

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.

Polish government plans to invest USD 1.0 billion in Bangladesh

- Poland's first Deputy Minister of Energy said the Polish government was ready to invest USD 1.0 billion in Bangladesh, mainly in mining sectors including coal mining.
- The Polish Deputy Minister of Energy noted the existing friendly relations between the two countries and stressed enhancing cooperation, particularly in the sectors like science and technology, industry, trade and commerce.
- Polish Government is interested in signing a memorandum of understanding (MoU) or agreement on cooperation in those fields to strengthen the existing bilateral relations.

<http://today.thefinancialexpress.com.bd/stock-corporate/polish-govt-plans-to-invest-10b-in-bd-1549556671>

Bangladesh ranks 121st economically freest country

- Bangladesh has become 121st economically freest country in the world with a score of 55.6, according to the economic freedom index of Heritage Foundation.
- The country's overall score has risen by 0.5 points, with higher scores on factors like property rights and government integrity countering declines in investment freedom and fiscal health. The 2019 index also ranked Bangladesh 27th among 43 countries in the Asia-Pacific region.
- The country's overall score is below the regional and world averages of 60.6 and 60.8 respectively. Approximately 6.0% robust growth annually for two decades has been driven by a rapid rise in private consumption and fixed investment.

<http://today.thefinancialexpress.com.bd/first-page/bd-ranks-121st-economically-freest-country-1549730699>

Savers walk a tightrope as national savings certificate (NSC) sales go online

- Many savers find themselves in a difficult situation while purchasing national savings certificates (NSCs) via the newly-introduced online database system. Since many of them are not familiar with the online process and have no electronic Tax Identification Number (e-TIN), they cannot purchase such tools in particular outlets, according to officials and savers.
- The online database named 'National Saving Certificates Online Management System' was launched on a pilot basis at the headquarters of Bangladesh Bank, General Post Office (GPO) in Dhaka, Sonali Bank local office at Motijheel, and National Savings Bureau at Gulistan.
- On a visit to Dhaka General Post Office and Sonali Bank booths, savers said they have no e-TINs and also bank accounts, so they cannot buy savings certificates.

<http://today.thefinancialexpress.com.bd/last-page/savers-walk-a-tightrope-as-nsc-sales-go-online-1549648860>

Defaulters to gain at small borrowers' cost, say experts

- Banks can now write off increased amount of bad loans without filing lawsuits after the issuance of new policy. This will also help reduce troubled loans in the near future.
- The latest policy came into play with a view to empowering banks to write off loans up to BDT 0.20 million instead of the previous ceiling of BDT 50,000 without filing cases for recovery.
- The policy also allowed the banks to write off such loans after three consecutive years instead of the previous five years.
- The chairman of the Association of Bankers, Bangladesh (ABB), said the amount of non-performing loans (NPLs) in the banking system is likely to go down if 100% cash provisioning against the bad loans are written off.

<http://today.thefinancialexpress.com.bd/first-page/defaulters-to-gain-at-small-borrowers-cost-say-experts-1549560828>
<https://www.thedailystar.net/business/news/bb-eases-loan-write-policy-1699096>
<http://www.newagebd.net/article/64188/limiting-bbs-inspection-power-to-inspire-defaulters-experts>

Bangladesh to lower foreign trade cost, time

- The government targets to lower time and cost of overseas trading taking into consideration Singapore's success in this case. In the World Bank's latest 'ease of doing business' index, Singapore stood second and Bangladesh 176th.
- The government wants to raise capacity of customs department and ports in handling cross-border trade to improve business environment in Bangladesh.
- Bangladeshi exporters need to spend 168 hours for obtaining, preparing and submitting documents during port or border handling, customs clearance and inspection procedures. However, Bangladesh now wants to get things done by 36 hours.

<http://today.thefinancialexpress.com.bd/trade-market/bd-to-lower-foreign-trade-cost-time-1549647754>

Investment scene remains sluggish

- The import of capital machinery has decreased in the first half of the current fiscal year 2018-19. Loan flow in the private sector also dropped, causing a slump in the investment sector between July and December.
- The opening of Letters of Credit or LCs to import capital machinery from abroad fell by 27.58% to BDT 2.38 billion so far, down from BDT 3.29 billion at the same time in 2017-18. But imports of capital machinery for the development of the industrial sector have seen a 35% increase from that in last year.
- Decrease in the import of capital machinery indicates less investment in the country. The banks are not coming forward with investment opportunities. The interest rate at 13 to 14% is high. Several initiatives were taken to bring interest rates down to a single digit without success.

