

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.

Pharma winning global markets

- Pharmaceuticals export has crossed USD 100-million mark for the first time in the country's history, according to the Export Promotion Bureau. Export earnings from the sector hit USD 103.46 million in 2017-18, up 16.03% from a year ago thanks to improved compliance by the local manufacturers. Shipment of pharmaceutical products registered an average 14.6% growth between 2011 and 2016. Managing director of Incepta Pharmaceuticals said that pharmaceutical companies have the potential to earn USD 1 billion a year through exports in the next five years, but the sector needs fiscal benefits and policy support to do so.
- Local players dominate Bangladesh's pharmaceutical industry. Square Pharmaceuticals is the major player with 18.8% share. Incepta holds 10.2% share, Beximco 8.5%, Opsonin 5.6%, Renata 5.1% and Eskayef 4.5%, according to the Bangladesh Association of Pharmaceuticals Industries. Multinational companies Radiant, Sanofi and Novo Nordisk also have significant presence and are focused on some specialised products. Bangladesh exports pharma products to 144 countries and caters 97% of the domestic need. Per capita consumption of medicine in Bangladesh was about USD 15.36 in 2017.
- In 2012, the local market size stood at BDT 93.90 billion and rose to BDT 187.56 billion in 2017, according to IMS Health Care Report 2017. Currently, Bangladesh has the ability to produce advanced medicines such as bio-similar drugs, vaccines and oncology products as well as medical devices.

<https://www.thedailystar.net/news/business/pharma-winning-global-markets-1626547>

Agent banking accounts increase by 21%

- The number of agent banking accounts across the country increased by 21.01% or 0.31 million in April-June quarter compared to the previous quarter of January-March in 2018. According to the quarterly data of April to June, 2018 of Bangladesh Bank, the number of accounts with agents increased to 17,77,400 from 14,68,797 in the January-March period of 2018. In the April-June period, the number of agents increased to 3,588 from 3,216 in the January to March quarter and the number of bank agent outlets also increased to 5,351 from 4,905 in the same quarter.
- During the quarter, deposit collection through the agent banking went up to BDT 20.13 billion, which was BDT 16.34 billion in the January-March period. During the April-June period, official data show, Bangladeshi expatriates sent BDT 35.14 billion through the agent banking channel, which was BDT 26.74 billion in the January to March quarter. Islami Bank Bangladesh Limited deputy managing director said that agent banking is moving fast across the country since the banks are providing all sorts of efforts to bring the grassroots people under the banking services.

<http://www.newagebd.net/article/49370/agent-banking-accounts-increase-by-21pc>

July farm loan disbursement falls by 27%

- Disbursement of farm loans by the scheduled banks declined by 26.86% in July, the first month of the current fiscal year (2018-2019), compared with that in the same month of the previous fiscal year. As per the Bangladesh Bank data, the scheduled banks including foreign and private commercial banks disbursed BDT 11.51 billion in farm loans in July this year against the figure of BDT 15.74 billion in July last year. The amount of farm loans disbursed by the banks in July this year was 5.28% of the annual target of BDT 218.00 billion for FY19.
- In July of FY18, the banks had distributed 7.72% of the annual target of BDT 204.00 billion. BB officials said that the banks might have opted to go slow regarding the farm loan disbursement amid their emphasis on devising strategy for adjusting advance deposit ratio along with implementing single digit lending rate. Disbursement of farm loans, however, might increase gradually as the banks are bound to follow the central bank-set target to avoid punitive measures, they said. As per bank rules, the banks are supposed to disburse 2.50% of their total loans and advances in a fiscal year in the farm sector.
- The eight state-owned banks — Agrani Bank, BASIC Bank, BDBL, Bangladesh Krishi Bank, Janata Bank, Rajshahi Krishi Unnayan Bank, Rupali Bank and Sonali Bank — disbursed BDT 3.68 billion in farm loans in the period, which is 7.72% or BDT 308 million lower than BDT 3.99 billion disbursed by the entities in the first month of FY18. The government banks disbursed only 3.73% of their annual target of BDT 98.75 billion, while their disbursement in the same month in the previous fiscal year was 4.16% of their annual target of BDT 95.90 billion.

<http://www.newagebd.net/article/49403/july-farm-loan-disbursement-falls-by-27pc>

International calls fall by 20% in 6 months as new termination rate bites

- The daily average incoming international calls through the legal channel has declined by 20% or 11 million minutes over a span of just six months after the government 'surprisingly' increased the call termination rate in February this year. The average international call termination through the legal channel declined to 43 million minutes per day in July this year from 54 million minutes per day in February this year, according to the latest data of the Bangladesh Telecommunication Regulatory Commission. The BTRC introduced the new call termination rate on February 27 this year.
- The average international call termination through the legal channel was 53 million minutes in March and 52 million minutes in April this year. As per the BTRC directive on the new call rate, international gateway operators are allowed to bring international calls at 2.5 US cents (BDT 2) per minute instead of the previous rate of 2 US cents per minute. The operators, however, are allowed to share revenue with the government at 1.75 US cents (BDT 1.4) per minute. An official said that the commission's reluctance to identify illegal voice over internet protocol business and pressure from influential quarters to keep the rate high played as major factors behind the drastic fall in the volume of international incoming calls.
- Besides the implementation of new call rate, growing mobile application-based phone calls also known as over-the-top (OTT)-based calls was another reason for the sharp fall in incoming international phone calls through the legal channel. As a result of the decline in international calls and reluctance to identify illegal VoIP businesses, the government is being deprived of a huge amount of revenue as IGW operators are supposed to share 40% of their revenue with the government.

