

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.51%) lost 85.67 points and closed the week at 5,570.15 points. The blue-chip index DS30 (-1.52%) lost 30.67 points and stood at 1,993.00 points. The shariah based index DSES (-0.65%) lost 8.40 points and stood at 1,284.44 points. DSEX, DS30 and DSES all posted positive YTD return of +3.43%, +5.97%, and +4.19% respectively.

Total Turnover During The Week (DSE): BDT 17.2 billion (USD 206.9 million)
Average Daily Turnover Value (ADTV): BDT 4.3 billion (Δ% Week: -11.2%)

Daily Index Movement during the Week:

The market performed four sessions during this week. Market opened this week with a negative movement of 0.90% in the first session. Then the market closed in positive territory in the second session (+0.47%). The market turned negative in the third session (-0.55%) and continued to be negative in the fourth session (-0.54%) as well.

Sectoral Performance:

- The financial sectors showed negative performance this week. General Insurance posted the highest loss of 4.35% followed by Banks (-3.11%), NBFIs (2.43%), Life Insurance (-2.13%), and Mutual Funds (-1.14%).
- The non-financial sectors registered mixed performance this week. Telecommunication posted the highest gain of 2.26% followed by Pharmaceuticals (+0.35%). Food & Allied posted the highest loss of 2.12% followed by Power (-1.92%) and Engineering (-1.03%).

Macroeconomic arena:

- Banks have rescheduled a record amount of default loans last year, fuelling further fears of the sector's health. In 2018 non-performing loans amounting to BDT 232.10 billion were rescheduled, up 22% from a year earlier. At the end of September 2018, banks' NPL grazed BDT 1 trillion -- it stood at BDT 993.70 billion -- the largest yet in Bangladesh's history. It came down to BDT 939.11 billion towards the end of the year.
- The government has taken an initiative to set up three wind power plants in the country in the next two years. Each of the plants will have 50MW capacity, for a total contribution of 150MW wind power to the national electricity generation capacity. The locations of the three wind power plants have been selected on the basis of "wind mapping", will be Chandpur, Inani Beach of Cox's Bazar and Dakop upazila of Khulna.
- Second-tier manufacturers of CKD (completely knocked down) motorcycles will enjoy full waiver from payment of Supplementary Duty (SD) from now on. With the duty benefit, local motorcycle manufacturers will be able to produce bikes instead of just assembling them. Currently, duty and taxes totaling 91.88% are applicable to import of CKD motorcycles by the second-tier manufacturers even after exemption of the 20% SD.
- The country's economy is estimated to grow 8.13% in the current fiscal year (FY), buoyed by the strong performance of the industrial and service sectors. As per the estimation of three quarters of the current fiscal year (FY), 2018-19, the provisional Gross Domestic Product (GDP) growth rate is 0.33% higher than the target of 7.8%.

Stock Market arena:

- The securities regulator has decided to bring some changes to book-building method to make it more transparent and ensure 'fair' price of IPO (initial public offering) shares. The BSEC Chairman hinted that some changes to the definition of institutional investors are being planned to ensure the transparency of the book building system. He said also made harsh remarks on the price manipulation by alleged institutional investors in book-building method.
- The telecom regulator lifted the four restrictions it had imposed on Grameenphone after the penalties were challenged in the High Court. GP had been slapped with the restrictions as part of the penalties for becoming a significant market power (SMP) operator. GP challenged their legality at the High Court. The HC has stayed the restriction that had banned GP from giving adverts. It also asked why the other restrictions would not be declared illegal as the telecom regulator did not follow rules while enforcing the measures.
- The initial public offering (IPO) subscription of Coppertech Industries is set to begin on March 31, aiming to raise BDT 200 million from the capital market under the fixed price method. The subscription for shares of the Coppertech Industries by the eligible investors through electronic subscription system will be continued until April 09.

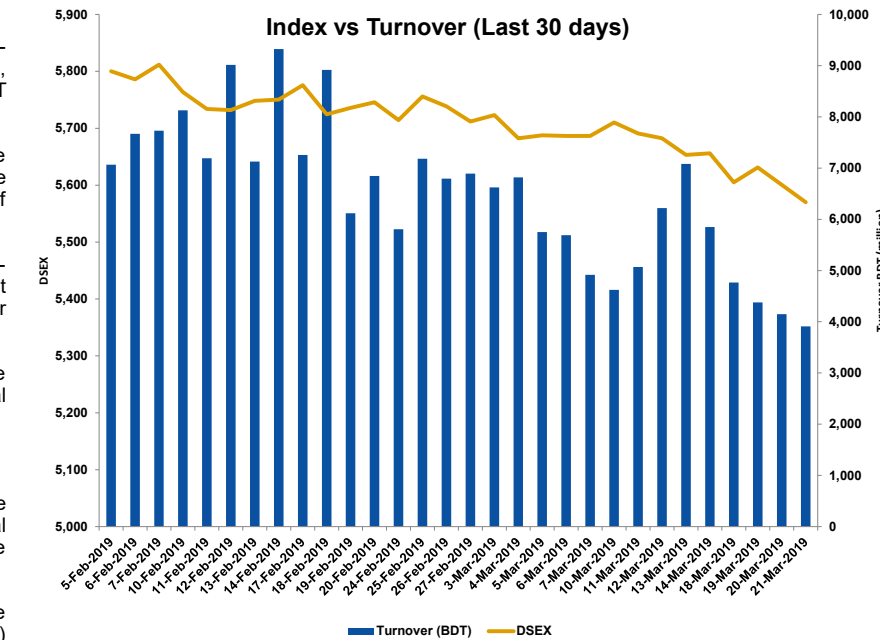
Table 1: Index

Index	Closing	Opening	Δ(Pts)	27-Dec-2018	Δ% Week	Δ%YTD
DSEX	5,570.15	5,655.82	-85.67	5,385.64	-1.51%	3.43%
DS30	1,993.00	2,023.66	-30.67	1,880.78	-1.52%	5.97%
DSES	1,284.44	1,292.83	-8.40	1,232.82	-0.65%	4.19%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	16,669,698.9	16,713,099.1	-0.3%
	Mn USD	200,525.7	201,047.7	
Turnover	Mn BDT	17,201.7	24,219.7	-29.0%
	Mn USD	206.9	291.3	
Average Daily Turnover	Mn BDT	4,300.4	4,843.9	-11.2%
	Mn USD	51.7	58.3	
Volume	Mn Shares	326.9	471.5	-30.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Meghna Condensed Milk	21.20	18.50	14.6%	339.2	1.61	NM	NM
Meghna Pet Industries	13	11.30	13.3%	153.6	.66	NM	NM
Northern Jute	1,297.80	1,148.30	13.0%	2,779.9	32.78	303.8x	17.1x
Progressive Life Ins	85.20	75.60	12.7%	1,096.2	18.31	NM	8.5x
Eastern Lubricants	1,467.60	1,318.80	11.3%	1,458.8	115.99	36.1x	13.1x
Renwick Jajneswar	1,627.60	1,465.00	11.1%	3,255.2	126.94	527.6x	NM
Fine Foods Ltd	39.40	35.50	11.0%	550.6	34.98	63.8x	3.8x
Reckitt Benckiser	3,596.50	3,246.20	10.8%	16,993.5	276.04	57.4x	73.5x
Rupali Life Insurance Co. Ltd.	101.50	92.60	9.6%	2,928.1	125.09	NM	10.2x
Zeal Bangla Sugar Mills	38.90	35.50	9.6%	233.4	.11	NM	NM

