

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.

IMF projects 7.6% GDP growth this fiscal year

- The International Monetary Fund (IMF) has projected Bangladesh's economic growth to be 7.6% this fiscal year, which is 0.6% points lower than the government's projection of 8.2%. Yet, the growth rate projected for Bangladesh is the highest in the South Asia region, according to the IMF's South Asian Update, which was released last week. Despite the positive near-term outlook, maintaining the past growth performance will become more challenging in future and will require further increase in investment and upgrading the policymaking practices and institutions, IMF said.
- India will have the second highest growth in the region at 7.2%, followed by Bhutan and Nepal at 6.3% and Sri Lanka at 4%. Pakistan will have the lowest economic growth in the region at 2.4%. IMF also upgraded Bangladesh's growth estimate for last fiscal year. Earlier in April, the Washington-based multilateral lender had projected Bangladesh's economic growth to be 7.3% in fiscal 2018-19. But now IMF estimates Bangladesh will log in 8% growth in the fiscal year that ended on June 30. The Bangladesh Bureau of Statistic's provisional estimate say the GDP growth was 8.13%.
- Domestic revenue collection needs to increase to provide fiscal space for growth-enhancing public investment and social spending. Reflecting tight expenditure control, fiscal 2018-19's budget deficit is expected to remain within 5% of GDP and the public debt-GDP ratio broadly stable, according to IMF. With the government's bank borrowing picking up in recent months, liquidity in the banking sector has been tightening and the lending and deposit rates gradually increasing.

<https://www.thedailystar.net/business/news/imf-projects-76pc-gdp-growth-fiscal-year-1790212>

Pharmaceuticals industry frets about drug price hike

- Pharmaceuticals industry insiders are worried that prices of drugs may increase after the changes in tax calculation method under the new VAT law. They said while trade prices (TP) of medicines at the manufacturers' level will go down, the payable VAT will go up due to this calculation method.
- As per an order of the VAT wing under the National Board of Revenue (NBR), issued on July 23, 2019, The maximum retail price of a medicine inclusive of VAT remains the same. But some changes have been made in trade prices and VAT. The trade price of medicines at production stage has been reduced by 2.35%. The industry insiders have also found chemist or pharmacy commission (16% of the trade price) will go up from the current fiscal year (FY) compared to that of the previous year. Moreover, the government will get BDT 0.38 more VAT on a medicine worth BDT 100 at manufacturing stage.
- According to the VAT law-1991, payable VAT of a pharmaceutical product, having BDT 100 trade price and BDT 133.40 Maximum Retail Price (MRP), was BDT 17.40 per unit. In the new VAT and Supplementary Duty (SD) law-2012, effective from July 1, 2019, payable VAT for the product will go up, claims the Bangladesh Oushad Shilpa Samity in a letter sent to the NBR. Voicing the deep concern, the Samity recently sent a letter to the NBR calling for an amendment to the process of VAT calculation method.

<http://today.thefinancialexpress.com.bd/first-page/new-vat-calculation-fallout-1566664536>

<https://www.newagebd.net/article/82432/drug-producers-see-cancellation-of-new-vat-calculation-method>

Shasha Denims gets Bangladesh Bank permission

- Shasha Denims has informed that Bangladesh Bank has approved to transfer shares and permission to repatriate sale proceeds of EOS Textile Mills in favor of its non-resident shareholders (transferor). The central bank has also approved and fixed the selling price of the shares of the company at nearly BDT 1.11 billion, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Thursday.
- In February this year, the Shasha Denims decided to acquire 80% of stakes in EOS Textile Mills for USD 12 million (about BDT 1014 million), reversing its earlier decision to acquire 40% of stakes. EOS Textiles Mills, a 100% export-oriented textile company, was established by Italian investors at the Dhaka Export Processing Zone in Savar on June 8, 1998.

<http://today.thefinancialexpress.com.bd/stock-corporate/shasha-denims-gets-bb-permission-1566494490?date=23-08-2019>

Four Z-category companies under DSE scanner

• The country's premier bourse will inspect the business affairs of four 'Z' category companies which failed to declare dividends for a period of last five years. In last week, the Bangladesh Securities and Exchange Commission (BSEC) allowed the Dhaka Stock Exchange (DSE) to conduct this inspection. The companies whose business affairs will be examined are ICB Islamic Bank, Information Services Network, United Airways and Beach Hatchery. As per the regulatory permission, the DSE will investigate the operational status and other relevant issues of the companies.

<http://today.thefinancialexpress.com.bd/stock-corporate/four-z-category-cos-under-dse-scanner-1566661552>

Shipbuilding policy soon to tap export potential

• The government has drafted the shipbuilding industry development policy-2019 with an eye to developing the sector in view of its export potential, officials said. Under the move, industries ministry has prepared the draft policy so that the shipbuilding sector could boost the national economic growth.

• The draft policy has suggested preparing a master plan for shipbuilding industry that is set to create 0.1 million jobs, a ministry official said. The highly prospective industry is also projected to earn USD 4.0 billion by exporting ships abroad within the next five years. The local shipyards have so far exported 40 ships to different countries in Europe, Africa and Asia and earned USD 180 million. A hundred domestic shipyards and dockyards are capable of building ships of international standards, according to the shipbuilders.

<http://today.thefinancialexpress.com.bd/last-page/shipbuilding-policy-soon-to-tap-export-potential-1566582619?date=24-08-2019>

National Board of Revenue (NBR) plans big to monitor store sales

• The revenue authority plans to buy a total of 300,000 sales monitoring devices this fiscal year to bring all shops under an online network and cut the scope for VAT evasion. The government already gave approval to purchase 100,000 such electronic fiscal devices (EFDs) for BDT 3.16 billion (USD 37.5 million) from a consortium led by Shenzhen-based SZTT Electronics.

• The BDT 6.90-billion project aims at automating the VAT system and is also assigned to oversee the establishment of the sales monitor—an EFD management system—which will connect the devices at sales points with the revenue authority through internet. Rahman said the NBR would initially receive 10,000 devices from the bidder and the delivery of the rest would be taken upon successful installation of the first tranche. The plan to buy the devices in higher quantity is aimed at bringing stores under the electronic network, monitoring their sales activities and boosting tax receipts. The government is yet to decide on how to realize the cost of purchasing the EFDs from shop operators. The finance minister earlier said the devices would be provided to shops at BDT 32,000 and they would pay back in instalments.

<https://www.thedailystar.net/business/news/nbr-plans-big-monitor-store-sales-1790227>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.17	-1.18	-2.13%
Crude Oil (Brent)*	\$59.34	-0.58	-0.97%
Gold Spot*	\$1,526.96	+28.90	+1.93%
DSEX	5,236.85	+13.44	+0.26%
Dow Jones Industrial Average	25,628.90	-623.34	-2.37%
FTSE 100	7,094.98	-33.20	-0.47%
Nikkei 225	20,710.91	+82.90	+0.40%

Exchange Rates

USD 1 = BDT 84.37*

GBP 1 = BDT 103.41*

EUR 1 = BDT 94.78*

INR 1 = BDT 1.18*

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

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