

## Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.37%) lost 54.90 points and closed the week at 3,953.39 points. The blue-chip index DS30 (-0.70%) lost 9.34 points and stood at 1,321.49 points. The Shariah-based index DSES (-0.51%) lost 4.73 points and stood at 915.96 points. The large cap index CDSET (-0.97%) lost 7.66 points and closed at 783.02 points. DSEX, DS30, DSES and CDSET all showed negative YTD returns of -11.22%, -12.68%, -8.39% and -12.97% respectively.

**Total Turnover During The Week (DSE):** BDT 6.9 billion (USD 81.4 million)

**Average Daily Turnover Value (ADTV):** BDT 1.4 billion (Δ% Week: -37.7%)

**Market P/E:** 11.51x

### Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 1.30% and turned negative in the second session by -1.50%. Market continued to be negative in the third, fourth and fifth session by -0.75%, -0.16% and -0.25% respectively.

### Sectoral Performance:

- The financial sectors showed mixed performance during this week. General Insurance booked the highest gain of 0.10% followed by Mutual funds (+0.02%). Life Insurance experienced the highest loss of 2.41% followed by Banks (-2.37%) and NBFIs (-0.05%).
- The non-financial sectors showed negative performance during this week except Telecommunication (+0.02%), Power reported the highest loss of 0.31% followed by Engineering (-0.21%), Pharmaceuticals (-0.19%) and Food & Allied (-0.02%).

### Macroeconomic arena:

- The government has lowered the investment limit on postal savings by two-third as part of its plan to set an upper limit on the total investment in all types of national savings schemes. The new upper limit on the investment in postal savings has been set at BDT 1.0 million for single name accounts and BDT 2.0 million for joint accounts for both the savings and fixed deposit account categories.
- The country's foreign exchange reserves crossed the USD 34-billion mark for the first time. Amid coronavirus pandemic, foreign trade became slower and the aid of developing partners started to arrive, so the foreign exchange reserves piled up. From July 1, 2019 to June 2 this year, total remittance stood at USD 16.5 billion, which was 10% higher than the amount of same period of the previous fiscal year.
- The net foreign direct investment in the country dropped by 7.35% in the first eight months (July-February) of the current fiscal year 2019-2020 even when the country was not hit by the coronavirus pandemic. The net inflow of FDI dropped to USD 1.71 billion in July-February of FY20 against USD 1.85 billion in the same period of last fiscal year.
- The Bangladesh Bank on asked all scheduled banks not to charge depositors late fees for their failure to pay instalments for April and May against their DPS and other savings schemes on time because of the coronavirus outbreak.
- Bangladesh's export earnings from the coronavirus-hit apparel sector are likely to fall by around USD 10 billion in 2020 from USD 33 billion in the previous calendar year. Bangladesh earned USD 34.13 billion by exporting clothing items in the 2018-19 fiscal.

### Stock Market arena:

- Trading on both the bourses in the country remained dull as the majority of sale orders placed above the 'floor prices' kept the buyers aloof in last few sessions. As per existing system, the market prices of the listed securities have no scope to fall below individual floor prices set in the middle of March last to contain the abnormal price fall.
- After grabbing headlines globally last month for being the first company to market remdesivir, the antiviral drug that has shown promise in treating COVID-19 patients, the local pharmaceutical company is now set to export the medicine to more than 30 countries this month.

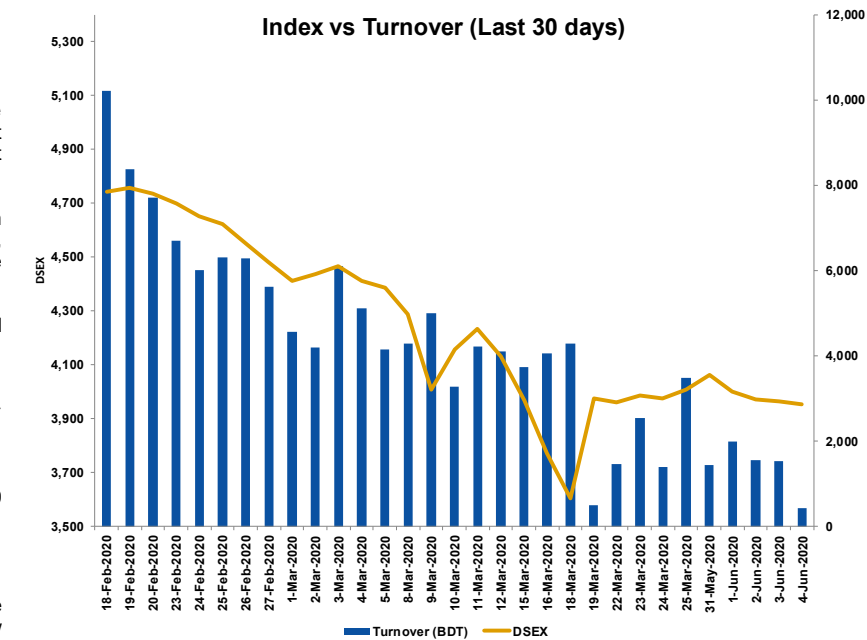
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	3,953.39	4,008.29	-54.90	4,452.93	-1.37%	-11.22%
DS30	1,321.49	1,330.83	-9.34	1,513.35	-0.70%	-12.68%
DSES	915.96	920.69	-4.73	999.83	-0.51%	-8.39%
CDSET	783.02	790.68	-7.66	899.76	-0.97%	-12.97%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	15,594,741.0	12,445,203.3	25.3%
	Mn USD	183,553.9	146,483.1	
Turnover	Mn BDT	6,919.1	8,878.2	-22.1%
	Mn USD	81.4	104.5	
Average Daily Turnover	Mn BDT	1,383.8	2,219.5	-37.7%
	Mn USD	16.3	26.1	
Volume	Mn Shares	166.6	223.3	-25.4%

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
Orion Pharma Ltd.	42.00	27.80	51.1%	9,828.0	141.60	11.5x	0.6x
In Tech Online Ltd.	20	13.20	48.5%	613.9	.17	8.9x	1.9x
Sea Pearl Beach Resort & Spa Limited	79.10	55.20	43.3%	9,551.3	.06	217.1x	7.6x
Central Pharmaceuticals Limited	12.10	8.70	39.1%	1,449.6	138.75	2.9x	0.7x
Chittagong Vegetable	115.40	83.30	38.5%	2,913.3	.26	NM	8.8x
Hakkani Pulp & Paper	74.00	53.70	37.8%	1,406.0	1.98	NM	2.7x
Kohinoor Chemicals	472.80	345.90	36.7%	9,542.3	.12	51.2x	10.2x
Beximco Syntehtics	4.90	3.60	36.1%	424.9	6.44	NM	0.3x
ICB Employees Provident MF 1 Scheme 1	6.20	4.60	34.8%	465.0	.36	NM	0.5x
Orion Infusion	72.10	53.50	34.8%	1,467.9	51.79	36.1x	6.0x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Far Chemical Industries Limited	172.50	197.10	-12.5%	145,631.2	671.15	11.0x	2.2x
Standard Ceramic	61.10	74.70	-18.2%	24,779.5	423.92	7.6x	0.9x
Samata Leather	239.00	260.70	-8.3%	322,721.7	378.37	9.3x	7.6x
City General Insurance	13.30	15.00	-11.3%	11,655.0	209.69	9.7x	0.2x
Shepherd Industries Limited	20.30	22.80	-11.0%	2,263.6	163.54	12.0x	1.6x
Emerald Oil Industries Ltd.	42.00	27.80	51.1%	9,828.0	141.60	11.5x	0.6x
Northern Jute	12.10	8.70	39.1%	1,449.6	138.75	2.9x	0.7x
Agrani Insurance Co. Ltd.	126.80	119.20	6.4%	4,555.7	117.77	NM	2.0x
Prime Insurance	18.50	17.10	8.2%	2,525.3	111.50	17.2x	1.2x
BRAC Bank	78.40	101.80	-23.0%	12,928.6	98.88	17.9x	2.1x

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

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Square Pharmaceuticals	172.50	197.10	-12.5%	145,631.2	671.15	11.0x	2.2x
Beximco Pharmaceuticals	61.10	74.70	-18.2%	24,779.5	423.92	7.6x	0.9x
Grameenphone Ltd.	239.00	260.70	-8.3%	322,721.7	378.37	9.3x	7.6x
Beximco Limited	13.30	15.00	-11.3%	11,655.0	209.69	9.7x	0.2x
Indo-Bangla Pharmaceuticals Limited	20.30	22.80	-11.0%	2,263.6	163.54	12.0x	1.6x
Orion Pharma Ltd.	42.00	27.80	51.1%	9,828.0	141.60	11.5x	0.6x
Central Pharmaceuticals Limited	12.10	8.70	39.1%	1,449.6	138.75	2.9x	0.7x
Monno Ceramic	126.80	119.20	6.4%	4,555.7	117.77	NM	2.0x
Silva Pharmaceuticals Limited	18.50	17.10	8.2%	2,525.3	111.50	17.2x	1.2x
Bangladesh Submarine Cable Company Limited	78.40	101.80	-23.0%	12,928.6	98.88	17.9x	2.1x

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

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Glaxo Smithkline	2,046.30	16.51%	24,650.6	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
LafargeHolcim Bangladesh Limited	35.90	6.85%	41,693.3	23.2x
ACI Limited	192.00	5.79%	11,015.5	NM
Matin Spinning Mills Ltd.	64.70	2.21%	20,493.9	11.1x
MJL Bangladesh Limited	693.20	-0.42%	9,483.0	19.6x
Bata Shoe	32.80	-1.20%	3,197.7	51.5x
Apex Footwear Limited.	219.30	-1.70%	2,467.1	21.8x
Summit Power	138.20	-2.61%	15,260.7	7.9x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1089.29	1115.77	1319.28	-2.37%	-17.43%
NBFIs	1362.01	1362.68	1565.13	-0.05%	-12.98%
Mutual Funds	568.22	568.12	591.17	0.02%	-3.88%
General Insurance	1542.87	1541.40	1927.02	0.10%	-19.94%
Life Insurance	1731.98	1774.80	2194.70	-2.41%	-21.08%
Telecommunication	3339.57	3338.86	3993.59	0.02%	-16.38%
Pharmaceuticals	2409.76	2414.37	2492.51	-0.19%	-3.32%
Fuel & Power	1421.55	1426.02	1515.21	-0.31%	-6.18%
Cement	1183.27	1210.35	1132.29	-2.24%	4.50%
Services & Real Estate	949.76	953.73	886.70	-0.42%	7.11%
Engineering	2021.12	2025.31	2257.22	-0.21%	-10.46%
Food & Allied	11270.02	11271.73	12121.49	-0.02%	-7.02%
IT	1771.24	1773.60	1823.13	-0.13%	-2.85%
Textiles	947.20	950.08	1042.04	-0.30%	-9.10%
Paper & Printing	5034.65	5034.65	5233.20	0.00%	-3.79%
Tannery	1667.26	1668.58	1826.45	-0.08%	-8.72%
Jute	7924.56	7919.94	11393.28	0.06%	-30.45%
Ceramics	390.89	395.61	459.10	-1.19%	-14.86%
Miscellaneous	1667.80	1663.95	1745.96	0.23%	-4.48%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	93.3	245.1	-61.94%	10.56%	5.9x	0.6x
NBFIs	5.1	29.2	-82.54%	0.58%	79.3x	1.9x
Mutual Funds	15.7	20.2	-22.07%	1.78%	NM	0.4x
General Insurance	14.7	29.4	-49.99%	1.66%	10.9x	1.0x
Life Insurance	2.3	8.2	-71.90%	0.26%	NM	7.2x
Telecommunication	95.5	38.0	150.96%	10.80%	9.5x	6.9x
Pharmaceuticals	469.8	343.4	36.81%	53.17%	15.9x	2.1x
Fuel & Power	70.2	128.3	-45.32%	7.94%	9.3x	1.6x
Cement	2.2	41.2	-94.76%	0.24%	24.0x	2.2x
Services & Real Estate	1.1	6.4	-82.46%	0.13%	56.8x	0.8x
Engineering	12.5	127.8	-90.20%	1.42%	12.2x	1.2x
Food & Allied	11.4	38.5	-70.27%	1.29%	20.2x	6.4x
IT	1.9	23.4	-92.08%	0.21%	15.8x	2.3x
Textiles	12.0	34.6	-65.26%	1.36%	NM	0.7x
Paper & Printing	2.7	3.0	-9.90%	0.31%	250.0x	1.3x
Tannery	0.9	43.8	-97.90%	0.10%	20.6x	1.8x
Jute	0.2	4.0	-94.81%	0.02%	NM	3.6x
Ceramics	24.6	108.2	-77.29%	2.78%	24.3x	1.5x
Miscellaneous	47.6	38.8	22.58%	5.39%	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
Runner Automobiles Limited	16.20	-23.22%	16,465.5	6.3x
Prime Bank	46.10	-22.52%	5,234.2	9.1x
City Bank	14.20	-21.98%	16,078.4	6.5x
Singer Bangladesh	56.90	-20.20%	28,450.0	5.8x
Dutch-Bangla Bank	147.00	-18.51%	14,656.3	14.2x
IFAD Autos Limited	19.20	-17.95%	17,921.7	12.3x
Grameenphone Ltd.	137.30	-16.69%	7,757.9	48.9x

## Important News: Business & Economy

### Forex reserves cross USD 34.0 billion for the first time

■ The country's foreign exchange reserves crossed the USD 34-billion mark for the first time. Amid coronavirus pandemic, foreign trade became slower and the aid of developing partners started to arrive, so the foreign exchange reserves piled up, a senior official of the Bangladesh Bank told The Business Standard on Wednesday night.

