

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.

Remittances rise by 10% in eight months

- The flow of remittances rose by nearly 10% in the first eight months of the current fiscal year, despite significant falloff in February year-on-year.
- Bangladeshi nationals working abroad sent USD 10.40 billion home during the July-February period of the FY 2018-19 from USD 9.46 billion in the same period of the previous fiscal.
- Remittances amounted to USD 1.32 billion home in February, down by USD 273.12 million in January.
- While remittances slumped by over 17% in February, compared with a month earlier, it expanded by nearly 15% to USD 1.15 billion in February 2018, the BB data showed. The flow of overall inward remittance continues to maintain an upward trend due to the depreciation of local currency against the US dollar, a BB official said.

<http://today.thefinancialexpress.com.bd/first-page/remittances-rise-by-10pc-in-eight-months-1551634428>
<https://www.thedailystar.net/business/news/remittance-rises-15pc-1710274>
<http://www.newagebd.net/article/66409/remittances-rise-by-10pc-in-8-months-on-strong-dollar>

Massive reforms to fix ailing banking sector launched

- The Bangladesh Bank has formed several committees, including a high profile one led by its one deputy governor, in a bid to reform the country's ailing banking sector.
- The committees have been tasked with making specific recommendations to reduce default loans and take actions against willful defaulters, said a senior central bank official.
- Furthermore, the committees will also recommend to amend the Bank Companies Act, Artha Rin Adalat (Money Loan Court), Financial Institutions Act, and other bankruptcy-related legislations. A policy for compulsory merger of weaker banks and financial institutions will also be drafted by a committee.
- Additionally, a committee comprising representatives from central bank and other commercial banks will evaluate changes to the definition of default loans, evaluate the borrowing by bank directors, and evaluate the role of the board of directors in disbursing and supervising loans.

<https://www.dhakatribune.com/business/2019/03/04/massive-reforms-to-fix-ailing-banking-sector-launched>

Excise duty puts off depositors: bankers

- The excise duty on depositors' money has been discouraging people from parking their money in the banking system, bankers said yesterday in a dialogue. They said if a person has above BDT 0.1 million in his/her savings account, the revenue authority takes BDT 150 as excise duty while the amount hits BDT 25,000 if the balance touches BDT 50 million.
- When the depositor puts the money as term-deposit, he has to pay excise duty again. In case of borrowing from banks, a person also has to bear the burden of excise duty on loan account.
- A person at present has to count excise duty on his/her deposit account and loan account although rules are there stipulating that the tax should be deducted from the deposit once a year, said senior executive vice president of Dutch-Bangla Bank.
- They also want the NBR to carry out awareness campaigns among people on the benefits of paying taxes and take steps to eliminate the negative perceptions about tax offices and taxmen in society.

<https://www.thedailystar.net/business/news/excise-duty-puts-depositors-bankers-1710280>
<http://www.newagebd.net/article/66410/banks-demand-scrapping-of-double-taxation-on-balance>

SCBs lag behind in achieving API targets

- Almost all state-owned commercial banks have failed to achieve major aims including reducing the number of loss-making branches and decreasing bad loans in the first half of the current fiscal year despite their commitments under the annual performance indicators.

- According to a document released last week by the financial institute division on its half yearly review on APIs, Sonali, Janata, Rupali and Agrani are off track from their targets to reduce loss making branches.
- Sonali has succeed in shutting down 93 loss-making branches against the target of 200, while Janata could brought 56 branches back from loss-making activities against the target of 60. The number of loss-making branches reduced by Rupali Bank is 8 against the target of 30 and it is 21 for the case of Agrani Bank against its target of 60.
- Growing defaulted loan was undermining performance of the state-owned bank, said Financial Institutions Division or FID additional secretary.

