

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.

Climate change to eat up 3.0% of GDP by 2030

- The country's fast-growing economy may be disrupted in the medium to long run, due mainly to a rising sea, researchers warn. Bangladesh is one of the most exposed and vulnerable countries to climate-related risks, according to Global Climate Risk Index-2018.
- The researchers said that the country's gross domestic product growth loss due to the climate change ranges from 1.49% to 3.02% in the medium run depending on the scenarios of sea level rise. The researchers forecast by using econometric tools up to 2050, medium run is assumed to be extended up to 2030 while the long run up to 2050.
- In the long run, the GDP growth loss on the same ground is huge, especially 3.02% by 2050 in case of higher sea level rise scenario. They estimated the loss in public investment may range from 1.52 to 2.54% depending on the scenarios of the sea level rise in the medium run.

<http://today.thefinancialexpress.com.bd/public/first-page/climate-change-to-eat-up-30pc-of-gdp-by-2030-1553275622>

USD 4.2 billion ADB assistance likely during 2020-22

- The Asian Development Bank (ADB) is expected to make available financial assistance with USD 4.20 billion over a period of next three years for developing Bangladesh's infrastructure and alleviating poverty.
- A team from the Manila-based lender is likely to visit Bangladesh early next month to hold discussions with the relevant government agencies for finalising its country operations plan, said an official of the Economic Relations Division (ERD). ADB will prepare a Country Operations Business Plan (COBP) 2020-2022 for Bangladesh, under which the organisation will operate its upcoming lending programmes.
- Out of the USD 1.4 billion assistance, the ADB has proposed to provide loan amounting to USD 550-USD 600 million from its soft window - concessional OCR loan (COL), and the rest USD 800-USD 850 million from its hard-term window - ordinary capital resources.

<http://today.thefinancialexpress.com.bd/public/first-page/42b-adb-assistance-likely-during-2020-22-1553275894>

New budget to cross BDT 5000.0 billion

- Fiscal 2019-20's budget is set to cross the landmark of BDT 5.0 trillion as the Awami League-led government, fresh from being elected to a third term, looks to scale up implementation of the mega projects announced in previous terms. The upcoming national budget, due to be placed in the parliament on June 13, will likely be about BDT 5.2 trillion, up 12.50% year-on-year, according to the finance ministry's preliminary projections, which were made in December last year.
- The government's target is to complete the construction of some of the mega projects like the Padma bridge and metro rail in the revised timeframe, said a finance ministry official. The total outlay for the annual development programme will be BDT 11980 billion in fiscal 2019-20, up 20% year-on-year.
- According to preliminary estimates, the revenue collection target for next fiscal year will likely be BDT 3780 billion, of which the National Board of Revenue will shoulder BDT 3250 billion. Meeting this target is largely dependent on the implementation of the VAT law from next fiscal year, said NBR officials. The finance minister has already hinted that the VAT law will take effect from next fiscal year, with the highest slab brought down to 10% from 15% to appease the business community.

<https://www.thedailystar.net/business/news/new-budget-cross-BDT-5-lakh-crore-1719598>

IDCOL, IDLC to raise BDT 5.025 billion for Sirajganj Economic Zone

- The Idcol and IDLC Finance will raise BDT 5.025 billion as loan for the development of the first phase of Sirajganj Economic Zone (SEZ). It will be implemented by a consortium of 11 business conglomerates, the Infrastructure Development Company Limited (Idcol) said in a statement yesterday.

<https://www.thedailystar.net/business/news/idcol-idlc-raise-BDT-5025cr-sirajganj-economic-zone-1718521>

Banks on loan write-off spree

- Loans written off by banks surged 20% last year as efforts to rein in default loans did not pay off. In 2018 loans amounting to BDT 32.07 billion were written-off, up 19.93% from a year earlier -- thanks to rising default loans. This has raised the lenders' cost of funds, which, in turn, has left good borrowers footing higher interest rates for their loans.

- Of the banks that took the facility to clean up their balance sheets, Prime Bank topped the chart, writing off BDT 3.94 billion. It was followed by Eastern Bank (BDT 3.63 billion) and Pubali Bank (BDT 3.01 billion). With the latest round, a total of BDT 528.84 billion has been written-off since the facility was introduced in January 2003 by the central bank to show lower amounts of default loans on banks' balance sheets. Of the amount, 76% has remained outstanding to date, meaning banks' efforts to recover the loans did not yield much. As of December last year, state-owned banks have written off BDT 231.86 billion and private banks BDT 280.42 billion.

