

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 borrowed 92.0% of revised target from savings tools in 11 months

■ In the first 11 months of the last fiscal year, the government's net borrowing from national savings schemes stood at BDT 110.1 billion, which was 92.3% of its revised target. According to the Department of National Savings, the gross sale of savings certificates stood at BDT 32.3 billion in May this year. After paying interest and refunding the principal amount of BDT 28.0 billion that month, the government's net loan from the savings tools was BDT 4.3 billion. In May last year, the net loan from the fiscal instrument was BDT 32.6 billion. Between July and May, the gross sale of savings certificates stood at BDT 578.1 billion while interest payment and refund amounts were BDT 467.9 billion.

■ In FY2019-20, the government had to cut the target to BDT 119.2 billion in the revised budget for savings tools. The total target from non-banking sources was reduced to BDT 149.2 billion. The government previously targeted a borrowing of BDT 300.0 billion from non-banking sources for the last fiscal year, of which BDT 270.0 billion was expected to come from national savings schemes.

■ For the current fiscal year, Finance Minister AHM Mustafa Kamal has set a loan target of BDT 250.0 billion from non-banking sources, including BDT 200.0 billion from savings instruments. In the first 11 months of FY2018-19, gross sales of savings certificates stood at BDT 636.3 billion and net sales were BDT 467.1 billion – after paying interest and refunding the principal.

■ Recently, the government reduced the investment limit for postal savings tools to BDT 2.0 million from BDT 6.0 million. The profit rate for national savings schemes is still around 11.0% whereas the interest rate for bank deposits is a maximum of 6.0%. At the end of May this year, the government's outstanding loans increased to BDT 2.98 trillion. In FY2018-19, the government's net loan stood at BDT 479.5 billion, which was 6.54% higher than the revised target of BDT 450.0 billion for that fiscal year.

<https://tbsnews.net/economy/banking/govt-borrowed-92-revised-target-savings-tools-11-months-106819>
<https://www.newagebd.net/article/111238/natl-savings-tools-sales-sink-76pc-in-july-may>

Government may set USD 41.0 billion goods export target

■ The government is likely to set USD 41.0 billion goods export target for this fiscal year (FY), 2020-21, predicting over 21.0% growth, sources said. It is also going to fix additional USD 7.0 billion earnings from export of services, projecting more than 9.0% growth. According to the projection, ready-made garment (RMG) sector is likely to earn USD 33.8 billion in the current fiscal, against USD 27.9 billion in the just concluded fiscal, they added. The sector contributed about 83.0% of the country's total export earnings last fiscal.

■ The country fetched USD 33.7 billion by exporting goods, which was 25.99% lower than the target. The earnings declined by 19.6% compared to USD 40.5 billion in FY 2018-19, according to the Export Promotion Bureau (EPB) data. In last fiscal, export earnings from service sector stood at USD 6.39 billion against the target of USD 8.5 billion. The EPB, however, proposed the MoC to set USD 37.4 billion goods export target for FY 2020-21, predicting a 13.0% growth. It also proposed USD 7.6 billion in earnings from export of services, officials said.

<https://today.thefinancialexpress.com.bd/first-page/govt-may-set-41b-goods-export-target-1594835381>
<https://tbsnews.net/economy/govt-set-export-target-48-bn-fy21-106825>
<https://www.newagebd.net/article/111236/export-earnings-target-for-fy21-set-at-41b>
<https://www.dhakatribune.com/business/economy/2020/07/15/export-target-likely-41b-for-fy21>

Clear salary, Eid bonus by July 25

■ The government yesterday asked the employers of 42 different industrial, production, manufacturing, trade and services sectors to clear the payment of salaries and Eid festival bonus by July 25. Begum Monnujan Sufian, state minister for labour and employment, yesterday made the call as the Eid-ul-Azha is scheduled to be held July 31 or August 1. Both Sufian and union leaders also asked the factory owners not to terminate the workers from their jobs and to pay the arrears. Currently, the country's workforce is employed under 42 different sectors, for which the government-appointed minimum wage board fixes wages and allowances after a legal periodical review.

■ Sramik Karmachari Oikyo Parishad (SKOP), the highest body of labour unions, demanded no termination of workers from their jobs and no shut down of factories. During the last Eid-ul-Fitr, most of the employers paid the workers 50%.0 of their basic salary as Eid bonus before the festival and another 50% after the festival.

<https://tbsnews.net/economy/economy-slowly-coming-out-coma-105841>
<https://www.thedailystar.net/pay-workers-salaries-2020-eid-bonus-july-25-govt-factory-owners-1930797>

Fazle Kabir reappointed as Bangladesh Bank governor

■ Fazle Kabir, has been reappointed as the Bangladesh Bank (BB) governor for another two years. The Financial Institutions Division of the Finance Ministry in a letter gave his appointment on Wednesday. According to the appointment letter, Fazle Kabir has been appointed as the governor of the Bangladesh Bank until he turns 67 or till July 3, 2022 as per the provisions of articles 10 (3) and 10 (5) of the Bangladesh Bank Order, 1972, Bangladesh Bank (amendment) Act, 2020.

