

*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 focuses more on bank borrowing**

- The government borrowed nearly BDT 280 billion from the country's banking system in more than 100 days of the current fiscal year (FY) to meet the budget deficit, partially. A falling trend in sales of national savings certificates along with a shortfall in revenue collection has led to higher bank borrowing by the government during the period under review, officials said. Meanwhile, the government's aggregate net bank borrowing stood at BDT 276.34 billion, which was more than 58% of the total target, as of October 21 of FY 2019-2020, according to a Bangladesh Bank (BB)'s confidential report. Of the total, the government borrowed BDT 256.88 billion from the scheduled banks using treasury bills (T-bills) and bonds, and the remainder BDT 19.46 billion from the central bank.
- In the first quarter of this fiscal year, sales of four popular savings instruments was BDT 90 billion, a 59.4% decline compared to that of the same period a year earlier. Revenue collection by the National Board of Revenue fell by BDT 93.17 billion to BDT 296.20 billion in the July-August period of FY'20 as against the target of BDT 389.37 billion. The volume of borrowing may increase by a big margin in December as the government will have to pay more than BDT 100 billion against maturities of its securities particularly T-bills, according to a senior official.
- Market operators, however, observed the market situation while maintaining a 'wait-and-see policy'. But they did not rule out the possibility of crowding-out effects on the market if the government's high bank borrowing continues. The managing director and chief executive officer of Dhaka Bank Limited said the crowding-out effects may keep going if the government borrowing from the banking system increases significantly in the coming months to meet its budget deficit. Another senior executive of a leading private commercial bank urged the central bank to play its due role in ensuring adequate supply of liquidity to the market so that banks are able to finance more projects in different sectors particularly productive ones.

<https://today.thefinancialexpress.com.bd/first-page/govt-focuses-more-on-bank-borrowing-1572284830>

### **Dhaka Stock Exchange (DSE) forms body to review IPOs**

- The premier bourse has formed a high-profile committee to review the IPO (initial public offering) proposals in a bid to ensure quality of the listings on the country's stock exchanges. An Independent director of DSE will head the six-member review committee, according to officials. Other members of the committee are two independent directors of DSE which includes a Justice and a Brigadier General, a shareholder director and the DSE managing director. The head of the DSE's listing department has been made the member secretary of the review committee. The meeting also decided to form an expert panel of 12 to 15 auditors, who will assist the IPO review committee. In a statement the chief of the review committee said the IPO proposals will be reviewed by the persons having no links with the companies concerned.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-forms-body-to-review-ipos-1572283562>  
<http://www.newagebd.net/article/89082/dse-forms-ipo-review-body>

### **Teletalk to get license renewed without clearing BDT 60 billion dues**

- State-run Teletalk is getting its 2G license renewed without clearing about BDT 60 billion of dues, in a brazen display of favoritism by the telecom regulator. The carrier owes about BDT 57 billion as spectrum charge and another few billions in social obligation fees and some other charges. As per rules, all dues must be cleared for licenses to be renewed. Teletalk's 2G license had expired on August 31 and Bangladesh Telecommunication Regulatory Commission has already given the operator the no-objection certificate to continue its business. Not just that, the certificate renewal will be backdated.
- The chairman of the telecom watchdog acknowledged that Teletalk owes vast sums to the BTRC. He said that it doesn't actually mean anything and the government will cover for Teletalk and the money will go to the exchequer again. However, the BTRC will place the demand before the government after calculating the total amount owed by Teletalk. The government will have the final say on the matter, he added. The telecom minister said that he will write to the finance ministry to consider this amount as an investment of the government in Teletalk.

<https://www.thedailystar.net/business/news/teletalk-get-licence-renewed-without-clearing-BDT-6000cr-dues-1820182>

### **Value-Added Tax (VAT) cut likely for power plants' coal import**

- The National Board of Revenue is likely to cut value added tax on the import of coal for power plants to 5% from present 15% in order to facilitate electricity generation at reduced costs, said a senior official yesterday.

- The move comes at a time when the construction of three coal-fired power plants in the public sector is on while one in Payra in the southern district of Patuakhali is expected to start producing around 660 megawatts of electricity. Apart from this, four private sector coal-based power plants are in the process of being established, according to the minutes of a meeting between the NBR and the Power Division in August this year.

