shortfall of around BDT 1.25 trillion for FY2020. This implies, the revenue earnings in FY2020 is likely to record a minuscule growth of 0.4%; hence, the revenue-GDP ratio may see a decline, according to the CPD paper.

<https://today.thefinancialexpress.com.bd/first-page/achieving-tax-target-tall-order-says-cpd-1591551330>

<https://tbsnews.net/economy/budget/get-down-reality-improve-life-cpd-90091>

<https://www.dhakatribune.com/business/economy/2020/06/07/cpd-budget-financing-and-fighting-covid-19-the-biggest-challenge>

### Income inequality to balloon like never before: Center for Policy Dialogue (CPD)

■ Income inequality is set to blow up to a record high this year, as the coronavirus pandemic continues to wipe out jobs and sweep away livelihoods, said the Centre for Policy Dialogue (CPD) yesterday. The think-tank conducted an analysis to explore the implications of coronavirus in the short-term on poverty and inequality using the unit-level data of the Household Income and Expenditure Survey 2016.

■ The analysis has applied negative shocks on household consumption in the range of 9-25% among household groups. This led to an increase of national (upper) poverty rate to 35% in 2020 from 24.3% in 2016. At the same time, consumption inequality, measured by the Gini coefficient, rose from 0.32 in 2016 to 0.35 in 2020 and income inequality went up from 0.48 in 2016 to 0.52 in 2020.

<https://www.thedailystar.net/business/news/income-inequality-balloon-never-1910881>

<https://www.newagebd.net/article/107855/poverty-rate-rises-to-35pc>

### Money whitening may get full amnesty

■ The government may grant full amnesty to the people if they invest their untaxed money, also known as black money, as it looks to give a boost to the economy reeling from the coronavirus pandemic. Black money is largely attributed to tax evasion and its direct impact is the loss of government revenue. For the last five years, black money-holders have been able to whiten their assets by investing in residential buildings by paying a tax of 10% on the amount invested, which for regular taxpayers is between 10 and 30%.

■ The government may also cut the corporate tax for the non-listed companies by 2.5 percentage points to 32.5% to give some breathing space to the companies after their operations were seriously impacted by the shutdown and sales collapsed.

■ The government may increase the tax-free income limit for individual taxpayers after five years in fiscal 2020-21 to give relief to people in the lower-income bracket such that they can manage the economic hardship brought on by the pandemic better. The tax-free income tax threshold may go up to BDT 0.3 million from BDT 0.25 million. The income tax slabs may be rearranged as well. The rates of income tax now stand at 10% to 30% but it may be cut to 5% to 25% in the next fiscal year.

<https://www.thedailystar.net/business/news/money-whitening-may-get-full-amnesty-1910885>

### Delay in import payments put banks in more trouble

■ Deferred payments against Letters of Credit (LCs) by importers have added to the stress of banks who are already in a tight corner with a two-month suspension on interest payments, thus forcing them to delay settlements with foreign banks. In the last week of April, the Bangladesh Bank instructed all banks to make import payments to the foreign banks in due time.

■ In the last week of April, the Bangladesh Bank instructed all banks to make import payments to the foreign banks in due time. According to the secretary general of Association of Bankers Bangladesh (ABB), the directive came after delay by a good number of banks in making payments against LCs, creating a negative impression on the country's banking sector abroad. He also added that the delay will increase LC confirmation charges making imports costlier. LC confirmation fees were always high in Bangladesh because of the banking sector's negative image globally

<https://tbsnews.net/economy/banking/delay-import-payments-put-banks-more-trouble-90115>

### Chittagong Customs House (CCH) misses FY '20 tax collection target

■ The Chittagong Customs House (CCH) has failed to achieve its tax collection target in the current financial year (FY 2019-20) which will end on June 30. The CCH had set a target of collecting BDT 631.68 billion in taxes for fiscal year 2019-20 (FY '20) in last year.

■ According to CCH source, it's total collection of taxes from July 19, 2019 to May 20, 2020 stood at BDT 582.24 billion. They said, it is yet to collect BDT 212.2 billion within June 30, 2020, to achieve the target, which looks impossible. During the protracted general holidays, the Chittagong Port was allowed to handle only essential commodities, medicines and other emergency items. On the other hands, most of the luxury goods, including high value taxable goods were not delivered from the country's prime sea port during the prolonged shutdown.

<https://today.thefinancialexpress.com.bd/trade-market/cch-misses-fy-20-tax-collection-target-1591546903>

### One more NBFi gets Bangladesh Banks licence

■ The central bank has issued one more licence to a non-banking financial institution (NBFi) to run its business in Bangladesh. The Bangladesh Bank (BB) issued a notification in this connection on Sunday saying that it provided a licence to Strategic Finance and Investments Limited for running its business as an NBFi.

■ According to a senior officer of Bangladesh Bank, they have issued the licence to the Strategic Finance & Investments Limited after bringing 50% of equity and fund from overseas sources. Earlier on March 12 last, the board of directors of the central bank gave the final approval to the proposed Strategic Finance & Investments Limited to run its business.

<https://www.thedailystar.net/business/news/govt-pledges-transparency-addressing-banking-sector-ills-imf-1909305>

<https://today.thefinancialexpress.com.bd/last-page/one-more-nbfi-gets-bb-licence-1591552125>

<https://www.newagebd.net/article/107885/bangladesh-bank-issues-another-nbfi-licence-in-scam-hit-market>

<https://www.dhakatribune.com/business/banks/2020/06/07/bb-awards-license-to-new-nbfi>

### Call money rate rises over 5.0% on government bank borrowing

■ The inter-bank weighted average rate of call money bounced back to over 5% after the nationwide lockdown was lifted as government borrowing from the banking sector surged amid revenue shortfalls. The rate was within 5.0% for around two months during the lockdown imposed by the government to contain the spread of the coronavirus pandemic. Although the banks facilitated transaction on a limited scale, demand for money was significantly low as almost all business activities were suspended during the lockdown.

■ Apart from the surge in demand after the lockdown was lifted, the government's heavy borrowing from the banking sector was another reason behind the rise in the call money rate. According to the central bank data, the weighted average rate of call money rose to 5.03% from May 31 as the banks had to pay the highest 5.5% against their borrowing through the call money market. The lowest rate witnessed was 4.5% since Sunday last week when the banks borrowed BDT 73.7 billion from the inter-bank call money market.

■ Between March 31 and May 28 this year, the highest borrowing rate on the call money market was 5% throughout the lockdown and the lowest rate was recorded at 3% on April 21. As a result, the call money rate was within 5% during the two-month lockdown. The weighted average interest rate on the call money market surpassed 5% for the first time on August 22 last year, hitting 5.02% for the first time after October 2015. The cut-off yield rate of the 20-day treasury bond rose to 9.2% on May 20 this year.

<https://www.newagebd.net/article/107801/call-money-rate-rises-over-5pc-on-government-bank-borrowing>

### Forced loans during shutdown drive up private credit

■ While all business activities were in a standstill in April amid a countrywide coronavirus shutdown, the banking sector saw an improvement in private sector credit growth after a six-month downward trend. In April, credit growth increased to 8.82% from a historic low of 8.20% in the previous month, according to Bangladesh Bank data.

■ There are two major reasons behind the improvement in credit growth -- one is non-payment by borrowers and the other is forced loan, observes Md Arfan Ali, managing director of Bank Asia. Many importers are trying to apply force majeure provisions of the International Chamber of Commerce (ICC), the world business organization, says Standard Chartered Bangladesh Chief Executive Officer Naser Ezaz Bijoy. This is because importers could not make their payments amid business suspension during the shutdown, he adds.

■ Government borrowing also jumped to 79% in April from 44.6% in the previous month, according to Bangladesh Bank data. However, the credit growth in April was far below the monetary target of 14.8% set for the fiscal year 2019-20 by the Bangladesh Bank.

