

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 endorses BDT 2.02 trillion Annual Development Programme (ADP) for FY 20

- The government has approved a BDT 2.02-trillion Annual Development Programme (ADP) for the next fiscal year (FY), 2019-20, which is 21% higher than the allocation for the current FY. The size of the revised ADP is BDT 1.67 trillion in the current FY, 2018-19. According to the proposal, the government agencies under different ministries and divisions will receive the funds for implementing some 1,475 projects across the country.
- The transport sector has received the highest allocation of BDT 528.06 billion or 26.05% of the total BDT 2.02 trillion ADP outlay for next FY. The power sector has got the second highest, BDT 260.17 billion or 12.83%, of the total outlay for FY 20.
- Of the total 1,475 projects, the government allocated BDT 451.40 billion to 14 mega projects for quick completion. The estimated cost of the 14 projects is BDT 3.34 trillion, of which BDT 671.11 billion has already been used. Of the mega projects, the Rooppur Nuclear Power Plant was given the highest allocation of BDT 149.80 billion. The project's total cost has been estimated to be BDT 1.13 trillion and until February BDT 166.65 billion has been spent, according to planning ministry documents. It was followed by the Dhaka Metro Rail project, which got BDT 72.12 billion in the new ADP. Of the total project cost of BDT 219.85 billion BDT 58.60 billion has been utilized until February. The government allocated BDT 53.70 billion in another high-priority mega project: the Padma Bridge. The Payra deep sea port got BDT 7.13 billion in the upcoming fiscal year, the Hazrat Shahjalal International Airport expansion project BDT 27.50 billion and the Dhaka Elevated expressway BDT 13.49 billion.
- In the next fiscal year, foreign aid utilization will get a big boost: it has been fixed at USD 8.5 billion, which is 40.78% higher than the current year's. As of November last year, the amount of foreign aid in the pipeline stood at USD 48.75 billion. Conversely, the government's own fund allocation has not increased much: it has been set at BDT 1.31 trillion, up 12.86% year-on-year.

<http://today.thefinancialexpress.com.bd/first-page/govt-endorses-BDT-202t-adp-for-fy-20-1558461265>
<https://www.thedailystar.net/business/news/14-mega-projects-get-BDT-45140cr-new-dev-budget-1747111>

High Court stays special privileges to bank loan defaulters

- The High Court stayed Tuesday a special policy guideline of Bangladesh Bank, which offered loan rescheduling and "one time exit" facilities to defaulters, until June 23 next. The central bank issued the guideline on May 16, allowing the borrowers to reschedule their defaulted loans making a 2.0% down payment for a maximum of 10 years. The errant borrowers also got the opportunity to avail "one time exit" facility by clearing all dues within 360 days provided the banks concerned approved this. The decision to offer privileges to bad borrowers drew criticism from economists and bankers who warned of a possible disastrous outcome. A High Court bench put on hold the effect of the guideline until June 23, after a writ petition filed by Human Rights and Peace for Bangladesh.
- The volume of soured loans jumped by over 26% or BDT 196.08 billion to BDT 939.11 billion at the end of December 2018, up from BDT 743.03 billion over the same period a year earlier, according to available statistics.

<http://today.thefinancialexpress.com.bd/first-page/hc-stays-spl-privileges-to-bank-loan-defaulters-1558461095>
<https://www.thedailystar.net/business/banking/loan-defaulters-in-bangladesh-hc-halts-privilege-1746766>

Finance ministry strong-arms banks

- The finance ministry has instructed government agencies not to keep any deposit with banks at 6% that fails to lend at 9%, creating further chaos in to the banking system that is already reeling from a liquidity crisis. Deposits from the government and autonomous institutions account for 15-20% of the deposits in the banking system, according to the Association of Bankers, Bangladesh, a platform of private banks' chief executives. At present, none of the banks are able to offer the interest rates stipulated by the finance ministry, so its missive on Monday has been viewed by analysts and bankers as the ministry trying to strong-arm banks.
- The move not only ignored the central bank's regulatory power but also contradicts the open market system that determines the interest rate on deposits and lending, according an executive director of the Policy research institute. The ministry even should not impose such a decision on the state banks even though it enjoys their ownership, he said.

<https://www.thedailystar.net/business/news/finance-ministry-strong-arms-banks-1747090>

Sponsors, directors barred from selling shares if they fail to hold 30% stakes

- According to BSEC decision, the listed companies will be allowed to declare stock dividend only for important purposes such as BMRE (Balancing, Modernisation, Rehabilitation and Expansion) and further qualitative development. While publishing the price sensitive information (PSI) regarding bonus declaration, the listed companies will have to mention the reason of issuing such kind of shares and the sector in which the fund will be utilised.
- According to another decision, the sponsors and directors, other than independent ones, of the listed companies will not be allowed to sell or transfer or keep mortgage their shares if they fail to hold 30% shares jointly. But, confiscation of the shares will be allowed if the shareholder is a loan defaulter. The share transmission will also be allowed after the death of a shareholder. The listed companies will not be allowed to raise capital through issuing rights shares or bonus shares or RPO (repeat public offer) or merger if the sponsor-directors fail to hold 30% shares jointly.
- The casual vacancy of a director created for not holding 2.0% shares individually will be fulfilled by another shareholder having 2.0% shares. The vacancy will have to be fulfilled within 30 days, according to the BSEC decision. Besides, both the stock exchanges will introduce a separate category for the companies whose sponsor-directors will fail to hold 30% shares jointly.

