

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.

Rising buyer's credit puts pressure on reserves, exchange rate

- Importers' appetite for buyer's credit from overseas sources shot up last year, in an ominous development for the country's foreign currency reserves and the exchange rate. Buyer's credit is a loan facility extended to an importer by a bank or financial institution to finance the purchase of capital goods or services and other big ticket items.
- The interest rate on buyer's credit from foreign sources, which the Bangladesh Bank allowed for importers in 2008, tends to be 6% in contrast to 9 to 10% from local banks and financial institutions.
- At the end of 2018, total outstanding buyer's credit from foreign sources stood at USD 10.16 billion, up 29.92% year-on-year.
- The uptick in foreign currency buyer's credit gives a boost to the private sector and the reserves, but the euphoria is short-lived: the loans must be paid in a year's time.

<https://www.thedailystar.net/business/news/rising-buyers-credit-puts-pressure-reserves-exchange-rate-1706518>

Internal Resources Division (IRD) secretary hints at reducing savings tools interest rate

- National Board of Revenue chairman and Internal Resources Division senior secretary said the government was considering reducing the interest rates of state-owned savings certificates.
- The government had formed a committee to analyse all issues including interests for small savers. If the interest rate was reduced, it would be higher than that of banks as the government will consider the small savers' benefits, according to his statement.
- But, he said, it was not possible to say at this moment whether the rate would be changed this year or not.

<http://www.newagebd.net/article/65614/ird-secy-hints-at-reducing-savings-tools-interest-rate>

Banks' CSR spending soars despite lower profits

- Banks' spending on corporate social responsibility shot up last year, even overshooting the regulatory ceiling -- at a time when they logged in lower profits for higher provisioning needs from the mounting default loans.
- In 2018, banks spent a total of BDT 9.04 billion, up 21% year-on-year, according to data from the Bangladesh Bank.
- As per the CSR expenditure guideline of the BB, banks can spend for philanthropic purposes from their net profits and there is no limit on expenditure. The expenditure will be participatory and not mandatory. But, they cannot spend more than: 30% of their CSR outlay on the education sector, 20% on the health sector, and 10% for climate risk or disaster management.
- Banks breached the ceilings last year: they spent BDT 3.80 billion on the education sector and BDT 3.31 billion on disaster management, which are 42% and 36.62% respectively of the total CSR expenditure.

<https://www.thedailystar.net/business/banking/news/banks-csr-spending-soars-despite-lower-profits-1705639>

Government to cut 15% project aid

- The government is set to cut development project aid by 15% to BDT 510 billion for lower-than-expected utilisation of the same in the first half of the current fiscal year (FY).
- Economic Relations Division (ERD) officials said they recommended slashing some BDT 90 billion in the revised annual development programme (RADP) from the current BDT 600 billion project aid allocation.
- The government framed a BDT 1.73-trillion ADP for FY '19, providing BDT 600 billion project aid. In the development programme, project aid comes from different development partners as foreign aid to finance public-sector development work.
- Meanwhile, the lower development budget execution rate with project aid is ballooning the unutilised external resources. The unutilised foreign aid in the pipeline is now stands at more than USD 30 billion, ERD officials said.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-cut-15pc-project-aid-1550855103>

Bangladesh Telecom Regulatory Commission (BTRC)'s SMP conditions not to ensure competition

- Fresh regulatory conditions imposed by the telecom regulator on Grameenphone as a significant market power would not help ensure healthy competition in the telecommunication sector, the conditions rather would act as damaging factors for the mobile operator, GP officials said.
- GP officials also said that the commission, under the significant market regulations, was supposed to identify anti-competitive issues GP had been doing before slapping any condition to address the factors. The commission did not follow the procedure, they said.
- Mentioning the BTRC's condition that bars GP from making any sort of market communication as conflicting with the objective of SMP regulations, GP regulatory affairs head said that getting information regarding products and packages were the customers' rights.

<http://www.newagebd.net/article/65440/btrcs-smp-conditions-not-to-ensure-competition>

Selling shares of tower company helps Robi gain slim profit in '18

- Despite registering a loss of BDT 960 million in Q4'2018, Robi ended 2018 with a slim profit of BDT 2.15 billion due to the selling of its share in the tower company, said a statement.
- By the end of 2018, Robi's subscriber base stood at 46.9 million, representing 29.9% of the subscriber market share. Out of the total subscriber base of 46.9 million, 60.4% or 28.3 million subscribers are using data services.
- With revenue of 17.64 billion taka in fourth quarter of 2018 (Q4'2018), Robi ended 2018 with a total revenue of 67.98 billion taka. Compared to Q3'2018, the Q4'2018 revenue grew by 0.7% . However, from the perspective of Year-on-Year (Q4'2017 Vs Q4'2018) comparison, Robi's total revenue declined by 5.1% at the end of Q4'2018.
- Robi's voice revenue declined by 1.1% compared to Q3'2018. However, in light of YoY comparison, Q4'2018 voice revenue was 11% higher than Q4'2017. Spurred by the rapid expansion of the 4.5G network, Robi's data revenue grew by 14.9% , Year-on-Year (YoY); compared to Q3'2018, the data revenue in Q4'2018 grew by 6.9% .