<https://tbsnews.net/economy/banking/non-payment-forced-loans-during-shutdown-help-credit-growth-pick-88909>

### Ambitious budget despite country reeling from pandemic

■ Finance Minister AHM Mustafa Kamal is all set with his traditional briefcase to announce a budget of BDT 5.7 trillion or fiscal year 2020-21 with an unreasonable and ambitious target for revenue and growth. And such an ambitious move comes despite the fact that the country is currently plagued by the coronavirus pandemic. Amid limited economic activities to cope with rising cost pressures, a revenue target of BDT 3.3 trillion has been set for the National Board of Revenue (NBR). Even so, the government expects to attain 8.2% of GDP (gross domestic product) growth in the new fiscal year with an estimated budget deficit of 6.0%.

■ Research institutes at home and abroad have said it will take 2-3 years for the country's economy to recover from the fallout of Covid-19. Although some economists have recommended a six-month budget to deal with the pandemic, the finance minister will propose the budget for a full fiscal year in parliament next Thursday.

■ NBR Chairman Abu Hena Md Rahmatul Muneem has already written to Finance Secretary Abdur Rauf Talukder, terming the revenue target "unreasonable". According to him, revenue collection in the new financial year could reach the highest figure of BDT 2.5 trillion even if growth is 14% in line with the rate of previous several years. But the target has been set BDT 800.0 billion higher.

■ The NBR chairman said due to the impact of Covid-19, BDT 2.2 trillion may be raised in revenue in the current financial year. But the new target is 50% higher. The revenue target for the current fiscal was BDT 3.3 trillion in the original budget, which is being revised to BDT 3.0 trillion.

<https://tbsnews.net/economy/budget/ambitious-budget-despite-country-reeling-pandemic-89680>

### **International Monetary Fund (IMF) forecasts delayed recovery for Bangladesh**

■ The economy will achieve a 3.8% growth in the 2019-20 fiscal year, higher than the initial forecast of 2.0%. It will take longer than previously expected for Bangladesh's economy to recover from the effects of the coronavirus pandemic as its spread did not slow down in the first half of the year, according to the IMF.

■ The International Monetary Fund (IMF) has projected a 5.7% GDP growth for the next fiscal year, which is significantly lower than the forecast of 9.5% for the next calendar year that the agency had made in April. The IMF made the disclosure on Wednesday in a report prepared to approve USD 732 million in emergency support for Bangladesh. In the report, the organisation also said the Bangladeshi economy would achieve a 3.8% growth in the 2019-20 fiscal year, which will end this month. But the IMF had initially projected only a 2.0% growth for this fiscal year.

■ Before the Covid-19 outbreak, however, Bangladesh was projected to achieve about 7.4% GDP growth in the current fiscal year. According to the report, the possibility of growth has reduced by 4.5 percentage points compared to that of the previous year – the largest one-year decline the country has faced in the last three decades. The report further said that the Bangladeshi economy may grow by 8% in the 2021-22 fiscal year.

<https://tbsnews.net/economy/imf-forecasts-delayed-recovery-bangladesh-89275>  
<https://www.thedailystar.net/business/news/economy-blast-again-oct-imf-1909313>

### **Government pledges transparency, addressing banking sector ills to International Monetary Fund (IMF)**

■ Bangladesh has pledged to use the emergency assistance from the International Monetary Fund transparently and effectively, ensure fiscal discipline and prioritising addressing banking sector problems as it secured USD 732 million from the crisis lender to tackle the coronavirus pandemic. The finance ministry and the BB are finalising a letter of intent on their respective roles and responsibilities for servicing financial obligations to the IMF, they said.

■ The government will publish online an audit of COVID-19-related expenditure and other government subsidised programmes by the Office of the Comptroller and Auditor General within 12 months and crisis-related public procurement contracts and related documents. On May 29, the executive board of the IMF approved a disbursement of USD 244 million under the Rapid Credit Facility and a purchase of USD 488 million under the Rapid Financing Instrument.

■ The IMF assistance will help meet the urgent foreign exchange needs stemming from the disruptions to remittance and garment exports and mitigate the near-term pressure on the balance of payments and the budget. Bangladesh has announced a series of stimulus packages, including subsidised loans by banks, aggregating about BDT 1.03 trillion, which is 3.7% of GDP.

<https://www.thedailystar.net/business/news/govt-pledges-transparency-addressing-banking-sector-ills-imf-1909305>

### **Printing money will help meet budget deficit: Economists**

■ Budget for FY21 at a glance: the government plans a BDT 5.7 trillion budget for next fiscal year; the revenue collection target has been set at BDT 3.9 trillion; the budget deficit stands at BDT 1.8 trillion which is 5.7% of GDP; GDP growth rate has been targeted at 8.2%; allocations under social safety net stand at BDT 880.0 billion. No hike in incentives to exports and remittances; the government will not get loans in large amounts from banks, the deficit will be met with loans from the central bank.

■ Economists say the government has announced various packages amounting to BDT 1.0 trillion to combat the effects of the coronavirus. Almost all of those will be disbursed from banks. In this situation, the scheduled banks do not have the opportunity to invest such a large amount of money in meeting the budget deficit. To meet the budget deficit, they suggested borrowing from the Bangladesh Bank by printing money and spending only on essential sectors instead of investing in projects not necessary at the moment.

<https://tbsnews.net/economy/printing-money-will-help-meet-budget-deficit-88438>

### **VAT's lofty dream on a splintered law**

■ The National Board of Revenue (NBR) has failed to achieve a growth in revenue for the first time this year because of the incompleteness of the new VAT (value-added tax) law, which is also a puzzle to businesspeople. The NBR prescribed some reforms to the law – passed in parliament in 2012 – long after the board had made it effective from this fiscal year. But those reforms are yet to be completed.

■ Despite all these obstacles, the government is going to set a target of collecting BDT 1.3

trillion from VAT with 16% growth in the next budget. According to revenue board sources, the government is planning to raise the supplementary duty on mobile phone talk-time, cigarettes and luxury goods to achieve the target. The sources said the supplementary duty on mobile phone talk-time might be raised from 10% to 15%. Besides, the NBR has proposed raising the excise duty on bank deposits of more than BDT 1.0 million.

<https://tbsnews.net/economy/vats-lofty-dream-splintered-law-89371>

### **Government may cut import Advance Tax for industrial goods makers**

■ The government may introduce a new slab of advance tax at the import stage for industrial products in the upcoming national budget for the fiscal year 2020-2021 to provide some relief to manufacturers. The rate of advance tax (AT), previously known as advance trade VAT, may be cut to 3 or 4% for industrial products and other products associated with industrial production and investment from the current 5%. The AT will remain unchanged at 5% for commercial products, officials of the finance ministry said.

■ Advanced Tax, introduced in the budget for the last FY20, is refundable but businesses have been claiming that are unable to obtain the refunds due to procedural complexities. In addition to the reduction in the rate of the AT, the National Board of Revenue will also ease the refund process so that businesses can get their money back easily.

■ Currently, account holders with bank balances, irrespective of whether the balance is debit or credit, exceeding BDT 0.1 million at any time during a year are subjected to excise duty while account holders with a balance below BDT 0.1 million are exempted from paying the indirect tax. Account holders with a balance of between BDT 0.11 million and BDT 0.5 million have to pay an excise duty of BDT 150 a year and the rate of tax goes up to BDT 25,000 per account for balances exceeding BDT 50 million any time in a year.

<https://www.newagebd.net/article/107799/government-may-cut-import-advance-tax-for-industrial-goods-makers>

### **Scheduled banks asked to submit info on daily basis**

■ Bangladesh Bank (BB) has asked the scheduled banks to submit information on daily basis regarding the formation of the special fund earlier announced to support the country's ailing capital market. The BB delivered its instruction on Thursday after a decision taken in last week by the central bank and the securities regulator to accelerate the formation of the bank's special fund worth BDT 2.0 billion each.

■ According to a Bangladesh Bank official, the scheduled banks are asked to submit their information regarding formation of special fund on daily basis as part the BB's continuous move to support the capital market. a total of 12 private and state-owned commercial banks so far have taken their boards' approval to form the special fund, he added.

■ The central bank issued a circular on February 10 last, allowing all the scheduled banks to create a BDT 2.0 billion special fund each for a period of five years for investment in the capital market.