<http://www.newagebd.net/article/66408/scbs-lag-behind-in-achieving-api-targets>

Mobile, internet users revamp to growth

- MNP has pushed the growth of mobile phone users in a sluggish trend. Overcoming a modest setback at the end of last year, mobile phone operators in Bangladesh revamped to a growth in both new connections and internet users.
- In January, mobile phone users increased by 555,000 to 150 million while total internet users stood at 90.1 million, according to the latest statistics of Bangladesh Telecommunication Regulatory Commission (BTRC).
- Apart from the market leader Grameenphone, remaining operators lost customers in last December as effective SIM connections declined by 590,000 in the period along with the fall of 470,000 internet connections.
- After January, customer base of Grameenphone stood at 73m followed by Robi 46.9m, Banglalink 30m and lone state own operator Teletalk had a base of around 380,000 customers.

<https://www.dhakatribune.com/business/2019/03/04/mobile-internet-users-revamp-to-growth>

Is SMP restriction procedure legal?

- The High Court has asked the Bangladesh Telecommunication Regulatory Commission (BTRC) to explain why the procedure through which it imposed four restrictions on Grameenphone after declaring it a Significant Market Power will not be termed illegal.
- A writ petition GP filed two days ago challenging the procedure, the HC also stayed one of the restrictions on conducting nationwide promotional campaigns.
- This means Grameenphone faces no restriction right now on advertisements and overall communication through any medium or channel Barrister who is representing the mobile operator said.
- Though the first three restrictions are still applicable, all the restrictions were to come into effect from March 1. On February 10, the BTRC declared GP as the country's first SMP operator for holding 40% of the subscribers, revenues and spectrum.

<https://www.thedailystar.net/business/news/smp-restriction-procedure-legal-1710283>

Banglalink's revenue hits 4-year low

- Banglalink's revenue fell 6.46% year-on-year to BDT 43.65 billion in 2018, the lowest in four years. In 2018, the operator invested BDT 35.24 billion—highest in the last one decade—to acquire more spectrum, get tech neutrality and expand 3G network and for licence and expansion of 4G network.
- Banglalink is seeing the first signs of recovery, as its revenue increased 1.29% year-on-year to BDT 10.96 billion in the October-December quarter of 2018, said head of public and digital policy at the operator.
- Notwithstanding continued intense competition in the market with a specific focus on customer acquisition, Banglalink continued to focus on acquiring customers in the last quarter of 2018, Veon said in its report.
- The operator's revenue per customer in a month is continually declining and at the end of 2018 it stood at BDT 110, which was BDT 133 in 2016, according to the financial statement.

<https://www.thedailystar.net/business/news/banglalinks-revenue-hits-4-year-low-1710286>

Government taking BDT 25.82 billion project for Japanese economic zone

- The government is going to take up a BDT 25.82 billion project to set up an economic zone at Araihasar in

Narayanganj for Japanese investors. Of the cost, 82% will come from Japan International Cooperation Agency (Jica) and the rest from Bangladesh.

- The project will be placed at the meeting of the Executive Committee of the National Economic Council tomorrow.
- The decision to set up a special economic zone for Japanese investors was taken during the visits of the prime ministers of both Bangladesh and Japan to each other's country in 2014.
- A mission of the Jica committed BDT 21.27 billion during its visit to Bangladesh in December last year. The loan agreement may be signed in June. The government will acquire 1,000 acres of land in Araihaazar, 500 acres of which have already been acquired, according to a BEZA official.

<https://www.thedailystar.net/business/news/govt-taking-BDT-2582cr-project-japanese-economic-zone-1710268>

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) seeks duty cut for US cotton-made RMG export

- Apparel industry leaders have urged the US to extend duty benefits for the export of garment items made with US cotton, saying that such incentives would encourage local spinners to set up textile mills there.
- They also demanded restoration of the GSP (generalised system of preferences) facility for Bangladesh and made an appeal to put readymade garment (RMG) on the list of products getting duty-free access to the US market.
- They also dismissed the allegations made by different labour organisations that about 11,000 garment workers were fired from their jobs in the aftermath of recent labour unrest over wage disparity. The number would be no more than 4,000, they claimed.
- The leaders had informed the envoy that four procedures have been followed in line with the law of the land while dismissing workers for misconduct and making layoffs BGMEA President urged.