■ Fazle Kabir will receive salary-allowance and other benefits from the BB as per the terms of the agreement executed with the government during his tenure as governor, it adds. The order will be effective immediately. Earlier, on July 09, the parliament passed the Bangladesh Bank (Amendment) Bill, 2020, raising the age limit for the BB governor to 67 years from 65.

<https://www.dhakatribune.com/business/2020/07/15/fazle-kabir-reappointed-as-bb-governor>
<https://today.thefinancialexpress.com.bd/last-page/fazle-kabir-reappointed-bb-governor-1594835609>
<https://tbsnews.net/economy/banking/fazle-kabir-reappointed-bangladesh-bank-governor-106627>
<https://www.thedailystar.net/top-news/news/govt-reappoints-fazle-kabir-bangladesh-bank-governor-1930853>

Bangladesh Securities and Exchange Commission (BSEC) warning over IPO observation makes Dhaka Stock Exchange (DSE) team nervous

■ The Bangladesh Securities and Exchange Commission on Wednesday threatened the Dhaka Stock Exchange with legal action if it provided observations about a company's initial public offering based on suspicion. DSE officials said that the BSEC letter in this connection would make the bourse's IPO team reluctant to do their job properly as they had already become nervous. The BSEC on Wednesday issued the letter, signed by its executive director Ruksana Chowdhury, asking the bourse to strictly follow the direction given in the public issue rules while making observations on an IPO.

■ According to the public issue rules, the DSE must mention in its observations whether a company violates any securities rules, accounting standard and any other law of the land. DSE officials said that the IPO team sometimes noticed inconsistencies in financial statements of the IPO seeking companies and it mentioned those inconsistencies in the IPO observation reports as it thought that the things required further investigation. The BSEC letter said that the BSEC and the DSE held a meeting on July 6 at the BSEC office in the capital and reached a consensus that the bourse would not provide observations going beyond the public issue rules.

<https://www.newagebd.net/article/111240/bsec-warning-over-ipo-observation-makes-dse-team-nervous>
<https://tbsnews.net/economy/stock/exchanges-must-mention-rules-ipo-observations-106789>

Grameenphone (GP) profit slips amid Covid-19 fallouts

■ Grameenphone's net profit tumbled 23.87% year-on-year in the second quarter of 2020 because of the ongoing Covid-19 crisis. The largest mobile phone operator of Bangladesh took home BDT 7.3 billion in profit after taxes in April-June, down from BDT 9.6 billion in the same period a year ago. This had been the lowest single-quarter net profit for GP in recent times. It witnessed 8.2% year-on-year revenue de-growth in the second quarter to BDT 33.1 billion.

■ According to the chief executive officer of GP, in addition to Covid-19, the company has experienced impact from challenging weather and regulatory scenario, all of which combined has driven us to de-growth in our performance compared to last year. The fall in earnings impacted the earnings per share: it stood at BDT 5.38 in the quarter, down from BDT 7.07 in the same period last year. GP recommended 130% interim cash dividend for 2020 and the shareholders as of the record date of August 5 will be entitled to it. The stocks of the largest-listed company in the country traded 0.92% higher at BDT 241.3 on the Dhaka Stock Exchange yesterday.

■ At the end of June, the number of active users for the operator declined to 74.5 million, which was 76.5 million at the beginning of the year. Of the total active users, 54.8%, or 40.8 million, use internet. Customers' average per month data use went up to 2.6 gigabytes. GP raked in BDT 8.4 billion from internet data use in the quarter, up 16.66% from BDT 7.20 billion year-on-year. It, however, fell from the January-March quarter when it earned BDT 8.5 billion. This was the first time the earnings from data consumption declined quarter-to-quarter.

■ In the early days of the lockdown, which began on March 26, it was tough for the users to top up mobile phones as shops had to be shut owing to the movement control order. As a result, earnings from voice call also declined for all operators. Per month earnings per customer came down to BDT 146 for GP, from BDT 159 during the same period last year. Despite the challenges, the carrier managed to add 9.0 million users to its 4G network during the quarter to end at 15.2 million. It set up 132 new 4G/LTE sites in the last three months, bringing in 77.1% of the population under the coverage of the fastest data network.

<https://www.thedailystar.net/business/telecom/news/gp-profit-slips-amid-covid-19-fallouts-1931153>
<https://www.newagebd.net/article/111239/gp-profit-dips-24pc-in-q2-as-virus-outbreak-hits-customer-spending>

<https://tbsnews.net/bangladesh/telecom/grameenphone-reported-de-growth-subscriptions-and-revenues-after-2nd-quarter>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 40.91	(USD 20.72)	-33.62%
Crude Oil (Brent)*	USD 43.54	(USD 24.90)	-36.38%
Gold Spot*	USD 1,809.19	USD 287.72	18.91%
DSEX	4,079.07	-373.86	-8.40%
S&P 500	3,226.56	-4.22	-0.13%
FTSE 100	6,292.65	-1,294.4	-17.06%
BSE SENSEX	36,033.06	-5,609.08	-13.47%
KSE-100	36,745.22	-3,989.86	-9.79%
CSEALL	4,947.11	-1,182.1	-19.29%

Exchange Rates

USD 1 = BDT 84.80*
 GBP 1 = BDT 106.50*
 EUR 1 = BDT 96.70*
 INR 1 = BDT 1.13*

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

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