■ According to the central bank, country's foreign exchange reserves rose to USD 34.2 billion on June 3. Earlier, the previous highest reserves were recorded on September 5 in 2017- the amount was USD 33.7 billion. The official said, remittance is the key driver to raise the reserve to this highest point.

■ From July 1, 2019 to June 2 this year, total remittance stood at USD 16.5 billion, which was 10% higher than the amount of same period of the previous fiscal year.

<https://tbsnews.net/economy/forex-reserves-cross-34-billion-first-time-88420>

### Budget spending to go up by 11.0% in FY'21

■ The appointment of additional number of doctors and nurses to fight coronavirus pandemic will push up the operating expenditure of the government by around 11% in the next fiscal year (FY'21) on top of other public sector spending, finance ministry officials say. The government's operating expenditure includes salaries, allowances, payment of pensions, interest, subsidy, incentives and grant. The revenue budget also includes capital expenditure and spending on supply and services.

■ According to people involved in budget preparation, some BDT 3.5 trillion has been earmarked for the next fiscal year as operating expenditure. In the revised budget for the outgoing fiscal year, the amount was set at BDT 3.1 trillion.

■ Against this background, the government in early May appointed 2,000 doctors and 5,054 nurses and plans to appoint 5,000 medical technologists to help narrow down the manpower shortage in the health sector. The expenses on account of incentives and subsidies for various export-oriented sectors, other than the BDT 1.0 trillion relief packages announced, will also go up in next fiscal year to offset the Covid-19 impacts, according to a finance ministry official.

<https://today.thefinancialexpress.com.bd/first-page/budget-spending-to-go-up-by-11pc-in-fy-21-1591205818>

### 5.4% inflation rate likely next fiscal

■ The government is likely to keep the average inflation rate within the 5.4% limit in fiscal year 2020-21, officials said on Wednesday. The inflation target for the next fiscal will be proposed in the upcoming national budget, to be announced on June 11 at the parliament, they said.

■ In the outgoing fiscal, the government set the 12-month average inflation target at 5.5% as it wanted to keep the Consumer Price Index or CPI in the comfortable zone. Data from the state-controlled Bangladesh Bureau of Statistics or BBS on Tuesday showed the point-to-point inflation rate in May fell to 5.35% from 5.96% month on month. The year-on-year average inflation from June through May, however, recorded 5.61%, the BBS data showed.

■ In the national budget of the current fiscal, the government's target for the 12-month average inflation was 5.5%. In FY 2019, the 12-month average inflation was recorded at 5.48%, 0.08 percentage points lower than the government's 5.6% target. The World Bank, in its latest South Asia Economic Focus report, said Bangladesh's inflation rate could go up to 5.7% in FY2020 before rising in the next fiscal.

<https://today.thefinancialexpress.com.bd/first-page/54pc-inflation-rate-likely-next-fiscal-1591205998>

### Debt at heart as Finance Minister strikes balance amid falling revenue, rising expenditure

■ Between a rock and a hard place is where Finance Minister AHM Mustafa Kamal finds himself in as he is set to unveil his second budget on June 11. It appears Kamal is preparing a debt-dependent budget for next fiscal year, which begins from July 1. The fiscal year may be one of the most challenging years from the perspective of fiscal management.

■ The government is facing pressure on public expenditure to tackle the contagion, strengthen the weak health system, support livelihoods of the millions of people and keep businesses afloat reeling from the pandemic. Subsequently, the budget deficit may be set at BDT 1.8 trillion in fiscal 2020-21, up from BDT 1.5 trillion this fiscal year.

■ Kamal would look to borrow BDT 800 billion from the banking sector to meet the budget deficit, which is way higher than the target of BDT 473.6 billion this fiscal year. Borrowing through the sales of savings certificates could be lowered to BDT 240 billion in fiscal 2020-21 from BDT 270 billion this year, as cash-strapped people are showing less interest in buying the instruments.

■ However, the finance minister would find it difficult to meet the bank borrowing target by relying on the banking sector since lenders have long been facing liquidity crisis and would now carry the major burden of implementing the BDT 1.0 trillion stimulus packages.

<https://www.thedailystar.net/business/news/debt-heart-kamal-strikes-balance-amid-falling-revenue-rising-expenditure-1908717>

### Applying for moratorium on foreign debt repayment not in the offing

■ Like the rest of the world, Bangladesh is confronted with an economic crisis due to the Covid-19 pandemic. However, it is not yet thinking of applying for a moratorium on a repayment of foreign loans. The situation is not so bad yet, according to an official of the Economic Relations Division (ERD) of the finance ministry.

■ Beginning in March, Bangladesh's economy went from bad to worse due to the coronavirus-induced shutdown. Industrial manufacturing and other economic activities were largely affected. Export earnings saw a steep 83% year-on-year fall in April. Revenue collection for the current fiscal year may stand at BDT 2.2 trillion, posting a staggering shortfall of BDT 150 billion.

■ According to the ERD, inclusive of the current fiscal year and the next two, Bangladesh will have to pay USD 6,050 million to its development partners in principal and interest. The projections were made before the pandemic. In fiscal year 2019-20, the government will be

paying USD 1,850 million. Of the amount, interest will be to the tune of USD 570 million, while principal will amount to USD 1,280 million.

- In 2020-21, the government's projection is to pay USD 2,000 million to the development partners in principal and interest. Interest will be USD 600 million while principal will be USD 1,400 million. In 2021-22, the government will have to pay USD 2,200 million – USD 700 million in interest and USD 1,500 in principal.

<https://tbsnews.net/economy/foreign-aid/applying-moratorium-foreign-debt-repayment-not-offing-88417>

### **Next budget would be an immense balancing act: An Economist**

- Next fiscal is likely to be one of the most challenging years from a fiscal management perspective, among others. With the virus still around, the economy will take time to recover. When recovery is going to start is extremely uncertain.
- There will be pressure on public expenditure to fight COVID-19, strengthen the health system, support livelihoods at risk and keep businesses afloat. At the same time, expenditure on critical infrastructure projects must continue. Revenue mobilisation will be a daunting task, given the various tax concessions and administrative forbearance that will have to be allowed to individuals and institutions in these very difficult times.
- Budget deficit target will most likely exceed the usual 5% of GDP. What the finance ministry will propose is anybody's guess. Assuming it will be somewhere between 6 to 7% of GDP, the issue will be finding harmless ways of financing it. Given a relatively low public debt to GDP ratio, debt sustainability is not currently any major concern, particularly given the fact that the cost of existing foreign debt is very low. There is, therefore, space for increasing public borrowing from concessional external sources.
- While, over the decade – since the beginning of 2010 until the end of 2019 – the market as a whole returned virtually nothing, but the cash dividends saw an average yield of over 3.0%. And investors lost up to 95% of their money in shares of some weak companies.

- An early recovery is unlikely, but the banks are already assigned with a large financial package to finance the working capital needs of the affected small and large business enterprises. Bangladesh Bank will be refinancing a significant portion of it. However, the banks will have to bear all the risk. In this situation, the banks may be more than happy to park their money in treasury bills and bonds that offer 7 to 9% interest without any default risk.

<https://tbsnews.net/economy/stock/long-term-stock-investment-pays-88027>

### **Bank earning slump makes import financing costlier**

- Cost of foreign import financing by the country's local banks increased up to 2.0 percentage points in the last couple of months due mainly to a slump in earnings of the banks. Earnings of all scheduled banks slumped, in most of the cases turned negative in April and May, as the Bangladesh Bank asked the entities to refrain from booking interest earnings for the two months, bankers and BB officials said. Earlier, most of the foreign banks were issuing credit against imports at around 2.5% to 3% interest.
- The fall in earnings of the banks has prompted the overseas banks and financial

institutions to charge up to 5% interest for such credit. Some of the foreign entities were found reluctant in issuing credit against the country's import settlement.

- On May 3, a BB circular issued in this connection asked the banks to transfer the suspended interest on loans to an interest-free blocked account. The banks which had already charged the customers the interest was asked to reverse the sum to the borrowers. According to the government estimate, the total amount of suspended interest of the two months stands at BDT 165.5 billion.

<https://www.newagebd.net/article/107580/bank-earning-slump-makes-import-financing-costlier>

### **Labour wages rise nearly 6% in April, May: Bangladesh Bureau of Statistics (BBS)**

- The deadly Covid-19 pandemic has so far brought nothing but a string of bad news for Bangladesh, hitting the country with shutdown of companies, unemployment, salary cuts and unpaid wages. Amid such scenario, the [Bangladesh Bureau of Statistics \(BBS\)](#) has revealed that the workers' wages in Bangladesh have increased by 6.1% in April and 5.9% in May this year, compared to the same period previous year.
- The BBS disclosed this information in the latest issue of the Wage Rate Index (WRI), adding that workers' wages have increased by 6.5% in March this year, compared to the same month previous year. However, several experts think that the latest BBS data regarding labour wages lacks consistency with data from different foreign and domestic research organisations and is disconnected from the current reality in the country.
- Data from the international financial institution World Bank projected that the rate of extreme poverty in Bangladesh has increased from 12.8% last year to 21.8% in 2020. Another 15.17 million extreme poor have joined the already existing 21.6 million in the country.

<https://tbsnews.net/economy/labour-wages-rise-nearly-6-april-may-bbs-88414>

### **Foreign RMG buyers commit irresponsible act: Foreign Minister**

- Foreign Minister has said the foreign readymade garment (RMG) buyers who cancelled export orders amid coronavirus pandemic have committed an irresponsible act. During his recent conversation with Irish Deputy Prime Minister and Foreign Minister Simon Coveney, he said that such irresponsible behavior by foreign companies is adversely affecting 4.0 million workers in Bangladesh, most of whom are women, a foreign ministry spokesperson said on Wednesday.
- The minister informed his counterpart about the availability of a huge pool of IT experts (600,000) in Bangladesh and requested Ireland to utilise the expertise. He also requested the Irish government to ease and facilitate visa procedures for the Bangladesh nationals. The Irish Deputy Prime Minister highly lauded Bangladesh's gesture in hosting the 1.1 million persecuted Rohingyas from Myanmar.
- The foreign minister hoped that if elected as a non-permanent member of the UN Security Council, Ireland will play a more robust role in the council. The Irish Deputy Prime Minister assured of Ireland's continued support and active engagement in this regard.



<https://today.thefinancialexpress.com.bd/last-page/foreign-rmg-buyers-commit-irresponsible-act-momen-1591206365>

### **Textile millers moving away from Indian cotton**

■ Import of cotton from India, once the main sourcing destination for Bangladesh's textile millers, dipped further last year as locals are increasingly moving to suppliers in North and West African countries to cut reliance on the neighboring country. In 2019, 18% of the cotton imported by Bangladesh came from the neighboring country, according to data from the Bangladesh Textile Mills Association (BTMA). A year earlier, it was 26%.

■ Last year, Bangladesh, the largest importer of cotton in the world, met 41% of its requirement for the white fibre from East and West African countries. The local spinners and importers have been diversifying sourcing -- and cutting reliance on India -- mainly for a price advantage, followed by quality shipment.

■ The low quality of the Indian cotton is the main reason behind the falling imports from the neighboring country, said Monsoor Ahmed, secretary of the BTMA. A section of Indian cotton traders also doesn't maintain timely shipment and deliver the right quantity as per agreements, he said. For example, it is written in the letters of credit that there may be 3 to 4% less cotton than the amount agreed upon when the imported fibre is weighed in Bangladesh. But in many cases, it is 10 to 15% less, he said.

