

## Weekly Market Update

### Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.41%) lost 23.37 points and closed at 5,688.46 points. The blue-chip index DS30 (-0.42%) lost 8.33 points and stood at 1,990.32 points. The shariah based index DSES (-0.88%) lost 11.60 points and stood at 1,303.04 points. DSEX, DS30 and DSES all posted positive YTD return of +5.62%, +5.82%, and +5.70% respectively.

**Total Turnover During The Week (DSE):** BDT 29.8 billion (USD 358.5 million)  
**Average Daily Turnover Value (ADTV):** BDT 6.0 billion (Δ% Week: -10.6%)

### Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 0.20% in the first session. Then the market closed in negative territory in the second session (-0.71%). In the third session, the market turned positive (+0.09%), while in fourth session the market closed in negative (-0.02%) and remained flat (0.00%) in the fifth session.

### Sectoral Performance:

- The financial sectors showed positive performance this week except for General Insurance (-3.61%) and Life Insurance (-0.74%). Banks recorded the highest gain of 2.58% followed by Mutual Funds (+0.63%), and NBFIs (0.01%).
- The non-financial sectors registered negative performance this week except for Food & Allied (+0.86%). Power recorded highest loss of 2.39% followed by Telecommunication (-2.18%), Pharmaceuticals (-1.69%), and Engineering (-0.42%).

### Macroeconomic arena:

- Liquidity shortage in banks has intensified ahead of adjustment of their advance deposit ratio with the Bangladesh Bank-set rate amid a slow growth in deposits coupled with high volume of defaulted loans. Riding on higher demand for liquidity, call money rate increased to 4.29% on February 26 this year. The rate of call money was 2.77% in June last year.
- Bangladesh has made a routine payment of USD 1.15 billion to the Asian Clearing Union (ACU) against imports (Jan-Feb). After the payment, the foreign exchange (forex) reserve fell to USD 31.36 billion on Wednesday from USD 32.39 billion of the previous working day. The country will be able to settle around five months of import bills with the existing forex reserve now.
- Inflation rose in January—for the first time in the last 16 months—due to a hike in food and non-food prices. Inflation stood at 5.42% in the first month of the year, up seven basis points from the previous month. The rise in import costs of consumer goods and industrial raw materials due to 2.2% depreciation of the taka against the US dollar in the first seven months of 2018-19 may have contributed to rise in inflation.
- The World Bank has approved USD185 million to add up to 310 Megawatt (MW) in renewable energy generation capacity in Bangladesh and mobilize private sector participation to meet the growing demand for electricity in the country.

### Stock Market arena:

- 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 Shirirchala.
- Bangladesh Bank has requested Bangladesh Securities and Exchange Commission to impose a ban on Bangladesh Industrial Finance Company founding chairman and people connected with him from transferring shares of the company. The BB move came following an Anti-Corruption Commission advice asking the central bank to impose the ban he pays BDT 3.97 billion in outstanding loans (excluding interest) to BIFC.
- 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.

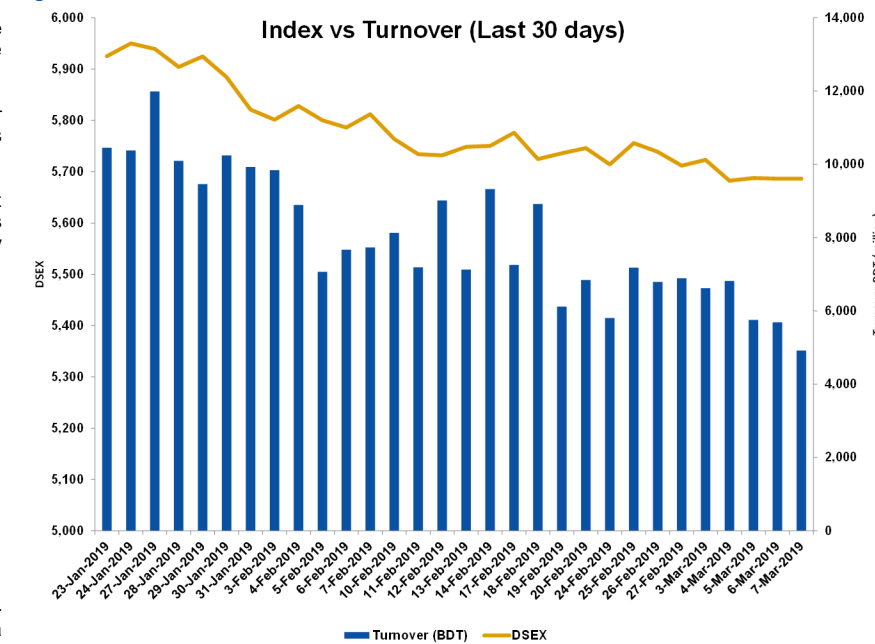
Table 1: Index

Index	Closing	Opening	Δ(Pts)	27-Dec-2018	Δ% Week	Δ%YTD
DSEX	5,688.46	5,711.83	-23.37	5,385.64	-0.41%	5.62%
DS30	1,990.32	1,998.65	-8.33	1,880.78	-0.42%	5.82%
DSES	1,303.04	1,314.64	-11.60	1,232.82	-0.88%	5.70%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	20,684,330.2	16,623,789.0	24.4%
	Mn USD	248,819.1	199,973.4	
Turnover	Mn BDT	29,799.3	26,676.5	11.7%
	Mn USD	358.5	320.9	
Average Daily Turnover	Mn BDT	5,959.9	6,669.1	-10.6%
	Mn USD	71.7	80.2	
Volume	Mn Shares	625.7	527.0	18.7%

Figure 1: DSEX & Turnover in last four weeks



Associate:

Md. Rafiqul Islam

[mrafiqulislam@bracepl.com](mailto:mrafiqulislam@bracepl.com)

Associate:

Md. Mahirul Quddus

[mmahirul.quddus@bracepl.com](mailto:mmahirul.quddus@bracepl.com)