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
United Insurance	54.30	75.50	-28.1%	2,280.5	22.30	18.9x	1.9x
Monno Ceramic	317.10	353.90	-10.4%	10,357.0	487.64	3934.9x	4.4x
Beach Hatchery Ltd.	19.90	22.20	-10.4%	823.9	37.99	NM	1.7x
Sonar Bangla Ins	51.10	56.80	-10.0%	1,930.3	123.03	35.0x	3.5x
Mercantile Insurance	30.60	33.70	-9.2%	1,318.7	30.11	21.8x	2.0x
Uttara Bank	29.00	31.50	-7.9%	11,602.3	155.15	7.5x	0.9x
Glaxo Smithkline	1,443.10	1,566.90	-7.9%	17,384.2	24.33	27.0x	6.7x
BRAC Bank	81.70	88.50	-7.7%	87,623.3	942.30	22.5x	4.5x
Simtex Industries Limited	26.50	28.70	-7.7%	2,008.8	45.87	13.3x	1.7x
Asia Insurance	24.90	26.90	-7.4%	1,172.0	46.66	15.2x	1.6x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
BATBC	4,658.10	4,776.70	-2.5%	279,486.0	983.62	36.9x	14.8x
BRAC Bank	81.70	88.50	-7.7%	87,623.3	942.30	22.5x	4.5x
United Power Generation & Distribution Company Ltd	397.40	405.40	-2.0%	190,389.2	747.55	45.6x	16.5x
Singer Bangladesh	268.90	277.00	-2.9%	20,623.1	621.80	37.7x	11.6x
Dutch-Bangla Bank	205.90	218.10	-5.6%	41,180.0	565.03	23.4x	2.4x
Square Pharmaceuticals	269.90	267.60	0.9%	212,953.4	551.88	20.0x	4.5x
Monno Ceramic	317.10	353.90	-10.4%	10,357.0	487.64	3934.9x	4.4x
Marico Bangladesh Limited	1,655.10	1,526.50	8.4%	52,135.7	412.35	36.2x	39.5x
Grameenphone Ltd.	397.30	387.10	2.6%	536,474.2	317.22	23.8x	20.8x
Alif Industries Limited	70.60	72.20	-2.2%	2,919.8	298.94	22.2x	5.9x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,937.90	87.87%	89,875.7	44.4x
Marico Bangladesh Limited	1,655.10	49.63%	52,135.7	36.2x
Singer Bangladesh	268.90	37.54%	20,623.1	37.7x
BATBC	4,658.10	36.94%	279,486.0	36.9x
Dutch-Bangla Bank	205.90	34.49%	41,180.0	23.4x
Delta Brac Housing	140.40	13.56%	18,818.8	23.9x
Summit Power	40.30	12.26%	43,035.5	9.8x
Atlas Bangladesh	132.70	11.09%	4,396.0	NM
Power Grid Co. of Bangladesh Ltd.	57.00	9.20%	26,272.0	13.2x
The Premier Bank	14.90	9.14%	11,921.2	7.4x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1505.84	1554.25	1848.21	-3.11%	-18.52%
NBFIs	2104.56	2156.99	2714.85	-2.43%	-22.48%
Mutual Funds	663.36	671.01	788.81	-1.14%	-15.90%
General Insurance	1744.61	1823.87	1592.30	-4.35%	9.57%
Life Insurance	2014.32	2058.26	1834.85	-2.13%	9.78%
Telecommunication	5573.46	5450.53	6494.31	2.26%	-14.18%
Pharmaceuticals	2875.46	2865.33	2821.05	0.35%	1.93%
Fuel & Power	1989.13	2028.04	1527.27	-1.92%	30.24%
Cement	1696.05	1728.98	2280.58	-1.90%	-25.63%
Services & Real Estate	1002.22	1010.78	1224.11	-0.85%	-18.13%
Engineering	3037.48	3069.11	3166.83	-1.03%	-4.08%
Food & Allied	18855.78	19263.75	15304.34	-2.12%	23.21%
IT	1805.38	1817.96	1484.41	-0.69%	21.62%
Textiles	1382.81	1403.36	1222.72	-1.46%	13.09%
Paper & Printing	7893.59	8259.51	1013.11	-4.43%	679.15%
Tannery	2609.56	2730.03	2642.41	-4.41%	-1.24%
Jute	20179.08	18456.44	8867.22	9.33%	127.57%
Ceramics	598.21	629.72	597.46	-5.00%	0.13%
Miscellaneous	2428.82	2550.32	1725.62	-4.76%	40.75%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	707.0	936.0	-24.47%	16.97%	9.7x	1.1x
NBFIs	153.8	215.6	-28.67%	3.69%	20.2x	2.0x
Mutual Funds	11.1	23.3	-52.46%	0.27%	NM	0.5x
General Insurance	197.0	328.2	-39.98%	4.73%	15.9x	1.2x
Life Insurance	57.0	52.8	7.94%	1.37%	NM	8.4x
Telecommunication	139.1	183.1	-24.01%	3.34%	24.5x	18.1x
Pharmaceuticals	562.8	469.9	19.75%	13.51%	21.6x	3.5x
Fuel & Power	439.2	575.4	-23.67%	10.54%	16.8x	2.6x
Cement	73.0	103.7	-29.63%	1.75%	19.1x	3.1x
Services & Real Estate	41.4	72.1	-42.62%	0.99%	25.3x	0.8x
Engineering	544.5	728.8	-25.28%	13.07%	23.1x	2.1x
Food & Allied	328.5	484.7	-32.22%	7.89%	38.3x	13.4x
IT	70.4	171.3	-58.93%	1.69%	29.5x	3.0x
Textiles	339.7	567.7	-40.15%	8.15%	21.3x	1.2x
Paper & Printing	12.6	17.8	-29.13%	0.30%	NM	4.3x
Tannery	179.7	209.1	-14.06%	4.31%	20.6x	3.2x
Jute	23.7	17.1	38.23%	0.57%	NM	8.6x
Ceramics	128.2	270.3	-52.56%	3.08%	29.0x	2.2x
Miscellaneous	157.8	212.2	-25.67%	3.79%	35.0x	1.6x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.50	-47.96%	8,718.5	5.8x
United Airways (BD) Ltd.	2.60	-44.06%	2,153.1	11.1x
City Bank	28.60	-40.58%	27,684.4	6.8x
International Leasing	12.00	-39.19%	2,535.0	20.1x
Lafarge Surma Cement	44.50	-36.34%	51,681.1	23.2x
Aftab Automobiles	41.60	-35.20%	3,982.5	10.1x
EXIM Bank	11.30	-34.30%	15,958.4	5.4x
RAK Ceramics Limited	35.80	-34.26%	13,928.4	15.2x
ACI Limited	301.50	-32.13%	15,041.6	14.1x
IFIC Bank	11.70	-31.10%	15,663.2	9.9x

Important News: Business & Economy

Asian Development Bank (ADB) lends SAL USD 14.2 million to enhance agribusiness inclusiveness

- The Asian Development Bank (ADB) will provide USD 14.2 million as loan to support the expansion plans of Sylvan Agriculture Limited (SAL), a PRAN-RFL Group (PRAN) company. The loan aims to enhance inclusiveness in the agribusiness sector by lifting the incomes and skills of farmers, particularly women.
- Under a gender action plan, women will comprise at least half of the 450 people directly employed in the new facilities. Gender wage gaps would be reduced, women's facilities introduced, and greater technological assistance provided to women farmers.
- ADB Investment Specialist for Private Sector Operations said Agriculture plays a key role in Bangladesh's economy and development, providing nearly half of all employment in the country and supporting over 70% of the total population.
- The project is expected to increase contract farmers' income by at least 50% as they introduce new potato varieties, expand the area they cultivate, and benefit from the assurance that their production will be bought by SAL.