<https://www.thedailystar.net/business/news/textile-millers-moving-away-indian-cotton-1908685>

### **Chinese company to invest USD 1.02 million in Chattogram Export Processing Zone (EPZ)**

■ Chinese Company Ms Unicorn Leather Goods Factory Limited will establish a leather and artificial leather products manufacturing industry in Chattogram Export Processing Zone (EPZ), reports BSS. The fully foreign-owned company will invest US USD 1.02 million which will create employment opportunity for 764 Bangladeshi nationals, as per a Bangladesh Export Processing Zones Authority (BEPZA) press release issued in Dhaka on Wednesday.

■ Unicorn Leather Goods Factory will produce annually one million bag, belt, wallet and various leather items. To this end, BEPZA and Ms Unicorn Leather Goods Factory Limited inked an agreement at BEPZA Complex in the city.

<https://today.thefinancialexpress.com.bd/trade-market/chinese-co-to-invest-102m-in-ctg-epz-1591199218>

### **Panic grips central bankers as 50 officials test positive for coronavirus**

■ At least 50 officials of the Bangladesh Bank have tested positive for the novel coronavirus in a chilling development as the role of the central bank has emerged critical in insulating the financial system from the pandemic and keeping the economy going. The entire financial sector will face a severe crisis if the disease is spread further among the officials of the BB, said officials.

■ According to a report of the Anwer Khan Modern Hospital, at least 50 officials of the central bank tested positive for the coronavirus. But the figure might be much higher as many employees had their samples tested at other hospitals. The situation compelled the

Bangladesh Bank Officers' Welfare Council to submit a memorandum to the governor on June 1 requesting him to introduce an alternate duty roster on a weekly or biweekly basis. The council had submitted another letter to the higher-ups on May 7 requesting measures before reopening the economy, but the management has not done anything to this end yet.

■ As a result, the officials are spending days nervously as the coronavirus spread alarmingly among the officials, several officials told The Daily Star yesterday. The central bank has issued many notices to banks instructing them to follow roster duty and maintain social distancing to keep the contagion at bay. Besides, the BB asked lenders to draw up a business continuity plan so that they can run operations during the pandemic.

<https://www.thedailystar.net/business/news/panic-grips-central-bankers-50-officials-test-positive-coronavirus-1908713>

### **Daraz to invest BDT 5.0 billion to build logistics infrastructure**

■ Chinese e-commerce giant Alibaba's subsidiary Daraz has announced plans to invest BDT 5.0 billion by 2021 in Bangladesh to set up logistics infrastructure and hubs that would help expand its footprint to all 64 districts. The announcement comes at a time when the novel coronavirus pandemic is prompting shoppers to go online more than ever for all sorts of items, ranging from groceries to medicine. However, e-commerce platforms have been struggling to cope up with the swelling number of orders because of a lack of infrastructure, ill-preparedness, scant manpower and inadequate supplies.

■ The majority of the investment will be made on developing logistics infrastructure, including a 200,000-square-foot warehouse, a 1,50,000-square-foot fully automated sorting centre and more than 150 hubs. It already has over 60 hubs across the country. Daraz is also planning to offer home delivery of groceries and other products through its own logistics service, DEX or Daraz Express, which employs 3,000 people, in 13 new districts by June.

<https://www.thedailystar.net/business/news/daraz-invest-tk-500cr-build-logistics-infrastructure-1908681>

### **Private sector credit growth marks historic 8.2% low in March**

■ Private sector credit growth, which has been slowing down since the beginning of the current fiscal year amid pressure of interest rate capping, dropped to a historic low at 8.2% year-on-year in March, posing huge risks for employment and economic growth. Despite having huge amounts of excess liquidity, banks were reluctant to lend amid the pressure of implementing single digit lending rate, which came into effect from April 1, said industry insiders.

■ The credit growth in March was far below the monetary target of 14.8% set for the fiscal year 2019-20 by the Bangladesh Bank. In a recent report placed to the International Monetary Fund (IMF), the Bangladesh Bank expected private sector credit growth to end up at 8.5% by the end of the fiscal year. The government's bank borrowing dropped to 44.6% in March, which was 74.6% in February, central bank data shows.

■ Export earnings saw a steep 83% fall year-on-year in April when import fell by 62%, according to Bangladesh Bank data. In a quick response to Covid-19, the Bangladesh Bank created additional money worth BDT 707.9 billion to support banks in lending to virus-struck businesses. The injection of new money is part of the plan to implement a stimulus package

of BDT 727.5 billion announced by the prime minister to mitigate the economic impacts of the coronavirus outbreak. The central bank expects about BDT 300 billion to come from banks this year.

<https://tbsnews.net/economy/banking/private-sector-credit-growth-marks-historic-82-low-march-88024>

<https://www.thedailystar.net/business/news/credit-growth-plunges-12-year-low-1908225>

### Higher debt to drive up interest payment

■ With the government's bank and non-bank borrowing on a steep rise, the next fiscal's budget is likely to earmark an allocation of BDT 635.3 billion for paying interest. The allocation is up by BDT 64.6 billion or 11.31%, compared to the current fiscal year's provision.

■ By early June, the borrowing from banks has almost doubled the target of BDT 473.6 billion set for the entire fiscal year. On the other hand, the government could borrow less than half of BDT 270 billion it wanted to raise from savings instruments because of lower sales. The rate of interest of savings instruments is almost double that of loans from banks, thus the government has increased its reliance on the banking sector to secure funds, said the official.

■ Finance Minister is set to announce a BDT 5.6 trillion budget for fiscal year 2020-21 on June 11 in parliament where he is setting a target of 8.2% growth in gross domestic product or GDP. He will also pledge to keep the inflation rate at 5.4% in the upcoming fiscal.

<https://today.thefinancialexpress.com.bd/first-page/higher-debt-to-drive-up-interest-payment-1591118607>

### Inflation falls on better crop production, smooth supply

■ According to Bangladesh Bureau of Statistic (BBS) data released on Tuesday, the inflation rate was 5.63% in the same month of last year. Both food and non-food inflation also dropped due to better rice production and ensuring smooth supply of goods across the country even during this coronavirus pandemic, officials said. Planning Minister MA Mannan unveiled the consumer price index (CPI) after a meeting of the Executive Committee of the National Economic Council (ECNEC) in Dhaka.

■ According to the BBS, the food inflation dropped significantly to 5.09% in May from 5.91% in April while non-food inflation fell to 5.75% in May than that of 6.04% in the previous month. The inflation in urban and rural areas also dropped slightly in May. In rural Bangladesh, the inflation rate was recorded at 5.65% in May, lower than 6.08% in April.

■ In the villages, food inflation dropped to 5.61% in May from that of 6.17% in April. The non-food inflation fell to 5.73% in May as compared to 5.92% in the previous month. In the urban areas, the point-to-point inflation stood at 4.81% in May from that of 5.73% in April. The food inflation in the towns went down to 3.94% in May as compared to 5.33% in April. The non-food inflation dropped to 5.79% in May from that of 6.20% in the previous month.

<https://today.thefinancialexpress.com.bd/last-page/inflation-falls-on-better-crop-production-smooth-supply-1591119407>

### Garment exports to major destinations nosedive

■ Bangladesh's garment exports to major destinations suffered a devastating blow in April as factories put up the shutters while demand hit rock bottom because of the coronavirus pandemic worldwide. Apparel shipment to the EU, Bangladesh's largest export market, was only USD 220 million in April, while the average monthly earnings usually stand at nearly 1.5 billion, according to data from Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

■ In July-April, Bangladesh exported garment items worth USD 15.06 billion to the EU, which is 14.61% lower than that in the same period last fiscal year. Garment export to the US, the country's single largest export destination, amounted to only USD 70 million in April, against the average monthly earnings of USD 500 million in the usual times, the BGMEA data shows. In July-April, the amount stood at USD 4.44 billion, which is 12.64% lower than the earnings in the same period last year. Export also declined to the Canadian market: In April, Bangladesh exported garment items worth USD 9.5 million. During July-April the amount reached USD 746.35 million, a 21.64% drop year-on-year.

■ With almost 70% of those experiencing labour shortages looking for new workers, the likelihood of poor recruitment practices is exacerbated in times of crisis. Hiring child or forced labour may increase, the report has found. Fifty-six% sought better payment terms, 49% improved forecasting and planning, 48% longer production timelines and no late delivery fees during this period.

■ According to the BGMEA President Rubana Huq, April and May have seen freefall in exports and based on the current discussions with the buyers, exporters would have to be skeptic in making a generalised prediction. The sector may see exports plummeting by 30-40% in upcoming months since retail markets are yet to pick up and the impact of COVID-19 on consumer behaviour is still unknown.

<https://today.thefinancialexpress.com.bd/last-page/rmg-footwear-suffer-most-during-pandemic-1591119351>

### RMG, footwear suffer most during pandemic: Sedex Survey

■ Garment, footwear and construction sectors have suffered the biggest economic hit during the Covid-19 pandemic with supply chain disruption as the top challenge, according to a latest report. An estimated 68% of the surveyed garment members reported that their revenue has decreased 'significantly or critically', it said.

■ Sedex conducted the survey on 469 suppliers from the garment sector across 51 countries, mostly in Bangladesh, China, India and Turkey. It also studied sectors like chemical, pharmaceutical, retail, cleaning, wholesale and fishing.

■ With many units struggling to stay afloat, closures and reduced work have devastating impacts on jobs and income for most workers in garment and textile sectors. Of those with more labour than work (56%), the most common option for managing this was reducing the number of shifts per worker (46% executing this option) with 31% suppliers reducing headcount. Some 25% businesses will temporarily close and 21% stop workers coming in to work during this period, according to the report.

■ With almost 70% of those experiencing labour shortages looking for new workers, the likelihood of poor recruitment practices is exacerbated in times of crisis. Hiring child or forced labour may increase, the report has found. Fifty-six% sought better payment terms,

49% improved forecasting and planning, 48% longer production timelines and no late delivery fees during this period.

<https://today.thefinancialexpress.com.bd/last-page/rmg-footwear-suffer-most-during-pandemic-1591119351>

### Shipbreakers suffering huge loss for AT, Covid-19

■ The leaders of the Bangladesh Ship Breakers and Recyclers Association (BSBRA) have urged the government to withdraw 5.0% AT or VATable tax (which is refundable) on import of scrap ships from the next budget and also giving incentive for scrap ship importers from its stimulus package.

■ Talking to the FE a top BSBRA leader said they have already sent a letter to the National Board of Revenue (NBR) and the concerned ministry requesting them to withdraw the AT on scrap ships import. He said scrap ship imports sharply declined in the last 11 months of fiscal year 2019-20 (FY20) due to imposition of the AT by the NBR in the current national budget. Besides, he said, the business has hit snag in the last two-and-a-half months due to the coronavirus-induced nationwide general holidays. In the FY20, ship-breaking business has almost remained standstill due to the AT, he said.

■ The BSBRA leaders said the importers are yet to get back a total of BDT 2.38 billion paid as AT during the outgoing financial year. According to the customs authorities, the shipbreakers imported a total of 250 scrap ships in 2015-16 fiscal year and paid BDT 8.22 billion tax to the government. A total of 188 scrap ships were imported in 2016-17 fiscal year and tax worth BDT 6.32 billion was paid, 202 scrap ships were imported in FY18 paying BDT 5.96 billion tax and 272 scrap ships imported in FY19 with BDT 7.92 billion paid as tax while only 138 ships imported in the last 11 months of FY20 and BDT 4.78 billion tax paid to the NBR.

■ The total turnover of the ship-breaking industry is around BDT 50 billion per year. A total of four types of old vessels are scrapped on shipyards of Sitakunda. The vessels are: Turbine Tanker (TT), Motor Vessel (MV), Steam Vessel (SV) and Fishing Trawler (FT). Of them scrapping of Turbine Tanker is very dangerous for environment and also health of workers.

<https://today.thefinancialexpress.com.bd/trade-market/ship-breakers-suffering-huge-loss-for-at-covid-19-1591115361>

### Remittance inflow falls more than 14.0% in May

■ The flow of inward remittance fell by more than 14% in May following the coronavirus outbreak in different parts of the world, officials said. Remittance from Bangladeshis working abroad was estimated at USD 1.50 billion in May 2020, registering a USD 245-million decrease from the same month a year ago. It was USD 1.75 billion in May 2019.

■ On the other hand, inward remittance increased by over 38% to USD 1.50 billion in May from USD 1.09 billion a month ago following Eid-ul-Fitr celebrations, according to the officials.