<http://today.thefinancialexpress.com.bd/stock-corporate/sponsors-directors-barred-from-selling-shares-if-they-fail-to-hold-30pc-stakes-1558460048>
<https://www.thedailystar.net/business/news/bsec-be-tough-about-minimum-shareholding-1747099>
<http://www.newagebd.net/article/73132/bonus-share-directors-shareholding-rules-tightened>
<https://www.dhakatribune.com/business/stock/2019/05/21/bsec-bars-non-compliant-companies-from-raising-fund>

Japanese Economic Zone: Deal to be signed on May 26

- Japanese trading giant Sumitomo Corporation and Bangladesh Economic Zones Authority (BEZA) are going to enter into a joint venture agreement on May 26 on developing a special economic zone for 200 investors from Japan, says a top BEZA official. BEZA has acquired 500 acres of land for the zone and another 500 acres is in the process of being acquired to set up the economic zone at Arahazar upazila in Narayanganj.
- BEZA and Sumitomo will spend around USD 66 million to develop the zone, the former providing USD 16 million and the latter the rest. Besides, Japan International Cooperation Agency, the Japanese government's development arm, will lend about BDT 10 billion to Bangladesh at a concessional interest rate to establish the zone, according to BEZA officials. BEZA is expecting USD 20 billion in foreign direct investment (FDI) from Japan once the zone was established. The BEZA executive chairman hopes for the factories to be set up in early 2022.
- According to a latest study of Japan External Trade Organisation (JETRO), the investment of Japanese companies in Bangladesh had been increasing steadily at a rate of 16-17% for the last couple of years with a majority of investors showing growing interest to expand their business. The Jetro study shows that 70% of Japanese companies expressed interest to expand their presence in Bangladesh within a year and around 60% in the next two to three years. The number of Japanese companies operating in the country was 183 in 2014 and it went up to 223 in 2015, 245 in 2016, 260 in 2017 and 269 in 2018, according to the survey.

<https://www.thedailystar.net/business/news/deal-be-signed-may-26-1747102>

Investment Corporation of Bangladesh (ICB) to receive BDT 7.60 billion from Bangladesh Bank today

- The state-run Investment Corporation of Bangladesh (ICB) will receive BDT 7.60 billion today (Wednesday) from the central bank under the capital market refinancing scheme. The Managing Director of ICB said the government is providing the fund to support the country's capital market which recently has witnessed continuous price correction. The fund will be invested into the capital market through the ICB's own portfolio. ICB is expecting a positive of the fund on the capital market, he said.
- According to ICB's managing director, total re-financing fund, including the interest, will have to be repaid within three years. The government has approved the fund with an interest of 4.0%.

<http://today.thefinancialexpress.com.bd/stock-corporate/icb-to-receive-BDT-760b-from-bb-today-1558460538>
<https://www.thedailystar.net/business/news/bb-offers-BDT-761cr-revamp-stocks-1747093>

Banglalink and Teletalk's 4G service below standard in Dhaka: Bangladesh Telecommunication Regulatory Commission (BTRC) study

- Banglalink and state-run Teletalk's 4G service fell short of meeting the internet speed in the capital, according to a survey of the regulator. The required speed for 4G downlink is at least 7 megabytes per second but for Banglalink and

Teletalk, it is 6.49 Mbps and 4.85 Mbps respectively. For Grameenphone and Robi, it is 10.07 Mbps and 10.32 Mbps respectively.

- Banglalink and Teletalk, however, fared well in the uploading category, showed the quality measuring survey report of the commission. Grameenphone and Robi have also improved their service in recent times compared to their performance shown during the regulator's first and second drive tests

<https://www.thedailystar.net/business/news/two-operators-fail-deliver-promised-4g-speed-1747096>
<http://www.newagebd.net/article/73131/bl-teletalks-4g-service-below-standard-in-dhaka-btrc-study>

Petrobangla drops plan to launch bidding

- State-owned Petrobangla has now shelved its plan to launch a bidding round for hydrocarbon exploration in the country's untapped offshore blocks. The oil and gas corporation has decided to defer the planned bidding round at least for a year. A multi-client seismic survey was supposed to be conducted by TGS-Schlumberger, the Norwegian-US joint venture (JV). Petrobangla has already finalized the draft model production sharing contract (PSC) for awarding offshore blocks to the selected international oil companies (IOCs).
- Officials said Petrobangla mulls a 7.5% raise in gas price for the international oil companies (IOCs) to lure global players into hydrocarbon exploration in the untapped offshore blocks. The selected bidders will also be able to export natural gas in any form -- piped or LNG -- in case Petrobangla refuses to take it first. Some 22 offshore blocks - eight in shallow water and 14 in deep water -- are up for the forthcoming bidding round. Bangladesh's natural gas production from local fields is hovering at around 2,700 mmcf/d, against the overall demand for around 4,000 mmcf/d, according to Petrobangla.

<http://today.thefinancialexpress.com.bd/first-page/petrobangla-drops-plan-to-launch-bidding-1558461177>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$62.99	-0.11	-0.17%
Crude Oil (Brent)*	\$71.78	-0.40	-0.55%
Gold Spot*	\$1,274.08	-0.60	-0.05%
DSEX	5236.85	-39.29	-0.74%
Dow Jones Industrial Average	25,877.33	+197.43	+0.77%
FTSE 100	7,328.92	+18.04	+0.25%
Nikkei 225	21,344.05	+71.60	+0.34%

Exchange Rates

USD 1 = BDT 84.33*

GBP 1 = BDT 107.24*

EUR 1 = BDT 94.14*

INR 1 = BDT 1.21*

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

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