

News Blaze of the Week:

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Inside at a glance

Corporate market offers several discount on its products, have down trend on their share price. Many corporate are having positive changes on their import duty. Many corporates are struggling with their VAT and Tax issues.

There are several Government initiatives related to Tax and VAT. Due to the announcement of lockdown by the Government of India, import of all types of goods from India through Benapole land port has been stopped.

Apparel exporters and textile millers demanded more measures from government to accommodate issues related to export and buck up job creation such that the sector can weather the looming economic storm unleashed by the pandemic. The garment and textile millers want the government to double cash incentive on export receipts from all destinations for the time being, which, they said, would help them meet their match in the global market.

The central bank has extended the deadline for loan status classification. The government has unveiled various stimulus packages to help people, businesses, entrepreneurs, farmers, industrialists and exporters counter the impact of the pandemic. As part of the stimulus packages, the central bank has injected money in the banking system through the refinancing schemes and the cut in the CRR.

Stocks extended the losing streak for the second consecutive session on Monday as the proposed budget failed to meet investors' expectations. Most of the shares remained stuck at the trading floor.

Several budget decision are inside the issue. Different International organizations **calls for higher health allocation and took measures for recovery from downturn**. The Austrian government intends to make one-off payments to jobless people and boost spending on families with children as part of measures this year to cushion the blow from the coronavirus pandemic.

There are important highlights related to agriculture, awards, donations and digital takeovers.

Hope in this crucial time our effort for publishing the weekly under the title "**News Blaze of the Week**" will help you in decision making and save your precious time. May Almighty Allah Bless us with his Marcy and forgiveness.

Contents



Corporate Market Updates

Walton's generosity towards its retail investors amid hard times

6

Cement makers lament over unmet demands

Plastic goods makers demand VAT exemption on low-cost wares
Green Delta Capital closes financing deal with ADB

7



Government Initiatives

New VAT, SD measures looking like silver lining

8

Bangladesh's stimulus package second highest among peer countries

9

Government earns Tk. 300m revenue in 12 days

Industry Update



10

Apparel exporters need more support to stay the course

11

Central Bank Regulations

BB extends loan status classification to Sep 30 as it fears pandemic would ram on

12

BB allows banks to issue int'l debit cards





Stock Market Updates

Stocks extend losses, turnover below Tk. 1.0b-mark

Stocks end flat amid thin participation

BSEC to withdraw floor price mechanism soon

CSE for reduction of corporate tax for listed companies

13

14

15



Budget FY 21

Government eyes Tk. 17,000cr in budget support next fiscal year

Budget ambitious but doable: ICAB

16

17



International Business

FICCI calls for higher health allocation; BCI for measure for recovery from downturn

US companies vow to fight racism but face critics on diversity

2019 fossil fuel subsidies nearly \$500b: OECD/IEA

Austria plans coronavirus help for jobless, families

Germany earmarks \$563m to boost training

American Express JV gets final approval to launch operations in China

More than 600,000 lose work in UK as COVID-19 hits jobs market

18

19

20



Agriculture & SME

Krishibid Feed plans to go public for Tk. 30 crore

21



Award

Community Bank wins prestigious award

21



Donations

SaifPowertec donates equipment for Ctg Port hospital

ADN Telecom donates face masks to Posts and Telecom Department

City Bank donates nasal cannula to Chattogram General Hospital

22



Digital Takeover

Virtual job festival July 03-05

Internet-based trading in the offing

23



Walton's generosity towards its retail investors amid hard times

- Walton Hi-tech Industries usually offers several types of discounts on its products round the year.
- The local electronics giant has already discovered its cut-off price for each share at Tk 315 through bidding of eligible investors as it plans to go public.
- General investors usually buy shares at 10 per cent lower than the cut-off price in the initial public offering (IPO), according to the listing regulations. As a result, Walton's share price would stand at Tk 283 for the general shareholders.
- In total, the company would make 15.48 lakh shares available for general investors as it looks to raise Tk 39.3 crore from the public.
- Another 13.79 lakh shares will be offloaded to the eligible investors for Tk 60.7 crore. After listing with the bourse, sponsors' shareholding would be 99.03 per cent, while the rest 0.97 per cent would be off-loaded.
- Walton is in manufacturing, retailing, designing and exporting of its products and appliances including air conditioner, freezer, multi-stage freezer and automobile.
- It employs more than 20,000 people in its 22 production bases. It has the capacity to produce 10 million units, according to the company's website.

Source: <https://www.thedailystar.net/business/news/waltons-generosity-towards-its-retail-investors-amid-hard-times-1914093>

Cement makers lament over unmet demands

- Cement manufacturers are frustrated over their demands being left unaddressed in the proposed budget, from which they had hoped to avail some assistance to cope with losses incurred for the pandemic.
- A 60 per cent cut in import duty on clinker and waiver of interest on existing loans were sought by the Bangladesh Cement Manufacturers' Association (BCMA).
- They import clinker at \$42 per tonne but when we go to pay duty, customs always takes the cost price to be \$50 per tone
- Subsequently, the association called for the import duty on clinker, the sector's major raw material, to be brought down to at least Tk 300 a tonne from the existing Tk 500.
- Cement manufacturers are passing through hardship as they had zero sales during the countrywide closure in the last two-and-a-half months.
- Clinker accounted for \$900 million of the \$1.35 billion worth raw materials that the manufacturers imported last fiscal year.
- Annually \$3 billion or Tk 25,500 crore worth of cement is sold, of which 45 per cent goes to government projects, 30 per cent to real estate companies and the rest to individual consumers
- There are about 125 cement manufacturing companies in Bangladesh, out of which 37 are in operation and they have an investment of about Tk 30,000 crore.
- The total production capacity of the cement mills was 58 million tonnes in 2018.