**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Safko Spinnings	24.10	20.30	18.7%	722.6	176.52	65.1x	1.4x
Emerald Oil Industries Ltd.	18	16.40	12.2%	1,098.7	14.92	6.1x	1.2x
Rupali Bank	43.90	39.20	12.0%	16,529.1	205.66	NM	1.7x
Dutch-Bangla Bank	199.60	179.20	11.4%	39,920.0	634.78	22.6x	2.3x
Beach Hatchery Ltd.	19.20	17.30	11.0%	794.9	11.60	NM	1.6x
Singer Bangladesh	264.50	240.00	10.2%	20,285.7	1,047.54	37.1x	11.4x
Dulamia Cotton	43.30	39.40	9.9%	327.2	7.42	NM	NM
VFS Thread Dyeing Limited	59.90	55.50	7.9%	5,581.9	184.30	39.6x	3.6x
BDCOM Online Ltd.	34.20	31.80	7.5%	1,670.6	259.75	26.0x	2.9x
Kattali Textile Limited	24.40	22.70	7.5%	2,388.8	204.12	22.3x	1.4x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Paramount Insurance	17.10	21.10	-19.0%	541.1	42.42	19.1x	1.3x
Savar Refractories	79.80	94.10	-15.2%	111.1	2.10	NM	12.7x
Meghna Condensed Milk	15.80	18.40	-14.1%	252.8	2.00	NM	NM
Meghna Pet Industries	11.10	12.70	-12.6%	133.2	1.70	NM	NM
RAK Ceramics Limited	36.60	41.70	-12.2%	14,239.7	22.10	15.6x	2.9x
Sonali Aansh	547.60	616.10	-11.1%	1,485.1	58.75	332.2x	2.4x
BD Autocars	225.50	253.40	-11.0%	975.5	71.17	273.8x	63.5x
Legacy Footwear	161.90	180.70	-10.4%	2,117.6	378.41	184.5x	10.2x
Janata Insurance	16.30	18.10	-9.9%	656.4	22.10	78.4x	1.4x
Central Insurance	21.80	24.20	-9.9%	1,026.4	4.97	13.3x	1.1x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Monno Ceramic	388.90	413.70	-6.0%	12,702.2	2,397.59	4825.9x	5.4x
United Power Generation & Distribution Company Ltd	388.20	407.70	-4.8%	185,981.6	1,426.32	44.5x	16.1x
The Premier Bank	15.80	15.10	4.6%	12,641.3	1,200.13	7.9x	1.1x
Bangladesh Submarine Cable Company Limited	163.10	174.20	-6.4%	26,896.1	1,165.87	84.5x	5.1x
Singer Bangladesh	264.50	240.00	10.2%	20,285.7	1,047.54	37.1x	11.4x
Alif Industries Limited	82.80	81.70	1.3%	3,424.3	848.03	26.1x	6.9x
Fortune Shoes Limited	36.20	38.40	-5.7%	4,522.7	828.52	24.2x	2.8x
Square Pharmaceuticals	267.70	273.80	-2.2%	211,217.6	801.90	19.9x	4.5x
National Polymer	93.00	89.20	4.3%	2,781.8	670.41	41.6x	2.9x
Dutch-Bangla Bank	199.60	179.20	11.4%	39,920.0	634.78	22.6x	2.3x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,864.50	80.76%	86,471.6	42.8x
Singer Bangladesh	264.50	35.29%	20,285.7	37.1x
Dutch-Bangla Bank	199.60	30.37%	39,920.0	22.6x
Summit Power	42.60	18.66%	45,491.6	10.4x
Atlas Bangladesh	141.40	18.37%	4,684.2	NM
Marico Bangladesh Limited	1,294.80	17.06%	40,786.2	28.3x
The Premier Bank	15.80	15.73%	12,641.3	7.9x
Delta Brac Housing	139.80	13.07%	18,738.4	23.8x
Pragati Insurance	31.90	12.40%	1,955.4	14.8x
Mutual Trust Bank	34.40	10.57%	19,723.7	13.5x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1549.19	1510.18	1848.21	2.58%	-16.18%
NBFIs	2153.17	2152.96	2714.85	0.01%	-20.69%
Mutual Funds	673.80	669.55	788.81	0.63%	-14.58%
General Insurance	1937.79	2010.44	1592.30	-3.61%	21.70%
Life Insurance	2117.62	2133.44	1834.85	-0.74%	15.41%
Telecommunication	5450.79	5572.45	6494.31	-2.18%	-16.07%
Pharmaceuticals	2803.88	2852.13	2821.05	-1.69%	-0.61%
Fuel & Power	2021.19	2070.58	1527.27	-2.39%	32.34%
Cement	1675.96	1658.08	2280.58	1.08%	-26.51%
Services & Real Estate	1044.30	1057.13	1224.11	-1.21%	-14.69%
Engineering	3167.19	3180.55	3166.83	-0.42%	0.01%
Food & Allied	15934.97	15799.31	15304.34	0.86%	4.12%
IT	1920.05	1899.16	1484.41	1.10%	29.35%
Textiles	1481.21	1499.50	1222.72	-1.22%	21.14%
Paper & Printing	8622.70	8654.34	1013.11	-0.37%	751.11%
Tannery	2604.92	2643.49	2642.41	-1.46%	-1.42%
Jute	19063.69	20489.13	8867.22	-6.96%	114.99%
Ceramics	658.05	718.22	597.46	-8.38%	10.14%
Miscellaneous	2399.12	2382.66	1725.62	0.69%	39.03%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	761.3	563.1	35.20%	13.22%	9.9x	1.1x
NBFIs	172.6	164.0	5.26%	3.00%	20.6x	2.1x
Mutual Funds	18.0	20.0	-10.01%	0.31%	NM	0.5x
General Insurance	388.4	695.2	-44.13%	6.74%	17.6x	1.3x
Life Insurance	72.1	110.2	-34.56%	1.25%	NM	8.8x
Telecommunication	291.4	484.2	-39.82%	5.06%	24.0x	17.7x
Pharmaceuticals	437.0	631.3	-30.78%	7.59%	21.1x	3.4x
Fuel & Power	624.4	949.0	-34.21%	10.84%	17.1x	2.6x
Cement	49.7	53.9	-7.80%	0.86%	18.9x	3.1x
Services & Real Estate	82.5	109.0	-24.32%	1.43%	26.4x	0.9x
Engineering	916.0	741.7	23.51%	15.90%	24.1x	2.2x
Food & Allied	125.4	114.5	9.47%	2.18%	32.3x	11.3x
IT	154.3	120.5	28.05%	2.68%	31.3x	3.2x
Textiles	698.7	560.2	24.73%	12.13%	22.8x	1.2x
Paper & Printing	16.5	21.2	-22.28%	0.29%	NM	4.7x
Tannery	248.6	445.5	-44.20%	4.32%	20.5x	3.2x
Jute	15.5	19.6	-20.91%	0.27%	NM	8.1x
Ceramics	491.5	320.9	53.17%	8.53%	31.9x	2.5x
Miscellaneous	195.9	156.0	25.59%	3.40%	34.5x	1.5x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.70	-47.06%	8,870.1	5.9x
United Airways (BD) Ltd.	2.60	-44.06%	2,153.1	11.1x
City Bank	29.20	-39.34%	28,265.2	7.0x
Lafarge Surma Cement	42.70	-38.91%	49,590.6	22.3x
International Leasing	12.80	-35.13%	2,704.0	21.5x
RAK Ceramics Limited	36.60	-32.79%	14,239.7	15.6x
Aftab Automobiles	44.40	-30.84%	4,250.5	10.8x
EXIM Bank	11.90	-30.81%	16,805.8	5.7x
ACI Limited	307.60	-30.76%	15,345.9	14.4x
Islami Bank	26.60	-27.32%	42,825.8	9.6x

## Important News: Business & Economy

### Empower Bangladesh Bank (BB) to sack high-ups of state-owned banks (SoBs)

- The existing Banking Companies Act (BCA) should be reformed to empower the Bangladesh Bank (BB) with the authority of dismissing the chairmen and directors of the state-owned banks (SoBs), said BB former deputy governor. Such legal reforms can help the SoBs to lower their non-performing loan (NPL) ratio by making their high-ups more accountable.
- At present, the BCA empowers the central bank to dismiss the chairmen and directors of the private commercial banks (PCBs). But it is not currently applicable for the SoBs. But ultimately, both the SoBs and the PCBs are scheduled banks. Why should there be two different sets of rules for them? This is absolutely wrong, he added.
- Meanwhile, the NPL ratio of the SoBs is more than 20%, because the central bank has no supervisory power over them.

<http://today.thefinancialexpress.com.bd/first-page/empower-bb-to-sack-high-ups-of-sobs-1551894813>

### Banks' liquidity shortage intensifying again

- Liquidity shortage in banks has intensified ahead of adjustment of their advance deposit ratio with the Bangladesh Bank-set rate amid a slow growth in deposits coupled with high volume of defaulted loans. Banks in recent times have increased borrowing money from the central bank to cope with the shortage while inter-bank loan transactions have also rose.
- Riding on higher demand for liquidity, call money rate increased to 4.29% on February 26 this year. The rate of call money was 2.77% in June last year.
- Banks borrowed BDT 134.75 billion from the central bank through repurchase agreement (REPO) in the period between July, 2018 and till March 5, 2019 while the entities borrowed BDT 5.72 billion in the entire 2017-2018 fiscal year. In the fiscal year of 2016-2017, banks' borrowing through REPO was BDT 1.15 billion.
- Association of Bankers, Bangladesh chairman said, liquidity had been going through a stressful situation and many of the banks were going for deposits at above 10% rate to get rid of the situation.

<http://www.newagebd.net/article/66651/banks-liquidity-shortage-intensifying-again>

### Asian Clearing Union (ACU) payment pushes forex reserve down

- Bangladesh has made a routine payment of USD 1.15 billion to the Asian Clearing Union (ACU) against imports during the January-February period of this calendar year. After the payment, the foreign exchange (forex) reserve fell to USD 31.36 billion on Wednesday from USD 32.39 billion of the previous working day.
- The country will be able to settle around five months of import bills with the existing forex reserve now. The forex reserve maintained the level despite selling of the US currency to the banks continuously for settling import payment obligations.
- Since July 01 of the current fiscal year, the central bank has sold USD 1.70 billion to the

commercial banks as part of its ongoing support.

- Meanwhile, the amount of ACU payment came down to USD 1.146 billion during the period under review from USD 1.148 billion earlier mainly due to lower imports from the ACU member countries, particularly from India.

<http://today.thefinancialexpress.com.bd/trade-market/acu-payment-pushes-forex-reserve-down-1551894330>

### Dhaka upbeat on Saudi investment deals

- Bangladesh expects to get billions of dollars of investments from Saudi Arabia in energy, aviation and healthcare sectors as both sides open talks. The 34-member delegation led by two Saudi ministers will spend the day in the capital when investment deals and memorandums of understanding (MoUs) are expected to be signed.
- It is expected to receive an estimated investment of USD 15-20 billion from the Gulf country. The delegation is likely to ink deals, sign MoUs and discuss at least 16 projects of various government ministries and state-owned enterprises.
- Around 4,000 skilled medical technologists affiliated with the institutions will be recruited in Saudi and other Middle Eastern counties every year.

<http://today.thefinancialexpress.com.bd/first-page/dhaka-upbeat-on-saudi-investment-deals-1551895110>

### National Board of Revenue (NBR) looks to net in 0.7 million new taxpayers this FY

- The National Board of Revenue (NBR) has set a target to find out a total of 0.7 million new taxpayers in the current fiscal year (FY), 2018-19, from the owners of house properties, businesses and salaried persons. The NBR's Income Tax Wing will conduct a door-to-door survey on the basis of holding numbers and other information, collected from the two city corporations.
- The NBR's Tax Survey and Inspection Wing has found around 230,000 holdings under the Dhaka South City Corporation and 162,000 holdings under the Dhaka North City Corporation. The wing has also found at least 1.3 million businesses across the country, which are also eligible to pay tax.
- Until January of the current FY, the NBR has netted some 250,000 new taxpayers. The taxmen will be able to find out 450,000 more taxpayers afresh following the increased efforts, officials said.

