

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.

Renata to set foot in the US this year

- Renata is set to become the third local drug maker to export products to the tightly regulated US market, in a testament of the advances Bangladesh's pharmaceutical industry have made over the years. The company got the approval from the US Food & Drug Administration (USFDA) for three products: Risperidone, Metoprolol Tartrate, and Glycopyrrolate, which are prescribed for schizophrenia, hypertension and peptic ulcer respectively.
- At present, the pharmaceutical arms of local business giants Square and Beximco have the approval of the USFDA to export their products.
- Renata, which raked in BDT 466.8 million in its last financial year by exporting to 27 countries, is hopeful that shipments to the US will kick off from this year, according to the drug makers' General Manager for International Regulatory Affairs.
- In the human pharmaceutical products, Renata's net sales soared 19% last year, outperforming a buoyant market that registered a 16.3% growth. Renata remains market leader in the animal health sector: its sales grew 10.8% against the industry growth of 9.4%. As a result, it is constructing an animal nutrition factory in Bhaluka upazila of Mymensingh.

<https://www.thedailystar.net/business/news/renata-set-foot-the-us-year-1860031>

Advance to Deposit Ratio (ADR): 10 banks overshoot Bangladesh Bank (BB) lending instructions

- The Bangladesh Bank has cautioned the banks and asked them to lower their lending in line with the ADR instructions. Ten banks, both private commercial and state-run, lent aggressively in November last year bypassing the Bangladesh Bank (BB) criteria, exposing them to risk in the already battered banking sector. While most of the scheduled banks remained cautious in lending and collecting fresh deposit ahead of a dictated deposit-lending regime beginning April, the roles of the banks concerned for excessive lending have irked the central bank.
- The banks in questions are Basic Bank, AB Bank, National Bank, NRB Bank, NRB Global, Agrani Bank, Padma Bank, Premier Bank, Union Bank and Rajshahi Krishi Unnayan Bank, according to the latest central bank data. A few of these 10 banks even exceeded and lent more than their deposits. The BB has cautioned these banks and asked them to lower their lending in line with the ADR instructions.

<https://www.dhakatribune.com/business/banks/2020/01/27/adr-ratio-10-banks-overshoot-bb-lending-instructions>

Some banks slash deposit rates ahead of schedule

- Nearly 20 private commercial banks (PCBs) out of 41 have already cut their interest rates on deposits by around 2.0% points that have already come into effect from January 2020. The banks are now offering varying rates of interest on fixed deposits, particularly for three-month, six-month and one-year periods, ranging from 5.50% to 10%. It was 3.50-11.50% earlier.
- However, the interest rate spread in the country's banking sector remained unchanged in November, as the commercial banks increased their interest rates on both lending and deposit in the same proportion. The weighted average rate on deposits rose to 5.71% in November from 5.66% a month before, while interest rates on lending stood at 9.63% from 9.58%.

<https://today.thefinancialexpress.com.bd/first-page/some-banks-slash-deposit-rates-ahead-of-schedule-1580146977>

Bangladesh Bank (BB) approval needed for as small as USD 100 investment abroad.

- Bangladeshi businesspeople are required to get authorization from Bangladesh Bank for investing abroad amounts as small as USD 100 while travelers have permission to take up to USD 12,000 with them. According to Bangladesh Bank data, ACI Limited had to recently get permission from the bank to invest USD 100 in the United States, which is around BDT8,400.
- But there are a good number of companies which have made investment abroad without taking permission from the central bank. Allegations have it that Bangladesh Nationalist Party-backed mayoral candidate for Dhaka North City Corporation election has investment in a Singapore company.

