

*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.*

### **Banks find fresh fortune as savers swarm**

- The country's banking sector saw deposits swell in July as savers turn away from putting money into the national savings instruments. The growth in deposits leaped more than 12% year-on-year as of July 31, up from 11.48% a month ago, according to the central bank statistics. Excluding inter-bank balance, all banks' deposits rose to around BDT 12 trillion as of July 31 from BDT 11.81 trillion a month ago. The figure was BDT 11.20 trillion as of March 28.
- Some savers are now switching over to banks from savings certificates, a senior executive of a leading private bank said explaining the recent uptrend in banking deposits. He also said the private banks, particularly the fourth generation lenders, are now offering double-digit interest rate to attract term deposits from individuals to meet their growing requirements for cash. The banks are now offering interest on fixed deposit schemes, particularly of three-month, six-month and one-year, at rates ranging from 2.0% to 11.50%, according to the central bank's latest monitoring report.
- Meanwhile, the net sales of national savings tools plunged by more than 57% to BDT 21.60 billion in July 2019 from BDT 50.36 billion during the same period of the last calendar year. It was BDT 32.08 billion in June this year, according to official figures. The net sales of saving certificates dropped drastically during the period as the government imposed tax along with some conditions on purchasing savings instruments.
- A senior official of the Bangladesh Bank (BB) said higher inflow of remittances in recent months also helped improve deposit growth in the banking sector. He also expects the upward trend in deposits to continue in the coming months.

<http://today.thefinancialexpress.com.bd/first-page/banks-find-fresh-fortune-as-savers-swarm-1567704586?date=06-09-2019>

### **Bangladesh Bank updates loan limits for enterprises**

- Bangladesh Bank (BB) has issued a master circular for financing in the cottage, micro, small and medium enterprise (CMSME) sector. The central bank, in a circular on Thursday, updated the definition of CMSME in line with the National Industrial Policy and set a limit to the amount of credit the enterprises can avail. Moreover, the circular said, banks and financial intuitions (FIs) have to keep at least 25% loan and advance balance by 2024 and they have to increase minimum one% loan and advance balance every year. At least 50% has to be kept for cottage, micro and small enterprises and minimum 15% lending has to go to women entrepreneurs. The circular also said banks and FIs have to keep minimum 40% CMSME lending to manufacturing sector, 25% for service sector and a maximum 35% for trading.
- The highest ceiling of credit for cottage entrepreneurs is BDT 1.5 million while BDT 10 million for manufacturing micro industries, BDT 2.5 million for micro service industries and BDT 5.0 million for micro entrepreneurs. Small manufacturing industries will get maximum BDT 200 million while Taka 50 million for small service industries and small entrepreneurs. Medium manufacturing industries will get BDT 750 million while BDT 500 million for medium service industries, the circular said.

<http://today.thefinancialexpress.com.bd/last-page/bangladesh-bank-updates-loan-limits-for-enterprises-1567704869?date=06-09-2019>

### **Agent banking deposit crosses BDT 52 billion, accounts 3.4 million**

- According to the quarterly data of April-June, 2019, of Bangladesh Bank (BB), deposit collection through the agent banking was more than BDT 52.28 billion which was 42% higher from over BDT 37.34 billion in the period from January to March 2019. At the end of April to June quarter, the number of agent banking accounts across the country also increased by 18% or around 0.51 million compared to the previous quarter. The number of accounts with agents increased to over 34,16,672 from 29,06,655 in April to June period of 2019. At the end of April-June quarter, the number of agents increased to 6,013 from 4,886 of the previous quarter and the number of bank agent outlets also increased to 8,671 from 7,838 in the same quarter. Official data shows that banks distributed over BDT 93.49 billion remittances through the agent banking channel, which was over BDT 71.82 billion in the January to March quarter of 2019.

