

*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 borrows BDT 262.49 billion from banking sector in 51 days**

- In the period from July 1 to August 20 of the current fiscal year, the government's borrowing from the banking system reached BDT 262.49 billion against BDT 268.86 billion it borrowed in the entire last fiscal year. Officials of the finance ministry said that persistent slow rate of tax collection observed in the last fiscal year might be the main reason for the high volume of the government's bank borrowing. Besides the slow revenue collection, financing need to run mega development projects and the BDT 5.23 trillion fiscal budget also contributed to the surge in the government's bank borrowing.
- Of BDT 262.49 billion borrowed by the government in 51 days of FY20, Bangladesh Bank provided BDT 65.92 billion as advances and treasury bills. Besides, the government received BDT 196.56 billion from the scheduled banks against government securities and treasury bills, among others.

<http://www.newagebd.net/article/82839/government-borrows-BDT-26249cr-from-banking-sector-in-51-days>

### **Bangladesh Bank board endorses fresh rescheduling facility for large borrowers**

- The board of directors of Bangladesh Bank has endorsed a policy on extending time for loan repayment for the 11 large borrowers who got loan rescheduling facility in 2015. The central bank's board on Tuesday at a meeting, which was presided over by BB governor, gave the green light to the loan repayment time extension up to 12 years.
- Bangladesh Bank sources said that the 11 entities which received loan rescheduling facility in 2015 would be granted extended time for repayment only for the demand loans. The timeframe for the term loans payment would remain unchanged at 6 years, they said. The repayment time extension facility, however, would only be applicable to the borrowers who have repaid instalments regularly, it said. The beneficiaries of loan rescheduling include BEXIMCO Group, AnonTex, SA Group, MR Group, Rising Steel and Keya Group. The entities received restructuring facility against a total of BDT 151.8 billion in loans in 2015.

<http://www.newagebd.net/article/82841/bangladesh-bank-board-endorses-fresh-rescheduling-facility-for-large-borrowers>

### **Axiata-Trust Bank Joint Venture gets nod to launch MFS**

- A joint venture of Trust Bank and Malaysia's Axiata Group is set to roll out a new kind of mobile financial service in Bangladesh after it received a no-objection certificate from the central bank yesterday. The Kuala Lumpur-based group is the parent company of Bangladesh's second largest mobile phone operator Robi and controls 68.7% stake. Axiata Digital Ltd, the digital services arm of the group, has partnered with Trust Bank Limited, a private commercial bank, to join the growing MFS sector. The joint venture is planning to promote wallet-based services, which will ultimately help expedite financial inclusion in the country, managing director of Trust Bank said.
- In 2015 both parties reached a consensus and decided to form a joint venture company styled Trust Axiata Digital Ltd, where the bank would hold 51% stake. The entity's initial paid-up capital has been proposed to be BDT 450 million. Axiata Digital currently offers digital financial services in Malaysia, Sri Lanka, Cambodia and Indonesia – the countries where Axiata Group has mobile business. A senior official of Trust Bank says they have got a year and within the timeframe they will get the joint venture registered.

<https://www.thedailystar.net/business/news/axiata-trust-bank-jv-gets-nod-launch-mfs-1792297>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) goes hard-line to collect dues from GP, Robi**

- The telecom regulator has started the process of scrapping the licenses of the country's two biggest telecom operators -- Grameenphone and Robi, allegedly, for not paying dues to the national exchequer. The Bangladesh Telecommunication Regulatory Commission (BTRC) will serve show cause notices on the two operators to explain as to why their licenses would not be revoked, an official said. The operators may be given 30 days to respond to the notices, the BTRC official said. The punitive action is the third step after limiting bandwidth and withholding issuance of No Objection Certificates (NOCs) for the two telecom giants.
- As per a BTRC audit claim, GP has BDT 125.79 billion in dues to the government, including BDT 40.85 billion to the National Board of Revenue. Robi owes BDT 86.72 billion to the government, including BDT 19.72 billion to the revenue board. However, terming the audit claims disputed, both operators had been urging the BTRC to settle the issue

through arbitration. But BTRC says there is no scope for arbitration as the existing law does not allow it.

