

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.

Loan payment deferral to cost borrowers additional money

- Non-payment of monthly or quarterly instalments under the Bangladesh Bank (BB)-announced loan moratorium facility for customers against their bank loans would result in increased interest payments once the regulatory relaxation expires. With a view to saving people and businesses from the economic shocks induced by the coronavirus outbreak, the central bank extended its embargo on loan degradation in phases till December this year, allowing borrowers not to pay their loans during this time. With a view to saving people and businesses from the economic shocks induced by the coronavirus outbreak, the central bank extended its embargo on loan degradation in phases till December this year, allowing borrowers not to pay their loans during this time. According to the Bangladesh Bank officials and bankers, even though the banks refrained from downgrading classification of loans due to the customers' instalment non-payment under the loan moratorium facility, the banks continued to charge interest on the outstanding loans of their customers. If any customer refrained from paying loan instalments for twelve months in 2020, interest at the rate of 9% would be added to the outstanding loans.
- According to the CEO of Meghna Bank, if a customer had BDT 100,000 in outstanding loan at the end of December 2019 and the customer refrained from paying any instalments throughout the year 2020, the customer's outstanding loan would amount to BDT 109,000 at the end of December this year, including the interest amount, given that the interest rate was set at 9.0%. Of the interest, the banks would deduct the interest waived, at the applicable rate announced by the central bank, for the months of April and May from the outstanding amount and fix a fresh repayment schedule for the particular customer. Considering the applicable 100% interest waiver for the months of April and May against up to BDT 100,000 in outstanding loans, the customer would get interest waivers of BDT 1,500 and will have to pay an additional BDT 7,500 as interest instead of BDT 9,000 along with the outstanding loan amount.
- As per the BB circular, the rate of interest waiver would vary depending on the outstanding loan amount. The rate would be 2.0% against outstanding loans ranging between BDT 100,000 and BDT 1.0 million while it would be 1.0% for outstanding loans above BDT 1.0 million. Business entities which have received working capital loans on top of their outstanding loans would be charged at the rate of 4.5% on fresh loans issued under the stimulus package.

<https://www.newagebd.net/article/121106/loan-payment-deferral-to-cost-borrowers-addl-money>

Imports from Asian Clearing Union (ACU) members up by 22.0% in September-October

- The country's imports from the member countries of Asian Clearing Union (ACU) increased by nearly 22.0% in the September-October period of this calendar year, officials said. The amount of bimonthly ACU payment rose to USD 1.30 billion during the period from USD 1.07 billion of earlier payment mainly due to higher imports from the ACU member countries, particularly India. After the payment, the country's foreign exchange (forex) reserves fell to USD 39.99 billion on Thursday from USD 41.00 billion on the previous working day, according to the central bank's latest statistics. The forex reserve was USD 40 billion on Sunday.
- According to a senior official of the Bangladesh Bank (BB), Bangladesh is now capable to settle import bills of 10 months with the existing reserves. He also said that the central bank has already remitted the fund to the ACU headquarters in Tehran in line with the existing provisions of the union. As per the provisions, outstanding import bills and interest thereof are to be paid by member countries at the end of every two months.
- Bangladesh is now importing different consumer items, cotton, raw materials and capital machinery from the ACU member countries, especially from neighboring India. The ACU is an arrangement involving Bangladesh, Bhutan, India, Iran, Myanmar, Nepal, Pakistan, Sri Lanka and the Maldives through which intraregional transactions among the participating central banks are settled on a multilateral basis.