<http://today.thefinancialexpress.com.bd/trade-market/adb-lends-sal-142m-to-enhance-agribusiness-inclusiveness-1553103212>
<https://www.thedailystar.net/business/news/adb-lends-142m-pran-1718170>
<http://www.newagebd.net/article/67967/adb-pran-sign-142m-loan-deal>

Loan rescheduling hits peak

- Banks have rescheduled a record amount of default loans last year, fuelling further fears of the sector's health. In 2018 non-performing loans amounting to BDT 232.10 billion were rescheduled, up 22% from a year earlier.
- At the end of September 2018, banks' NPL grazed BDT 1 trillion -- it stood at BDT 993.70 billion -- the largest yet in Bangladesh's history. It came down to BDT 939.11 billion towards the end of the year.
- A major portion of the loans was rescheduled by taking special approval from the central bank on a case-to-case basis, meaning the applications would not have held water were they put through the standards for the Bangladesh Bank's rescheduling policy.
- A former economist of International Monetary Fund said In the long run this will not bring any good as it artificially showed a lower amount of default loans. The real problem is that both the central bank and the government are yet to address the problem head-on; they are showing a nonchalant attitude towards it.

<https://www.thedailystar.net/business/banking/news/loan-rescheduling-hits-peak-1718197>

'Money laundering, NPL interlinked'

- Experts identified several factors responsible for the rise of trade-based money laundering in the country. The factors include under-qualified bankers, lack of effective communications between the customs and banks, unholy alliance of unscrupulous traders

and bankers, and a lack of digitization.

- They also found a correlation between the rise of non-performing loans (NPLs) and money laundering. The non-ratification of the 'UN Vienna Convention on Contract of Sale' put the country's foreign trade at a grave risk, which also contributed to the rise of trade-based money laundering.

A paper on 'Trade Services Operations of Banks' was presented at the workshop by a team led by Professor and Director (Training) of BIBM. BIBM Director during the presentation said major loan scams that took place in the country's banking sector involved trade bills.

<http://today.thefinancialexpress.com.bd/first-page/money-laundering-npl-interlinked-1553104852>

Private investment inches up as poor business climate weighs

- Bangladesh's private investment as percentage of economic output has expanded at a slower pace this fiscal, hurt by unfavorable business climate and low-quality public investments.
- Private investment as percentage of Gross Domestic Product (GDP) in fiscal year 2018-19 recorded at 23.40 per cent, a mere 0.14% point increase, according to preliminary data of the Bangladesh Bureau of Statistics. The ratio was 23.26% in FY 2018.
- In contrast, the public investment in terms of GDP is expected to rise to 8.17% in fiscal year 2018-19 from 7.97% a year earlier. Besides, the overall private consumption has dropped in the current fiscal, highlighting the need for boosting demand in the days ahead.
- Economists said Bangladesh's poor-quality public sector investments, uncertain political climate, fragile governance, and regulatory and structural bottlenecks are preventing the country from tapping private investments. BBS data showed the overall investment in the current fiscal year was recorded at BDT 8.0 trillion. It was BDT 7.03 trillion in FY2018.

<http://today.thefinancialexpress.com.bd/first-page/pvt-investment-inches-up-as-poor-business-climate-weighs-1553104477>

Three wind power plants with 150MW capacity by 2021

- The government has taken an initiative to set up three wind power plants in the country in the next two years. According to official sources, each of the plants will have 50MW capacity, for a total contribution of 150MW wind power to the national electricity generation capacity. Official sources at the Power Division said the locations of the three wind power plants have been selected on the basis of "wind mapping", will be Chandpur, Inani Beach of Cox's Bazar and Dakop upazila of Khulna.
- Officials said a wind power plant needs a stable wind with minimum speed of 5meters per second wind speed at the three locations was found to exceed that. Sources said the state-owned Power Development Board (PDB) will implement the wind power plant project through independent power producer (IPP).

<https://www.dhakatribune.com/business/2019/03/20/three-wind-power-plants-with-150mw-capacity-by-2021>

Clothing sector trade bodies decry gas tariff hike proposal

- Leaders of the textile and clothing sector have strongly opposed the move to raise gas tariff, saying that the proposed 132% hike, if implemented, would increase their production cost by 5.0 per cent. Such a steep tariff hike would curtail the growth of the sector as well as the economy and it would cause erosion in competitiveness and affect employment growth rate.
- The leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA) placed the demand at a joint press conference at the BGMEA headquarters.
- They said any hike in gas or electricity tariff will not be 'acceptable' unless the government ensures uninterrupted gas supply, single-digit bank interest rate, EVC (electronic gas volume corrector) in all factories and compensation for the losses incurred by the millers due to gas crisis.
- Encouraged by the government, the textile mills have invested about BDT 300 billion to BDT 350 billion in developing infrastructure and importing generators for captive power. But majority of the mills could not use the full capacity of the captive power plants for more than one decade due to erratic gas supply and low gas pressure.

<http://today.thefinancialexpress.com.bd/first-page/clothing-sector-trade-bodies-decry-gas-tariff-hike-proposal-1553105053>
<https://www.thedailystar.net/business/news/businesses-fume-over-bid-hike-gas-price-1718167>
<http://www.newagebd.net/article/67939/3-trade-bodies-say-apparel-sector-will-be-ruined-if-gas-price-hiked>

Life insurers to come under special audit

- The insurance regulator has appointed external auditors for most life insurers to verify the latter's 'high' management expenses. Insurers incur higher expenses when they procure business and such type of expenditure weakens the financial health of the companies.
- The Insurance Development and Regulatory Authority (IDRA) has appointed 27 auditing firms to carry out special audit of the accounts of 27 life insurers, out of the total number of 32, as per the Insurance Act of 2010. The regulator will take action as per the law if insurers are found having spent in excess of the 'maximum allowable limit'.
- The IDRA observed that most life insurance companies are spending in excess of the maximum allowable limit of management expenses as per the provision of Section 62 of the Insurance Act, 2010 and relevant rules for business operations.
- The auditors will examine management expenses for the years 2015, 2016 and 2017, and submit reports within 90 days of their appointment date.