<http://today.thefinancialexpress.com.bd/first-page/nbr-looks-to-net-in-07m-new-taxpayers-this-fy-1551895050>

<http://www.newagebd.net/article/66655/nbr-eyes-7-lakh-new-taxpayers-thru-door-to-door-survey>

### ECNEC okays DSCC's USD 106 million-cost project

- The Dhaka South City Corporation (DSCC) will launch a project soon to improve

neighbourhoods in some parts of the capital, including Old Dhaka, which has been gripped with various problems, including lack of open space and recreation facilities

- The Executive Committee of the National Economic Council (ECNEC) approved the Dhaka Urban Upgrading Project, taken in this regard at a cost of USD 106 million. Under the project, different neighbourhood facilities will be improved in areas like Kamrangir Char, Lalbag, Sutrapur, Nayabazar, Gulistan, Khilgaon, Mugda and Bashabo.

- These facilities include development and upgradation of multipurpose community centres, roads, streets, sidewalks, drainage, parks, open spaces, waterfronts, playgrounds, plazas, squares, green areas and markets.

- The World Bank (WB) has assured the government of providing USD 100 million for the project, and the WB board is expected to approve the fund in its next meeting.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-okays-dscs-106m-cost-project-1551895627>

### International firm to survey site of land-based LNG terminal

- Petrobangla would carry out multiple surveys, including metocean, offshore geotechnical and bathymetry, by a global firm on the proposed site of a land-based LNG import terminal at Matarbari. The firm would be appointed soon to conduct surveys to successfully implement the country's first land-based LNG terminal.

- For the facility, a project developer to be selected through a competitive bidding would use the surveyed data while building the terminal before June 2023. The US-based Excelerate Energy, the owner of the lone operational offshore LNG terminal at Moheshkhali in the Bay of Bengal, did the surveys of its own before building the facility.

- The official said the government would build a 15-kilometre channel at Matarbari to build a proposed deep-sea port there to ensure loading and unloading of goods efficiently. The main navigational channel would be 350 metres wide and 18 metres deep.

<http://today.thefinancialexpress.com.bd/last-page/intl-firm-to-survey-site-of-land-based-lng-terminal-1551895573>

### Dragged down by directors

- The burden of a dead mobile operator, widespread loan fraudulence, mismanagement and influence of a sponsor director were what dragged the once sound AB Bank into the reds. It was the first private bank in the country making good profits. In fact, AB Bank topped the listed banks in the stock market in terms of earning in 2009.

- But the bank suffered a free-fall in 2017 when its profits dried up to an extent that it failed to announce dividend for its shareholders and crash-landed from category A to Z -- a category for poorly performing companies. Its share price dropped 56% in the last two years, coming down close to face value at BDT 10.

- The year 2018 was no different, as the bank could not close its account even in January this year. All the financial indicators such as liquidity, loan deposit-ratio and non-performing loan were blinking red. At the core of its trouble stood two things -- BDT 3.50 billion loan guarantee given to a telecom company, Citycell, and around BDT 5.00 billion illegally

siphoned abroad by two directors of the bank between 2008 and 2014.

- Faced with liquidity crisis and rise in non-performing loan that stood at 7.2% in December last year from 4.47 in December 2016, AB Bank management seemed to have learned nothing from their past mistakes.

<https://www.thedailystar.net/frontpage/ab-bank-dragged-down-directors-1711525>

### Jan-Feb point-to-point inflation on upswing

- The rate of inflation on a point-to-point basis maintained an upward trend during the last couple of months with a higher percentage posted in February. In February, the rate of inflation rose to 5.47% from 5.42% in the previous month.

- The upward trend of food inflation persisted in the last month and rose to 5.44% from 5.33% in the previous month. The non-food inflation, however, remained subdued at 5.51% in February compared to 5.57% in January last.

<http://today.thefinancialexpress.com.bd/first-page/jan-feb-point-to-point-inflation-on-upswing-1551807998>

<https://www.thedailystar.net/business/news/inflation-rises-slightly-feb-1711195>

<http://www.newagebd.net/article/66554/inflation-rises-for-2nd-month-stands-at-547pc-in-feb>

### Imports up by 10%, trend may continue ahead of Ramadan

- Bangladesh's overall imports grew by nearly 10% in the first seven months of this fiscal year (FY), 2018-19, following higher imports of intermediate goods and fuel oils, officials said. The actual import in terms of settlement of letters of credit (LCs) rose to USD 32.60 billion during the July-January period of FY'19 from USD 29.65 billion in the same period of the previous fiscal, according to the central bank's latest data.

- The import of capital machinery or industrial equipment used for production, dropped by 6.28% to USD 2.90 billion during the July-January period of FY'19 from USD 3.09 billion, the BB data showed. Industrial raw material import also rose by 12.36% to USD 11.59 billion during the period under review from USD 10.31 billion in the same period of FY '18.

<http://today.thefinancialexpress.com.bd/first-page/imports-up-by-10pc-trend-may-continue-ahead-of-ramadan-1551808172>

### Trade war a boon for Bangladesh: Asian Development Bank (ADB)

- Bangladesh's gross domestic product (GDP) will grow 0.19% more within the next one or two years if the US-China trade war escalates further, the Asian Development Bank's (ADB) chief economist said on Monday. Moreover, the country will be able to make exports of an additional USD 400 million, said the chief economist of ADB.

- Bangladesh will receive a lot of work orders, mainly shifted from China—the largest apparel supplier worldwide—because of the tariff war, the chief economist said. Four countries will mainly benefit from the shifting of work orders and foreign direct investment due to the trade war -- Vietnam, Cambodia, Thailand and Bangladesh, said the chief economist.

<https://www.thedailystar.net/business/news/trade-war-boon-bangladesh-ADB-1711198>

## Economic zone in Narayanganj for Japanese investors, proposal okayed

- The Executive Committee of the National Economic Council (Ecne) today approved eight projects, including one to set up an economic zone in Narayanganj for Japanese investors spending BDT 25.82 billion which will be implemented by June 2023. Of the project cost, BDT 4.54 billion will come from the government fund, while the rest BDT 21.28 billion as project assistance from Japan through Japan International Cooperation Agency (JICA).
- The Ecne meeting cleared a total of eight projects involving the estimated cost of BDT 62.76 billion, said Planning Minister. Of the total cost, BDT 33.14 billion will be borne from the national exchequer, while BDT 29.62 billion as foreign assistance, he said adding that all the approved projects are fresh ones.
- The Ecne meeting also approved a project for constructing some 340 bridges over upazila, union and village roads under 61 districts in all the eight divisions at a cost of BDT 19.83 billion. The Local Government Engineering Department (LGED) will implement the project by June, 2023.

<https://www.thedailystar.net/business/economic-zone-in-narayanganj-japanese-investors-proposal-okayed-1710865>  
<http://www.newagebd.net/article/66553/ecne-approves-BDT-2582cr-project-to-set-up-japanese-economic-zone>  
<https://www.dhakatribune.com/business/2019/03/05/ecne-approves-economic-zone-in-narayanganj-for-japanese-investors>

## Non-profits' part in economy growing

- The contribution of non-profit organizations to the national economy has been substantial in recent years as the sub-sector is growing rapidly. Such non-profits tend to provide services rather than produce goods and they still consume goods and services just as a private company does.
- Non-profits like religious bodies, political parties, non-governmental organizations and clubs now contribute nearly 1.0% of the USD 274-billion economy, showed the Bangladesh Bureau of Statistics (BBS). The BBS has been including the sub-sector as 'Non-Profit Institutions Serving Households (NPISHs)' of the service sector since fiscal year 1998.
- BBS officials said 361,672 non-profit organizations are in operation here and their contribution to GDP amounts to BDT 274 billion per year. As many as 30.08 million people are involved in non-profits-1.4 million are paid employees. Even 77.6% of the institutes are rural-focused. According to officials, the growth rate of the NPISHs remained double digits for a decade now.
- In neighboring India, the NPISHs are counted jointly with households whose contribution was above 10% to GDP in 2018. In the European Union, households and NPISHs comprise 13% of its USD 17.9 trillion GDP.

<http://today.thefinancialexpress.com.bd/first-page/non-profits-part-in-economy-growing-1551808116>

## Bangladesh eyes USD 15 billion Saudi investment

- Bangladesh eyes investment worth around USD 15 billion from Saudi Arabian investors, as a high-profile delegation of the country is going to arrive in Dhaka today (Wednesday). Bangladesh has so far prepared 16 projects, involving around USD 15 billion, to place before the Saudi team.
- The proposed projects include Dhaka-Pyra Seaport high-speed train project, and Dhaka-Cox's Bazar high-speed train project. The Saudi entrepreneurs will also be offered to invest in LPG terminal and oil refinery projects here, to be implemented by Saudi energy giant Aramco.

<http://today.thefinancialexpress.com.bd/first-page/bd-eyes-15b-saudi-investment-1551807953>

## Collect VAT from digital ads

- The government is taking serious measures to collect value-added tax (VAT) on payments for advertisements published or services taken from digital and social media platforms, for which local companies spend around BDT 11.00 billion a year. On Sunday, the Bangladesh Bank asked all banks to be strict on the payment procedure and deduct 15% VAT on overseas payments for online purchases and adverts on digital platforms.
- Most multinational companies, including mobile phone operators, fast-moving consumer goods companies, ride-sharing and e-commerce platforms and other digital service companies spend hugely on the adverts. The spending is increasing rapidly and some digital agencies have already sprung up to take care of this business segment. General Secretary of the e-Commerce Association of Bangladesh (e-CAB), said the move would increase the cost of doing business and create new challenges for its members as most of them are new.