<http://today.thefinancialexpress.com.bd/trade-market/investment-scene-remains-sluggish-1549647868>

Big pharma companies rely on foreign professionals

- Despite having the lion's share of the domestic market, local pharmaceutical industry lags behind reproducing products.
- While India is quite ahead in terms of reverse engineering, we have not been able to do anything on that front according to the vice chairman of the Beximco Group. He also noted that reverse engineering is an area where the least-developed countries (LDCs) could develop their capacity while enjoying the World Trade Organisation's (WTO) patent regulation privileges.
- Meanwhile, experts noted that Bangladesh should start negotiating with the WTO on extending its Trade Related Intellectual Property Rights (TRIPS) concessions beyond its LDC graduation.

<http://today.thefinancialexpress.com.bd/first-page/big-pharma-cos-rely-on-foreign-professionals-1549730454>
<http://www.newagebd.net/article/64344/more-policy-support-needed-for-pharma-sector-growth>

RMG sector comes under digital mapping

- The ready-made garment (RMG) sector has been brought under the digital mapping system, which will provide credible data of the factories.
- The digitisation at the apparel sector is being implemented under the 'Mapped in Bangladesh (MiB)' project, which was previously known as Digital RMG Factory Mapping in Bangladesh (DRFM-B).
- The digital mapping will establish transparency, credibility and accountability in the garment sector. It will provide credible and industry-wide data on all the RMG factories in Bangladesh. It is expected that the project will help the country fetch USD 50 billion in garment exports by 2021.

<http://today.thefinancialexpress.com.bd/last-page/rmg-sector-comes-under-digital-mapping-1549561419>

Environmental woes weigh on country's leather export

- Exports of leather and leather items have maintained a downtrend this fiscal as local manufacturers continue to bear the brunt of environmental non-compliance.
- Bangladesh exported leather and leather goods worth of USD 626.54 million during the first seven months of the

current fiscal, according to the latest statistics of the state-run Export Promotion Bureau. This figure is more than 11% lower than what the country shipped during the same period last year. The figure is also 3.0% lower than the strategic export target the country set for leather and leather goods for the fiscal year, 2019.

- This decline in leather and leather goods export is not something out of the blue. During the last fiscal, the country's export earnings from leather suffered a drastic falloff of over 12% from the fiscal 2016-17.
- Insiders noted until and unless the Central Effluent Treatment Plant (CETP) of the Savar Leather Park becomes fully operational, it would be very difficult for the local tanneries to become compliant with regard to environment.

<http://today.thefinancialexpress.com.bd/first-page/environmental-woes-weigh-on-countrys-leather-export-1549648323>

Government to install power grid in northern region

- The government is going to install a 400-kilovolt (KV) high-voltage power transmission line in the country's northern region in order to import electricity from India, Nepal and Bhutan.
- The proposed 260-kilometre-long power grid from Barapukuria to Kaliakoir through Bagura will be the first one in the northern Bangladesh.
- The state-run Power Grid Company of Bangladesh (PGCB) will construct the electricity transmission line with the financial support from the Indian second Line of Credit (LoC-II). It has already taken up a BDT 33.22 billion project to lay the transmission grid.
- The Indian Adani Group will set up a 1,600-megawatt (MW) power station at the Indian state of Jharkhand, a Power Division official said, adding Bangladesh will import electricity from that station through the proposed Barapukuria-Kaliakoir grid.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-install-power-grid-in-northern-region-1549730623>

Multi-layer tax on dividend income to ease, says The Finance Minister

- The multi-layer taxation on dividend income would be simplified to help boost investments in the capital market.
- In a meeting the minister proposed the reduction of corporate tax for listed companies, reduction of source tax on share transaction, offloading of more shares of state-owned enterprises (SoEs), restoration of trading in the bond market and the revision of banks' exposure to the capital market.

