

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.

Robi pays BDT 276 million instalment to Bangladesh Telecommunication Regulatory Commission (BTRC)

- Robi Axiata Limited deposited on Tuesday BDT 276.0 million with the telecoms regulator's account as part of a High Court (HC) directive to clear audit dues. BTRC senior assistant director said that they will lift the NOC (no objection certificate) suspension on Robi for now. If it fails to pay the second instalment within the timeline, the NOC suspension will be restored. On January 05, the higher court ordered Robi to settle BDT 1.38 billion of a BTRC audit claim in five instalments.
- Robi owes BDT 8.67 billion to the government, including BDT 1.97 billion, to the National Board of Revenue, according to the BTRC audit in 2016. Later, the commission claimed the dues that had accumulated for unpaid revenue share, taxes and late fees since its inception in 1997 to December 2014. But Robi termed the claim "unfounded", citing that the commission had not followed the audit rules properly.

<https://today.thefinancialexpress.com.bd/last-page/robi-pays-BDT-276m-instalment-to-btrc-1579025796>
<https://www.newagebd.net/article/96571/robi-pays-btrc-BDT-2760cr-in-first-installment>
<https://www.dhakatribune.com/bangladesh/2020/01/14/robi-pays-first-installment-of-btrc-audit-claim>
<https://www.thedailystar.net/frontpage/news/btrcs-audit-claim-robi-pays-BDT-276cr-1854184>

Finance minister places bill to utilize 'idle money' of state entities

- Finance Minister AHM Mustafa Kamal placed a bill in the parliament on Tuesday to bring the surplus money of different autonomous, semi-autonomous and statutory agencies and non-financial corporations to the national exchequer. According to UNB, an amount of BDT 2.121 trillion of self-governed agencies remains stagnant in different banks. The government plans to bring the surplus money to the national exchequer with the proposed law for financing different development projects and supporting public welfare.
- Of the idle money, the surplus one will be deposited to the national exchequer after keeping aside the operational cost, additional 25% of operational cost as emergency fund, money for general provident fund (GPF) and pension. The respective organization can estimate its operational cost.

<https://thefinancialexpress.com.bd/national/finance-minister-places-bill-to-utilise-idle-money-of-state-entities-1579010847>
<https://www.thedailystar.net/business/news/govt-moves-use-surplus-funds-state-organisations-1854250>

Bankers for keeping interest on Small and Medium Enterprises (SME) loan higher than 9%

- Bankers have called for keeping the rate of interest on loans to small and medium enterprises (SMEs) higher than the single digit (9%) lending rate for bank loans as set by the Bangladesh Bank (BB). The Association of Bankers, Bangladesh (ABB) said bringing interest rates on SME loans down to single digit would be difficult, as the cost of lending in this sector was very high. The chairperson of The Association of Bankers, Bangladesh (ABB) said that most of the banks that lent money to the SMEs would find the single digit interest rate difficult to apply, as they lent money mostly to the NGOs (non-government organizations).

<https://www.dhakatribune.com/business/banks/2020/01/14/bankers-for-keeping-interest-on-sme-loan-higher-than-9>

Top bankers skeptical of 6.0% deposit rate

- The country's top bank executives evinced on Tuesday their grave concern over the 6.0% interest rate on bank deposits as they believe such a poor rate will be "challenging" for mobilizing funds from the public. They said they can lend at a rate of 9.0%. But they are concerned about collecting funds at a rate of 6.0% at a time when the prevailing rate of inflation is around 6.0%. The government has set a timeframe for introducing the 6.0% interest rate on deposits and 9.0% on lending effective from April 1 next. It was set to be implemented from January last. But later it was deferred for unavoidable reasons.
- The chairman of the Association of Bankers, Bangladesh Limited (ABB) said the promised government funds to the private banks might ease the situation. The government had earlier announced that 50% of the funds belonging to state-owned enterprises should go to the privately-owned commercial banks, up from 25%. And the remaining 50% would go to state-owned commercial banks. There are many SOEs that possess huge idle funds. The Finance Division is now working on the issue as the banks complain that they are yet to start receiving funds at the ratio of 50:50 from the state-owned institutions.

