

## Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.02%) gained 1.01 points and closed the week at 4,772.00 points. The blue-chip index DS30 (-0.23%) lost 3.92 points and stood at 1,675.10 points. The shariah based index DSES (+0.22%) gained 2.36 points and stood at 1,096.39 points. DSEX, DS30 and DSES all posted negative YTD return of -11.39%, -10.94%, and -11.07% respectively.

**Total Turnover During The Week (DSE):** BDT 15.5 billion (USD 185.9 million)  
**Average Daily Turnover Value (ADTV):** BDT 3.1 billion (Δ% Week: -1.2%)

**Market P/E:** 13.10x

### Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 0.23% in the first session. The market turned negative in the second session by 0.43%, and continued the negative trend by further 1.11% in the third session. Market turned around in the fourth session by 0.38%. and continued the positive trend in the last session with an upward movement of 0.96%.

### Sectoral Performance:

- The financial sectors showed negative performance during this week except Banks (+0.71%). Mutual Funds experienced the highest loss of 4.32% followed by General Insurance (-2.49%), NBFIs (-1.66%), and Life Insurance (-1.66%).
- The non-financial sectors showed mixed performance during this week. Power booked the highest gain of 5.70% followed by Telecommunication (+2.79%). Engineering experienced the highest loss of 1.84% followed by Food & Allied (-0.49%) and Pharmaceuticals (-0.46%).

### Macroeconomic arena:

- The country's economy has shown signs of sluggishness in three months (July-September) of the current fiscal year 2019-2020 as all major indicators, except remittance, performed poorly in the period. According to Export Promotion Bureau data, country's export earnings dropped by 2.94% year-on-year in July-September of FY20 to USD 9.64 billion from USD 9.94 billion in the same period of FY19 due to a global economic slowdown amid trade war between the US and China.
- The government on Monday slashed the source tax on export proceeds for all sectors, including readymade garment, to 0.25% from 1% following exporters' demand for the cut to make the country's exports competitive in the international market. Income tax wing of the National Board of Revenue issued a statutory regulatory order in this connection, making the new tax rate effective from the day (October 21).
- The country's readymade garment (RMG) export to major destinations including European Union, Canada and some other non-traditional markets witnessed negative growth during the first quarter (Q1) of the current fiscal year (FY 2019-20). However, the export to the United States of America during the July-September period witnessed a meager growth of less than 1.0%, according to data. Bangladesh fetched USD 4.94 billion from apparel exports to EU, marking a 3.21% negative growth compared to the earnings of USD 5.11 billion in the corresponding period of last FY.

### Stock Market arena:

- High Court yesterday issued a two-month injunction on the BTRC's move to realize money it says Grameenphone owes the government. The order came as a blow to the telecom regulator which was all set to appoint administrators at Grameenphone and Robi to run them and realize BDT 134.47 billion it claimed the carriers owed the government in "taxes, revenue shares, and late fees".
- City of London Investment Management Company (CLIM) has come down hard on the Bangladesh Securities and Exchange Commission for its decision to allow asset management firms to extend the tenure of closed-end mutual funds without securing approval from unitholders.
- The Investment Corporation of Bangladesh (ICB) has made a move to float another open-ended mutual fund to support the country's stressed capital market. As suggested, the initial size of the fund will be BDT 30 billion and ICB will be the fund manager.