■ As per the relaxations, migrants can get a 2.0-percent incentive without showing any paper for the facility on remittance up to USD 5,000 or BDT 500,000. Earlier, the ceiling was BDT 150,000. Besides, those sending more than BDT 500,000 will have two months to

submit papers instead of 15 days.

■ Remittance grew by nearly 9.0% to USD 16.36 billion from July to May of fiscal year (FY) 2019-20, from USD 15.05 billion in the same period of last fiscal. The government has been incentivising remitters since July 01, 2019. It has already allocated BDT 30.6 billion for incentives in the budget for FY '20.

<https://today.thefinancialexpress.com.bd/first-page/remittance-inflow-falls-more-than-14pc-in-may-1591033549>

<https://tbsnews.net/economy/remittance-sees-14-fall-may-87502>

<https://www.thedailystar.net/business/news/even-eid-failed-haul-remittance-may-1907677>

<https://www.dhakatribune.com/business/economy/2020/06/01/remittance-declines-14-in-may-up-38-from-april-proceeds>

### Deficit could reach 5.7% of GDP

■ The deficit in the upcoming budget is likely to hit a new high of 5.7% due to the government's "expansionary" fiscal approach aimed at weathering the coronavirus effect on the economy, officials say. If that happens, the government's budgetary deficit will surpass the traditional 5.0% band of the GDP, according to available data.

■ The ministry has been drafting the national budget for fiscal year 2020-21, which will be announced on June 11 in parliament. The size of the national budget could be around BDT 5.60 trillion, up by BDT 368.10 billion or 7.0% higher than BDT 5.23 trillion outlay of the outgoing fiscal.

■ According to a senior finance ministry official, the budget deficit target will not be under 5.0% of GDP (Gross Domestic Product) mark in the next fiscal. The deficit could go up to 5.7% of the GDP. In the outgoing fiscal, the government set a BDT 1.45 trillion budget deficit target, equal to 5.0% of the GDP.

■ Meanwhile, the government in the first six months (Jul-Dec) of FY2020 spent BDT 1.47 trillion from the BDT 5.23 trillion budget. Out of the expenditure, it had a deficit of BDT 257.36 billion during the first six months of the current fiscal as revenue income was lower than expected. In the same period, the government's budget deficit stood at BDT 109.75 billion.

<https://today.thefinancialexpress.com.bd/first-page/deficit-could-reach-57-per-cent-of-gdp-1591033186>

### May inflation falls to 5.35%: Bangladesh Bureau of Statistics (BBS)

■ According to the Trading Corporation of Bangladesh (TCB), the price of rice depending on quality declined by 6.25% to 7.41% in May compared to April. Inflation decreased by 0.61 percentage points in May due to fall in demand because of the coronavirus crisis and expected harvest in Boro season.

■ According to the latest report by the Bangladesh Bureau of Statistics (BBS), overall inflation fell to 5.35% in May. In April, it was 5.96%. Food prices fell by 3.07% at national level in May, the report said. Food prices declined by 3.35% in rural areas and 2.43% in urban areas. As a result, the overall price index fell by 1.75% in May compared to April.

■ The country observed inflation at 5.75% for non-food items in May, which was 6.04% in

April. Inflation in rural areas was 5.65% in May, substantially lower than the April figure of 6.08%. May inflation rate of 5.35% indicates that a commodity, which was BDT 100 last year, will now cost BDT 105.3. One will have to buy a lower volume of the commodity if one's income remains static.

<https://tbsnews.net/economy/may-inflation-falls-535-percent-87583>  
<https://www.thedailystar.net/business/news/inflation-declines-dramatically-1907661>

### **Balance of payment shrinks with pandemic**

■ The major economic indicators of the country's balance of payments (BoP) shrivelled in the first nine months of the fiscal year on the back of the economic fallout from the global coronavirus pandemic. Both the contraction of exports and imports has not widened the trade deficit to a great extent in the first three quarters of fiscal 2019-20. But this is not a good sign at all for the country as the economy has been shrinking remarkably in the last few months, economists said.

■ The trade deficit narrowed 1% year-on-year to USD 12.07 billion in the first nine months. Exports stood at USD 28.25 billion between July last year and March this year, down 6.34% from a year earlier. Imports also decreased 4.81% to USD 40.33 billion during the period. Both the volume of export and import have been decreasing alarmingly this quarter, which will put a negative impact on the BoP, said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

■ The deficit in the current account stood at USD 2.64 billion in the first nine months of the fiscal year, down 37.13% year-on-year. As of March 31, reserves stood at USD 32.38 billion, which is good enough to settle import payments for 5.5 months.

<https://www.thedailystar.net/business/news/balance-payment-shrinks-pandemic-1907673>

### **Mobile, tobacco use likely to be costlier in FY '21**

■ Mobile phone users and tobacco consumers may have to count additional costs in the upcoming fiscal year (FY). The Value Added Tax (VAT) wing under the National Board of Revenue (NBR) is likely to propose a hike in Supplementary Duty (SD) on mobile phone subscribers in FY 2020-21. Currently there is 10% SD on mobile phone users which may go up to 15%, sources said.

■ Tax on all types of tobacco items, starting from bidi, cigarettes and its 'smokeless' version may also go up in the budget, sources said. Finance Minister AHM Mustafa Kamal is likely to propose the changes while placing the budget in parliament on June 11 next.

■ Little increase of taxes on large number of mobile phone users may help increase the government's revenue earnings. Such increase is essential to help economic recovery, sources said. Currently, the mobile phone users pay VAT at 15%, 1.0% surcharge and also pay 5.0% VAT on internet use. Last year, the NBR increased SD to 10% from 5.0% for mobile phone users. The SD was 3.0% in FY 16. According to the mobile phone operators, each mobile phone subscriber pays BDT 53 out of BDT 100 to the public exchequer in the form of taxes and other charges.

<https://today.thefinancialexpress.com.bd/first-page/mobile-tobacco-use-likely-to-be-costlier-in-fy-21-1591033446>  
<https://www.thedailystar.net/business/news/mobile-phone-use-be-even-costlier-1907669>

<https://www.newagebd.net/article/107434/vat-on-capital-machinery-spare-parts-production-goes>

### **VAT-free turnover limit likely to be BDT 8.0 million**

■ The National Board of Revenue (NBR) is going to raise the VAT-free turnover ceiling to BDT 8.0 million from BDT 5.0 million in the national budget for the 2020-21 fiscal year. Turnover up to BDT 5.0 million was kept out of the VAT net in the current fiscal year — which means businesses with BDT 5.0 million annual exchanges will not pay any VAT. This highest limit is being raised to BDT 8.0 million in the next budget.

■ Businesses with BDT 5.0 million to BDT 3.0 million annual turnover pay 4% turnover tax according to the existing VAT law. This ceiling for turnover tax is also being raised in the upcoming budget to BDT 8.0 million to BDT 35 million. Currently, businesses pay 15% VAT if their annual turnover surpasses BDT 30 million.

■ VAT waivers may continue for local manufacturers of agricultural machinery, including power reaper power tillers, operated seeders and combined harvesters. Revenue officials also said investing organizations in economic zones and public-private partnership projects may continue enjoying VAT waivers next year too.

<https://tbsnews.net/economy/nbr/vat-free-turnover-limit-likely-be-BDT-80-lakh-87571>

### **Banks not to fine depositors for delay**

■ Prices of some pharmaceuticals & chemical stocks continued to soar as investors are anticipating brisk business amid rising Covid-19 cases in Bangladesh. Seven out of top 10 gainers on the Dhaka Stock Exchange (DSE) came from the pharmaceuticals & Chemicals sector on Sunday as the market reopened after 66-day break due to Covid-19 pandemic.

■ The Bangladesh Bank on Monday asked all scheduled banks not to charge depositors late fees for their failure to pay instalments for April and May against their DPS and other savings schemes on time because of the coronavirus outbreak. It also asked the depositors to clear the due instalments for the two months by June 20. The central bank on Monday issued a circular in this regard.

■ The government imposed general holidays from March 26 to May 30 to contain the spread of coronavirus in the country, and due to movement restriction, many depositors failed to pay instalments on time, it said. The circular said that no savings scheme would be cancelled due to the non-payment of instalments for the two months in the period. In a separate circular issued on the day, the BB asked all financial institutions to submit all mandatory regulatory statements by June 15 as general holidays ended on May 30.

<https://www.newagebd.net/article/107435/banks-not-to-fine-depositors-for-delay>

### **Non-bank entities to provide ATM service**

■ The Bangladesh Bank has allowed non-bank entities to operate automated teller machines (ATMs) across the country with a focus on increasing the banking network in rural areas at an affordable cost. To this end, the central bank's payment systems department, on Sunday, issued Guidelines for White Label ATM and Merchant Acquiring Services.



■ At present, all ATMs have been installed, owned and managed by banks – that is why installing ATMs, for a few customers of a particular bank in rural areas, was found to be very costly. It deprives a large segment of rural populations from obtaining banking services. To bring unbanked people under financial services, the Bangladesh Bank issued Sunday's guidelines, setting an urban to rural ratio of one to three.

■ For providing both ATM and merchant acquiring services, a White Label ATM and Merchant Acquiring Services entity has to ensure BDT 450 million of paid-up capital along with BDT 100 million of a bank guarantee. The paid-up capital and bank guarantee requirement would be BDT 100 million for securing each merchant acquiring service provider licence.

■ The total number of ATM booths in the country reached 10,961 at the end of January this year. Of these, 3,274 ATM machines were installed in rural areas. At the same time, the country's total POS number was 60,464, of which only 2,614 POS were in rural areas.

<https://tbsnews.net/economy/banking/non-bank-entities-provide-atm-service-87568>  
<https://www.thedailystar.net/business/news/now-non-bank-entities-can-set-atms-1907649>

### **102.2 million people staring at high economic, health risks: BRAC, Data Sense, Unnayan Shamannay study**

■ A staggering 102.2 million people are facing high economic and health risks in Bangladesh and about 74% of the families have seen a reduction in income because of the coronavirus pandemic, according to a new study. Brac, Data Sense and Unnayan Shamannay carried out the joint study. The study used researches from Brac, the Power and Participatory Research Centre (PPRC), the Brac Institute of Governance and Development (BIGD), the International Monetary Fund and others.

■ It also carried out a survey among 962 people in 25 districts between May 15 and May 18, said Brac in a press release. Of the people facing economic and health risks, 53.6 million are extreme poor, including the newly poor.

■ The number of people facing high economic risks stands at 47.3 million and those facing high health risks total 36.3 million, according to the survey. Of those surveyed, at least one individual from 34.8% of the families has lost jobs. The family income went down by an average of 74% between May to May.

<https://www.thedailystar.net/business/news/1022cr-people-staring-high-economic-health-risks-1907665>

### **BDT 50.0 billion budget allocation for interest payment against stimulus funds**

■ The government is tailoring the upcoming national budget keeping aside a sum of BDT 50 billion for interest payments against loans under different stimulus packages announced to cushion the economic fallout of Covid-19.

■ The finance ministry has allocated BDT 30 billion for paying interests against the soft loans to industry, service and agriculture sectors. And BDT 20 billion will be used for interest payment against loans for the last April-May period, said Finance Division officials referring to an order in this regard from the Prime Minister's Office.

■ The central bank in May suspended interest payments against all loans for the two months in a bid to help businesses during the coronavirus pandemic. The government will pay the postponed bank loan interest on behalf of the borrowers from the BDT 20 billion fund. On the other hand, the finance ministry said it would pay interests for two loan stimulus packages announced for industries and services from the BDT 30 billion allocation.

■ The Bangladesh Bank formed two separate funds – BDT 200 billion for the small and medium enterprises and BDT30,000 crore for heavy industries and services – to counteract the virus fallout. The fund for the SMEs offers 9.0% interest rate while the borrowers will have to pay 4.0%. The government will pay the rest 5.0%.

<https://tbsnews.net/economy/BDT5000cr-budget-allocation-interest-repayment-against-stimulus-funds-87187>  
<https://www.newagebd.net/article/107349/pm-announces-BDT-2000-crore-bank-interest-waiver>  
<https://today.thefinancialexpress.com.bd/first-page/BDT-20b-interest-gets-waived-1590946618>

### **RMG exports feared to decline USD 10.0 billion in 2020**

■ Bangladesh's export earnings from the coronavirus-hit apparel sector are likely to fall by around USD 10 billion in 2020 from USD 33 billion in the previous calendar year. As a result, the country is surely going to face a massive shortfall in meeting its target of exporting USD 38.2 billion worth of apparel products in the current 2019-20 fiscal year. Bangladesh earned USD 34.13 billion by exporting clothing items in the 2018-19 fiscal.

