

*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.*

### **Double-digit growth in four years: Finance Minister**

- Finance Minister A H M Mustafa Kamal foresees a double-digit gross domestic product (GDP) growth for the country in the next four years. He said the GDP growth in this fiscal year (FY), 2018-19, will be 8.13%, while the per capita income to reach USD 1,909.

<http://today.thefinancialexpress.com.bd/last-page/double-digit-growth-in-four-years-kamal-1553537461?date=26-03-2019>

### **First floating rate T-bond hits market**

- The government has floated a three-year treasury bond based on the interest rate determined by the market -- a first for the country -- with a view to diversifying the securities market. The existing government securities have fixed interest rates, so the new debt instrument -- Floating Rate Treasury Bond (FRTB) -- will encourage individuals to go to the secondary bond market as there will be a good possibility to enjoy a hefty return given the country's socioeconomic development.
- As per the chairman of the Association of Bankers, this is a good initiative. The FRTB, which is worth BDT 5.0 billion, was issued by the central bank on Monday in the primary bond market. Three banks -- Sonali, NRB and South Bangla Agriculture and Commerce -- purchased BDT 1.12 billion of the bond, while the remaining amount was mopped up by the central bank itself.
- The interest rate on the bond was set at 6.50% through an auction, which is higher than the existing 6.44% interest rate for five-year treasury bonds. Before this, there were five government treasury bonds in the market with maturities ranging from two years to 20 years but with fixed interest rates.
- For instance, the interest rate on the five-year treasury bond is now 6.44% and those who invested in the instrument will get the same return upon its maturity. But those who invest in the FRTB can get more or less than 6.50% as the yield is floating. The interest rate of the instrument will change every three months.

<https://www.thedailystar.net/business/news/first-floating-rate-t-bond-hits-market-1720789>

### **No tax benefit for industries relocated in Economic Zones**

- Economic Zones (EZs) investors will not enjoy reduced tax rates on their income if they relocate factories or install old machinery, the revenue board said. In an order, the National Board of Revenue (NBR) said investors will have to keep details of transactions between two units inside and outside of the zones to avail tax exemptions from their new investments. Also, tax benefit will not be valid for the establishment of a new unit in zones if any investor shuts down the factory located outside the zones.
- According to incentive scheme for the zones, new investors will enjoy full income tax exemption for the first three years of operations, 80% for the fourth year, 70% for the fifth year, 60% for the sixth year, 50% for the seventh year, 40% for the eighth year, 30% for the ninth year and 20% for 10th year.
- Meanwhile, registration fee gradually goes up for companies having a higher amount of authorized capital. Insiders said there were some initial concerns that the proposed reform might result in the loss of government revenue coming from such fees.

<http://today.thefinancialexpress.com.bd/last-page/no-tax-benefit-for-industries-relocated-in-economic-zones-1553537340?date=26-03-2019>

### **Government to bail out 'honest' defaulters, says the Finance Minister**

- The government has mapped an 'exit' plan for 'honest' bank loan defaulters, Finance Minister AHM Mustafa Kamal disclosed Monday. The loan defaulters will have to give 2.0% down payment against their total loan. Then, they have to repay at simple, 7.0% rate on a quarterly basis. The banks will give them 12 years' time repay to the loan, finance minister said. The bailout programme will be made effective in early May.
- The amount of non-performing loans reached a staggering BDT 939.11 billion up to December last year, up from BDT 743.03 billion a year ago, the central bank data showed. Such loans now make up 10.30% of the banking sector's total loans, up from 9.31% in 2017.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-bail-out-honest-defaulters-says-kamal-1553536777?date=26-03-2019>

### **Government faces difficulties in finalizing conditions**

- The government faces difficulty in finalizing a bailout package for restructuring defaulted loan as some of the proposed terms and conditions of the package are yet to be settled because of diverse opinions. Officials said that stakeholders gave different opinions on some terms of the draft bailout package placed by the financial institutions division at a meeting at the economic relations division on Monday.
- The opportunity to allow loan rescheduling by payment of one% of the outstanding loan or up to only BDT 10 million was one of them. There was no consensus on the moratorium period and identification process of eligible applicants for the benefits.
- Answering whether the proposed bailout package was finalised, the finance minister answered in negative. He hoped that the proposed bailout package would be finalised by the next month and would be made effective from May.

