

## **MACRO**

### **Government expenditure drops in Jul-Dec**

Government expenditure declined 0.2 percent year-on-year to Tk 67,621 crore in the first six months of the fiscal year despite the increase in public servants' salaries. The amount is 26 percent of the total budget of Tk 295,100 crore. The disclosure came in the six months' budget implementation report, which was placed by Finance Minister AMA Muhith in parliament yesterday. Revenue expenditure dropped 1.2 percent to Tk 59,054 crore, while development expenditure increased 3.3 percent to Tk 17,547 crore, according to the report. Among the ten large ministries and divisions, six spent 3 to 25 percent less than last year's. The bridges division's spending decreased the most, by 25.1 percent, followed by road transport and highways division at 22.4 percent. In 2009, the power generation capacity was 4,942 megawatt, which now stands at 14,271MW. Already 500MW power is being imported from India and the process of importing 6,500MW more power from other neighboring countries is under way. A master plan for the power sector will be prepared, where coal will be the main fuel, he said.

**Link:** <http://www.thedailystar.net/business/govt-expenditure-drops-jul-dec-1215550>

### **Finance Minister affirms over 7.0pc GDP growth, fair economic outlook**

Finance Minister AMA Muhith affirmed that country's GDP growth will be above 7.0 per cent in the current fiscal year (FY), as he painted a fair picture of the economy before parliament. "We have set 7.0 per cent gross domestic product (GDP) growth target in the current financial year. It is certain that the growth will exceed 7.0 per cent," he said, citing the initial data prepared by Bangladesh Bureau of Statistics. The official statistical bureau has already calculated 7.05 per cent GDP growth for the fiscal, although foreign development financiers have put it below the mark. The finance minister made the projection in a report styled 'development in budget implementation and trend of income and expenditure and macroeconomic review' placed in parliament Wednesday for the first half (H1) (July-December) of the current FY. According to the final statistics of BBS, the country achieved 6.55 per cent GDP growth in FY 2014-15, which was higher, compared to that of similar countries in the same period, he told the lawmakers.

**Link:** <http://print.thefinancialexpress-bd.com/2016/04/28/140212>

### **FBCCI seeks review of new laws on VAT, duty**

The apex trade body has urged the government to review the new laws on value-added taxes and supplementary duties before they come into effect from July 1. The planned 15 percent VAT on the total sales has effectively become an excise duty for 85 percent of the taxpayers, particularly those of small and medium enterprises that are unable to obtain rebates, according to the letter. If the 15 percent VAT is imposed on the value added portion, the VAT system will be simple and business-friendly, which will boost revenue generation, said FBCCI President Abdul Matlub Ahmad. The FBCCI will propose raising the tax-free income limit to Tk 300,000 in 2016-17 from the existing Tk 250,000. In case of women and taxpayers of more than 65 years of age, the FBCCI will suggest increasing the limit to Tk 325,000 from Tk 300,000 now, and for the physically challenged to Tk 400,000 from Tk 375,000.

**Link:** [www.thedailystar.net/business/fbcci-seeks-review-new-laws-vat-duty-1215538](http://www.thedailystar.net/business/fbcci-seeks-review-new-laws-vat-duty-1215538)

**EU envoy terms safety, security issue strong deterrent to FDI**

Ambassador and head of delegation of the European Union in Bangladesh Pierre Mayaudon on Wednesday termed the safety and security situation in Bangladesh a strong deterrent to foreign investors in considering setting up operations here. At a monthly luncheon meeting hosted by the Foreign Investors' Chamber of Commerce and Industry at Hotel Westin in Dhaka, Mayaudon said they are also concerned over the recent killings of intellectuals and citizens in Bangladesh. 'Of course, we cannot engage in business without discussing safety and security policy,' the EU ambassador told the meeting as its chief guest. He referred to the recent killings and said it is a strong deterrent to foreign investors in considering operability here. Mayaudon said in 2015 Bangladesh attracted only 2 billion euros in foreign direct investment, with the EU private sector contributing 21.5 per cent.

**Link:** <http://newagebd.net/225475/eu-envoy-terms-safety-security-issue-strong-deterrent-to-fdi/>

**OVERALL MARKET****BB eases rules for banks' exposure to stock market**

Bangladesh Bank yesterday relaxed the rules related to banks' investment in stocks in a move to boost the ailing market. Now, the banks will not have to sell shares to adjust their stockmarket exposure exceeding the permitted ceiling, according to Anwarul Islam, deputy general manager of BB. The development will enable banks to make fresh investments in stocks, although the stockmarket exposure ceiling remains unchanged at 25 percent of their capital, he said. Earlier in December last year, the banks' capital given to their stockmarket subsidiaries were kept out of their stockmarket exposure. The Banking Companies Act 1991, which was amended in 2013, has limited a bank's stockmarket exposure to 25 percent of its capital by July 21 this year. Most of the banks' investments into the capital markets are within their limit, according to the BB. Of 56 banks, about 10 banks have over-investments in the stocks.

<http://www.thedailystar.net/business/bb-eases-rules-banks-exposure-stockmarket-1215541>

**BSEC approves separate platforms for small cap companies**

The securities regulator Wednesday approved the draft rules to facilitate small cap companies which will offload shares through Qualified Investor Offer (QIO), officials said. Under the rules titled 'The Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies)', the small cap companies will be listed with the separate platforms to be introduced on both the stock exchanges. The companies will be listed under both the fixed price and book building method and the share trading by the Qualified Investors (QIs) will be conducted as like the trading system of the main platform. The approval came at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC). As per the BSEC rules, the existing paid-up of the companies willing to raise funds through separate platforms will be minimum Tk 50 million and the amount will exist below Tk 300 million after offloading shares.

