

*Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.*

### **Government replies to Telenor's legal notice**

- The government has recently replied to the Telenor Group's legal notice, served on the President to pursue an arbitration to resolve audit dispute amicably between the Bangladesh Telecommunication Regulatory Commission (BTRC) and the Grameenphone (GP). The Attorney General has replied to the legal notice of Telenor Group, the parent company of Grameenphone, saying that there was no scope for arbitration over the BDT 125.8 billion audit claim dispute between BTRC and the mobile operator. The Telenor Group sent a legal notice to the President in October. The attorney general gave the reply on November 17. But, Telecom Minister revealed the matter for the first time on Thursday (Dec 19).
- Allen & Overy LLP, Singapore sent the legal notice to the President, requesting him to pursue arbitration for resolving the audit dispute between the BTRC and GP. The law firm mentioned that the arbitration could be pursued under the Bilateral Investment Treaties (BITs) 2004 between Singapore and Bangladesh. However, in a statement on Thursday, the Director of Group Communication Asia, Telenor Group, said that GP is not a party in this (arbitration) process. It is important for Telenor Group to protect its assets in Bangladesh.

<https://today.thefinancialexpress.com.bd/first-page/govt-replies-to-telenors-legal-notice-1577038302>  
<http://www.newagebd.net/article/94363/ag-tells-telenor-no-arbitration-possible>

### **Dollar demand slides in July-December on trade slowdown**

- Demand for the US dollar on the local market witnessed a significant drop in more than five and a half months of the current fiscal year 2019-2020 amid a slowdown in the country's export and import. According to the Bangladesh Bank data, the monthly average sales of the greenback by the BB dropped to around USD 70 million with the total sales standing at USD 383 million as on December 22, 2019. On the other hand, the central bank's monthly average sales of the dollar was USD 93.67 million in the first half of FY19, taking the total sales at BDT 1.12 billion from July-December of FY19. In total, the BB injected USD 2.34 billion in last fiscal year.
- In FY19, the country's export earnings increased by 10.54% to USD 40.53 billion from USD 36.66 billion in FY18. However, the earnings in July-November of FY20 dropped by 7.59% to USD 15.77 billion from USD 17.07 billion in the same period of FY19. On the other hand, the country's import payments, including the payments for capital machinery and industrial raw materials, dropped by 3.17% to USD 18.14 billion in July-October of FY20 against USD 18.73 billion in the same period last year.
- As per the BB data, the interbank exchange rate of the dollar increased to BDT 84.90 on November 28, rising in phases from BDT 84.50 on October 3 this year. The interbank exchange rate of the greenback was stable at BDT 84.5 from May to September. Since January, 2017, the interbank exchange rate of the dollar devalued by 7.88% or BDT 6.2.

<http://www.newagebd.net/article/94362/dollar-demand-slides-in-july-dec-on-trade-slowdown>

### **Bangladesh Securities and Exchange Commission (BSEC) approves change of two MFs asset manager**

- The securities regulator on Sunday gave approval to change the asset manager of two closed-end mutual funds as demanded by more than two-third unit holders. The mutual funds are DBH First Mutual Fund and Green Delta Mutual Fund. The securities regulator appointed IDLC Asset Management Company Ltd as new asset manager to the two mutual funds, replacing LR Global Bangladesh, in line with the majority unit holders' demand and application of Bangladesh General Insurance Company (BGIC), the trustee of both the mutual funds, BSEC said in a statement.
- Earlier, the LR Global filed a writ petition with the High Court, seeking an order to stop its removal attempt as the asset manager of two closed-end mutual funds. The High Court (HC) on November 7 directed all parties concerned to maintain the status quo regarding the asset manager of the two MFs until January 8, 2020. On December 1, the Chamber Judge of the Appellate Division upheld the Chamber Judge's stay order on the 'status quo' regarding the asset manager of Green Delta Mutual Fund and DBH 1st Mutual Fund. Meanwhile, the Supreme Court (SC) has recently stayed the status quo which barred the regulator from changing the asset manager. The unit holders, who appealed to change the asset manager, submitted their lawyer's certificate copy on the SC's order to the BSEC. Then the securities regulator decided to take their lawyer's opinion in a bid to further be sure about the lawyer's certificate issued on the stay order of the SC.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-change-of-two-mfs-asset-manager-1577036424>

<https://www.thedailystar.net/business/news/bsec-okays-replacing-two-funds-asset-manager-1843918>  
<http://www.newagebd.net/article/94364/bsec-ousts-lr-global-as-asset-manager-of-2-mfs>

### **National Board of Revenue (NBR) cuts Advance Income Tax (AIT) to 3.0% on cement materials import**

- The government has reduced the rate of advance income tax (AIT) on import of cement raw materials to 3.0% from 5.0%. National Board of Revenue (NBR) issued a SRO (statutory regulatory order) in this regard on Thursday, following a recent demand by the cement makers. The cement manufacturers appreciated the decision, but still demanded full waiver of the AIT. Recently, the cement makers demanded waiver of 8.0% non-adjustable AIT imposed on imported raw materials and supply of products to ensure the sustainable development of the industry. They said the gross profit of the cement industry declined as compared to previous years and it will be a question of survival if the 8.0% AIT is not waived. According to the manufacturers, a company will have to make 40% gross profit if it has to survive against 8.0% AIT. But it is quite impossible.

- Total investment in cement sector stood at around BDT 300 billion, of which BDT 190 billion came through bank loans. Presently, 38 companies, including two multinationals, are manufacturing cement for local and overseas markets. Of the companies, seven are listed on the stock exchanges. The overall production capacity of the sector has crossed 62 million metric tonnes per year against the demand for 34 million metric tonnes with 43% overcapacity.

<https://today.thefinancialexpress.com.bd/trade-market/nbr-cuts-ait-to-30pc-on-cement-materials-import-1577035979>

### **World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$60.28	-0.16	-0.26%
Crude Oil (Brent)*	\$65.97	-0.17	-0.26%
Gold Spot*	\$1,481.18	+2.96	+0.20%
DSEX	4,430.96	-25.88	-0.58%
Dow Jones Industrial Average	28,455.09	+78.13	+0.28%
FTSE 100	7,582.48	+8.66	+0.11%
Nikkei 225	23,858.86	+42.23	+0.18%
BSE SENSEX	41,542.75	-138.79	-0.33%

### **Exchange Rates**

**USD 1 = BDT 84.92\***

**GBP 1 = BDT 110.54\***

**EUR 1 = BDT 94.12\***

**INR 1 = BDT 1.19\***

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

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