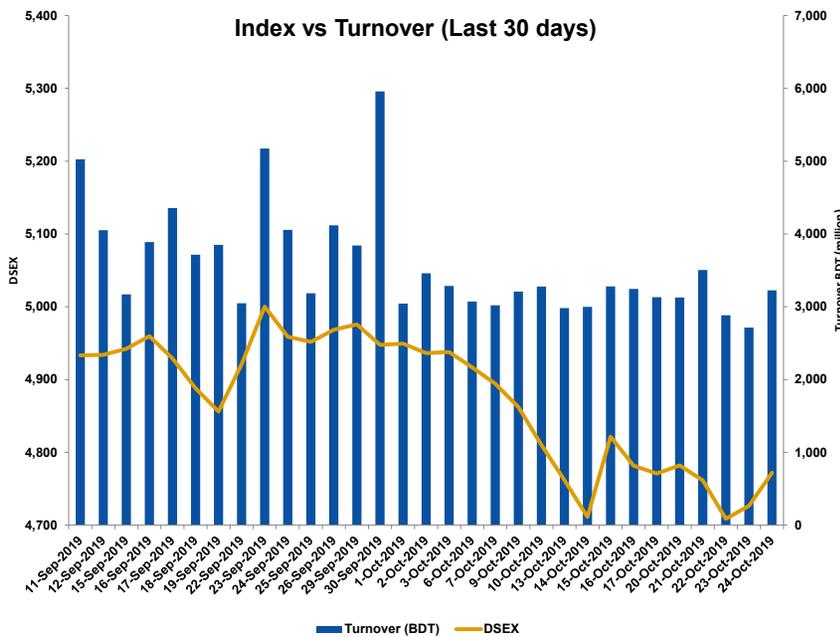
Table 1: Index

Index	Closing	Opening	Δ(Pts)	27-Dec-2018	Δ% Week	Δ%YTD
DSEX	4,772.00	4,771.00	1.01	5,385.64	0.02%	-11.39%
DS30	1,675.10	1,679.02	-3.92	1,880.78	-0.23%	-10.94%
DSES	1,096.39	1,094.03	2.36	1,232.82	0.22%	-11.07%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	17,930,584.8	17,989,654.6	-0.3%
	Mn USD	215,693.3	216,403.9	
Turnover	Mn BDT	15,455.6	15,638.7	-1.2%
	Mn USD	185.9	188.1	
Average Daily Turnover	Mn BDT	3,091.1	3,909.7	-20.9%
	Mn USD	37.2	47.0	
Volume	Mn Shares	514.2	483.6	6.3%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Emerald Oil Industries Ltd.	17.50	11.80	48.3%	1,045.0	28.63	153.7x	1.1x
United Power Generation & Distribution Company Ltd	293	254.20	15.1%	154,146.2	381.63	20.8x	10.5x
Malek Spinning Mills Ltd.	12.90	11.50	12.2%	2,497.4	32.18	14.0x	0.3x
IT Consultants Limited	40.00	36.10	10.8%	4,578.3	20.79	25.5x	3.3x
Padma Oil Co.	237.40	214.30	10.8%	23,320.5	86.79	6.7x	1.9x
Far East Knitting & Dyeing Industries Limited	11.60	10.50	10.5%	2,369.2	14.11	9.0x	0.7x
Esquire Knit Composite Limited	30.70	28.00	9.6%	4,141.3	42.41	12.0x	0.8x
IPDC	24.20	22.20	9.0%	8,552.8	34.21	14.3x	1.5x
Shahjalal Islami Bank	24.90	22.90	8.7%	23,242.2	65.55	15.3x	1.3x
Jamuna Oil	169.40	155.80	8.7%	18,705.9	79.05	7.0x	0.9x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Monno Jute Staffers	908.40	1,394.60	-34.9%	1,880.4	385.82	130.0x	76.7x
Safko Spinnings	13.30	17.10	-22.2%	398.8	33.40	94.3x	0.8x
Standard Ceramic	411.40	525.50	-21.7%	2,657.9	319.38	161.1x	32.4x
Chittagong Vegetable	96.80	116.90	-17.2%	2,443.7	24.31	265.9x	7.4x
Mithun Knitting	6.80	8.00	-15.0%	220.9	.99	NM	0.3x
Stylecraft Limited	527.20	616.90	-14.5%	2,661.8	178.36	64.3x	8.5x
Coppertech Industries Limited	22.00	25.70	-14.4%	1,320.0	114.30	32.2x	1.8x
Beacon Pharmaceuticals Limited	25.10	29.20	-14.0%	5,798.1	160.36	32.9x	2.0x
National Tubes	162.20	187.10	-13.3%	5,134.6	609.83	NM	0.9x
Generation Next Fashions Limited	3.30	3.80	-13.2%	1,633.4	29.50	4.7x	0.3x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
National Tubes	162.20	187.10	-13.3%	5,134.6	609.83	NM	0.9x
Grameenphone Ltd.	327.60	317.80	3.1%	442,358.3	412.45	12.7x	10.4x
Monno Jute Staffers	908.40	1,394.60	-34.9%	1,880.4	385.82	130.0x	76.7x
United Power Generation & Distribution Company Ltd	292.50	254.20	15.1%	154,146.2	381.63	20.8x	10.5x
Standard Ceramic	411.40	525.50	-21.7%	2,657.9	319.38	161.1x	32.4x
Sonar Bangla Ins	36.10	36.00	0.3%	1,445.5	309.34	21.6x	2.4x
The Premier Bank	11.90	11.70	1.7%	10,996.7	297.25	4.0x	0.7x
Square Pharmaceuticals	240.20	238.20	0.8%	189,519.8	268.04	15.0x	3.1x
Silco Pharmaceuticals Limited	36.10	35.80	0.8%	3,406.8	266.30	32.3x	0.0x
Paramount Insurance	25.50	25.80	-1.2%	847.2	234.45	24.3x	2.0x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Pragati Insurance	39.90	53.02%	2,617.1	13.6x
Marico Bangladesh Limited	1,743.60	45.28%	54,923.4	21.9x
Dutch-Bangla Bank	71.70	24.13%	35,850.0	8.0x
Power Grid Co. of Bangladesh Ltd.	59.40	23.75%	27,378.2	8.5x
Glaxo Smithkline	1,759.00	21.29%	21,189.7	72.9x
Singer Bangladesh	205.40	20.71%	20,479.0	19.8x
Pioneer Insurance	34.90	19.93%	2,442.3	8.5x
The Premier Bank	11.90	17.47%	10,996.7	4.0x
Bank Asia Ltd.	19.50	15.68%	22,735.2	10.1x
IFIC Bank	10.20	13.23%	16,522.7	6.4x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1361.28	1351.68	1428.63	0.71%	-4.71%
NBFIs	1566.74	1593.26	2087.55	-1.66%	-24.95%
Mutual Funds	593.11	619.92	644.52	-4.32%	-7.98%
General Insurance	1917.37	1966.33	1488.77	-2.49%	28.79%
Life Insurance	2014.87	2048.80	2251.96	-1.66%	-10.53%
Telecommunication	4580.60	4456.49	5088.05	2.79%	-9.97%
Pharmaceuticals	2736.82	2749.56	2698.49	-0.46%	1.42%
Fuel & Power	1745.44	1651.27	1745.15	5.70%	0.02%
Cement	1186.55	1186.62	1676.63	-0.01%	-29.23%
Services & Real Estate	836.16	852.97	1017.99	-1.97%	-17.86%
Engineering	2565.35	2613.53	2933.11	-1.84%	-12.54%
Food & Allied	13659.83	13727.62	15034.05	-0.49%	-9.14%
IT	1663.95	1634.31	1545.46	1.81%	7.67%
Textiles	1021.37	1038.85	1461.18	-1.68%	-30.10%
Paper & Printing	5234.05	5347.68	9105.21	-2.12%	-42.52%
Tannery	2065.76	2093.80	2560.38	-1.34%	-19.32%
Jute	13932.84	14610.67	21417.92	-4.64%	-34.95%
Ceramics	450.85	482.35	579.64	-6.53%	-22.22%
Miscellaneous	1902.12	1933.19	1943.42	-1.61%	-2.12%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	353.7	259.1	36.51%	12.04%	7.3x	0.8x
NBFIs	54.6	143.1	-61.84%	1.86%	26.0x	2.0x
Mutual Funds	97.7	276.2	-64.64%	3.32%	NM	0.5x
General Insurance	458.4	503.5	-8.96%	15.60%	14.0x	1.2x
Life Insurance	22.6	47.8	-52.62%	0.77%	NM	8.3x
Telecommunication	117.0	137.1	-14.65%	3.98%	13.1x	9.5x
Pharmaceuticals	360.9	408.8	-11.72%	12.28%	18.4x	2.5x
Fuel & Power	272.1	262.9	3.52%	9.26%	11.6x	2.0x
Cement	23.2	16.7	38.34%	0.79%	24.8x	2.2x
Services & Real Estate	22.2	34.0	-34.68%	0.75%	NM	0.7x
Engineering	454.6	521.0	-12.75%	15.47%	13.2x	1.5x
Food & Allied	114.3	92.3	23.76%	3.89%	27.5x	8.0x
IT	37.4	64.0	-41.52%	1.27%	20.1x	2.6x
Textiles	217.4	284.1	-23.49%	7.40%	13.7x	0.8x
Paper & Printing	6.2	10.9	-43.45%	0.21%	16.3x	1.4x
Tannery	63.4	108.1	-41.37%	2.16%	19.9x	2.3x
Jute	32.4	23.2	40.01%	1.10%	NM	6.4x
Ceramics	113.7	147.6	-22.97%	3.87%	17.6x	1.7x
Miscellaneous	116.4	176.7	-34.12%	3.96%	21.5x	1.1x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
International Leasing	5.40	-58.61%	1,197.8	23.7x
IFAD Autos Limited	48.10	-55.63%	11,928.3	8.5x
United Airways (BD) Ltd.	1.40	-51.72%	1,159.3	NM
Heidelberg Cement	176.50	-47.27%	9,972.9	23.6x
Aftab Automobiles Limited	27.40	-40.31%	2,623.1	14.8x
Lankabangla Finance	14.80	-35.37%	7,595.1	17.1x
IDLC Finance Ltd.	47.60	-31.71%	17,947.6	8.5x
AB Bank Limited	8.20	-31.67%	6,216.7	NM
ACI Limited	229.70	-29.58%	11,459.5	NM
Prime Finance	6.90	-27.37%	1,883.1	3.4x

