

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.

Government to cut down on bank borrowing for September

- The government is set to reduce borrowing from the country's banking system for September, compared to the current month, to meet the budget deficit partly. The ministry of finance has set the bank borrowing target at over BDT 23 billion for September, according to the auction calendar issued by the Bangladesh Bank (BB) on Thursday. According to the calendar, the government may take up to BDT 174 billion as gross borrowing from the banking system in the next month by issuing treasury bills (T-bills) and bonds.
- The government's net bank borrowing is set to reach BDT 23.40 billion by the end of September, after deducting BDT 150.50 billion as maturity amount of the government securities from the gross borrowing amount, the central bank officials added. The government's net bank borrowing was BDT 48.50 billion in August of this calendar year, according to the officials.

<http://today.thefinancialexpress.com.bd/last-page/govt-to-cut-down-on-bank-borrowing-for-september-1567101019?date=30-08-2019>

Annual Development Programme (ADP) spending hits five-year high in July

- Development spending witnessed a five-year high in July, the first month in the current fiscal year, thanks to the power division's outstanding performance in implementing the annual development programme (ADP). Moreover, the amount was four times the sum spent in the corresponding month last fiscal year. A total of BDT 39.51 billion was spent in July, which accounted for 1.84% of the current fiscal year's allocation. In comparison, BDT 10.27 billion was expended in the same month a year ago, which was 0.57% of the annual allocation. In July in the past five years, the implementation of the ADP had been below 1%.
- All the ministries and division performed very poorly in July, except for the power division, which solely accounted for BDT 20.66 billion, 7.23% of the spending, IMED data showed. The government has set aside BDT 2.15 trillion for development projects, 81% of which is for 15 ministries and divisions. Disbursement of foreign aid increased in July as development partners released USD 391.10 million, more than double of USD 187.88 million recorded a year ago.

<https://www.thedailystar.net/business/news/adp-spending-hits-five-year-high-july-1793623>

Women employment falling in urban areas

- The number of women working in urban Bangladesh has been declining since 2010 but it is the opposite in case of rural women. In 2010, urban female participation rate was 34.5% , which came down to 31% in 2017. In contrast, in rural Bangladesh the ratio rose to 38.6% from 36.4% , according to the report 'Employment, Labour Force Participation and Education: Towards Gender Equality in Bangladesh'. The report attributed the declining participation of urban women on the lack of good salaried jobs, self-employment opportunity, and discouragement by high unemployment rate among young educated women.
- The rural women participation rate may have risen due to expansion of livestock industry and other activities based on microfinance, which depends mostly on female labour, executive chairperson of The Centre for Development and Employment Research (CDER) said. Generating non-farm self-employment requires skill and financial investment. But women barely have access to finance in urban area. Overall women's participation in the labour force has been hovering around the 36% -mark in the last seven years though the participation rate increased to 36.3% from 23.9% during 2000-2017.

<https://www.thedailystar.net/business/news/women-employment-falling-urban-areas-1793668>

Bangladesh Telecommunication Regulatory Commission (BTRC) halts auto-renewal of packages for GP, Robi

- The Bangladesh Telecommunication Regulatory Commission has imposed fresh sanctions on two mobile phone operators — Grameenphone and Robi — by halting auto-renewal of their current voice and data packages. The BTRC move came within a month of suspending the issuance of non-objection certificates to the mobile phone operators on July 22 this year, aiming to realise the audit claims worth BDT 134.46 billion from the operators. The suspension of NOC issuance has already barred the mobile phone operators from getting approval for any new voice or data package and importing equipment and software for which the operators previously received regulatory approval or NOCs.

- Along with cancellation of previously issued NOCs, the BTRC has made it mandatory to take fresh approval for releasing equipment from the ports. In the letters, the commission also informed the mobile operators that the regulatory sanctions would be withdrawn upon payment of audit claims. The telecom operators have been informed about the fresh move a few days ago. As a result, GP and Robi would have to take fresh approval for the existing packages after the expiry of the initial approval's validity period.

- At present, GP has the BTRC approval for running around 40 voice and data packages excluding promotional offers while the other operator, Robi, has approval for operating over 100 packages and offers for the customers. To mount regulatory pressure on the mobile phone operators for the recovery of the audit claims, the commission is going to take tougher measures.

<https://www.newagebd.net/article/83029/btrc-halts-auto-renewal-of-packages-for-gp-robi>

Robi registers 1.6% revenue growth in Q2

- Bangladesh's second largest mobile phone operator, Robi, registered 1.6% revenue growth in quarter two (Q2) compared to the previous quarter reaching BDT 18.59 billion which was 12.4% in the same quarter of last year. Besides, Robi's voice revenue grew up by 2.8% than Q1 which was 9.7% in Q2 of the previous year. And for data revenue, the growth is 2.5% than Q1, but lower compared to same period of last year as it was 28.9%. Robi's subscriber base grew by 1.3% in the quarter to reach 47.9 million, representing 29.6% of the subscriber market share.

- Robi's Managing Director and CEO said that as feared, the minimum tax of 2% on their total revenue, imposition of direct tax on statutory disallowances (Excess Perquisite and others), and the existing regulatory barriers have had a crippling effect on Robi's financial performance in the second quarter of this year. Going forward, they are very worried that the doubling of SIM tax and the increased supplementary duty will further add to their financial woes as a struggling smaller operator, he added.