<https://www.thedailystar.net/business/news/banks-loan-write-spree-1718563>

Banks' capital base shrinking fast

- The banking sector's capital base eroded alarmingly last year on the back of an increase in default loans. As of December last year, banks' capital adequacy ratio (CAR), which determines the adequacy of banks' capital in keeping with their risk exposures, stood at 10.50%, down from 10.83% a year earlier, according to data from the central bank. Banks were required to keep at least 11.82% CAR in December last year as per the roadmap set by the central bank for implementing Basel III this year, according to a Bangladesh Bank official. From the first quarter of this year, their CAR must be 12.50% or else they will face trouble in conducting business with foreign banks, experts said.

- At the end of 2018, the total amount of non-performing loans stood at BDT 939.11 billion, up from BDT 743.03 billion a year earlier. In a further indication of the progressively precarious state of the banking sector, ten banks, including six state-owned ones, ended up with a capital shortfall of BDT 266.90 billion last year. The banks are: Sonali, BASIC, Janata, Agrani, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, ICB Islamic Bank, National Bank of Pakistan, and AB Bank.

<https://www.thedailystar.net/business/news/banks-capital-base-shrinking-fast-1719595>

Banks hit SMEs with double digit lending rates

- Most of the banks' SME loan interest rates have spiked by 1-2%. In an effort to let large businesses off the hook, banks are now increasing their grip on small businesses, decreasing lending rates for the former and increasing it for the latter. While 21 banks in the country have managed to bring their interest rates down to single digits on long term loans, most of the banks' small and medium enterprise (SME) loan interest rates have spiked by 1-2%. According to Bangladesh Bank statistics, the concerned banks have decreased lending rates to single digits, but still charge 11 to 18% interest on SME loans.

<https://www.dhakatribune.com/business/2019/03/23/banks-hit-smes-with-double-digit-lending-rates>

5G rollout by 2021

- Customers' appetite for data is expanding every year, compelling mobile operators to increase their capacity and invest huge amounts of money in it, said experts and representatives from mobile operators and vendors.

- On an average, local data users are consuming 1.2 gigabytes of data in a month and by 2022 it will cross 11 gigabytes, said the country manager of Ericsson Bangladesh, a telecom equipment vendor.

- Telecom and ICT Minister said the government is expecting to roll out 5G services on December 16, 2021. Bangladesh Telecommunication Regulatory started taking preparation for 5G and are already meeting with mobile operators about their requirements for it.

<https://www.thedailystar.net/business/news/5g-rollout-2021-1718560>

Bangladesh Telecommunication Regulatory Commission (BTRC) moves again to issue guidelines on ISP business

- Bangladesh Telecommunication Regulatory Commission has sent to the posts and telecommunications ministry draft guidelines on regulating and licensing of internet service providers after more than a year of putting the guidelines on hold.

- Since 2014, the telecom regulator took a number of attempts for formulating guidelines on ISP business. In 2017, when the commission was at the final stage of formulating guidelines on ISP business, the telecom ministry had instructed BTRC to refrain from framing the guidelines at that moment. A strong opposition from ISPs forced the government to hold the formulation of the guidelines.

- To avoid any opposition from the ISPs, the commission held a number of meetings with leaders of Internet Service Providers Association of Bangladesh and Cyber Café Owners Association of Bangladesh. BTRC officials said that the commission had already addressed most of the concerns raised by ISPAB and CCOAB at separate meetings held in January this year.

<http://www.newagebd.net/article/68118/btrc-moves-again-to-issue-guidelines-on-isp-business>

LNG boosts daily gas supply to 3,200 million cubic feet (mmcf)

