

*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.*

### **Government's bank borrowing soars for mega projects**

- In the wake of low revenue mobilization last fiscal year, the government has now turned to bank borrowing to meet its financing needs, Bangladesh Bank data shows. In the first 35 days of this fiscal year, the government has borrowed BDT 237.61 billion from the banking system, which is almost the same as last year's total bank borrowing and half of this year's target. The government borrowed BDT 264.46 billion last fiscal year, according to data from the central bank. This fiscal year, the government has set a borrowing target of BDT 473.64 billion from the banking sources.
- The government's borrowing from banking sources usually shoot up at the beginning of a fiscal year to adjust its higher expenditure in the last few months of the previous fiscal year. But this time the government's bank borrowing has increased significantly due to its implementation of mega infrastructural projects such as those of the Padma bridge and Dhaka metro rail, a central bank official said. The government also failed to mobilize revenue as expected in the last few months, which compelled it to borrow more from the banking sector. Total revenue mobilization last fiscal year was BDT 2.24 trillion against the target of BDT 2.80 trillion.
- Besides, a decreasing trend in sales of national savings certificates in recent months has pushed up the government's bank borrowing, the central bank official added. Net sales of national savings tools stood at BDT 32.08 billion in June, down from BDT 32.58 billion a month earlier. He also predicted that the government's borrowing from the banking system might continue in the days ahead, which will have an adverse impact on cash-strapped banks.

<https://www.thedailystar.net/business/news/govts-bank-borrowing-soars-mega-projects-1791178>

### **Ahsan H Mansur elected new chair of BRAC Bank's Board**

- Dr. Ahsan H. Mansur, Independent Director of the BRAC Bank Limited (BBL) Board and an eminent economist of the country, has been elected as the new Chairperson of BBL's Board. He is succeeding Sir Fazle Hasan Abed KCMG, the Founder Chairperson of BRAC Bank. Sir Fazle is retiring from his role as both Chairperson and Member of the Bank's Board of Directors. This transition is effective from Monday, said a statement.
- This is part of Sir Fazle's long-established practice of building strong succession at BRAC Bank. Sir Fazle is the Founder Chairperson of BRAC Bank; he led the Board as the Chairperson from 2001 to 2008 and then rejoined the Board as Chairperson in February 2013. With Sir Fazle at the helms, BRAC Bank has proven itself to be one of the most successful financial institutions in Bangladesh, ensuring inclusion of the unbanked population in the financial system. In the bank's formative stage, keen on visualizing the future, he led the BRAC Bank to become the most modern, customer-friendly and technologically advanced bank in Bangladesh.
- Dr. Ahsan H. Mansur was inducted as an Independent Director to the Board of BRAC Bank in May 2017. Dr. Mansur started his career as a Lecturer in Dhaka University's Department of Economics in 1976. Following that, he had a long and distinguished career at the International Monetary Fund (IMF). He joined the IMF in 1981 and thereafter completed his PhD in Economics (on general equilibrium analysis) from the University of Western Ontario, Canada in 1982. Working in Middle Eastern, Asian, African and Central American countries, he also served as the IMF Senior Resident Representative to Pakistan during 1998-2001 and as the Fiscal Advisor to the Minister of Finance, Government of Bangladesh (1989-91). After retiring from the IMF, Dr. Mansur established the Policy Research Institute of Bangladesh as its Founder Director and Executive Director.

<http://today.thefinancialexpress.com.bd/stock-corporate/ahsan-h-mansur-elected-new-chair-of-brac-banks-board-1566841201>

<https://www.newagebd.net/article/82632/mansur-elected-brac-bank-chairperson>

<https://www.thedailystar.net/business/news/ahsan-mansur-new-brac-bank-chairperson-1791196>

