

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.

Bangladesh mobile industry fifth largest in Asia Pacific

- The mobile industry in Bangladesh has become the fifth largest in the Asia Pacific, with 85 million unique subscribers and 145 million connections as of 2017. The telecommunications has boomed over the last decade, revealed a global report on the sector recently. By helping to promote digital inclusion and support essential service delivery, mobile industry contributes largely to Bangladesh's economy, said a senior manager, spectrum and policy, GSMA South Asia. In 2015, the mobile ecosystem generated 6.2% of GDP [gross domestic product], amounting to around USD 13 billion of economic value added according to study report styled 'Spectrum Pricing in Developing Countries'.
- Bangladesh has an opportunity to drive more rapid adoption of next-generation network services than would otherwise be the case. Average reserve prices in spectrum auctions are more than five times higher in developing countries than in developed, the study showed. In some developing markets, operators have often paid similar prices for spectrum as those in developed countries, even though consumer incomes and expected mobile service profits are substantially lower, it also mentioned. According to the new spectrum pricing report, these prices were almost three times the Asia Pacific average final price over the period 2000-2017, when adjusted for GDP per capita in Bangladesh.

<http://thefinancialexpress.com.bd/trade/bd-mobile-industry-fifth-largest-in-asia-pacific-1537287451>

Final estimates put GDP growth at 7.86% in FY '18

- The country's economy expanded at a rate of 7.86% in the last fiscal year (FY) 2017-18, propelled by its industrial and agriculture sectors, the final data of Bangladesh Bureau of Statistics (BBS) showed. The final Gross Domestic Product (GDP) growth was 0.21% points higher than 7.65%, the government's previous estimation, unveiled in May. However, the country's per capita income dropped by USD 1.0 to USD 1,751 in the FY 18 in the final estimation, according to BBS. In May, the BBS estimated the provisional per capita Gross National Income (GNI) at USD 1,752.
- The country's GDP growth at constant price broke all its previous records, as the rate has been on a steep rise after Bangladesh entered the "7.0% growth club" two years ago in FY 2015-16. According to BBS final data, the country's total GDP size at current prices rose to BDT 22.50 trillion (\$ 274.11 billion) in the FY '18. In the FY '17, the total GDP size was BDT 19.76 trillion (\$ 249.72 billion). The Gross National Income (GNI) also increased to BDT 23.53 trillion (\$ 286.612 billion) in the current FY from that of BDT 20.607 trillion (\$ 260.45 billion) in the previous FY.

<http://today.thefinancialexpress.com.bd/first-page/final-estimates-put-gdp-growth-at-786pc-in-fy-18-1537292749>

<https://www.thedailystar.net/business/news/gdp-growth-reaches-786pc-final-count-1635835>

<http://www.newagebd.net/article/50918/govt-shows-gdp-grew-by-record-786pc-in-fy18-experts-doubt>

Rising middleclass brings cheers for supermarkets

- The rise of the middleclass and their growing purchasing power are driving the growth of the supermarket business in Bangladesh. According to the market players, the sector is likely to witness further growth riding on rapid urbanisation and higher per capita income. The market size of the country's supermarket is roughly BDT 25.00 billion and the growth has been almost 15% per year for the last couple of years, said the business director of Shwapno, the market leader. According to a recent review report by IDLC Finance, there are 121 supermarket outlets in the country. Of them, Shwapno has 76 outlets in Dhaka, Chattogram, Cumilla, Gazipur and Sylhet.
- Bangladesh's consistent economic growth of over 7% for the last three fiscal years and the rising middle and affluent class who are estimated to be around 20 million will drive the growth of the supermarket in the years to come. Per capita income rose to USD 1,751 in the last fiscal year. Bangladesh is the 42nd largest economy in the world in nominal terms and 31st largest by purchasing power parity. Now many consumers prefer super shops to traditional marketplaces because of their convenience and quality of products, the general secretary of the Bangladesh Supermarket Owners Association said.

