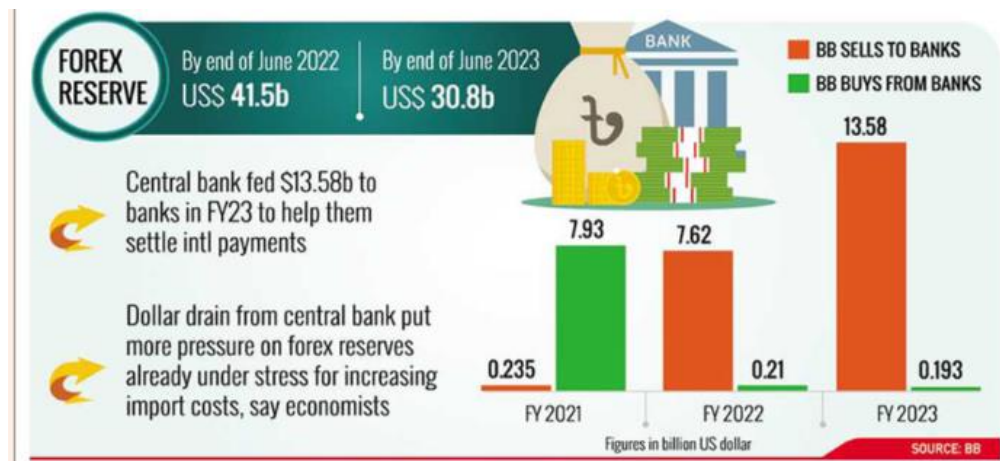


Economy

BB dollar sale to banks hits historic high

Bangladesh Bank sold a record amount of dollars to banks in the past fiscal trying to stabilise the forex market as bankers struggled to settle their foreign-payments obligations. Sources said in the just-concluded fiscal year (FY 2022-23), the central bank fed a total of USD 13.58 Bn to the dollar-starved banks needing the greenback to meet their demands for settling international payments.

The country's foreign-exchange market became unstable-apace with the global financial volatility-- after beginning the war in Ukraine sometime in February 2022. This (dollar sale) is more than 78% higher than that of the previous FY 2022 when the BB handed out only USD 7.62 Bn.



<https://thefinancialexpress.com.bd/economy/bangladesh/bb-dollar-sale-to-banks-hits-historic-high>

IMF loan equals BD's two months of remittance: FM

Upbeat about the last three years' macro-economic indicators, Finance Minister (FM) A H M Mustafa Kamal on Thursday said Bangladesh took loan from the International Monetary Fund (IMF) fearing possibility of the worst situation due to impact of the Ukraine-Russia war.

"We could not understand how long the war will continue. The way the prices of essentials were rising... we got frightened. Now the panic is over," he said while replying to a query whether taking a small amount of loan from the IMF was necessary or not. The minister was talking to a group of reporters after a meeting with a delegation of the Japan International Cooperation Agency (JICA), led by its Executive Senior Vice President Dr. Yamada Junichi, at his office in the Ministry of Finance.

<https://thefinancialexpress.com.bd/economy/bangladesh/imf-loan-equals-bds-two-months-of-remittance-fm>

Bicycle exports backpedal by 15.31%

Bicycle exports from Bangladesh declined 15.31% in the preceding fiscal year (FY) as demand fell amid the global cost-of-living crisis resulting from the ongoing Russia-Ukraine war. The country earned only USD

142.24 Mn by exporting two-wheelers in the last fiscal, down from USD 167.95 in FY 2021-22, according to the Export Promotion Bureau (EPB).

<https://www.thedailystar.net/business/economy/news/bicycle-exports-backpedal-1531pc-3362956>

Income tax collection falls BDT 91.8 Bn short of target in FY23

In spite of taking multiple initiatives to boost income tax in FY23, the collection was BDT 91.8 Bn less than the target due to economic slowdown, according to sources at the National Board of Revenue. The revenue board set a target of collecting BDT 3.7 Tn in revenue in FY23, of which income tax and travel tax accounted for about BDT 1.22 Tn. But, BDT 1.12 Tn could be collected in income tax by the end of FY23. The growth in this regard was around 11% compared to FY22.