<https://today.thefinancialexpress.com.bd/stock-corporate/scheduled-banks-asked-to-submit-info-on-daily-basis-1591458982>

### **Oxygen price shoots up astronomically**

■ Oxygen cylinder sale and rent have become a lucrative business with the growing number of Covid cases and sufferings at hospitals. A 2,000-litre cylinder was BDT 11,000 before Eid. It now sells at BDT 25,000-35,000, depending on brand names.

■ The non-branded and low-quality Chinese cylinders of 1,400 litres was selling at BDT 5,000-6,000. Now, those are selling at BDT 10,000-12,000. The price of an oximeter earlier ranged between BDT 1,500 and BDT 2,000, but it has now reached BDT 4,000.

■ The rental of an oxygen cylinder has also gone up manifold. Traders are renting a 1400-litre cylinder at BDT 5,000-6,000 a month with a security deposit of BDT 10,000.

<https://today.thefinancialexpress.com.bd/last-page/oxygen-price-shoots-up-astronomically-1591465047>

### **Some essentials' prices fall in city**

■ Prices of some essential commodities witnessed a decline last week, according to the city's kitchen market sources, giving consumers some relief during this pandemic period. Prices of broiler chicken, sugar, potato, coarse lentil, garlic, ginger, cardamom, clove and some vegetables dropped in last seven days.

■ Broiler chicken was sold at BDT 130-145 a kg on Saturday, which was BDT 140-155 a kg a week back. Trading Corporation of Bangladesh (TCB) recorded 7.0% decline in chicken prices on an average in last seven days. Farm egg prices, however, witnessed a slight surge to BDT 100-104 a dozen during the period from BDT 90-96 a week back. Prices of hilsa and other fishes, beef and mutton remained the same, maintaining their previous high level. Beef price was BDT 580-600 a kg, mutton BDT 850-950 a kg, and hilsa fish BDT 1,000-1,350 a kg based on quality.

■ Staple food rice and key spice onion remained static at their previous rates. Potato price showed BDT 4.0-6.0 a kg fall in last two days and was sold at BDT 24-26 a kg on Saturday. The cost of carrying a veggie-laden truck from Rangpur to Dhaka was BDT 12,000-14,000 before the pre-holiday period, which has skyrocketed to BDT 30,000-32,000 at present, he added.

<https://tbsnews.net/economy/stock/long-term-stock-investment-pays-88027>  
<https://www.dhakatribune.com/business/commerce/2020/06/06/prices-of-most-essential-commodities-go-down-says-tcb-analysis>

### **National Board of Revenue (NBR) allows container trains to carry goods**

■ The National Board of Revenue (NBR) has allowed container train service on the Benapole-Petrapole route for the import of essential commodities in the wake of disruption in the movement of trucks carrying imported items. The movement of trucks remained suspended on this route since March 23 last following the coronavirus outbreak.

■ The NBR has permitted the side-door container train service on the temporary basis to ensure smooth flow of import of essential commodities from India. The NBR also asked the Benapole Customs House (BCH) to conduct 100% physical inspection of imported goods and comply with some other conditions. However, the container train service will be reviewed once the coronavirus situation becomes normal.

<https://today.thefinancialexpress.com.bd/first-page/nbr-allows-container-trains-to-carry-goods-1591464817>

### **Bangladesh Power Development Board (BPDB) seeks BDT 58.0 billion from government to meet expenses**

■ The state-run Bangladesh Power Development Board (BPDB) has sought BDT 58.0 billion from the government to manage regular expenses, as a huge amount of its electricity bills remains due. The BPDB is the lone buyer of electricity from the country's all power plants, including oil-fired, gas-fired, hydro and coal-fired ones, and the entity has to pay the plant owners according to respective power purchase agreements (PPAs), BPDB Chairman said.

■ The household consumers have been asked to pay electricity bills for all these months along with that of May by June 30, according to a decision of the Power Division under the Ministry of Power, Energy and Mineral Resources. Other state-run distribution companies, however, only informed the government about the loss that they are incurring due to non-payment of electricity bills.

■ Officials said a good number of electricity consumers across the country allegedly got exorbitant bills during the past couple of months of nationwide shutdown. Some of them alleged that the electricity bill for the month of April was almost double than the previous month, and it was much higher than their consumption and expected amount. Usually a 5.0% surcharge is imposed on electricity bills against non-payment of bills for each month.

<https://today.thefinancialexpress.com.bd/first-page/bpdb-seeks-BDT-58b-from-govt-to-meet-expenses-1591464762>

### **Bangladesh Bank for stricter bank laws for errant directors**

■ The Bangladesh Bank has suggested incorporating stricter provisions in the Bank Company Act to rein in errant bank directors and control personal, family and group of companies' influences over the financial institutions to restore discipline in the ailing banking sector. In addition, the central bank has come up with a host of other suggestions to reduce the risks in the banking sector, bring back good governance and to make it more reliable after reviewing the Financial Institutions Division's (FID) draft amendments to the Bank Company Act, 1991.

■ In the detailed recommendations, the central bank sees it necessary to impose restrictions on investment by an individual or a family or various company under a single conglomerate in shares of more than one bank or other financial institutions to ensure good governance and sustainability in the sector.

■ The FID has prepared the draft law in line with a government initiative to amend the act to restore discipline in the financial sector and rein in default loans. The FID published its draft amendments to the Bank Company Act on its website on February 21 this year and sought opinions from the stakeholders on that within 21 working days.

<https://tbsnews.net/economy/banking/bb-stricter-bank-laws-errant-directors-89272>

### **Job cuts not announced, only speculated based on turbulent situation: BGMEA**

■ Bangladesh Garment Manufacturers and Exporters Association (BGMEA) today said in a statement that the BGMEA president recently did not announce any job cut of garment workers, rather she expressed deep concerns and apprehension over possible job losses because of fallout from the Covid-19 pandemic. BGMEA, as an organisation, has no scope for making such announcement of job cuts, the statement also read.

■ Expressing concern over the current turbulent inflow of work orders and shipment situation of the apparel items from the country due to the pandemic, BGMEA came up with the statement while protesting a press conference of 'Garment Sramik Odhikar Andolon' -- a platform for workers' rights -- held today. The statement claimed that the news on BGMEA president's comments on possible job cuts were not presented correctly, as many thought that she announced termination of garment workers since factories are running at 55% capacity at present.

■ "Some 348 factories faced closure over the last two months while some 1,926 are in operations now," the statement also said. The factory managements will have to run their units at below capacity if the situation of work orders does not improve soon. As a result, a pressure would be created in the job creation not only in the garment sector, but also in other sectors. The employment of the workers might be reduced a bit in such a situation, BGMEA said.

<https://www.thedailystar.net/business/news/job-cuts-not-announced-only-speculated-based-turbulent-situation-bgmea-1909933>

### **Sears to face legal action from Bangladeshi RMG suppliers**

■ According to the suppliers' lawyers, more than USD 21.0 million of their clients' products have already been shipped and are being stored by Transformco's carriers in US ports. Lawyers of 19 Bangladeshi readymade garment (RMG) factory owners have threatened to take legal action against the parent company of American retailer Sears for allegedly refusing to settle more than USD 40.0 million in outstanding dues.

■ According to the suppliers' lawyers, more than USD 21 million of their clients' products have already been shipped and are being stored by Transformco's carriers in US ports. More than two dozen Bangladeshi suppliers are in similar "deep trouble" after Sears Holdings allegedly canceled or withheld orders. In early April, Transformco, which also owns Kmart, temporarily closed all Sears stores—but not distribution centers or customer care—in a bid to help slow the spread of the Covid-19 contagion.

■ According to the president of BGMEA, the Bangladeshi apparel sector may lose as much as USD 5.0 billion in the outgoing 2019-20 fiscal year due to the slump triggered by the global coronavirus pandemic Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The factories are now running at only 55%% capacity due to lesser work orders.