<https://www.thedailystar.net/business/news/collect-vat-digital-ads-1711204>  
<https://www.dhakatribune.com/business/2019/03/05/15-tax-imposed-on-social-media-ads>

## Peoples Bank hits a snag

- The central bank has stalled the process to provide license to the proposed Peoples Bank following allegation of money laundering against its Chairman Abul Kashem. But Kashem has vowed to bounce back, saying that he will manage the Bangladesh Bank's license within the shortest possible time. The BB has forwarded the complaint to the Bangladesh Financial Intelligence Unit to scrutinize the issue in details
- As per a decision taken on February 17, the central bank yesterday gave the approval to two other proposed banks – Bengal Commercial and Citizen – and asked them to prepare to roll out banking services as per their boards' decision.

<https://www.thedailystar.net/business/news/peoples-bank-hits-snag-1711183>

## Government seeks info on overall state-owned commercial banks' (SoCBs) loans, advances

- The government has sought specific information including overall loans and advances for the last three calendar years until 2018 from state-owned commercial banks (SoCBs). The banks have also been asked to provide detailed information on their financing status on capital machinery, intermediate goods, raw materials, stores and spares and statement of

imports and importers from 2016 to 2018. Besides, these banks have been asked to provide the data on export bills, loans, incentives and revenues for the same period.

- The total amount of default loans with six SoCBs rose to BDT 486.96 billion in the Q4 of 2018 from BDT 373.26 billion a year before. The amount was BDT 480.80 billion in the Q3 of 2018. Officials of the banks and dishonest traders involved with mismanagement in the banking system and with illegal activities including illicit fund transfer would be identified through special audit.

<http://today.thefinancialexpress.com.bd/last-page/govt-seeks-info-on-overall-socbs-loans-advances-1551808357>

### **Inflation rises after 16 months**

- Inflation rose in January—for the first time in the last 16 months—due to a hike in food and non-food prices. Inflation stood at 5.42% in the first month of the year, up seven basis points from the previous month, according to Bangladesh Bureau of Statistics.

- Inflation has been declining gradually since September 2017 when it stood at 6.12%. Headline inflation in January 2019 increased relative to December 2018, but it was still lower than that of January 2018, according to lead economist of the World Bank's Dhaka office.

- 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.

- The rise in import costs of consumer goods and industrial raw materials due to 2.2% depreciation of the taka against the US dollar in the first seven months of 2018-19 may also have contributed to it according to the lead economist.

<https://www.thedailystar.net/business/news/inflation-rises-after-16-months-1708873>

### **Taka losing value despite foreign exchange injection**

- The central bank has injected USD1.66 billion so far this fiscal year into the market, but the local currency keeps losing its value against US dollar.

- As part of the step, the Bangladesh Bank (BB) is providing such foreign exchange support to help banks foot import payment bills, particularly for oil, capital machinery for power plants, liquefied natural gas (LNG) and fertiliser.

- Since July of the current fiscal year, the central bank has sold USD1.66 billion to the commercial banks as part of its ongoing support, according to latest official figures.

- The Bangladesh Taka (BDT) depreciated by 20 poisha against the greenback in the inter-bank foreign exchange market from January 03 to February 26, mainly due to higher demand for the greenback

<http://today.thefinancialexpress.com.bd/trade-market/taka-losing-value-despite-foreign-exchange-injection-1551457400>

### **14 banks see unusual rise in default loans**

- Default loans in 14 banks surged abnormally in 2018 -- in a development that will weaken the country's banking sector further. Experts and bankers attributed the sector's declining health to the poor lending practices and politically-influenced loans, calling on the government and the central bank to address the issue immediately.

- The 14 banks are Janata, AB, Islami Bank Bangladesh, Modhumoti, National, NRB, NRB Global, Shahjalal Islami, Social Islami, South Bangla Agriculture and Commerce, Farmers (now Padma), Trust, Union, and Meghna.

- Last year, Janata Bank accumulated the highest volume of default loans amounting to BDT 114.06 billion, taking the total to BDT 172.25 billion, according to data from the central bank. The non-performing loans (NPLs) in the banking sector went up by a hefty 26.38 percent, or BDT 196.08 billion, last year and Janata Bank was solely responsible for 58 percent of the increase.

- The central bank has discovered that the state lender had disbursed a large amount of loans to Crescent and AnonTex groups, violating rules. A major portion of the loans has recently turned bad, putting it in a precarious situation.

<https://www.thedailystar.net/business/default-loans-in-banking-sector-14-banks-see-unusual-rise-1709800>

### **Policy for automobile sector on cards**

- Bangladesh will formulate a policy in six months to develop the country's automobile sector, the commerce minister said. He further said within the next four to six months he will have a four-wheeler vehicle manufacturing policy for the automobile industry.

- The acting high commissioner of India in Dhaka, pointed out that Indian products were accepted in global markets, especially in developing countries.

- Executive chairman of Bangladesh Investment Development Authority (Bida), said Bangladesh's automotive industry was being supported by its Indian counterpart in its growth and development. The government was also encouraging the private entrepreneurs to step forward and invest in the country's automobile sector, he added.

<https://www.thedailystar.net/business/news/policy-automobile-sector-cards-1709797>

### **15 banks fail to comply with loan provisioning rules**

- A total of fifteen banks failed to keep the requisite provisions against their loans, particularly the classified ones, in the last calendar year (2018). The banks included four state-owned commercial banks (SoCBs) and 11 private commercial banks (PCBs) .

- In 2018, one SoCB and five PCBs were included in the list of such banks. However, the total amount of provisioning shortfall came down to BDT 66.14 billion as on December 31, 2018, from BDT 67.67 billion on the same day of the previous year. It was BDT 54.70 billion as on December 31, 2016.

- Under the existing BB regulations, the banks have to keep 0.25% to 5.0% provisions against loans of general category, 20% provision against substandard category, 50%

against doubtful loans, and 100% against bad or loss category loans.

<http://today.thefinancialexpress.com.bd/public/last-page/15-banks-fail-to-comply-with-loan-provisioning-rules-1551290453>  
<https://www.thedailystar.net/business/news/15-banks-provision-shortfall-1708429>

### **Economic zone for Indians gets nod**

- The Executive Committee of the National Economic Council (Ecne) yesterday approved 13 projects worth BDT 124.60 billion, one of which is on a special economic zone in Chattogram's Mirsarai for Indian investors.
- The Ecne approved a project involving BDT 8.45 billion to acquire 1,000 acres of land in Chattogram's Mirsarai for Indian investors. The Mirsarai economic zone will be developed with funds from a third line of credit of USD 4.5 billion from India. The disbursement of the fund has not started yet.
- Besides, Bangladesh is going to set up two more economic zones for Indian investors in Mongla and Bheramara. The area selected for the Indian investors in Mirsarai is empty and has no habitat yet.
- The Ecne also approved 50% additional allowance for 369 specialised officials, including scientists employed at the Rooppur nuclear power plant.

<https://www.thedailystar.net/business/news/economic-zone-indians-gets-nod-1708432>

### **Top 20 loan defaulters' list revealed in Jatiya Sangsad (JS)**

- Finance Minister AHM Mustafa Kamal told the Jatiya Sangsad (JS) on Thursday that there had been a total of 266,118 loan defaulters in the country until December 2018, reports BSS.
- As per the Credit Information Bureau of the Bangladesh Bank, the top 20 bank loan defaulters are Quantum Power System Limited, Samannaz Super Oil Ltd, BR Spinning Mills Limited, Suprov Spinning Limited, Rimex Footwear Ltd, Rising Steel Limited, Computer Source Limited, Benetex Industries Ltd, Max Spinning Mills, SA Oil Refinery Ltd, Rubya Vegetable Industries Ltd, Anowara Spinning Mills, Crescent Leather Products Ltd, Suprob Rotor Spinning Limited, Yasir Enterprise, Chowdhury Knitwears Ltd, Siddique Traders, Rupali Composite Leather Wear Ltd, Alppa Composite Towels Limited and MM Vegetables Products Ltd.

<http://today.thefinancialexpress.com.bd/public/first-page/top-20-loan-defaulters-list-revealed-in-js-1551376219>

### **Japan International Cooperation Agency (JICA) mulls new condition**

- Japan is considering tagging a new condition to its signing of loan deals under ODA with Bangladesh because of poor utilisation of its assistance.
- The Japan International Cooperation Agency (JICA) is likely to tag the DPP/TPP approval of projects concerned prior to signing loan deals on those. Presently, some 33 projects are being funded by JICA under the Official Development Assistance (ODA).

- Japan is the provider of the largest bilateral development assistance to Bangladesh. They charge 0.01% interest and offer 40-year repayment period for ODA loans, having a 10-year grace period.

