

*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.*

### **Bangladesh Bank formally asks banks to set single-digit lending rates**

- The Bangladesh Bank yesterday instructed banks to set a maximum 9% interest rate on all loan products except credit cards, in a move that suggests single-digit lending rate would actually be material sing. But borrowers will have to cough up an additional two% in penal interest along with the new rates if they default on their instalment payments, according to a central bank notice. The new rates will come into effect on April 1.
- The central bank, however, kept unchanged the interest rate of 7% for exporters who take loans before shipping products. In many cases, exporters take out loans to purchase raw materials in order to produce export-oriented items. From this year, banks will also not be allowed to lower the disbursement of funds flowing to the industrial sector below their average credit growth in the last three years. The provision came as central bankers fear that banks may cut loans to industries because of the new ceiling on the lending rates.
- The central bank, however, will not issue any notice on fixing the interest rate on fixed deposit schemes at 6% as banks have already started to do so in preparation for the 9% lending rate, said a BB official. On January 28, the Association of Bankers, Bangladesh, a forum of managing directors of banks, took the decision to provide not more than 6% on fixed deposit receipts (FDRs) from February 1. As of February 14, 21 banks brought down the interest rate on FDRs to 6%.

<https://www.thedailystar.net/business/news/bb-formally-asks-banks-set-single-digit-lending-rates-1872652>  
<https://thefinancialexpress.com.bd/economy/bangladesh/bb-sets-90pc-interest-rate-on-all-loans-1582562026>

### **Beximco Pharma to sell global drug maker Mylan's products**

- Generic drug manufacturer Beximco Pharmaceuticals yesterday penned a deal to begin the sale of medication for cancer, rheumatoid arthritis and other diseases made by US-based Mylan, in what can be viewed as a stroke of good news for the country's healthcare sector. Under the agreement, Beximco Pharma will be allowed to launch Mylan's portfolio of key monoclonal antibodies for different types of cancer, rheumatoid arthritis, Crohn's disease, ulcerative colitis and other medical conditions, said the listed company in a press release.
- The first product, a breast cancer drug called Ogivri, will become available to the public in the first quarter of the current year. Cancer is now one of the leading causes of death in Bangladesh: more than 50,000 women have tested positive for breast cancer. Mylan has been accredited by leading global regulatory authorities, which include the FDA, Malta Medicines Authority (EU), TGA (Australia), Health Canada, GCC (Gulf) and TFDA (Taiwan), offering a growing portfolio with more than 7,500 of their products being marketed across 165 countries and territories. Ogivri, which is approved by the US Food and Drug Administration (FDA) and also received marketing authorization from the European Medicines Agency, is biosimilar to Roche's blockbuster drug Herceptin. Its global sales in 2018 exceeded USD 7 billion.

<https://www.thedailystar.net/business/news/beximco-pharma-sell-global-drug-maker-mylans-products-1872646>

### **Grameenphone's mini victory against telecom watchdog**

- The Supreme Court yesterday directed Grameenphone to pay another BDT 10 billion to the Bangladesh Telecommunication Regulatory Commission (BTRC) within the next three months, in a development that can be viewed as a mini-victor of the country's leading mobile operator.
- The carrier, which has 46% market share, got an injunction from the High Court on the BTRC's move to realize BDT 125.8 billion from them on October 17 last year. The BTRC later filed a petition with the SC challenging the HC's injunction order and following the petition the Appellate Division on November 24 last year directed Grameenphone to pay BDT 20 billion to the telecom regulator in three months. On January 26 this year, GP filed a review petition with the apex court seeking its permission to pay BDT 5.75 billion in 12 equal instalments.
- During the hearing yesterday, Grameenphone's lawyer placed documents proving the operator had paid BDT 10 billion to the telecom watchdog on Sunday before the apex court judges. Then, chief justice asked the lawyers when Grameenphone will pay the remaining BDT 10 billion to the BTRC. In reply, the Grameenphone's lawyers prayed to the court to give them six months more to furnish the sum. The lawyers also said a title suit regarding the dues of Grameenphone to the BTRC is pending with the trial court concerned. The SC granted them a three-month timeframe to pay next the instalment and said if the trial court finds in the final verdict that GP does not owe to the BTRC, then the BDT 20 billion will be adjusted.

<https://www.thedailystar.net/business/news/grameenphones-mini-victory-against-telecom-watchdog-1872640>

<https://www.newagebd.net/article/100447/grameenphone-must-pay-btrc-another-BDT-1000cr-in-3-months-ad>  
<https://today.thefinancialexpress.com.bd/last-page/gp-asked-to-pay-btrc-BDT-10b-1582568575>

### **Imports from China tumble 21% for coronavirus**

- Imports from China slumped 21% year-on-year in volume in the one and a half months to February 15 amid supply disruption caused by the coronavirus pandemic. Businesses imported 3.6 million tonnes of products in the first seven months of fiscal 2019-20, down 19% from a year earlier.
- Cotton yarn and woven textile fabrics top the list of the items coming to Bangladesh from China, followed by woven textile fabrics, knit textile fabrics and garment accessories. The import of mobile parts, which soared last year, may suffer as 27% of last fiscal year's total imports amounting to USD 505 million came in the last seven months.