Even though the target remained unmet, experts consider the growth in income tax collection a positive achievement in the current economic situation. A review of the NBR's income tax collection statistics showed that in the first 10 months (July 2022 to April 2023) of FY23, the average monthly tax collection was BDT 78 Bn. For the last two months, however, it was close to BDT 175 Bn.

<https://www.tbsnews.net/economy/income-tax-collection-falls-tk9180cr-short-target-fy23-661578>

Export revenue drops by BDT 3.04 Bn at Akhaura land port

Exports of goods through Brahmanbaria's Akhaura land port fell to BDT 3.76 Bn in the fiscal year 2022-23 thanks to a decline in fish exports - which is BDT 3.04 Bn less than from the previous year. The port's export trade now largely depends on frozen fish. Earlier, 50 to 60 tonnes of fish were exported daily, but now it has been reduced to half, resulting in a significant decline in the overall export income.

However, fish exporters blame the illegal smuggling of fresh fish through the border for the gradual decrease in exports. Moreover, the import trade of the port is at the bottom as businessmen are losing their interest in import trade due to less opportunity to import their preferred products to meet local demand. So, the port and customs are not getting the revenue as expected. They earned only BDT 5.58 Mn in import revenue.

<https://www.tbsnews.net/economy/export-revenue-drops-tk304cr-akhaura-land-port-660826>

Hili land port misses revenue target again

The Hili land port has failed to reach its revenue collection target for the second consecutive year by a big margin. In 2022-23 fiscal year, the port in Hakimpur upazila of Dinajpur could collect BDT 4.24 Bn in revenues, which was 30% lower than the BDT 6.06 Bn target set by the National Board of Revenue (NBR).

The revenue collection target for 2021-22 fiscal year was BDT 3.81 Bn, when the port earned BDT 3.53 Bn, according to the port officials. Out of the 12 months of 2021-22 fiscal year, the port failed to reach collection target in 11 months. It successfully surpassed the target only in FY22's March when the target was BDT 484 Mn and the port collected around BDT 569.7 Mn.

<https://www.thedailystar.net/business/economy/news/hili-land-port-misses-revenue-target-again-3364311>

Two Bangladeshi banks to offer trade transactions in Indian rupees

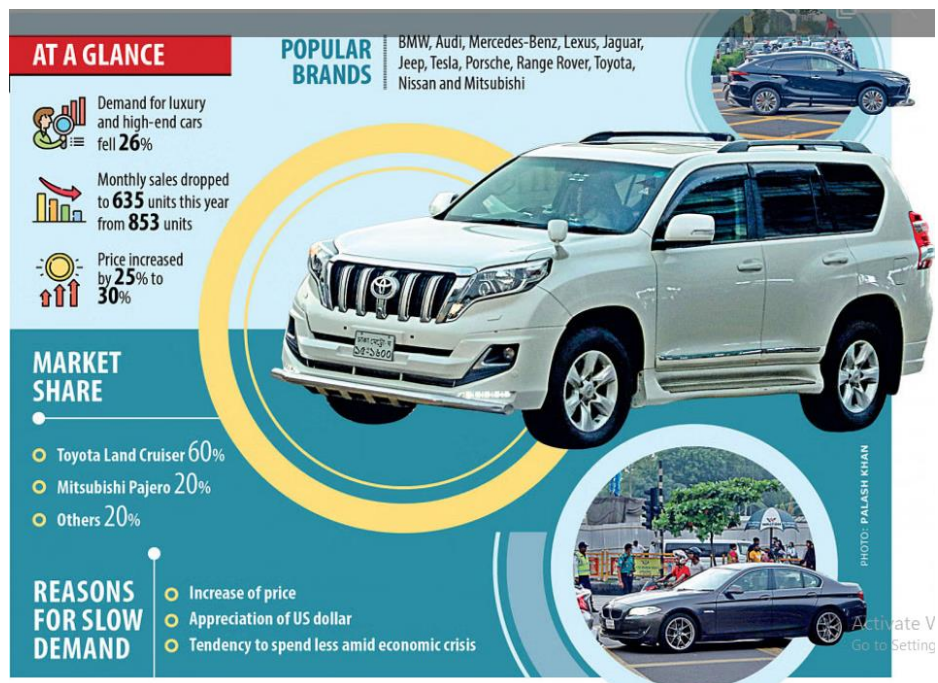
Two Bangladeshi banks plan to introduce trade transactions in Indian rupees, officials said, as part of efforts to increase foreign exchange reserves by reducing dependency on dollars. Until now, Bangladesh has only carried out trade transactions in dollars.