<http://today.thefinancialexpress.com.bd/first-page/jica-mulls-new-condition-1551462571>

### **Word Bank may part-fund western transport corridor**

- The government will upgrade the road from Hatikamrul to Jessore and that from Navaran to Bhomra land port to four-lane highways for establishing a regional transport corridor.
- The Roads and Highways Department (RHD) is now looking for external resources for the country's western transport corridor, which will require USD2.0 billion.
- A Department official said they are hopeful about getting partial funds for upgrading the 260-kilometre Hatikamrul to Jessore and Navaron (Jessore) to Bhomra road to four-lane highways from the World Bank (WB) as they have already discussed it with the Bank.
- The Department expects China-based Asian Infrastructure Investment Bank (AIIB) to join the WB as a co-financier of the project.

<http://today.thefinancialexpress.com.bd/last-page/wb-may-part-fund-western-transport-corridor-1551463091>

### **Businesses not fully aware of many trade deals, benefits**

- Bangladeshi business people could hardly make good use of various benefits they are entitled to enjoy under a number of bilateral and multilateral trade deals. Presently Bangladeshi goods enjoy duty-free market access to 38 countries.
- Besides, the country is a member of two free trade area (FTA) agreements and three preferential trade (PTA) agreements.
- However, the majority of the country's business community are not aware about these trade deals and fail to reap the benefits, officials at the ministry of commerce (MoC) said.
- MoC has taken an initiative to publish a booklet to let businesses know about the trade deals and their benefits so that they can be encouraged to avail those. According to the draft of the booklet, Bangladeshi exportables enjoy duty-free market access to 28 member states of the European Union and 10 other countries including Japan, Australia, New Zealand, Norway, and Chile.

<http://today.thefinancialexpress.com.bd/public/first-page/businesses-not-fully-aware-of-many-trade-deals-benefits-1551375675>

### **Construction of Mirsarai Economic Zone (MEZ) approach road to fall behind schedule**

- The construction of Mirsarai Economic Zone (MEZ) approach road from Chattogram-Dhaka highway would not be completed by June next as scheduled because of the slow pace of work.

- The 10-kilometre road from Abu Torab on the highway to the country's largest EZ project of Bangladesh Economic Zones Authority (BEZA) is being constructed to facilitate transportation of goods to and from the zone.
- The Roads Division of the Roads and Highways Department (RHD) is constructing the road at the cost of BDT 1.41 billion.
- The development work of seven-km existing road has been completed and the new three-km is going on. It will have 18 new culverts and a one-km drain besides the road.

<http://today.thefinancialexpress.com.bd/public/trade-market/construction-of-mez-approach-road-to-fall-behind-schedule-1551369774>

### **Coats eyes BD market to expand business**

- Coats Global Services (CGS) looks to expand its business in Bangladesh's growing readymade garment (RMG) sector, visiting top officials of the global service provider said in Dhaka.
- Bangladesh, being the second largest apparel exporting country, is a lucrative destination for the global apparel buyers and related service providers as it has immense potentials to grow further with existing resources, they noted.
- The technological solutions provider, CGS, could help reduce cost and increase productivity at a time when the buyers are squeezing the prices of the apparel products, they further said.

<http://today.thefinancialexpress.com.bd/public/trade-market/coats-eyes-bd-market-to-expand-business-1551369721>

### **Russian private sector wants to invest in Joint Venture (JV) projects**

- Russian Ambassador to Bangladesh said Russian private sector is interested to invest in joint venture (JV) projects in Bangladesh.
- Russian government would also continue to cooperate with Bangladesh in power, energy, information and communication technology, trade, defence and other areas of mutual importance.
- The foreign minister sought Russian support in dealing with the Rohingya crisis and the issue was discussed in detail at a meeting.
- The Russian envoy also expressed his country's specific interest in importing medicines from Bangladesh and also showed interest in joint venture investment in the pharmaceutical sector.

<http://today.thefinancialexpress.com.bd/public/trade-market/russian-pvt-sector-wants-to-invest-in-jv-projects-1551292739>

### **Mongla Port sees record ship anchoring in February**

- Mongla Port, the second largest sea port of the country, witnessed at least 100 foreign ship anchoring last month (February), breaking all previous records. The Mongla port has

been playing a vital role in the country's economic development since 2009 as some very important initiatives were taken by the then government.

- Public Relations Officer of Mongla Port Authority (MPA) Makhruzzaman said the port turned into a losing concern in the years from 2001 to 2008 because of manifold problems.
- In the month of February in 2007-08 fiscal year, only seven foreign ships anchored at the port. A total of nine development projects and four ADB programmes were implemented from 2009 to 2017, involving an investment of over BDT 4.54 billion, to enhance the ability of the port.
- Currently, at least 10 projects are being implemented, five projects are under the process of getting approval and four other projects are under DPP stage. The official, however, said the MPA has already ensured different facilities for the users to get quick and quality services.

<http://today.thefinancialexpress.com.bd/trade-market/mongla-port-sees-record-ship-anchoring-in-february-1551457470>

### **Sheikh Hasina Institute of Information Technology's (SIIT) fate hangs in balance**

- The future of a USD157.80 million (BDT 13.40 billion) project for developing a technical institute has become uncertain as potential foreign lenders have shown no interest in it.
- The Bangladesh Hi-Tech Park Authority (BHTPA) took the initiative one and a half years ago to set up the Sheikh Hasina Institute of Information Technology (SIIT) in Madaripur district.
- As per the proposal, the SIIT was scheduled to be completed between July 1, 2017 and June 30, 2020. But no progress has been made as the funds are not available.
- During the period, the BHTPA maintained correspondence with the Economic Relations Division (ERD) and frequently reminded it to search for foreign funds for the project. The BHTPA is currently implementing 28 IT projects across the country.

<https://www.thedailystar.net/business/news/fate-hangs-balance-1708834>

### **Chattogram EPZ to reopen 11 factories**

- The Bangladesh Export Processing Zones Authority (Bepza) has taken an initiative to reopen 11 factories and create around 10,000 jobs in Chattogram Export Processing Zone within a year.
- Of the factories, the ownership of six factories has already been transferred to new hands, one will be reopened by its existing owner and the rest four will be auctioned off very soon. The factories would take a year to go for production after completing development of necessary infrastructure, renovation and staff recruitment.
- The factories were shut down between 2012 and 2016 due to lack of foreign buyers, losses in production and workers' protest.

<https://www.thedailystar.net/business/news/chattogram-epz-reopen-11-factories-1708822>



## Mobile operators add 555,000 subscribers in January

- The number of mobile phone subscribers in the country increased by 555,000 in January after witnessing a fall in the previous month.
- As per Bangladesh Telecommunication Regulatory Commission data, the number of subscribers of four mobile phone operators — Grameenphone, Robi, Banglalink and Teletalk — increased to 157.5 million at the end of January this year from 156.9 million a month ago.
- In December last year, the mobile phone operators had lost 59,000 subscribers due mainly to a fall in customer bases of Robi, Banglalink and state-owned Teletak.
- Leading mobile phone operator Grameenphone added 0.336 million subscribers in January, taking its subscriber base to 73.1 million from 72.7 million in December. Robi, the country's second largest mobile phone operator, added 14,000 customers in January after losing 87,000 and 0.189 million subscribers in November and December respectively. The number of the operator's subscribers increased to 46.90 million from 46.89 million a month ago.

<http://www.newagebd.net/article/66099/mobile-operators-add-555-lakh-subscribers-in-jan>

## Government plans USD 1 billion bond for power, energy

- The government is going to issue bond amounting to USD1 billion soon to raise funds for the power and energy sector. The interest rate would be 7 to 8%.
- NRBs specializing in the fields of power and energy urged the government to use more solar power, explore gas fields in the deep sea and extract coal. They said it would not be wise to keep these resources unused for a long time and the country should use those as early as possible for national development.
- If 10% of the fuel-fired cars move to solar power, they will save about USD500 million year according to the principal energy specialist of energy division at the Central and West Asian Department of Asian Development Bank.
- The energy adviser said Bangladesh is one of the leading countries when it comes to vehicles running on solar power. The government is planning to undertake a project to set up solar power-based recharging stations for these vehicles.

<https://www.thedailystar.net/business/news/govt-plans-1b-bond-power-energy-1708456>

## Most stocks fail to attract foreign funds

- Only 17 companies and mutual funds out of 350 listed on the Dhaka Stock Exchange (DSE) have been able to attract a sizeable amount of foreign investment.
- Another 122 companies received foreign fund at a very minimum level, while 198 or 56.57% of the total have failed to get any. Experts blame the thin flow of foreign funds on poor corporate governance in listed companies.
- The managing director of UCB Capital Management said foreign investors look for

companies that performed well, maintain good governance and have growth potential. But we were unable to provide them with a long list of such companies.

- According to the DSE data, net foreign portfolio investment totaled BDT 80.02 billion as on January 31, which is only 1.92% of the total market capitalization of the DSE.