**Important News: Business & Economy****Economy off to struggling start in FY20**

- The country's economy has shown signs of sluggishness in three months (July-September) of the current fiscal year 2019-2020 as all major indicators, except remittance, performed poorly in the period. Export earnings, import payment, private sector credit growth, revenue collection, development budget implementation, and financial market situation became worse or weak in the first quarter of FY20 compared with the corresponding period of last fiscal year 2018-19.
- Economists said that the performance on the major economic fronts in July-September indicated that the overall economy was slowing down with little hope of rebound as the overall situation was not good at all. They said that the government should immediately address some issues, including devaluation of the taka against the USD to make export competitive, crisis in financial market and revenue mobilization, to give a momentum to the economy. According to Export Promotion Bureau data, country's export earnings dropped by 2.94% year-on-year in July-September of FY20 to USD 9.64 billion from USD 9.94 billion in the same period of FY19 due to a global economic slowdown amid trade war between the US and China.
- Bangladesh's economy would be hit hard if the current trend of negative growth of export earnings continues till the end of this fiscal year, experts and traders said. Garment exporters said that the foreign orders received for the RMG products till December was not encouraging as major economies like the US, the UK and Germany were stuttering amid the ongoing US-China trade war and Brexit related uncertainties. The private sector credit growth hit a nine-year low in August at 10.68%, the lowest after September 2010 when it was 6.09% because of lack of appetite for loans on the part of industries.
- Liquidity crisis in the banks due to a slow deposit growth along with the advance deposit ratio adjustment-centric cautiousness of a section of the banks also caused the slump in the private sector credit growth. Only remittance inflow grew by 16.58% year-on-year following announcement of distribution of 2% cash incentive against inward remittance and stood at USD 4.51 billion in July-September of FY20 against the receipt of USD 3.87 billion in the same period of last fiscal year.

<https://www.dhakatribune.com/business/2019/10/16/graduation-to-developing-country-bangladesh-must-go-101-notches-up-by-2024-on-wb-s-business-index>

**Microcredit firms see growth hit 5-year low**

- The private sector credit growth through microcredit organizations dropped to a five-year low in last fiscal year of 2018-2019 amid an unpleasant investment situation in the country. In FY19, the private sector credit growth decreased to 11.4%, the lowest since FY 2013-14 when the growth rate was 8.8%, according to a Bangladesh Bank report released last week. The BB data showed that outstanding credit disbursement by the microcredit entities to the private sector increased to BDT 636.00 billion at the end of June, 2019 from BDT 570.00 billion at the end of June, 2018.
- Credit disbursement by the entities to the private sector grew by 23.1% in FY18, 24.5% in FY17, 27.2% in FY16 and 25.6% in FY15. Apart from the microcredit entities, a slowdown

in the private sector credit growth was also observed in banks and non-bank financial institutions. As per the latest BB data, the growth in the private sector credit disbursement by the banks dropped to 10.68% in August this year, the lowest after September, 2010 when it was 6.09%. In the case of the NBFIs, credit disbursement to the private sector plunged to an all-time low at 4.1% in last fiscal year.

- According to the BB data, the NBFIs had been maintaining double digit growth since 2002 except FY17 and FY19. In FY16, the growth in the NBFIs' credit disbursement to the private sector was 21.3% that dropped in the FY17 to 9.9%. Since the microcredit organizations are mostly dependent on banks' fund, they have been suffering from liquidity crisis due to the ongoing fund crisis in the banks, said experts. A rise in living costs also reduced people's savings capacity and that's why the microcredit farms were unable to receive accumulated savings which they issue as credit, they said.
- Apart from these, no improvement in the investment situation in the country was a major reason for the private sector credit growth fall, experts said. The BB data also showed that microfinance entity BRAC disbursed the highest — BDT 396.10 billion — in loans to the private sector in the fiscal year of 2018-2019 against its recovery of BDT 398.90 billion in the fiscal year.

<http://www.newagebd.net/article/88067/microcredit-firms-see-growth-hit-5-yr-low>

**Act promptly to fix banking ills: International Monetary Fund (IMF) South Asia division chief**

- The International Monetary Fund (IMF) has put forward a six-point recipe for Bangladesh to address its banking sector weaknesses. The recommendations include strong corporate governance, enforcing 'fit and proper criteria' for banks' directors, enhancing banking regulations, reforming state banks, tightening criteria for loan rescheduling or restructuring and enhanced legal system to accelerate loan recovery.
- The situation in the banking sector continues to deteriorate despite strong economic growth of Bangladesh, according to the South Asia division chief at IMF's Asia and Pacific department. In particular, total stressed advances, which include non-performing loans (NPLs), restructured and rescheduled credit, now exceed 20% of total lending, he added. Weak governance in the banking sector is one of the contributing factors behind these developments and has led sometimes to serious graft cases, the IMF official noted. He also laid emphasis on developing a well-functioning capital market to reduce the economy's dependence on bank financing. In this context, the ongoing reform of the national savings certificates should continue with changes in the pricing mechanism in future, he argued.

<http://today.thefinancialexpress.com.bd/first-page/act-promptly-to-fix-banking-ills-1571421501?date=19-10-2019>  
<https://www.thedailystar.net/backpage/news/imf-raises-alarm-1815850>

**Export of power to India unlikely to happen soon**

- An adviser to Prime Minister Sheikh Hasina felt that export of power to India might not be considered until economic implications and feasibility are found favorable. (Electricity)

export will make sense only if production costs, including financial charges, are lower than that of India, PM's economic affairs adviser said.

- Against its total generation capacity of 18,446 megawatt (MW), Bangladesh produced 11,666MW in the evening peak last Tuesday. The country planned to export surplus electricity since its overall electricity generation sometimes exceeds demand, officials said. Data shows power generation costs in India now stand at 3.05 rupees equivalent to BDT 3.64 per unit. On the other hand, Bangladesh spends BDT 6.25 on generating per-unit power. Currently, it imports 1,160MW from India to meet local demand at the cost of more than BDT 6.0 per unit. The country imports 1,000MW through Bheramara and 160MW through Tripura.

- During off-peak hours of winter season, officials said, Bangladesh's volume of surplus electricity reaches almost two-thirds of the overall power generation capacity. A good number of power plants have now remained idle due to low electricity demand in the country. Moreover, the first unit of 1,320MW coal-fired power plant at Payra under Patuakhali district is likely to begin electricity generation by December this year. The first unit will add 660MW of electricity to the national grid then, followed by the second unit in June next year, according to officials said.

