

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.

India, Poland set to become USD 1 billion export markets of Bangladesh this FY

- India and Poland are on the track to become new billion-dollar export markets for Bangladesh in the current financial year 2018-19 due to extraordinary performance of readymade garment products. Exporters said that it was good news for Bangladesh as the country was getting two new billion-dollar markets, in addition to the nine billion-dollar markets.
- Country's export earnings from India in the first nine months of FY 19 stood at USD 985.32 million which was 59.72% higher than USD 616.90 million earnings in the same period of last fiscal, according to the statistics of Export Promotion Bureau.
- Readymade garment export to India grew by 96.50% to USD 401.14 million from USD 204.14 million in the period. Export to Poland in July-March of FY 19 grew by 27.88% to USD 924.85 million from USD 723.18 million in the same period of FY 18.
- Country's export earnings in last FY 18 stood at USD 36.66 billion and the earnings were mostly concentrated to the eight billion-dollar markets — United States, Germany, the United Kingdom, Canada, Spain, France, Italy, Netherlands and Japan.

<http://www.newagebd.net/article/69909/india-poland-set-to-become-1b-export-markets-of-bangladesh-this-fy>

Bhutan keen to import more medicines

- Bhutan has expressed its keen interest to import more pharmaceuticals from Bangladesh as well as taking more expert physicians. Bhutanese Prime Minister expressed the interest when Bangladesh Health Minister met.
- both the countries can work on boosting cooperation in the health sector and side by side cooperation can be made on medical tourism the minister said. The minister, in response to the request from the Bhutanese side, said the government has decided to raise the quota for Bhutanese students at the government medical colleges by five more seats.

<https://www.dhakatribune.com/business/2019/04/14/bhutan-keen-to-import-more-medicines>
<http://www.newagebd.net/article/69904/bhutan-keen-to-import-more-medicines>

Bangladesh eyes bilateral free-trade area (FTA) before LDC graduation

- The government is interested in striking several bilateral free-trade area (FTA) deals before the country leaves the club of poor countries. Bangladesh is expected to graduate from its present position of a least developed country (LDC) to the status of a developing country by 2024.
- Currently, the country is a member of two multilateral FTA and three preferential trade agreement (PTA) blocs. But it has no bilateral free trade agreement or PTA deals with any country.
- A senior commerce ministry official said the government is eager to ink bilateral free trade deals considering that Bangladesh would not qualify for existing trade benefits after its LDC graduation. The local exportables enjoy duty-free market access to 28 states of the European Union and 10 other countries like Japan, Australia, New Zealand, Norway and Chile, he told the FE.
- Against this duty-free trade facility, Bangladesh does not need to provide duty waiver in case of importing goods from all 38 countries. But these states might scrap free access of Bangladeshi products after 2027 when the grace period after the LDC graduation is over. Bangladesh will have to enter into fresh agreements with the countries offering benefits reciprocally.

<http://today.thefinancialexpress.com.bd/public/last-page/bd-eyes-bilateral-ftas-before-ldc-graduation-1555175447>
<https://www.dhakatribune.com/business/2019/04/12/bangladesh-keen-to-sign-fta-with-south-american-trade-bloc-to-promote-export>

IMF for addressing NPL issue to ensure financial stability

- The International Monetary Fund (IMF) has put emphasis on addressing the issue of non-performing loans (NPLs) immediately for ensuring financial stability.
- Financial counselor and director, money and capital markets department of the IMF said many countries have

tackled the issue by developing a secondary market for NPLs and by being aggressive in terms of writing off NPLs and provisioning for the non-performing loans.

- The IMF director explained there has been a change in accounting standards--international accounting standard-- in terms of how NPLs are provisioned for and they expect that it is going to improve the situation over time.
- The volume of classified loans in the country's banking system jumped by over 26% or BDT 196.08 billion to BDT 939.11 billion as of December 31 in the last calendar year from BDT 743.03 billion in 2017. The share of NPLs in the total outstanding loans came down to 10.30% as of December 31 in 2018 from 11.45% three months back. It was 9.31% on December 31, 2017.

<http://today.thefinancialexpress.com.bd/public/first-page/imf-for-addressing-npl-issue-to-ensure-financial-stability-1555003590>

<http://today.thefinancialexpress.com.bd/public/first-page/act-early-on-banking-sector-issues-imf-1555174960>

World Bank suggests merger of problem banks

- The World Bank (WB) has suggested that the government of Bangladesh merge the problem banks with their better-performing peers. The global lender also suggested that the country revamp its almost-moribund capital market.
- The finance minister welcomed the suggestions and said the government would conduct necessary reforms in the banking sector. The minister is now leading a delegation to the spring meetings of the Breton Woods institutions, where he took part in a discussion on Bangladesh's financial sector, organised jointly by the WB and the International Monetary Fund (IMF).
- The WB said since the public banks have many branches to serve the general people, their troubled loans could be a little higher. The government needs to operate public banks, even though it requires recapitalisation, the minister said.
- The minister told them the number is not a factor, since they have decided to increase the paid-up capital of the commercial banks to BDT 10 billion. That's why, the weak banks will be offered to merge with the better-performing ones.