<https://www.dhakatribune.com/business/2020/06/06/sears-to-face-legal-action-from-bangladeshi-rmg-suppliers>

### **North America-based RMG platform closes Bangladesh activities**

■ 'Nirapon', a platform of North America-based apparel brands and retailers, has closed its activities in the country. "Nirapon will continue its focus on safety while shifting to a more streamlined organisational structure based in North America. The restructure is effective on

May 31," it said in a statement issued on May 29. The platform, however, said it will continue to monitor safety in more than 600 factories via a new third-party monitoring organisation, to be announced later.

- A total of 21 global apparel brands along with more than a dozen of former Alliance-signatory members, including Gap, Walmart, JC Penny and VF, launched 'Nirapon' in March last year to oversee the ongoing safety, training and helpline efforts in the Alliance-listed 600 garment factories.

- As a consortium of 21 brands and retailers, working to promote a culture of safety in more than 600 apparel factories, safety monitoring will continue and be improved with a new third-party monitoring organisation, to be announced at a later date, the statement also said.

- With the announcement of Nirapon's closure, both the western retailers' platforms - Accord and Alliance - ended their safety activities in the country's RMG industry.

<https://today.thefinancialexpress.com.bd/last-page/north-america-based-rmg-platform-closes-bd-activities-1591465222>

### **Bangladesh finally gets its own contact tracing app**

- Bangladesh yesterday rolled out a contact tracing app on a trial basis to warn users if they have been near someone who later tested positive for the coronavirus and suggest the next course of actions in a bid to flatten the curve on the rogue pathogen. To avail the service, smartphone users need to use mobile application Corona Tracer BD, a contact tracing app.

- The app has been developed by local technology company Shohoz under an initiative of the ICT Division and the Directorate General of Health Services (DGHS) to bring the people of the country together in its fight against the COVID-19. The app utilises Bluetooth signal to understand whether a user is near another individual who was tested positive in the past and this will help users find out whether they are at risk of COVID-19.

<https://www.thedailystar.net/business/telecom/news/bangladesh-finally-gets-its-own-contact-tracing-app-1909309>

### **Yabang Group plans USD 1.0 billion investment in Bangladesh**

- Chairman of Yabang Group Xiaochu Xu has met Bangladesh Ambassador to China Mahbub Uz Zaman at his office in Beijing and discussed investment plans in Bangladesh, reports UNB. They plan to invest in building a large scale industrial park in Bangladesh. If things go according to plan, the initial investment may be around USD 1.0 billion, said the Ambassador on Friday. The investment is likely to generate employment for around 10,000 persons.

- Their focus is on printing and dyeing, pharmaceuticals and other chemical plants. Xu was accompanied by Jianling Li, General Manager, Jiangsu Yabang Dyestuff Limited at the meeting held on Thursday. The Yabang Investment holding group is one of the three leading companies in the chemical sector and among the 500 top listed companies in China. It has more than 15000 employees.

<https://today.thefinancialexpress.com.bd/trade-market/yabang-group-plans-10b-investment-in-bd-1591460025>

### **Exports' rally has begun**

- After crashing to a 40-year-old low in April, export receipts almost trebled to USD 1.46 billion last month, according to data from the Export Promotion Bureau, which was released yesterday. Although May's receipts are down 61.57% from a year earlier, it is still a decent figure seeing that much of the global economy were still in some state of an induced coma last month.

- Last fiscal year, exports had brought home USD 40.54 billion, emboldening the government to set a 12.2% higher target for this year. May's receipts take the export earnings so far, this fiscal year to about USD 31 billion, down 18.88% year-on-year. With just one month remaining of fiscal 2019-20, the export target will most definitely be missed by a country mile.

- Garment, which typically brings home more than 84% of the export earnings, fetched USD 1.23 billion, again three times more than it had managed the previous month. In May last year, apparel shipments raked in USD 3.24 billion.

<https://www.thedailystar.net/frontpage/news/exports-rally-has-begun-1911377>  
<https://www.newagebd.net/article/107943/export-plunges-by-6157pc-in-may>

### **Trade deficit rose by 1.74% in July-April of FY2019-20**

- The Covid-19 pandemic has rocked both Bangladeshi manufacturing sectors and supply chains in export destinations. The country's trade deficit rose by 1.74% – or USD 243 million – year-on-year during July-April of fiscal year (FY) 2019-20 as export earnings took a Covid-19 hit, according to the latest data of the Bangladesh Bank.

- Before the shutdown, the country's trade deficit in the first nine months of the current fiscal year fell by USD 123 million – or 1.01% – to USD 12.07 billion year-on-year. The situation, however, changed during July-April of the FY 2019-20 with the country's trade deficit widening to USD 14.22 billion against USD 13.98 billion in the same period of FY19.

- In April, Bangladesh's export earnings dropped by 82.85% to USD 520.01 million from USD 3.03 billion in the same month of last year. Imports also fell by 8.77% – or USD 4.13 billion – to USD 42.97 billion during July-April of FY20 from USD 47.11 billion in the same period of FY19. The current account deficit, however, fell by 22.49% to USD 4.12 billion in the first ten months of the current fiscal year from USD 5.32 billion in the same period of FY19.

<https://tbsnews.net/economy/trade-deficit-rose-174-july-april-fy2019-20-90565>  
<https://www.thedailystar.net/business/news/trade-deficit-widens-amid-economic-fallout-1911473>  
<https://www.newagebd.net/article/107944/trade-deficit-rises-in-july-apr-on-export-slump>

### **Bangladesh to get World Bank's USD 250 million budgetary aid in June**

- Bangladesh is likely to receive USD 250 million budgetary support from the World Bank (WB), as the Washington-based lender might approve the assistance next week, officials said on Monday. The WB board, in its upcoming meeting on June 19, might endorse second instalment of the Development Policy Credit (DPC), amounting to USD 250 million, for Bangladesh, they said.

■ After one and a half years, the government is set to receive instalment of the WB's USD 750 million DPC for Bangladesh amid severe impact of the deadly coronavirus pandemic on the national economy. On January 9 last year, the WB confirmed first instalment of the assured DPC, amounting to USD 250 million, for Bangladesh. Its board endorsed the credit instalment on December 12, 2018.

■ According to an official of Economic Relations Division (ERD), If the money is confirmed, it will be directly injected into the national coffer. It will help to offset possible increased deficit of the public expenditure plan.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-get-wbs-250m-budgetary-aid-in-june-1591638052>

### **Safety net outlay to hit 3.0% of GDP for first time**

■ The government may allocate BDT 951.6 billion for the safety net programmes in the next fiscal year as it looks to broaden the number of beneficiaries to support those who are struggling to make ends meet after the coronavirus outbreak. The allocation would be 27.95% higher than BDT 743.7 billion set aside in the current fiscal year and 3% of the gross domestic product of Bangladesh, according to an official of the finance ministry. The allocation was 2.58% of the GDP in FY2019-20.

■ Due to the income shock caused by the pandemic, 77.2% of the vulnerable non-poor fell below the poverty line, according to a joint survey of the Power and Participation Research Centre (PPRC) and the Brac Institute for Governance and Development. This would imply that beyond the 20.5% of the population officially recognised as poor, there is a group of "new poor" representing an additional 22.9% of the population that needed to be brought within the discussion on poverty.

■ The situation prompted the government to beef up the spending for the social safety net programmes (SSNPs) by BDT 207.9 billion in FY2020-21, starting on July 1. The number of widows, destitute and deserted women entitled to BDT 500 per month support from the government would increase by 0.85 million. Another 0.25 million would be added to the list of the financially insolvent disabled, who receive BDT 750 a month.

<https://www.thedailystar.net/business/news/safety-net-outlay-hit-3pc-gdp-first-time-1911489>

### **Penal tax likely on fake investment, misinvoicing**

■ The government may impose penal tax at a rate of 50% on the amount involved in misinvoicing and fake investment in the upcoming budget (FY 2020-21). The penal tax in the case of misinvoicing in external trade transactions is aimed at checking money laundering, while the same for fake investments shown in the tax returns is designed to curb tax evasion.