<http://www.newagebd.net/article/68404/govt-faces-difficulties-in-finalising-conditions>

### **GSM puts Bangladesh on world IoT map**

- The global association of GSM mobile operators 'GSMA' has recognised Grameenphone as one of the first telecom operators in South Asia and the first operator in Bangladesh to introduce the NB-IoT network, which puts Bangladesh and Grameenphone on the world IoT map.
- Narrow Band Internet of Things (NB-IoT) is a cutting-edge communications technology that facilitates the connection of millions of everyday appliances, like waste bins and power meters, all over the country. NB-IoT is far more energy efficient and uses a fraction of the bandwidth compared to regular 4G communication which means, meters installed in pipes or drains, or parking sensors placed in the basement of car parks, are easily connected with the network.
- NB-IoT is expected to enable rapid adoption of IoT applications in the country, such as smart electricity/gas/water metering, safety monitoring, city parking, city lighting, connected vehicles and various industrial automation solutions, the release said.
- According to a report, published by GSMA on 21st February 2019, Bangladesh is now among only 45 NB-IoT enabled markets in the world. In South Asia, Bangladesh and Sri-Lanka are the only two countries that have a NB-IoT network, said the release.
- Grameenphone deputy CEO and CMO said that Grameenphone has always been in the forefront of bringing in advanced technology. They are very proud to be one of the very few telecom operators in Asia to bring in NB-IoT.

<http://www.newagebd.net/article/68385/gsm-puts-bangladesh-on-world-iot-map>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) may declare SMP in mobile tower sector**

- Bangladesh Telecommunication Regulatory Commission has initiated a move to declare significant market power (SMP) in the tower sharing business sector. The initiative has been taken as part of the commission's move to implement significant market power regulations 2018 in the tower sharing sector, an official of the commission told New Age on Thursday.
- BSEC, as part of its move to implement the SMP regulations in the mobile telecom sector, has already declared Grameenphone as significant market power. The official said that the commission would now initially identify the criteria based on which the SMP operator would be declared from the mobile phone tower companies.
- Besides setting the criteria for determining SMP in tower sharing companies, a committee formed to deal with the SMP-related issues would also determine the business segments which could come under restrictions for the SMP operator. The commission would make its final decision in this regard based on the report to be submitted by the committee.
- In the tower business, four mobile phone operators along with tower sharing companies have more than 30,000 mobile phone towers installed across the country. In November last year, the government handed over tower sharing licences to four entities to ensure effective and maximum utilisation of resources. Edotco Bangladesh, Summit Towers Limited, Kirtonkhola Tower Bangladesh and AB Hightech Consortium were given the tower company licences.

<http://www.newagebd.net/article/68451/btrc-may-declare-smp-in-mobile-tower-sector>

### **Prime Minister opens digital financial service Nagad**

- Prime minister inaugurated Bangladesh Post Office's digital financial service titled Nagad to meet the growing demand of mobile banking among people. The Bangladesh Post Office has introduced Nagad to reach the digital financial services to common people, particularly those deprived of the banking services.
- The Nagad service is the new version of the previously introduced Postal Cash Card and Electronic Money Transfer System. The new service is an extended digital financial service and it will be able to provide faster services through various digital channels and digital systems like digital apps, mobile phones, ATM, POS Terminals, NFC-enabled devices, electronically enabled cards, biometric devices and tablets.

<http://www.newagebd.net/article/68445/pm-opens-digital-financial-service-nagad>  
<https://www.thedailystar.net/business/news/mfs-market-heat-pm-opens-nagad-1720801>

### **Bangladesh Securities and Exchange Commission (BSEC) wants permanent waiver from tax, VAT**

- Bangladesh Securities and Exchange Commission has sought permanent exemption from paying value-added tax and income tax imposed on its earnings saying that the commission is not a financial institution rather a statutory capital market regulating body. BSEC chairman has recently sent a letter to finance minister, requesting his interference in the issue.
- The BSEC chairman in his letter said the commission is a statutory capital market regulatory body that was established under BSEC law 1993. It is not founded to make profits. As the commission is not a financial institution, NBR could not impose VAT and income tax on the regulator's earnings.
- The revenue board, however, in 2014 imposed 25% income tax on its any earnings other than capital gains but suspended it in 2015, he said. The earnings of BSEC have been outside the purview of all kinds of VAT and taxes from July, 2017 to June, 2022, he said. The commission deposited BDT 4.61 billion in income to the government exchequer from the financial year of 2009-10 to the financial year of 2017-18, BSEC chairman added.
- The BSEC chairman said that the revenue board might not aware of the fact that the market regulator had been depositing the earnings to the government treasury without any legal bindings. He also mentioned the names of a number of securities commissions in the world which do not pay any tax.