■ Overall, the country is likely to earn USD 6-7 billion less from apparel exports in the ongoing fiscal as compared to the previous year. This will deal a heavy blow to the country's overall export earnings which was USD 40.53 billion in the 2018-19 fiscal.

■ "We fear our export figure will not be more than USD 23-24 billion in 2020. The pandemic has worsened the already declining trend in global apparel consumption, and we also do not know what the post-pandemic situation will be," said Rubana Huq, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

■ According to BGMEA data of May 1 to May 19 this year, the country's apparel export has dipped by 55.7% as compared to the corresponding period's the previous year. In April, the export saw an 85-percent negative growth.

<https://tbsnews.net/economy/rmg/rmg-exports-feared-decline-10-billion-2020-86968>  
<https://www.newagebd.net/article/107345/covid-19-hammers-rmg-exports-for-3rd-month>

### **FDI inflow on slippery slope even before COVID-19 strike**

■ The net foreign direct investment in the country dropped by 7.35% in the first eight months (July-February) of the current fiscal year 2019-2020 even when the country was not hit by the coronavirus pandemic. As per the latest Bangladesh Bank data, the net inflow of FDI dropped to USD 1.71 billion in July-February of FY20 against USD 1.85 billion in the same period of last fiscal year.

■ Policy Research Institute executive director Ahsan H Mansur told New Age, 'The reopening would not be beneficial unless the coronavirus situation becomes satisfactory to the potential investors.' The investors would be scared of visiting the country due to the

deteriorating coronavirus situation, and they would prefer to avoid Bangladesh, said Ahsan, also the chairman of BRAC Bank. Speaking about the fall in export and import in July-January period of FY20, he mentioned that Bangladesh's economy was weak even before the coronavirus outbreak began in the country and that had collapsed after the outbreak.

■ In July-February of FY20, the country's overall export dropped by 4.85% to USD 25.6 billion against USD 26.9 billion in the same period of the previous year. The country's import payments dropped by 3.87% to USD 36.37 billion in the eight months of current fiscal year from USD 37.84 billion in the same period of the previous year. As a result, the country's trade deficit eased by 1.48%, or USD 162 million, to USD 10.77 billion from USD 10.94 billion.

■ In the period, the situation of current account balance improved as the deficit dropped to USD 1.84 billion from USD 3.97 billion in the same period of last fiscal year as the remittance inflow was high till that time. The country's overall balance turned USD 214 million positive in July-February from USD 499 million deficit in the same period of FY19.

<https://www.newagebd.net/article/107157/fdi-inflow-on-slippery-slope-even-before-covid-19-strike>

### Up to BDT 2.0 million in interest rebate likely

■ An individual borrower may get a maximum rebate of BDT 2.0 million from their total loan interest for the period of April and May, said a central bank official -- in what can be viewed as a stroke of good news for large borrowers. Earlier on May 3, with the view to giving relief to borrowers from the economic onslaught from the pandemic, the central bank directed banks to transfer all interest accrued or to be accrued between April 1 and May 31 from all of their loans to an interest-free blocked account.

■ To facilitate banks to implement the move, Prime Minister Sheikh Hasina yesterday announced that the government will provide BDT 20.0 billion to banks as subsidy, reports UNB. The prime minister said that the BDT 20.0 billion will be distributed among the 13.8 million loan takers proportionately.

■ Now, if the central bank fixes a certain portion of the rebate for all borrowers the maximum rebate would come to BDT 2.0 million, said a Bangladesh Bank official requesting anonymity to speak candidly on the matter. Against the backdrop, the central bank yesterday sent a letter to all banks asking them to inform how many borrowers are enjoying more than BDT 1.0 billion loans.

<https://www.thedailystar.net/business/news/BDT-20-lakh-interest-rebate-likely-1907206>

### Low-cost loans from stimulus packages not going like hot cakes

■ Four banks have got approval from the central bank to give out BDT 1,044.90 under the stimulus package of BDT 300 billion for large industries and service sectors. The banks -- Sonali, Rupali, EXIM and IFIC -- have given the fund to seven companies, according to data from the Bangladesh Bank.

■ Sonali Bank disbursed BDT 1,000 crore to Biman Bangladesh Airlines, Rupali BDT 45.0 million to Universal Medical College and BDT 5.70 crore to Planet Resource. EXIM Bank gave out BDT 30 to Arosha Janashakti and IFIC BDT 13.5 million to Next Accessories, BDT 17.0 million to Roni Neat Composite and BDT 15.0 million to Neat Concern Printing.

■ Banks will be allowed to enjoy a portion of the fund of their disbursed loans from the central bank's refinance scheme of BDT 150 billion for large industries and service sector. A total of 46 banks and 23 non-bank financial institutions have so far applied to the central bank for the refinance fund.

<https://www.thedailystar.net/business/news/low-cost-loans-stimulus-packages-not-going-hot-cakes-1907224>

### Government not going overboard with subsidy expenditure next fiscal year

■ That the subsidy expenditure would go up next fiscal year as the government scrambles to keep the pandemic-induced recession from undoing decades of progress in alleviating poverty and elevating its citizens into the middle-class -- was a given. But it turns out the government is exercising restraint, increasing its spending by 17.91% from current fiscal year to BDT 546.9 billion. The amount would be about 10% of the budget, which is in line with previous years' allocation.

■ The next fiscal year's subsidy budget would be mostly going towards taxpayer-funded spending for agriculture, food support for the poor and loans for large industries and SMEs. The move to provide low-cost loans to pandemic-hit micro, small, medium and large entrepreneurs, farmers and exporters would increase the subsidy spending on interests to BDT 50.0 billion in the upcoming fiscal year. There has been no such allocation in the ongoing fiscal year.

■ The government would bear BDT 3,000 crore in interest rate subsidy on the loans going to pandemic-hit businesses and farmers. Besides, the central bank has deferred interests on loans for May and June. About BDT 160.0 billion in interest was to be paid in the two months. Now, the government would come up with BDT 20.0 billion in interest support and the borrowers would repay the rest BDT 140.0 billion over 12 months in instalments.

■ The government has unveiled a stimulus package to provide BDT 300.0 billion in working capital to industries and service sector institutions impacted by the pandemic.

<https://www.thedailystar.net/business/news/govt-not-going-overboard-subsidy-expenditure-next-fiscal-year-1907236>

### Corporate tax cut on the cards for banks

■ The government may offer banks a cut to their corporate tax rate in a bid to give the lenders respite from a number of recent measures that have affected their profits. According to officials of the finance ministry and the National Board of Revenue (NBR), the tax rate for banks could be reduced to 35% from the present 37.5%. The move will help banks -- especially 30 listed ones -- increase their profits, after paying tax, by BDT15 crore to BDT20 crore. However, it will cause the national exchequer a loss of BDT600-BDT800 crore a year. The chairman of the Association of Bankers Bangladesh, said the lending rate cap at 9% from April will reduce banks' operating profits by around BDT15,000 crore.

■ Bangladesh has different corporate tax structures for different industries. A publicly listed bank or a non-bank financial institution (NBFIs) must pay 37.5% corporate tax -- which is 40% for non-listed banks. Other than financial institutions, the corporate tax rate is 25% for publicly listed companies and 35% for non-listed firms. The rate is 40% for listed mobile phone operators and 45% for non-listed companies. Meanwhile, tobacco producers have to

pay 45% tax.

<https://tbsnews.net/economy/banking/corporate-tax-cut-card-banks-86887>

### **Vaccine to remain beyond reach of local pharma companies**

■ The country is yet to achieve the World Health Organisation's (WHO) global benchmarking criteria essential to apply for pre-qualification (PQ) status. The PQ status is a mandatory requirement for developing a vaccine. The national regulatory authority concerned is yet to be classified as 'Maturity Level Three' of the WHO, although Bangladesh has a strong pharmaceutical sector that exports drugs and medicines to at least 150 countries. Following a recent query by the FE, the WHO country office in Bangladesh mentioned that this classification is mandatory to apply for developing a vaccine, as vaccine development is a very complex and regulated process.

■ However, officials of the Directorate General of Health Services (DGHS) and local pharmaceuticals companies said Bangladesh has the capacity to produce vaccine, if 'fill-finish' Active Pharmaceutical Ingredients (API) are made available by the COVID-19 vaccine-producing countries.

■ Two of the pharmaceuticals in Bangladesh - Popular and Incepta - have their separate vaccine units. Of these, only Incepta Pharmaceuticals Limited has a large plant with state-of-the-art facilities. According to the DGM marketing of Incepta Pharmaceuticals Limited, the company has the capacity to produce COVID-19 vaccine, if 'fill-finish' API is made available. Incepta will be able to produce 25 million doses of vaccine per month, he also said.

<https://today.thefinancialexpress.com.bd/first-page/vaccine-to-remain-beyond-reach-of-local-pharma-cos-1590946694>

### **Bangladesh on track to emerge as Covid-19 hotspot**

■ Bangladesh is set to emerge as a new global hotspot for COVID-19 because of fast-spreading contagion and fatalities, officials and experts say. During the last 24 hours, the densely-populated nation of 170 million people recorded its deadliest day yet, with 2,545 new cases and 40 deaths, official data showed.

■ With the latest statistics, the overall number of infections and deaths related to the respiratory disease caused by the novel coronavirus climbed to 47,153 and 650 respectively, according to state-run Directorate General of Health Services or DGHS. Generally, 20 worst-affected countries are treated as the hotspots with the dubious distinction of having more infections, according to the healthcare experts.

■ Bangladesh now ranks the 21st among 215 countries and regions that were hit by the highly-infectious pathogen, according to Worldometer info on coronavirus. In Asia, India, Iran, Kingdom of Saudi Arabia, China, Pakistan and Qatar have already become the global hotspots of the viral strains.

<https://today.thefinancialexpress.com.bd/first-page/bd-on-track-to-emerge-as-covid-19-hotspot-1590946765>

### **Accord to formally leave Bangladesh**

■ After operating for seven years in Bangladesh, the Accord on Fire and Building Safety will be abolished from Monday. Accord is supposed to hand over the charge to RMG Sustainability Council (RSC) on Monday as per the agreement, according to the industry people.

■ Accord and Alliance were formed for five years to improve the work environment of garment factories in Bangladesh after Rana Plaza collapsed on April 24, 2013, leaving over 1,100 people dead.

■ Accord is supposed to hand over the charge to RMG Sustainability Council (RSC) on Monday as per the agreement, according to the industry people. The RSC was formed with representatives from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), labourers' representatives from home and abroad, and Accord representatives.

<https://tbsnews.net/economy/rmg/accord-formally-leave-bangladesh-87208>

### **Government raises bus fare by 60.0%**

■ The government has raised the bus fare by 60% for the period of coronavirus pandemic. The increased fare will be applicable for both city and long-distance routes. The fare hike was announced through a gazette notification issued by the Ministry of Road Transport and Bridges on Sunday, in response to a demand by the transport owners as they will have to keep 50% seats vacant to prevent spread of the virus.

■ The revised fare will be effective from today (Monday) and will remain applicable only for the period of Covid-19 pandemic.

<https://today.thefinancialexpress.com.bd/first-page/govt-raises-bus-fare-by-60pc-1590946826>

### **Bangladesh bags USD 791.3 million from jute export in ten months**

■ Bangladesh earned USD 791.3 million from the export of jute and jute products in the first ten months (July-April) of the current fiscal year 2019-20, 14% higher than the earnings during the corresponding period of the previous fiscal year.

The export earnings from jute and jute goods is also 17% higher than the target set by the government for the first ten months of outgoing fiscal year.

■ With the execution of the project from July, 2018 to March, 2023, all sorts of assistance, including distribution of 390 metric tons of free jute seeds among farmers and imparting training on techniques of cultivating high-yielding varieties, now continue to boost the production of jute and jute products, according to the minister of Jute Department.

<https://www.dhakatribune.com/business/economy/2020/05/31/bangladesh-bags-791-3m-from-jute-export-in-ten-months>

### **Government eyes fast recovery to 8.2% GDP growth next year**

■ The government plans on setting a target of an 8.2% GDP growth for the fiscal year 2020-21 in the hope that the coronavirus situation will come under control by September this year and the economy will see a quick recovery thereafter. Besides, the rate of inflation is likely to be set at 5.4% for the next fiscal, in anticipation of a normal supply of commodities

and a stable market.

■ According to officials of the Finance Division, who are involved in preparing the national budget, the government expects the pandemic to come under control in the first quarter of the coming fiscal and the private sector that has come to a grinding halt due to the virus will then resume production at full throttle to tide over their losses.