<http://print.thefinancialexpress-bd.com/2016/04/28/140185>

## **RMG**

### **ADB signs \$30m loan for garment sector**

The Asian Development Bank has signed a \$30-million loan deal with Brac Bank, which will be used to finance the construction and upgrade of garment factories in Bangladesh. The loans will also be used to build effluent treatment plants in the textile and garment industry, the ADB said in a statement yesterday. Many factories still operate without effluent treatment plants, resulting in widespread water pollution, it said. Bangladesh is the world's second largest exporter of textiles and garments, accounting for over 80 percent of the country's merchandise exports in fiscal year 2014. However, the industry has suffered setbacks after two disasters in recent years -- the Tazreen factory fire in 2012 and Rana Plaza building collapse in 2013. Transforming the factories in line with the compact and other agreements, however, requires substantial outlays, with the cost estimated at around \$250,000 to \$400,000 per factory.

[www.thedailystar.net/business/adb-signs-30m-loan-garment-sector-1215532](http://www.thedailystar.net/business/adb-signs-30m-loan-garment-sector-1215532)

### **Health insurance for government, garment workers on cards**

The government has taken an initiative to launch health insurance for government employees and social health insurance for garment workers, Health Minister Mohammed Nasim said yesterday. The insurance schemes are part of the Healthcare Financing Strategy 2012, which has been prepared already, he told the parliament. Meanwhile, a total of 1,667 pharmacies and factories were fined by mobile courts from January 2015 to March 2016 on various charges, including having no drug licence, selling and producing adulterated and banned medicines, according to Nasim. Twelve factories, 47 pharmacies and two warehouses were sealed off by the mobile courts during the period. The government also plans to construct another 500 community clinics across the country, Nasim said. Of the clinics, 300 will be built with financial assistance from the Japan International Cooperation Agency. At present, a total of 13,135 community clinics are running across the country.

<http://www.thedailystar.net/business/health-insurance-govt-garment-workers-cards-1215529>

## **TELECOMMUNICATION**

### **Last-minute rush for SIM re-registration**

All telecom operators' registration points are facing a huge influx of subscribers as only three days remain to complete their SIMs re-registration. As of April 24, 7.33 crore SIMs have been re-registered, with fingerprints matching the national database, while there are 13.08 crore active SIMs in the market at present, according to Bangladesh Telecommunication Regulatory Commission. As almost half the total number of SIMs were not registered and there was only one week to the cut-off time, the top telecom operators sought more time from the authorities. Grameenphone has asked for two more months, extending the deadline to June 30, said a senior official of the BTRC. The current deadline for SIM re-registration, which began on December 16 last year, is April 30.

<http://www.thedailystar.net/business/telecom/last-minute-rush-sim-re-registration-1215547>

## JUTE

### **BJMC not to get fresh funds until carries out reform**

The finance ministry has decided not to inject any fresh funds to the ailing public sector jute mills until broad-based agreed reforms to transform the mills into profitable enterprises are not carried out soon. The decision of the ministry came after it released Tk 200 crore in the middle of this month following pressures from the agitating workers of seven jute mills in Khulna. The amount was sanctioned in favour of Bangladesh Jute Mills Corporation as low-cost loan, repayable in next five years with a five per cent interest rate, an office order of the ministry said. The finance officials alleged the 27 jute mills running under the BJMC with nearly a workforce of 70,000 lacked transparencies in spending were plagued with corruption and had no roadmap to become financially viable. They said BJMC and ministry of jute and textiles failed to implement even a single condition laid out in the memorandum of understanding signed with the finance ministry in December 2011.

<http://newagebd.net/225480/bjmc-not-to-get-fresh-funds-until-carries-out-reform/>

## STOCKS

### **JAMUNABANK**

#### **New chairman of Jamuna Bank**

The Board of Directors of Jamuna Bank Limited in its 286th meeting held Wednesday unanimously elected Gazi Golam Murtoza as the Chairman of the Board. He completed his graduation in Polymer Science from the University of Akron, USA and had his Bachelor Degree in Engineering from renowned North American University. Mr. Murtoza is the Director of the country's renowned business conglomerate, "Gazi Group", said a statement.

<http://print.thefinancialexpress-bd.com/2016/04/28/140186>

### **ALARAFKA**

#### **Al-Arafah elects new chairman**

Alhajj Abdus Samad (Labu) has been elected as the Chairman of Al-Arafah Islami Bank Limited. The 291st meeting of the Board of Directors assigned him as the Chairman unanimously Wednesday. According to the decision of the meeting, Chairman Abdus Samad will continue his responsibilities for the period until the next Annual General Meeting (AGM) of the Bank is held. Alhajj Abdus Samad Labu is one of the founder directors of Al-Arafah Islami Bank Ltd. He is the Vice Chairman of S. Alam Group, one of the largest industrial groups of the country. He is the chairman of S. Alam Cold Rolled Steels Ltd. Mr. Samad is also the founder director of Northern General Insurance Ltd. and Reliance Finance Investments Ltd.

<http://print.thefinancialexpress-bd.com/2016/04/28/140187>

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