■ Trade-based money launderers, who siphon off funds through under- or over- invoicing, and investors, who show fake or inflated amount of investments by obtaining bank loans or other means, would be made liable to pay penal tax. With this new provision, taxmen would be able to collect the penal tax even by seizing properties of the offenders. The penalty may be imposed on the value gap or difference to be found between declared value and actual value of import, export and investment people familiar with the development said.

■ The National Board of Revenue, NBR, officials said the budget for FY 2020-21 would mainly impose higher tax on the well-off section of people. Excise duty on bank deposits worth over BDT 50 million might be increased to collect more taxes from millionaires. The NBR may introduce a new slab, 3.0%, of advance tax on the import of raw materials. However, such taxation at 5.0% would remain unchanged for commercial products.

<https://www.newagebd.net/article/107801/call-money-rate-rises-over-5pc-on-government-bank-borrowing>

### **Flush with cash, banks ready to fund the govt leaving private sector dry**

■ The banking sector has never witnessed so much supply of money in such a short time. In April, the banks' excess liquidity surged by BDT 240 billion and reached a whopping BDT 1.13 trillion. The Bangladesh Bank also--for the first time in its history--created new money worth BDT 707.9 billion within a short time after the outbreak of Covid-19 in March to provide liquidity support to the banks. The liquidity position of the banks stood at 6.5% of GDP.

■ While the banking sector is sitting over so much surplus cash, credit flow to the private sector hit the lowest growth at eight% in the last two months – March and April. However, going against the current, the government is on a borrowing spree from banks during this period. Its borrowing has already crossed the fiscal target in April. In the 10 months of the current fiscal year, the government borrowed around BDT 540 billion against the fiscal target of BDT 478.5 billion. In the revised budget, the government enhanced its borrowing target to BDT 824.2 billion and in the new budget the target is likely to be set at BDT 849.8 billion.

<https://tbsnews.net/economy/banking/flush-cash-banks-ready-fund-govt-leaving-private-sector-dry-90562>

### **Bangladesh Economic Association (BEA) proposes BDT 13.97 trillion alternative budget**

■ Bangladesh Economic Association (BEA), a professional body of economists, on Monday proposed an alternative budget amounting to BDT 13.97 trillion or 2.47 times higher than the existing budget. The size of the alternative budget is equivalent to 55% of gross domestic product (GDP). Revenue collection has been estimated at BDT 12.7 trillion or 91% while the remaining 9.0% as deficit.

■ Professor Dr Abul Barkat said of the BDT 1.35 trillion deficit, BDT 700 billion will come from savings instruments while the remaining amount may come from reissuance of savings certificates and launching new savings instruments through public- private partnership. He also proposed reating a separate division under the health ministry with a budget of BDT 400 billion to meet the growing need for health support following the outbreak of coronavirus.

■ Dr Barkat said the Gini coefficient, a popular measure of income inequality, rose to 0.635 against 0.48 earlier. The rise in 0-1.0 scale implies higher income inequality in the society. According to the Palma ratio, he said, an alternative to the Gini coefficient shows 7.53 against 2.92 previously.

<https://today.thefinancialexpress.com.bd/last-page/bea-proposes-BDT-1397t-alternative-budget-1591638384>

<https://www.thedailystar.net/business/news/bea-places-alternative-budget-development-spending-focus-1911469>

### **RMG source tax likely to double**

■ Apparel exporters may enjoy the existing corporate tax rate for two more fiscal years, but tax at source may double to 0.5% in the budget for fiscal year 2020-21, said a finance ministry source. The country's apparel exporters are currently paying a 10% corporate tax for green factories and 12% for others, a situation they would like to remain unchanged for the next five years. They are also paying 0.25% tax at source and have demanded that this rate too stay the same for the next five years.

■ Although the National Board of Revenue (NBR) fixes tax at source for RMG at around 1% during the budget every year, apparel makers always seek political interventions to have the rate slashed. Last year, the government ended up reducing source tax from 1% to 0.25%.

■ In the first half of the current fiscal year, Bangladesh's apparel export was reduced by 6.21% against a growth target of 11.9%. On the other hand, apparel exports increased by 5.85% in Vietnam and 5.28% in Pakistan.

<https://tbsnews.net/economy/rmg/rmg-source-tax-likely-double-90550>  
<https://www.newagebd.net/article/107942/government-may-set-export-tax-at-05pc-in-budget>

### **Merchandise exports drop 61.6% in May**

■ The country's merchandise exports declined by 61.57% to USD 1.46 billion in May this year than that of the same month last year due to shrinking global demand amid coronavirus pandemic. The country fetched USD 3.8 billion through exporting goods in May 2019. The monthly earnings in April and March this year were USD 520.0 million and USD 2.7 billion respectively.

■ In the first 11 months (July-May) of the fiscal year (FY) 2019-20, the overall export earnings fell by 17.99% to USD 30.95 billion against USD 37.8 billion in the corresponding period of last FY. The earnings also fell 25.5% short of the period's target.

■ The RMG sector fetched nearly USD 25.70 billion during July-May period of FY '20 against USD 31.7 billion during the same period a year earlier, registering 18.99% negative growth. The earnings also fell short of the target set for the period by 26.3%. The export earnings from woven garments fell by 19.2% to USD 12.96 billion during the period. Proceeds from knitwear exports fell by 18.8% to nearly USD 12.7 billion, the Export Promotion Bureau (EPB) data showed.

<https://today.thefinancialexpress.com.bd/first-page/merchandise-exports-drop-6157pc-in-may-1591637585>

### **Tax-free income limit to be raised for first time in five years**

■ The tax-free income limit may be raised while the tax rate is also likely to be reduced in the next fiscal year, as the government looks to relieve people from financial burdens in the coronavirus pandemic. The government kept the tax-free income threshold unchanged since 2015 though businessmen and economists had been advocating raising the ceiling.

■ Finance ministry sources said, the tax-free income limit is being raised to BDT 0.3 million, up from BDT 0.25 million fixed back in the 2015-16 fiscal year. Besides, taxpayers belonging to a lower income group are likely to get a 5% tax slab, down from 10%. On top of this, the slab for the highest income group is likely to be 25% from 30%.

■ According to the new plan, people with BDT 0.4 million annual income will pay 5% income tax – which currently is 10% – on their earnings. In the new proposal, tax rate will reduce 5% on all slabs, and people with annual income up to BDT 0.3 million will pay 10% tax. The tax rate goes up progressively to 15% on BDT 0.4 million, 20% on BDT 0.5 million and 25% on higher than BDT 3.0 million annual income.

<https://tbsnews.net/economy/nbr/tax-free-income-limit-be-raised-first-time-five-years-90571>

### **Government asks Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to stop termination of workers**

■ The government has asked apparel sector trade bodies to take measures to stop termination of workers to avoid any possible labour unrest amid the coronavirus pandemic. The government's instructions came after 67 factories had terminated a total of 17,579 workers, although a tripartite meeting decided that no worker or factory would be laid off during the pandemic especially before Eid-ul-Fitr.

■ The Department of Inspection for Factories and Establishments (DIFE) in a letter sent to Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made the instructions on Sunday. According to the DIFE inspector general, a tripartite meeting held on April 25 also requested the sector leaders not to terminate any workers and lay off any factories taking the overall situation into consideration.

<https://today.thefinancialexpress.com.bd/last-page/govt-asks-bgmea-to-stop-termination-of-workers-1591638200>  
<https://www.thedailystar.net/business/news/dont-terminate-workers-1911461>

### **Cabinet okays draft law to scrap Bangladesh Bank governor's age limit**

■ The cabinet approved in principle Monday the draft of "The Bangladesh Bank (Amendment) Act, 2020" by abolishing the 'proviso' of the 65-year age limit for the governor of the central bank, reports BSS. The approval came at the regular cabinet meeting held at the cabinet room of the Jatiya Sangsad Bhaban with Prime Minister Sheikh Hasina in the chair, Cabinet Secretary Khandaker Anwarul Islam told a press briefing after the meeting at Bangladesh Secretariat.

■ The cabinet secretary said an experienced person is appointed in the financial sector as the governor. It's not possible to appoint an efficient and experienced person in the financial sector after his/her 65 years of age as the current law has fixed the highest age limit at 65 years, he added.

