

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.

Export target set at USD 54 billion

- The government has targeted USD 45.50-billion earnings from merchandise exports in fiscal year (FY) 2019-20, projecting 12.25% growth over that of the last fiscal. It has also set an additional USD 8.50 billion in earnings from service exports, raising the total aggregate target to USD 54 billion. Commerce ministry has targeted 34.10% growth in service export earnings for the current fiscal. More than 84% or USD 38.20 billion of the targeted export earnings is expected to come from the ready-made garment (RMG) sector.
- Bangladesh fetched USD 40.35 billion from merchandise shipments in FY 2018-19, recording 10.55-per cent growth over that of the previous fiscal. The earnings from service sector have been projected at USD 6.33 billion which would be 46.06% higher than that of USD 4.33 billion in FY 2017-18. The government has projected 11.91-per cent growth for RMG sector for this fiscal. The export target in the garment sector has been fixed at USD 38.20 billion, up from the last fiscal's achievement of USD 34.13 billion.

<http://today.thefinancialexpress.com.bd/first-page/export-target-set-at-54b-1565201417>
<https://www.thedailystar.net/business/news/govt-sets-export-target-54b-1783357>
<http://www.newagebd.net/article/81020/government-sets-455b-goods-export-target-for-fy20>

Government's net borrowing rises 7.0% in FY '19

- The government's net borrowing through savings tools was 7.0% more in financial year 2018-19 compared to that of the previous fiscal year (FY). The net sales of savings tools in the July-June period amounted to BDT 499.39 billion, up from BDT 465.30 billion in the same period of FY 2017-18. The net sales of savings schemes are almost double the government's original target of BDT 261.97 billion in the last fiscal. Later, the government had lifted the target to BDT 450 billion for the last FY. The higher borrowing also pushed up the government's payment of profit by almost a quarter.
- The government spent BDT 248.96 billion on payment of profit on account of savings tools in the FY 2018-19, up from BDT 200.01 billion in FY 2017-18. With the sales of savings tools picking up, the government has set a target for its net borrowing from the instruments to BDT 270 billion for FY 2019-20. The sales of savings schemes have increased in recent years due to the higher yield rates compared to interest offered to bank clients investing in time deposit and poor-performing stock market. But officials said that the sales of instruments might fall in the current financial year due to a hike in source tax on yield gains.
- The National Board of Revenue (NBR) has increased source tax on the gains to 10% from 5.0-per cent on all types of state-run savings certificates in the current fiscal year. But the savers will get 5.0% rebate from source tax on their first BDT 500,000 of savings certificates. Besides, in case of purchasing pensioners' savings certificates, savers will get the full exemption from source tax on their first BDT 500,000. The government sells four types of savings certificates with yield rates up to 11.76%. It also sells different types of bonds to resident as well as non-resident Bangladeshis. An estimated 20 million people have investment in savings schemes.

<http://today.thefinancialexpress.com.bd/first-page/govts-net-borrowing-rises-70pc-in-fy-19-1565201468>

Government raises gas price for IOCs in new PSC

- The international oil companies (IOCs) will get higher price for natural gas in the next bidding round, as the government has adopted the model production sharing contract (PSC) 2019 to lure them. The state-run Petrobangla has raised natural gas price for both shallow- and deep-water offshore blocks, while the price for onshore blocks has remained unchanged. Gas prices are pegged to high sulfur fuel oil (HSFO) prices in international market. For shallow- and deep-water offshore blocks the ceiling price for HSFO has been raised to USD 215 per tonne from the previous USD 200 per tonne, keeping the floor price unchanged at USD 100 per tonne compared to that of the previous model PSC of 2012.
- With these formulas the gas price for deep sea blocks stands at USD 7.25 per Mcf (1,000 cubic feet) in line with the current international market price with a hike by 11.53% from the previous price of USD 6.50 per Mcf. For shallow sea blocks, the gas price stands at USD 5.50 per Mcf in line with the current international market price with a hike by 9.09% from the previous USD 5.0 per Mcf. Bangladesh currently has a total of 31 open blocks to offer in the next bidding round, of which, nine are located in onshore areas, 14 located in deep sea, and eight in shallow sea.
- The upcoming bidding round is very important for us to ensure the country's future energy security, said Petrobangla Chairman. If any natural gas reserve is discovered, we will go for prompt production to ease the growing dependency

on imported liquefied natural gas (LNG) to meet domestic demand, he added. The country's overall natural gas output is around 3,180 mcmfd, including the re-gasified LNG. One of the Professors of Bangladesh University of Engineering and Technology (BUET) said that the price, as set by Petrobangla under the model PSC, includes 'risk premium', because the country does not have any seismic data on most of the fields.