<https://www.dhakatribune.com/business/2019/08/30/robi-registers-1-6pc-revenue-growth-in-q2>

China blacklists five local private banks

- A good number of Bangladeshi banks are facing difficulties in settling their letters of credit (LCs) after being blacklisted by China, officials said. The Economic and Commercial Counsellor's Office of the embassy of China in Dhaka on its website has recently published notices regarding the blacklisting of five Bangladeshi banks and cautioned its financial institutions over conducting transactions. Not only the new-generation banks, but also the first and second generation lenders are facing similar problems, according to the officials. Experts and bankers have identified weak financial state, rising non-performing loans, and sudden changes in the ownership of several banks as reasons behind the lenders' travails. Foreign banks are refusing to accept LCs opened by their Bangladeshi counterparts, thus hurting trade and investment, they said.

- The chairman of the Association of Bankers, Bangladesh (ABB) said that China is large trading partner for both the country and its banking sector. Sometimes some banks delay making trade payment, thus face such actions, he said. He said there will be adverse impacts of such blacklisting by countries like China on the banking sector. The banks should immediately contact the Chinese authority to resolve the dispute, he suggested.

<http://today.thefinancialexpress.com.bd/first-page/china-blacklists-five-local-private-banks-1567186355?date=31-08-2019>

Graft allegation against Bangladesh Securities and Exchange Commission (BSEC) chairman baseless: BSEC

- The securities regulator has expressed its hope that the settlement of allegation regarding graft allegation against its chairman will boost the confidence of capital market related persons. In a press release, the Bangladesh Securities and Exchange Commission (BSEC) said the Anti-Corruption Commission (ACC) has ensured different media that there was no base of allegation brought against the BSEC chairman.

- The media reports were published on August 21 and 22 based on the ACC's document regarding appointment of an inquiry official to investigate the alleged involvement of the BSEC chairman in approval of the IPO (initial public offering) proposals of low profile companies.

<http://today.thefinancialexpress.com.bd/stock-corporate/graft-allegation-against-bsec-chairman-baselessbsec-1567099531?date=30-08-2019>

IPO subscription of Ashuganj Power to begin September 23

- The initial public offering (IPO) of Ashuganj Power Station Company Ltd will begin on September 23. The IPO will

stay open for both resident and non-resident Bangladeshis till October 6 this year. The bonds will be non-convertible, fully redeemable, and coupon bearing. Each of the 200,000 bonds with a seven-year term will cost BDT 5,000. The annual interests from the bonds will be minimum 8.5% and maximum 10.5%, payable every six months. The state-run company will use the proceeds for land development, purchase of primary fuel and transportation. Ashuganj Power, the largest power plant of Bangladesh, now generates 1,690 megawatt.

- This power station plays a significant role in the national economic development by generating more than 12% of total demand for electricity in the country. Ashuganj Power Station is located near to the Titas Gas field and at the bank of river Meghna. As a part of the Power Sector Development and Reform Program of the government, Ashuganj Power Station was incorporated under the Companies Act 1994 on 28 June 2000.

<https://www.dhakatribune.com/business/2019/08/30/ipo-subscription-of-ashuganj-power-to-begin-september-23>

RMG, textile machinery imports fall by 11.04%

- Bangladesh's garment and textile machinery imports registered an 11.04% fall to USD 1.43 billion in the last fiscal year for lack of new investment in the primary textile and clothing industry. However, the overall imports of capital machinery in FY19 fell by 9.43% to USD 4.67 billion, which was USD 5.16 billion in the previous fiscal. According to Bangladesh Bank (BB) data, in the fiscal year 2018-19, Bangladesh imported textile and garment machinery worth USD 1.42 billion, down by 11.04%, which was USD 1.60 billion in the previous year. Imports of textile machinery saw an 18.40% decline to USD 663 million, while garment machinery imports plunged by 3.52% to USD 767.15 million.

- Industry people and the economists think that absence of new investment and downtrend in private credit growth caused by crisis in the banking sector dragged down the imports of capital machinery. On top of that, the national election at the end of 2018 was another reason for the down trend in imports as investors turned cautious at that time. According to BGMEA, the number of new factories registered with BGMEA in FY2017-18 was 82 which came down to 60 in 2018-19 fiscal. On the other hand, economists mention the crisis in banking sector as another reason, which has created cash crunch hindering new investments.

<https://www.dhakatribune.com/business/2019/09/01/rmg-textile-machinery-imports-fall-by-11-04>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.10	-1.61	-2.84%
Crude Oil (Brent)*	\$59.25	-1.24	-2.05%
Gold Spot*	\$1,520.38	-7.25	-0.47%
DSEX	5,095.78	-44.22	-0.86%
Dow Jones Industrial Average	26,403.28	+41.03	+0.16%
FTSE 100	7,207.18	+22.86	+0.32%
Nikkei 225	20,704.37	+243.44	+1.19%
BSE SENSEX	37,332.79	+263.86	+0.71%

Exchange Rates

USD 1 = BDT 84.52*
GBP 1 = BDT 102.82*
EUR 1 = BDT 92.89*
INR 1 = BDT 1.18*

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

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