<http://today.thefinancialexpress.com.bd/trade-market/deposit-crosses-BDT-52b-accounts-34-million-1567704039?date=06-09-2019>

### **GP, Robi's parent companies back off from Asian merger**

- Norwegian telecom operator Telenor said Friday talks on merging its Asian operations with Malaysian telecom group Axiata have ended due to complexities with the transaction. The companies announced in May that they had entered talks on creating a new company to serve nearly 300 million customers in nine Asian countries. Telenor would have controlled 56.5% of the shares and Axiata the remaining 43.5%. Due to some complexities involved in the Proposed Transaction, the parties have mutually agreed to end the discussion, Telenor said in a statement. They did not rule out the possibility of a "future transaction", according to the statement.

<https://www.thedailystar.net/business/news/gp-robis-parent-companies-back-asian-merger-1797196>  
<http://today.thefinancialexpress.com.bd/last-page/telenor-axiata-end-asia-telecom-jv-talks-1567792809?date=07-09-2019>  
<http://www.newagebd.net/article/83779/gp-robis-parent-cos-turn-back-on-merger-talks>  
<https://www.dhakatribune.com/business/2019/09/06/axiata-telenor-ends-merger-talks>

### **GP, Robi get BTRC notice**

- The telecoms regulator served on Thursday show-cause notice to mobile operators Grameenphone and Robi for non-payment of dues to the state exchequer. Bangladesh Telecommunication Regulatory Authority (BTRC) asked them to explain within 30 days "why their licenses should not be cancelled" for not paying the government dues. As per a BTRC audit claim, GP has BDT 125.79 billion in dues to the government, including BDT 40.85 billion to the National Board of Revenue (NBR). Another telecoms giant Robi owes BDT 8.67 billion to the government, including BDT 1.97 billion to the revenue board.
- However, terming the audit claims disputed, both the companies had been urging BTRC to settle the issue through arbitration. But BTRC said of no scope to go to arbitration as existing law does not allow for it.

<http://today.thefinancialexpress.com.bd/last-page/gp-robi-get-btrc-notice-1567705045?date=06-09-2019>  
<https://www.thedailystar.net/business/telecom/grameenphone-gp-robi-2g-3g-licenses-move-to-withdraw-1796137>  
<http://www.newagebd.net/article/83667/btrc-tightens-screws-on-gp-robi-to-pay-audit-claims>  
<https://www.dhakatribune.com/business/2019/09/05/btrc-issues-show-cause-notices-on-gp-robi-for-licence-cancellation>

### **Non-bank entities can soon set up ATMs**

- The central bank will allow non-bank entities to set up automated teller machines (ATMs) and point of sale (POS) terminals as it ramps up efforts to promote card-based transactions across the country. At present, only banks are allowed to set up ATM and POS, but they are now showing little interest in expanding the facilities given the high maintenance cost, additional manpower and high security measures. The central bank has been working on the issue for long and has almost completed all relevant work to roll out the service. A guideline will be issued within the next couple of months, the BB official added.
- The intended companies, which will set up ATMs and POS, will have to take licenses from the central bank to act as a payment system provider (PSO). The PSOs will have to deposit BDT 5 million with the central bank. As of June, banks have installed 10,722 ATMs and 52,846 POS terminals while they issued 1.2 million credit cards and 15.7 million debit cards, according to data from the central bank. As per the central bank's guideline, the non-bank entities will have to set up ATMs evenly between rural and urban areas but with a view to deepening financial inclusion, the BB official said.

<https://www.thedailystar.net/business/news/non-bank-entities-can-soon-set-atms-1797208>

### **Trade war helps raise apparel export to US**

- The US-China trade war is directly benefitting Bangladeshi exporters, with garment shipments to the US increasing over 3% this year compared to that last year, said the leaders of Bangladesh Garment Buying House Association yesterday. Last year the shipments to Bangladesh's largest export destination decreased 2% year-on-year, said the association's President at a press conference at its office in Dhaka. "Though Bangladesh will continue to benefit from the trade skirmishes, the biggest gainer is Vietnam which has received more work orders, he said. The biggest challenges are fast adoption of automation and exploration of marketing avenues alongside meeting shortages of skilled mid-level manpower, he added.