State-owned Sonali Bank and Eastern Bank have opened 'nostro' accounts in rupees with State Bank of India and ICICI Bank, officials from both banks said. A nostro account refers to an account a bank holds abroad at another bank in the currency of that jurisdiction. Such accounts are used for international trade and to settle other foreign exchange transactions.

<https://thefinancialexpress.com.bd/economy/bangladesh/two-bangladeshi-banks-to-offer-trade-transactions-in-indian-rupees>

High-end car sales in slow lane

Sales of sport utility vehicles (SUVs) and luxury cars are in the slow lane as the demand for high-end automobiles has fallen significantly amid the ongoing economic crisis, according to market players. The government, businessmen and high officials of the corporate sector are the major clients of this segment of the vehicles but they are also spending less because of the surging prices of the vehicles resulting from a massive depreciation of the taka in the last one and a half years.



Market players say the demand for high-end automobiles is dominated by the Toyota Land Cruiser, which accounts for about 60% of sales in the premium segment. Meanwhile, the Mitsubishi Pajero is the second most popular model with a 20% share.

<https://www.thedailystar.net/business/economy/news/high-end-car-sales-slow-lane-3364321>

Bank, NBF, and Insurance

NBFIs lend BDT 22.79 Bn, face BDT 36.22 Bn defaults in a year

Non-performing loans (NPLs) have worryingly exceeded disbursements in the 12 months leading up to March this year, as many scam-hit non-bank financial institutions (NBFIs) have been grappling with a severe fund crisis. According to data from the central bank, NBFIs have disbursed BDT 22.79 Bn during the period when defaulted loans increased by Bn 36.22 Bn.

And the NPLs have increased by BDT 10.33 Bn in the January-March quarter of this year, when the amount of new loans only increased by BDT 8.26 Bn. At the end of March this year, the total loans of financial institutions stood at BDT 712.65 Bn, of which NPLs amounted to BDT 178.54 Bn, which is 25.05% of the total outstanding.



<https://www.tbsnews.net/economy/banking/nbfis-lend-tk2279cr-face-tk3622cr-defaults-year-661738>

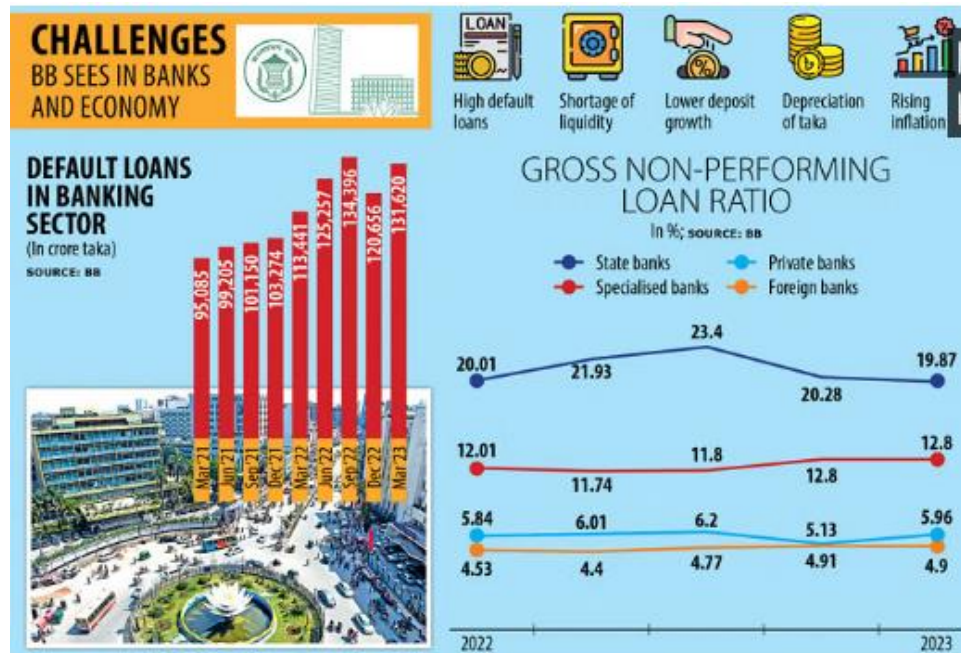
Financial Intelligence warns 7 banks not to pay higher rate for remittances