<http://today.thefinancialexpress.com.bd/last-page/multi-layer-tax-on-dividend-income-to-ease-says-kamal-1549561470>

Dhaka Stock Exchange (DSE) proposes fresh rules for small cap board

- Dhaka Stock Exchange has put forward a set of fresh listing and trading regulation proposals for the proposed small capitalised board of the bourse to Bangladesh Securities and Exchange Commission, lowering the minimum trading requirement to BDT 1 lakh in one go.
- Earlier, in March 2018, the bourse proposed that investors transact shares worth at least BDT 5 lakh in one go at the secondary trading of small and medium enterprises (SME) on the separate board.
- Market experts, however, are sceptical about the DSE's plan of minimisation of volatility by setting the minimum trading requirement at BDT 1 lakh in one go as the companies which would be traded under the small capitalised board would have paid-up capital of BDT 50 million-BDT 300 million.
- About settlement and disclosure of price sensitive information, the rules for the main board and the small capitalised board of the bourse would be the same. However, the companies under the small capitalised board would only disclose half-yearly and annual financial reports. The companies under the main board disclose four financial reports in a year — first quarter, second quarter, third quarter and annual.

<http://www.newagebd.net/article/64221/dse-proposes-fresh-rules-for-small-cap-board>

Grameenphone starts CDC project implementation

- Leading mobile phone operator Grameenphone has started a process for launching its common delivery centre (CDC) project that would ultimately wipe out jobs of at least 600 permanent employees of the entity.
- Under the project, the telecom operator will outsource technological and network-related services from international vendors.

- The mobile phone operator has issued an intimation letter to Bangladesh Telecommunication Regulatory Commission about its move in implementing the project. GP also floated an international RFQ (request for quotation) from potential vendors for the implementation of the CDC project.
- GP People's Council chairman said that the CDC project was taken just to maximise GP's profit by outsourcing technological and network management services from other entities.

<http://www.newagebd.net/article/64223/grameenphone-starts-cdc-project-implementation>

Premier Bank to raise lending to CMSMEs

- Premier Bank Ltd., a leading third generation private sector bank, looks to expand its credit portfolio in the Cottage, Micro, Small and Medium Enterprises (CMSMEs) sector to 50% of the total credit exposure from existing 35% by 2021.
- Of the total credit in this sector, 30% will be disbursed to manufacturing segment, 31% to services-based segment and 39% to the trading segment.
- At the same time, the bank is also committed to reducing non-performing loan rate to zero% by the end of 2020 to make it stronger and healthier. The Premier Bank has recently been honoured with the prestigious award of 'Fastest Growing SME Bank in Bangladesh 2018' by the International Finance UK.

<http://today.thefinancialexpress.com.bd/stock-corporate/premier-bank-to-raise-lending-to-cmsmes-1549728121>

BSRM to set up wire plant for BDT 4.59 billion

- BSRM Group is set to establish a wire manufacturing plant at Mirsarai in Chattogram at a cost of BDT 4.59 billion as the country's leading steel manufacturer looks to capitalise on the impending construction boom in Bangladesh.
- The new concern of the port city-based business group will manufacture four types of wires that are currently imported.
- The prices of raw materials of wires are very low in the international market but the prices of the finished goods end up being high for Bangladesh due to imports according to the chairman of BSRM Group.
- The plant is being implemented with 70% bank financing and 30% equity investment. BSRM has already raised BDT 3.21 billion from different banks, with the rest being equity investment.

<https://www.thedailystar.net/business/news/bsrm-set-wire-plant-BDT-459cr-1700023>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$53.90	-0.11	-0.20%
Crude Oil (Brent)*	\$62.50	-0.19	-0.30%
Gold Spot*	\$1,303.69	-2.91	-0.22%
DSEX	5786.00	-14.23	-0.25%
Dow Jones Industrial Average	25,390.30	-21.22	-0.08%
FTSE 100	7,173.09	-4.28	-0.06%
Nikkei 225	20,734.97	-139.09	-0.67%

Exchange Rates

USD 1 = BDT 83.77*
 GBP 1 = BDT 108.33*
 EUR 1 = BDT 95.16*
 INR 1 = BDT 1.17*

*Currencies and Commodities are taken from Bloomberg.

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited**Research**

Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Md. Sakib Chowdhury	Research Analyst	sakib.chowdhury@bracepl.com	01709 641 247
S. M. Samiuzzaman	Research Analyst	sm.samiuzzaman@bracepl.com	01708 805 224
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805211
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
----------------------	-------------------------------------	--	---------------

Fax: +(8802) 9852451-52
E-Mail: research@bracepl.com