<http://today.thefinancialexpress.com.bd/trade-market/selling-shares-of-tower-company-helps-robi-gain-slim-profit-in-18-1550849938>

<http://www.newagebd.net/article/65515/robi-makes-BDT -215cr-in-profits-in-2018>

S&P affirms 'BB-' long-term issuer credit rating on Banglalink

- S&P Global Ratings on Thursday affirmed its 'BB-' long-term issuer credit rating on Banglalink and the 'BB-' long-term issue rating on the Bangladesh-based telecom operator's USD 300 million senior unsecured notes.
- Banglalink could receive potential parent support through shareholder loans or via a proposed rights issue of USD 624.7 million by its immediate parent Global Telecom Holding S.A.E. (GTH). Pending shareholder's approval, Banglalink could use up to USD 300 million of the proceeds to meet its debt maturity.
- VEON (BB+/Stable/--) has adequate liquidity to support Banglalink backed by healthy available cash from the sale of its 50% stake in Wind Tre S.p.A. to CK Hutchinson Holdings Ltd. in September 2018 and an undrawn USD 1.7 billion revolving credit facility as on Sept. 30, 2018 according to their statement.

<http://today.thefinancialexpress.com.bd/trade-market/sp-affirms-bb-long-term-issuer-credit-rating-on-banglalink-1550849954>

Mirsarai will be the investment capital

- Mirsarai Industrial City, which spans over 30,000 acres in Mirsarai, Feni and Sitakunda, will be the country's future investment capital, said the chief of the Bangladesh Economic Zones Authority.
- The industrial city -- which comprises three economic zones of Mirsarai, Feni and Sitakunda -- is being built as part of the government's plan to put 100 economic zones in place for foreign and domestic entrepreneurs by 2030 and create 10 million jobs.
- BEZA expects USD 20 billion to USD 25 billion to flow in to the industrial city considering the proposals it has been receiving for the last two years.

- Adani Group of India, Wilmar of Singapore, Kunming Iron and Steel Group and Jindun Group of China, Sumitomo Corporation and Mitsui & Co. of Japan, SK Group of South Korea and local giants Summit, Bashundhara, ACI, PHP Family, BSRM and some other have booked their plots at Mirsarai.

<https://www.thedailystar.net/business/news/mirsarai-will-be-the-investment-capital-1705669>

Singer launches free AC cleaning service campaign

- Singer Bangladesh is set to launch a campaign to offer free cleaning service for all existing Singer-branded air conditioners. Customers need to visit their nearest Singer Mega or Singer Plus shop and register on February 21-28 to avail the service.

- The company's service technicians will conduct the free servicing for the registered customers throughout March. Last year, around 25,000 customers got registered and availed the offer. Singer hopes that it would receive similar response this year as well, the statement added.

<https://www.thedailystar.net/business/news/singer-launches-free-ac-cleaning-service-campaign-1705609>

Local cement makers edge out global giants

- Local cement manufacturers have comfortably pummeled their foreign counterparts in their scrap for market share in the past seven years -- in a testament of their nous and industriousness.

- By 2018 local cement manufacturers had cornered 86% of the market, a reversal in scenario from 15 years earlier, when the multinational companies ruled the roost, according to data from the Bangladesh Cement Manufacturers Association.

- Local Abul Khair Group's Shah Cement has the most market share, followed by Bashundhara Group and Meghna Group.

- Local brands' cement are sold for BDT 395 to BDT 420 a bag. In contrast, each bag of cement of the multinational brands' cost BDT 418 to BDT 450. The country's total cement production capacity at present is around 60 million tonnes against the consumption of 32 million tonnes, meaning there is room for exports.

<https://www.thedailystar.net/business/news/local-cement-makers-edge-out-global-giants-1705267>

Local, JV companies may get Bangladesh Securities Exchange Commission (BSEC) waiver like foreign companies

- Prime Minister's Office has asked Bangladesh Securities Exchange Commission to exempt both local and local-foreign joint venture private limited companies, like foreign ones, from taking permission from the commission for raising their paid up capital up to BDT 1.00 billion.

- The commission has also been asked to inform the PMO after making an amendment to its relevant regulations although BSEC was reluctant to grant such benefits apprehending misuse.

- BSEC exempted fully foreign owned companies from taking the permission from the commission for hiking paid-up capital up to BDT 1.00 billion subject to submission of the encashment certificate of such capital and payment of applicable fees to the commission.

<http://www.newagebd.net/article/65623/local-jv-cos-may-get-bsec-waiver-like-foreign-cos>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.26	+0.30	+0.53%
Crude Oil (Brent)*	\$67.12	+0.05	+0.07%
Gold Spot*	\$1,329.40	+5.77	+0.44%
DSEX	5745.83	+9.91	+0.17%
Dow Jones Industrial Average	26,031.81	+181.18	+0.70%
FTSE 100	7,178.60	+11.21	+0.16%
Nikkei 225	21,425.51	-38.72	-0.18%

Exchange Rates

USD 1 = BDT 83.98*

GBP 1 = BDT 109.63*

EUR 1 = BDT 95.20*

INR 1 = BDT 1.18*

**Currencies and Commodities are taken from Bloomberg.*

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