

*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.*

### **Local handsets grab 60.0% market share**

- Some 10 telecom vendors have set up plants in Bangladesh considering the size of market coupled with an ever-increasing purchasing power of the population. The emergence of tech firms in just three years since 2017 now meets nearly 60.0% domestic demand, approximately 30-million handsets annually, people familiar with the development told. But an estimated 5.0-million handsets, allegedly, entering the country unofficially -- through smuggling and also as part of the air-passenger baggage. According to Business insider. Of the total 35.0 million devices, 25.0% belong to android category.
- Data available with the Bangladesh Telecommunication Regulatory Commission (BTRC) shows 12 manufacturers have so far got licences and 10 are in operation. Local electronic brand Walton was a pioneer in mobile manufacturing as it ventured sometime in 2017. Later, global smartphone vendors Samsung, Symphony, Oppo and Realme started production locally. Samsung began its manufacturing in association with a local partner in 2017, which is now able to produce over 7.0-million devices annually, said chairman of fair group
- Sources said nearly 60.0% taxes were levied on handset imports or completely built unit (CBU) smartphones while it is around 15.0% for locally manufactured or assembled ones. Official statistics showed some 168.1-million phone subscribers were in Bangladesh as of October 2020.

<https://today.thefinancialexpress.com.bd/first-page/local-handsets-grab-60pc-market-share-1605978892>

### **Tax evasion by multinational corporations (MNCs), individuals high in Bangladesh**

- The tax abuse by multinational corporations (MNCs) and private individuals in Bangladesh is equivalent to at least three-fifths of the country's health budget, according to an estimate by Tax Justice Network (TJN). The annual estimated loss in tax in the county due to evasion is USD 703.40 million (or around BDT 60.0 billion), unveiled the TJN's latest report titled 'The State of Tax Justice 2020.' It also showed that the amount is at least 3.50% of the country's total tax revenue. The TJN estimated annual amount of tax revenue at USD 20.0 billion (or around BDT 1,695 billion).
- This, however, appears a conservative estimation as the country's annual total tax revenue collection was recorded at BDT 2,223.6 billion in the last fiscal year (FY'20). Of this, BDT 2,184.1 billion came through National Board of Revenue (NBR) sources. Of the total tax loss, around 95% or USD 674.0 million was due to 'global tax abuse committed by multinational corporations'. The rest of the amount of USD 29.0 million 'lost to global tax evasion committed by private individuals'. The estimated tax loss in Bangladesh is greater than both the global and regional average in terms of ratio, according to the report.

<https://today.thefinancialexpress.com.bd/first-page/tax-evasion-by-mncs-individuals-high-in-bd-1605979215>  
<https://tbsnews.net/economy/tax-revenue-loss-bangladesh-3rd-highest-south-asia-161068>

### **BDT 2.0 billion likely to be left**

- Around BDT 2.0 billion is likely to be left unspent under the VAT Online Project (VOP) as some of the planned components have been made redundant for amendments brought to the VAT law, said officials. So far, BDT 2.6 billion could be spent out of the total estimated cost of BDT 6.9 billion for the much-talked-about initiative taken by the government to automate the value-added tax (VAT) system in order to increase revenue collection.
- The government took up the VOP in 2013 to implement the VAT and Supplementary Duty Act 2012, end the manual system involving VAT collection and replace a more than two decades' old VAT law. The idea was also to reduce the cost of businesses, improve compliance and increase revenue collection in the country, which has the lowest tax-GDP ratio in South Asia. Initially, the NBR had planned to start with a uniform 15.0% VAT rate on all goods and services, moving away from multiple VAT rates. But its enforcement was delayed on several occasions for lack of preparedness of the revenue administration and opposition from businesses, particularly from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).
- Under the VOP, the NBR aims to connect its 12,287 VAT circles, 84 divisional offices, 12 Commissionerate and other VAT related offices under a single platform. It also aims to integrate with Bangladesh Bank, the Office of the Comptroller and Auditor General and the income tax department with a goal of increasing revenue collection, according to the NBR.

<https://www.thedailystar.net/business/news/tk-200cr-likely-be-left-1999009>

### **Government alerts banks about cyberattack threat**

- The government has alerted banks about the threat of a cyberattack, instructing them to put in place precautionary measures to prevent hackers from stealing money. The financial institutions division of the finance ministry had sent a letter to banks on Thursday asking them to take necessary measures, said an official of a bank, preferring anonymity. A North Korean hacker group named "Beagle Boys", which had been involved in stealing money from the central bank's foreign exchange reserve in 2016, may try to hack into ATM booths of banks and the SWIFT (Society for Worldwide Interbank Financial Telecommunication) network to steal funds.

- In August, Bangladesh Bank had alerted banks about a possible cybersecurity threat to bank transactions through ATM booth, credit cards and other modes of online banking. Since then, almost all banks kept the service of automated teller machines (ATMs) and point of sales (POS) suspended from 12:00am to 7:00am. In an earlier cyberattack in February 2016, hackers stole USD 101.0 million from the Bangladesh Bank's account with the Federal Reserve Bank of New York. Of the sum, USD 81.0 million ended up in the Philippines and USD 20.0 million in Sri Lanka.

<https://www.thedailystar.net/business/banking/news/govt-alerts-banks-about-cyberattack-threat-1999049>

### Investors dashing for Robi's shares

- Robi is a dream IPO for the current situation, said Mohammed chief executive officer of UCB Capital Management. And it is coming with no premium, so investors will get to snap up a slice of a multinational company that maintains good governance and very good future plans at BDT 10.0 each. Robi will offload 524.0 million shares, which is about 10.0% of its stakes, in lots of 500.

- Since the stock market regulator gave the nod to the listing, which will be the biggest yet in the bourse's history, on September 23, about 0.12 million beneficiary owner's (BO) accounts, which is a must to buy shares, were opened, according to data from the Central Depository Bangladesh Ltd (CDBL). The excitement is simply because Robi is a multinational company and the market needs all the multinational companies that it can get, said the president of the Bangladesh Merchant Bankers' Association.

- However, it is widely believed that multinational companies have better corporate governance, operational efficiency and draw the best talent. In the first six months of this year, Robi logged in profit of BDT 772 million and Grameenphone about BDT 18.0 billion. Robi has yet to unveil its earnings from the third quarter; Grameenphone has posted a profit of BDT 8.9 billion.

<https://www.dhakatribune.com/business/stock/2020/11/22/why-are-investors-dashing-for-robi-s-shares>

### World Stock and Commodities\*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 42.42	(USD 19.21)	-31.17%
Crude Oil (Brent)*	USD 44.96	(USD 23.48)	-34.31%
Gold Spot*	USD 1,870.99	USD 349.52	22.97%
DSEX	4,879.96	427.03	9.59%
S&P 500	3,557.54	326.76	10.11%
FTSE 100	6,351.45	(1,235.60)	-16.29%
BSE SENSEX	43,882.25	2,240.11	5.38%
KSE-100	40,187.18	(547.90)	-1.35%
CSEALL	6,085.00	(44.21)	-0.72%

### Exchange Rates

USD 1 = BDT 84.85\*

GBP 1 = BDT 112.63\*

EUR 1 = BDT 100.60\*

INR 1 = BDT 1.14\*

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

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