

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Bangladesh Bank seeks release of government fund for incentive for remittance

- Bangladesh Bank has requested the government to release fund for providing cash incentive against the inward remittance. The government in the budget for the fiscal year of 2019-2020 announced that 25 cash incentive would be provided to the beneficiaries of inward remittance. Banks would start disbursing incentive against remittance after getting fund allocation from the central bank. The government in the budget allocated BDT 30.60 billion for the purpose in an expectation that the incentive would significantly increase the remittance flow through the legal channels and discourage the illegal channels like 'hundi' business.
- In line with the budgetary announcement, the BB has already issued guidelines in this regard, stating that no document would be required for receiving the incentive against remittance worth up to USD 1,500. Banks would get three-month fund allocation from the central bank based on the average monthly repatriation of remittance through the banks in the preceding year, the BB guidelines said. If the allocated fund exhausts in three months, banks would continue giving the incentive and would adjust the amount later with the government's allocation.
- Officials of the banks said that they had been making preparations in this regard and expected that the procedure could be started after receiving money from the central bank. In FY06, the country's remittance earning was USD 4.9 billion, which grew by three times to reach USD 16.4 billion in FY19.

<https://www.newagebd.net/article/82125/bangladesh-bank-seeks-release-of-govt-fund-for-incentive-for-remittance>

BTRC gets govt nod to issue show-cause notice for GP, Robi's licence cancellation

- The posts and telecommunications ministry has allowed the Bangladesh Telecommunication Regulatory Commission to seek explanation from two mobile phone operators — Grameenphone and Robi — why their licences would not be revoked for not paying audit claims. The ministry gave the consent following a proposal from the telecom regulator as the mobile phone operators have refrained from paying audit claims made by the BTRC based on separate audits, ministry sources said. A BTRC official admitted the issue of receiving approval from the ministry adding that the commission was processing the show-cause letters which would be served on GP and Robi.
- The mobile operators have 765 of the country's mobile phone subscribers under their belt. Violation of licensing conditions or regulations of the commission could result in such regulatory measures. Before the cancellation or suspension of licence of any telecom licensee, the commission has the legal binding to service a 30-day notice seeking explanation from the licensee asking why its licence would not be cancelled for violation of licensing conditions and regulatory guidelines. In line with the telecom act, the BTRC official said, the commission would now service show-cause notices on the mobile phone operators within a few days as part of its move to realise BDT 134.47 billion in audit claims from the operators. The commission would take the next course of action based on responses from the mobile phone operators, he said.

<https://www.newagebd.net/article/82126/btrc-gets-govt-nod-to-issue-show-cause-notice-for-gp-robis-licence-cancellation>

Bangladesh pharmaceutical industry blooms bigger

- Once largely dependent on imports and multinational companies to meet the local demand, Bangladeshi pharmaceutical industry is growing very fast meeting 98% of domestic demand and posting a 27% growth in export earnings. In 2018, the country's domestic pharmaceutical market size stood at BDT 205.12 billion with 15.6% compound annual growth rate (CAGR) for the last five years. On top of that, the sector is expected to grow at 15% year-on-year to reach USD 5.11 billion by 2023, propelled by high investment by local companies as they seek to grab a bigger share of the global market.
- Growing per capita income, population growth, rise in life expectancy, changing disease profile, lifestyle change and rapid urbanization are the key drivers for boom in the domestic market consumption. Besides, new investment in the sector and adoption of modern technology have increased the production capacity. Life expectancy of people has significantly increased — the average life expectancy of 66.4 years in 2002 rose to 72.81 years in 2017.
- According to Export Promotion Bureau (EPB) data, Bangladesh's medicine exports registered a 25.60% rise to USD 130 million in FY19, which was USD 103.46 million the previous year. Bangladeshi pharmaceutical makers are now compliant and regulated as some leading companies have received certification from US FDA and UK MHRA, General Manager (Business Development of Beximco Pharmaceuticals) said. According to Bangladesh Association of Pharmaceutical Industries (BAPI), approximately 1,200 pharmaceutical products received registration for export in the

last two years.