<http://www.newagebd.net/article/49308/international-calls-fall-by-20pc-in-6-months-as-new-termination-rate-bites>

Regulating performance in the telecom sector

- The telecom sector in Bangladesh, particularly the mobile telecom business, has experienced rapid growth over the last couple of years. The price of telecom services has been falling over the years, resulting in more subscribers availing more services from these operators. According to the data published by Bangladesh Telecommunication Regulatory Commission (BTRC), there were 150 million mobile subscribers in Bangladesh in June 2018. Effective regulation has been instrumental to this growth journey of the telecom companies. The mobile telecom sector in Bangladesh is regulated by the BTRC, which started operations in January 2002. Among its many duties, the BTRC is responsible for regulating the sector to ensure the attainment of economic and social objectives of each stakeholder, including customers.
- An effective regulator is also responsible for encouraging the market participants to innovate and create new products and services. The innovation may also lead to a new business model. An effective regulator assesses such business models objectively and creates an environment for those business models to operate. An effective regulator should also champion continuous learning. Many new innovations are taking place around the world in the telecom sector. The regulator should learn from the experience of other regulators, and should encourage telecom operators to learn from experiences of operators in other countries.

<https://www.thedailystar.net/news/business/regulating-performance-the-telecom-sector-1626457>

Fin min advises Bangladesh Securities & Exchange Commission (BSEC) to extend tenure of MFs by 10 years

- The finance ministry has recommended that the Bangladesh Securities and Exchange Commission should extend the tenure of around 30 closed-end mutual funds by another term of 10 years amid hectic lobbying by trustees of some of the funds. The ministry in a letter to the commission last week made the recommendation after BSEC chairman M Khairul Hossain had sought the ministry's advice on the fate of 36 mutual funds, which would be wound up or be made open-end funds between 2018 and 2028. The ministry advised the commission to extend the tenure of 30 mutual funds which are scheduled to be wound up or be made open-end funds by 2023.
- Commission officials said that any extension of the mutual funds' tenure would be contrary to the trust deed and would create legal complexity as the Supreme Court, following legal challenges by investors, earlier struck down a move to extend tenure of a mutual fund. Seeking advice, demi official letter to finance minister on June 18, addressed that the total size of 36 mutual funds was BDT 53.02 billion and the mutual funds helped stabilise the capital market as they invested around 60% of their funds in the capital market.
- Suggesting the minister to advise the commission for tenure extension, the note said if the tenure of the mutual funds is extended, they could play a positive role during any volatility at the market. Finance minister approved the note and advised the commission to extend tenure of the mutual funds which would be wound up by 2023. BSEC officials said that trustees of some of the mutual funds were lobbying the government hard for extension of the tenure. Investors of the funds were facing losses. Most of the mutual funds are being traded below their face value while investors do not get expected returns, they said.

<http://www.newagebd.net/article/49402/fin-min-advises-bsec-to-extend-tenure-of-mfs-by-10-years>

VFS Thread to make share trading debut on September 9

- VFS Thread Dyeing will make its share trading debut on September 09 (Thursday) on both the bourses under 'N' category. DSE trading code for the company is "VFSTDL" and DSE company code is 17478, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website. VFS Thread Dyeing, which received initial public offering (IPO) approval from the Bangladesh Securities and Exchange Commission (BSEC) on April 03, raised a fund worth BDT 220 million from the capital market.

- The company raised the amount by floating 22 million ordinary shares at an offer price of BDT 10 each under the fixed price method. The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses. According to financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share stood at BDT 19.90 (without revaluation). The weighted average of earnings per share (EPS) was BDT 2.02.

<https://epaper.thefinancialexpress.com.bd/stock/bangladesh/vfs-thread-to-make-share-trading-debut-sept-9-1535538681>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$69.65	+0.14	+0.20%
Crude Oil (Brent)*	\$77.23	+0.09	+0.12%
Gold Spot*	\$1,204.25	-2.35	-0.19%
DSEX	5603.26	-16.16	-0.29%
Dow Jones Industrial Average	26,124.57	+60.55	+0.23%
FTSE 100	7,563.21	-54.01	-0.71%
Nikkei 225	22,840.16	-8.06	-0.04%

Exchange Rates

USD 1 = BDT 83.80*
GBP 1 = BDT 109.22*
EUR 1 = BDT 98.05*
INR 1 = BDT 1.18*

*Currencies and Commodities are taken from Bloomberg.

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