

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.

Bangladesh Bank announces guidelines on cash incentive for exporters against 9 new products

- Bangladesh Bank on Tuesday announced guidelines for the scheduled banks on payment of cash incentives to their clients against their export of nine new products selected by the government in September this year.
- Exporters of nine new products including pharmaceuticals, photovoltaic modules, motorcycles, chemical products, razors and razor blades, ceramic products, caps, crabs, mud eels and galvanised sheets/coils would get 10% cash incentive against the net freight on board prices in the financial year of 2018-19, Bangladesh Bank said in a circular issued on the day.
- With the nine new products, exporters are now getting cash incentive against the export of 35 products for the current fiscal year of 2018-19.
- Bangladesh Bank said that for getting cash incentive the local value addition of the products would have to be minimum 30% and the export of the products from the manufacturing units established in the special economic zones would not be entitled for the benefit.

<http://www.newagebd.net/article/58659/bb-announces-guidelines-on-cash-incentive-for-exporters-against-9-new-products>

Bangladesh Bank orders more paperwork

- The central bank has asked its officials concerned to place the proposals with more required documents again in the next meeting for reconsideration of approval of three new banks.
- The board, however, expressed satisfaction over the documents submitted by the proposed Bengal Commercial Bank Limited, according to the official.
- It asked the officials concerned to place a proposal for issuing a letter of intent (LoI) for the proposed Bengal Bank.
- The officials have also been asked to submit more required documents of two other proposed banks--Peoples and Citizen--in the next meeting for approval.
- Currently, there are 58 banks in Bangladesh. Of them, 40 are local private banks, nine foreign banks and nine state-owned banks.

<http://today.thefinancialexpress.com.bd/first-page/bb-orders-more-paperwork-1544552914>
<https://www.dhakatribune.com/business/banks/2018/12/11/new-bank-on-the-horizon>

New players edging Bangladesh out of RMG race in US market

- Capitalizing on the ongoing US-China trade war, in a short span of time, Bangladesh's competitors are rapidly taking over a greater share of the US RMG market.
- Vietnam is bagging the most benefits as it has expanded its range of apparel products, an avenue abandoned by China due to tariff hikes, which eventually weighed on their competitiveness.
- On the other hand, India experienced lower growth by 3.84% to USD 3 billion, and Mexico witnessed negative growth by 2.77% to USD 2.60 billion, which was USD 2.66 billion in the previous fiscal year. Indonesia saw negative growth by 2.29% to USD 3.40 billion this year.
- "Import orders, especially RMG, from many US buyers are diverting away from Bangladesh and shifting more to Vietnam, Cambodia, or even Myanmar," read a study titled "Trade War and Its Implications for Bangladesh."
- Explaining Bangladesh's performance in tapping the opportunity deriving from the trade war, economists and industry insiders blamed lack of product diversification, absence of value addition and inadequacy of ports, which cause longer lead time.

<https://www.dhakatribune.com/business/2018/12/12/new-players-edging-bd-out-of-rmg-race-in-us-market>

Government gives conditional nod due to unpaid tax

- The government has allowed Dhaka Tobacco Industries (DTI), an enterprise of Akij Group, to give bank guarantee involving outstanding tax worth BDT 6.13 billion on behalf of United Dhaka Tobacco Company (UDTC) before Japan Tobacco International (JTI) completes acquisition of UDTC.
- Earlier, on December 2, finance minister opposed acquiring UDTC by JTI before settling payment of the outstanding tax of DTI. Later, he agreed to allow DTI to give bank guarantee as per proposal of NBR, the officials added.
- According to the conditions, UDTC will have to appoint DTI as its authorised representative to give bank guarantee on its behalf to complete the transfer process.
- UDTC will also have to give undertaking and to complete other legal formalities regarding appointment of the authorised representative and settling relevant issues.

