

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.

Administrators for GP, Robi soon

- The government has started the process of appointing administrators for Grameenphone and Robi to run the businesses, an unprecedented move in Bangladesh. Multiple sources familiar with the development said the decision, which comes from the highest authorities of the government, was aimed at recovering BDT 134.47 billion the companies, according to the telecom regulator, owed the government.
- The BTRC on Tuesday sent two letters to the telecom ministry for its approval to appoint the administrators. The letters proposed appointing at least four administrators in each of the carriers.
- On September 5, the BTRC issued two notices to Grameenphone and Robi asking why their 2G and 3G licenses should not be revoked for their failure to pay the dues. In their replies, the carriers this month claimed that the BTRC notices were invalid as the audit-claim was a subjudice matter. BTRC Chairman yesterday said the carriers' replies were not satisfactory and the commission had decided to suspend their 2G and 3G licenses before appointing the administrators to run the businesses. However, the 2G and 3G services will continue.
- The telecom minister yesterday hinted that the BTRC would appoint the administrators by this month. The officials would remain at Grameenphone and Robi until the dues were realized. Of the four administrators in each of the companies, one would act as chief executive officer. The three others would be legal, engineering, and finance and marketing experts, BTRC Chairman said yesterday.
- An expert in company laws, who is representing Robi in the case, said the government could appoint an administrator only when a company winds up. He said the appointment of administrators would go down as the darkest chapter in the history of telecom industry. Spokespersons of both the companies said the government would face "serious consequences" if the decision was implemented. Since Grameenphone and Robi's parent companies Telenor and Axiata have large government investment in Norway and Malaysia, it will become a government-to-government issue as soon as the appointments take place, said a top executive of a carrier, requesting not to be named. Grameenphone and Robi in late August filed cases challenging the audit claims. Both carriers, however, said they were yet to receive any notification from the BTRC.

<https://www.thedailystar.net/frontpage/administrator-gp-robi-soon-1814836>
<http://www.newagebd.net/article/87868/btrc-moves-to-appoint-administrators-to-gp-robi>

5G internet by 2021: Bangladesh Telecommunication Regulatory Commission (BTRC)

- The telecom regulator yesterday said it plans to roll out the fifth-generation cellular network technology (5G) in Bangladesh by 2021. Within the next two years, the latest and fastest wireless standard will be available in all district headquarters, said Bangladesh Telecommunication Regulatory Commission (BTRC). The service will be available by the last quarter of next year or the first quarter of 2021, said director general for spectrum management of the commission.
- The BTRC plans to cover the entire country (up to upazila level, growth centres and railway stations) with 5G by 2026. It will prepare a guideline by the first quarter of 2020 and allocate licenses to mobile operators by the fourth quarter. A committee formed by the commission is working to formulate the guideline and fix the spectrum price in consultation with the government, he said.
- The BTRC team is considering to introduce 5G in 2.6 and 3.5 Gigahertz band spectrum. The government introduced 4G in 2018 and 3G in 2013. Currently, there are about 60 million 3G users and about 20 million 4G users in Bangladesh.

<https://www.thedailystar.net/business/telecom/news/5g-internet-2021-btrc-1814881>
<https://www.dhakatribune.com/business/2019/10/16/5g-roadmap-connectivity-by-2021-nationwide-expansion-by-2026>
<http://www.newagebd.net/article/87874/5g-mobile-network-service-by-2021-btrc>

Graduation to developing country: 'Bangladesh must go 101 notches up by 2024 on WB's business index'

- Bangladesh needs to improve in the World Bank's ease of doing business index significantly, from the current ranking of 176th to 75th in the next five years, to graduate from least developed country (LDC) status to developing country, a top government official has said. They have set criteria for improving our ranking in global index of ease of doing business from the current 176th to 150th by 2021, 100th by 2023 and 75th by 2024, a member, General Economics Division (GED), Planning Commission, said yesterday. He said Bangladesh currently maintained only 70 indexes

against required 232 on achieving the SDGs and upgrading the status.

- In the latest Global Competitiveness Report 2019 of the World Economic Forum (WEF) released on October 9, Bangladesh has been placed 105th among 141 countries, relegated from 103rd in the previous report. Centre for Policy Dialogue (CPD), a local think tank, released the report on behalf of the WEF.
- The CPD said the country got stuck in skills, labor market and business dynamism, while Bangladesh's business competitiveness became entangled with traditional and emerging challenges. Lack of improvement in governance and institutions, poor infrastructure, financial system and business operations were perennial problems, the report pointed out. Planning Minister said some laws were largely responsible for creating fresh poverty.