Source: <https://www.thedailystar.net/business/news/cement-makers-lament-over-unmet-demands-1914613>

Corporate Market Update (Cont. ...)

Plastic goods makers demand VAT exemption on low-cost wares

- Plastic makers yesterday voiced their displeasure about the lack of incentives for them in the proposed budget for fiscal 2020-21.
- The government has not withdrawn the value-added tax on plastic-made dishes, jugs, mugs, bowls, glasses, dishwashers, baskets, buckets, soap trays, garbage baskets, hand fans and spice trays, which were mainly used by financially insolvent people who were now unable to pay higher prices thanks to the present crisis, said the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA).
- The BPGMEA demanded the cancellation of the NBR's general order, which conflicted with the VAT act, according to the statement.
- The government needs to stop wastage and misappropriation of money to increase funding for achieving key targets of the proposed budget.
- The association also thanked the finance minister for steps to create new entrepreneurs and jobs, increase investment, expand industrialization, protect domestic industries and to achieve poverty alleviation and national development targets, the government's vision 2021 and 2041 and sustainable development goals to address the economic crisis arising from the coronavirus pandemic.

Source: <https://www.thedailystar.net/business/news/plastic-goods-makers-demand-vat-exemption-low-cost-wares-1914593>

Green Delta Capital closes financing deal with ADB

- Green Delta Capital Limited, a leading merchant bank in Bangladesh has successfully closed a landmark transaction for 35 MW Spectra Solar Park Limited (SSPL) by arranging USD 34 million.
- Asian Development Bank (ADB), as lead financier financed for USD 17.72 million. The financing comprises a loan from ADB and a loan from the ADS-Administered Canadian Climate Fund for the Private Sector in Asia II (CFPS II).
- The German development finance institution DEG participates, as co-financier financed for USD 16.4 million where Green Delta Capital played an instrumental role being a lead advisor to the transaction for this milestone debt transaction.
- Green Delta Capital Limited, a leading merchant bank in Bangladesh has successfully closed a landmark transaction for 35 MW Spectra Solar Park Limited (SSPL) by arranging USD 34 million.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/green-delta-capital-closes-financing-deal-with-adb-1592321537>





Government Initiatives

New VAT, SD measures looking like silver lining

- The revenue authority may get an additional Tk 11,000 crore next fiscal year because of the new value-added tax (VAT) and supplementary duty (SD) measures, according to an estimate by the National Board of Revenue (NBR).
- The disclosure came as the VAT department has been assigned to collect 38 per cent of the NBR's target of Tk 330,000 crore for the next fiscal year.
- And the new VAT target is 14 per cent higher than the revised goal of Tk 109,800 crore set by the government for the outgoing fiscal year when overall VAT collection is unlikely to cross Tk 100,000 crore.
- Depending on price slabs, smokers will have to pay from 57 per cent to 65 per cent of SD for every 10-stick next fiscal year, up from 55 to 65 per cent in the outgoing fiscal year, according to the NBR.
- The official said the additional Tk 8,000 crore VAT and SD might come owing to the spike in prices of the tobacco products, including cigarettes and biri, a kind of handmade cigarettes used by the low-income groups.
- Cigarette is the biggest sources of VAT and SD and the revenue authority collected Tk 25,500 crore in fiscal 2018-19, up 16 per cent year-on-year.
- The collection was 30 per cent of the total VAT generated in fiscal 2018-19, according to NBR data.
- The increased SD on mobile phone usage from this fiscal year's 10 per cent to 15 per cent in fiscal 2020-21 is likely to bring in an extra Tk 1,500 crore revenue, according to the estimate.
- Mobile phones and SIM cards were the third biggest sources of VAT and SD after cigarette and construction firms. It brought Tk 5,000 crore in revenue in fiscal 2018-19, up 4 per cent from the previous year, NBR data showed.
- The government has raised the excise duty by up to 60 per cent for fiscal 2020-21 and account-holders with more than Tk 5 crore balance in their accounts at any time of the year will face Tk 40,000.
- The government logged in Tk 2,339 crore in fiscal 2018-19 through excise duty and the collection from bank balances accounted for most of it, according to the finance ministry and NBR data.

Source: <https://www.thedailystar.net/business/news/new-vat-sd-measures-looking-silver-lining-1914625>

Government Initiatives (Cont. ...)