<http://today.thefinancialexpress.com.bd/public/first-page/wb-suggests-merger-of-problem-banks-1555174498>

<http://www.newagebd.net/article/69906/weak-banks-to-merge-with-strong-ones-kamal>

Interest rate on loans for industrial sector surging

- Lending rate in several banks for the industrial sector has been increasing gradually, topping 16% in some cases, amid growing liquidity crisis in the country's banking sector. Country's businesses fear that the rising rate would hit trade and investment hard.
- Interest rate in several banks has increased to 1-3% points while some of the banks are charging up to 16% interest on the businesses. Mutual Trust Bank managing director and chief executive officer said banks are suffering from a severe liquidity crisis ahead of the adjustment of advance deposit ratio by September 30 this year to comply with the regulatory instruction.
- In December last year, banks' weighted average rate of deposits was 5.26% that increased to 5.34% in January this year. If high return on national savings certificates is considered a reason for the fund scarcity, reducing the interest rate on NSCs could help improve diversion of funds to the banking sector he added.

<http://www.newagebd.net/article/69773/interest-rate-on-loans-for-industrial-sector-surging>

Tax collection posts slight growth in eight months

- Tax collection grew by only 7.0% during the first eight months of the current fiscal year widening the shortfall against target. Officials said that the National Board of Revenue (NBR) might see a large deficit against its total target of BDT 2.96 trillion by year-end if this pace continues.
- Until February, the NBR mobilised a BDT 1.33 trillion revenue, leaving a BDT 400 billion shortfall against its target, according to provisional figures with the NBR. Income tax, VAT and customs duty collection grew by 12.13%, 6.28% and 3.74% respectively in the period.
- The shortfall in revenue collection by NBR aggravated in July-February period. It was BDT 344 billion until January of the current fiscal. The NBR will have to collect BDT 1.62 trillion more to achieve the original target BDT 2.96 trillion. The revenue income has slowed this year compared to the NBR's average collection growth rate of 14% during the last five years.

- Officials said huge tax exemption ate up a major share of revenue this fiscal. Ambitious target, non-implementation of the VAT law, pending revenue with court cases are the other major reasons. Officials said the tax revenue collection might be revised to BDT 2.80 trillion for the current fiscal following the shortfall.

<http://today.thefinancialexpress.com.bd/public/last-page/tax-collection-posts-slight-growth-in-eight-months-1555175361>
<https://www.dhakatribune.com/business/2019/04/14/revenue-at-hili-land-port-falls-short-of-target>
<https://www.thedailystar.net/business/news/growth-slows-five-year-low-1729747>
<http://www.newagebd.net/article/69907/nbr-revenue-receipts-in-8-months-only-45pc-of-target>

Government eyes BDT 377 billion non-tax revenue in next budget

- The government is set to fix the target for non-tax revenue (NTR) at BDT 377 billion in the forthcoming budget. The amount is up by BDT 43 billion from current fiscal's original target and by BDT 107 billion from the revised target. For the current fiscal year, the original target of such revenue was BDT 333 billion, which was slashed to BDT 270 billion during the recent revision.
- The source of non-tax revenue of the government includes: dividends and profits, interest, fines, penalties and forfeiture, service fees, rents and lease, tolls, non-commercial sales, and capital receipts.
- Sector wise, the railway department, postal department, Bangladesh Telecommunications Regulatory Commission (BTRC), Petrobangla, Bangladesh Petroleum Corporation (BPC), the Department of Immigration and Passports, and Bangladesh Road Transport Authority (BRTA) are the major sources of non-tax revenue.
- In the current budget, total revenue earnings target has been set at BDT 3.39 trillion, of which BDT 2.96 trillion is supposed to come from the National Board of Revenue (NBR). The rest will be collected as non-NBR tax and non-tax revenue.

<http://today.thefinancialexpress.com.bd/public/first-page/govt-eyes-BDT-377b-non-tax-revenue-in-next-budget-1555003920>

Businesses call for pacing up energy exploration

- Businessmen urged the government to expedite hydrocarbon exploration, check pilferage and snap illegal gas connections to streamline the country's energy sector. They also called proper utilisation of the country's surplus electricity and more state involvement in transmission and distribution.
- The government has been providing annual subsidies of around BDT 60 billion to the power sector. State-run Petrobangla received government subsidies worth BDT 10 billion last month. Besides, the unpaid amount of gas consumers will be BDT 60 billion, while that of electricity users will be BDT 66.62 billion.
- If the natural gas tariff is hiked the production costs in industries would increase by 2-3%. Proposals from Petrobangla and other state-run gas marketing and distribution companies to raise natural gas tariff by around 102.85% is currently pending with the Bangladesh Energy Regulatory Commission (BERC).
- Currently per capita electricity generation in Bangladesh is only 464 kilowatt-hour, which is 13,000 kilowatt-hour in many developed countries like Singapore.