<https://www.dhakatribune.com/business/2019/10/16/graduation-to-developing-country-bangladesh-must-go-101-notches-up-by-2024-on-wb-s-business-index>

NBFIs' private sector credit growth hits all-time low in FY19

- The private sector credit disbursement by non-bank financial institutions dropped to an all-time low in last fiscal year of 2018-2019 due to growing public distrust in the entities and falling credit demand from the sector. Growth in the private sector credit through the NBFIs dropped to 4.1% in FY19, the lowest since FY02, according to the Bangladesh Bank data. At the end of last fiscal year, outstanding credit of the NBFIs to the private sector stood at BDT 670 billion against BDT 644 billion a year ago. Experts and top executives of the NBFIs said that the major reason for the sharp fall in credit growth was the public distrust in the NBFIs since the sector along with the banks had witnessed a series of scams and irregularities in the past several years.
- Secondly, scarcity of source of fund that resulted in high rate of interest in the NBFIs was another reason for the fall in the private sector credit growth, a former BB Governor said. Besides, scams in the banking sector as well as in the NBFIs also resulted in fund crisis for the NBFIs, he said, adding that the liquidation of People's Leasing also created an issue of distrust.

<http://www.newagebd.net/article/87867/nbfis-private-sector-credit-growth-hits-all-time-low-in-fy19>

Eight sectors to enjoy advance tax waiver

- Some eight sectors, including solar panel manufacturers and animal feed manufacturers, will enjoy exemptions from the payment of advance tax at the import stage. The advance tax is payable at the import stage and the importers are allowed to adjust or get refund of the paid taxes from the relevant VAT zones. Also, goods imported for personal consumption under the passenger baggage rules and motorized vehicles imported by parliament members under the duty-free benefits will also enjoy the same benefit. The National Board of Revenue has issued a regulatory order recently by waiving the tax for the sectors.
- In the current fiscal year's budget, the value added tax wing under the NBR imposed the taxation at a rate of 5.0% on most of the products to be imported. Officials said the NBR waived the taxes for those sectors as it found the importers are exempted from the payment of other taxes at the import stage. They said those importers will not be able to adjust the advance tax as they are enjoying exemption from the payment of all import taxes. Spinning mills will enjoy the exemption in respect of import of artificial staple fibre. It will resolve discrimination between the exporters without bond licenses and those with bond licenses.
- Officials said procuring raw materials becomes costlier for non-bonded exporters of the item due to the advance tax. Exporters who are enjoying bond facility are exempted from the payment of such taxes on the import of raw materials.

<http://today.thefinancialexpress.com.bd/first-page/eight-sectors-to-enjoy-advance-tax-waiver-1571248838>

UCB to issue BDT 4.0 billion perpetual bond

- The board of directors of United Commercial Bank Ltd has decided to raise BDT 4.0 billion through issuance of Perpetual Bond. The bank will issue the bond to support the company Basel III compliance in line with Bangladesh Bank guidelines on risk based capital adequacy dated December 2014 and to support the business growth of the bank. The bond issue is subject to approval of regulatory authorities -like Bangladesh Bank and Bangladesh Securities and Exchange Commission.
- The bank also disclosed its earnings of July-September quarter of 2019 on Wednesday. As per the disclosures, its consolidated earnings per share (EPS) stood at BDT 0.72 for July-September 2019 as against BDT 0.66 for July-September 2018. In nine months for January-September 2019, the bank's consolidated EPS was BDT 1.76 as against BDT 1.62 for January-September 2018. The consolidated net operating cash flow per share (NOCFPS) was negative BDT 0.56 for January-September 2019 as against negative BDT 5.49 for January-September 2018. The consolidated net asset value (NAV) per share was BDT 26.34 as on September 30, 2019 and BDT 23.88 as on September 30, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/ucb-to-issue-BDT-40b-perpetual-bond-1571246897>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$52.91	-0.45	-0.84%
Crude Oil (Brent)*	\$59.01	-0.41	-0.69%
Gold Spot*	\$1,488.78	-1.35	-0.09%
DSEX	4,781.63	-40.02	-0.83%
Dow Jones Industrial Average	27,001.98	-22.82	-0.08%
FTSE 100	7,167.95	-43.69	-0.61%
Nikkei 225	22,503.97	+31.05	+0.14%
BSE SENSEX	38,680.39	+81.40	+0.21%

Exchange Rates**USD 1 = BDT 84.71*****GBP 1 = BDT 108.60*****EUR 1 = BDT 93.83*****INR 1 = BDT 1.19***

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

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