<http://today.thefinancialexpress.com.bd/last-page/life-insurers-to-come-under-special-audit-1553105194>

NBR waives 20% SD on second tier manufacturers' completely knocked

down (CKD) bikes

- Second-tier manufacturers of CKD (completely knocked down) motorcycles will enjoy full waiver from payment of Supplementary Duty (SD) from now on. With the duty benefit, local motorcycle manufacturers will be able to produce bikes instead of just assembling them. The National Board of Revenue (NBR) has issued a Statutory Regulatory Order (SRO), dated March 18, 2019, by offering the exemption of 20% SD.
- The NBR defines the second-tier manufacturers as the producers who have capacities to locally produce one or more important parts of motorcycles, manufacture chassis after importing their parts or those who are collecting materials from the local market for assembling or production of complete motorcycles.
- According to the SRO, motorcycle assembling companies which import CKD bikes with complete chassis and other parts will not get the duty benefit. The NBR also tagged some conditions including mandatory VAT registration for any motorcycle manufacturer for availing the benefit.
- The second-tier manufacturers will be able to import four types of CKD motorcycles with four-stroke engines for the purpose of manufacturing complete bikes. Currently, duty and taxes totaling 91.88% are applicable to import of CKD motorcycles by the second-tier manufacturers even after exemption of the 20% SD.

<http://today.thefinancialexpress.com.bd/trade-market/nbr-waives-20pc-sd-on-second-tier-manufacturers-ckd-bikes-1553103158>
<https://www.thedailystar.net/business/news/duty-waiver-boost-local-manufacturing-motorcycles-1718152>
<http://www.newagebd.net/article/67941/sd-waived-on-import-of-ckd-motorcycle>

Stock market should contribute more to economy

- The stock market's contribution to the economy is very low but it should be increased for Bangladesh to become a developed country, said market analysts. The ratio of Dhaka Stock Exchange's (DSE) market capitalisation to gross domestic product (GDP) is still very low compared to that of other countries despite huge endeavour, said the managing director of the bourse. The ratio is now around 18% whereas it is more than 100% in many developed countries. We will have to increase the ratio to at least 40% in order to be a developed country, he said. To raise the ratio, issue managers will have to bring well-performing companies to the market to raise capital while more stock investors have to be attracted, he added.

<https://www.thedailystar.net/business/global-business/news/stockmarket-should-contribute-more-economy-1718116>

GDP growth to reach 8.13% this fiscal

- The country's economy is estimated to grow 8.13% in the current fiscal year (FY), buoyed by the strong performance of the industrial and service sectors, the government's provisional data show. Finance Minister disclosed the GDP growth rate as estimated by the Bangladesh Bureau of Statistics (BBS) after a meeting of the National Economic Council (NEC) in the city on Tuesday.

- As per the estimation of three quarters of the current fiscal year (FY), 2018-19, the

provisional Gross Domestic Product (GDP) growth rate is 0.33 percentage points higher than the target of 7.8% projected in the seventh five-year plan (SFYP) and 0.27 percentage points higher than the last FY's achievement.

- The Minister said as the export, import and manufacturing sectors performed better in the current fiscal year, the country's GDP has seen a robust growth. The GDP is expected to attain double-digit growth rate within the next three or four years, he added.
- Ahsan H Mansur, executive director of the Policy Research Institute, a think-tank, said the revenue collection and private sector credit growth did not match the government estimate. Normally, the private sector credit growth indicates economic growth, but here too the performance is weak, the economist said. The economy has been growing riding on manufacturing growth, and the manufacturing sector is mainly export-led. But the export growth is below the GDP growth estimated by the government, he noted.

<http://today.thefinancialexpress.com.bd/first-page/gdp-growth-to-reach-813pc-this-fiscal-1553018373>
<https://www.thedailystar.net/frontpage/news/gdp-growth-may-cross-record-8pc-1717699>
<http://www.newagebd.net/article/67839/govt-estimates-813pc-gdp-growth>
<https://www.dhakatribune.com/business/economy/2019/03/19/gdp-growth-8-13-in-2018-19-fiscal-year>

Per capita income hits USD 1,909

- Bangladesh's per capita gross national income (GNI) jumped more than 9% to USD 1,909 last fiscal year from USD 1,751 a year ago, showed provisional official figures released yesterday. Provisional data showed that the per capita GDP also rose at the same pace to USD 1,827 in 2018-19 from USD 1,675 the previous year.

<https://www.thedailystar.net/business/news/capita-income-hits-1909-1717606>

Government likely to allow rescheduling with up to BDT 10 million down payment

- The government is likely to give opportunity of restructuring any large defaulted loan by making down payment of up to only BDT 10 million. Officials said the new term was included in the draft bailout package proposed by the Financial Institutions Division after consulting with Bangladesh Bank and a high-powered committee appointed in June, 2018.
- According to the draft bailout package, the amount of down payment on a defaulted loan would be one% of the defaulted loan but it would not exceed BDT 10 million. As per the draft, loan defaulters would be given 15 years to repay the loan with two years of moratorium period and they would be charged with seven% interest rate.

- Experts said the proposed bailout package would benefit loan defaulters especially the wilful ones. According to the Bangladesh Bank's current policy for restructuring bad loans issued in 2015, loan defaulters get maximum 12 years to repay long-term loans and six years for short-term loans by paying interest rate at discounted rate but not less than the cost of fund plus 1%.

<http://www.newagebd.net/article/67859/govt-likely-to-allow-rescheduling-with-up-to-BDT-1cr>

-down-payment

Annual Development Programme (ADP) shrinks but projects shoot up

- The number of development projects for this fiscal year has increased by about 32% even though allocation has shrunk, suggesting delays in implementation and reduced budget for each. The number of projects in the revised ADP has now reached 1,916 from 1,451 at the beginning of fiscal 2018-19. Apart from these, there are 985 more projects that are awaiting approval and allocation, according to a statement from the planning ministry yesterday.
- Economists recommend working with a small number of projects with high allocation for their timely implementation as it reduces costs and delays. But the government is doing the exact opposite. The number of projects shot up this year because the planning ministry went on an approval spree ahead of the general election on December 30 last year, said an official requesting anonymity due to the sensitivity of the matter. As a result, the projects received lower amounts of allocation, he added.
- In the revised ADP, the government-owned fund was increased 0.89% to BDT 1.14 trillion, while the project aid was slashed 15% to BDT 510.00 trillion, according to the statement. Besides, the allocation for state-owned enterprises in the revised budget was kept at BDT 96.20 trillion.

<https://www.thedailystar.net/business/news/adp-shrinks-projects-shoot-1717561>
<http://www.newagebd.net/article/67860/govt-okays-BDT-165-lakh-crore-revised-adp>

'Banks to follow simple interest calculation from next FY'

- Finance Minister said the government would encourage banks to offer simple interest loans instead of compound interest ones from the next financial year (FY). Simple interest calculation will be applicable (in the case of bank loans). This will be announced in the next budget.
- For long term financing, the minister announced that the bond market would be developed shortly. There are few countries in the world, where banks provide long-term loans by collecting short-term deposits, he said, adding this is happening in Bangladesh because of the absence of a bond market.

