

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.

Tax revenue receipts drop in July-August

- The Large Taxpayers Unit (LTU) saw a drop in revenue collection in the July-August period of the current fiscal year (FY), 2019-20. The revenue collection growth took a hit as two large sectors -- gas and tobacco -- have witnessed a decline of BDT17.63 billion in revenue receipts during the two months, compared to the same period of the last fiscal. Separately, the collection of value added tax (VAT) dropped 68.33% in the gas sector and 16.42% in the tobacco (cigarette) sector in the July-August of FY '20.

- The VAT collection in the gas sector has declined mainly due to withdrawal of Supplementary Duty (SD) from this sector, it said. About tobacco sector, the unit said the supply of cigarettes, except the low-cost brands, fell by 18.41% that affected the revenue collection. It also cited the increase of the slab-wise value in the budget as another reason behind the drop in the revenue collection from this sector. However, the supply of lower slab cigarettes increased by 1.15 billion sticks in the July-August period. The total tax incidence (TTI) and prices of other slabs of cigarettes are higher than that of the lower slabs of cigarettes, the LTU added. The LTU data show that some 7.23 billion sticks of cigarettes - including premium, high, medium and low segments -- were sold in the first two months of FY 2018-19 but the figure dropped to 5.90 billion in the current FY.

<http://today.thefinancialexpress.com.bd/first-page/tax-revenue-receipts-drop-in-july-august-1569778323>

<http://www.newagebd.net/article/86117/vat-rieceipts-from-big-cos-dip-by-16pc>

Development spending soars 52% in July-August

- Development spending was around 52.42 higher in the first two months of the current fiscal year thanks to the power division's outstanding performance in implementing the annual development programme (ADP). From July to August, the ADP-implementing entities were able to utilize BDT 96.26 billion while it was BDT 63.18 billion in the corresponding period last fiscal year.

- Power division alone utilized BDT 33.82 billion, which is around one third of the total expenditure and 11.83% of its total allocation of BDT 285.83 billion for the current fiscal year. The ADP's total outlay is BDT 2.15 trillion, of which 4.48% has been spent during the first two months, according to a monthly progress report of the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry.

- Local government, bridges and power divisions exceeded their average implementation rate while the remaining 12 ministries and divisions performed below their average. The civil aviation and tourism ministry stands out for not spending a single penny. The power, energy and mineral resources ministry spent only 0.15% of its allocation, industries 0.19% and housing and public works, shipping and railway less than 2%. Road transport and highways division could utilize 3.39%, while local government division spent 6.36% and bridges division 5.45% of their allocation. Of what has been implemented, 5.43% was government funds and 3.13% foreign aid -- up from 3.29% and 2.77% respectively last fiscal year.

<https://www.thedailystar.net/business/news/dev-spending-soars-52pc-jul-aug-1807210>

Government's bank borrowing: BDT 13.93 billion negative target set for October

- The government's net borrowing from the country's banking system is set to be negative in October, as it is scheduled to repay more than BDT 10 billion from surplus, officials said. The Ministry of Finance has set the net negative bank borrowing target at BDT 13.93 billion for the next month, according to the auction calendar issued by the Bangladesh Bank (BB) on Sunday.

- The government may take up to BDT 98 billion as gross borrowing from the banking system in October by issuing treasury bills (T-bills) and bonds. The government's net bank borrowing is set to be negative at BDT 13.93 billion by the end of October, after deducting BDT 111.93 billion as maturity amount of the government securities from the gross borrowing amount, according to the central bank officials.

<http://today.thefinancialexpress.com.bd/first-page/BDT-1393b-negative-target-set-for-oct-1569778246>

GSK stock falls following Ranitidine ban

- Stock price in GlaxoSmithKline (GSK) Bangladesh Ltd declined by BDT 18.2, or 1.06% at Dhaka Stock Exchange (DSE) after the Drug Administration banned Ranitidine tablets, a heartburn drug the raw materials of which are imported from India. On Sunday, Directorate General of Drug Administration temporarily banned marketing and sales of Ranitidine tablet imported from two Indian pharmaceuticals — Saraca Laboratories Ltd and Dr Reddy's Laboratories.

The Drug Administration also banned the production and marketing of Ranitidine tablets, mostly used to treat ulcers of stomach, using the raw materials from these two drug makers, Director General of the Drug Administration said. The ban decision came after an alleged detection of genotoxic nitrosamine NDMA, a cancer causing impurity, in the tablet.

- GSK Bangladesh Head of Communications said that, GSK has already decided to suspend the release, distribution and supply of all dose forms of Zantac products to all markets as a precautionary action pending the outcome of the ongoing tests and investigations. India recalled Ranitidine tablets from the market following an alleged detection of genotoxic nitrosamine NDMA by global and Indian regulatory authorities. Canada and France have already announced Zantac recalls. The US and the European Union are investigating it.

<https://www.dhakatribune.com/business/stock/2019/09/29/gsk-stock-falls-following-ranitidine-ban>

Bangladesh Telecommunication Regulatory Commission (BTRC) forms body to review 3 telecom companies' appeals

- The Bangladesh Telecommunication Regulatory Commission has formed a one-member committee to review the penalty it imposed on three mobile phone operators for improper maintenance of customers' biometric database.
- Under the rules, the committee will now review the issue, taking the explanations given by the mobile phone operators into consideration. The committee will then make its decision and the operators are supposed to know the decision within three days.

<http://www.newagebd.net/article/86120/btrc-forms-body-to-review-3-telcos-appeals>

Two banks to issue perpetual bonds

- One Bank will issue non-convertible perpetual bond (at floating rate) worth BDT 4.0 billion, according to an official disclosure on Sunday. The bank will issue the bond for raising fund to meet regulatory capital support of the bank under Tier-1, subject to the approval of the regulatory authorities - BB and Bangladesh Securities and Exchange Commission (BSEC), the disclosure said.
- The board of directors of Jamuna Bank has decided to raise fund against issuance of coupon-bearing non-convertible perpetual bond worth BDT 4.0 billion through private placement. The bank will issue the bond for raising fund as part of the additional Tier-I of revised regulatory capital framework for banks in line with Basel-III.

<http://today.thefinancialexpress.com.bd/stock-corporate/two-banks-to-issue-perpetual-bonds-1569774529>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.09	+0.18	+0.32%
Crude Oil (Brent)*	\$61.94	+0.03	+0.05%
Gold Spot*	\$1,492.17	-4.84	-0.32%
DSEX	4,975.74	+7.27	+0.15%
Dow Jones Industrial Average	26,820.25	-70.87	-0.26%
FTSE 100	7,426.21	+75.13	+1.02%
Nikkei 225	21,780.20	-98.70	-0.45%
BSE SENSEX	38,873.12	+50.55	+0.13%

Exchange Rates

USD 1 = BDT 84.51*
GBP 1 = BDT 103.85*
EUR 1 = BDT 92.41*
INR 1 = BDT 1.20*

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

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