

*Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.*

### **Good borrowers should get industrial loans at 9% interest**

- The seven-member committee on single-digit lending and deposit rates implementation submitted its report to Bangladesh Bank governor recommending a single digit interest rate on industrial loans only for 'good borrowers'. As per the committee recommendations, along with the large industrial manufacturing sector, which contributes directly to the gross domestic product (GDP), the lending rate for cottage, micro, small and medium industrial (manufacturing) should be lowered to a single-digit from the existing level of over 12%. Ready-made garment, textile, ship-building, ship-breaking and agro-based industries should also be included in the industrial sector, it said.
- Defaulters should not be entitled to avail loans at 9% interest while borrowers with a record for regular payment should be able to obtain such loans, said the committee. The committee also recommended that availability of deposits at 6% interest rate should be ensured. A committee source said that the body had refrained from recommending 9-per cent lending rate for all the sectors as such a move might affect the banking sector.

<http://www.newagebd.net/article/93744/good-borrowers-should-get-industrial-loans-at-9pc-interest>

### **New investment rules: Life insurers' deposits with NBFIs curtailed**

- The Insurance Development and Regulatory Authority (IDRA) has recently come up with a set of new investment rules for life insurance companies in a bid to minimize risks and ensure safety of policyholders' money. The prime one is a reduction in the amount of asset a life insurance provider can keep in a non-bank financial institution (NBFIs). It has been limited to 10%, which might deepen the ongoing liquidity crisis of the lenders. As per previous rules framed in 1958, the insurers were permitted to keep 50% of their assets in the form of fixed deposits in banks or the NBFIs. There was no specific mention.
- Insurance companies usually opted for the NBFIs as they offered higher returns than banks. As had been before, life insurance companies must invest at least 30% of their funds on government securities. Of the remaining 70%, 10% will be allowed to be kept with the NBFIs as fixed deposits.
- According to the new regulations, life insurers will be allowed to keep their fixed deposits solely in those NBFIs which have at least an "A" rating or a similar grade. Moreover, a maximum 2% of assets can be kept with a single NBFIs.

<https://www.thedailystar.net/business/news/new-investment-rules-life-insurers-deposits-nbfi-curtailed-1841422>

### **Development spending slower than last year**

- The civil aviation and tourism ministry has been the 14th largest recipient of the development budget this fiscal year but it has managed to spend only 1.92% of the allocation from July to November. The ministry received BDT 38.21 billion for 2019-20 from the Annual Development Programme (ADP), of which BDT 25 billion came from the foreign aid portion. But the ministry is yet to spend a single penny from the portion.
- In total, the line ministries spent BDT 413.87 billion from July to November, which is 19.24% of the allocation, data from the Implementation Monitoring and Evaluation Division showed. The utilization was 20.15% during the same period last fiscal year when BDT 364.38 billion was spent.
- This year the use of foreign aid dropped both in percentage and amount. Foreign aid use fell 14.52% in the five-month period although the government has set an ambitious target of raising spending from foreign sources. Between July and November, BDT 110.87 billion was utilized, which is 15.44% of the total foreign aid allocation. At this point last year, foreign aid utilization was BDT 129.71 billion, which was 21.62% of the allocation in 2018-19. The government has targeted to spend BDT 718 billion, or more than USD 8 billion, in foreign aid in the fiscal year to implement the development budget. Foreign aid in the pipeline surged to a record USD 48.11 billion at the end of 2018-19.
- However, the spending from the government's own coffer rose 37.89% year-on-year to BDT 292.54 billion from July to November. The expenditure was 22.34% of the allocation from its own source. The ministries and divisions spent BDT 212.14 billion during the same five-month period last fiscal year, which was 18.77% of the total allocation. The railways ministry used 7.6% of the allocation, the industries ministry 2.34%, the shipping ministry 6.50%, and the public security division 6.71%.
- The SoEs expended BDT 10.46 billion from July to November, which was 8.44% of the allocation. They used BDT 22.53 billion, or 28.63% of the allocation, during the same period a year ago. The government has allocated BDT 2.15 trillion for the ADP in the current fiscal year.

<https://www.thedailystar.net/business/news/development-spending-slower-last-year-1840864>

### **Non-listed insurance companies yet to go public: Insurance Development and Regulatory Authority (IDRA) calls meeting tomorrow**

- Even though the deadline has already expired, no visible progress has been made to bring non-listed insurance companies into the capital market, officials said. As a result, Insurance Development and Regulatory Authority (IDRA) has called an emergency meeting of stakeholders, chairmen and chief executive officers of these insurance companies on December 17. The issue of apathy among 28 insurance firms to get listed on the stock market will come up at the meeting for discussion, according to them.
- On September 15, Finance Minister gave the directives at a view-exchange meeting with chairmen and top executives of insurance companies. After the meeting the minister said, they have asked non-listed insurance companies to be listed on the capital market within next three months. If they fail to get enlisted on two stock exchanges-Dhaka and Chattogram-stern action would be taken against them.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/non-listed-ins-companies-yet-to-go-public-1576426760>

### **E-commerce sales to reach USD 3 billion in 4 years**

- Bangladesh's e-commerce market stands at USD 1.6 billion currently and will double to USD 3 billion by 2023 on the back of a digital foundation laid down by the government and a young and tech-savvy population, a German research firm said recently. In terms of e-commerce revenue, Bangladesh is ranked 46th in the global ranking, according to Statista, the online portal for statistics that makes available data collected by market and opinion research institutes and that derived from the economic sector and official statistics.
- However, Chief Executive Officer of AjkerDeal.com, one of the popular e-commerce sites, contradicted the Statista figure, saying the market size would be a maximum USD 500 million.
- According to the Statista report, the online fashion market in Bangladesh is currently worth USD 598 million and it has the prospect to reach up to USD 1.24 billion by 2023. Electronic products amounting to USD 457 million and furniture and appliances worth about USD 196 million are sold online. The online sales of furniture and appliances will would go up to USD 352 million after four years. Online sales of toys and hobby products stand at USD 260 million and it can almost be double to USD 442 million by 2023.
- However, e-CAB leaders say the e-commerce market is not more than BDT 30 billion, USD 350 million, with 50,000 deliveries daily.

<https://www.thedailystar.net/business/news/e-commerce-sales-reach-3b-4-years-1841428>

### **World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$60.16	-0.05	-0.08%
Crude Oil (Brent)*	\$65.30	-0.04	-0.06%
Gold Spot*	\$1,476.38	+0.20	+0.01%
DSEX	4,498.49	-15.96	-0.35%
Dow Jones Industrial Average	28,235.89	+100.51	+0.36%
FTSE 100	7,519.05	+165.61	+2.25%
Nikkei 225	24,030.31	+77.96	+0.33%
BSE SENSEX	41,052.36	+113.64	+0.28%

### **Exchange Rates**

**USD 1 = BDT 85.00\***  
**GBP 1 = BDT 112.98\***  
**EUR 1 = BDT 94.76\***  
**INR 1 = BDT 1.20\***

\*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229
Md. Mahirul Quddus	Research Associate	<a href="mailto:mmahirul.quddus@bracepl.com">mmahirul.quddus@bracepl.com</a>	01709 636 546

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
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#### BRAC EPL Research [www.bracepl.com](http://www.bracepl.com)

121/B Gulshan Avenue  
Gulshan-2, Dhaka  
Phone: +880 2 881 9421-5  
Fax: +880 2 881 9426  
E-Mail: [research@bracepl.com](mailto:research@bracepl.com)