Bangladesh's stimulus package second highest among peer countries

- Bangladesh's stimulus packages aimed at mitigating the impact of the coronavirus pandemic are one of the highest among a selective group of countries in Asia, according to a government paper.
- The government has announced 19 stimulus packages amounting to Tk 103,117 crore since it reported the country's maiden cases of coronavirus infections on March 8.
- The combined support accounted for 3.7 per cent of the country's gross domestic product (GDP), according to the mid-term macroeconomic policy statement of the finance ministry.
- Vietnam has declared stimulus packages amounting to 3.4 per cent of GDP, Pakistan 3.1 per cent, Malaysia 2.8 per cent, the Maldives 2.8 per cent, China 2.5 per cent, Afghanistan 2 per cent, India 1.1 per cent and Sri Lanka 0.2 per cent.
- Bangladesh's stimulus packages have been provided in the form of low-cost loans to affected micro, small, medium and large industries and services, food security, social protection, special allowances and incentives as the pandemic-induced shutdown paralysed the economy, destroyed millions of jobs and created new poor.
- Of the stimulus packages, Tk 5,000 crore went to the export industry, Tk 20,000 crore to the micro, small and medium enterprises, Tk 30,000 crore to large industries and services, and Tk 5,000 crore to the agriculture sector.
- Of the stimulus packages, only Tk 3,000 crore would come from the government's coffer, while the rest would come from the central bank or the lenders themselves, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.
- The stimulus package for the large industries can be implemented at 9 per cent interest rate, but the concern is that the loan defaulters are very powerful and some of them are also directors of banks and they may eat up the package, while real businesses would get nothing

Source: <https://www.thedailystar.net/business/news/bangladeshs-stimulus-package-second-highest-among-peer-countries-1914621>

Government earns Tk. 300m revenue in 12 days

- Some 20 thousand metric tons of foods and raw materials worth \$ 2,85,908 have been imported from India by rail through Benapole port in the last 12 days.
- The government earned a revenue of Tk 300 million (30 crore) and the railway department earned over Tk 0.83 million (8 lakh 33 thousand 508).
- Due to lockdown in India, the import of food, raw materials through Benapole land port was suspended for two and a half months.
- Due to the announcement of lockdown by the Government of India, import of all types of goods from India through Benapole land port has been stopped since March 24.
- For the convenience of traders, goods are now being unloaded at Benapole port 24 hours a day.

Source: <https://today.thefinancialexpress.com.bd/trade-market/govt-earns-tk-300m-revenue-in-12-days-159240755>





Industry Update

Apparel exporters need more support to stay the course

- Apparel exporters and textile millers demanded the government accommodate more measures in the proposed budget to recuperate exports and buck up job creation such that the sector can weather the looming economic storm unleashed by the pandemic.
- Steps needed to revive exports are absent in the budget, and on top of that, source tax has been jacked up to 0.50 per cent from 0.25 per cent for the sector that fetches more than 84 per cent of the total export earnings
- Garment manufacturers said they get some sort of incentive from the government every year but the support should have been extensive this year given the economic meltdown that is sweeping across the globe.
- The garment and textile millers want the government to double cash incentive on export receipts from all destinations to 2 per cent at least for the time being, which, they said, would help them meet their match in the global market.
- Considering the time and the overall business situation, the garment sector deserves a reduction in source tax to 0.25 per cent and an increase in cash incentive to 2 per cent.
- The government's stimulus package of Tk 5,000 crore for paying garment workers' wages was not enough as many factories could not avail themselves of the fund, said Arshad Jamal Dipu, vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

Source: <https://www.thedailystar.net/business/news/apparel-exporters-need-more-support-stay-the-course-1914609>

Central Bank Regulations

BB extends loan status classification to Sep 30 as it fears pandemic would ram on

- The central bank has extended the deadline for loan status classification by banks further to September 30, as it now forecasts the economy would be enshrouded by the coronavirus-induced gloom for longer than it had imagined earlier.
- Now, banks will have to maintain the same credit status of a borrower as on January 30 until the new deadline.
- Banks, however, would be able to classify any loan if their situation improves, the Bangladesh Bank said in a notice yesterday to help businesses and industries operate in the adverse scenario brought on by the coronavirus pandemic.
- Almost all of the sectors of the economy have been hit hard by the pandemic. As a result, many industries, services and businesses aren't able to run normal operations, the central bank said.
- On March 19, less than two weeks after the government first reported the country's maiden coronavirus cases, the central bank asked lenders not to consider businesspeople as defaulters if they fail to repay instalments until June 30 this year.
- All instalments of the term loans, including agriculture and small credits and investment, between January 1 and September 30 would be considered as deferred. The instalment size and numbers would be re-fixed in October, the BB said.
- The government has unveiled various stimulus packages amounting to \$103,117 crore, which is 3.7 per cent of the country's gross domestic product, to help people, businesses, entrepreneurs, farmers, industrialists and exporters counter the impact of the pandemic.
- Of the packages, only Tk 3,000 crore would come from the government's coffer, while the rest would come from the central bank or the lenders themselves, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, on Sunday.
- The central bank has eased monetary policy and taken several steps to improve the liquidity position at banks.
- The repo rate was lowered from 6 per cent to 5.75 per cent in March and later to 5.25 per cent on April 12.
- The cash reserve ratio was initially reduced from 5 per cent to 4.5 per cent (daily-basis) and from 5.5 per cent to 5 per cent (bi-weekly basis), with a further reduction to 3.5 per cent and 4 per cent, respectively, from April 15.
- As part of the stimulus packages, the central bank has injected Tk 73,000 crore in the banking system through the refinancing schemes and the cut in the CRR.
- There was Tk 113,000 crore additional liquidity in the banking sector as of April 30, after meeting the statutory liquidity ratio. There is another Tk 62,000 crore additional fund owing to the healthy reserve.