<https://www.thedailystar.net/business/news/imports-china-tumble-21pc-coronavirus-1872649>

### **Bangladesh mobile phone market grows by 4.1% in 2019: Report**

- Bangladesh's mobile phone market returned to growth in 2019 with a 4.1% annual growth, shipping 29.6 million units during the year, a new report released from New Delhi stated. Feature phones continued to dominate with 76.6% share and 22.7 million units shipment with a 4.9% annual growth, according to the International Data Corporation's (IDC) Worldwide Quarterly Mobile Phone Tracker, 4Q19. In the smartphone category, a total of 6.9 million smartphones were shipped in 2019 with a 1.4% year-over-year (YoY) growth. The last quarter of the year (4Q19) saw the healthy growth in the overall mobile phone shipments as the category grew 19.5% YoY and 16.2% from the previous quarter, contributing 8.8 million shipments to the year.
- In June 2019, the government of Bangladesh increased the customs duty on the import of completely built units (CBU) of the smartphone to 25% from 10% earlier, resulting in a 4.1% decline YoY in 2H19. However, as feature phones were left outside of this increased duty structure, it saw a strong recovery with 20.1% YoY growth in 2H19.

<https://today.thefinancialexpress.com.bd/trade-market/bangladesh-mobile-phone-market-grows-by-41pc-in-2019-report-1582569521>  
<https://www.dhakatribune.com/business/2020/02/24/4-1-growth-in-local-mobile-phone-market-in-2019>

### **Hero to ramp up production in Jashore plant**

- Hero MotoCorp plans to increase the production capacity of its factory in Bangladesh seeing the huge growth potential of the country's automotive industry, said its chairman. In 2016, Hero set up a motorcycle manufacturing plant in Jashore in what was the Delhi-based motorcycle and scooter manufacturer's first overseas venture. Over the past four years, more than 250,000 motorcycles were manufactured at the factory, which has an average production capacity of more than 100,000 vehicles per annum.
- The sales of motorcycles increased 13% in 2019. But the growth rate was higher previously, according to industry insiders. The sudden change in regulations is one of the biggest challenges faced by Bangladesh's automotive industry, which is the third largest in South Asia. A set of regulations are changed when the government announces its yearly fiscal budget in June. Besides, the Statutory Regulatory Order (SRO) also brings changes on taxes. Scooters account for only 1% of the total demand for two-wheelers in Bangladesh, while motorcycles make up the rest, the chairman of Hero said, adding that 65% of the two-wheeler market in Sri Lanka is cornered by scooters.

<https://www.thedailystar.net/business/news/hero-ramp-production-jashore-plant-1872616>

### **Japanese firms to invest USD 6.4 billion**

- Major Japanese large firms are to invest about USD 6.4 billion to implement six infrastructure projects in Bangladesh under the public-private partnership model. The implementation timeline for the projects to be implemented by groups such as Kajima, Sojitz and Marubeni will be set at the fourth Bangladesh-Japan Joint PPP Platform meeting in Dhaka next month.
- The ministry of land, infrastructure, transport and tourism (MLIT) of Japan has selected a consortium of private investors for each project to be led by a major company. The consortium is known as the sub working group (SWG). The Japanese companies will invest under the government-to-government system without participating in any bidding. At the meeting, Dhaka will seek investment for four more projects.

<https://www.thedailystar.net/business/news/japanese-firms-invest-64b-1872655>  
<https://www.newagebd.net/article/100451/pm-seeks-more-japanese-investment-in-power-sector>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$51.57	+0.14	+0.27%
Crude Oil (Brent)*	\$56.51	+0.21	+0.37%
Gold Spot*	\$1,657.64	-1.74	-0.10%
DSEX	4650.90	-48.00	-1.02%
Dow Jones Industrial Average	27,960.80	-1,031.61	-3.56%
FTSE 100	7,156.83	-247.09	-3.34%
Nikkei 225	22,619.32	-767.42	-3.28%
BSE SENSEX	40,501.51	+138.28	+0.34%

**Exchange Rates****USD 1 = BDT 84.77\*****GBP 1 = BDT 109.68\*****EUR 1 = BDT 92.11\*****INR 1 = BDT 1.18\****\*Currencies are taken from XE Currency Converter 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	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
----------------------	-------------------------------------	--	---------------

#### 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)