

Economy:

Retaining duty benefits until new trade deals focused

Dhaka is seeking continuity of the existing duty benefits on exports until new trade pacts are signed with China, India and Japan ahead of Bangladesh's LDC graduation. Efforts have already got underway to strike free-trade agreements (FTAs) with these important trade partners, according to officials. Keeping in mind the impacts of losing tariff facilities in many wealthier countries when Bangladesh will leave the world's poor-country club in 2026, government authorities are about to open FTA talks with some countries having significant bilateral trade, including China, Japan, and India.

<https://today.thefinancialexpress.com.bd/public/first-page/retaining-duty-benefits-until-new-trade-deals-focused-1692982392>

1.0-20pc cash incentive on exports announced

Bangladesh Bank (BB) has announced cash assistance for 43 products for the current fiscal year (FY 2023-24) to boost their exports. The exporters will get this cash assistance at the rates range between 1.0 per cent and 20 per cent, according to UNB. The Foreign Exchange Policy Department of the BB issued a notification in this regard recently. According to the instructions of the circular, 43 products will get incentives or cash assistance against exports during the period from July 1, 2023, to June 30, 2024. These 43 products got similar support last year too.

<https://today.thefinancialexpress.com.bd/public/last-page/10-20pc-cash-incentive-on-exports-announced-1692896261>

External budget support soars in recent years

Annual budgetary support from the foreign lenders rose nearly four times in the last fiscal year (FY) than that of the amount Bangladesh received four FYs ago, widening the spending scope for the government, according to officials. The country received more than US\$1.51 billion worth of the external credit in FY 2022-23 as compared to around \$400 million in FY 2018-19.

<https://today.thefinancialexpress.com.bd/last-page/external-budget-support-soars-in-recent-years-1693069007>

NBR seeks direct access to taxpayers' bank details

The National Board of Revenue (NBR) wants direct access to taxpayers' bank account details through the Bangladesh Bank as part of an integration endeavour aimed at combating tax evasion. This would give the revenue board easy access to banking details of taxpayers and traders helping them monitor money flow. The VAT Online Project Office is collaborating with the Bangladesh Bank for this initiative, with the latter making necessary preparations, according to NBR sources.

<https://www.tbsnews.net/nbr/nbr-seeks-direct-access-taxpayers-bank-details-689338>

Bank, NBFI, and Insurance Sector:

Government changes borrowing strategy as bankers bid big

A strategy change in government bank borrowing becomes clear in a switch from long-term treasury bonds to short-term treasury bills to dodge "distortion" in interest regime as bankers bid big at auctions. Officials and bankers have said under the latest borrowing mechanism, the government has discarded the auctions of T-bonds with 15-year and 20-year terms for the last three consecutive months while the auction of these investment instruments remained stalled for two more months of the calendar year.

<https://today.thefinancialexpress.com.bd/public/first-page/government-changes-borrowing-strategy-as-bankers-bid-big-1692982850>

16 non-banks weighed down by high NPLs

Nearly half of non-bank financial institutions (NBFIs) saw a third of their loans turn into non-performing ones at the end of March 2023, which gives an indication of the tough times the sector was going through mainly due to massive irregularities in 8 to 10 companies. Intense competition with banks amidst liquidity pressure, image being tarnished and borrowers finding it tougher to run businesses are mainly to blame for the NBFI sector's struggles. There are 35 NBFIs in the country. For 16, the nonperforming loan (NPL) ratio is over 30 percent, according to Bangladesh Bank data.

<https://www.thedailystar.net/business/economy/news/16-non-banks-weighed-down-high-npls-3403891>

Apparel & Textile Sector:

New GSP of UK: Bangladesh's RMG export prospects brighten

Bangladesh's garment export to the United Kingdom (UK) is expected to rise significantly as the British government will continue to offer duty-free benefits to developing nations even after they graduate from the least developed country (LDC) status. As per the United Nations Committee for Development Policy, Bangladesh is scheduled to make the United Nations status graduation to a developing nation from an LDC in November 2026. However, the UK has introduced its new Generalised System of Preferences (GSP), namely Developing Countries Trading Scheme (DCTS), under which developing nations will also enjoy duty-free benefits to the UK markets. The DCTS replaces the EU GSP scheme, under which Bangladesh used to avail duty-free access to the UK, as a part of Brexit, for which the British government has been developing new trade policies.

<https://www.thedailystar.net/business/economy/news/new-gsp-uk-bangladeshs-rmg-export-prospects-brighten-3403881>

Capital Market:

BSEC delegates visit India to learn from commodity exchange expertise

A group of representatives from the Bangladesh Securities and Exchange Commission (BSEC) visited India to gain insights into the functioning of the country's commodity exchange and derivatives market. This visit is part of the BSEC's efforts to enhance the local capital market by establishing a commodity exchange and developing the commodity derivative market. The delegates participated in the training workshop at the office of Multi Commodity Exchange of India (MCX) in Mumbai on 24 August, according to a BSEC press release. India's reputed asset management company Kotak Mahindra Asset Management held a discussion meeting with the BSEC delegations at the workshop.

<https://www.tbsnews.net/economy/stocks/bsec-delegates-visit-india-learn-commodity-exchange-expertise-689306>

Stock-specific:

Southeast Bank asked to submit Tk200cr BLI Capital loan papers

The securities regulator has sought all the relevant documents of Southeast Bank's Tk200 crore loan to BLI Capital Limited — a subsidiary of the publicly listed Bay Leasing and Investment Limited. The Bangladesh Securities and Exchange Commission (BSEC) also directed the bank to submit the approval and disbursement reports on its purchase of 1.5 crore EM Power Limited shares as pre-placement. The bank bought the shares at a total cost of Tk22.5 crore, including a premium of Tk7.5 crore. Earlier this month, the Bangladesh Securities and Exchange Commission (BSEC) formed a committee to investigate allegations concerning an individual's transition to the directorship of Southeast Bank through the acquisition of shares obtained via a loan from the same lender. The committee would also probe the bank's purchase of EM Power shares.

<https://www.tbsnews.net/economy/stocks/southeast-bank-asked-submit-tk200cr-bli-capital-loan-papers-689322>

Appollo Ispat bearing the brunt of ex-employees' fund mishandling

Appollo Ispat Complex — once renowned for its corrugated iron sheets brand "Rani Marka Dheutin" — is having to carry the weight of fund mismanagement by its former employees as the company is drowning in a massive loan of Tk1,100 crore. In a letter to the Bangladesh Securities and Exchange Commission (BSEC), Apollo Ispat said the past employees acted against the interests of the company which caused damages and piled up the debt burden.

<https://www.tbsnews.net/economy/stocks/appollo-ispat-bearing-brunt-ex-employees-fund-mishandling-689314>

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