Source: <https://www.thedailystar.net/business/news/bb-extends-loan-status-classification-sep-30-it-fears-pandemic-would-ram-1915289>





Central Bank Regulations (Cont. ...)

BB allows banks to issue int'l debit cards

- The central bank has issued a guideline, allowing banks to issue international debit cards (IDCs) in favour of eligible persons against their annual travel entitlements. According to the guideline provisions, IDCs will be issued within annual travel entitlements with endorsement on passports, according to a notification, issued by the Bangladesh Bank (BB) on Tuesday.
- The authorised dealer (AD) banks will have suitable arrangement in the local currency accounts, to which IDCs are linked, to ensure that amount in foreign exchange cannot be expensed in excess of endorsement within the annual travel entitlement, according to the guideline.
- The local currency accounts, to which IDCs are linked, will have sufficient fund to support the expenses to be met from the cards. Similarly, the ADs should retain endorsed amount equivalent in Taka from local currency accounts in the margin accounts, to be maintained in the names of customers for smooth adjustment of the expenses incurred through IDCs.
- Currently, the banks are allowed only to issue ICC/IPC against the annual personal travel quota entitlements of the prospective cardholders in line with the existing Guidelines for Foreign Exchange Transactions.

Source: <https://today.thefinancialexpress.com.bd/trade-market/bb-allows-banks-to-issue-intl-debit-cards-1592321711>

Stock Market Updates

Stocks extend losses, turnover below Tk. 1.0b-mark

- Stocks extended the losing streak for the second consecutive session on Monday as the proposed budget failed to meet investors' expectations.
- DSEX, the key index of the Dhaka Stock Exchange, went down by 5.91 points or 0.15 per cent to close at 3,958.
- The core index of the prime bourse is hovering between 3,953 and 3,969 points in the past 10 sessions as most of the investors were reluctant to make any fresh investment amid worsening situation of the deadly virus.
- EBL Securities said the proposed budget has failed to boost the investors' confidence as they found nothing special in it for the stock market development.
- The stockbroker noted that the worsening pandemic situation has made the market almost buyer-less in recent days as the outbreak is going to put a long-lasting adverse impact on the country's economy.
- Turnover slumped below Tk 1.0 billion-mark for the past five trading sessions to Tk 615 million on Monday, a 14 per cent higher than the previous day, as the investors were not showing any enthusiasm for buying shares.
- The panicked investors liquidated their position from pharma, insurance, food and miscellaneous sectors stocks to escape further losses while the market observed some movement on banking sector stocks.
- Most of the shares remained stuck at the trading floor.
- Of the issues traded, 221 remained unchanged while only 7 issues advanced and 34 declined on the DSE trading floor.
- The DS30 index, comprising blue chips, also fell 4.25 points to finish at 1,324 and the DSE Shariah Index lost 1.94 points to close at 917.
- A total number of 12,808 trades were executed in the day's trading session with a trading volume of 28.74 million shares and mutual fund units.
- The market-cap of the DSE also inched down to Tk 3,102 billion, from Tk 3,105 billion in the previous session.
- Vanguard AML Rupali Bank Balanced Fund was the day's best performer, posting a gain of 2.22 per cent while Beximco Synthetics was the worst loser for the second straight day, losing 5.55 per cent.
- The Chittagong Stock Exchange edged lower with its All Shares Price Index (CASPI)-losing 21 points to close at 11,238 and the Selective Categories Index - CSCX -shedding 13 points to finish at 6,808.
- Of the issues traded, 11 gained, 22 declined and 53 remained unchanged on the CSE.





Stock Market Updates (Cont. ...)

Stocks end flat amid thin participation

- Stocks ended nearly flat on Tuesday amid thin participation of investors as most of the investors remained cautious amid worsening situation of the deadly virus Covid-19 in the country.
- DSEX, the key index of the Dhaka Stock Exchange, went up by 2.28 points or 0.05 per cent to close at 3,960, after losing nine points in the past two sessions.
- The core index is hovering between 3,950 and 3,970 points in the past 11 sessions as most of the investors were reluctant to make any fresh investment amid growing tension over the Covid-19 pandemic.
- Market analysts said the budget failed to meet investors' expectations while growing tension over the Covid-19 pandemic and floor price mechanism kept the investors at bay to put fresh funds in stocks. Two other indices also saw fractional gain.
- The DS30 index, comprising blue chips, advanced 0.86 point to finish at 1,325 and the DSE Shariah Index gained 0.67 points to close at 918. A total number of 10,527 trades were executed in the day's trading session with a trading volume of 24.60 million shares and mutual fund units.
- The market-cap of the DSE also inched up to Tk 3,103 billion, from Tk 3,102 billion in the previous session.
- Beximco Pharma topped the turnover chart with shares worth Tk61 million changing hands, followed by Beximco, National Bank, Linde Bangladesh and Reckitt Benckisher.
- Desh Garment was the day's best performer, posting a gain of 4.54 per cent while ICB Employees Provident Mutual Fund One was the worst loser, losing 5.88 per cent.
- The Chittagong Stock Exchange edged higher with its All Shares Price Index (CASPI)-gaining 4.45 points to close at 11,243 and the Selective Categories Index - CSCX -advancing 2.77 points to finish at 6,811.
- Of the issues traded, 16 gained, 12 declined and 60 remained unchanged on the CSE. The port city bourse traded 831,524 shares and mutual fund units worth only Tk 17 million in turnover.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/stocks-end-flat-amid-thin-participation-1592321572>