<http://today.thefinancialexpress.com.bd/first-page/btrc-moves-to-scrap-licences-of-gp-robi-1567014368>  
<https://www.dhakatribune.com/business/2019/08/28/grameenphone-robi-likely-to-lose-license-over-outstanding-dues>

### **National Board of Revenue (NBR) cuts AIT on steel raw materials**

- The National Board of Revenue (NBR) has slashed Advance Income Tax (AIT) on import of raw materials for local steel manufacturers by BDT 300 per tonne. The reduced rate will come into force from July 1 with a retrospective effect. However, ship-braking industry will not be entitled to enjoy the reduced tax benefit. In the budget for the current fiscal year, 2019-20, the NBR's Income Tax Wing fixed the AIT at BDT 800 per tonne, which is now reduced to BDT 500 per tonne.
- The decision came following pleas of the steel and steel products manufacturers on the ground of keeping their production cost low. Earlier, industry insiders claimed that prices of Mild Steel (MS) rod might go up due to imposition of higher taxes on import of raw materials for steel and steel products. Cost of real estate and construction sectors as well as the government's different development projects would escalate with the price hike of steel products, they added. Currently, import of 15 types of raw materials for steel sector is entitled to enjoy a concessional rate of AIT. The raw materials are - semi-finished products (billet) of iron or non-alloy steel, ingots, ferrous products, ferrous waste and scrap, re-melting scrap, and vessels and other floating structures for breaking up..

<http://today.thefinancialexpress.com.bd/last-page/nbr-cuts-ait-on-steel-raw-materials-1567015271>  
<http://www.newagebd.net/article/82840/ait-on-steel-raw-material-import-slashed>

### **Deal on USD 185 million World Bank assistance for renewable energy today**

- The World Bank (WB) will provide USD 185 million to Bangladesh to add up to 310 Megawatt (MW) in renewable energy generation capacity and mobilize private sector participation to meet the growing demand for electricity in the country, reports BSS. The USD 185 million credit also includes a USD 26.38 million loan and a USD 2.87 million grant from the Strategic Climate Fund (SCF) of the World Bank's Climate Investment Funds (CIFs).
- The Economic Relations Division (ERD) official said the Scaling-up Renewable Energy Project will increase installed capacity of renewable through piloting and expanding investments in key market segments. It will build the first 50 MW phase of a large scale solar panel energy park in the Feni district, which will be implemented by the Electricity Generation Company of Bangladesh (EGCB). Currently, the share of the total installed renewable energy in grid supply is only 1.5% and has significant potential for scaling up. The project will help provide better access to cleaner electricity as well as air by avoiding burning fossil fuels. It will help cut emissions by 377,000 tonnes of carbon dioxide equivalent a year.
- World Bank Team Leader for the Scaling-up Renewable Energy Project said the power sector in Bangladesh has grown rapidly with maximum generation capacity increased from a little over 4,000 MW in 2009 to more than 20,000 MW in 2018.

<http://today.thefinancialexpress.com.bd/trade-market/deal-on-185m-wb-assistance-for-renewable-energy-today-1567009330>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$55.57	-0.21	-0.38%
Crude Oil (Brent)*	\$60.14	-0.35	-0.58%
Gold Spot*	\$1,542.49	+3.48	+0.23%
DSEX	5,140.00	-38.71	-0.75%
Dow Jones Industrial Average	26,036.10	+258.20	+1.00%
FTSE 100	7,114.71	+25.13	+0.35%
Nikkei 225	20,421.57	-57.85	-0.28%

**Exchange Rates****USD 1 = BDT 84.52\*****GBP 1 = BDT 103.13\*****EUR 1 = BDT 93.67\*****INR 1 = BDT 1.17\***

*\*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	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
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)