<http://today.thefinancialexpress.com.bd/first-page/export-of-power-to-india-unlikely-to-happen-soon-1571421641?date=19-10-2019>

### **Korean company keen to build industrial park in Bangladesh**

- South Korean industrial infrastructure developer Korea Industrial Complex Corporation (KICC) wants to develop an industrial park for housing 100 Korean companies operating in Bangladesh. The KICC wants to shift its focus from Myanmar to Bangladesh because of the presence of better utility services and infrastructure here, said the Executive Chairman of Bangladesh Economic Zones Authority (BEZA).

- The officials of BEZA and the KICC will sit between November 4 and 6 in Dhaka to discuss ways to set up the industrial park, the Executive Chairman said. The KICC has been developing two industrial parks at Bago and in Mun state in Myanmar since 2013. Many Korean companies which are already present in Bangladesh want to expand their business here and they need a separate industrial park, he said. For instance, Korean mobile phone manufacturing giant Samsung wants to expand its operations in Bangladesh, as it is now manufacturing mobile phone sets in collaboration with a local company. The Korean government also said they will help in construction of 10,000 ICT centres across Bangladesh

<https://www.thedailystar.net/business/global-business/news/korean-company-keen-build-industrial-park-bangladesh-1815253>

### **Defaulters rush to state banks to reschedule loans**

- Five state-owned commercial banks have received nearly 80% of loan rescheduling applications as defaulters rush to regularize their credits on easy terms under a special facility extended by the central bank. Around 4,000 loan rescheduling proposals have been submitted as of yesterday, the last day for sending in the applications as per the latest

deadline, according to the officials of the banks. The number of applications may go up further as the High Court yesterday extended the deadline by a month.

- Of the lenders, five state-run commercial banks Sonali, Janata, BASIC, Agrani and Rupali received more than 3,000 proposals. While the state-run banks were flooded with the rescheduling applications, the picture was opposite for private banks as they were not much interested about offering the wholesale facility to the defaulters. The bank received more than 700 proposals involving around BDT 100.00 billion, including BDT 30.00 billion for AnonTex Group.

- Troubled BASIC Bank received more than 500 applications involving loans amounting to BDT 23.00 billion, an official of the bank said. On May 16 this year, the Bangladesh Bank issued a circular allowing borrowers who got defaulted by December last year to reschedule their loans for 10 years, by giving a down payment of only 2% instead of the existing at least 10%. The BB also capped the maximum interest rate at 9%, down from the existing rate of 10-14%. Also, based on a bank's relationship with a client, the accrued interest on the defaulted loan can be waived, leaving the defaulter to pay only the principal amount with the new interest rate of 9%.

- The amount would be nearly BDT 2.0 trillion if the delinquent loans of 675 large borrowers—who obtained stay order from the High Court on their default status—are taken into account. There are concerns that the reported NPLs are underestimated considering significant under-provisioning, regulatory forbearance and legal loopholes, it said. Cases involving BDT 792.42 billion were pending at courts as of January 10.

<https://www.thedailystar.net/business/news/defaulters-rush-state-banks-reschedule-loans-1816585>

<http://www.newagebd.net/article/88297/5-sobs-receive-over-3000-pleas-for-spl-loan-rescheduling>

### **No fresh loans to defaulters in one month**

- The High Court on Sunday ordered the Bangladesh Bank and other banks not to allow the loan defaulters to take out fresh credit for the next one month or until the disposal of the writ petition.

- Meanwhile, the hearing continues on a Bangladesh Bank circular that allowed defaulters to reschedule their loans extending the repayment period to 10 years while securing new loans.

- Following a writ petition filed by the rights group, the High Court on May 21 issued a status quo until June 24 on the central bank's May 16 circular that allowed defaulters to reschedule their defaulted loans up to 10 years and to further loans by making a down payment of just 2.0% of the total loan. On June 24, the HC extended its May 21 order for the next two months. After hearing an appeal petition filed by the Finance Ministry, the Appellate Division's Justice on July 3 stayed the HC order until July 8 and sent it to the SC full bench.

<https://today.thefinancialexpress.com.bd/first-page/no-fresh-loans-to-defaulters-in-one-month-1571592807>

## **Bangladesh Financial Intelligence Unit (BFIU) receives 1.41 million reports on cash transactions in July**

- The scheduled banks submitted reports on cash transactions of over 1.416 million to Bangladesh Financial Intelligence Unit (BFIU) in July, officials said. Beside, reports on suspicious transaction numbering 358 were submitted to the BFIU in September. Primarily, the central bank did not find any terror financing or money laundering links to the reports it received. But the reports were being reviewed intensively for any such links, they added. Banks have to report to the BB if an amount of BDT 1.0 million or above is deposited in or withdrawn from a particular account on a single day.
- Banks submitted 14.70 million CTRs in the fiscal year (FY) 2017-18 and non-banking institutions only 2,330, according to the available annual report of BB. The BFIU's annual report showed that the total number of STRs and SARs climbed to 3,878 in FY '18 against 2,357 in FY '17. Of the total reports submitted in FY '18, the numbers of STRs and SARs were 2,069 and 1,809 respectively. The figures were 1,267 and 1,090 respectively in FY '17. It received the highest number of STRs in August 2017 and most SARs only a month ago in July. However, the volume of suspicious transactions decreased in the last one year. It was BDT 9217.50 million in FY '18 against BDT 11637.70 million in the previous FY.
- The country's banking system has an estimated 124 million accounts. The 2019 Global Financial Integrity report on illicit financial flows to and from developing countries showed that at least USD 5.90 billion flew out of Bangladesh in 2015 through misinvoicing in international trade with advanced economies. Illicit inflows from other countries to Bangladesh stood at USD 2.8 billion in 2015, it also revealed. The 2017 report showed that annual average illicit capital outflow from Bangladesh stood at USD 7.58 billion during 2005-2014, and the amount was USD 9.10 billion in 2014.

<https://today.thefinancialexpress.com.bd/trade-market/bfiu-receives-141m-reports-on-cash-transactions-in-july-1571591132>

## **Mirsarai Economic Zone set to open next month**

- One factory will go into operation at the Mirsarai Economic Zone (MEZ) next month and another five by June next year as the country's largest industrial enclave is all set to open its doors to both local and foreign entrepreneurs. Jinyuan Chemical Industry Ltd, a Chinese company which exports chemical products to the US and Canada, will be the first company to begin operations in the economic zone. The MEZ will be the first public economic zone to go into operation as part of the government plan to set up 100 industrial enclaves across the country to give a boost to industrialisation.
- The chairman of Jinyuan Chemical Industry shifted her factory from China to Bangladesh in order to lessen tariff burden while exporting products to North America. Her first aim is to avoid the impacts of the US-China trade conflict and make my products competitive, she said. Five more factories will go into operation in the zone by June next year, the executive chairman of the Bangladesh Economic Zones Authority (Beza), said. The factories are Modern Syntex, Bangladesh Auto Industries Ltd (BAIL), Nippon & McDonald Steel Industries Ltd, Asian Paint, and Arman Haque Denim Ltd.
- Local automobile company BAIL will start producing electric vehicles at the plant for the

local market by July, BAIL Chairman said. The construction of the road connecting the zone with the Dhaka-Chattogram highway and the roads inside the zone will be completed by the dry season. So far, the agency has received investment proposals involving more than USD 12 billion from local and foreign investors for the zone. Globally reputed companies Sojitz Corporation of Japan, Wilmar of Singapore, and Adani Group of India will invest in the zone. It hopes that the zone will create at least 1.5 million to 2.0 million jobs when it will be fully up and running by 2030. The government plans to set up 100 new economic zones to generate 10 million new jobs, earn USD 40 billion in additional exports and attract USD 20 billion in FDI, all by 2030.