BSEC to withdraw floor price mechanism soon

- The BSEC will withdraw the floor price mechanism soon in a bid to ensure free price movements of stocks.
- Trading on both the bourses remained dull as the majority number of sale orders placed above the 'floor prices' kept the buyers at bay since March 19 last.
- As per exiting system, the market prices of the listed securities have no scope to go below individual floor prices to contain abnormal price fall. Market insiders said under the existing system the buyers have not enough scope to purchase securities at their desired prices.
- 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.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-withdraw-floor-price-mechanism-soon-1592408038>

Stock Market Updates (Cont. ...)

CSE for reduction of corporate tax for listed companies

- Chittagong Stock Exchange (CSE) has made a set of proposals, including reduction of corporate tax for listed companies, for the government's further consideration before finalizing the budget for the fiscal year (FY) 2020-21.
- In the budget, the government has proposed to reduce the corporate tax of non-listed companies by 2.50 per cent amid unchanged corporate tax rate for listed companies.
- The CSE has also sought the waiver of its tax for next five years. The stock exchanges are paying tax availing a benefit which will be withdrawn in 2020. Dhaka Stock Exchange (DSE) has already sold 25 per cent stakes to a Chinese strategic partner, while the CSE is yet to finalize deal with any strategic partner.
- The CSE has also proposed to reduce tax at source to 0.015 per cent from existing 0.05 per cent imposed on commission realized from transactions of listed securities.
- Most of the brokerage firms presently are incurring losses. As a result tax at source imposed on brokerage commission should be reduced to 0.015 per cent considering the ongoing situation.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/cse-for-reduction-of-corporate-tax-for-listed-cos-1592408144>





Budget FY21:

Government eyes Tk. 17,000cr in budget support next fiscal year

- The government has set a target to mobilize Tk. 17,000 crore in budget support from development partners in fiscal 2020-21 to meet its additional financing need owing to the coronavirus pandemic.
- The budget support being sought is way higher than the Tk. 2,100 crore set in the original fiscal plan for this year and Tk. 56 crore in the previous one.
- Although the government had aimed to collect a huge sum in the original budget for fiscal 2019-20, it did not include any funds in the budget support segment in the revised budget in the outgoing fiscal year although the pandemic began to spread alarmingly in the last quarter.
- The budget support for the next fiscal year accounts for 18.31 per cent of the Tk. 92,837 crore external borrowing target set.
- The IMF has already sanctioned \$732 million in emergency funding to meet the urgent balance-of-payments and fiscal needs arising from the coronavirus outbreak in the country.
- The ADB has approved \$500 million and the AIIB sanctioned 250 million. The WB may approve \$250 million by this month.
- This means, the government is on track to mobilize funds from the development partners.
- Although the funds from the development partners have been approved in the current fiscal year, they would be spent in the fiscal 2020-21's plan. If needed, the government may borrow from the ADB and the IMF in the next fiscal year as well.
- The budget deficit for the current fiscal year was estimated at Tk. 145,380 crore and it was pushed upwards to Tk. 153,513 crore in the revised budget, which is 5.5 per cent of GDP.
- The overall budget deficit will be Tk. 190,000 crore in fiscal 2020-21, which is 6 per cent of GDP, said Finance Minister AHM Mustafa Kamal in his budget speech.
- Bangladesh would receive Tk. 4,013 crore in grants in fiscal 2020-21, up from Tk. 3,454 crore in the revised budget. Of the grants, Tk. 613 crore would come in the form of food support and Tk. 3,400 crore in project assistance.
- Of the external financing, Tk. 88,824 crore will come in the form of loans, which was Tk. 63,659 crore in the revised budget. The support for loans includes Tk. 67,102 crore in project assistance.

Budget FY21: (Cont. ...)

- Exports are projected to contract by about 18 per cent in fiscal 2019-20 and decline further by 1 per cent in the following year as demand from major trade partners remains weak.
- Remittance inflows dropped off 14 per cent year-on-year to \$1.50 billion in May on the back of the global coronavirus pandemic.
- Continued remittance weakness in the coming months will slow fiscal 2019-20's growth to 1.4 per cent and lead to a 7 per cent fall in fiscal 2020-21, the IMF said recently.
- Revenue collection crashed more than 55 per cent in April and the National Board of Revenue may end up facing a shortfall of Tk. 100,000 crore in the current fiscal year.
- The government has unveiled various stimulus packages amounting to \$103,117 crore, which is 3.7 per cent of the country's gross domestic product, to help people, businesses, entrepreneurs, farmers, industrialists and exporters counter the impact of the pandemic.

