

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.

Volume of non-performing loans (NPLs) in state-owned banks (SoBs) shrinks in Q2: Finance Minister

- The volume of non-performing loans (NPLs) in the state-owned banks (SoBs) declined in the second quarter of the calendar year 2019, finance minister said quoting provisional figures. According to the minister, the volume of NPL in Sonali Bank came down to 25.5% in April-June compared to 29.35% in March. In Janata Bank, the NPL declined to 35% in June from 43.97% in March while in Agrani Bank the NPL went down to 14.5% in June against 16.65% in March. The NPL in Rupali Bank fell to 17% in June from 18.15% in March and in Bangladesh Krishi Bank, the NPL declined to 17% in June compared to 18.46% in March.
- The minister said the interest rate of bank loans will be brought down to a single-digit in line with declaration made by the Prime Minister. He said in Bangladesh the interest rate is not calculated in simple method rather in compound method. Due to compounding calculation the rate goes up, he said. The minister said the interest should be calculated in simple method.

<http://today.thefinancialexpress.com.bd/first-page/volume-of-npl-in-sobs-shrinks-in-q2-1563816681>
<https://www.thedailystar.net/business/banking/news/npl-state-banks-didnt-rise-kamal-1775569>
<https://www.dhakatribune.com/business/banks/2019/07/22/mustafa-kamal-reiterates-single-digit-lending-rate>
<http://www.newagebd.net/article/79378/sobs-bad-loan-falling-said-mustafa-kamal>

Bangladesh Bank (BB) asks banks to monitor BDT 1.0 billion classified loan A/Cs

- The Bangladesh Bank (BB) has asked the scheduled banks to reduce their volume of classified loans through strengthening monitoring of such loan accounts amounting to BDT 1.0 billion and above. Under the latest measure, all the banks will have to form special monitoring cell, headed by the deputy managing director (DMD) concerned, to monitor the loan accounts amounting to BDT 1.0 billion and above, according to a notification, issued by the BB on Monday.
- The special monitoring cell will have to submit 'quarterly statement of classified loans amounting BDT 1.0 billion and above' to the board concerned, mentioning progress of recovering such loans. The central bank also included a prescribed format of the quarterly statement with the notification. Both the management and the board of a bank will be responsible for recovering such loans through due implementation of the notification, according to the BB official.
- The volume of non-performing loans (NPLs) soared by more than 18% to BDT 1,108.73 billion in the first quarter (January-March) of the current calendar year from BDT 939.11 billion in the previous quarter, the BB data showed.

<http://today.thefinancialexpress.com.bd/last-page/bb-asks-banks-to-monitor-BDT-10b-classified-loan-acs-1563817226>
<https://www.thedailystar.net/business/banking/news/form-cells-monitor-large-default-loans-1775551>
<http://www.newagebd.net/article/79330/banks-asked-to-form-cell-to-recover-BDT-100cr-plus-defaulted-loan>
<https://www.dhakatribune.com/business/banks/2019/07/22/bb-asks-banks-to-form-special-cell-to-monitor-top-defaulters>

No approval for GP, Robi to roll out packages

- The telecom regulator will not give any kind of approval to Grameenphone and Robi to roll out new package or service or import network equipment as it looks to pile pressure on the operators to clear their dues, according to a letter issued yesterday. Grameenphone has BDT 125.8 billion pending and Robi BDT 8.67 billion as per an audit of the Bangladesh Telecommunication Regulatory Commission (BTRC). But the two operators, which are coincidentally the top two players in the market, have turned a deaf ear to the commission's repeated claims. So to crank up the pressure, the BTRC on July 4 slashed Grameenphone's bandwidth by 30% and Robi's by 15% for non-payment of the dues -- enough to slow down their internet speed and raise the call drop frequency. But the block on bandwidth was lifted on July 17 considering the inconvenience it was causing to subscribers.
- Now the commission has come up with a new manner to penalize the two operators. As per yesterday's letter to the two operators, all the no-objection certificates (NOC) taken from the regulator thus far have become invalid. They cannot open any letters of credit or import any equipment and software against the documents. And if the operators have already imported any equipment the customs authority will have to take permission from the telecom regulator before releasing them.
- Grameenphone in a statement yesterday said they have received the letter and is it is now under their assessment. However, we are concerned over the BTRC decision to withhold NOCs. We still believe that the best way to resolve

our differences is through dialogue and arbitration, it added. The chief corporate and regulatory officer at Robi, said stopping the issuance of NOC as a replacement for the reduction of bandwidth will only increase the sufferings for the customers. Stopping NOC will lead to seizure on ongoing investment. As a result, network expansion, and all other planned activities to improve the quality of service will also come to a halt.

<https://www.thedailystar.net/business/telecom/news/no-approval-gp-robi-roll-out-packages-1775563>
<http://www.newagebd.net/article/79329/btrc-halts-noc-issuance-to-gp-robi-over-unpaid-audit-claims>

Dhaka Stock Exchange (DSE) approves Coppertech listing

- The country's premier bourse has approved the proposal for listing of the much-talked-about Coppertech Industries, subject to the regulatory 'waiver' of a rule regarding the timeframe for the listing of a company. The DSE has also urged the securities regulator to exempt the company from the section 5(3) of the listing regulations, as the stipulated timeframe for its listing has already expired. According to the section 5(3) of the listing regulations, the stock exchange shall complete the listing procedures within a maximum period of 30 working days from the date of closure of subscription list. Accordingly, the deadline for listing of Coppertech Industries expired on June 23 last. The approval for the listing proposal was delayed, as the company got mired in some 'controversies' over its financial statement.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-approves-coppertech-listing-1563811669>
<http://www.newagebd.net/article/79332/dse-board-decides-to-list-coppertech-ignoring-its-anomalies>
<https://www.dhakatribune.com/business/stock/2019/07/22/dse-gives-go-ahead-for-coppertech-listing>

Exporters get a boost

- Exporters will now be able to issue the certificate of origin to enjoy the generalized system of preferences (GSP) facility in the European Union, instead of relying on the Export Promotion Bureau (EPB) for the document. This will save time and cut cost for exporters, said Commerce Minister, according to a statement. This will allow exporters to enjoy the GSP benefit quickly after sending a shipment. The minister said exporters would be able to issue the certificate because of the introduction of the registered exporter system (the Rex system).

- He handed over the Rex number to 10 exporters at the programme. About 6,000 exporters will receive the Rex number gradually, the statement said. The transition period from the current system of origin certification to the Rex system started for Bangladesh on January 1 this year and will last until December 31 this year, according to the European Commission website. Exporters will have to apply to become registered exporters by filling in an application form and by returning it to the EPB.

- According to the commerce ministry statement, the new system was introduced in line with the rules of the World Trade Organization. Local exporters have long been demanding the introduction of the Rex system. Under the new system, exporters will bear all the responsibilities for the exports, while the EPB will supervise it.

<https://www.thedailystar.net/business/export/news/exporters-get-boost-1775566>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.22	+0.59	+1.06%
Crude Oil (Brent)*	\$63.32	+0.06	+0.09%
Gold Spot*	\$1,417.71	-7.17	-0.50%
DSEX	4966.44	-67.31	-1.34%
Dow Jones Industrial Average	27,171.90	+17.70	+0.07%
FTSE 100	7,514.93	+6.23	+0.08%
Nikkei 225	21,637.85	+221.06	+1.03%

Exchange Rates

USD 1 = BDT 84.60*
 GBP 1 = BDT 105.39*
 EUR 1 = BDT 94.70*
 INR 1 = BDT 1.23*

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

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