

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.

Bangladesh Securities and Exchange Commission (BSEC) okays alternative trading board rules

- The securities regulator has approved the rules for alternative trading board keeping the scope of transaction of all type of non-listed securities. The Bangladesh Securities and Exchange Commission (BSEC) approved the rules at a meeting held on Tuesday at the BSEC office. As per the rules titled 'Bangladesh Securities and Exchange Commission (Alternative Trading Board) Rules, 2019', all non-listed securities can be included in the board for trading purpose. The rules will come into effect after publishing gazette notification.
- The non-listed securities which can be transacted are the shares of non-listed companies, any kind of bond, debenture, sukuk, open-ended mutual fund, and alternative investment fund. All kinds of de-listed securities can also be included in the alternative trading board on condition for the purpose of trading. The existing companies of the OTC (over-the-counter) market will also allowed in the alternative trading board on condition to conduct their share trading, according to the rules on alternative trading board. The transactions of the said securities will be executed in the form of dematerialized only.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-okays-alternative-trading-board-rules-1575393663>

<https://www.thedailystar.net/business/news/alternative-trading-board-regulations-okayed-1835497>

<http://www.newagebd.net/article/92554/bsec-okays-atb-rules-to-allow-trading-of-unlisted-securities>

<https://www.dhakatribune.com/business/stock/2019/12/03/new-trading-board-approved-for-non-listed-firms>

Industrial lending rate cut: Bangladesh Bank (BB) gets down to work

- The central bank has started working on bringing down the industrial lending rate to a single-digit aiming to spur the country's overall economic growth through job creation and increased investment. As part of the move, the Bangladesh Bank (BB) has sought information on outstanding industrial (manufacturing) loans from the scheduled banks within 48 hours which will end today (Wednesday). Large industrial (manufacturing) loans include credit to the readymade garment (RMG), textile, ship building and ship breaking, agro-based industry and other sectors.
- The central bank will prepare an assessment report on the possible impact on the country's banking industry after slashing the interest rates on industrial loans, according to sources. On the other hand, a committee of the BB is trying to find out an acceptable policy that would be implemented by all the banks without affecting their profitability largely.

<https://today.thefinancialexpress.com.bd/first-page/bb-gets-down-to-work-1575395270>

<http://www.newagebd.net/article/92553/committee-to-assess-sector-before-making-proposals>

Government to go slow on fattening next budget

- The government is likely to go slow in increasing the size of the national budget for next fiscal year owing to the sluggish pace of revenue collection. The size of the national budget was initially planned at more than BDT 6 trillion. It may end up at BDT 5.8 trillion for the next fiscal year, up about 11% year-on-year from BDT 5.23 trillion in the current year, said finance ministry officials.
- With revenue receipt growth remaining sluggish, we have to rethink the size of the next budget to keep deficit within a tolerable level, said a top finance ministry official who attended the meeting. The GDP growth target too might see no significant hike, said the official. Another participant of the meeting said the government was framing the 8th five-year plan for FY2021-2025 and broader macro targets which had initially been planned to be set at a higher level might be revised down because of the slow pace of tax collection.
- Tax collection by the National Board of Revenue (NBR) rose 3% year-on-year to BDT 473.88 billion in the July-September period of FY2019-20. Significant gains in collection were seen in the first three years in the context of the government's Perspective Plan 2010-2021. The buoyancy in tax revenue later disappeared and witnessed a declining trend in the following years until FY2017, causing the tax-GDP ratio to remain below 10%. The tax-GDP ratio, a measure of the capacity of the state to finance its own expenditure, was 9.2% in FY2019.

<https://www.thedailystar.net/business/news/govt-go-slow-fattening-next-budget-1835491>

State-owned banks account for 51% NPLs

- All nine state-run banks accounted for 51.27% of total non-performing loans (NPLs) of BDT 1.16 trillion in the banking sector as of September this year. At the end of September, the non-performing loans of Agrani, Rupali, Sonali, Janata, BASIC, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Development Bank and Probashi Kallyan Bank stood at BDT 596.23 billion, up BDT 11.79 billion from the previous quarter, according to the latest data of the

Bangladesh Bank.

- Economists and senior bankers said the culture of impunity enjoyed by loan defaulters, political interference in approving loans, and lack of experience among bankers in dealing with pressing issues, weakened the already battered banking sector, particularly those of public sector banks. A former lead economist of World Bank in Bangladesh said the political interference in approving loans was wide spread in state-run banks than private banks. He said that in the last decade, the country did not encounter any disaster that could have prevented businessmen from repaying their loans. The state run banks cannot avoid blame and responsibility for the soaring default loans, as they are approving loans without "due diligence" or "considering the repayment capacity of borrowers, he pointed out.

<https://www.dhakatribune.com/business/2019/12/03/state-owned-banks-account-for-51-npls>

58 new RMG units set up in Jan-Oct 2019

- The entrepreneurs have made fresh investment to set up 58 new garment factories since January to October this year while 60 units faced shutdown, according to BGMEA information. Industry insiders said the new ones are coming up with safety compliance and modern, green technology while the small and non-compliant ones are failing to sustain in the highly competitive market. Of the new units, 43% have been set up by fresh entrepreneurs and the rest by the ones who are already in the business for a long period of time, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Some 29,594 workers have lost their jobs due to the closure of the 60 units while the new units created employment for 51,359 people.
- The BGMEA presently has around 4,500 member factories. Around 40% of BGMEA member factories are knitwear and sweater manufacturers, and the rest 60% are woven garment manufacturers, according to the trade body. The country earned USD 34.13 billion from exports of knit and woven items in the last fiscal year, according to official data. RMG exports, however, witnessed a negative growth of 6.67% to USD 10.57 billion during the July-October period of the current fiscal year (FY 2019-20).

<https://today.thefinancialexpress.com.bd/trade-market/58-new-rmg-units-set-up-in-jan-oct-2019-1575394460>

Income tax collection grows by 13.3% in July-Nov

- Income tax collection in July-November period of the current fiscal 2019-2020 grew by 13.30% to BDT 248.36 billion compared with the corresponding period of 2018-2019. The revenue board claimed on various occasions that the number of income tax returns had finally reached to around 2.2 million in FY19. NBR data showed that more than half of 4.6 million electronic taxpayers' identification number (e-TIN) holders did not file their tax returns this year. The number of e-TIN holders was 3.8 million till November 30 last year. Tax authorities expected that at least 3 million e-TIN holders would file their tax returns as a result of intensive campaigns and policy interventions taken by the NBR to boost the number of returns filed. In FY18, a total of 1.84 million taxpayers filed their tax returns, the data showed.

<https://www.thedailystar.net/business/news/china-offers-213b-fresh-loans-two-projects-1835029>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.51	+0.41	+0.73%
Crude Oil (Brent)*	\$61.29	+0.47	+0.77%
Gold Spot*	\$1,479.24	+1.63	+0.11%
DSEX	4,697.35	-37.24	-0.79%
Dow Jones Industrial Average	27,502.81	-280.23	-1.01%
FTSE 100	7,158.76	-127.18	-1.75%
Nikkei 225	23,095.33	-284.48	-1.22%
BSE SENSEX	40,606.01	-69.44	-0.17%

Exchange Rates
USD 1 = BDT 84.82*
GBP 1 = BDT 110.27*
EUR 1 = BDT 93.97*
INR 1 = BDT 1.18*

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

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