Source: <https://www.thedailystar.net/business/news/govt-eyes-Tk.-17000cr-budget-support-next-fiscal-year-1915293>

Budget ambitious but doable: ICAB

- The proposed budget is ambitious and challenging because of the coronavirus pandemic but the government would be able to implement it, according to the Institute of Chartered Accountants Bangladesh (ICAB).
- Finance Minister AHM Mustafa Kamal has presented a Tk 568,000 crore timely and large budget for the next fiscal year, said Muhammad Farooq, president of the ICAB, during a virtual media briefing yesterday.
- The finance minister talked about widening the government's reliance on the domestic sources in FY21 in order to meet the budget deficit.
- Kamal has proposed to borrow Tk 84,983 crore from the banking sector to finance the deficit budget.
- The ICAB called for bringing down the tax at source for the professionals from 10.12 per cent to 8 per cent.
- Cutting the advance tax at the import stage on raw materials used in local manufacturing industries to 4 per cent from 5 per cent is a business-friendly initiative
- Setting an 8.2 per cent GDP growth target is puzzling to many as demand is shrinking, said Kabir.

Source: <https://www.thedailystar.net/business/news/budget-ambitious-doable-icab-1914085>





FICCI calls for higher health allocation; BCI for measure for recovery from downturn

- A higher allocation could have been made for the healthcare sector considering the risks posed and inadequacies in infrastructure which became very much evident during the Covid-19 pandemic, according to the FICCI.
- The platform of foreign investors particularly appreciated some proposals such as reduction of corporate tax rate for non-listed companies from 35 per cent to 32.5 per cent, which it says would encourage industrialization and attract foreign direct investment.
- Allowing 80 per cent VAT rebate on transportation service as input credit is a good move, although this should have been extended to 100 per cent of the actual VAT paid for carrying VAT chargeable goods, the FICCI said.
- However, the platform expressed concerns over some issues like limiting valid promotional expenses of companies to 0.5 per cent of disclosed turnover alongside overseas travelling expenditure to 0.5 per cent from 1.25 per cent.
- This may increase the effective tax rate from anything between 5 per cent and 15 per cent depending on the company's size, it added.
- The association also spoke against introducing 2 per cent withholding tax on local supply of essential commodities, such as rice, flour, potato, garlic and onion through local letters of credit.
- The BTMA president also demanded that the government increase cash incentives for garment exporters on use of local yarn and raw materials to 10 per cent from the existing 4 per cent for at least the next six months.

Source: <https://www.thedailystar.net/business/news/ficci-calls-higher-health-allocation-bci-measure-recovery-downturn-1914081>

US companies vow to fight racism but face critics on diversity

- In the past, US corporations have largely remained silent as protests erupted over killings of African-Americans by police officers. That changed with the May 25 death of George Floyd in Minneapolis, which has set off a flurry of corporate statements of solidarity with the black community along with pledges of more than \$1.7 billion to advance racial justice and equity.
- The unprecedented outpouring of support, however, has stirred up criticism along with praise. Many social justice advocates, corporate diversity experts and investors say companies also need to focus on equity in their own ranks, especially by hiring and promoting minority workers.
- Leaders of major companies including Comcast Corp, Nike Inc and Warner Music Group Corp have announced major gifts to advance racial justice amid the protests over Floyd's death. Bank of America pledged \$1 billion over four years to address economic and racial inequality. At least a dozen other big companies announced gifts between \$1 million and \$100 million for similar efforts.
- Company's willingness to take strong stands could signal a substantive shift in the attitudes of corporate leaders, said Jim Paulsen, chief investment strategist for Leuthold Group, a research and asset management firm. Some is probably lip service, but I think it goes beyond that, and there's a realization that something needs to change, Paulsen said.
- African-Americans make up less than 4% of Facebook's workforce and about 3% of its senior leadership, compared to 13% of the U.S. populace, according to company disclosures. Other major technology firms, including Google, Twitter Inc, Intel Corp and Microsoft Corp, have disclosed similarly low proportions of African-American workers and senior managers, relative to the population.

Source: <https://www.thedailystar.net/business/news/us-companies-vow-fight-racism-face-critics-diversity-1914077>

International Business (Cont. ...)

2019 fossil fuel subsidies nearly \$500b: OECD/IEA

- Climate crisis notwithstanding, government's subsidized fossil fuels in 2019 to the tune of nearly half-a-trillion dollars, two intergovernmental agencies have jointly reported.
- Subsidies for fossil fuel consumption alone declined \$120 billion, or 27 percent, compared to 2018 due mainly to lower oil and gas prices, according to International Energy Agency (IEA) figures.
- Governments that heavily support the use of oil and gas include Iran, Saudi Arabia, China, Russia, Indonesia, Egypt, India and Venezuela.
- At the same time, subsidies for fossil fuel production -- in the form of cash, tax breaks and other credits -- increased across 44 rich and emerging economies in 2019 by 38 percent to \$55 billion, the Organization for Economic Co-operation and Development (OECD) reported.
- Combined subsidies for both consumption and production last year totaled \$478 billion in 77 economies, an 18 percent drop compared to the year before, the IEA and OECD said in a joint statement, released at the end of last week.
- Burning oil, gas and coal -- which account for more than 80 percent of global primary energy use -- is the main source of the greenhouse gases that drive global warming.
- Governments have long recognized the need to stop propping up fossil fuel production and use.
- As early as 2009, G20 nations responsible for 80 percent of CO2 emissions pledged to gradually eliminate fossil fuel subsidies.
- With oil, gas and coal prices dropping through the floor due to COVID lockdowns in the first part of 2020, governments need to support the energy needs of their least advantaged citizens while channeling the money freed up into a greener economy.

