

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.

Telenor, Axiata talk merger

- Norway's Telenor and Malaysia's Axiata, the parent companies of Bangladesh's top two mobile operators, yesterday announced that they were in talks to combine their Asian operations. If the merger becomes successful, they will create a company with 300 million customers in nine countries, sales of about USD 13 billion and earnings of about USD 5.5 billion.
- Anticipating resistance from the telecom watchdog, Robi, Axiata's subsidiary in Bangladesh that it co-owns with Bharti Airtel and NTT Docomo, was not offered as part of the deal. Both Grameenphone and Robi will continue their business in Bangladesh separately. Mobile infrastructure provider edotco Bangladesh, in which Axiata Group has 70% stakes, is part of the arrangement though, meaning there can be potential gains for Grameenphone, which is 55.8% owned by Telenor at present. In the merged company, Telenor will hold 56.5% stakes and Axiata the remaining 43.5%.

<http://today.thefinancialexpress.com.bd/trade-market/telenor-axiata-enter-talks-to-merge-asian-businesses-1557165549>

<https://www.thedailystar.net/business/news/telenor-axiata-talk-merger-1739917>

<http://www.newagebd.net/article/71650/parent-cos-of-gp-robi-in-merger-talks>

API raw material imports to get VAT waiver until 2025

- The National Board of Revenue (NBR) has exempted the import of raw materials for production of Active Pharmaceutical Ingredients (API) from VAT payment until December 2025. In an order issued Sunday, the VAT wing of the revenue board waived 15% consumption tax on the import of API raw materials and reagents. However, the wing tagged a set of conditions for the pharmaceutical companies intending to avail of the benefit.
- For example, the manufacturing companies will have to be registered in Bangladesh and have to prepare at least five new molecules every calendar year. The drug makers will have to add at least 60% value to the imported products. The companies will have to maintain standards including the current good manufacturing practice, quality audit and conducting source inspection every year. The manufacturers will have to spend at least 1.0% of its annual turnover on research and development purpose on a mandatory basis. It will have to expand its alliance with academic and research organisations every year.
- The details of the required raw materials, including names, description, volume, HS code will need approval from the drug administration directorate before import. The detailed list and its certification letter will have to be furnished before the customs authority at the time of assessment. The companies, willing to avail the facility, will have to submit application to the NBR, give an undertaking on the judicial stamp that it would comply with all the conditions. A VAT official said currently only one company, Active Fine Chemical, imports the raw materials for drug making and laboratory reagents, but many are willing to invest in this sector.

<http://today.thefinancialexpress.com.bd/first-page/api-raw-material-imports-to-get-vat-waiver-until-2025-1557162294>

<https://www.thedailystar.net/business/news/vat-waiver-pharma-raw-materials-till-2025-1739899>

<http://www.newagebd.net/article/71653/pharma-ingredient-makers-get-vat-exemption>

India wants to invest in LNG, power sectors

- India has shown interest to invest in the liquefied natural gas (LNG), power and other potential sectors in Bangladesh. At the meeting, the Indian envoy said connectivity between Bangladesh and India has expanded, especially in rail and road sectors, in recent years. At the program, the BD Finance Minister said that informed the envoy that the Bangladesh government has been setting up 100 economic zones across the country to attract foreign investments and promote local businesses as well. He also invited increased Indian investments to Bangladesh.

<http://today.thefinancialexpress.com.bd/last-page/india-wants-to-invest-in-lng-power-sectors-1557163066>

Revenue collection from Dhaka Stock Exchange (DSE) thrives 84% in April

- The government's tax collection from the prime bourse jumped 84% month-on-month in April riding on shares sales by sponsor-directors and placement holders. Market analysts said that higher shares sale by sponsor-directors and placement holders in April kept the government earnings afloat despite trading activities fell sharply. According to statistics available with the Dhaka Stock Exchange (DSE), the sponsor-directors and placement holders sold shares worth BDT 7.26 billion during the month under review.

• The government collected revenue worth nearly BDT 433 million in April which was BDT 235 million in March, 2019, registering an increase of 84% month-on-month, the DSE data shows. Of the total earnings in April, BDT 363 million came from share sales by sponsor-directors and placement holders. A leading broker said it was the highest earnings from the sponsor-directors and placement holders share sale in recent months. The daily average turnover on the DSE came down to BDT 3.49 billion in April, which was BDT 4.84 billion in March, 2019, the DSE data shows.

<http://today.thefinancialexpress.com.bd/stock-corporate/revenue-collection-from-dse-thrives-84pc-in-april-1557164414>

Plan to woo corporate entities to float bonds

• Country's corporate entities will be encouraged to raise capital through issuing bonds for long-term investment instead of bank borrowing. The tripartite committee will also urge the authorities concerned for taking effective measures to reduce the cost for issuing bonds. The committee will also request the Dhaka Stock Exchange authorities to set up a separate platform for fixed income securities, according to the committee member.

<http://today.thefinancialexpress.com.bd/first-page/plan-to-woo-corporate-entities-to-float-bonds-1557162351>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$62.26	+0.01	+0.02%
Crude Oil (Brent)*	\$71.16	-0.08	-0.11%
Gold Spot*	\$1,282.78	+1.68	+0.13%
DSEX	5,342.08	-52.82	-0.98%
Dow Jones Industrial Average	26,438.48	-66.47	-0.25%
FTSE 100	7,380.64	+29.33	+0.40%
Nikkei 225	22,087.37	-171.36	-0.77%

Exchange Rates

USD 1 = BDT 84.39*
 GBP 1 = BDT 110.69*
 EUR 1 = BDT 94.56*
 INR 1 = BDT 1.22*

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

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