<https://www.thedailystar.net/business/news/trade-war-helps-raise-apparel-export-us-1797202>

### **Export earnings dip in August on Eid holidays**

- Country's export earnings in August this year fell 26.27% short of government-set target of USD 3.85 billion due to the lower shipment of readymade garment products as production in the factories was suspended for 7-9 days for Eid-

ul-Azha holidays. Export earnings in the second month of the current financial year 2019-20 fell by 11.49% to USD 2.84 billion from USD 3.21 billion in the same month of the last fiscal, according to the provisional data of Export Promotion Bureau to be released today.

- Exporters said that readymade garment exports in August 2019 fell by more than 11% due to Eid vacation as most of the factories remained close for at least seven days. Country's overall export earnings in July-August, the first two months of FY20 fell by 0.92% to USD 6.73 billion from USD 6.79 billion in the same period of FY19, data showed. Export earnings from the RMG sector in the first two months of FY20 decreased by 0.33% to USD 5.71 billion from USD 5.73 billion in the same period of FY19.

<http://www.newagebd.net/article/83889/export-earnings-dip-in-aug-on-eid-holidays>

### **Exports to India set to hit bumps after onsite inspection criterion**

• Neighboring India wants to inspect Bangladeshi factories before it imports goods under a regional free trade deal in what local exporters see it as a non-tariff barrier. With Bangladesh's exports to India exceeding USD 1.0 billion, New Delhi has attempted to impose a curb the entry of Bangladeshi goods to its market, according to exporters and analysts. In November 2011, India granted duty and quota-free market access to all but tobacco and alcohol under the South Asian Free Trade Area deal for the least developed country members of the South Asian Association for Regional Cooperation. But Bangladesh's exports to India did not grow much despite the trade benefits and non-tariff and para-tariff barriers imposed by Delhi were seen as the binding constraint. In contrast, Indian exports to Bangladesh grew to over USD 8.0 billion.

• Under the SAFTA clauses, goods from poorer countries need 30% value addition to be eligible for duty-free access to India. Officials said India has recently claimed that Bangladesh is exporting edible oil to Indian states without proper value addition making it ineligible for enjoying duty-free benefit. Trade officials said in this case, India is asking Bangladeshi exporters to furnish required bank guarantee, equivalent to applicable duty and taxes, to get goods released from the ports.

<http://today.thefinancialexpress.com.bd/first-page/exports-to-india-set-to-hit-bumps-after-onsite-inspection-criterion-1567792348?date=07-09-2019>

### **Government sits with China September 09 to confirm USD 5.4 billion loan**

• Bangladesh is likely to seek confirmation of USD 5.40 billion Chinese loan for 11 priority projects, whose implementation has been delayed for years due to lack of foreign assistance, officials said on Wednesday. The government officials concerned are going to sit with Chinese officials in Dhaka next week for getting concrete assurance of financial support for the 11 projects.

• The Bangladesh government sought financial support amounting to some USD 20 billion from Beijing more than four years ago for bankrolling a total of 27 development projects. According to the plan, Bangladesh would implement the projects between 2016 and 2020 with the fund. In the meantime, China has confirmed loan for five projects only. The rest of the 27 projects are still struggling due to fund shortage, the officials noted. They further said that implementation of most of these projects has been delayed due to absence of funding assurance. Now the government will talk with China for funding the 11 priority projects.

<http://today.thefinancialexpress.com.bd/first-page/govt-sits-with-china-sept-09-to-confirm-54b-loan-1567704740?date=06-09-2019>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$56.52	+0.22	+0.39%
Crude Oil (Brent)*	\$61.54	+0.59	+0.97%
Gold Spot*	\$1,506.82	-12.23	-0.81%
DSEX	5013.01	+26.65	+0.53%
Dow Jones Industrial Average	26,797.46	+69.31	+0.26%
FTSE 100	7,282.34	+11.17	+0.15%
Nikkei 225	21,199.57	+113.63	+0.54%
BSE SENSEX	36,981.77	+337.35	+0.92%

**Exchange Rates****USD 1 = BDT 84.42\*****GBP 1 = BDT 103.55\*****EUR 1 = BDT 93.85\*****INR 1 = BDT 1.18\***

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

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