<https://www.dhakatribune.com/business/banks/2020/01/27/bb-s-approval-required-for-foreign-investment-as-small-as->

[100](#)

Made in Bangladesh smartphones to rule the roost soon

- Bangladesh is on its way to becoming self-reliant in smartphone production by the year end, with locally manufactured handsets now ruling the roost. And by 2022, the country will add another product to its export basket: smartphone, according to estimates.
- Currently, nine foreign brands have their plants in the country while five of them have stopped importing devices as they are meeting their demand from local production. Local manufacturers made about 5.4 million smart devices in their plants last year, while another 2.4 million were imported via the legal and grey channels, industry insiders said. Along with 25.1 million basic phones, total sales of handsets ran into 32.8 million in 2019, according to local manufacturers and importers.
- Of the manufacturers, Samsung is on the fore, controlling about one-fourth the market. And the South Korean tech giant make about 97% of their devices in the local plant that opened in 2018. Home-grown brands Walton and Symphony and China's Transsion Holdings, Vivo and Oppo meet their full demand from their plants in Bangladesh. Transsion is now making about 90,000 smartphones per month of two separate brands, while its total monthly production is 450,000 units, according to Chief Executive Officer of Transsion.
- Symphony, once the market leader, has not been importing any smart gadgets since June last year, said Managing Director of Edison Group, its parent company. The company is assembling about 150,000 smartphones every month in its plant in Ashulia on the outskirts of Dhaka. In the plant they are also making 125,000 units of basic phones a month and no imports would be required by the year-end. Our target is to export devices by 2022, and to that end, we are in a process to set up two new plants, he said. Vivo and Oppo opened their plants in the second half of 2019 soon after the government increased import duties for smartphones to 57% from 32%.
- Three other brands -- 5-Star, Winstar and Lava -- have also their plants in Bangladesh. Both Transsion and Symphony are mulling over opening plants to manufacture mobile accessories, which is seeing a rising demand. At the end of last year, Bangladesh's active mobile connections stood at 166.4 million.

<https://www.thedailystar.net/business/news/made-bangladesh-smartphones-rule-the-roost-soon-1860034>

Robi questions Bangladesh Telecommunication and Regulatory Commission (BTRC) report on telecom complaints

- Robi Axiata Limited, the country's second largest mobile operator, yesterday raised questions about the telecom regulator's customer complaint management and reporting procedures. In a letter signed by Vice President of Robi's Regulatory Affairs wing, the operator asked Bangladesh Telecommunication Regulatory Commission (BTRC) to facilitate a better system in this regard. On January 13, the BTRC published a comprehensive report on customer grievances with various mobile operators. Out of the 14,000 complaints received last year, only 37% were resolved, according to the report. Actually, there were only 3,641 complaints regarding Robi's services while the rest were queries, which should not be reported as complaints, said the operator. With 48.9 million active users as of last December, Robi said the number of actual complaints they received is just 0.007% of their total customer base.
- Last year, customers lodged 3,630 complaints against Grameenphone and the market leader has resolved only 986 cases, or just 27.16%. On the other hand, the country's third biggest operator Banglalink resolved about half of the 1,488 complaints they received. Teletalk and the Bangladesh Telecommunications Company (BTCL) received 1,363 and 59 complaints respectively. Teletalk, the state-owned operator, resolved 138 complaints while the BTCL did not respond to any whatsoever, according to the BTRC report. Once the most dominant market player, the BTCL is currently struggling to stay afloat with about 500,000 active connections. From other segments, the BTRC received 1,681 complaints, of which 46.46% were resolved.

<https://www.thedailystar.net/business/news/robi-questions-btrc-report-telecom-complaints-1859941>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$52.81	-0.33	-0.62%
Crude Oil (Brent)*	\$58.92	-0.40	-0.67%
Gold Spot*	\$1,580.73	-1.33	-0.08%
DSEX	4,493.02	-35.19	-0.78%
Dow Jones Industrial Average	28,535.80	-453.93	-1.57%
FTSE 100	7,412.05	-173.93	-2.29%
Nikkei 225	23,124.51	-219.00	-1.91%
BSE SENSEX	41,155.12	-458.07	-0.94%

Exchange Rates

USD 1 = BDT 84.87*
GBP 1 = BDT 110.79*
EUR 1 = BDT 93.54*
INR 1 = BDT 1.19*

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

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