- In 2015, the World Trade Organization (WTO) Council extended patent waivers for pharmaceuticals products for its members in the least developed countries category to January 2033. As an LDC, Bangladesh will not need to pay royalty for producing patent drugs till 2033, which is a great opportunity for Bangladesh to improve its export share in the pharma products.

<https://www.dhakatribune.com/business/2019/08/22/bangladesh-pharmaceutical-industry-blooms-bigger>

Leather goods exports rebound

- Export of leather and leather goods from Bangladesh rebounded strongly after more than two years thanks to higher shipments to non-traditional markets and the US-China trade war, exporters said. Shipments in July amounted to USD 106.10 million, a 16.39% year-on-year growth, data of the Export Promotion Bureau (EPB) showed. This is the only sector after garments which fetched USD 1 billion last fiscal year. It, however, had registered negative growth over the past two years or so because of a gradual shift of tanneries from Hazaribagh to a newly built Savar Tannery Industrial Estate. Of the 155 tanneries that have relocated so far, 123 have gone into full or partial operation and the rest are in the process, according to tanners. Tanners are the main suppliers of raw materials to manufacturers and exporters of leather goods like shoes and bags.
- Value addition has recently increased a lot, said the president of the Leather goods and Footwear Manufacturers & Exporters Association of Bangladesh. For instance, of last fiscal year's USD 1.01 billion exports, 83% came from leather goods and the remaining from finished or tanned leather. Previously, it was vice versa.

<https://www.thedailystar.net/business/news/leather-goods-exports-rebound-1788844>

Walton to export refrigerators, ACs to India

- Local electronics manufacturer Walton is all set to export refrigerators and air-conditioners to India. According to a deal signed on Monday, Walton as an original equipment manufacturer will supply 0.1 billion units of refrigerators and 20,000 residential air-conditioners to Hyundai Electronics. Hyundai will import the products through its partner Goldenarch Consumer Electronics Pvt Ltd. In July, Walton started exporting ACs to Yemen, a Middle Eastern country. The company has been exporting refrigerators to Yemen for the last couple of years, news agency UNB reported recently. The company has set a target to earn USD 1 billion from exports of electronics and electrical appliances by 2028.

<https://www.thedailystar.net/business/news/walton-export-refrigerators-acs-india-1788832>

Summit to raise BDT 1 billion through Mudaraba bond

- Summit Communication plans to raise BDT 1 billion from the local market by issuing a Shariah-based non-convertible Mudaraba bond to expand its fiber optic cable network up to the remotest part of the country. Each certificate will have a face value of BDT 10 million and the minimum subscription will be BDT 50 million, the company's CEO said. The leading nationwide telecommunication transmission network operator currently has 44,000-kilometre fiber optic cable, covering all the upazilas and about 1,000 union parishads. Green Delta Capital Ltd will be the issue manager of the bond while LankaBangla Finance will be the trustee. Summit Holdings will be the corporate guarantor.

<https://www.thedailystar.net/business/news/summit-raise-BDT-100cr-through-mudaraba-bond-1788829>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.69	+0.01	+0.02%
Crude Oil (Brent)*	\$60.21	-0.09	-0.15%
Gold Spot*	\$1,501.57	-1.08	-0.07%
DSEX	5,223.41	-4.08	-0.09%
Dow Jones Industrial Average	26,202.73	+240.29	+0.93%
FTSE 100	7,203.97	+78.97	+1.11%
Nikkei 225	20,612.84	-5.73	-0.03%

Exchange Rates

USD 1 = BDT 84.55*

GBP 1 = BDT 102.57*

EUR 1 = BDT 93.76*

INR 1 = BDT 1.18*

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Md. Sakib Chowdhury	Research Analyst	sakib.chowdhury@bracepl.com	01709 641 247
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805 211
Md. Rafiqul Islam	Research Associate	mrafiquislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

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

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