<http://www.newagebd.net/article/58657/govt-gives-conditional-nod-due-to-unpaid-tax>

Tax waiver widens for firms in hi-tech park

- Firms making goods and providing services from hi-tech parks will not have to pay income tax in the first seven years of their operations, up from three years previously. After that 70% of the tax will be waived in the next three years, said the National Board of Revenue (NBR) in an order on December 4.
- The tax collector first started offering the waiver to the parks' developers and investors three years ago in an effort to promote investment and youth employment in the country. The waiver was then to decline by 10% points on each of the subsequent years till the 10th year, when the amount waived comes to stand at 20%.
- The operation of the biggest park, Bangabandhu Hi-Tech City at Kaliakair in Gazipur, is likely to begin by 2020.
- Recently, the BHTPA allotted plots to nine firms at Bangabandhu Hi-Tech City to manufacture hi-tech products. These firms have proposed to invest a total of USD 181 million in the park.

<https://www.thedailystar.net/business/news/tax-waiver-widens-firms-hi-tech-park-1672336>

Bangladesh Securities Exchange Commission (BSEC) directs Pacific Denims to refund above BDT 209 million

- The securities regulator has ordered Pacific Denims to refund IPO fund above BDT 209.80 million, which was 'misused' in the name of constructing building, into the company account.
- After taking required measures for refunding the IPO fund, the company's managing director will have to submit evidence in this regard to the commission within January 31, 2019.
- Earlier, the securities regulator had appointed auditor to examine the utilization of the IPO fund raised by the Pacific Denims. As per the auditor's findings, the company did not repay bank loans within stipulated timeframe mentioned in the IPO prospectus.
- "The company spent above BDT 5.91 million in violation of the agreement letter," the BSEC said referring to auditor's findings.
- "A portion of IPO fund worth above BDT 209.80 million was misused and the company showed this expense in the head of building construction," the BSEC said.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-directs-pacific-denims-to-refund-above-BDT-209-million-1544549215>

<https://www.dhakatribune.com/business/stock/2018/12/12/ipo-proceeds-pacific-denims-directors-md-fined-for-misappropriating-BDT20-98cr>

<http://www.newagebd.net/article/58658/pdl-directors-fined-BDT-3-lakh-each-for-ipo-fund-misuse>

RAK suspends production of a tiles plant

- RAK Ceramics (Bangladesh) has suspended production of a tiles plant, out of four, due to the maintenance work of the machinery of tiles production plant.
- The UAE-Bangladesh joint venture company stopped production of number-1 tiles plant for 46 days starting from Tuesday to January 25, 2019, according to a web news posted on the Dhaka Stock Exchange (DSE) on Tuesday.
- Each share of the company, which was listed on the Dhaka bourse in 2010, closed at BDT 38.30 on Tuesday, losing

2.05 %.

- The company's consolidated earnings per share (EPS) stood at BDT 0.55 for July-September 2018 as against BDT 0.69 for July-September 2017. In nine months for January-September 2018, its EPS was BDT 1.54 against BDT 1.95 for January-September 2017.

- Currently, the company's annual production capacities are 11.68 million square meters of tiles and 1.45 million pieces of sanitary ware, according to its website.

<http://today.thefinancialexpress.com.bd/stock-corporate/rak-suspends-production-of-a-tiles-plant-1544549313>

Easter Bank Limited (EBL) to issue BDT 5.00 billion bonds

- The Bangladesh Securities and Exchange Commission has allowed Eastern Bank Ltd to raise BDT 5.00 billion by issuing floating non-convertible subordinated bonds.

- The bonds will have a maturity period of seven years and a face value of BDT 10 million per unit. EBL will use the proceeds to strengthen capital base.

<https://www.thedailystar.net/business/news/eb1-issue-BDT-500cr-bonds-1672327>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$52.24	+0.59	+1.14%
Crude Oil (Brent)*	\$60.84	+0.64	+1.06%
Gold Spot*	\$1,244.95	+1.70	+0.14%
DSEX	5275.76	-19.94	-0.38%
Dow Jones Industrial Average	24,370.24	-53.02	-0.22%
FTSE 100	6,806.94	+85.40	+1.27%
Nikkei 225	21,573.69	+425.67	+2.01%

Exchange Rates

USD 1 = BDT 83.61*

GBP 1 = BDT 106.57*

EUR 1 = BDT 95.57*

INR 1 = BDT 1.17*

*Currencies and Commodities are taken from Bloomberg.

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