<https://www.thedailystar.net/business/news/most-stocks-fail-attract-foreign-funds-1708453>

## Omera move to boost up LPG market in Bangladesh

- Omera Gas One Ltd.(OGL), with a view to promote extensive use of LPG (Liquefied Petroleum Gas) as fuel for vehicles and boost up LPG (Auto Gas ) users in Bangladesh, has set the price to BDT 42/Litre and taken initiative of keeping their Autogas Stations open for 24 hours.
- Additionally, the company will co-operate with the Land Transport Department to carry out strict measures for LPG vehicles when they're brought in to extend their registrations and maintain the Japanese standard Omera Gas One follows.
- The availability of LPG stations is going to outweigh all the debate whether to choose LPG or CNG thanks to the government's relentless drive to promote LPG that the future of LPG is going to be incomparable with CNG, whether in terms of convenience or cost, as well as the mileage between each refueling. LPG vehicles can travel four times the distance than CNG.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/omera-move-to-boost-up-lpg-mkt-in-bangladesh-1551291933>

## Government in talks with two Indian firms to get LNG supplies

- The government is in talks with two Indian LNG firms- IOCL and H-Energy -to get supplies of re-gasified LNG to run gas-guzzling industries in the Khulna region.
- State-owned North-West Power Generation Company Ltd (NWPGL) has opened talks with H-Energy to import re-gasified LNG for running an 800-megawatt (MW) combined cycle power plant at Rupsha in the southern Khulna region.
- Currently state-run Petrobangla has been importing lean LNG from Qatar's RasGas and Oman's Oman Trading International (OTI) and re-gasifying the LNG in the floating terminal on the Moheshkhali Island in the Bay of Bengal, which is now operational. Petrobangla has also initiated deals with a total of 15 global suppliers to import LNG from the spot market at a competitive price.

<http://today.thefinancialexpress.com.bd/public/last-page/govt-in-talks-with-two-indian-firms-to-get-lng-supplies-1551376496>

## JMI investing BDT 6.2 billion to build LPG plant

- JMI Group, a manufacturer of medical devices, is set to invest BDT 6.20 billion to build an LPG (liquefied petroleum gas) plant at Sitakunda in Chattogram to supply the energy to households. The commercial operation of the plant will begin in May.
- Of the project cost, BDT 3.80 billion has already been raised through a syndicated

financing by four banks and two non-bank financial institutions, according to the project proposal. Mutual Trust Bank (MTB) was the lead arranger of the loan and Agrani Bank the co-arranger.

- The LPG project consists of four plants, including LPG bottling, LPG cylinder, auto tank, and valve and bung. Auto tank is the LPG cylinder for vehicles whereas valve and bung is the kit used for cylinder.
- The entry of JMI into the country's LPG scene came at a time when the demand for the energy is increasing fast due to the shortage of natural gas. The market is growing at 10 to 15% annually, according to a market analysis of MTB.

<https://www.thedailystar.net/business/news/jmi-investing-BDT-620cr-build-lpg-plant-1708870>

### **CID money laundering unit launches probe**

- A Criminal Investigation Department (CID) unit specialising in money laundering has launched an investigation into payments made by local digital companies for advertisements on social media sites, especially Facebook.
- A top official of the detective agency said they were investigating the legality of the payments. The unit has prepared a list of about two dozen companies that run digital campaigns and is calling over their representatives individually to the CID office to know about the payment procedures and avail documents.
- The list of the entities includes mobile phone operators, handset vendors, leading e-commerce platforms, companies for ridesharing, fast-moving consumer goods (FMCG) and product delivery and other digital service platforms.
- Companies in Bangladesh are spending more than BDT 10.0 billion a year for digital marketing on Facebook and Google to reach their target audience. The Bangladesh Telecommunication Regulatory Commission collected data on digital media expenditures. It found that the top three mobile operators spent BDT 1.04 billion in the last fiscal year to reach their target audience through Facebook.

<https://www.thedailystar.net/business/news/cid-money-laundering-unit-launches-probe-1708843>

### **All Internet Protocol Telephony Service Providers (IPTSP) now can launch app-based call service**

- Bangladesh Telecommunication Regulatory Commission has taken a policy decision to allow any nationwide internet protocol telephony service provider (IPTSP) to launch mobile phone application-based calling service, subject to seeking the commission's permission by such operator for the service.
- The volume of incoming international phone calls through the legal channel in Bangladesh plunged in three and a half years amid growing number of over-the-top (OTT) and illegal voice-over-internet-protocol (VoIP) calls.
- In May, 2015, the volume of incoming international phone calls recorded highest 3.83 billion minutes with a daily average of 123.6 million minutes. The call volume, however,

dropped to around 1.02 billion minutes in November this year with a daily average of 34 million minutes.

- As per the BTRC web site information, 33 IPTSP operators are licensed to operate nationwide. Of the entities, the telecom regulator has so far allowed six IPTSPs to launch mobile phone-based applications.

<http://www.newagebd.net/article/66186/all-iptsps-now-can-launch-app-based-call-service>

### **USD 185 million World Bank loan for renewable energy**

- The World Bank has approved USD185 million to add up to 310 Megawatt (MW) in renewable energy generation capacity in Bangladesh and mobilise private sector participation to meet the growing demand for electricity in the country.
- The Scaling-up Renewable Energy Project will increase installed capacity of renewables through piloting and expanding investments in key market segments.
- It will build the first 50 MW phase of a large scale solar panel energy park in Feni district, which will be implemented by the Electricity Generation Company of Bangladesh (EGCB).
- Currently, the share of the total installed renewable energy in grid supply is only 1.5% and has significant potential for scaling up. The project will help provide better access to cleaner electricity as well as air by avoiding burning fossil fuels. It will help cut emissions by 377,000 tons of carbon dioxide equivalent a year.

<http://today.thefinancialexpress.com.bd/trade-market/185m-wb-loan-for-renewable-energy-1551541699>

### **Wata Chemicals opens new plant**

- Wata Chemicals, a listed company, yesterday opened its second sulfuric acid plant built at an investment of nearly BDT 300 million..
- Sulfuric acid is mostly used in production of fertiliser, in refining water and petroleum and in manufacturing other chemicals such as hydrochloric acid, nitric acid, sulfate salts, synthetic detergents, and dyes and pigments.
- The Managing director of the company, said 25-30 percent of the total demand for sulfuric acid was met by imports currently. With the new plant, it's production capacity will increase by 30,000 tonnes annually from previous 18,000 tonnes. As a result, the import of the chemical may go down.

<https://www.thedailystar.net/business/news/wata-chemicals-opens-new-plant-1709791>

### **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 succeeded 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>

### **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 Araihasar, 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>

### **ADB lowers growth forecast to 7.5%**

- Bangladesh economy is likely to grow at a rate of 7.5% in the ongoing fiscal year (FY), 2018-19, the Asian Development Bank (ADB) has projected afresh.
- The newly forecasted gross domestic product (GDP) growth rate is much lower than the 7.9% growth, which ADB forecasted for Bangladesh in the previous FY, 2017-18. The country achieved a 7.86% growth in the last fiscal.
- The ongoing US-China trade war will be the main reason behind this slower growth, officials of the multilateral development financier. On the other hand, domestic demand will be the main driver of this forecasted growth ADB analysis said.
- The prevailing high interest rate on bank loans, which is causing massive capital flight from the country, is among the challenges, the ADB experts observed.

<http://today.thefinancialexpress.com.bd/first-page/adb-lowers-growth-forecast-to-75pc-1551721770>

### **Private sector credit growth remains slow in January amid ADR adjustment pressure**

- Private sector credit growth remained at 13.2% in January, far below the Bangladesh Bank's target to achieve 16.5% growth in the second half (January-June) of the fiscal year of 2018-2019.
- Officials of the central bank told that the liquidity crisis in the banks ahead of advance-deposit ratio adjustment as per the central bank-set deadline (March 31 this year) might be the major reason for slow disbursement of credit to the private sector.
- As per the BB instruction, conventional banks have to increase advance (loan)-deposit ratio to 85% from 83.5% and Islamic banks have to maintain IDR (income-deposit ratio) at 90% instead of 89% by the BB-set deadline.
- ADR of 11 banks were yet above the stipulated limit. Besides the 11 banks, a number of banks are maintaining their ADR or IDR close to the BB-set limit, curbing their capacity to issue new credit to their clients.

<http://www.newagebd.net/article/66465/pvt-sector-credit-growth-remains-slow-in-jan-amid-adr-adjustment-pressure>

### **Banks to cut 15% VAT on foreign e-purchase, payments for ads**

- Bangladesh Bank asked country's all scheduled banks to deduct 15% value-added tax on overseas payments made by their clients using any method, including credit card, against services like online purchase and advertisement on digital platforms.
- Banking Regulations and Policy Department of the central bank gave the instruction to the chief executive officers and managing directors of the scheduled banks following a letter of National Board of Revenue.
- VAT wing of NBR on January 22 requested BB governor to instruct all banks to deduct the VAT on any payment, irrespective of mode of payment, made by banks' clients against services including royalty, various internet services, advertisement on digital platforms and other services received from abroad.
- A big number of people also buy products services and goods using digital platform like Amazon and Alibaba owned by foreign firms and located abroad. Considering the issues, NBR made the clarification to ensure proper revenue collection from the sector.