Source: <https://www.thedailystar.net/business/news/2019-fossil-fuel-subsidies-nearly-500b-oecd-iea-1914065>

Austria plans coronavirus help for jobless, families

- The Austrian government intends to make one-off payments to jobless people and boost spending on families with children as part of measures this year to cushion the blow from the coronavirus pandemic, its coalition leaders said.
- Measures to be approved at a cabinet meeting next week include payments of 450 euros (\$506) to the unemployed and 360 euros per child under 18, Chancellor Sebastian Kurz and Greens party leader Werner Kogler told broadcaster ORF in interviews aired on Saturday.
- In addition, the government plans to cut the lowest income tax bracket to 20 per cent from 25 per cent and make the change retroactive to the start of this year.
- In May the government announced an aid package of up to 38 billion euros to keep companies and the economy afloat. On Friday it almost doubled the amount of debt it plans to issue this year to a record level.

Source: <https://www.thedailystar.net/business/news/austria-plans-coronavirus-help-jobless-families-1914057>





International Business (Cont. ...)

Germany earmarks \$563m to boost training

- Germany earmarks \$563m to boost training
- Germany plans to make 500 million euros (\$563 million) available to firms to prevent a collapse in company training and apprenticeships due to the coronavirus crisis, a document seen by Reuters on Sunday showed.
- Chancellor Angela Merkel's government has already agreed two stimulus packages totaling 880 billion euros to mitigate the impact of a lockdown to contain the pandemic as Europe's biggest economy braces for its worst recession since World War Two.
- The program includes a training bonus of up to 3,000 euros for small and mid-sized companies that have been hit hard by the crisis. Aid will also be available to firms that avoid putting apprentices on a short-time work scheme or if they take on trainees from insolvent firms.

Source: <https://www.thedailystar.net/business/news/germany-earmarks-563m-boost-training-1914565>

American Express JV gets final approval to launch operations in China

- China's central bank has given the final nod to a network clearing license for an American Express joint venture, allowing it to be the first foreign credit card company to launch onshore operations in China.
- The approval comes against a backdrop of high Sino-US tensions, with disagreements over trade and Beijing's imposition of a national security law for Hong Kong.
- The PBOC has also approved an application by MasterCard's China joint venture to conduct bank card clearing operations in the country, but the company has not yet received a network clearing license.
- Card giant Visa submitted its application in early 2018 and is still awaiting approval.
- China is opening its local currency payments market to foreign companies after a decade of lobbying by foreign players seeking direct access to what is expected to soon become the world's biggest bank card market.

Source: <https://www.thedailystar.net/business/news/american-express-jv-gets-final-approval-launch-operations-china-1914577>

More than 600,000 lose work in UK as COVID-19 hits jobs market

- The number of people on British company payrolls fell by more than 600,000 in April and May as the coronavirus lockdown hit the labor market, and vacancies plunged by the most on record, official data showed on Tuesday.
- The jobless rate unexpectedly held at 3.9 per cent over the three months to April - despite a record slump in overall economic output during that period - as firms turned to the government's job retention scheme to keep employees on their books.
- In a more up-to-date sign of how the coronavirus lockdown is affecting the labour market, experimental figures, based on tax data, showed the number of people on company payrolls fell by 612,000 in April and May. In May alone, it was 163,000 lower than in April when the biggest job losses occurred. That left the number of paid employees 2.1 per cent lower than in March, the ONS said.
- There was also a big drop in job vacancies which showed their largest quarterly fall since the ONS began measuring them in 2001, with a slide of 342,000 to 476,000.
- A fall in pay growth reflected how workers on the government's job retention scheme are only entitled to receive 80 per cent of their former pay, up to 2,500 pounds a month.
- The ONS said workers' total pay growth of 1.0 per cent was the weakest since September 2014. Regular pay, excluding bonuses, grew by 1.7 per cent, the weakest since January 2015.

Source: <https://www.thedailystar.net/business/news/more-600000-lose-work-uk-covid-19-hits-jobs-market-1915773>

Agriculture & SME

Krishibid Feed plans to go public for Tk 30 crore

- Krishibid Feed, a sister concern of Krishibid Group, has deisgns to go public to raise Tk. 30 crore to expand its business to meet the growing demand for feeds in the livestock sector.
- The poultry, fish and cattle feed producer has already applied to the stock market regulator for its initial public offering. One-third of the IPO proceeds will be used to repay bank loans.
- About Tk. 18 crore would be used for business expansion purposes and the rest to foot IPO expenses. The building and other civil construction works would cost Tk. 7 crore and the new machinery Tk 4.08 crore.
- The company will also shell out Tk. 4.06 crore to buy 13 delivery vans to strengthen its supply chain and Tk 2.85 crore to buy two diesel generators.
- According to the IPO prospectus, the industry's current turnover is more than Tk 10,000 crore and a growth rate of about 10 per cent a year.
- The company's turnover rose 133 per cent to Tk. 89.92 crore in its 2018-19 financial year compared with the 2015-16 financial year, but its net profit rose 45 per cent to Tk. 5.10 crore during the time, according to the prospectus.