<http://today.thefinancialexpress.com.bd/public/last-page/businesses-call-for-pacing-up-energy-exploration-1555004365>
<https://www.thedailystar.net/business/news/gas-price-hike-hit-industries-1728841>
<http://www.newagebd.net/article/69771/bangladesh-businesses-urge-govt-not-to-raise-gas-price>

Bangladesh seeks US investments in energy sector

- Bangladesh has sought US investment, especially in the energy sector under the Indo-Pacific Business Forum. The Forum is seen as a counter mechanism to China's much-hyped Belt and Road (BR) initiative. The US has concerns about the BRI, but Bangladesh wants to be associated with both, foreign minister said.
- the foreign minister said during the meeting he urged the US Secretary of State to invest in Bangladesh's energy sector under the Indo-Pacific Business Forum. The foreign minister also proposed the US to offer duty-free access to the readymade garment's products of Bangladesh, which will use US cotton. The US Secretary of State liked the idea and said that he would discuss the issue with the people concerned.

<http://today.thefinancialexpress.com.bd/public/first-page/bd-seeks-us-investments-in-energy-sector-1555090316>

Battery manufacturers target to raise annual export to USD 250 million

- The battery manufacturers of the country have set a target to raise their annual export to USD 250 million over the

next five years from the current amount of USD 57 million. The target was communicated to the government by Accumulator Battery Manufacturers and Exporters' Association of Bangladesh (ABMEAB) while placing their national budget-related proposals to the National Board of Revenue (NBR).

- ABMEAB officials said they are currently exporting their batteries to over 70 countries across the globe while regular exports are made to 51 countries after meeting the internal demands. Calling upon the revenue board for keeping the current tax ratio on battery import unchanged, they said the battery industry has been a very potential sector for export-oriented products as it avails of the government's policy support.
- Currently, there are 25% import duty, 20% supplementary duty and 3% regulatory duty on import batteries. Claiming that the battery factories have employed about 100,000 people directly and indirectly across the country, the ABMEAB said they have introduced a new advanced technology --Sealed Maintenance Free (SMF)-in the battery manufacturing which now enjoys the status of light engineering sector.

<https://www.dhakatribune.com/business/2019/04/14/battery-manufacturers-target-to-raise-annual-export-to-250m>

BO accounts on rise amid free fall of stocks

- The number of new beneficiary owner (BO) accounts has kept on growing despite the continued negative trends in both broad index and turnover. Around 69,500 accounts were opened over the last three months, according to the Central Depository Bangladesh Ltd (CDBL) data. Market operators said that the number of new companies coming to the market with initial public offering (IPO) was increasing so the number of BO account holders was also increasing.

<https://www.dhakatribune.com/business/stock/2019/04/12/bo-accounts-on-rise-amid-free-fall-of-stocks>

Bangladesh Bank suggests Bangladesh Securities and Exchange Commission (BSEC) to ensure governance, quality IPOs

- Bangladesh Bank has suggested that Bangladesh Securities and Exchange Commission should ensure good corporate governance in the country's capital market and bring good companies to the market to attract investments. The central bank made the suggestion in its recently published quarterly report titled 'Capital Market Developments in Bangladesh' for the October-December period last year.
- Mentioning the capital market's role in economic development as vital, the BB report said, 'BSEC may undertake some necessary pragmatic steps with appropriate regulatory support to create eagerness of the fund owners to make investments in the capital market.'
- Dhaka University's Centre for Corporate Governance and Finance Studies director told although ensuring good corporate governance is a common issue, we have to take it seriously as the call has come from the central bank.
- The external and institutional forces held the regulator back from implementing the rules, he said. Irregularities are taking place in a large scale but no serious regulatory measure has far been taken though the market has been facing a deep trouble he added.

<http://www.newagebd.net/article/69846/bangladesh-bank-suggests-bsec-to-ensure-governance-quality-ipos>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$63.71	-0.18	-0.28%
Crude Oil (Brent)*	\$71.53	-0.02	-0.03%
Gold Spot*	\$1,290.90	-4.30	-0.33%
DSEX	5,326.39	+64.78	+ 1.23%
Dow Jones Industrial Average	26,412.30	+269.25	+1.03%
FTSE 100	7,437.06	+19.11	+0.26%
Nikkei 225	22,190.71	+320.15	+1.46%

Exchange Rates**USD 1 = BDT 84.17*****GBP 1 = BDT 110.23 *****EUR 1 = BDT 95.22 *****INR 1 = BDT 1.22*****Currencies and Commodities are taken from xe.com.*

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