<http://www.newagebd.net/article/68452/bsec-wants-permanent-waiver-from-tax-vat>

### **Dhaka Stock Exchange (DSE) top brokers for cancellation of initial public offering quota**

- The top brokers of DSE and merchant bankers have demanded of the regulator to introduce T+0 share trading cycle settlement aiming to bring dynamism in trading activities that currently remained dull. They also urged the Bangladesh Securities and Exchange Commission (BSEC) to formulate a guideline regarding much-talked about the 'placement shares'. They demanded cancellation of existing initial public offering (IPO) quota.
- Share trading settlement period is T+0 means buyers make payment and sellers have to transfer ownership of stocks in the same day. Currently, share trading settlement period is two days (T+2), meaning, buyers make payment and sellers have to transfer ownership of stocks within two days after the trade taking place. They also demanded to introduce share-netting facility as they believe this trading system will help reverse the slumping turnover. Netting is used in share trading, where an investor can change his position on a single day.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-top-brokers-for-cancellation-of-initial-public-offering-quota-1553535169?date=26-03-2019>

### **Bangladesh Infrastructure Finance Fund Limited (BIFFL) to go public to raise BDT 10 billion**

- Bangladesh Infrastructure Finance Fund Limited (BIFFL) has planned to mobilize capital amounting to BDT 26 billion through issuing bond and floating IPO in the capital market in short and long terms. In the first phase of mobilizing funds, the application for a non-convertible fully redeemable subordinated bond worth BDT 4.0 billion is now waiting for approval from Bangladesh Securities and Exchange Commission and Bangladesh Bank. The state-owned non-bank financial institution will hopefully get approval of BDT 4.0 billion bonds by June this year, according to BSEC sources.
- The financial institution wants to float two more bonds worth BDT 4.0 billion each in foreign currency in 2020 and 2021, according BIFFL. The company plans to collect BDT 10 billion through floating initial public offering (IPO) by next year.

<http://today.thefinancialexpress.com.bd/stock-corporate/biffi-to-go-public-to-raise-BDT-10-billion-1553535137?date=26-03-2019>

**Summit's Floating Storage Re-Gasification Unit (FSRU) to start operation from April 20**

- The country's second liquefied natural gas (LNG) terminal, owned by Summit Group, is scheduled to initiate its commercial operation next month, mounting further the fiscal burden on the state-run Petrobangla over import of the fuel. After commissioning, Petrobangla would have to pay around USD 217,000 (BDT 18.22 million) per day to Summit no matter whether the state entity re-gasifies LNG from the floating storage re-gasification unit (FSRU) or not, as per the 'take or pay' deal, said a senior official.
- On top of the payment, Petrobangla would have to pay the price for importing LNG from global suppliers for re-gasification in the terminal, the senior official said. Petrobangla would re-gasify up to 500 million cubic feet per day (mmcf) equivalent LNG through the Summit's FSRU, as per the agreement to use the terminal.

<http://today.thefinancialexpress.com.bd/first-page/summits-fsru-to-start-operation-from-april-20-1553536903?date=26-03-2019>

**World Stock and Commodities\***

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$60.00	+0.06	+0.10%
Crude Oil (Brent)*	\$68.11	+0.14	+0.21%
Gold Spot*	\$1,316.37	+0.66	+0.05%
DSEX	5530.07	17.99	0.33%
Dow Jones Industrial Average	25,657.73	+140.90	+0.55%
FTSE 100	7,196.29	+18.71	+0.26%
Nikkei 225	21,312.05	-116.34	-0.54%

**Exchange Rates**

USD 1 = BDT 84.22\*  
 GBP 1 = BDT 111.00\*  
 EUR 1 = BDT 94.80\*  
 INR 1 = BDT 1.22\*

\*Currencies and Commodities are taken from Bloomberg.

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