<http://today.thefinancialexpress.com.bd/first-page/banks-to-follow-simple-interest-calculation-from-next-fy-1552931708>
<https://www.thedailystar.net/business/news/kamal-simple-interest-rate-instead-compound-1717213>
<https://www.dhakatribune.com/business/banks/2019/03/18/mustafa-kamal-no-compound-interest-rate-from-next-fiscal-year>

Commerce Minister for boosting RMG export to India

- Commerce Minister said Bangladesh would take initiatives to increase export of readymade garment (RMG) to Indian market. The minister revealed it after a meeting with newly appointed Indian High Commissioner to Bangladesh Riva Ganguly Das at his ministry office.
- Terming India as a big market, he said Bangladeshi RMG has good demand in India that is why Bangladesh is trying to increase the export of apparel items to grab the opportunity.

About the India-Bangladesh Border Haat, the commerce minister said it [border haat] has created huge enthusiasm among the people of both countries.

- In last fiscal year, Bangladesh exported different products worth USD 873.27 million to India against the import of USD 8619.40 million. Mentioning that Bangladesh and India have huge scopes to boost bilateral trade, Riva Ganguly laid emphasis on utilising the potentialities.

<http://today.thefinancialexpress.com.bd/trade-market/tipu-for-boosting-rmg-export-to-india-1552931113>

<http://www.newagebd.net/article/67795/tipu-wants-to-increase-rmg-export-to-india>

BD's apparel export to US sees 6.65% growth in 2018

- Bangladesh's apparel exports to the United States grew by 6.65% to USD 5.40 billion in 2018 compared to that of 2017. The country fetched USD 5.06 billion in 2017, according to data from Office of Textiles and Apparel (OTEXA) affiliated with the US Department of Commerce.

- Last year, Bangladesh shipped 1.93 billion square metres of apparel than that of 1.85 billion square metres in the previous calendar year. The US imported a total of USD 5.60 billion of textiles and apparel from Bangladesh during January to December period of 2018, while Chinese apparel exports grew by 1.34% to USD 27.37 billion in 2018 out of China's total USD 40.58 billion textiles and apparel exports to US.

- After the Rana Plaza building collapse in 2013, Bangladesh's apparel exports to US declined in 2014 and stood at USD 4.83 billion, which was USD 4.95 billion in 2013. In 2017, the country earned USD 5.06 billion from garment exports to US, according to the OTEXA.

- Though Bangladesh is taking advantage of shifting orders, the country might not be able to take the advantage of investment, which would be seized by Vietnam and partially by India and Cambodia due to infrastructural bottlenecks in Bangladesh according to the research director of Centre for Policy Dialogue

<http://today.thefinancialexpress.com.bd/trade-market/bds-apparel-export-to-us-sees-665pc-growth-in-2018-1552931025>

Annual Development Programme (ADP) may be revised down to BDT 1.65 trillion

- The government may slash the size of the annual development programme by BDT 80.00 billion or 4.62% in the revised ADP for the current fiscal year (2018-2019) following a slow progress in implementation of the development budget. The size of the revised ADP may stand at BDT 1.65 trillion if the National Economic Council approves the proposal placed by the planning ministry.

- The government adopted the original ADP at BDT 1.73 trillion, excluding the allocation from own funds of the autonomous bodies, estimating that BDT 1.13 trillion would come from the domestic fund and BDT 600.00 billion would come from the foreign source as project assistance.

- Under the proposed revised ADP, the allocation from the foreign source segment may be

cut by BDT 90.00 billion to BDT 510.00 billion following a slower progress in implementation of the foreign-funded development projects in eight months (July-February) of the fiscal year.

- On the other hand, the allocation from the domestic fund may be increased by BDT 10.00 billion to BDT 1.14 trillion. The planning ministry revises the allocations based on progress in implementation of projects under the self-fund.

<http://www.newagebd.net/article/67796/adp-may-be-revised-down-to-BDT-165-lakh-crore>

Annual Development Programme spending from government fund on the rise

- Development spending from the government's own purse rose in the first eight months of the current fiscal year while the use of the funds from the foreign aid portion of the budget fell. Between July and February, BDT 429.79 billion, or 32.41% of the allocation from the government owned fund, was spent. It was BDT 336.54 billion, or 35.23%, in the same period a year ago, according to data from the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry.

- On the other hand, BDT 242.25 billion was spent from the foreign aid, which is 40.37% of the allocation. It stood at BDT 253.41 billion, or 41.94% of the allocation, during the same eight-month period in the last fiscal year. Officials of the planning ministry said the implementation of the annual development programme (ADP) did not hit the target because of the delay in land acquisition. As a result, the budgetary allocation from foreign aid will be shaved off by BDT 90.00 billion to BDT 510.0 billion now in the revised budget, a planning ministry official said.

<https://www.thedailystar.net/business/news/adp-spending-govt-fund-the-rise-1716622>

Overall debt to shoot up to BDT 8.8 trillion in new budget

- The amount of overall outstanding debt is likely to jump to BDT 8.8 trillion in the budget for the upcoming fiscal year (2019-20) from BDT 7.4 trillion in the current fiscal year due to a high growth in domestic loans. Finance Division officials said the overall outstanding debts had increased by BDT 500.00 billion on average since FY 2015-16, but the increase almost doubled in the current fiscal and would nearly treble in the upcoming fiscal.

- The officials and experts attributed the sharp rise in the overall debt to high domestic borrowing against paltry growth in loans from foreign sources. According to officials, the government relies on borrowings from local and foreign sources to make up the budget deficit that grew largely because of revenue shortfall, a usual phenomenon for the last one decade.

<http://www.newagebd.net/article/67669/overall-debt-to-shoot-up-to-BDT-88-lakh-cr-in-new-budget>

NBR loses BDT 1.4 trillion in 4.5 years

- The government has offered around BDT 1.47 trillion in the form of tax exemptions at import stage to the various sectors since fiscal year (FY) 2014-15 until January last. The amount of tax waived is nearly half the current fiscal's total tax-revenue collection target of BDT 2.96 trillion. This has caused a BDT 441.17 billion of revenue loss to the public

exchequer during the fiscal year (FY) 2017-18.

- Officials said such tax exemption is one of the major reasons for the failure in achieving the revenue collection target. In a brief analysis, the customs wing has found a total of 21 sectors that have enjoyed tax exemptions during the last four years.

- The NBR offered BDT 66.03 billion tax exemptions from the import of capital machinery while BDT 22.83 billion for raw materials in the first seven months of the FY 2018-19.

<http://today.thefinancialexpress.com.bd/first-page/nbr-loses-BDT-14-trillion-in-45-yrs-1552845233>

<https://www.thedailystar.net/business/news/duty-exemption-doubles-3yrs-1716661>

<http://www.newagebd.net/article/67670/importers-get-BDT-148-lakh-cr-in-duty-waiver-in-55-months>

Capital takes flight as no use of funds locally

- Capital flight is taking place because money cannot be put to good use at home, said the prime minister's economic affairs adviser.

- If the capital that is going out of sight is added to public assets, the amount of funds available for investment will go up significantly then, accelerating the pace of development.

- He remarked about the capital flight while attending the ceremony where Padma Bank was renamed from Farmers Bank recently with a view to getting a clean slate - from the incidents of irregularities and loan scams that haunted it since its inception in 2013. In less than three years of its establishment, Farmers Bank became a hotbed for financial irregularities. More than BDT 35.0 billion was siphoned out of the bank, according to the Bangladesh Bank.