<https://today.thefinancialexpress.com.bd/last-page/cabinet-okays-draft-law-to-scrap-bb-governors-age-limit-1591638224>

### **Bharat Sanchar Nigam Ltd (BSNL) yet to clear payment for bandwidth import**

■ Bharat Sanchar Nigam Ltd (BSNL), a state-run mobile network provider of India, has

deferred payments on internet bandwidth imported from Bangladesh despite scrapping its deal four months ago. Due to a serious lack of revenue, BSNL can no longer afford to import internet bandwidth from Bangladesh and suspended its deal with BSCCL on February 7, ending a four-year partnership.

- BSCCL is owed BDT 63.9 million by the Indian telecommunications carrier, who has not made any payments since September 2018. The Indian company cited the Covid-19 pandemic as the reason behind the deferral, Rahman told The Daily Star yesterday. For nearly a year, BSNL has struggled to make payments to its staff and vendors, many of whom have sought Indian Prime Minister Narendra Modi's intervention to recover the dues, according to Indian media reports.

- In June 2015, BSNL signed an agreement to import 10 gigabits per second (Gbps) of bandwidth for the Northeastern state of Tripura through the Akhaura-Agartala point. BSCCL began exporting bandwidth to BSNL on February 8, 2016 and continued until February 7 this year.

<https://www.thedailystar.net/business/news/bsnl-yet-clear-payment-bandwidth-import-1911493>

## Important News: Capital Market

### Bangladesh Securities and Exchange Commission (BSEC) scraps Delta Hospital's Initial Public Offering (IPO)

- The securities regulator on Wednesday scrapped the IPO proposal of Delta Hospital as the company is unwilling to go public with 'insufficient' share price determined at the bidding. The company made a proposal to the securities regulator last week for scrapping the IPO proposal and the BSEC approved it on Wednesday.

- The company has recently conducted IPO (initial public offering) bidding participated by eligible investors (EIs) under the book building method. At the bidding, the cut-off price was determined at BDT 11 each. As per the public issue rules, general investors are supposed to get IPO shares at BDT 9.9 each despite the face value is BDT 10 each.

- As per the public issue rules, each sponsor-director of a listed company must hold minimum 2.0% shares and they jointly will hold minimum 30.0% shares. Most of the sponsor-directors, who nurtured Delta Hospital for long time, will lose their directorship as their individual shareholding portions will go below 2.0% if additional shares are issued to raise the proposed amount of capital worth BDT 500 million.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-scraps-delta-hospitals-ipo-1591805633>

<https://www.newagebd.net/article/108097/bsec-scraps-delta-hospital-ipo-on-cos-request>

<https://www.dhakatribune.com/business/stock/2020/06/10/bsec-cancels-delta-hospital-s-ipo>

### City Bank partners with Jeddah-based International Islamic Trade Finance Corporation (ITFC)

- City Bank entered into US Dollar 15 million trade finance line with ITFC, the trade financing arm of Islamic Development Bank (IsDB), to support private sector enterprises in Bangladesh, said a statement. Jeddah-based International Islamic Trade Finance

Corporation (ITFC) is playing a key role to enhance trade and economic cooperation among member countries of the Organisation of Islamic Cooperation (OIC). Entrepreneurs can avail credit from the special fund under Islamic banking window to import raw materials from international markets.

- City Bank is the latest partner institution to work with ITFC as it expands its financing outreach to private sector through local banks in Bangladesh. The Murabaha financing facility will enable us to provide better value to our importing clients through extensive links and support of ITFC and IsDB, according to the Additional Managing Director Sheikh Mohammad Maroof regarding the international collaboration to support small business.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-partners-with-itfc-1591805567>

<https://www.newagebd.net/article/108100/city-bank-partners-with-itfc-for-15m-trade-finance-line>

### Investment Corporation of Bangladesh (ICB) makes over 300% profit amid dull capital market

- The Investment Corporation of Bangladesh (ICB) saw around 303% growth in its profit in the third quarter of the current fiscal year. From January to March, the DSEX fell by 10% to 4,008 points amid the Covid-19 pandemic. During this period, ICB made a consolidated net profit of BDT 1.0 billion and earnings per share (EPS) was BDT 1.33, which were BDT 254.9 million and BDT 0.33 respectively during the same time in the previous year.

- Although the state-owned company made huge profits, it was still facing a loss of BDT 478.1 million and loss per share was BDT 0.62. The net asset value per share stood at BDT 2.61 during this time, which was lower than that of the first three quarters of the previous year. In the 2018-19 fiscal year, the net asset value per share was BDT 40.52.

<https://tbsnews.net/companies/icb-makes-over-300-profit-amid-dull-capital-market-91543>

### Government takes BDT 113 billion from state-run power, gas entities

- The government has taken around BDT 113 billion (11,300 crore) from different state-run power and gas entities over the past several months during the coronavirus pandemic. The Ministry of Finance (MoF) has taken the money in several installments since March, when Covid-19 outbreak started spreading across the country.

- Of the total amount, paid by the state-run entities to the public exchequer, the Bangladesh Petroleum Corporation (BPC) paid around BDT 50 billion, Petrobangla around BDT 48 billion, and Bangladesh Power Development Board (BPDB) around BDT 15 billion.

- The state-run entities will have to deposit surplus funds after setting aside their operational cost, additional 25% of the operational cost as emergency fund, and money for general provident funds and pension.

<https://today.thefinancialexpress.com.bd/first-page/govt-takes-BDT-113b-from-state-run-power-gas-entities-1591724364>

### Bangladesh Telecommunication Regulatory Commission (BTRC) to impose three Significant Market Power (SMP) conditions on Grameenphone

■ The Bangladesh Telecommunication Regulatory Commission has decided to impose three conditions on Grameenphone under its latest initiative for enforcing the Significant Market Power Regulations-2018. The BTRC would issue an order in this regard to the country's leading mobile operator in the next few days based on a decision it made in a recent commission meeting, BTRC vice-chairman Subrata Roy Maitra told New Age.

■ Another official of the commission said that the conditions would include lowering call termination rate to BDT 0.05 per minute from BDT 0.1 per minute. In the case of migration to Grameenphone from the other operators — Robi, Banglalink and Teletalk — under the mobile number portability service, customers would get scope for migrating again to the other operators after 60 days. The timeframe will remain unchanged for the customers of the other operators — 90 days.

■ In launching new packages or services, Grameenphone would have to take approval for each of them. Now, Grameenphone like the other operators are allowed to run any new package or service after intimation. The commission this time would refrain from increasing the floor price of call rate for the GP customers, meaning that the price would remain unchanged at BDT 0.45.

■ The High Court in its order regarding the imposition of SMP conditions on Grameenphone asked the telecom regulator to impose the conditions afresh on the operator and to avoid market instability while implementing the regulations. According to BTRC official, considering the HC instruction and socioeconomic situation amid the coronavirus pandemic, the commission has dropped the call rate hike condition.

■ On February 10 last year, the telecom regulator declared Grameenphone as an SMP due to its market share of above 40% under two criteria. The three other telecom operators on two occasions this year demanded that the telecom regulator implement the SMP regulations. Under the SMP regulations, the telecom regulator on February 18 last year imposed four conditions on Grameenphone. In March last year, the BTRC withdrew the four conditions, but proposed twenty conditions which could be imposed on the mobile phone operator under the SMP regulations.

<https://www.newagebd.net/article/108014/btrc-to-impose-three-smp-conditions-on-grameenphone>

### **Regulator asks bourses to fully digitalise trading platforms**

■ The securities regulator has asked both the bourses to set work plans for transforming the trading platforms into completely digitalised ones to avoid trade disruptions during any kind of pandemic in future. The regulator felt the necessity of digital platforms following the recent break of trading for 66 days due to the Covid-19 pandemic. However, the stock exchanges of other countries continued trading.

■ Number of mobile app users still remains very insignificant compared to total number of BO (beneficiary owner's) accounts. According to information of Central Depository Bangladesh Limited (CDBL), the number of active BO accounts is 2.58 million as of March 25 last.