<http://today.thefinancialexpress.com.bd/trade-market/bgmea-seeks-duty-cut-for-us-cotton-made-rmg-export-1551633934>

<https://www.dhakatribune.com/business/2019/03/04/bangladesh-seeks-tariff-benefits-for-increased-cotton-imports-from-us>

<http://www.newagebd.net/article/66407/bangladesh-businesses-want-to-set-up-spinning-mills-in-us>

World Bank okays USD 100 million in loan

- The World Bank has approved a USD 100 million credit for improving fiscal forecasting, and public budget preparation and execution. The Strengthening Public Financial Management (PFM) Program to Enable Service Delivery program will support the government's PFM Action Plan 2016-2021.
- Bangladesh has improved its PFM systems over the past two decades with effective fiscal measures and by maintaining public debts at sustainable levels according to WB.
- However, delay in budget releases is often cited as one of the biggest obstacles to smooth and efficient service delivery, and slow procurement processes delay the provision of necessary goods and services is a concern for WB.
- The credit from the World Bank's International Development Association (IDA), which provides concessional financing, has a 30-year term, including a five-year grace period, and an interest rate of 1.25% with a service charge of 0.75% .

<http://today.thefinancialexpress.com.bd/last-page/world-bank-okays-100m-in-loan-1551635070>

<https://www.dhakatribune.com/business/2019/03/04/wb-okays-100m-to-improve-bangladesh-s-public-financial-management>

State minister for power and energy urges businesses to lower LPG prices

- State minister for power and energy on Sunday urged businesses to bring down prices of the liquefied petroleum gas (LPG) in the local market to help boost its consumption.
- Lowering the LPG prices in the domestic market to make it affordable to middle and lower middle-class people. Currently some 22 private firms and their joint ventures are operating LPG business in the country, although 60 such companies were given bottling and import permission.
- These existing businesses supply around 775,000 tonnes of LPG across the country annually. There should be an integrated effort to build such awareness among consumers the state minister said.

<http://today.thefinancialexpress.com.bd/first-page/nasrul-urges-businesses-to-lower-lpg-prices-1551634509>
<https://www.dhakatribune.com/bangladesh/power-energy/2019/03/04/nasrul-lpg-price-to-be-reduced-immediately>
<http://www.newagebd.net/article/66405/lpg-price-to-be-reduced-immediately-nasrul>

Stakeholders for easy taxation, rate cuts

- A band of bankers, entrepreneurs and representatives of financial institutions have exhorted the government to make taxation easier and widen the tax net. They have also called for reducing tax rates to increase revenue collection.
- The bankers suggested adopting latest technologies and taking services to customers' doorsteps to make the tax collection process more effective and purposeful.
- Currently, the ratio of tax revenue to the gross domestic product (GDP) in Bangladesh is around 10% , which is lower than many other countries. Of the country's total population, the number of direct taxpayers is still limited.

<http://today.thefinancialexpress.com.bd/last-page/stakeholders-for-easy-taxation-rate-cuts-1551635032>

Marico to invest BDT 294 million for capacity expansion

- The board of directors of Marico Bangladesh has decided to invest BDT 294 million from the available funds of the company.
- The multinational company will invest the said amount for expansion the capacity at its factory locations at Mouchak and Shirchala.
- Marico Bangladesh, which was listed on the Dhaka Stock Exchange (DSE) in 2009, disbursed 250% interim cash dividend for the year ending on March 31, 2019 based on six months of financials ended on September 30, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/marico-to-invest-BDT-294m-for-capacity-expansion-1551630623>
<https://www.thedailystar.net/business/news/marico-invest-BDT-294cr-raise-production-capacity-1710259>