<https://www.thedailystar.net/business/news/mirsarai-economic-zone-set-open-next-month-1816582>

## **Cost-to-Income ratio: Southeast, Bank Asia most efficient, profitable lenders**

- Southeast Bank is the most profitable and efficient lender in Bangladesh followed by Bank Asia while Dutch-Bangla Bank is the least, according to an analysis of different banks' cost-to-income ratio. Last year, Southeast's cost-to-income ratio was less than 35%, meaning that it had to spend BDT 35 for BDT 100 operating revenues. Bank Asia had the next best ratio of 43%, followed by Eastern Bank at 45.63%.
- The cost-to-income ratio shows a bank's operating costs (administrative and fixed costs) in relation to its operating income. The higher ratio generally indicates lower efficiency, but a number of factors can affect the ratio, including a bank's business model, its size and the overall investment climate of a country, according to bankers. A general rule of thumb is that any figure above 50% refers to inefficiency. But almost all the banks in Bangladesh fall in this category.
- Dutch-Bangla Bank's ratio was the highest at 68%, followed by Brac Bank at 64% (consolidated).
- According to the S&P Global Market Intelligence report, Bangladeshi banks' average cost-to-income ratio was 55.25% in 2018, higher than those in China, Thailand, India and Vietnam.
- Managing Director of Mutual Trust Bank, which has lowered its cost-to-income ratio by four percentage points to 50% last year, said they have brought every expense under control except salary payments.

<https://www.thedailystar.net/business/news/southeast-bank-asia-most-efficient-profitable-lenders-1817104>

## **Source tax on exports cut to 0.25% for all sectors**

- The government on Monday slashed the source tax on export proceeds for all sectors, including readymade garment, to 0.25% from 1% following exporters' demand for the cut to make the country's exports competitive in the international market. Income tax wing of the National Board of Revenue issued a statutory regulatory order in this connection, making the new tax rate effective from the day (October 21). The reduced tax rate will remain effective up to June 30, 2020, according to the SRO.

- Due to the reduction in the export tax, the revenue board will get at least BDT 20 billion less in tax from the apparel sector which accounts for more than 83% of the country's total export earnings, they said. NBR officials said that the NBR received BDT 18.02 billion from apparel exporters in last fiscal year FY 2018-19. In three months (July-September) of the current fiscal year 2019-20, source tax on export earnings at 1% stood at BDT 5.17 billion from the sector. The NBR reduced source tax on export earnings twice in last fiscal year — initially to 0.60% from 1% and finally to 0.25% — following demand from apparel makers.

- As per income tax law, the regular rate of source tax on export earnings is 1%, which was reinstated in the budget for the current fiscal year 2019-2020 after the expiry of the reduced tax rate facility on June 30. After reinstating the source tax at 1%, different trade bodies particularly BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association demanded a cut in the source tax to facilitate exports.

<http://www.newagebd.net/article/88358/source-tax-on-exports-cut-to-025pc-for-all-sectors>  
<https://www.thedailystar.net/business/news/source-tax-exports-slashed-025pc-1817089>

### **RMG export to major destinations witnesses negative growth in Q1**

- The country's readymade garment (RMG) export to major destinations including European Union, Canada and some other non-traditional markets witnessed negative growth during the first quarter (Q1) of the current fiscal year (FY 2019-20). However, the export to the United States of America during the July-September period witnessed a meager growth of less than 1.0%, according to data. Apparel exporters attributed to a number of factors including sluggish EU economy, the trade tension between China and US and recent declining price trend of raw materials, especially cotton and yarn, for the poor performance of the RMG exports.

- Bangladesh fetched USD 4.94 billion from apparel exports to EU, marking a 3.21% negative growth compared to the earnings of USD 5.11 billion in the corresponding period of last FY. About 61.43% of the total RMG exports (USD 8.05 billion) shipped to EU during the period. US imports of apparel items from Bangladesh during the first quarter grew by 0.46% to USD 1.49 billion. US accounted for 18.50% of the country's total apparel exports. The country fetched USD 255.22 million from garment exports to Canada which is 1.55% lower than the shipment of the corresponding period of last fiscal.

- When asked, BGMEA president said the number of work orders had declined followed by global impacts like falling consumption, China and US trade tension, and devalued currencies in major competitor countries. The country is facing tough competition with Vietnam and Vietnam is getting a fair share of orders, she noted.

<https://today.thefinancialexpress.com.bd/trade-market/rmg-export-to-major-destinations-witnesses-negative-growth-in-q1-1571673915>  
<http://www.newagebd.net/article/88360/q1-exports-drop-in-major-markets-grow-slightly-in-us>

### **Chinese firm to invest USD 2 million in Chattogram EPZ**

- An agreement was signed between Bangladesh Export Processing Zones Authority

(Bepza) and a Chinese company yesterday for implementing the latter's plan to invest USD 2 million to establish a factory inside Chattogram Export Processing Zone. Yifa Jute & Sisal Products plans to annually produce 1,000 tonnes of rope and 1,500 tonnes of twine alongside cloth from jute and sisal employing some 101 Bangladeshis. It also plans to make such products from Manila hemp and cotton.

<https://www.thedailystar.net/business/news/chinese-firm-invest-2m-ctg-epz-1817092>

### **Phenomenal rise in industrial sector NPL**

- The volume of classified loans, belonging to the industrial sector, jumped by more than 48% in the fiscal year (FY) 2018-19. The main reason for a big leap was attributed mainly to the addition of certain volume of rescheduled loans that turned classified again to the fresh default loans. Slower repayment by borrowers, particularly by influential ones, has also pushed up the amount of non-performing loans (NPLs) in the sector, bankers said. Non-performing loans (NPLs) in the industrial sector rose to BDT 572.01 billion in FY'19 from BDT 384.99 billion in the previous fiscal, according to the central bank's latest statistics.