<https://today.thefinancialexpress.com.bd/first-page/top-bankers-sceptical-of-60pc-deposit-rate-1579024820>
<https://www.newagebd.net/article/96585/deposit-receipt-at-6pc-interest-big-challenge-bankers>
<https://www.dhakatribune.com/business/2020/01/14/single-digit-lending-rate-bankers-seek-assurance-of-6-deposit-first>
<https://www.thedailystar.net/business/news/banks-demand-govt-funds-the-earliest-1854244>

Bangladesh Bank to relax rules for unintentional defaulters

- The loan payment process will be eased for unintentional defaulters if they have valid grounds for their failure to clear the loans, said Bangladesh Bank Governor yesterday. The law has clearly defined what will be considered a nonperforming loan (NPL) and who will be called willful and unintentional loan defaulters, he said. Entrepreneurs, who failed to repay loans for reasons they cannot be held responsible for, such as delays in getting utility connections and in loan approval process, might get special consideration, he said.

<https://www.thedailystar.net/business/news/bb-relax-rules-unintentional-defaulters-1854238>

Autogas pump price shoots up by 19%

- The pump price of autogas, the liquefied petroleum gas (LPG) used in vehicles, surged by around 19% to BDT 50 per litre from BDT 42 this week. Privately-owned LPG importers and marketers have increased the autogas price to cope with soaring LPG price in the global market, a LPG trader said. Currently, around 120 autogas filling stations are operating across the country.

- Unlike other fuels, LPG price in the domestic market is fixed by private players. The government has no control over setting the prices of LPG either used for cooking or vehicles. The use of LPG as auto fuel is on the rise in Bangladesh due to its cost competitiveness compared to octane, petrol or diesel. Retail prices of LPG shot up by 20% early this month, which was the highest level in years.

- Market insiders said LPG consumption in the country has seen a fourfold jump over the past three years riding on its increased use in households, commercial entities and vehicles. Over 1.0 million tonnes of LPG are now consumed annually which was around 250,000 tonnes in 2015. Favorable government policy, duty waiver on import of LPG and its machinery and crackdown on illegal gas connections have helped boost LPG use across the country. A government strategy to popularize LPG consumption across the country instead of piped natural gas to cope with fast-depleting natural gas reserves has also supported consumption growth. Bangladesh's LPG market is import-dominated as more than 60% of cylinders and 95% of the country's total requirements are met with imports, a ministry official said.

<https://today.thefinancialexpress.com.bd/first-page/autogas-pump-price-shoots-up-by-19pc-1579025418>

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) identifies 51 products to diversify export basket

- The apparel apex body, BGMEA, has identified 51 readymade garment (RMG) items having potentials in the international market, sources said. They said the entrepreneurs could invest to manufacture the diversified items for widening their product base and grabbing a larger share in the growing global market. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) chose 31 items with potentials for next five years and 20 others with potentials for next 10 years. The global market for these two groups of products would be worth USD 132 billion and USD 54 billion respectively, according to a BGMEA's presentation at a recent meeting. Bangladesh exported products worth USD 7.1 billion in 2018 from the 31-item group while USD 1.2 billion from the 20-item group.

- The trade body has taken the initiative to identify the products with market potentials due to the sector's large dependence on five major products like t-shirt, sweater, trouser, jacket and shirt, said the sources. The five items contributed about 73% or USD 24.8 billion of the country's total exports earnings of USD 34.13 billion from the apparel items in the last fiscal year, according to BGMEA data. Most of the RMG items (74.14%) are made of cotton.

<https://today.thefinancialexpress.com.bd/trade-market/bgmea-identifies-51-products-to-diversify-export-basket-1579023785>

<https://www.newagebd.net/article/96586/bgmea-identifies-51-products-for-export-diversification>

Bangladesh Bank makes easier digital marketing payment

- Bangladesh's e-commerce sector has received a major boost after the central bank opened up an opportunity for them to make payment to social media giants for online marketing. The move will make all international bill payments for online campaigns transparent and boost earnings for the country as local companies would transfer the money through legal channels instead of exploring other routes, entrepreneurs said.

