

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.

Remittance rises by 18% in 2019

- Inward remittance grew by nearly 18% to a record USD 18.42 billion in the just-passed 2019 for a government effort to incentivize remitters. The figures jumped from USD 15.53 billion in 2018, according to the central bank's latest statistics. Financial incentive along with the depreciating mode of taka against dollar has helped boost the influx in the last calendar year, according to bankers.
- The remittance inflow was estimated at USD 1.69 billion in December last, up by nearly USD 132 million from that of the previous month. In November 2019, the amount stood at USD 1.55 billion. It was USD 1.18 billion in November 2018. We expect remittance flow to cross USD 20-billion mark by the end of current fiscal year (FY), 2019-20, Bangladesh Bank (BB) Executive Director told on Wednesday.
- The forex reserve rose to USD 32.75 billion on Wednesday from USD 32.57 billion on the previous working day.

<https://today.thefinancialexpress.com.bd/last-page/remittance-rises-by-18pc-in-2019-1577902109>
<https://www.dhakatribune.com/business/2020/01/01/remittance-up-by-25-in-july-december>
<https://www.thedailystar.net/business/news/remittance-soars-record-18b-1848346>

Private sector credit growth plummets below 10%

- The private sector credit growth dropped to a record low of 9.87% in November of this fiscal year 2019-2020 due mainly to the government's high borrowing from the banking system and poor business environment in the country. The situation reflects poor state of the banks' capacity to lend and subsequent slowdown in the country's economy. The private sector credit growth in November was far below than the Bangladesh Bank's projection of 14.8% growth in FY20.
- Businesses, bankers and economists said that the private sector growth was obstructed mainly by the high government borrowing and slowdown in economy amid stagnancy in tax collection, stiff fall in sales of national savings certificates, and fall in export and import. Policy Research Institute executive director and BRAC Bank chairman cautioned that the growth rate would fall further as banks were becoming weak gradually in the context of low deposit growth and high government borrowing. Banks' capacity to lend private sector would fall further if the government implement 6% deposit rate as the policy would result in deposit growth fall, he said. Although deposit in the banks increased a bit as people kept fund with banks instead of NSCs, the government took higher amount of funds from the banks than the amount diverted, he said.
- The government's net borrowing from the banking system reached BDT 471.39 billion in the first five months (July-November) of the current fiscal year against its projection of borrowing BDT 473.64 billion from the banking sector in the entire FY20. Former Dhaka Chamber of Commerce and Industry president said that many businesses were looking forward to implementation of a single-digit lending rate announced by the government. Implementation of the single-digit lending rate would help lower cost of business and thus improve competitiveness in international trade.

<https://www.newagebd.net/article/95290/pvt-sector-credit-growth-plummets-below-10pc>
<https://www.newagebd.net/article/95292/remittance-hits-record-1832b-in-2019>

Foreign aid rises by 9.0% in July-November

- Foreign aid commitment to Bangladesh dropped by 47% to USD2.6 billion in the first five months of the current fiscal year compared to that of the same period last fiscal, officials said on Monday. However, foreign aid went up by 9.0% to USD 1.62 billion during the July-November period of this fiscal year compared to that of the same period last fiscal, the Economic Relations Division (ERD) provisional data showed.
- According to the ERD, the Bangladesh government had signed USD2.6 billion worth of loan and grant deals with overseas development partners during this period for getting assistance for different development projects. During the same period last FY2019, multilateral and bilateral development partners made commitment of USD 3.83 billion worth of foreign aid.
- Meanwhile, development partners disbursed USD 1.63 billion worth of medium-and long-term (MLT) concessional aid during the July-November period of the current fiscal year. In the same period last FY2019, overseas development partners disbursed USD 1.49 billion worth of assistance, the official statistics showed. Out of the USD 1.63 billion aid during July-November this fiscal, development partners disbursed USD 1.54 billion worth of loans and USD 82.35 million in grants. Out of the USD 2.6 billion worth of aid commitment, development partners confirmed USD 2.41 billion worth of loans while the remaining USD 191.81 million as grants through signing different agreements.

- Meanwhile, the government has paid interest worth USD 163.06 million in the first five months of the current FY 2020 as the government's borrowing especially short-term hard loan increased over the years, ERD officials said. During the July-November period of the current fiscal, the government repaid USD 687.89 million interest and principal amount against outstanding external MLTs loans, according to the ERD. In the same period last FY2019, it repaid USD 524.83 million worth of interest and principal amount for outstanding loans.
- Development partners including World Bank, Asian Development Bank, JICA, UKAID, and Islamic Development Bank disbursed concessional assistance every year for the development of Bangladesh.
- The government has set an ambitious target for USD6.0 billion concessional foreign assistance disbursement and USD 8.47 billion commitment in the current FY2020.

<https://today.thefinancialexpress.com.bd/trade-market/foreign-aid-rises-by-90pc-in-jul-nov-1577891279>

Medium-term strategy: 'Revenue think-tank' to support formulation

- The government has decided to establish a 'revenue think-tank' to support its proposed medium-term revenue strategy (MTRS), aimed at increasing the tax-GDP ratio. The country's tax-GDP ratio -- around 10% -- is one of the lowest in this region. The think-tank will comprise experts, economists and business leaders who will assist the tax authorities in drafting the MTRS by putting forward their recommendations, officials said.
- Initially, the revenue board would prepare the MTRS and then a development plan for three years to implement the strategy, they added. The committee will work on devising different strategies to increase revenue collection, recommend measures and present its innovations. To frame the MTRS, a drafting committee comprising experts from both field-level tax offices and the NBR will also be constituted. The think-tank will hold at least 10 meetings to discuss and review the strategy, he added.