- In some cases, borrowers have been unable to repay their instalments properly as their industries suffered due to lack of utility services particularly gas and electricity, the senior banker added. MD and CEO of Pubali Bank Limited said a portion of rescheduled loans had turned classified again mainly for not maintaining the repayment schedule properly. He further said most restructured large loans have also turned classified. This has also pushed up the volume of NPLs. The central bank had cleared proposals from 11 business groups for restructuring their large loans amounting to around BDT 153.26 billion.

<https://today.thefinancialexpress.com.bd/first-page/phenomenal-rise-in-industrial-sector-npl-1571767050>

### **Government in final stage to issue first SME policy**

- The government is in the final stage to issue the country's first SME policy with some key provisions including establishment of an incubation centre to develop entrepreneurs, officials said. It also includes arranging collateral free loans at single-digit interest rates for the entrepreneurs. The policy emphasizes expansion of skill development education and training programmes for small and medium enterprises (SMEs) as many could not sustain for lack of such trainings and education programmes. Considering the tax hurdles, the policy also recommends simplification and rationalization of SME tax policy, investment and revenue incentives for export-oriented SME sector. The new policy also has a target to increase the contribution of the SME sector to the gross domestic product to 32% from 25%.

<https://today.thefinancialexpress.com.bd/trade-market/govt-in-final-stage-to-issue-first-sme-policy-1571765518>

### **Special loan rescheduling: Bangladesh Bank allows banks to decide on pleas received**

- The Bangladesh Bank on Wednesday allowed banks to take measures regarding the applications for special loan rescheduling and one-time exit facility they have already

received from loan defaulters. However, the banks would not be allowed to receive fresh applications for such facility.

- A BB circular issued following a court order said that the banks, however, would be allowed to take measures until the disposal of a writ petition on November 19 this year, whichever comes first. The banks would not be allowed to accept any fresh application for loan rescheduling or one-time exist under the special Bangladesh Bank circular issued on May 16 this year. The BB also clarified that none would be allowed to take fresh loan after accepting the facility.

- The government has taken the loan rescheduling initiative with a view to reducing defaulted loans that accounted for 11.69% or BDT 1.12 trillion of the banks' BDT 6.92 trillion outstanding loans, but the policy drew huge criticisms from different quarters.

<http://www.newagebd.net/article/88565/bangladesh-bank-allows-banks-to-decide-on-pleas-received>  
<https://www.dhakatribune.com/business/banks/2019/10/23/special-loan-rescheduling-banks-asked-not-to-allow-fresh-applications>

### **Tobacco Industry Interference Index: Bangladesh ranks third among 33 countries, study finds**

- Bangladesh has ranked third among 33 countries in terms of interference of tobacco companies in government action regarding tobacco control, finds a study. The country scored 77 points in the parameters of interference intensity behind Japan with 88 points in the first place and Jordan with 79 points in the second position, according to the study. The study, titled "Global Tobacco Industry Interference Index 2019", is an initiative of South-East Asia Tobacco Control Alliance -- a coalition of anti-tobacco organizations -- which has been conducted with support of Bloomberg Philanthropies and Global Centre for Good Governance in Tobacco Control (GGTC).

- The tobacco companies mostly interfere in taxation, tobacco pricing and policymaking activities of the government by influencing its top officials and ministries, said the Head of Tobacco Control of PROGGA.

- The study said the interference in Bangladesh gets a new dimension as the government owns some shares of British American Tobacco Bangladesh, the country's largest tobacco company.

- The study was conducted focusing on the implementation progress of the Article 5.3 of World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) in 2004. In the article, WHO asks all governments -- including Bangladesh which ratified the FCTC -- to stay free of interference of the tobacco industry while taking measures for tobacco control. To overcome the interference, the study suggested that the government immediately part ways with tobacco companies by withdrawing the shares from British American Tobacco Bangladesh.

<https://www.thedailystar.net/city/news/bangladesh-ranks-third-among-33-countries-study-finds-1818058>

### **Bangladesh lowest in bank soundness in South Asia**

- Bangladesh's ranking in soundness of banks is the lowest among the South Asian countries — a fact which experts blame on irregularities and lack of good governance in financial sector. According to the "Global Competitiveness Report 2019", Bangladesh scored 38.3 out of 100 and ranked 130th out 141 countries in soundness of banks. In defining banks' soundness, weak monitoring, growing default loans, lack of good governance, balance sheets and availability of funds, and capacity to repay have taken into consideration.

- As per the report, India scored 60.4 and ranked 89th followed by Pakistan ranking 93rd, Sri Lanka 94th and Nepal 106th. Finland topped the bank soundness chart scoring 95.5, while Singapore ranked second scoring 91.2 score and Hong Kong got the third position scoring 90.8.

<https://www.dhakatribune.com/business/banks/2019/10/23/bangladesh-lowest-in-bank-soundness-in-s-asia>

### **US cotton traders eye growing market share in Bangladesh**

- Bangladesh's cotton consumption will continue to grow in the near future because of higher shipment of garment items stemming from the US-China trade war and for higher demand for natural fibre by Western consumers, said a top official of Cotton USA, an association of American cotton growers and traders.

- Between 2015 and 2017 Bangladesh imported 226,000 bales of cotton each year, but the quantity tripled last year to 785,000 bales (one bale equals to 282 kilogram). Last year, Bangladesh imported 8.28 million bales of cotton worth USD 3 billion. Currently, Bangladesh imports 11% of its annual total requirement of cotton from the US, which was nearly 4% even three years ago. Globally, the production of cotton will remain more or less 120 million bales in the next year, executive director of Cotton Council International (CCI), a platform of Cotton USA, said.

- The Executive director of CCI mentioned three specific challenges to cotton trade in Bangladesh: double fumigation of US cotton in Bangladesh, logistic problems like longer shipment time from the US and marketing for higher cotton trade in Bangladesh.

<https://www.thedailystar.net/backpage/news/gp-robi-administrator-ficci-worried-govt-move-1817389>

<https://today.thefinancialexpress.com.bd/trade-market/us-cotton-traders-eye-growing-market-share-in-bangladesh-1571852229>

### **Foreign funds sought for Delta Plan**

- The government sought financial support from the development partners to implement the ambitious Delta Plan that would need USD 37 billion by 2030 for ensuring food and water security and fighting disasters. The Planning Commission shared the plan with the development partners at the National Economic Council (NEC) conference room at Sher-e-Bangla Nagar in the city yesterday.

- Of them, 65 would be infrastructure projects and 15 aimed at enhancing institutional capacity, efficiency and research. The required fund for the projects would come from the government, Green Climate Fund, development partners, foreign direct investment and the private sector.

- At present, the government spends 0.8% of the GDP for Delta management projects and programmes. To implement the plan, 2% of the GDP would be required. Bangladesh is likely to get USD 2 billion assistance from the Green Climate Fund every year. Besides, about 0.5% from the private sector's annual income could be added to the Delta Plan fund. Coastal, Varendra (Barind) and drought-prone, haor and flood-prone, Chittagong Hill Tracts, riverine and urban are the six areas to be given priority by the Delta Plan.