<https://www.thedailystar.net/business/news/capital-takes-flight-no-use-funds-locally-1716061>

No 15% VAT rate from July: Finance Minister

- Finance Minister said there will be no 15% VAT (value added tax) rate as it prevails now. This rate will be discontinued from July next while introducing the new VAT and Supplementary Duty act. He said from the next fiscal year, there will be three VAT rates- 5.0%, 7.0% and 10%.

- Under a condition of the International Monetary Fund (IMF) the government passed the new VAT and Supplementary Duty act in 2012 to get USD1.0 billion budgetary support. The main feature of the new act was the introduction of a 15% flat rate of VAT. However, the government could not enforce the new act in the face of protests from the business community and politicians.

- Mr Kamal also said the government now plans to engage the private sector asset management companies to help recover non-performing loans (NPLs).

<http://today.thefinancialexpress.com.bd/public/first-page/no-15pc-vat-rate-from-july-kamal-1552586148>

<http://www.newagebd.net/article/67433/assets-management-cos-to-be-hired-finance-minister>

Bangladesh has huge potential in Blue Economy

- Bangladesh has immense potential in Blue Economy, Chinese Ambassador in Bangladesh Zhang Zuo said yesterday. China has recently passed a new foreign investment law which is more open and flexible for foreign investors, Zuo said. Chinese companies are optimistic about increased business cooperation between the two nations in the next decade, the Dhaka chamber quoted Zuo as saying in a statement.

- Bangladesh by and large exports frozen and live fish, leather and leather goods, vegetable, textile fibres, paper yarn and woven fabrics, articles of apparel and clothing, electrical machinery and equipment and furniture to China, president of the Dhaka Chamber of Commerce and Industry (DCCI) said.

The bilateral trade between China and Bangladesh in 2017-18 was \$12.40 billion. According to the economists, this bilateral trade volume may reach to \$18 billion by 2021, president of DCCI said.

<https://www.thedailystar.net/business/news/bangladesh-has-huge-potential-blue-economy-1716058>

NBR grants tax waiver to several infrastructure development companies

- The National Board of Revenue (NBR) has granted tax exemption to several private sector companies, working for the country's infrastructure projects including expansion of the Dhaka airport and building the city's mass rapid transit system. The NBR's Income Tax Wing has issued three Statutory Regulatory Orders (SROs) in this regard.

- Japanese officials working in the Nippon Koei Co Ltd and the Oriental Consultants Global Co Ltd will enjoy the tax exemption on their earnings from the Hazrat Shahjalal International Airport Expansion Project (1). The companies are involved in implementation of the project.

- The NBR has also granted tax exemption to the Japanese contractor Kawasaki-Mitsubishi Consortium (KMC) on its earnings from the Dhaka Mass Rapid Transit Development Project (II). The company is involved in purchase of rolling stock and other equipment for the project. The board has also offered tax waiver to the SS Power I Limited on its fees/ interest that will arise from loans.

<http://today.thefinancialexpress.com.bd/public/first-page/nbr-grants-tax-waiver-to-several-infrastructure-dev-companies-1552586356>

Commerce minister urges Washington to reinstate GSP

- Commerce minister urged the United States to reinstate trade benefits for Bangladesh, helping the country restore its image. He made the remarks while inaugurating the US Trade Show in the city.

- He added that the government is working on getting the GSP back as its suspension has made it difficult for exporters to access the market of the world's largest economy.

- The US withdrew the GSP facility on June 27, 2013, on the heels of Rana Plaza collapse that killed more than 1,100 workers. Tazreen Fashions fire in 2012 also promoted the US to take such decisions. While Bangladesh has made considerable progress in improving the safety and environment of the garment industry, the US has not yet restored the GSP

facility.

- The minister said the US-Bangladesh trade is increasing favouring Bangladesh as the United States is the country's single largest market with exports of apparels averaging \$ 6.0 billion a year.

<http://today.thefinancialexpress.com.bd/public/first-page/commerce-minister-urges-washington-to-reinstate-gsp-1552586301>

BDT continues to deflate against USD

- The local currency is continuously maintaining a depreciating mode against the US dollar (USD), although the central bank is directly selling the greenback to the banks to keep the market stable. The Bangladesh Taka (BDT) depreciated by 10 poisha in the country's inter-bank foreign exchange (forex) market last week that ended on Thursday, according to the market operators. The US dollar was quoted at BDT 84.25 each in the forex market on Thursday against BDT 83.15 a week ago, they added.

- The BB's selling of USD to the banks, particularly the public sector ones, rose to \$88 million last week from \$44 million a week before. The central bank is continuously providing such support to the banks for making import payments, particularly for fuel-oils, fertilisers, LNG (liquefied natural gas), and capital machinery for power plants.

<http://today.thefinancialexpress.com.bd/last-page/bdt-continues-to-deflate-against-1552845927>

BB warns against forex transaction for migration

- Bangladesh Bank on Thursday issued a caution notice asking entities and individuals to refrain from transacting foreign currency for investment purposes to get citizenship abroad. The central bank issued the notification as several entities were offering consultancy services to individuals capable of making foreign currency investments for immigration purposes in last few days.

- BB issued the caution notice, taking the advertisements of the immigration consultancy firms into cognizance. As per the Foreign Exchange Regulation Act, 1947, none is allowed to make foreign investments from capital account. Under the act, only the central bank-authorized entities are allowed to conduct foreign currency transaction.

- The central bank notification called upon all concerned to refrain from making any foreign currency transaction with unauthorised person or entity.

- The capital flight from Bangladesh has increased in recent years with \$5.9 billion (about BDT 500.0 billion) siphoning off from Bangladesh in 2015, taking the total amount siphoned off from Bangladesh to \$81.74 billion in 11 years since 2005, according to a report of Washington-based Global Financial Integrity released in January, 2019.

<http://www.newagebd.net/article/67373/bb-warns-against-forex-transaction-for-migration>

Bailout for big loan defaulters

- Bangladesh Bank and a government committee have come up with a generous scheme to allow easy rescheduling of defaulted loans, which experts say will hurt the banking sector

and the economy at large. Once implemented, the scheme will also enable loan defaulters to obtain many other financial benefits.

- According to the new proposal, loan defaulters will get 13 to 15 years, with a grace period of up to two years, to pay back their loans. All they will need to do is make a down payment of maximum 2% of their outstanding loans, instead of the current requirement of 10 to 15%, for regularising their loans. In some cases, they won't have to pay.

- Four years ago, a similar bailout offer was made to companies that had defaulted on large loans, allowing them to reschedule and repay loans on significantly relaxed terms. But the special bailout scheme couldn't yield desired results as most of the large loan defaulters, who availed themselves of the scheme, did not make any serious effort to pay back their huge loans.

<https://www.thedailystar.net/frontpage/news/bangladesh-bank-bailout-big-loan-defaulters-1716697>

BASIC drowning in default loans

- BASIC Bank continues to be overwhelmed with default loans despite going on a loan rescheduling spree, with the scam-hit bank logging in operating loss of BDT 1.18 billion last year. In 2018 the bank rescheduled loans of BDT 12.86 billion, 35.52% more than in the previous year, when it registered a profit of BDT 350 million.