- As coal accounts for nearly 65% of the electricity production cost, a reduction in the VAT rate will bring down the cost of generation, said the meeting minutes.

<https://www.thedailystar.net/business/news/vat-cut-likely-power-plants-coal-import-1820170>

### **Business confidence rises in H2 but feared to fall in next half: Survey by Business Initiative Leading Development (BUILD)**

- Confidence of the country's businesses is expected to improve slightly in the second half of the year 2019 compared with that in the same period of 2018 due mainly to improvement in employment situation, license and permit, telecommunication, electricity and gas supply and improvement in finance from other sources except the banking sector, according to a survey. The level of business confidence, however, is feared to fall in the first half of 2020 due to volatile exchange rate, high inflationary expectation, unreliable banking sector with high interest rate, corruption, unofficial cost of business, syndicate and policy uncertainty, the survey said. Business Initiative Leading Development (BUILD), an initiative of Metropolitan Chamber of Commerce and Industry, Dhaka Chamber of Commerce and Industry and Chittagong Chamber of Commerce and Industry, carried out the survey.

- According to the report, the overall business confidence index is perceived to reach 10.87 points in the period of July-December of 2019 from that of 10.32 points in July-December of 2018. The index is set to drop to 10.84 points in the period from January to June 2020, it said. The standard average point is set at 10 for the survey.

<http://www.newagebd.net/article/89079/business-confidence-rises-in-h2-but-feared-to-fall-in-next-half>  
<https://www.dhakatribune.com/business/2019/10/29/business-confidence-to-grow-in-jul-dec>

### **Getting listed with stock market: Insurance Development and Regulatory Authority (IDRA) asks non-listed insurers to submit plans by November 15**

- The Insurance Development and Regulatory Authority (IDRA) on Monday asked 27 insurers to submit their plans by November 15 on getting listed with the country's stock exchanges as per the direction of the finance ministry. On September 15, Finance Minister asked non-listed insurance companies to be listed with the country's stock exchanges by December this year. IDRA, the insurance regulator, gave the direction at a meeting with 27 non-listed insurance companies at its office in Dhaka.

- IDRA, the insurance regulator, gave the direction at a meeting with 27 non-listed insurance companies at its office in Dhaka. We hope by November about four companies — Sonali Life Insurance, Dosh General Insurance, Crystal Insurance and Express insurance — will be able complete the formalities of getting listed with the stock exchanges, a member of the IDRA said.

- According to IDRA, there are some 78 insurance companies in the country including 32 life insurance companies and 46 non-life insurance ones. A total of 31 insurance companies are not yet listed with the stock exchanges.

<https://www.dhakatribune.com/business/2019/10/28/getting-listed-with-stock-market>

### **Exports to India may double in 3 years if trade potential utilized**

- Bangladesh will be able to double its export to India in three years if the former can utilize its trade potential in the northeastern Indian states, according to the India-Bangladesh Chamber of Commerce and Industry (IBCCI).

Bangladesh's export to India crossed USD 1 billion in the last fiscal year against imports of USD 10.5 billion, tilting the balance of the bilateral trade in favor of India. Our exports to India will reach USD 2 billion within the next three years as local exporters are enjoying various trade benefits in the neighboring country and exploring the trade potential in Northeast India, President of IBCCI said yesterday.

- It took Bangladesh eight years to reach USD 1 billion in exports to India. But now only three years would be needed to double exports as trade and connectivity improved between Assam and Bangladesh, according to President of IBCCI.

<https://www.thedailystar.net/business/news/exports-india-may-double-3yrs-if-trade-potential-utilised-1820173>  
<https://www.dhakatribune.com/business/2019/10/28/export-to-india-has-potential-to-rise-to-2b>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$55.70	-0.11	-0.20%
Crude Oil (Brent)*	\$61.52	-0.05	-0.08%
Gold Spot*	\$1,492.49	-0.02	-0.01%
DSEX	4,699.23	-53.42	-1.12%
Dow Jones Industrial Average	27,090.72	+132.66	+0.49%
FTSE 100	7,331.28	+6.81	+0.09%
Nikkei 225	22,975.13	+107.86	+0.47%
BSE SENSEX	39,299.34	+49.14	+0.13%

**Exchange Rates****USD 1 = BDT 84.73\*****GBP 1 = BDT 108.86\*****EUR 1 = BDT 94.02\*****INR 1 = BDT 1.20\***

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

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