<http://today.thefinancialexpress.com.bd/last-page/govt-raises-gas-price-for-iocs-in-new-psc-1565201603>

Huawei seeks to set up innovation centre in Bangladesh

- Chinese telecommunication company Huawei has expressed its interest to establish a world-class innovation centre in Bangladesh. The technology company also wants to increase its investment in various sectors of Bangladesh such as big data analysis, advance computing, cyber security analysis and fifth generation (5G) telecommunication network. Lauding the investment climate in Bangladesh, the Huawei officials said that the company is interested to increase its investment in Bangladesh by the next year under a new scheme. In response, executive chairman of Bangladesh Investment Development Authority (BIDA) said that BIDA would provide all kinds of supports to Huawei for establishing the innovation centre.

<http://today.thefinancialexpress.com.bd/print/huawei-seeks-to-set-up-innovation-centre-in-bd-1565199999>

BTRC moves to stop renewing Grameenphone, Robi's existing packages

- The Bangladesh Telecommunication Regulatory Commission has initiated a move to stop renewing the existing voice and data packages of Grameenphone and Robi, supplementing its recent measure to halt approval for any new package. The commission took the measures as part of its move to recover BDT 134.47 billion in audit claim from the two operators. To this end, the telecom regulator sent a proposal to the posts and telecommunications ministry for approval, a senior BTRC official said. Once the proposal is approved by the ministry, the commission would implement the decision, he said.

- At present, GP has approval for running around 40 voice and data packages excluding promotional offers while the other operator, Robi, has approval for operating over 100 packages and offers for the customers. Usually the BTRC approves packages for one year and then the operators are allowed running such packages for more than one year subject to intimation to the commission. BTRC chairman on a number of occasions said that there was no scope in the telecom rules to follow arbitration in resolving the dispute. A Robi statement issued by its chief corporate and regulatory officer said that the current blockade of NOC had devastating impact on the telecom business as well as on the telecom ecosystem.

<http://www.newagebd.net/article/81018/btrc-moves-to-stop-renewing-grameenphone-robis-existing-packages>

Higher demand for cash pushes up call money rates

- The call money market is experiencing a moderate rise in demand for cash ahead of Eid-ul-Azha, pushing up the interest rates in the last couple of days. The Debt Management Department of Bangladesh Bank recorded a 4.56% weighted average interest rate yesterday. Highest rate of interest on lending stood at 5% while the lowest at 4.25%. Before the Eid bonanza, the call money rate hovered around 3% to 3.5%. Financially sound banks lent a total of BDT 64.34 billion on Wednesday and slightly above BDT 70 billion the previous day, according to statistics of the Debt Management Department.

- In the banking system, call money is an overnight borrowing facility. Borrowing here takes places in a single-day notice. Such borrowing may be renewed every following day with competitive interest rate based on lender-borrower relations, he elaborates. Banks and NBFIs borrow on call from money market to meet short-term cash requirements. Beside the money market, banks can also borrow from the central bank under repo facility to meet emergency cash requirement. However, NBFIs largely depend on call money market as they are not eligible for repo facility.

<https://www.dhakatribune.com/business/economy/2019/08/07/higher-demand-for-cash-pushes-up-call-money-rates>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$52.60	+1.51	+2.96%
Crude Oil (Brent)*	\$57.75	+1.52	+2.70%
Gold Spot*	\$1,499.49	-1.67	-0.11%
DSEX	5,187.20	-0.09%	-0.00%
Dow Jones Industrial Average	26,007.07	-22.45	-0.09%
FTSE 100	7,198.70	+27.01	+0.38%
Nikkei 225	20,636.72	+120.16	+0.59%

Exchange Rates

USD 1 = BDT 84.31*
GBP 1 = BDT 102.60*
EUR 1 = BDT 94.52*
INR 1 = BDT 1.19*

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

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