<https://www.thedailystar.net/business/news/rising-middleclass-brings-cheers-supermarkets-1635838>

10 firms to invest USD 220 million in two years

- Ten local and foreign companies will invest about USD 220 million in Bangabandhu Hi-Tech City at Gazipur's Kaliakoir within a year, leading to the creation of 5,000 jobs in the coming years. Bangladesh Hi-Tech Park Authority (BHTPA) will next week hand over 28 acres of land to the firms. The 355-acre city already has a local firm, DataSoft Limited, which set up a plant and started manufacturing and exporting its self-designed artificial intelligence products to Saudi Arabia. The 10 companies are planning to develop software and associated services and manufacture hardware establishing business process outsourcing centres there, said the managing director of BHTPA.

- The companies have been selected based on their investment plan and current business reputation. Mobile operator Robi, one of the 10 companies, is planning to develop their own data centre, create a separate service development team and set up an IT team there. The authority has already signed agreements with the companies, renting out the land for 40 years at an annual rate of USD 2 per square metre. Companies which are able to develop or manufacture products and services for export will get extra tax benefits.

<https://www.thedailystar.net/business/news/10-firms-invest-220m-two-years-1635832>

Importers get BDT 171.00 billion in duty benefits in FY16: World Bank

- The government gave BDT 171.00 billion in duty concessions to importers in financial year 2015-2016 through providing various exemptions and duty waiver on imports, according to a World Bank estimate. Total estimated revenue foregone on customs duty in FY 2016 was about 1% of the country's gross domestic product and 11.7% of taxes collected by the National Board of Revenue, it said. The size of the country's GDP was USD 221 billion in the year when NBR collected BDT 1.56 trillion in revenue, including customs duty, income tax and value-added tax.
- Earlier in mid-2017, finance minister requested the WB to carry out a study on tax benefits, known as tax expenditure, given to taxpayers, industries, businesses, and its impact on society and economy in the country. The highest revenue foregone was for imports under the statutory rate of 10% followed closely by the imports under the 5% and 0% category and these four together contribute 56% of the revenue foregone, according to the study.

<http://www.newagebd.net/article/50924/importers-get-tk-17100cr-in-duty-benefits-in-fy16-wb>

Securities law violations on the rise

- According to the Bangladesh Securities and Exchange Commission (BSEC), a total of 96 companies were fined and warned for non-compliance in the first eight months of this year. Investor confidence is being hit by a rise in securities law violations by listed firms, brokerage houses and individuals, market experts have warned. This compares to 77 companies fined and warned by the securities regulator in the January to August period last year. These violations influence stock prices and benefit vested quarters. BSEC sources said most violations are related to price sensitive information (PSI).
- However, other cases have involved the buying and selling of shares by sponsor directors without declarations, or the failure to submit and publish financial statements on time. On various occasions throughout the year, BSEC asked all directors, managing directors and company secretaries of companies accused of violations to explain the allegations in hearings held at BSEC. In August this year, the regulator also fined and warned eight companies for non-compliance with securities laws. The companies are: AB and Company Ltd, Alliance Securities and Management Ltd, Delta Spinners Ltd, International Leasing Securities Ltd, Padma Islami Life Insurance Ltd, Saad Securities Ltd, Unique Share Management Ltd and Western Marine Shipyard Ltd.

<https://www.dhakatribune.com/business/stock/2018/09/18/securities-law-violations-on-the-rise>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$69.89	+0.04	+0.06%
Crude Oil (Brent)*	\$79.01	-0.02	-0.03%
Gold Spot*	\$1,199.54	+1.18	+0.10%
DSEX	5472.60	28.79	0.53%
Dow Jones Industrial Average	26,246.96	+184.84	+0.71%
FTSE 100	7,300.23	-1.87	-0.03%
Nikkei 225	23,766.42	+345.88	+1.48%

Exchange Rates

USD 1 = BDT 83.87*

GBP 1 = BDT 110.25*

EUR 1 = BDT 97.83*

INR 1 = BDT 1.16*

**Currencies and Commodities are taken from Bloomberg.*

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