<https://www.thedailystar.net/business/news/foreign-funds-sought-delta-plan-1817917>

### **'We want to continue investing in Bangladesh': Says US envoy**

- The US Ambassador to Bangladesh has said that the United States wants companies like Chevron and others to continue to invest in Bangladesh. We want to introduce new technologies into the economy, bringing shared prosperity to more and more people -- benefiting both countries, the ambassador said while talking to journalists in Sylhet yesterday morning.

<https://www.thedailystar.net/city/news/we-want-continue-investing-bangladesh-1818085>

### **Steel sees up to 75% VAT cuts**

- The National Board of Revenue (NBR) has slashed the value-added tax (VAT) on steel products by as much as 75% in a bid to contain the prices of the key construction material. In a notification on October 13, the revenue administration said it fixed specific VAT on mild steel (MS) products at BDT 500 per tonne, down from BDT 1,200 fixed at the beginning of the fiscal year. In the same vein, it fixed BDT 500 VAT on MS products made from billet/ingot and meltable scrap, down from BDT 2,000 each tonne previously. The NBR also imposed BDT 1,000-1,200 as specific VAT on raw materials of steel: ferro-manganese, ferro-silico-manganese alloy and ferro-silicon alloy. The products previously had 5% VAT.

- The reduction in specific amount of VAT is meant to contain the price spike of construction material, said an official of the NBR.

- Apart from rod, the NBR also reduced VAT on cement sheet to 5% and on credit rating agency to 7.5% from 15% at the beginning of the fiscal year.

<https://www.thedailystar.net/business/global-business/news/steel-sees-75pc-vat-cuts-1815244>

<http://today.thefinancialexpress.com.bd/first-page/nbr-cuts-taxes-on-ms-products-cement-sheet-1571336101?date=18-10-2019>

### **Important News: Capital Market**

#### **High Court stays Bangladesh Telecommunication Regulatory Commission (BTRC) bid to make Grameenphone pay**

- High Court yesterday issued a two-month injunction on the BTRC's move to realize money it says Grameenphone owes the government. The order came as a blow to the telecom regulator which was all set to appoint administrators at Grameenphone and Robi to run them and realize BDT 134.47 billion it claimed the carriers owed the government in "taxes, revenue shares, and late fees". The HC bench yesterday issued the injunction against the Bangladesh Telecommunication Regulatory Commission's move to realize nearly BDT 125.8 billion from Grameenphone, the carrier with the largest number of users in Bangladesh. Grameenphone maintains that the amount claimed by the BTRC is "disputed". The HC bench fixed November 5 for hearing Grameenphone's appeal regarding the matter.

- Posts and Telecommunication Minister went on to say that the government would now take the help of the attorney general's office, possibly on Sunday, to have the injunction vacated. The government is ready to appoint the administrators as per the rules of the telecom act, he said. The minister claimed that his ministry had sent the approval to the BTRC for appointing the administrators. BTRC Chairman yesterday afternoon said he had no idea about the court order and that they would continue with their work to appoint the administrators until they received the court order.

- A lawyer for Grameenphone said the BTRC on April 2 sent a letter demanding BDT 125.79 billion from the carrier as "tax, revenue share, and late fees". He said 27 items in the letter were illogical. Head of regulatory affairs and acting head of communications at Grameenphone said that they would like to reaffirm their commitment to reaching a transparent and amicable resolution to the disputed BTRC audit claim through a constructive dialogue.

<https://www.thedailystar.net/frontpage/news/hc-stays-payment-gp-audit-claim-1815382>

<https://www.dhakatribune.com/bangladesh/government-affairs/2019/10/17/govt-clears-appointment-of-administrators-for-gp-robi>

<http://today.thefinancialexpress.com.bd/first-page/btrc-gets-green-light-1571336050?date=18-10-2019>

<http://www.newagebd.net/article/87948/hc-issues-injunction-on-realising-BDT-12-579cr-in-dues-from-gp>

#### **Overseas investors furious over extension of mutual fund's tenure**

- City of London Investment Management Company (CLIM) has come down hard on the Bangladesh Securities and Exchange Commission for its decision to allow asset management firms to extend the tenure of closed-end mutual funds without securing approval from unitholders.

- As of 30 September 2019, CLIM's assets under management stood at USD 5.3 billion and it has substantial holdings in some of the closed-end mutual funds of Bangladesh to block a legal extension of tenure, said Investment Analyst of CLIM. The closed-end mutual fund industry will suffer lasting damage unless the actions are reversed and the rule of law is reasserted to protect investors' rights ahead of the interests of asset managers and related

parties, he added.

<https://www.thedailystar.net/business/news/overseas-investors-furious-over-extension-mutual-funds-tenure-1816213>

### **Omera Petroleum to hold IPO road show today**

• Omera Petroleum Limited (OPL), country's largest LPG operator will hold its IPO (initial public offering) road show today (Sunday) as part of the process of going public under the book building method. The company will raise capital from the stock market for partial repayment of loans, purchasing an ocean going ship and infrastructure development. According to the company officials, the OPL will require a capital worth around USD 29 million for infrastructure development and purchasing a ship. The OPL is also a subsidiary of MJL Bangladesh with a combined capacity of 100,000 MT per year.

<https://today.thefinancialexpress.com.bd/stock-corporate/omera-petroleum-to-hold-ipo-road-show-today-1571500473>

### **Subscription allowed till November 18 for Ashuganj Power bond**

• The securities regulator has extended the timeframe for public subscription of the bond to be issued by Ashuganj Power Station Company (APSC) till November 18 next. The subscription period has been extended as the public subscription was not completed within the stipulated timeframe fixed previously. As per the regulatory approval, the APSC will raise a capital worth BDT 1.0 billion to conduct different development works including the land development. The company will raise the capital by issuing bond through initial public offering (IPO).

• After listing, the bond of the APSC will be traded like the perpetual bonds listed on the Dhaka Stock Exchange. The characteristics of the bond of the APSC will be non-convertible, fully redeemable and coupon bearing with a face value of BDT 5000 per unit. The tenure of the bond will be seven years. The APSC will raise the capital to bear the costs of land development, civil works, initial fuel, engineering and consultant service, and the purchase of vehicles.

<https://today.thefinancialexpress.com.bd/stock-corporate/ashuganj-power-bond-1571500557>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) appeals against HC injunction**

• The Bangladesh Telecommunication Regulatory Commission on Sunday filed an appeal against the High Court's injunction for two months on realisation of BDT 125.79 billion in audit claim from mobile operator Grameenphone by the telecom regulator. The BTRC in its appeal also prayed to the Appellate Division for staying the injunction.

• BTRC officials said that if the commission got positive result from its appeal with the AD, the BTRC would further proceed with its move to appoint administrators to the mobile operators to realise the claims.