- Still, the bank's non-performing loans hit a peak of 57.55% of total outstanding loans at the end of December last year, up from 52.73% a year earlier. The default loans increased as the large amounts of loans that the bank had regularised during 2014 and 2015 have been reclassified again, said the chairman of BASIC Bank. The bank had regularised more than BDT 55.0 billion of loans during the period with little down payment. Moreover, the bank fell into huge loss as it had to comply with the government's instruction of lending at 9% and taking deposits at 6%, he said.

<https://www.thedailystar.net/business/news/basic-drowning-default-loans-1716640>

Banks' consumer lending growth defies BB order

- Leading commercial banks provide consumer finance that surpasses the growth rate of banks' total lending violating the central bank instruction, according to an investigation. In 2017, the Bangladesh Bank issued a circular, asking banks to provide consumer finance in such a way that the growth rate under consumer financing cannot go beyond that of total loans.

- Consumer financing usually consists of credit cards, car loans, housing loans, marriage loans and "any purpose loans." This type of financing raises the inflationary pressures on the economy, especially the headline inflation.

- For this reason, the central bank encourages loans to productive sectors, which support economic expansion and employment creation. The development involving the consumer lending came to light in an investigation conducted by the Financial Reporting Council (FRC), the auditors' watchdog.

<http://today.thefinancialexpress.com.bd/public/first-page/banks-consumer-lending-growth-defies-bb-order-1552671814>

Duty-free car import drives down revenue in FY 18

- The total revenue collection from car imports fell by BDT 5.0 billion last fiscal year, though importation of luxury versions rose substantially. The import of luxury cars categorised as 4001 CC and above slab climbed by 855% in fiscal 2017-18 compared with that of the previous year, but revenue receipts showed a downtrend. Such cars are subject to the payment of the highest 827% import tax.
- The import tax declined by BDT 120 million for this category of cars in the last fiscal compared with a year ago, despite a rapid pick-up in import. The National Board of Revenue (NBR) received BDT 1.14 billion taxes against the import of 1,539 luxury cars that are 4001 CC and above in FY 2017-18.
- In contrast, the national tax collector received BDT 1.26 billion duty against the imports of 161 similar category cars in 2016-17. customs officials said the increase in duty-free cars by lawmakers and project officials marked a sharp rise in the last fiscal, which led to the fall in revenue collection.
- A total of 40,278 cars entered the country in FY 2017-18, compared with 32,398 in the corresponding year. The tax collector received BDT 35.56 billion taxes from the import of cars or jeeps last fiscal, down from BDT 40.66 billion in FY 2016-17.

<http://today.thefinancialexpress.com.bd/first-page/duty-free-car-import-drives-down-revenue-in-fy-18-1552755106>

No more 'unfavourable' foreign aid

- State minister for foreign affairs said Bangladesh prefers trade partnership to overseas assistance as the country has decided to scale down its aid dependence. Noting that Bangladesh had not even inked a free trade agreement with any country, he further said now the country is in talks with at least three countries to sign such a deal.
- Highlighting the growth of foreign direct investment (FDI) in Bangladesh, he said globally-reputed companies like Samsung and Aramco, are investing in the country.

<http://today.thefinancialexpress.com.bd/last-page/no-more-unfavourable-foreign-aid-1552755256>

RCBC files suit to deceive Filipinos, says law minister

- Law Minister said the defamation suit filed by Rizal Commercial Banking Corp (RCBC) against Bangladesh Bank is to deceive the people of the Philippines.
- He added that the RCBC officials' conduct was not lawful. He thinks they filed the suit just to deceive the people of their own country. The Philippines government and the Philippines Senate blamed the RCBC for hacking. It is not defamatory if Bangladesh sues them in line with the law.

<http://today.thefinancialexpress.com.bd/public/last-page/rcbc-files-suit-to-deceive-filipinos-says-law-minister-1552587096>
<https://www.thedailystar.net/business/news/rcbcs-case-only-fool-filipinos-anisul-1715224>

The SME loan conundrum

- Small- and medium-sized enterprises continue to complain about not getting access to bank credit but the banks' loan disbursement data paints a different picture. At the end of 2016, banks' total outstanding loans stood at BDT 6739.20 billion and the amount went up to BDT 7981.96 billion the following year, meaning that that BDT 1242.76 billion were added to the outstanding amount in the course of 12 months.
- In 2016, loan disbursement to SMEs was BDT 1419.35 billion, which shot up to BDT 1618.11 billion the following year, according to data from the Bangladesh Bank. In the first nine months of 2018, SME loan disbursement was BDT 1144.61 billion.
- Banks show their other loans as SMEs to meet the target set by the Bangladesh Bank and also enjoy benefits that come with lending to SME, according to the chairman of SME Foundation.
- As per BB's instructions, 20% of all bank loans must go to SMEs. And one of the benefits extended to banks for lending to SMEs is lower provisioning requirement against SME loans: 0.25% as opposed to 1% for other sectors and 2% for credit cards.

<https://www.thedailystar.net/business/news/the-sme-loan-conundrum-1715272>

Bond market key to long-term financing

- The bond market will be developed to give the banking sector relief from ongoing liquidity shortages. Banks are giving out long-term loans with short-term deposits, which is not viable for the industry, he said at Agrani Bank's annual conference at InterContinental Dhaka.
- Referring to business conglomerate Pran, the finance minister said they were doing well and would be the first business group to get involved in the bond market. The banking sector is weakening as financial tools are not being used, he said, assuring of bringing more reforms to the financial market.
- The minister said the tax net would have to be widened for the country's development. The same people are continuously paying tax but new people are not coming under the net, he said, adding that new segments would be brought under the tax net instead of the tax rate being raised.

<https://www.thedailystar.net/business/news/bond-market-key-long-term-financing-1715242>
<http://www.newagebd.net/article/67374/banking-sector-in-most-vulnerable-position-finance-minister>

Government extends deadline for bids to build new LNG terminal

- Bangladesh will extend the deadline to submit expressions of interest (EOI) to build the country's LNG terminal. The deadline will be extended by three months for companies to build liquefied natural gas (LNG) terminal.
- Rupantarita Praktik Gas Co, the part of state-owned energy company Petrobangla that oversees LNG supplies requested interest from potential terminal developers for a land-based LNG regasification terminal at Matarbari in the Cox's Bazar district of southern

Bangladesh. The initial EOIs were supposed to be due by March 20 but the companies hoping to take part asked for more time.

- The EOI is for the design, engineering, procurement, construction and commissioning of a land-based terminal that can handle 7.5 million tonnes per year of LNG, including receiving, unloading, storage and re-gasification facilities.
- The project is expected to be built on a build-own-operate basis for 20 years, with ownership then transferred to the Bangladeshi government or a company nominated by the government at no cost. The onshore terminal, which can be expanded to 15 million tonnes per year in the future, is part of Bangladesh's strategy to develop its gas sector with private companies, according to the document.

<http://today.thefinancialexpress.com.bd/public/last-page/govt-extends-deadline-for-bids-to-build-new-lng-terminal-1552587034>

Important News: Capital Market

Shurwid enters IT enabled service business

• The board of directors of Shurwid Industries has approved a proposal that the company will do the business of Information Technology Enabled Service (ITES). An agreement was signed with the company and Amarroom.com for providing service and profit sharing between the companies from the clients using promo-code.