■ They point out that economic activities in various countries witness a V-shaped recovery after a pandemic or a disaster. Iraq attained an 8.5% growth in its GDP (gross domestic product) in the year following the Iraq War, the officials mention, adding that they are expecting an 8.2% growth in the Bangladesh economy in the next fiscal since the growth rate is going to be low in the current year. In a V-shaped recovery, an economy suffers a sharp decline, and recovers quickly and strongly after that.

■ All economic activities have practically been in a standstill for the last two months of general holidays starting from the last week of March. The government, therefore, now predicts a 5.25-5.35% growth in the country's GDP this fiscal. The revised budget for the ongoing fiscal will include such a target.

■ The International Monetary Fund (IMF) also forecasts that the Bangladesh economy will take a U-turn after the coronavirus pandemic is over. According to estimates by the IMF, Bangladesh's GDP growth in FY2020 will be 2% – the lowest rate after 1988, while in FY2021 the growth rate will jump to 9.5%.

■ However, the World Bank (WB) has projected a 2-3% GDP growth for Bangladesh in the current fiscal, which it predicts will fall further to 1.2-2.9% in the following fiscal. The WB also predicts that although Bangladesh's economy will turn around in FY2022, the rate of GDP growth will still remain below 4%. Bangladesh attained an 8.15% GDP growth in FY2019, which was the highest among Asian nations that year.

<https://tbsnews.net/economy/govt-eyes-82-gdp-growth-54-inflation-next-fiscal-86836>  
<https://today.thefinancialexpress.com.bd/first-page/govt-expects-economy-to-rebound-next-fiscal-1590858188>

### **International Monetary Fund (IMF) approves USD 732 million to Bangladesh to address Covid-19 pandemic**

■ IMF has approved a disbursement of about USD 732 million to Bangladesh for addressing the challenges posed by Covid-19 pandemic. The Executive Board of the IMF approved USD 244 million under the Rapid Credit Facility (RCF) and about USD 488 million under the Rapid Financing Instrument (RFI) to the country on May 29 in a response to the 60<sup>th</sup> request for emergency financial assistance to help its member countries.

■ The IMF continues to monitor Bangladesh's situation closely and stands ready to provide further advice and support if needed. The authorities have also committed to put in place targeted transparency and accountability measures to ensure the appropriate use of emergency financing.

■ Following the Executive Board's discussion on Bangladesh, Antoinette Sayeh, deputy managing director and acting chair, issued his statement: detail in the link below (TBS News).

[https://tbsnews.net/economy/imf-approves-732m-bangladesh-address-covid-19-pandemic-](https://tbsnews.net/economy/imf-approves-732m-bangladesh-address-covid-19-pandemic-86590)

[86590](https://www.thedailystar.net/coronavirus-deadly-new-threat/news/imf-approves-us-732-million-bangladesh-address-covid-19-challenges-1906561)

<https://www.thedailystar.net/coronavirus-deadly-new-threat/news/imf-approves-us-732-million-bangladesh-address-covid-19-challenges-1906561>

<https://www.newagebd.net/article/107249/imf-okays-732m-emergency-loan-for-bangladesh>

### **Investment limit on postal savings lowered to BDT 2.0 million**

■ The government has lowered the investment limit on postal savings by two-third as part of its plan to set an upper limit on the total investment in all types of national savings schemes and to support the banking system in lowering the lending rate to single digit.

■ The new upper limit on the investment in postal savings has been set at BDT 1.0 million for single name accounts and BDT 2.0 million for joint accounts for both the savings and fixed deposit account categories. Earlier, people could invest a maximum of BDT 3.0 million in a single name account and BDT 6.0 million in joint accounts under both types of postal savings schemes.

■ National Savings Directorate has plan to set an upper limit for total investment in all types of national savings tools; for a single investor to BDT 5.0 million and for joint investor's to BDT 10 million.

■ Earlier on February 13, the Internal Resources Division issued a notice reducing the interest rate on the three-year fixed deposit accounts to 6.0% from 11.28% on maturity and on savings deposit to 5.0% from 7.5%.

<https://tbsnews.net/economy/investment-limit-postal-savings-lowered-BDT-20-lakh-86407>

<https://www.thedailystar.net/business/news/postal-savings-cannot-be-more-BDT-20-lakh-1906063>

<https://www.dhakatribune.com/business/2020/05/28/govt-caps-investment-on-post-office-savings-to-BDT-20-lakh>

### **National Board of Revenue (NBR) misses revenue target until April**

■ NBR lagged behind its revised target by 26.29% until April due to an economic slowdown caused by the COVID-19 pandemic. The tax-collecting authorities have faced a shortfall of BDT 619.99 billion in the first 10 months of this fiscal, according to the NBR provisional data. Officials said the COVID-19 induced lockdown has eaten up revenue for the months of March and April.

■ In April, the NBR faced a BDT 87.89-billion shortfall against its revised target. Of three wings of NBR, income tax wing lagged behind its revised target by 30.25%, followed by customs 28.58% and VAT 20.76%. The original target for NBR was BDT 3.25 trillion for fiscal year (FY) 2019-20. The government has set a BDT 3.30-trillion target in the upcoming financial year.

■ According to the revised target, the NBR required collecting BDT 2.35 trillion in tax revenue in the first 10 months of this fiscal. However, it collected BDT 1.73 trillion against the target in this period, the NBR figure said. The board has achieved only 0.64-percent growth during the period under review in the previous FY.

<https://today.thefinancialexpress.com.bd/first-page/nbr-misses-revenue-target-until-april-1590774002>



## No love for NBFIs from Bangladesh Bank yet

■ The Bangladesh Bank has asked all banks to transfer all interest accrued or to be accrued between April 1 and May 31 this year from all of their loans to an interest-free blocked account. Both the BB and the government are now mulling over rebating a portion of the interest from the borrowers' account. No such move is in the works for NBFIs' borrowers, which is a discrimination of sorts.

■ As of now, there has been no package for the sector, although the financial health of the majority of the NBFIs is precarious and could do with the propping up against the pandemic-induced onslaught on their businesses. For instance, the BB on May 11 has instructed banks not to give any cash dividend to both sponsors and investors of banks until September to boost their capacity to absorb the strain on their capital base from the ongoing economic fallout. A similar move for the country's 34 NBFIs would be a good bulwark for them.

■ The BB has already cut the banks' cash reserve ratio (CRR) in two phases by a total of 150 basis points to 4%, a move that has helped banks ease up on their liquidity crunch. But the NBFIs have yet to get such a facility, said Islam, also the chairman of the Bangladesh Leasing and Finance Companies Association (BLFCA).

■ At present, the NBFIs have to maintain 2.50% as both SLR and CRR. The central bank has recently rolled out two separate stimulus funds worth BDT 500 billion for the large, small and medium enterprises and the service sector, which are being hit hard by the pandemic. Of the total fund, the central bank will provide BDT 250 billion from its own sources by creating two separate refinance schemes. But NBFIs will not get their desired support from the packages as the fund will be distributed in proportion to their outstanding working capital.

■ The central bank has yet to fix its stance on suspending dividends and transferring interest from loans to an interest-free blocked account for NBFIs, he added.

<https://www.thedailystar.net/business/news/no-love-nbfis-bb-yet-1906828>

## BDT 2,000 for filing in returns online next fiscal year

■ The government is likely to offer BDT 2,000 to individual taxpayers next fiscal year to lure them to file returns online, as it looks to accelerate the shift from the manual filing of annual income tax statement, according to finance ministry officials.

■ In the case of revenue administration, the majority of customs documents can be processed online, while the businesses can submit VAT returns online. However, taxpayers are yet to deposit VAT to state coffer electronically. For income tax, one of the successful ventures of the tax department has been the issuance of Taxpayers Identification Numbers (TINs) online.

■ This fiscal year, the number of online filers were about 6,000, which is less than 1% of the returns submitted. The cumbersome process of e-filing of tax returns has been blamed for the dismal response so far. To file returns online, taxpayers have to physically collect user ID and password from the field offices. But the finance ministry officials are hoping that the rebate might convince individual taxpayers to take the hassle of making that trip to the field office to collect the log-in credentials. The move to encourage e-filing comes at a time when it is believed that digitalisation of the tax administration offers significant potential for

developing countries to increase their revenues.

<https://www.thedailystar.net/business/news/BDT-2000-filing-returns-online-next-fiscal-year-1906816>

## Asian Development Bank (ADB) provides USD 231,178 grant to augment Covid-19 facilities in Bangladesh

■ The Asian Development Bank (ADB) is providing a grant of USD 231,178 to augment novel coronavirus disease related facilities in 134 urban primary health centres, called Nogar Swastho Kendro, across the country. The health centres are providing primary healthcare services to the urban poor under the ADB-supported Urban Primary Health Care Services Delivery Project in nine city corporations and four municipalities, said a press release.

■ The assistance will help set up hand washing stations and screening booths, provide WHO standard personal protective equipment (PPE) suits to about 2,700 doctors and health workers working under the project, launch awareness programmes about Covid-19 prevention and management, and provide training on Covid-19 detection and treatment to health workers and doctors.

■ On 30 April, ADB approved a USD 100 million concessional loan to support the government of Bangladesh in its efforts to address the immediate public health requirements of combatting the pandemic. As an immediate response, ADB had released a USD 350,000 emergency grant for the procurement of medical supplies and equipment, and USD 1.3 million from an existing project to provide one-time cash support to 22,619 trainees to enable them to continue their ongoing skills training programme.

■ On 13 April, ADB tripled the size of its initial response to Covid-19 to USD 20 billion and approved measures to streamline its operations for quicker and more flexible delivery of assistance to help its developing member countries counter the severe macroeconomic and health impacts caused by the pandemic.

<https://www.thedailystar.net/business/adb-provides-231178-dollars-grant-augment-covid-19-facilities-in-bangladesh-1906597>

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-provides-assistance-to-augment-covid-19-facilities-in-bd-1590827275>

## Bangladesh faces worst week of pandemic, virus death toll tops 600

■ Bangladesh has recorded its worst week, regarding the infection rate, since the detection of the first Covid-19 cases on March 8. Further, the death toll from the virus has reached 610 people. Twenty-eight people have died from Covid-19 in the last 24 hours till 8am on Saturday. This is the highest record of single-day deaths.

■ Additionally, 1,764 more people tested positive for the virus, taking the total number of novel coronavirus cases to 44,608 in the country. In the twelfth week of the pandemic, 12,530 cases were reported from the week starting May 24, and the death toll from the deadly virus rose by 158. This amounts to an average of 1,790 people testing positive for Covid-19 per day, and, sadly, the virus has killed almost 23 people each day of the week. At the end of this week, the number of new Covid-19 patients in Bangladesh grew by 13.1% and the death toll rose to 14.5% compared to that of last week.

- The virus infected 11,083 people in the country last week, which amounts to 1,583 people each day. The virus killed a total of 138 people in the past week, which comes to nearly 20 deaths per day. The rate of recovery compared to the Covid-19 cases is 21.02% so far.
- Despite an increase in Covid-19 cases over the last few days, the government has decided not to extend the general holidays – allowing offices to open and public transport to operate on a limited scale from Sunday.
- The number of newly infected people every day surpasses the number of people recovering every day. The daily recovery rate has been higher than the number of newly infected cases on only six occasions. Five of them were before the month of April, when new cases were in the single-digits per day.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-reports-28-more-deaths-coronavirus-1764-new>

### **‘Amphan’ causes damage to crops worth BDT 6.72 billion**

- Super cyclone ‘Amphan’ which hit parts of Bangladesh on May 20 caused damage to crops worth BDT 6.72 billion, an agriculture ministry report said. According to the report, 0.85 million mango and lychee gardeners, Boro, Aus and other crop farmers in 43 districts were affected as their 0.265 million hectares of land had been hit by super cyclone.
- The cyclone hit a total of 71,000 hectares of mango field especially in Khulna and Rajshahi divisions where 0.28 million farmers incurred a loss of BDT 3.0 billion. The report also said jute on 58,000 hectares of land, vegetables on 46,000 hectares, paddy on 35,000 hectares, lychee on 10,600 hectares, banana on 10,650 hectares, sesame oil seed on 9,500 hectares and betel leaf on 4,011 hectares of land were affected by the cyclonic storm.
- The ministry is working to make a list of gardeners and other affected farmers so that they could get loan at 4.0% interest rate, he said, adding that the government had launched a mobile app for direct sale of fruits and vegetables across the country.
- Two cyclones hit the country last year. Cyclone ‘Fani’ hit the coastal regions in May 2019 while cyclonic storm ‘Bulbul’ in November of the same year.