<https://today.thefinancialexpress.com.bd/first-page/revenue-think-tank-to-support-formulation-1577901466>

Banks' rural branches rise to 10,467

- Banks are fast expanding into rural areas to bring the yet unbanked people under financial inclusion to help economy grow, people in the banking system said. According to the data available with the central bank, both private and public banks have opened 10,467 branches countrywide as of November 2019. Of them, 5,069 were opened in rural areas and 5,398 in urban areas. The total number of branches was 8,685 as of December 2013, the data showed.
- The regulator earlier introduced a guideline to bring the yet-to-be-banked people under banking network. As per the policy, 50% of the bank branches opened in a calendar year must be in rural areas.
- Currently, more than 80% of the people are receiving banking services, a BB official said. Fifty-nine banks are now in operation in Bangladesh, including six state-owned, three scheduled, 41 private and nine foreign commercial banks, according to the BB.

<https://today.thefinancialexpress.com.bd/first-page/banks-rural-branches-rise-to-10467-1577901593>

DSE-Mobile app: Active users of digital application up 30%

- Share transactions through DSE-Mobile app continued to rise as the number of active users of this digital application rose 30% in the just concluded calendar year compared to previous year. The number of active users of the DSE mobile application rose to 51,199 on December 30, 2019, the last trading day in 2019. At the end of last trading day in 2018, the number of active mobile app users stood at 39,343. As a result, the DSE mobile app users rose 30% or 11,856 in 2019 from the previous year on the Dhaka Stock Exchange (DSE).
- The number of active BO accounts stood at above 2.58 million at the end of 2019. So, the number of investors using the DSE mobile app is only 2.0% of total active BO accounts.
- In 2019, the investors placed above 7.09 million orders through the DSE mobile app. Of those orders, 4.96 million orders were executed, according to information of the premier bourse DSE. In 2018, the investors placed above 5.87 million orders, of which 3.73 million orders were executed through DSE mobile app. The premier bourse DSE on March 9, 2016 launched the mobile-based share trading app.

<https://today.thefinancialexpress.com.bd/stock-corporate/active-users-of-digital-application-up-30pc-1577900448>

National Board of Revenue (NBR) exempts Summit floating, storage and re-gasification unit (FSRU) from VAT, duty

- The National Board of Revenue (NBR) has exempted Summit LNG Terminal Co (Pvt) Ltd from paying VAT and import duty for implementation of the floating, storage and re-gasification unit (FSRU) project, according to a special order. The FSRU, having a capacity to re-gasify 500 million cubic feet of gas per day (mcf), initiated commercial operation since April 29, 2019.

- Earlier, the NBR had exempted US-based Exceletrate Energy Bangladesh from paying similar VAT and taxes for implementation of a similar FSRU. Exceletrate Energy's LNG terminal initiated commercial operations in August 2018. Both the FSRUs re-gasified around 548 mmcf of LNG on December 29, 2019, which is around half of their total capacity to re-gasify of around 1,000 mmcf of gas.

<https://today.thefinancialexpress.com.bd/trade-market/nbr-exempts-summit-fsru-from-vat-duty-1577891369>

Bangladesh Economic Zones Authority (BEZA) awards license to Hosendi Economic Zone (EZ)

- Bangladesh Economic Zones Authority (BEZA) on Wednesday awarded license to Hosendi Economic Zone, a concern of City Group. Once completed, the proposed private economic zone (EZ) is expected to generate 15,000 direct and indirect employment as well as draw investments worth of USD 2.0 billion.

- According to the project master plan, entrepreneurs will establish different industrial units including salt, chemical, pre-fabricated building materials, cement, shipping, ceramic, light engineering, automobiles and paper mills.

- The statement also said that the BEZA is implementing 100 EZs on 30,000 hectares of land by 2030 to achieve the country's development goals through employment generations and attracting foreign direct investment (FDI). The government agency has so far given 20 pre-qualification licenses to establish private EZs. Of them, 10 EZs got the final licenses.

<https://today.thefinancialexpress.com.bd/trade-market/beza-awards-licence-to-hosendi-ez-1577891342>

<https://www.dhakatribune.com/business/2020/01/01/city-group-gets-licence-for-hossendi-economic-zone>

Unblock mobile network in the border areas: Bangladesh Telecommunication Regulatory Commission (BTRC)

- Bangladesh Telecommunication Regulatory Commission (BTRC) has revoked its decision to block mobile phone operators' signals up to a kilometer from the country's borders. Mobile carriers said they have started unblocking, but providing full network will take about a day as the configurations in all towers, some of which are in remote areas, need to be updated. Due to the previous decision, about 10 million subscribers in 32 districts, near the borders with India and Myanmar, were affected.

<https://www.thedailystar.net/frontpage/news/unblock-mobile-network-the-border-areas-1848304>

<https://www.newagebd.net/article/95294/btrc-orders-telcos-to-restore-network-to-border-areas>

<https://www.dhakatribune.com/bangladesh/2020/01/01/govt-revokes-network-shutdown-order-in-border-areas>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$61.24	+0.18	+0.29%
Crude Oil (Brent)*	\$66.20	+0.20	+0.30%
Gold Spot*	\$1,520.23	+2.94	+0.19%
DSEX	4,453.29	+0.36	+0.01%
Dow Jones Industrial Average	28,538.44	+76.30	+0.27%
FTSE 100	7,542.44	-44.61	-0.59%
Nikkei 225	23,656.62	-181.10	-0.76%
BSE SENSEX	41,340.27	+34.25	+0.08%

Exchange Rates**USD 1 = BDT 85.07*****GBP 1 = BDT 112.42*****EUR 1 = BDT 95.41*****INR 1 = BDT 1.19***

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

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