• Information Technology Enabled Service is fully tax exempted up to June 2024 as per 6th Schedule, Part- A, Para- 33 of the Income Tax Ordinance, 1984. The company, however, did not disclose how much fund to be invested and profit detail in this business.

<http://today.thefinancialexpress.com.bd/stock-corporate/shurwid-enters-it-enabled-service-business-1553102237>

Bangladesh Securities & Exchange Commission (BSEC) to bring changes to book-building rules

• The securities regulator has decided to bring some changes to book-building method to make it more transparent and ensure 'fair' price of IPO (initial public offering) shares. At the meeting, the securities regulator also decided to form a five-member committee headed by BSEC executive director, said a BSEC statement on Tuesday. The committee will review the 'Book Building Method' of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The committee will recommend necessary changes after reviewing the book-building method, according to the statement.

• The BSEC Chairman hinted that some changes to the definition of institutional investors are being planned to ensure the transparency of the book building system. He said also made harsh remarks on the price manipulation by alleged institutional investors in book-building method, saying the book building system would be suspended or stopped if needed for the sake of capital market. Mr Hossain also warned errant institutional investors, including brokers, dealers, merchant bankers and asset management companies, saying they will be excluded from the list of institutional investors.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-bring-changes-to-book->

[building-rules-1553016765](http://www.newagebd.net/article/67861/bsec-forms-2-bodies-to-tighten-book-building-method-placement-share)

<http://www.newagebd.net/article/67861/bsec-forms-2-bodies-to-tighten-book-building-method-placement-share>

Grameenphone restrictions go

• The telecom regulator yesterday lifted the four restrictions it had imposed on Grameenphone after the penalties were challenged in the High Court. GP had been slapped with the restrictions as part of the penalties for becoming a significant market power (SMP) operator. The restrictions were imposed through two letters from the BTRC on February 10 and 18. After the imposition of the restrictions, GP challenged their legality at the High Court. The HC has stayed the restriction that had banned GP from giving adverts. It also asked why the other restrictions would not be declared illegal as the telecom regulator did not follow rules while enforcing the measures. The BTRC will now proceed as per rules, said a senior official of the regulator.

• In the letter issued by the commission on Tuesday, however, proposed twenty conditions which could be imposed on the mobile phone operator as it was declared significant market power under the SMP regulations enacted by BTRC. Under the proposed conditions, BTRC would set which activities would be allowed and which would be prohibited for the mobile phone operator. Tuesday's letter asked GP to submit its comment, if there is any, on the proposed conditions within 15 days.

<https://www.thedailystar.net/business/telecom/news/grameenphone-restrictions-go-1717579>

<http://www.newagebd.net/article/67858/btrc-withdraws-4-smp-conditions-on-gp-after-1-month>

EBL signs deal with JP Morgan

• Eastern Bank Limited (EBL) has entered into an agreement with J.P. Morgan, Singapore for processing letter of credit documents through electronic channel.

• Besides ensuring quicker payments for Bangladeshi exporters it will also support J.P. Morgan's client that require quicker turnaround on document processing for imports from Bangladesh.

• The arrangement will help Bangladeshi representative offices of foreign importers, faster receipt of their documents. It will reduce the need to for physical movement of document between Singapore and Bangladesh which, typically can take up to 10 days.

• EBL handles about 4.5% of trade business of the country and handled around USD 3.5 billion of trade businesses last year and plans to handle more in year 2019.

<http://today.thefinancialexpress.com.bd/stock-corporate/eb1-signs-deal-with-jp-morgan-1552927783>

<https://www.thedailystar.net/business/news/eb1-jp-morgan-process-lcs-electronically-1717189>

Huawei buys \$29.3m items from Bangladesh

• Huawei, a leading global provider of ICT infrastructure and smart devices, made

procurements worth \$29.3 million (BDT 2.45 billion) from Bangladesh in 2018. The company's purchases from Southeast Asia were worth \$608 million in the year. The total procurement in the region from 2016 to 2018 amounted to \$2.09 billion.

<https://www.thedailystar.net/business/news/huawei-buys-293m-items-bangladesh-1716076>

GP announces 100% mobile broadband data network coverage

- Grameenphone (GP) has reiterated its commitment to the quality of the country's mobile network with the official announcement of a 100% mobile broadband data network in Bangladesh, with every one of its more than 15,000 network sites under high-speed 3G or 4G coverage.
- GP's network caters to 36 million data subscribers out of which more than seven million are 4G data subscribers. The achievement is a significant step towards the realization of the government's ambition of Digital Bangladesh and meets the right of citizens to connect to the world through high-speed internet.
- Speaking about this development, GP CEO said Grameenphone has always emphasized its network coverage and quality and this milestone makes it possible for all our existing and new customers to benefit from our high-speed internet access.

<https://www.dhakatribune.com/business/2019/03/16/gp-announces-100-mobile-broadband-data-network-coverage>
<http://www.newagebd.net/article/67377/gp-says-its-entire-network-under-3g-or-4g-coverage>

BTRC decides to punish Banglalink for misappropriating clients' SIM numbers

- Bangladesh Telecommunication Regulatory Commission has decided to impose administrative fine on mobile phone operator Banglalink for misappropriating clients' SIM numbers by the company's sales agents. The commission also found that Banglalink was reluctant to maintain properly the customers' registration database that prompted the telecom regulator to take the move. The commission would also ask Banglalink to terminate 12 sales agents of the telecom operator due to their involvement in the offense. The operator would also be asked to take legal action against the individuals.

<http://www.newagebd.net/article/67671/btrc-decides-to-punish-banglalink-for-misappropriating-clients-sim-numbers>

Production capacity of Bashundhara Paper increases to 143,000 MT annually

- The Production capacity of Bashundhara Paper Mills limited (BPML) has increased to 1,43,050 metric tons annually. The product line of BPML is comprised of mainly tissues and paper products. Recently, Bashundhara Paper Mills added a new tissue unit to its Narayanganj plant to meet rising demand for its products in local and international markets.
- Austria-based Andritz provided technical support for the new unit. Andritz is a globally renowned technology and service partner for the production of various types of papers and tissues.

- The Company says they have utilized 100% of its initial public offering (IPO) funds and successfully implemented the set-up of tissue machines. The machines will increase the capacity of different grades of tissues by 30,000 MT yearly, and add diversity to their product portfolio.

<https://www.dhakatribune.com/business/2019/03/16/production-capacity-of-bashundhara-paper-increases-to-143-000-mt-annually>

Subscription of Coppertech to open March 31

- The initial public offering (IPO) subscription of Coppertech Industries is set to begin on March 31, aiming to raise BDT 200 million from the capital market under the fixed price method. The subscription for shares of the Coppertech Industries by the eligible investors through electronic subscription system will be continued until April 09.
- The public subscription of Silco Pharmaceuticals, which started on March 07, will be ended tomorrow (Tuesday). The company will raise BDT 300 million from the public.

<http://today.thefinancialexpress.com.bd/stock-corporate/subscription-of-coppertech-to-open-march-31-1552838867>