<https://today.thefinancialexpress.com.bd/first-page/amphan-causes-damage-to-crops-worth-BDT-672b-1590858231>

### **Online job postings drop 87.0% amid virus outbreak: Asian Development Bank (ADB)**

- Employment scope in Bangladesh has been reduced by the coronavirus pandemic, as month-on-month job postings on the online sites fell by 87.0% last month, a study of the Asian Development Bank (ADB) has revealed. The Manila-based lender said the job matching sites in Bangladesh posted 87.0% less jobs in this April than in the same month of the previous year (2019).
- The monthly job postings in March 2020 also plunged by 35.0%, compared to the corresponding period last year, the ADB's independent study report has shown. According to the ADB report, the number of job postings on Bangladesh's jobsites in February 2020 was almost similar compared to the corresponding period last year, as it dropped only by

1.0% month-on-month.

- Relative to December 2019, the number of new job postings was approximately the same in January 2020, and 10-17.0% fewer during February and the first and second weeks of March. In the third week of March, it fell to 59% of December 2019 and 24.0% in the fourth week of March, the ADB study has found.

<https://thefinancialexpress.com.bd/economy/bangladesh/online-job-posting-drops-by-87pc-in-april-ADB-1590756835>  
<https://www.newagebd.net/article/107206/online-job-postings-drop-by-87%20percent-in-apr>

### **Important News: Capital Market**

#### **‘Floor price’ keeps buyers aloof**

- Trading on both the bourses in the country remained dull as the majority of sale orders placed above the ‘floor prices’ kept the buyers aloof in last few sessions. As per existing system, the market prices of the listed securities have no scope to fall below individual floor prices set in the middle of March last to contain the abnormal price fall.
- Talking to the FE, the officials of some merchant banks and brokerage firms said under the existing system the buyers have not enough scope to purchase securities at their desired prices. A trader of a leading brokerage firm said investors placed more than 0.5 million orders on Tuesday on the premier bourse to sell their shares owned in a company of engineering sector, but only 1,367 sales orders were executed on Wednesday.
- Both the bourses set floor prices of listed securities on March 19 to contain abnormal price fall following a directive of the Bangladesh Securities and Exchange Commission (BSEC). As per the BSEC directive, opening price of any listed security shall be set at the average of the closing price of immediate preceding five trading days of March 19, and this average price calculated for each security shall be considered as floor price and the lowest limit of the circuit breaker.
- Before the introduction of floor prices, the Dhaka Stock Exchange (DSE) featured a turnover above BDT 4.3 billion on March 18. But the DSE's turnover came down to BDT 491.2 million on March 19. On the day, the trading, however, was conducted for a very limited timeframe. Later, the DSE posted its turnover above BDT 1.45 billion on March 22, above BDT 2.54 billion on March 23, above BDT 1.39 billion on March 24, and BDT 3.48 billion on March 25.
- After a 66-day break, the trading resumed on Sunday and the DSE posted a turnover above BDT 1.43 billion on the day. The turnover value was above BDT 1.97 billion on Monday, above BDT 1.55 billion on Tuesday and above BDT 1.52 billion on Wednesday.

<https://today.thefinancialexpress.com.bd/stock-corporate/floor-price-keeps-buyers-aloo-1591198839>

#### **Stocks keep losing amid growing virus tension**

- Stocks kept the losing streak on Tuesday amid growing tension over the impacts of Covid-19 pandemic on the lives and livelihoods. DSEX, the key index of the Dhaka Stock Exchange, went down by 29.91 points or 0.75% to close at 3,969. The core index eroded

91 points in two straight sessions while added 52 points in the opening session after 66-day closure. Of the issues traded, 229 remained unchanged while only 12 issues advanced and 53 declined on the DSE trading floor.

- The recently introduced circuit break annoyed many investors as most of the shares remained non-traded at the floor. A very few buyers came and picked some of the offered shares. The news that the Bangladesh Bank is likely to allow banks to disburse cash dividend only to the general shareholders before September this year, also failed to attract investors.

- Earlier on May 11, the central bank asked all the banks not to disburse any cash dividend before September 30 this year with a view to ensuring adequate cash in the banking system to support the economic rebuilding process amid the deadly virus crisis.

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-keep-losing-amid-growing-virus-tension-1591114837>

### The other side of stock investment

- Long-term investments in stocks can pay off hefty returns, no matter how volatile the market becomes. The only thing an investor needs to keep in mind is that the stocks must be fundamentally good ones – and worth holding for years.

- Like Renata, the descendant of Pfizer in Bangladesh, has come up with more than 180 times return for its patient shareholders over 16 years till December last year, according to an analysis of data of Dhaka Stock Exchange. Even if somebody had bought Renata shares at the end point of the 2010 bull market, his or her money already has grown by 4.2 times in just nine years, nearly three times higher return than the bank deposits.

- The return over the same time horizon was more than 400% for Marico Bangladesh and British American Tobacco Company Bangladesh – the respective champions in the market of hair care and tobacco products in Bangladesh respectively.

- While, over the decade – since the beginning of 2010 until the end of 2019 – the market as a whole returned virtually nothing, but the cash dividends saw an average yield of over three%. And investors lost up to 95% of their money in shares of some weak companies.

<https://tbsnews.net/economy/stock/long-term-stock-investment-pays-88027>

### Beximco Pharma (DSE: BXPBARMA) bracing for remdesivir export to 30 countries

- Beximco Pharmaceuticals seem to be going through a purple patch of late. After grabbing headlines globally last month for being the first company to market remdesivir, the antiviral drug that has shown promise in treating COVID-19 patients, the local pharmaceutical company is now set to export the medicine to more than 30 countries this month.

- Though Beximco Pharmaceuticals' stocks plunged 2.8% to Tk 68 on the Dhaka Stock Exchange yesterday, the price is far better than it was three months ago, according to data of the premier bourse. Market analysts said investors are optimistic about the company's performance as it has produced a drug like remdesivir to meet the growing demand of the local and international markets. When most other listed companies suffered a massive drop in their prices amid the fallout of the pandemic, Beximco Pharmaceuticals was faring quite

well, they said.

- Some other local companies including Eskayef (SK-F), Incepta, Beacon, Healthcare and Square have also got the go-ahead to manufacture remdesivir, a drug developed by American biopharmaceutical company Gilead Sciences. Eskayef began distributing its version of remdesivir, Remivir, last month.

<https://www.thedailystar.net/business/news/beximco-pharma-bracing-remdesivir-export-30-countries-1908209>

### Two more Mutual Funds of ICB Asset Management Company get another 10-year extension

- The tenure of two more closed-end mutual funds, managed by ICB Asset Management Company, have been extended for another 10 years, said an official disclosure on Tuesday. The two mutual funds are Phoenix Finance 1st Mutual Fund and ICB AMCL Third NRB Mutual Fund.

- The Phoenix Finance 1st Mutual Fund's tenure has been extended up to May 3, 2030 while ICB AMCL Third NRB Mutual Fund's up to May 19, 2030, according to the disclosure.

- The Phoenix Finance 1st Mutual Fund has reported its net asset value (NAV) of BDT 5.85 per unit on the basis of the current market price and BDT 11.93 per unit on the basis of the cost price against the face value of BDT 10 as of the close of operation on March 23. Each unit price of Phoenix Finance 1st Mutual Fund closed at BDT 8.10 on Tuesday, remaining unchanged over the previous day on the Dhaka Stock Exchange.

- Currently, 37 closed-end mutual funds are listed on the Dhaka Stock Exchange.

<https://today.thefinancialexpress.com.bd/stock-corporate/two-more-mfs-get-another-10-year-extension-1591114907>

### General holidays discarded while counting deadlines in capital market

- All the mandatory events and filing deadlines in the capital market, other than publishing price sensitive information, have been extended for a period equal to the general holidays — March 26 to May 30. In the 727<sup>th</sup> commission meeting on Tuesday, The Bangladesh Securities and Exchange Commission (BSEC) has decided to discard the days of general closure while counting deadlines for conducting meetings, adopting financial statements, submission of any report or statement to the securities regulator or any other capital market entities.

- All the issuers, stock exchanges, facilitating entities like electronic depository service providers, and market intermediaries, along with the concerned individuals will avail and obey the extension. However, one thing was kept aside like before – the rule of dissemination and publication of price sensitive information on time.

- Earlier on March 24, just before the shutdown on the wake of Covid-19 pandemic, BSEC declared a temporary waiver for the regulated entities to conduct meetings and submit mandatory reports during the emergency days of pandemic. It also allowed listed companies to conduct online meetings to avoid crowding. However, through the latest directive the deadline relaxation has got its exit point – around nine-week deferral.

<https://tbsnews.net/economy/stock/general-holidays-discarded-while-counting-deadlines-capital-market-88003>  
<https://www.newagebd.net/article/107497/bsec-excludes-gen-holidays-for-time-calculation>

### **Bangladesh Securities and Exchange (BSEC) gets another commissioner**

■ Md. Abdul Halim, former secretary of the industries ministry on Tuesday joined the securities regulator as a commissioner. Mr. Halim has joined the Bangladesh Securities and Exchange (BSEC) following a gazette notification, issued by the ministry of finance (MoF), on his appointment for four years from the date of joining.

■ Mr. Halim served the industries ministry till May 26 as secretary. Before serving the industries ministry, he was the director general of governance innovation unit at the Prime Minister's Office. The commission at the securities regulator has now been fulfilled through his appointment.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-gets-another-commissioner-1591115018>

### **Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) hold parley to develop capital market**

■ The central bank and the securities regulator took a set of decisions in a meeting on Monday, including disbursement of the listed banks' cash dividends only among small investors, considering their woes during the ongoing lockdown. The decisions were taken in the meeting at the Bangladesh Bank (BB) office to fix strategies to overcome the impacts of Covid-19 pandemic along with strengthening their mutual coordination for further development of both the money market and the capital market.

■ The meeting between the central bank and the securities regulator was the first one after the government reformed the BSEC by appointing its new chairman and two commissioners. As per the meeting's decision, the banks' cash dividends, payment of which was restricted until September, will be disbursed only among small investors.

■ From now on, the central bank will work to inspire the banks to accelerate formation of the special funds worth BDT 2.0 billion, announced earlier to support the ailing capital market. The BB issued a circular on February 10, allowing all the scheduled banks to create BDT 2.0 billion special fund each for a period of five years for investment in the market.

<https://today.thefinancialexpress.com.bd/last-page/bb-bsec-hold-parley-to-develop-capital-market-1591033707>  
<https://www.thedailystar.net/business/news/banks-might-be-able-give-dividends-retail-investors-after-all-1907653>  
<https://tbsnews.net/economy/bb-relax-cash-dividend-disbursement-rules-banks-87508>

### **Beximco sends medicine for critically ill Covid-19 patients in Pakistan**

■ Group Captain AHM Touhid-ul Ahsan, director of Hazrat Shahjalal International Airport (HSIA), told The Daily Star that the cargo aircraft landed at the airport at 8:30pm on Sunday and departed at 10:03pm. A spokesperson of Beximco said the medicine was sent to Pakistan on request of the Pakistan High Commission in Dhaka for three critically ill Covid-19 patients.

■ "Beximco sent 48 vials/injections of Bemsivir -- an act Beximco carried out on humanitarian considerations," the spokesperson told The Daily Star. He said Beximco was requested by official authorities to provide Bemsivir -- the world's first approved generic Remdesivir -- for a small group of critically ill patients against special import permit issued by Pakistan's Drug Regulatory Authority.

<https://www.thedailystar.net/business/news/deadline-tax-related-formalities-extended-june-29-1907637>

### **DSE turnover dips below BDT 2.0 billion as trading resumes**

■ Prices of some pharmaceuticals & chemical stocks continued to soar as investors are anticipating brisk business amid rising Covid-19 cases in Bangladesh. Seven out of top 10 gainers on the Dhaka Stock Exchange (DSE) came from the pharmaceuticals & Chemicals sector on Sunday as the market reopened after 66-day break due to Covid-19 pandemic.

■ Shares of ACI, ACI Formulations, Beximco Pharma, Central Pharma, Square Pharmaceuticals, Indo-Bangla Pharma, and ACME Laboratories soared more than 9.0% each on Sunday. ACI and ACI Formulations which supply hexisol and hand wash jumped 9.96% and 9.91% respectively on the same day.