- This is the first of its kind initiative aimed at paying the bills for digital marketing on social media platforms such as Facebook and Google to their accounts from Bangladesh, president of the Bangladesh Association of Software and

Information Services (BASIS) said. For the first time, we have got a legal channel to pay for digital marketing platforms, said managing director of e-commerce company ajkerdeal.com.

- The BB issued a circular on Monday where it incorporated digital marketing and remitting foreign currency abroad by information technology or software firms. Before the move, BASIS members could only remit foreign currency abroad under a special permission using banking channel to bear the expenses of importing licensed software, payment bills for hosting service and domain hosting. On Monday, the central bank also raised the annual ceiling to USD 40,000 from USD 30,000 to meet the actual expenses of IT and IT-enabled services. The Foreign Exchange Policy Department of the central bank issued the circular to this effect, allowing authorized dealers to remit the amount through international cards on behalf of IT or software firms who are members of the BASIS. According to the circular, business houses can top-up USD 8,000 instead of USD 6,000 on their international payment cards at one go. The decision came into effect immediately, the circular said. Members of the BASIS can get the two cards from Brac Bank and EBL. The central bank first issued the cards in 2012 with a limit of USD 10,000 a year. Later, the limit has increased four times.

- Every year, according to market sources, social media giants like Facebook, Google, Imo, Viber, WhatsApp and Skype earn about BDT 20 billion from Bangladesh and most of the funds are channeled through illegal ways. Currently, the BASIS has about 1,327 members and only a few of them used the facility because of its limited features. There are about 20,000 e-commerce and Facebook-based entities that are running digital businesses and need to run digital marketing.

<https://www.thedailystar.net/business/bangladesh-bank-makes-easy-digital-marketing-payment-1854259>

Two British firms turn up with USD 1 billion investment plan

- Two British companies have arrived with an investment plan of USD 1 billion, a heartening development for the government which has ramped up its efforts to woo in foreign investors. The two companies are IM Power, an independent power producer with more than 50 years of experience in the industry, and TenBroekeCo, an independent international advisory company focused on the delivery of major infrastructure projects.

- They intend to set up a 1,000 megawatt plant in Bangladesh to generate electricity by using imported liquefied natural gas at Payra port. A portion of the power generated would be used for electrification of a railway track between Payra and Dhaka. Moreover, they would also establish a transmission line between Payra, Dhaka, Chattogram and Cox's Bazar. The complete investment proposals would turned in this month, executive chairman of the Bangladesh Investment Development Authority (BIDA) said.

- In the April to June quarter of 2019, the gross foreign direct investment of over 200 British companies, which currently have operations in Bangladesh, stood at USD 97.56 million, of which USD 7.72 million went to the power sector. In fiscal 2018-19, foreign direct investment amounting to USD 3.8 billion came in, which is rather low when compared with peer countries.

<https://www.thedailystar.net/business/news/two-british-firms-turn-1b-investment-plan-1854220>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.09	-0.14	-0.24%
Crude Oil (Brent)*	\$64.37	-0.12	-0.19%
Gold Spot*	\$1,551.29	+4.90	+0.32%
DSEX	4,036.24	-87.24	-2.12%
Dow Jones Industrial Average	28,939.67	+32.62	+0.11%
FTSE 100	7,622.35	+4.75	+0.06%
Nikkei 225	23,914.88	-110.29	-0.46%
BSE SENSEX	41,969.86	+17.23	+0.04%

Exchange Rates

USD 1 = BDT 84.72*
GBP 1 = BDT 110.34*
EUR 1 = BDT 94.30*
INR 1 = BDT 1.19*

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
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BRAC EPL Research www.bracepl.com

121/B Gulshan Avenue
Gulshan-2, Dhaka
Phone: +880 2 881 9421-5
Fax: +880 2 881 9426
E-Mail: research@bracepl.com