Square Textiles posts 27% revenue growth

- Square Textiles has posted a 27% growth in revenue year-on-year in 2017-18 due to increase of production capacity. At standalone level, the company's revenue stood at BDT 6,367.12 million in the fiscal year 2017-18 compared with BDT 5,020.43 million in the previous fiscal.
- The company installed 4,500 tonnes per year production capacity yarns machinery and commenced its commercial production from July 2018.
- The annual report noted that this will generate additional turnover around BDT 1.0 billion for the current financial reports of 2018-19 with additional profit. The company's operating profit stood at BDT 444.19 million in the FY 2017-18 as against BDT 344.37 million in the previous fiscal, an increase by 28.99% .
- The board of directors of the company has recently approved an investment plan to further increase production capacity of the factory through building yarn production and fiber dyeing facility.

<http://today.thefinancialexpress.com.bd/stock-corporate/square-textiles-posts-27pc-revenue-growth-1551630420>

Three banks to open KSA branches soon

- Three commercial banks are set to open branches in Saudi Arabia this year as they got the Bangladesh Bank's go-ahead to this end. Sonali Bank, Social Islami Bank and Exim Bank will open branches in compliance with the customary policies of the Muslim country.
- The branches will run in the oil-rich Gulf state as per the Shariah-based banking formula, high officials of the banks said. All the arrangements are in place to open the branches soon.
- Earlier, the Saudi government allowed Bangladeshi banks to open branches there to facilitate remittance by Bangladeshi expatriates back home.
- Sonali Bank is going to appoint an international consulting firm for submitting an application to the Saudi Arabian Monetary Authority (SAMA). The central bank has already given the bank a no-objection certificate to take a licence from the SAMA.

<http://today.thefinancialexpress.com.bd/trade-market/three-banks-to-open-ksa-branches-soon-1551633902>

Janata sinks into BDT 60.63 billion loss

- Just two big borrowers have plunged the once-profitable Janata Bank into such a precarious situation that the state-owned lender may need years to get rid of it.
- The bank made a net profit of BDT 2.68 billion in 2017, but a year later its loss skyrocketed to a whopping BDT 60.63 billion, mainly because of the failure of two borrowers -- AnonTex and Crescent -- in repaying the loans that were given without due diligence.
- Non-performing loans, a core indicator of a bank's health, surged 196% to BDT 172.24 billion last year, the highest among all banks, from BDT 58.18 billion in 2017, Bangladesh Bank data showed.
- Large borrowers AnonTex and Crescent that together took loans of BDT 83.00 billion are mostly responsible for the massive deterioration in the bank's health as the loans were given through irregularities. Of the amount, BDT 76.00 billion turned defaulted.

<https://www.thedailystar.net/business/news/janata-sinks-BDT-6063cr-loss-1710289>

IPO subscription of Coppertech to open March 31

- The public subscription of Coppertech Industries is set to begin on March 31. The company will raise a fund worth BDT 200 million through initial public offering (IPO) using the fixed price method.
- The securities regulator - Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of Coppertech Industries on December 26, 2018.
- The January 2019's inflation was within the range of 5.3 to 5.6% projected in the monetary policy statement announced by the Bangladesh Bank for the second half of the current fiscal year.
- Located in Hobiganj, the Coppertech Industries is a copper pipe, tube, bus bar, strip, and wire manufacturer in Bangladesh. The company started its commercial operation in June 2014.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-coppertech-to-open-march-31-1551630599>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$53.63	+0.53	+1.00%
Crude Oil (Brent)*	\$62.97	+0.55	+0.88%
Gold Spot*	\$1,311.16	+0.36	+0.03%
DSEX	5731.95	-1.96	-0.03%
Dow Jones Industrial Average	25,425.76	+372.65	+1.49%
FTSE 100	7,133.14	+4.03	+0.06%
Nikkei 225	21,141.49	+277.28	+1.33%

Exchange Rates

USD 1 = BDT 83.88*
 GBP 1 = BDT 108.16*
 EUR 1 = BDT 95.05*
 INR 1 = BDT 1.17*

*Currencies and Commodities are taken from Bloomberg.

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