<http://www.newagebd.net/article/66459/banks-to-cut-15pc-vat-on-foreign-e-purchase-payments-for-ads>

### **Banks charge importers more for greenback**

- Banks do not follow the exchange rate they set every day in a deviation that inflicts additional costs on importers and may fuel inflation.
- Data from the Bangladesh Foreign Exchange Dealers' Association showed that banks fixed the average exchange rate for bills for collection (BC) sale, at which lenders make import payments, at BDT 84.20 per USD for the last week, but a majority of the lenders ignored the rate while making payments on behalf of importers.
- Bankers blame it on the gap between supply and demand of the dollar. They say the spending spree of the government for implementation of the mega projects has created a fresh demand for the greenback.
- City Group, one of the biggest commodity importers and processors in the country, was forced to pay banks BDT 84.70 to BDT 85.05 a dollar in the last two weeks to settle import payments, up by a minimum BDT 0.50 per USD than the rate set by banks, said its director

<https://www.thedailystar.net/business/news/banks-charge-importers-more-greenback-1710709>

### **Indian carmakers ride on boom of Bangladesh**

- Indian automobile manufacturers are keen to expand their market share in Bangladesh after posting steady sales growth in the last couple of years, thanks to rapid economic growth and a rise in purchasing power.
- Indian passenger vehicles, mainly sports utility vehicles (SUVs), witnessed an average sales growth of 20% in Bangladesh in the last three years despite the dominance of Japanese reconditioned vehicles.

- The share of Indian automakers in Bangladesh's brand-new car segment reached almost 35% in 2018, according to local distributors. The demand for Indian Suzuki cars would gradually increase as people have come to know that the automaker uses Japanese technologies.

- Their sales growth was 18 to 20% over the last five years while their annual growth target was 30 percent. Customers could purchase Suzuki's brand new 1,500cc hybrid cars with automatic transmission within the range of BDT 2.2 million to BDT 2.4 million.

<https://www.thedailystar.net/business/news/indian-carmakers-ride-boom-bangladesh-1710712>

### **Chemical imports treble in 10 years**

- Bangladesh's chemical imports have nearly tripled in the past decade, spurred by the rising demand from various industrial sectors catering to domestic and foreign markets.

- Sector operators said garments and textile sectors are the main consumers of the imported chemicals followed by pharmaceuticals, food processing, cosmetics and toiletries, leather, plastic and other sectors. Businesses brought in BDT 175.48 billion worth of chemicals in 2017-18, which was only BDT 61.03 billion in 2007-08, according to Bangladesh Bank (BB) data.

- Imports rose 12% year-on-year to BDT 77.72 billion in the July-November period of the current fiscal year.

- As requirement and use of chemicals is rising, everyone should be taking a life cycle approach for management of chemicals. Coordination and monitoring should be strengthened to ensure safety and security, professor of chemical engineering at the Bangladesh University of Engineering and Technology said.

<https://www.thedailystar.net/business/news/chemical-imports-treble-10yrs-1710706>

### **24% of total bank investments come from Islamic banks**

- Around 24% of the total investments of the country's banking sector come from the Islamic banks, according to the latest statistics of the central bank. It showed that total Investments, loans in conventional sense, in Islamic banking sector stood at BDT 2.31 trillion at the end of December 2018 while total loans of the banking sector stood at BDT 9.60 trillion.

- Central bank statistics also showed that investment by the Islamic banking sector increased around 5.0% by the end of last quarter of the past year over the previous quarter-end.

<https://thefinancialexpress.com.bd/economy/24pc-of-total-bank-investments-come-from-islamic-banks-1551694512>

### **Co to launch 'business hub' for potential UAE-based investors**

- A three-member UAE-based business delegation called on MP, the Prime Minister's

Private Industry and Investment Adviser. The delegation led by CEO of OnTime Group, informed the Adviser that the company was granted permission by the Government of the United Arab Emirates (UAE) to launch a 'business hub' for potential UAE-based investors and entrepreneurs, who intend to do business in Bangladesh.

- In coordination with the Embassy of the UAE in Dhaka, the hub will be an information dissemination point to help the investors and business people. It also seeks to help and guide Bangladeshi businessmen who want to invest or set up businesses in the UAE.

- MP, the Prime Minister's Private Industry appreciated the effort being undertaken by CEO of OnTime Group. He assured the delegation that he would wholeheartedly support any initiative that is intended to ease the process of doing business and facilitate investment in Bangladesh.

<http://today.thefinancialexpress.com.bd/stock-corporate/co-to-launch-business-hub-for-potential-uae-based-investors-1551720366>

### **LPG becoming vital source of energy**

- The use of energy at both households and industries will undergo a major shift in the next decade as Bangladesh is increasingly making liquefied petroleum gas (LPG) widely available.

- The demand for LPG is growing exponentially in the country. It needs about 600,000 tonnes of LPG to meet the current demand, which is projected to be more than 1,400,000 tonnes by 2022. The rising energy demand and the projected shortage of natural gas are bolstering the growth of LPG use at both household and industry levels.

- The market players in Bangladesh have realised that the use of energy is changing as the government liberalised the business for the private sector to fulfil the growing demand, said country director of Parlym, an engineering and procurement services company of France.

<https://www.thedailystar.net/business/news/lpg-becoming-vital-source-energy-1710715>

### **The National Board of Revenue (NBR) to offer fiscal benefits on basis of industries' inputs**

- The National Board of Revenue (NBR), from now on, will offer monetary benefits to the investors and businesses on the basis of their economic contribution and payback plan.

- To get the benefits, the industries concerned will have to furnish their year-wise plans, for next five years, on investment, production and supply, export potentials, existing total tax incidence and volume of tax exemptions.

- Besides, they will have to furnish details of their next five years payback plan to the government, including income tax, VAT, amount of foreign currency savings, and employment generation.

- The NBR recently issued guidelines and prescribed format in this regard, seeking relevant data from businesses of all sectors of the country, to analyse their industrial data for giving the tax exemption.

<http://today.thefinancialexpress.com.bd/first-page/nbr-to-offer-fiscal-benefits-on-basis-of->

[industries-inputs-1551721918](http://www.newagebd.net/article/66462/nbr-to-assess-potential-of-sector-for-duty-benefits)  
<http://www.newagebd.net/article/66462/nbr-to-assess-potential-of-sector-for-duty-benefits>

### Dhaka to seek DP World's investments in ports

- Bangladesh will seek Dubai-based DP World's investments for Chittagong and Payra ports. A delegation of the DP World high-ups is scheduled to arrive in the city and shipping officials in Dhaka will seek investments.
- The DP World high-ups told Bangladesh officials that wherever they constructed a port they would also set up an industrial park. They are thinking about large investments in Bangladesh, foreign secretary of Bangladesh told.
- Shipping officials said the DP World is among the five short-listed global port giants who submitted request for qualification (RFQ) for building Laldia multi-purpose terminal in Chittagong.

<http://today.thefinancialexpress.com.bd/first-page/dhaka-to-seek-dp-worlds-investments-in-ports-1551722130>

### Foreign fund in stocks keep soaring on Dhaka Stock Exchange (DSE)

- Net foreign investments in Dhaka bourse soared more than 84% month-on-month in February as overseas investors continued to put fresh funds after the national elections. Net foreign fund in stocks turned positive in January, 2019 after remaining negative in the past three consecutive months - October, November and December, 2018.
- Market analysts said a stable political situation after the national elections pepped up the confidence level of the overseas investors and they started to invest in stocks.
- The overseas investors bought shares worth BDT 5.87 billion and sold stocks of BDT 2.64 billion, to take their net investment to BDT 3.23 billion in February.
- It is expected by the analysts that foreign investors may continue to invest in stocks in the coming months in anticipation of steady economic growth coupled with discounted rate of many fundamentally sound stocks.

<http://today.thefinancialexpress.com.bd/stock-corporate/foreign-fund-in-stocks-keep-soaring-on-dse-1551720250>  
<https://www.thedailystar.net/business/news/foreign-fund-dse-jumps-84pc-1710703>  
<https://www.dhakatribune.com/business/2019/03/04/net-foreign-investment-at-dse-surges-84-in-february>  
<http://www.newagebd.net/article/66467/foreign-funds-at-dse-hit-19-month-high-in-feb>

### Provident fund of private firms can't sponsor mutual funds

- Private firms cannot be a sponsor of any mutual fund with the investments of their provident funds, according to a decision of the Bangladesh Securities and Exchange Commission (BSEC).
- The BSEC said it has recently approved the unit fund, the sponsor of which, Popular Life Insurance Employees Provident Fund, invested BDT 10 million. As stock market investment is risky so the commission asked the fund manager (CAPITEC Fund Management Ltd) to

get approval from the beneficiary of the provident fund about the investment.

- Considering the speculation and risks, members of any provident fund do not want to invest their money into stocks, a senior official of the BSEC said.