The Bangladesh Financial Intelligence Unit has warned seven banks against paying higher rates for remittances than the rate fixed by the authority, saying they would face punishment if they continue doing so. The Financial Intelligence Unit gave the warning in a meeting with the commercial bank officials held at the Bangladesh Bank yesterday, said sources. Of the banks that were warned, one was state-owned while six were private.

<https://www.tbsnews.net/economy/financial-intelligence-warns-7-banks-not-pay-higher-rate-remittances-661266>

Higher NPL burden for banking sector

The banking sector is burdened by a high non-performing loan (NPL) and will need to continue measures to beef up supervision and accelerate loan recovery, according to the Bangladesh Bank. The BB has taken an active role in amending the existing Bank Company Act, 1991 to tackle the challenges associated with the high NPL, the central bank said in its "Bangladesh Bank Quarterly" for the January-March period.



NPLs stood at BDT 1.32 Tn as of March 31, up 9% from three months ago and 16% from a year earlier, data from the BB showed. The NPL figure is the second-highest in the banking sector's history and comes within a whisker of touching the all-time high of BDT 1.34 Tn reported in the July-September quarter of 2022.

<https://www.thedailystar.net/business/economy/banks/news/higher-npl-burden-banking-sector-3363006>

Textile Sector

RMG exporters bracing for difficult times as orders slow

Apparel exporters are anticipating that the next six months will be challenging for the garment industry in Bangladesh as they receive fewer work orders from international buyers amid inflationary pains and depressed customer sentiments.

They are, however, hopeful about a rebound from December as the impact of a hike in bank interest rate in Bangladesh would ease and consumer prices would maintain their downward trend in the western countries. The EU and the US, the main export destinations for Bangladesh, account for about 85% of the country's apparel shipment. One encouraging sign is consumer prices, which surged to a multi-decade high last year owing to the escalation of energy prices fuelled by the Russia-Ukraine war, are on the decline in the key markets.

<https://www.thedailystar.net/business/economy/news/rmg-exporters-bracing-difficult-times-orders-slow-3362996>

Why garment owners desperate to lease out factories

It's now a battle for survival for garment and textile factories as they are finding it hard to stay afloat with the harsh reality of diminishing orders, high energy price and mounting bank liabilities amid a challenging economic climate and ongoing war. In the face of impending losses, owners are now considering an alternative solution: leasing out these factories.

Insiders have said this strategic move to survive the declining demand in Western markets is turning into frustration as the owners are struggling to find anyone willing to lease or purchase these factories. For instance, Mahfuzur Rahman, owner of Rose Garden, an Accord-approved medium light woven garments factory with six production lines located on Birulia Road in Savar, has been trying to sell the factory for the past eight months. Despite reducing the selling price by 25% to BDT 30 Mn, he is yet to find a buyer.



<https://www.tbsnews.net/economy/rmg/why-garment-owners-desperate-lease-out-factories-662238>

Tannery Sector

BSCIC plans BDT 8 Bn project to make tannery CETP fully functional

The Bangladesh Small and Cottage Industries Corporation (BSCIC) has sent a proposal to the industries ministry for taking a project that will make the Central Effluent Treatment Plant (CETP) at the Savar Tannery Industrial Estate (STIE) fully functional.