Source: <https://www.thedailystar.net/business/news/krishibid-feed-plans-go-public-tk-30cr-1915841>



Award

Community Bank wins prestigious award

- Community Bank Bangladesh Limited has been recognized as the winner in the Transformation Excellence category of globally acclaimed Infosys-Finacle Client Innovation Awards2020 for achieving Digital Transformation in just 48 days.
- Community Bank partnered with Edgeverve-Infosys to offer cutting-edge banking solutions to its customers. Last year the Bank implemented its Core Banking Solution (CBS) project in just 48 days without any foreign travel or associated costs. This greenfield CBS implementation took only 48 days to go live and the Bank could proficiently onboard around 0.2 million customers during its inception.
- The platform is now serving smoothly in a stable environment upto 200,000 active customers across 64 districts, 24/7 even stress scenario due to Covid-19. Community Bank will complete its first year of operations this September. It also offers Community Cash, a mobile banking app, where the active client base is 60,000 and adding 10,000 each month.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/community-bank-wins-prestigious-award-1592064011>

SaifPowertec donates equipment for Ctg. Port hospital

- The Chittagong Port Authority (CPA) has prepared the Chittagong Port Hospital as specialized hospital for coronavirus patients.
- The hospital will start its health service from Thursday. Meanwhile, SaifPowertec Limited has donated four oxygen concentrator machines, four ventilator machines and 100 oxygen cylinders for the Chittagong port hospital on Sunday.
- The machineries were installed at the hospital today. The organization is collecting samples of their officials and staff from May 27 at their own initiative for coronavirus test. CPA is collecting samples from 14 persons a day for test.

Source: <https://today.thefinancialexpress.com.bd/trade-market/saif-powertec-donates-equipment-for-ctg-port-hospital-1592321775>

ADN Telecom donates face masks to Posts and Telecom Department

- Country's leading internet service provider, ADN Telecom Limited along with Chinese company, Genew Corporation has donated 12,000 face masks to protect the health of the officers and employees of various agencies under the Department of Posts and Telecommunications, engaged in the operation and maintenance of telecommunication and internet services in the current pandemic.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/adn-telecom-donates-face-masks-to-posts-and-telecom-dept-1592321511>

City Bank donates nasal cannula to Chattogram General Hospital

- City Bank has donated a high flow nasal cannula machine to Chattogram General Hospital (CGH) to facilitate treatment of corona virus disease (Covid-19) patient.
- The machine was donated as part of philanthropic initiative by the bank's chairman Aziz Al Kaiser.
- High-flow nasal cannula systems delivers heated and humidified oxygen according inspiratory flow demands for improving patient tolerance and comfort.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-donates-nasal-cannula-to-chattogram-general-hospital-1592408102>



Digital Takeover

Virtual job festival July 03-05

- A virtual job festival is going to be held from July 03 to 05 in the capital with the purpose to create placements for some 500 candidates.
- Skill.jobs and Bangladesh Society for Human Resource Management (BSHRM) are jointly organising 'Virtual Job Fest-2020'.
- A four-day grooming session under the supervision of professional career experts for all participants will be arranged in the virtual job festival with certification by Daffodil International University's Human Resource Development Institute (HRDI).
- Interested candidates can submit their CVs online from June 13 to 23. Special training of selected candidates will be held from June 26 to 29 and virtual interviews will be held from July 03 to 05 and finally virtual recruitment will be held on July 07, informed organizers.
- Mohammad Nuruzzaman, chief executive officer of Daffodil Family, Mashequr Rahman Khan, president of BSHRM and KM Hasan Ripon, convener of Virtual Job Fest-2020, spoke at the press event.

Source: <https://today.thefinancialexpress.com.bd/trade-market/virtual-job-festival-july-03-05-1592064545>

Internet-based trading in the offing

- Country's main bourse has taken a move to launch digital trading considering the safety and security of investors and other market stakeholders as the deadly virus goes virulent across the country.
- Mobile app and other devices will be used in such kind of trading.
- A total of 400 officials of brokerage houses of DSE participated in the course and they learned about many aspects of internet-based trading.
- The order also said the meetings will be held subject to ensuring proper protective measures, ensuring voting and other rights of shareholders or members and other compliances in other regulatory framework till December 31, 2020.
- "In case of using any digital platform, proceedings of the meetings shall be recorded in both the soft and hard copies in such a way that subsequent verification can be undertaken and such hard copies shall be duly authenticated as per the requirements
- The BSEC issued a directive in this regard on March 25 following the proposals made by some listed companies and the Bangladesh Association of Publicly Listed Companies (BAPLC).

Source: <https://thefinancialexpress.com.bd/stock/bangladesh/internet-based-trading-in-the-offing-1592279144>



Quotation Corner

"The secret of getting ahead is getting started"

--Mark Twain

"Success is not final; failure is not fatal: It is the courage to continue that counts."

-- Winston S. Churchill

"Try not to become a man of success. Rather become a man of value."

-- Albert Einstein



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