■ Beximco Pharmaceutical's share price also surged 9.88% to close at BDT 66.70 each after the news that the drug maker produced Remdesivir, the potential coronavirus drug. Among others, Share price of Central Pharma rose 9.98%, Square Pharmaceuticals 9.91%, Indo-Bangla Pharma 9.89% and ACME Laboratories 9.38% on Sunday.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-turnover-dips-below-BDT-20b-as-trading-resumes-1590939536>

### **Floor price weighing heavy on investors as trading finally resumes**

■ Floor price was a buzzword at the Dhaka Stock Exchange (DSE) yesterday as it prevented many investors from selling shares even though trading resumed after a long break of more than two months. The Bangladesh Securities and Exchange Commission (BSEC) set the floor price on March 19 for all stocks on the basis average price of last five days to stop the market fall amid the coronavirus pandemic.

■ It was an unprecedented move as no country in the world pulled a stunt like that to thwart the market from falling because they knew it was normal that the indexes would fall because of the pandemic. Already, many foreign investors criticised the BSEC move and now the local investors have raised their voice.

■ The floor price has had a negative impact as investors can't sell their shares even at a lower price, the merchant banker pointed out. "People are optimistic about the new commission and many of them bought stocks," said M Rahmat Pasha, managing director of UCB Capital Management.

■ This month, Shibli Rubayat-UI-Islam was appointed as the chairman of the stock market regulator along with two professors from the University of Dhaka as the commissioners. "We don't want to do anything very fast but we do realise the impact of the floor price," Islam told The Daily Star yesterday.

<https://www.thedailystar.net/business/news/floor-price-weighing-heavy-investors-trading->



[finally-resumes-1907233](#)

### **Delta Hospital's cut-off price fixed at BDT 11.0 each**

■ The cut-off price of Delta Hospital Ltd's shares has been fixed at BDT 11 through electronic bidding by eligible institutional investors. The Dhaka Stock Exchange (DSE) on Sunday disclosed the cut-off price of Delta Hospital shares.

■ The hospital will raise a fund worth BDT 500 million from the capital market using the book building method for expanding business and repay bank loans. As per the disclosure, institutional investors will buy worth BDT 315.43 million shares at the cut-off price of BDT 11 each.

■ The individual investors will be able to purchase the rest of the shares through initial public offering (IPO) worth more than BDT 184 million at BDT 10 each, a 10% discount on the cut-off price. The electronic bidding, under the book building method of the IPO, took place for 72 hours - from March 22 to March 25.

■ The highest bidding price was BDT 46 and the lowest was BDT 11 per share. Revised period for submission of valuation report started at 10:30am on May 31, 2020 and continue till 10:30am on June 02, 2020 (round the clock) instead of earlier schedule time on March 29 to March 31.

<https://today.thefinancialexpress.com.bd/stock-corporate/delta-hospitals-cut-off-price-fixed-at-BDT-11-each-1590939751>

<https://www.dhakatribune.com/business/stock/2020/05/31/cut-off-price-of-delta-hospital-share-set-at-BDT11>

### **Four companies declare lay-off**

■ Four listed companies - Tallu Spinning Mills, Usmania Glass Sheet Factory, Monno Ceramic Industries and Monno Staffers- temporarily shut down their factories due to Covid-19 pandemic. Of them, share price of Monno Ceramic fell 4.44% to close at BDT 129.10 on Sunday. However, three other companies' share price remained unchanged.

■ The factory of Usmania Glass remained shut from March 29, Tallu Spinning from April 7 and Monno Ceramic and Monno Staffers from April 10, according to separate disclosures on Sunday. However, company officials said, the factories will resume production once the pandemic situation becomes normal.

<https://today.thefinancialexpress.com.bd/stock-corporate/four-cos-declare-lay-off-1590939784>

### **Income tax waiver for EZ edible oil, cement, steel makers scrapped**

■ The National Board of Revenue has scrapped the income tax exemption benefit for some factories located in the economic zones under the Bangladesh Economic Zones Authority to remove disparity among factories in the sectors located inside and outside the economic zones. The NBR's income tax department on May 10 issued a statutory regulatory order scrapping the benefit for factories in edible oil, sugar, atta (flour), maida (refined flour), cement, steel and steel product sectors located in the economic zones. Initially in 2015, the revenue board offered a number of tax benefits, including the gradual reduction of the income tax exemption facility for 10 years, to the EZ factories.

■ As per the incentive scheme, investors enjoy full income tax exemption during the first three years of operation, 80% during the fourth year, 70% during the fifth year, 60% during the sixth year, 50% in the seventh year, 40% in the eighth year, 30% in the ninth year and 20% in the 10th year.

<https://www.newagebd.net/article/107346/income-tax-waiver-for-ez-edible-oil-cement-steel-makers-scrapped>

### **HeidelbergCement relegated to 'Z' category**

■ HeidelbergCement Bangladesh Limited, a publicly traded multinational company, has been relegated to 'Z' category from 'A' category with effect from today (Monday) as the company recommended no dividend for the year ended 2019. With the new inclusion, the number of total companies in 'Z' category stood at 51 on the country's prime bourse DSE.

■ HeidelbergCement Bangladesh for the first time since its enlistment in the Dhaka Stock Exchange in 1989, declared no dividend for 2019 as the company incurred BDT18.64 crore loss.

<https://www.dhakatribune.com/business/stock/2020/05/31/dse-heidelbergcement-relegated-to-z-category>

### **Banks, bourses resume regular operations on May 31**

■ All banks as well the country's two bourses are set to resume their regular operations from Sunday, with strict enforcement of safety and hygiene related guidelines amid the coronavirus pandemic.

■ According to a central bank circular, Banks will remain open for transactions from 10:00am to 4:00pm, but will operate from 10:00am to 2:30pm in medium and high-risk areas prone to coronavirus. The stock market operations will, however, continue till 1:30pm on every working day instead of the usual closing time of 2:30pm.

■ The two stock markets -- Dhaka Stock Exchange and Chittagong Stock Exchange -- had last seen share transactions on March 25, before the government declared all offices and schools shut from March 26 in a bid to prevent the spread of coronavirus.

■ Following the resumption of the stock markets, transactions will take place based on the floor price of the shares. Bangladesh Securities and Exchange Commission, the stock market regulator, fixes the floor price of shares before transactions begin to make sure that the prices of shares cannot slump below the average price in the previous five working days. This time, the floor price will be fixed based on the average price of shares on the five working days from March 19 and before.

■ Stock market analysts, however, opined that this artificial method of maintaining the price of shares will have negative impact on the market.

<https://www.dhakatribune.com/business/2020/05/30/banks-bourses-resume-regular-operations-on-sunday>

<https://www.thedailystar.net/dhaka-stock-markets-restart-may-31-1906000>

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/offices-opening-sunday-during-covid-19-pandemic-86845>

## **Bangladesh Stock Exchange Commission (BSEC) meets Bangladesh Bank (BB) tomorrow**

- The securities regulator will sit with the Bangladesh Bank (BB) tomorrow (Monday) to strengthen coordination between the two regulators for further development of capital market and money market.
- "Both the regulators will sit together to discuss as to how more developments of capital market and money market can be ensured removing misunderstanding, if any, in the coming days" a top official of Bangladesh Securities and Exchange Commission (BSEC) told the FE. The BB governor Fazole Kabir and deputy governors will attend the meeting to be held with the BSEC chairman Prof. Shibli Rubayat Ul Islam and four BSEC commissioners.
- The Monday's meeting will be the first one between two regulators after the government has reformed the commission of the securities regulator appointing chairman and two commissioners following the expiry of the tenures of the immediate past chairman and two commissioners.
- In last few years, the central bank provided some good policy supports including the formulation of special funds for banks to overcome liquidity shortage in the 'ailing' capital market. Following the demand of the market operators, the central bank earlier also enhanced the investment capacity of the scheduled banks revising their exposure to the capital market.

<https://today.thefinancialexpress.com.bd/first-page/amphan-causes-damage-to-crops-worth-BDT-672b-1590858231>

## **Dhaka Stock Exchange (DSE) market cap-GDP ratio remains low in the region**

- The ratio of the Dhaka Stock Exchange's market-cap to the gross domestic product (GDP) remained low in the region amid lack of depth, price erosion of large-cap companies and also absence of good governance among the stakeholders. The present market capitalisation is approximately USD 36 billion which is 13% of the country's GDP, according to the Dhaka Stock Exchange.
- The ratio of market-cap to GDP, one of the major indicators of measuring depth of a market, was also less than 13% in the last fiscal year, from its peak of about 34% ten years ago in the FY 2009-2010, the year that saw a bubble. The ratio of DSE market capitalisation to GDP is also the lowest among the emerging Asia-Pacific countries.
- The ratio of market-cap to GDP was 25 in 2013, 24 in 2014, 21 in 2015, 20 in 2016, 22 in 2017, 17 in 2018 and 13 in 2019, the DSE data showed. Market operators said the market-cap to GDP ratio remained low due to a sharp fall in the indices, lack of new large-cap issues and rights offers in recent times.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-market-cap-gdp-ratio-remains-low-in-the-region-1590766172>

## **Stock investors to act blindly!**

■ Like all other offices in Bangladesh, the stock market is also reopening today after the two-month-long Covid-19 shutdown. Investors are excited to participate in trading. However, it seems they will have to act blindly in many cases as they have yet to know some key price sensitive information about the majority of the listed companies.

■ Despite the relaxation, a small number of companies have conducted board meetings online, adopted financial statements and also held general meetings of shareholders. Some companies have published important price sensitive information for shareholders like they did in normal times. It seems that considerate investors do not mind the fact that they are getting financial updates late as most of the offices were closed during the general holidays and companies faced difficulties preparing statements.

■ However, investors are perplexed about deciding on investments without knowing if their companies had been operating, or if there had been any layoffs during the shutdown – and of course the financial implication of those facts.

■ According to sources, two stock exchanges had received over a hundred of voluntary price sensitive information from issuers since their last trading day on March 25, 2020.

<https://tbsnews.net/economy/stock/stock-investors-act-blindly-86851>

## **Power Grid Company of Bangladesh (DSE: POWERGRID) posts 11.62% profit growth**

■ The publicly listed Power Grid Company of Bangladesh has posted an 11.62% increase in profits over a period of nine months (July 2019 to March 2020). According to the power company's last unaudited report, its net profit rose to BDT 2.98 billion in the July-March period as compared to BDT 2.67 billion in the same period of the previous year.

■ However, in the last quarter of the current fiscal year (January 2020 to March 2020), Power Grid witnessed a 29.64-percent decrease in its net profit and the amount stood at BDT 591.4 million, down from BDT 840.5 million in the same period of 2019.

■ In the first nine months of 2019-20, the company's net sales increased by 9.47% to BDT 13.88 billion from that during the same period last year. From July 2019 to March 2020, its earnings per share was BDT 4.18, up from BDT 3.75, and its net asset value (NAV) per share was BDT 106.21, up from BDT 85.46 in the same period of last year.

■ The company's income from financial activities increased by 56.35% while its income from other activities increased by 22.66% as compared to those in 2019. Last year, the company's net profit was BDT 3.83 billion and earnings per share was BDT 8.33.

■ Power Grid's sponsors and directors jointly own 84.64% of its shares, institutional investors 12.25%, foreign investors 0.16% and general investors 2.95%.

<https://tbsnews.net/companies/power-grid-posts-1162-profit-growth-86230>

## **Robi springs back in profit**

■ Robi returned to the black in 2020 on the back of higher data revenue and heavy data consumption in the first quarter of the year. The country's second-largest mobile phone operator posted a net profit of BDT 187.7 million between January and March, compared with net losses of BDT 246 million in the same quarter a year earlier and BDT 969 million in

the previous quarter.

- Soon after the first confirmed cases of COVID-19 were announced on March 8, the country went into shutdown, a development that sent the operator's data usage spiralling. But its voice call business, which is still its bread and butter, was, however, affected in April and May as the shutdown meant a portion of its low-income subscribers were out of work, while its retailers could not open shops either.

- According to the chief executive officer of Robi, the company is experiencing daily revenue shortfall of about BDT 40 million, which is 16% of our daily revenue right now. But, Robi has much to take heart from its first quarter performance. The operator clocked in BDT 19.5 billion in revenue in the first three months of 2020, generating 6.48% higher growth year-on-year. Of the revenue, 33% came from the data segment, which is the highest in a single quarter, said Robi's parent company Axiata Group in its quarterly report recently.

- Some 43% of its total 49.7 million customers had a smartphone in March and customers pushed the digital service growth. At the end of the quarter, 32.3 million internet users were enjoying Robi's data service.

<https://www.thedailystar.net/business/news/robi-springs-back-profit-1906813>