### **No more separate licenses for telecom companies**

- The country's telecom regulator has moved to formulate a unified guideline for the country's mobile operators instead of separate licenses for 2G, 3G and 4G services. The Bangladesh Telecommunication Regulatory Commission (BTRC) has already formulated the draft guidelines titled "Regulatory and Licensing Guidelines for Establishing, Operating and Maintaining Cellular Mobile Services in Bangladesh." According to the draft guidelines, the key objective of these guidelines is to introduce technology-neutral spectrum. All the cellphone operators converted their spectrum into technology-neutral system accordingly. The country's mobile operators have long been demanding unified license for all telecom operators, Secretary of the Association of Mobile Telecom Operators of Bangladesh (AMTOB) said.
- Telecom operators will still have secure prior permission for launching any services beyond 4G, and operators will

need to renew their spectrum licenses separately. They also remain subject to coverage requirements under the former LTE licenses. The BRTC expects the initial operating licenses will be valid until February 2033. The licenses will carry an annual fee of BDT 100 million plus a 5.5% share of annual gross revenue in addition to the spectrum fees. Operators must pay 1.0% of revenue to the Social Obligation Fund. The licensee will have to deposit BDT 1.5 billion as performance bank guarantee as a precondition for the license.

<http://today.thefinancialexpress.com.bd/first-page/no-more-separate-licences-for-telcos-1566842867>  
<https://www.thedailystar.net/business/news/2g-3g-4g-services-be-under-one-licence-1791166>  
<https://www.newagebd.net/article/82626/telcos-multiple-licences-to-be-replaced-with-one>

### More incentives for leather exporters

- The government yesterday approved a new policy for the leather sector incorporating 17 types of incentives to boost the sector's export earnings to USD 5 billion by 2024. New incentives have been included to attract more investment from home and abroad for the second highest export earning sector, Cabinet Secretary told journalists after the meeting. Investors in the leather sector who will adopt green technology in factories will be provided with low-cost loans, he said. Even cash incentive will also be given if they set up environment-friendly industries, he added.

<https://www.thedailystar.net/business/news/more-incentives-leather-exporters-1791172>

### Leather sector's woes not ending soon

- Absence of a fully functional central effluent treatment plant (CETP) and solid waste management at Savar Tannery Industrial Estate has been costing Bangladesh's leather and leather goods exporters heavily. Currently, Bangladeshi exporters do not have any choice but to sell their goods at rates 30% lower than the global prices for non-compliance, industry insiders said. Leather goods exporters do not get higher prices of their products unless the Leather Working Group (LWG), the global compliance audit organization, certifies companies that they are compliant. Since Bangladesh can't comply with the conditions of the LWG, the local leather and leather goods exporters have to sell at much lower prices to buyers from China, who are not too fussed about compliance.

- Major global compliant brands stopped buying leather and leather goods from Bangladesh a few years ago because of their environmental pollution. So the government has shifted the tanneries from Hazaribagh to Savar. Earlier in 2012, the government had floated a tender for construction of a CETP and a Chinese company that won the bidding started the works in 2014 for completion by 2017. But the job is not done yet. The delay was because of a dispute between the Chinese company and local contractors, said the project director of the Savar Tannery Industrial Estate. The tanners also need to lower water consumption to get the LWG certification, he added. Currently, the factories consume 66 tonnes of water to tan a tonne of rawhide, whereas the international standard is 25 tonnes.

- Bangladesh produces nearly 400 million square feet of rawhide, of which the local leather and footwear companies consume 30 million square feet. Some leather goods and footwear companies import 2 million square feet high-quality leather to make exportable goods, according to industry insiders.

<https://www.thedailystar.net/business/news/leather-sectors-woes-not-ending-soon-1791220>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$53.98	+0.34	+0.63%
Crude Oil (Brent)*	\$59.03	+0.33	+0.56%
Gold Spot*	\$1,528.59	+1.28	+0.08%
DSEX	5,165.77	-57.96	-1.11%
Dow Jones Industrial Average	25,898.83	+269.93	+1.05%
FTSE 100	7,094.98	-33.20	-0.47%
Nikkei 225	20,509.33	+248.29	+1.23%

### Exchange Rates

USD 1 = BDT 84.61\*  
 GBP 1 = BDT 103.33\*  
 EUR 1 = BDT 93.94\*  
 INR 1 = BDT 1.18\*

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

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