■ Experts earlier blamed the exchanges' limited promotional activities behind the insufficient number of mobile app users. After four years of launching the mobile app by the Dhaka Stock Exchange (DSE), the number of investors using the app so far rose to only 52,000,

which is only 2.0% of active BO accounts.

<https://today.thefinancialexpress.com.bd/last-page/regulator-asks-bourses-to-fully-digitalise-trading-platforms-1591724697>

### **Bangladesh Securities and Exchange Commission (BSEC) seeks corporate tax reduction**

■ Bangladesh Securities and Exchange Commission (BSEC) has requested the government to reduce corporate tax rate by 5.0 percentage points for non-financial companies which will collect at least half of their long-term capital through issuing corporate bonds. If the tax is reduced, it will attract more investment in bond market and long-term financing dependency on banking sector will decrease.

■ The commission requested the government to reduce capital gain tax to 10% from existing 15% for the foreign portfolio investors. To attract more investment in bonds, the capital market regulator recommended a declaration of no-tax on income from any bond for all investors.

<https://www.dhakatribune.com/business/stock/2020/06/09/bsec-seeks-corporate-tax-reduction>

### **Bangladesh Securities and Exchange Commission (BSEC) rejects Dragon Sweater's rights offer**

■ Bangladesh Securities and Exchange Commission (BSEC) has rejected the rights share offer of Dragon Sweater and Spinning Ltd. According to the regulator issued letter, the Commission is not in a position to consider the company's plea for issuance of rights shares as no revised documents have been submitted. After applying the rights offer based on the financial statements for the period ended March 31, 2018, the company has declared 20% stock dividend for the year ended June 30, 2018 as well as 10% stock dividend for the year ended June 30, 2019.

■ As such, due to declaration of said dividend the size of paid up capital of the company has increased, but, no decision has been taken/approved by the shareholders regarding rights shares against those two years' stock dividend as well as nothing has been submitted to the BSEC regarding above issues, said the disclosure.

■ Each share of the company closed at BDT 9.50 on Tuesday, remaining unchanged over the previous day. Its share traded between BDT 8.0 and BDT 21.30 in the last one year. In May, 2018, the board of directors of Dragon Sweater decided to issue rights shares for mobilising more than BDT 881 million to expand the company's existing capacity. The company offered two rights shares for existing three shares at BDT 10 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-rejects-dragon-sweaters-rights-offer-1591721480>

### **Listed banks can now disburse cash dividend**

■ The central bank has now allowed the listed banks to disburse cash dividend for 2019 to individual investors (local and foreign) within September 30. However, the banks cannot disburse the cash dividend to the institutional investors and sponsor-directors, according to the circular.

- On May 11, the central bank had issued a circular imposing restriction on the disbursement of cash dividends until September 30. But following a plea made by the Bangladesh Securities and Exchange Commission (BSEC), the BB has revised its decision, allowing the disbursement of cash dividend.

<https://today.thefinancialexpress.com.bd/last-page/listed-banks-can-now-disburse-cash-dividend-1591552030>

<https://www.thedailystar.net/business/news/cheer-retail-investors-bb-allows-banks-give-cash-dividends-them-1910893>

<https://www.newagebd.net/article/107889/bank-cash-dividend-for-general-shareholders-before-sept-30>

<https://www.dhakatribune.com/business/banks/2020/06/07/banks-can-now-disburse-cash-dividend>

### **Beximco supplies generic Remdesivir drugs to Nigeria**

- Beximco Pharma has supplied Bemsivir, the generic version of Remdesivir drug produced by the company, for a critically ill coronavirus patient in Nigeria. A Nigerian chartered aircraft landed today around 4.30pm at the Shah Jalal International Airport in Dhaka and departed at 6.00pm with the medicine, read a press release issued by the pharmaceutical company.

- Earlier, on May 31, Beximco Pharma supplied 48 vials of Bemsivir to Pakistan for three critically ill patients, having been requested officially, through an emergency cargo flight.

<https://tbsnews.net/companies/pharma/beximco-supplies-generic-remdesivir-drugs-nigeria-89971>

### **Bangladesh Securities and Exchange Commission (BSEC) refuses AB Bank right share approval**

- The Bangladesh Securities and Exchange Commission (BSEC) has refused approval for AB Bank's right share offer. The commission issued a letter to the bank on June 3 in this regard.

- In the letter, the Commission also claimed that the bank did not submit any updated documents about the right share issue. The BSEC also said that the bank did not even maintain any communication with the securities regulator.

- In 2017, the bank proposed rights issue 3:2R (2 rights share against existing 3 shares) with face value of BDT 10 each. But from the same year, the bank remained in "Z" category in the stock market as it declared no dividend.

<https://tbsnews.net/economy/stock/bsec-refuses-ab-bank-right-share-approval-90106>

### **City Bank app for transaction in distance**

- In response to the ongoing pandemic and to ensure physical distancing, City Bank has introduced a mobile app for its working capital finance customers, said a statement. These customers are the distributors and retailers of local and multinational conglomerates. Through this app, customers will be able to withdraw and deposit money 24/7- 365 days.

- The on-boarded distributors and retailers will be able to use funds anytime they require by making 3 clicks from their home. They will also be able to repay to City Bank with 3 clicks. It will be a seamless account to account transfer.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-app-for-transaction-in-distance-1591546661>

### **Black money allowed in stocks, realties**

- The stock market and the real estate industry anticipate a major boost as the government plans on allowing unconditional investment of untaxed money in these sectors for one year beginning from July 1, 2020. People who will avail the facility to invest in securities such as stocks, mutual funds and bonds will have to pay only 10% tax within 30 days of their investments without any penalty.

- The stock market will enjoy the benefit of investments from undisclosed income after more than two decades. Earlier in 1998, two years after the devastating crash of the stock market, a similar facility was offered by the then finance minister Shah MS Kibria for three years.

- The real estate sector that is currently enjoying investments of untaxed money only on buying apartments will get the benefit expanded to the purchase and development of land. People have to pay different amounts of taxes ranging from BDT 500 to BDT 20,000 per square metre depending on the locations of the purchased lands. The lowest tax rate will be applicable for remote village areas, while the highest rate will be applicable for Gulshan and Banani areas of the capital. For municipality areas, the minimum tax will be set at BDT 5,000 per square metre. On the other hand, BDT 500 to BDT 4,000 per square meter will be payable as taxes for buying buildings or apartments in different areas.

- Both stock market and real estate operators have welcomed the move and termed it a "great decision" towards making these two sectors vibrant.

<https://tbsnews.net/economy/black-money-allowed-stocks-realties-89683>

### **Dhaka Stock Exchange (DSE) delisting rules propose buy-back, liquidation system**

- The Dhaka Stock Exchange has proposed that sponsor-directors of non-performing companies should buy back shares of the public shareholders after delisting of their companies, and return the surplus capital to the shareholders following forceful liquidation of the companies. The bourse has also suggested a two-year 'rehabilitation period' for the non-performing companies for giving them a chance for reviving their business before delisting.

- The DSE in March sought approval from stock market regulator Bangladesh Securities and Exchange Commission regarding its proposals on procedures of delisting a company and amending clause 51 of the DSE listing regulation, 2015. DSE officials said that the bourse made the proposal after the BSEC on October 15 last year asked it to make a proposal regarding delisting of a company as the current rules did not support it.

- According to the proposed rules, if any issuer fails to hold annual general meeting for three consecutive years and keeps suspended commercial operation for a period of consecutive two years, the company might be delisted. The stock exchange may, in

appropriate cases, file criminal cases against the identifiable sponsor-directors of the company for the non-compliance with securities rules.

<https://www.newagebd.net/article/107800/dse-delisting-rules-propose-buy-back-liquidation-system>

### **Floor price drags down DSE turnover to a 13-year low**

■ Turnover on the Dhaka Stock Exchange (DSE) plunged 72% to BDT 429.7 million yesterday, the lowest in 13 years, as investors refrained from trading because of the floor price set by the regulator. The previous lowest turnover of BDT 403.9 million was recorded on April 24 in 2007, data from the premier bourse showed. The Chittagong Stock Exchange too saw a similar trading activity with shares worth only BDT 45.9 million changing hands.