- The country's overall natural gas supply crossed the 3,200 million cubic feet mark a day (mmcf), boosted by the imports of liquefied natural gas (LNG). The lone operational floating, storage, re-gasification unit (FSRU) is currently re-gasifying around 511 mmcf equivalent of LNG, which is the highest quantity of LNG re-gasification from Excelerate Energy's vessel at Matarbari in the Bay of Bengal.
- According to state-run Petrobangla, the total natural gas output was 3,204 mmcf per day, as of Thursday. Of the total output, local gas production companies produced around 1,035 mmcf or 31.8% of the total daily output, international oil companies (IOCs) produced around 1657 or 50.8% and the remaining 511 mmcf are re-gasified LNG. Gas-guzzling clients of Chattogram are the major consumers of re-gasified LNG.
- Of the total re-gasified LNG, the Karnaphuli Gas Distribution Company Ltd (KGDCL), dedicated to supplying natural gas to the Chattogram region, has been taking around 320 mmcf a day, or 70% of the total quantity. Some 150 mmcf per day equivalent of re-gasified LNG is being supplied to Titas franchise areas and the remaining 41 mmcf to the Pashchimanchal Gas Company Ltd (PGCL).
- The country's overall natural gas supply improved substantially with the start of full capacity re-gasification in the floating LNG terminal. However, technical issues and rough seas during Bangladesh's southwestern monsoon over June-August, kept it stranded off the south coast of Chittagong for more than three months.

<http://today.thefinancialexpress.com.bd/first-page/lng-boosts-daily-gas-supply-to-3200-mmcf-1553359320>

Government to procure six more ships from China

- The government will procure six more ships from China to gear up the activities of Bangladesh Shipping Corporation (BSC). The ships will be purchased from China National Machinery Import and Export Corporation (CMC) at an estimated cost of BDT 21 billion.
- Of them, two will be mother vessel tankers. Each of the tankers will have a carrying capacity between 0.10 million tonnes and 0.12 million tonnes while two diesel tankers will have a carrying capacity of around 80,000 tonnes each. The rest two bulk carriers to be used in carrying coals will have a capacity of 50,000 to 60,000 tonnes each.

<http://today.thefinancialexpress.com.bd/public/last-page/govt-to-procure-six-more-ships-from-china-1553276072>

Apparel exporters to get up to 12% cash incentives

- Bangladesh Bank on Thursday said that the cumulative cash incentives, up to 12%, against apparel exports would not be reduced in this fiscal year. An exporter gets up to three types of cash incentives, out of four, against apparel exports, but as per an earlier directive, they got maximum 10% in cumulative cash incentives. BB in a circular issued on Thursday clarified that the provision of capping the cumulative cash incentives at 10% in an earlier directive issued in 2016 had been scrapped.

<http://www.newagebd.net/article/68025/apparel-exporters-to-get-up-to-12pc-cash-incentives>

Regulators resolve to revamp bond market

- A number of regulatory bodies Thursday decided to make coordinated efforts for revamping the country's moribund bond market and help it meet the long-term financing need of the economy.
- A coordinated effort has already been initiated to raise BDT 8.78 trillion from the bond market for achieving 8.0% plus economic growth by 2021, according to the officials. To this end, two committees have been formed.
- Officials said the country needs substantial amount of long-term funds for investment to help the country achieve economic growth at the rate of 8.0% and above. Both bond market and banks need to be major sources of funds for an economy that aspires to achieve an 8.0% plus growth by the end of the fiscal year (FY) 2020-21, they added.
- The regulators have agreed to extend their support to the efforts for developing the bond market. Currently, only one corporate bond-Islami Bank Bangladesh Limited (IBBL) Mudarba Perpetual Bond-is now traded on the country's prime

bourse, the Dhaka Stock Exchange (DSE).

<http://today.thefinancialexpress.com.bd/public/first-page/regulators-resolve-to-revamp-bond-market-1553190183>

Small cap companies to get registration fee waiver

- The government is planning to waive registration fees for companies having an authorised capital of BDT 1.0 million or less. The move is aimed at easing the process of forming a new company, especially one with a small capital, the authorities said.
- Commerce ministry officials have already given the green signal to such a proposal coming from the Registrar of Joint Stock Companies (RJSC). Schedule two of the Companies Act 1994 requires a minimum registration fee of BDT 700 for a company having an authorised capital of BDT 20,000 or less.
- Meanwhile, registration fee gradually goes up for companies having a higher amount of authorised capital. Insiders said there were some initial concerns that the proposed reform might result in the loss of government revenue coming from such fees.