<http://www.newagebd.net/article/88298/btrc-appeals-against-hc-injunction>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) seeks ministry nod for telcos single licensing system**

• The telecom regulator has sought government approval to scrap the current multiple licensing regime for mobile operators, and introduce single licensing system to reduce operational complexity. The Bangladesh Telecommunication Regulatory Commission (BTRC) last week sought the approval from the Posts and Telecommunication Ministry. BTRC Chairman said that introduction of single licensing system would reduce hassle for all related parties.

• BTRC officials have said that currently a mobile phone operator has to maintain one generic licence for operating as a mobile phone entity, two licences for running 2G services, two for 3G services and two other licences for rendering 4G services. The single licensing will come into effect from the date of licence issuance and remain valid till February 18, 2033, subject to the renewal of spectrum, says the draft guideline. Under the proposed licensing guidelines, mobile phone operators will be allowed to provide nine types of services including 2G, 3G, and 4G cellular mobile phone services.

• Annual licence fee for the single licence in the draft guidelines has been proposed at BDT 100 million along with 5.5% revenue sharing and 1% contribution to social obligation fund. The Association of Mobile Telecom Operators Bangladesh welcomed the BTRC's move. In June last year, BTRC initiated the move for unified licensing for the mobile phone companies and prepared the draft guideline in August this year.

<https://www.dhakatribune.com/business/2019/10/20/btrc-seeks-ministry-nod-for-telcos-single-licensing-system>

### **Settle disputes with GP, Robi: Prime Minister's ICT Affairs Adviser**

• Prime Minister's ICT Affairs Adviser yesterday asked the authorities concerned to settle the dispute over the telecom regulator's claim that Grameenphone and Robi owe the government BDT 134.46 billion. During a meeting with officials the ICT adviser said he would prefer an out-of-court settlement, said an official who attended the meeting. The meeting was attended by officials of the carriers, National Board of Revenue (NBR), and Bangladesh Telecommunication Regulatory Commission (BTRC). A number of options have been discussed to resolve the ongoing battle, but no decision was made, officials said.

• The Telecom Minister said the government has been trying to diffuse tension between the two companies and the telecom regulator. We will not do anything that may hurt foreign direct investment to the country, he said. In the next few days, representatives of the NBR, BTRC, and the two companies will hold several meetings and prepare a framework to solve the crisis, sources said. The ICT advisor is scheduled to meet officials of the telecom division today where he is likely to discuss the issue.

<https://www.thedailystar.net/frontpage/news/settle-disputes-gp-robi-1817053>  
<http://www.newagebd.net/article/88361/govt-again-moves-to-resolve-audit-dispute-with-gp->

[robi-thru-talks](https://www.dhakatribune.com/business/2019/10/21/joy-moves-to-resolve-audit-dispute-with-gp-robi)

<https://www.dhakatribune.com/business/2019/10/21/joy-moves-to-resolve-audit-dispute-with-gp-robi>

## **GP dues: hearing on Bangladesh Telecommunication Regulatory Commission (BTRC) plea October 24**

• The Appellate Division of the Supreme Court on Monday fixed October 24 for hearing on a petition filed by Bangladesh Telecommunication Regulatory Commission (BTRC), seeking a stay on the High Court order. On October 17, the High Court issued an ad-interim injunction for two months against realization of BDT 125.79 billion from Grameenphone by BTRC. The High Court bench passed the order after admitting an appeal filed by GP, challenging a lower court order that rejected its application seeking a directive on BTRC, asking not to realize the demand and not to harass GP. The court also fixed November 05 for hearing the appeal filed by GP.

<https://today.thefinancialexpress.com.bd/last-page/hearing-on-btrc-plea-oct-24-1571681274>  
<http://www.newagebd.net/article/88363/realising-audit-claim-from-gp-ad-to-hear-plea-against-hc-injunction-thursday>

## **Omera, JMI Hospital to go public**

• Omera Petroleum, a subsidiary of Mobil Jamuna Bangladesh, plans to raise BDT 2.38 billion from the stock market to expand its liquefied petroleum gas (LPG) business.

• On the same day, JMI Hospital Requisite, a subsidiary of JMI Group, organized a road show at the Bangabandhu International Convention Centre to raise BDT 750 million under the book-building method. Managing Director of JMI Hospital Requisite, said the demand for medical devices in domestic and global markets are increasing rapidly. To meet the demand, JMI has taken the initiative to create new devices. It will increase the business in the sector, he said.

<https://www.thedailystar.net/business/news/omera-jmi-hospital-go-public-1817098>  
<https://www.dhakatribune.com/business/2019/10/21/omera-holds-road-show-to-raise-BDT238cr>

## **Grameenphone-Robi Administrator: Foreign Investors' Chamber of Commerce and Industry (FICCI) worried at government move**

• The Foreign Investors' Chamber of Commerce and Industry (FICCI) has expressed deep concern over the government's move to appoint administrators for Grameenphone and Robi to realize their dues of BDT 134.46 billion. The chamber has also decided to write to the government policy makers expressing its concern in this regard within a day or two, Executive Director at the FICCI told yesterday after a meeting of the executive committee. Several members of the committee said it would set a bad precedent for the future investors in Bangladesh if the government finally stick to its decision to appoint administrator for the two mobile operators, he said.

• In the meantime, the global association of mobile operators also raised concern about the

process the issue was being handled.

<https://www.thedailystar.net/backpage/news/gp-robi-administrator-ficci-worried-govt-move-1817389>

## **The Investment Corporation of Bangladesh (ICB) moots unit fund to support stock market**

• The Investment Corporation of Bangladesh (ICB) has made a move to float another open-ended mutual fund to support the country's stressed capital market. The initiative is part of its continuous market supportive measures. The state entity has recently submitted a proposal, among others, to float Unit Fund-2 to finance minister. As suggested, the initial size of the fund will be BDT 30 billion and ICB will be the fund manager. Of the amount, BDT 10 billion will be collected from sponsors such as banks and financial institutions. The face value of the units will be BDT 100 each.

<https://today.thefinancialexpress.com.bd/first-page/icb-moots-unit-fund-to-support-stock-market-1571767611>

## **Brokers seek BDT 100 billion lifeline**

• Stock brokers are seeking a BDT 100 billion fund from the government to inject new life into the moribund capital market. The intermediaries said they are set to submit their proposal to the finance minister today (Thursday) seeking the fund as loans. Stock brokers said they want the fund for a period of six years at a flat interest rate of 3.0%. They said all market intermediaries such as stock brokers, merchant banks, and asset management companies will be allowed to avail the loan facility.

• Meanwhile, the state-run Investment Corporation of Bangladesh (ICB) has also sought a fund of BDT 50 billion from the government to support the market. The state-run corporation has recently submitted its proposal to the finance minister.

<https://today.thefinancialexpress.com.bd/first-page/brokers-seek-BDT-100b-lifeline-1571853280>