■ The fall in turnover, an important indicator of the market, came after the Bangladesh Securities and Exchange Commission (BSEC) set the floor price of all stocks on March 19 by taking into account the average price of previous five trading days to prevent the massive decline of the index amid the coronavirus pandemic. The move made the capital market illiquid and after the floor price was introduced, the turnover averaged just BDT 1.8 billion, way lower than BDT 4.0 billion previously.

■ Investors are keeping their hands off to see how the market behaves after the regulator withdraws the floor price, according to a merchant banker. The index may nosedive abruptly when the floor price is scrapped because it is not possible to keep the stock price up artificially, he said.

■ The pandemic-induced shutdown has battered the business of the listed companies as operations were closed for two months as part of a government effort to contain the virus and the demand has collapsed. Only some pharmaceuticals, telecommunications and technology-related companies would be able to make profits in the current year, while others would incur losses, said a top official of an asset management company.

<https://www.thedailystar.net/business/news/floor-price-drags-down-dse-turnover-13-year-low-1909301>

### **Pharma sector snares 53.0% turnover on main bourse**

■ Pharmaceuticals sector topped the weekly turnover chart on the Dhaka bourse, the first week after 66 day-long closure, as investors are anticipating brisk business amid rising Covid-19 cases in the country. Market operators said despite bearish market, some investors showed their appetite on selective pharmaceuticals & chemical stocks as they are expecting positive financial impact of Covid-19 on pharmaceutical issues in the coming quarters.

■ The pharma sector accounted for 53% of the week's total turnover with six firms - Square Pharma, Beximco Pharma, Indo-Bangla Pharma, Orion Pharma, Central Pharma and Silva Pharma-- came from the sector out of top 10 turnover chart. Square Pharma topped the week's turnover chart with shares worth BDT 671 million changing hands during the week, which was 9.70% of the week's total turnover, according to statistics from the DSE. Each share of the Square Pharma closed at BDT 172.5 on Thursday, the last trading day of the week, shedding 9.0% over the last week. The company's share was traded between BDT 156.5 and BDT 266.2 in the last one year.

<https://today.thefinancialexpress.com.bd/stock-corporate/pharma-sector-snares-53pc-turnover-on-main-bourse-1591459332>

### **Tanjil Chowdhury elected new chairman of Prime Bank**

■ Tanjil Chowdhury has been elected the new Chairman of Prime Bank Limited. The Board of Directors of the Bank at its 500th Board Meeting held recently unanimously elected him the Chairman. He is succeeding Azam J Chowdhury. At the age of 36, Tanjil Chowdhury has become the youngest serving Chairman of a private commercial bank in Bangladesh. He had previously served both as a Board Member and the Chairman of the Executive Committee of the Bank.

■ Tanjil Chowdhury is the Managing Director of East Coast Group, a diversified conglomerate with more than 42 years of experience in the downstream hydrocarbons and energy sector. He served as the President of Bangladesh Merchant Bankers Association (BMBA) from 2014 to 2015 and also as the President of Solar Module Manufacturers Association of Bangladesh (SMMAB). He is also Chairman of the Prime Exchange Singapore Pte. Ltd, Prime Bank's remittance arm in Singapore.

■ He completed his BA (Hons) in Accounting and Finance with distinction and went to complete MSc. in International Management (Finance) from prestigious King's College London, University of London.

<https://today.thefinancialexpress.com.bd/stock-corporate/tanjil-chowdhury-elected-new-chairman-of-prime-bank-1591459122>

<https://tbsnews.net/economy/banking/tanjil-chowdhury-new-chairman-prime-bank-89533>  
<https://www.newagebd.net/article/107796/tanjil-chowdhury-elected-prime-bank-chairman>  
<https://www.dhakatribune.com/business/banks/2020/06/06/prime-bank-gets-new-chairman>

### **'JMI supplied research stage masks made from unauthorised imported material'**

■ JMI Hospital Requisite Manufacturing Ltd delivered research stage N95 labelled masks instead of a general mask demanded by the Central Medical Stores Depot (CMSD). These masks were made from unauthorised imported material. The probe committee formed to investigate the allegations of substandard mask supply gave its findings.

■ Several state-run hospitals were supposed to receive N95 masks instead of the ordinary ones. The committee submitted its report to the Health Services Division on April 27. Since then health ministry officials have remained tight-lipped whenever asked about the report findings. However, the probe committee report suggested taking action against the officials who received the products labelled as N95 masks without informing the CMSD director.

<https://tbsnews.net/bangladesh/corruption/jmi-supplied-research-stage-masks-made-unauthorised-imported-material-89662>

### **Bangladesh Securities and Exchange Commission (BSEC) for cut in capital gain tax for foreign, institutional investors**

■ The Bangladesh Securities and Exchange Commission has requested the government to cut tax on capital gain made from capital market investment by the foreign and institutional investors. BSEC chairman Shibli Rubayat-UI-Islam on June 2 made the request in a letter to finance minister AHM Mustafa Kamal.

- The commission urged the government to waive the 10.0% tax on capital gain for the institutional investors or at least reduce it to 5% in the upcoming national budget to encourage institutional investment on the country's capital market. Currently the local investors do not have to pay any tax on capital gain from listed securities. The stock market regulator also requested the government to reduce capital gain tax to 10% from existing 15% for the foreign portfolio investors so that their net sale orders on the stock market would come down.

- The BSEC requested the government to reduce corporate tax rate by 5 percentage points for non-financial companies which will collect at least half of their long-term capital through issuing corporate bonds. It also urged the government to consider the source tax on cash dividends from listed securities as the final tax liability of the investors concerned.

<https://www.newagebd.net/article/107947/bsec-for-cut-in-capital-gain-tax-for-foreign-institutional-investors>

### **Stockbrokers in dire need of incentives**

- Stock market investors and intermediaries are now in real peril as the index of the country's bourses have sunk along with turnover in the past few months of the coronavirus pandemic. The solution they say are sustenance incentives in the upcoming budget of FY 2020-21.

- According to the president of the DSE Brokers' Association (DBA), Many stockbrokers who get brokerage charge from trading will be compelled to shut their business if the current situation continues and they do not get incentives. They need incentives desperately because stockbrokers are suffering for the last five years due to low turnovers.

- Although the market opened on June 1, average turnover on the Dhaka Stock Exchange (DSE) slumped to BDT 1.2 billion as of yesterday. Before the pandemic, average yearly turnover had kept below BDT 5.0 billion for the past seven years, with the exception of 2017 and 2018. Even though turnover is low, the number of brokerage houses is not. There are already 238 members under the DSE and 136 under the Chittagong Stock Exchange.

<https://www.thedailystar.net/business/news/stock-brokers-dire-need-incentives-1911477>

### **Dhaka Stock Exchange (DSE) to relist low-profile Sonali Paper as Bangladesh Securities and Exchange Commission (BSEC) waives rules**

- The Dhaka Stock Exchange has decided to relist Sonali Paper and Board Mills Limited after market regulator Bangladesh Securities and Exchange Commission gave the low-profile company exemption from complying with numerous rules. The bourse made the decision at a board meeting held on Thursday and instructed the management to set date for trading of the shares of the company on the bourse's main board.

- In November last year, the commission provided the company exemption from complying with a number of rules including the requirement of having minimum paid-up capital of BDT 300 million and the net positive cash flow for immediate three financial years to be eligible for the DSE main board.

- Shares of Sonali Paper have been trading on the bourse's over-the-counter market for the last 10 years for non-compliance with rules related to the main board of the stock

exchange. The BSEC has also exempted the company from complying with the rules related with three years of positive net current asset. Sonali Paper has raised gradually its paid-up capital by declaring bonus dividend since 2011 and its paid-up capital stood at BDT 166.3 million in 2019. The company did not declare dividend in 2017 and 2018.

<https://www.newagebd.net/article/107946/dse-to-relist-low-profile-sonali-paper-as-bsec-waives-rules>