It will take between BDT 5 Bn and BDT 8 Bn for the proposed project, which includes setting up a shed for solid waste management on 200 acres of land on the southside of the CETP, BSCIC Chairman Md Mahbubor Rahman said yesterday. The BSCIC decided to take up the project as Bangladesh is yet to reap the full benefit from the much talked about CETP despite spending BDT 5.65 Bn and waiting nearly a decade.

<https://www.thedailystar.net/business/economy/news/bscic-plans-tk-800cr-project-make-tannery-cetp-fully-functional-3362991>

Stock-Specific News

Mayeenuddin elected Brac Bank's vice-chairperson

Faruq Mayeenuddin, an independent director of Brac Bank Ltd, has been elected as the vice-chairperson of the bank. Mayeenuddin was serving the bank as the chairman of the board executive committee, said a press release. He was appointed as an independent director to the board in December 2021.

He is a career banker with over 37 years of experience holding key management positions in different leading private commercial banks of the country. Mayeenuddin started his professional career with AB Bank Ltd as a probationary officer in 1984. He previously worked for Trust Bank Ltd, City Bank Ltd, Mercantile Bank Ltd and AB Bank Ltd.

<https://www.thedailystar.net/business/economy/news/mayeenuddin-elected-brac-banks-vice-chairperson-3364286>

Ahmad appointed as MTB's company secretary

Mutual Trust Bank Limited (MTB) recently appointed Rais Uddin Ahmad as its company secretary. Ahmad was serving the bank as a deputy managing director and chief anti-money laundering compliance officer concurrently, said a press release. He joined the bank in 2021 from Brac Bank Limited. He has around 30 years of working experience in business, regulatory, risk management and company matters in the banking sector.

<https://www.thedailystar.net/business/economy/banks/news/ahmad-appointed-mtbs-company-secretary-3362896>

Navana Pharma to convert 60% of BDT 1.50 Bn bond into shares

Navana Pharmaceuticals Limited is going to issue a BDT 1.50 Bn bond and wants to convert 60% or BDT 900 Mn of the bond into shares. The company said in a statement that it will issue the bond for five years, and the conversion process will start in the third year.

As per its plan, the company will convert 20% of the bond into shares each year starting from the third year till the fifth. To convert into shares, the company will seek shareholders' approval by holding an extraordinary general meeting (EGM) on 31 July. After shareholders' approval, the company will seek the securities regulator's consent.

<https://www.tbsnews.net/economy/stocks/navana-pharma-convert-60-tk150cr-bond-shares-662206>

Stock-Exchange News

An IPO slowdown

It appears that private sector firms are becoming increasingly reluctant to go public nowadays, unless there is a regulatory obligation. In fiscal 2022-23, only one manufacturer, Navana Pharmaceuticals Limited, was listed on the country's stock market, down from three in the previous fiscal year.

In the outgoing fiscal year, five out of the six new firms listed on the stock exchanges were either banks or insurance companies, as they were compelled to go public due to regulations.

<https://www.tbsnews.net/economy/stocks/ipo-slowdown-662186>

The 'Z' chaos in the stock market

Bourses and stock investors, over the last two weeks, have seemed too puzzled to conclude when a listed company should be punished as a so-called "Z" category stock and when it should not be. They were finding too many deviations between the regulations and the ongoing practices.

At least 23 of the listed firms were clearly deserving of being downgraded to "Z" much earlier last fiscal year, according to the 1 September 2020 notification by the Bangladesh Securities and Exchange Commission (BSEC) that relaxed the criteria for the companies to be placed in the "Z" category.



<https://www.tbsnews.net/economy/stocks/z-chaos-stock-market-661254>

Central Depository Bangladesh officials under BSEC scanner

The securities regulator has formed an inquiry committee to investigate the overall activities of the Central Depository Bangladesh Limited (CDBL) because of some allegations of various misconduct against CDBL officials. Recently, the Bangladesh Securities and Exchange Commission (BSEC) has come to know of some wrongdoings such as involvement in securities trading, information trafficking, and holding key positions with forged academic certificates by CDBL officials through media reports. Hence, for the interest of investors and development of the capital market, the BSEC formed the committee after considering these allegations.

<https://www.tbsnews.net/economy/stocks/central-depository-bangladesh-officials-under-bsec-scanner-661238>