<https://www.thedailystar.net/business/news/provident-fund-private-firms-cant-sponsor-mutual-funds-1710697>  
<http://www.newagebd.net/article/66469/bsec-bars-provident-funds-from-being-mf-sponsor>

### 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>

### Important News: Capital Market

#### Bangladesh Securities and Exchange Commission (BSEC) approves 'alternative investment' draft rules

- The securities regulator has approved the Bangladesh Securities and Exchange Commission (Alternative Investment) draft Rules, 2016 after some amendment. The BSEC move will help promote venture financing and equity investment facilities for non-listed local firms, sources concerned said.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-alternative-investment-draft-rules-1551802455>

#### National Credit and Commerce Bank Limited (NCC Bank) to issue BDT 7.0 billion bond

- The board of directors of NCC Bank has decided, in principle, to issue non-convertible subordinated bond of BDT 7.0 billion, said an official disclosure on Tuesday. The bank will issue bond for raising fund to have regulatory capital support of the bank under Tier 2 category of BASEL III, according to the disclosure.

<http://today.thefinancialexpress.com.bd/stock-corporate/ncc-bank-to-issue-BDT-70b-bond->

[1551802733  
https://www.thedailystar.net/business/news/ncc-issue-BDT-700cr-subordinated-bond-1711174](https://www.thedailystar.net/business/news/ncc-issue-BDT-700cr-subordinated-bond-1711174)

### **BSEC okays AB Bank's BDT 5 billion subordinate bond**

• The securities regulator on Tuesday also approved a fully redeemable non-convertible floating rate subordinated bond of BDT 5.0 billion in favour of AB Bank Limited. The purpose of the bond issue is to strengthen the capital base (Tier-2) of the bank. The tenure of the AB Bank bonds will be seven years. Per unit price of the bond will be BDT 10 million.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-alternative-investment-draft-rules-1551802455>  
<http://www.newagebd.net/article/66558/bsec-okays-ab-banks-BDT-500cr-subordinate-bond>

### **Titas to remove illegal connections by June next**

- The government has planned to replace decades-old gas transmission and distribution pipelines with the new ones in the capital to check pilferage, avoid leakage and ensure efficient use of natural gas.
- Titas Gas will execute a big project worth BDT 12 billion to remove old pipelines and lay fresh ones. The project could remove all illegal gas connections and check pilferage, if any.
- Titas Gas is the country's largest gas marketing and distribution company that started supplying gas to consumers since April, 1968. It has a total of 13,078 kilometres (km) of gas pipeline in its jurisdiction areas covering Dhaka and Mymensingh areas.
- The energy ministry has already set a deadline until June 2019 for Titas Gas and until February for other gas marketing and distribution companies to remove illegal piped natural gas connections across the country.

<http://today.thefinancialexpress.com.bd/first-page/titas-to-remove-illegal-connections-by-june-next-1551544388>

### **Bangladesh Securities and Exchange Commission (BSEC) steps up crackdown on delinquent brokers**

- The securities regulator has reinforced its action against stock brokers who have mishandled investors' funds. The Bangladesh Securities and Exchange Commission (BSEC) got tough as past behavior of many brokers could not be corrected fully despite repeated actions.
- As part of its ongoing crackdown, the Commission took disciplinary action against a stock broker of the Dhaka Stock Exchange (DSE) on February 19 whose consolidated customers' account showed a substantial shortfall.
- The securities regulator has imposed a large amount of penalties on 32 stock brokers of both stock exchanges in the last four years after such finding shortfalls were discovered.

<http://today.thefinancialexpress.com.bd/public/first-page/bsec-steps-up-crackdown-on-delinquent-brokers-1551290124>

### **Dhaka Stock Exchange (DSE) wants changes to demutualization scheme for market development**

• The country's premier bourse, Dhaka Stock Exchange, is preparing a proposal to bring in amendments to a number of provisions of the demutualization scheme after six years of enactment of the scheme. The bourse has found that there are some provisions in the scheme that hamper development of the market

• The stock exchange communicated with market regulator Bangladesh Securities and Exchange Commission regarding urgency of the amendments to the demutualization act and was preparing proposal to submit it to the commission.

• According to the DSE demutualization scheme, separate regulatory affairs division will be created to oversee the regulatory functions of the exchange independently. It will be headed by the chief regulatory officer, reporting directly to the regulatory affairs committee.

• They said that it would take time to amend the demutualization act which was passed in parliament in 2013.

<http://www.newagebd.net/article/66098/dse-wants-changes-to-demutualisation-scheme-for-market-dev>

### **GSK's earnings plummet on pharmaceutical unit closure**

• GlaxoSmithKline Bangladesh's incurred a huge loss in the year ended on December 31, 2018 because of the closure of its pharmaceuticals unit in the country.

• The British drug-maker's earnings per share (EPS) posted a negative BDT 52.75 for the year ended on December 31, 2018 which was BDT 55.56 in the previous year.

• The shutting down of the pharmaceutical operations involves a significant amount of costs in terms of severance payment to employees, impairment of non-current assets and inventory write-off and part of these closure cost had been charged in Q3 2018.

• Continued losses in recent years forced GlaxoSmithKline to close the medicine manufacturing unit in July, 2018 after more than six decades of operation. GSK Bangladesh, however, would continue with its profitable consumer health care business that produces items like Horlicks, Sensodyne and Glaxose-D.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/gsk-earnings-plummet-on-pharma-unit-closure-1551291818>  
<http://www.newagebd.net/article/66049/gsk-declares-BDT-53-dividend-a-share-despite-posting-BDT-63cr-in-losses-in-2018>

### **Members of German Parliament visit Beximco Park**

• German Members of Parliament visited Beximco Park along with high officials of the German Embassy and GIZ (a German agency which partners with the German Government and Stakeholders both Public and Private in areas of economic development, employment promotion, energy and the environment).

• The high level German delegation visited all the textiles & apparel manufacturing units of



BEXIMCO which employ 40,000 personnel in a 350 acres campus with 200,000 trees and a wild life sanctuary.

- They also took keen interest in Beximco's R&D, Design & Product Development resources and global reach to service some of the world's Gold Standard retailers like Michael Kors, Calvin Klein, Zara, Marks & Spencer, Next and C & A.
- Beximco partnered with GIZ who provided technical support to induct 500 disabled personnel into regular workforce

<http://today.thefinancialexpress.com.bd/public/stock-corporate/members-of-german-parliament-visit-beximco-park-1551291997>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) rejects Beximco plea for BDT 250 million waiver**

- Bangladesh Telecommunication Regulatory Commission has turned down a request of Beximco Communications, which operates direct-to-home service RealVU, for waiving BDT 251 million in spectrum fees and taxes that the company failed to pay in last two years.
- The company had refrained from paying spectrum fees since June, 2016. Along with the spectrum charge, the entity's dues to the telecom regulator also include value-added tax at the rate of 15% on the spectrum charge along with 15% late fee on the dues.
- If the VAT and late fee on spectrum fee were considered, Beximco Communications' dues to BTRC would be much higher than BDT 251 million.
- Beximco Communications, a joint venture between Beximco Group and Russian GS Group, launched operations in 2016 after formulation of guidelines on DTH service by the telecom regulator in September, 2015.

<http://www.newagebd.net/article/66274/btrc-rejects-beximco-plea-for-BDT-25cr-waiver>

### **Singer's operating profit soars 40% in 2018**

- Singer Bangladesh Limited announced a 40% increase in operating profit, whilst reporting its audited results for the year ended December 31, 2018.
- The company's turnover increased by 24% to BDT 13.7 billion in 2018. Gross margins increased to 28.5% in 2018 from 28.2% in the prior year. The operating profit for the year increased by 40% in 2018, with higher operating margins at 12.1%, versus the prior year of 10.7%.
- Singer's financial service offerings like Western Union, Bkash, Grameen airtime reloads and utility bill payments increased in value by 13% in 2018 to BDT. 1.3 billion, bringing nearly 800,000 additional customer footfall into the stores during the year.
- Singer continued to enjoy significant increases in unit sales, in particular computers by 70%, panel televisions by 28%, washing machines by 24%, kitchen & small appliances by 20% and refrigerators by 17% - boosted by lower prices to customers and increased advertising spend.

<http://today.thefinancialexpress.com.bd/stock-corporate/singers-operating-profit-soars-40%->

[in-2018-1551542646](http://today.thefinancialexpress.com.bd/stock-corporate/marico-to-invest-BDT-294m-for-capacity-expansion-1551630623)

### **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 Shirirchala.
- 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>

### **Bangladesh Bank (BB) asks Bangladesh Securities and Exchange Commission (BSEC) to ban BIFC share transfer by the founding chairman of Bangladesh Industrial Finance Company**

- Bangladesh Bank has requested Bangladesh Securities and Exchange Commission to impose a ban on Bangladesh Industrial Finance Company founding chairman and people connected with him from transferring shares of the company.
- The BB move came following an Anti-Corruption Commission advice asking the central bank to impose the ban until Bangladesh Industrial Finance Company founding chairman pays BDT 3.97 billion in outstanding loans (excluding interest) to BIFC, a company listed with Dhaka Stock Exchange.
- Although Bangladesh Industrial Finance Company founding chairman promised to return the rest BDT 3.97 billion, which excludes interest, he is yet to pay back the money. Therefore, ACC feels the necessity of imposing ban on BIFC share transfer by Mannan and people close to and connected with him.

<http://www.newagebd.net/article/66660/bb-asks-bsec-to-ban-bifc-share-transfer-by-mannan>