<http://today.thefinancialexpress.com.bd/public/first-page/small-cap-companies-to-get-reg-fee-waiver-1553275757>

Bangladesh Securities and Exchange Commission (BSEC) formulating rules for trading derivatives, sukuk

- Bangladesh Securities and Exchange Commission is formulating rules for derivatives and sukuk to facilitate trading of the products in the country's capital market. BSEC officials said that the regulator took the move to versatile the market and to draw more investment to the market.
- Sukuk are structured in a way to generate returns to investors. They are issued and traded in compliance with the principles of Shariah, which prohibit 'riba' or interest.
- When someone invests in sukuk, his money is put into the assets of a project or investment in order to generate profit. The sukuk holders will receive a certificate from the issuer as evidence of ownership, and are entitled to receive periodic profit payments on the principal amount invested. Upon maturity, the sukuk holder will get back the principal amount of investment.
- The underlying asset can be financial (interest rate, currency), equity (index, single stock), and commodity (rice, jute, tea).

<http://www.newagebd.net/article/68116/bsec-formulating-rules-for-trading-derivatives-sukuk>

Singer Bangladesh's majority stakes change hands

- Turkey based home appliance manufacturing group Arcelik to acquire controlling stake of 57% of Singer Bangladesh from Netherlands based Retail Holdings group for USD 75 million or around BDT 144 a share. The transaction is anticipated to close in April, said a press release from Retail Holdings on Friday. The remaining 43% of the shares of Singer Bangladesh, a major retailer of home appliance, is publicly owned. According to a Singer Bangladesh notice published on Friday, Ardutch will acquire 56.9% or 4,37,07,183 shares of Singer from Retail Holdings.
- Founded in 1955 as a subsidiary of Koç Holding, Turkey's largest industrial conglomerate and a member of the Fortune 500, Arçelik is a leading player in the home appliance industry with 21 manufacturing facilities in eight countries. It is the third largest home appliance company in Europe.

<https://www.thedailystar.net/business/news/singer-bangladeshs-majority-stakes-change-hands-1719589>

<http://www.newagebd.net/article/68175/turkish-arcelik-group-buys-singer-bangladeshs-controlling-stake-for-75m>

Over 9 million bills paid through GPAY in 2018

- Grameenphone's digital wallet platform GPAY registered over nine million bill payments in 2018, transacting approximately BDT 10.50 billion. Aligning with 28 nationwide utility concerns, GPAY has served close to 10 million households, the mobile phone operator said in a statement yesterday. GPAY wallets can be refilled from MobiCash retail outlets, GPAY partner bank accounts and Grameenphone centres.

<https://www.thedailystar.net/business/news/over-9m-bills-paid-thru-gpay-2018-1719562>

New Line Clothing's IPO lottery draw today

- The New Line Clothings will hold its initial public offering (IPO) lottery draw today (Sunday) to allocate 30 million ordinary shares among successful applicants. The company received applications for the initial public offering (IPO) from February 18 and March 03 to raise a fund worth BDT 300 million (30 crore) from the capital market under the fixed price method. The IPO was oversubscribed by nearly 28 times as the company received more than BDT 8.32 billion against IPO issue of BDT 300 million, according to Chittagong Stock Exchange (CSE).
- The securities regulator -- Bangladesh Securities and Exchange Commission (BSEC) -- approved the company's IPO proposal on November 27, 2018. The company offloaded 30 million ordinary shares at an offer price of BDT 10 each. The company will use the IPO fund for acquisition of plant & machinery (39.23%), extension of factory building (25.44%), partial loan repayment (30%) and meeting IPO expenses (5.31%), according to the IPO prospectus.
- As per the entity's audited financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share and weighted average earnings per share (EPS) were BDT 20.51 (without revaluation) and BDT 1.85 respectively.

<http://today.thefinancialexpress.com.bd/stock-corporate/new-line-clothings-ipo-lottery-draw-today-1553353899>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$59.04	-0.94	-1.57%
Crude Oil (Brent)*	\$67.03	-0.83	-1.22%
Gold Spot*	\$1,313.68	+4.32	+0.33%
DSEX	5,570.15	-30.40	-0.54%
Dow Jones Industrial Average	25,502.32	-460.19	-1.77%
FTSE 100	7,207.59	-147.72	-2.01%
Nikkei 225	21,627.34	+18.42	+0.09%

Exchange Rates

USD 1 = BDT 83.94*
GBP 1 = BDT 110.91*
EUR 1 = BDT 94.87*
INR 1 = BDT 1.21*

*Currencies and Commodities are taken from Bloomberg.

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