<https://today.thefinancialexpress.com.bd/first-page/imports-from-acu-members-up-by-22pc-in-sept-oct-1604858462>

Second wave could inflict bigger damage to economy

- The second wave of Covid-19 will derail Bangladesh's feeble economic recovery, deal a massive blow to the poor and low-income groups, reduce fiscal space and constrain public expenditure, said economists. The crisis, which compelled the government to enforce a countrywide strict lockdown for at least two months before easing restrictions in June, wiped out at least 50% of the gross domestic product (GDP) growth potential last fiscal year, which ended in June.
- The export sector would face pressures again as the number of infections is rising in the developed world, said Ahsan H Mansur, executive director of the Policy Research Institute (PRI) of Bangladesh. Economic recovery is underway, and the country is expected to return to positive territory in the third quarter of the current fiscal year, he said. Mansur of the PRI said the fiscal situation may worsen in the event of a second wave as revenue collection has slowed. Value-added tax collection grew only 1.0% in the first quarter of the current fiscal year whereas inflation stood at 6.0%. There might be a revenue shortfall of BDT 800.0 billion at the end of the fiscal year, the same level of which was also witnessed last fiscal year.

<https://www.thedailystar.net/business/news/second-wave-could-inflict-bigger-damage-economy-1991765>

Bangladesh adds 33.0 million internet users in a decade

- The number of internet users in Bangladesh expanded by 33.0 million between 2010 and 2019, bringing another 20% of the population online, according to a recent report. Over the same period, India added 361.0 million new users, or 26% of its population and Pakistan added 48 million new users, or 22% of its population. A separate GSMA report published in July stated that in Bangladesh, 4G will dominate the market with 46% users in 2025. At that time, 3G users will amount to 30% and 18% will still be connected to 2G. But at the end of 2019, only 10% of internet users had 4G connections, 40% had 3G and the remaining users just use it for calling purposes.
- As a part of the study, the GSMA surveyed government agencies, mobile network operators and other players in the digital ecosystem in 11 countries. The number of internet users in Bangladesh reached 111.1 million in September, a 13% increase compared to the same period in 2019, data from the Bangladesh Telecommunication Regulatory Commission showed.
- The fourth industrial revolution is expected to have a much wider impact on society than its predecessors. And the majority of respondents to the survey expect the key objectives of Industry 4.0 to be delivered by 2025. E-government, manufacturing and healthcare are among the top sectors expected to feel the immediate impact of Industry 4.0. A key enabler of Industry 4.0 will be intelligent connectivity, which can be described as the fusion of advanced networks, AI and the Internet of Things (IoT).

<https://www.thedailystar.net/business/news/bangladesh-adds-33cr-internet-users-decade-1991761>

Mobile service quality has arguably dropped

- Three aspects determine the quality of mobile experience: spectrum, towers and fibre optics. But for Bangladesh's four carriers, only the first aspect is in its hands, leaving them at the mercy of the regulator and third parties for the other two. In October 2018, the Bangladesh Telecommunication Regulatory Commission (BTRC) awarded the licences for tower operation to four companies: edotco Bangladesh, Summit Towers, Kirtonkhola Tower Bangladesh and AB Hightech Consortium. Save for edotco, none of the tower licence holders has been able to start their operations within the deadline of May 1, 2019, meaning virtually no new towers were set up in the country in the past two years amidst a fast-growing demand, leaving mobile operators in a limbo.
- At the end of October 2018, there were 156 million active mobile connections. That number stood at 167 million at the end of September this year. During the period, the number of mobile internet users increased by 15 million to 102 million, according to data from the BTRC. And mobile data usage more than doubled in that time, particularly during the pandemic, which has turbocharged digitalisation and is compelling subscribers to make the switch to smartphone from feature phone.
- Summit Towers and AB High Tech Consortium agreed to set up 559 mobile towers within the next three months for Robi and Banglalink. Summit Towers will set up 259 towers for Banglalink and AB High Tech 300 towers for Robi. Of the 259 towers, 150 will be up and running by next month and the rest by February

next year, said Md. Arif Al Islam, managing director of Summit Communications, the parent company of Summit Towers.

<https://www.dhakatribune.com/business/2020/11/08/mobile-service-quality-has-arguably-dropped-but-is-it-all-the-operator-s-fault>

Bike registration fee cut on the way

- The Bangladesh Road Transport Authority (BRTA) has proposed reducing the motorcycle registration fee for two slabs to 4.9% and 8.4% respectively to make the popular two-wheelers cheaper for users. The fee slabs are based on motorcycle prices and engine capacities. One is for those of 100cc and below the average price of BDT 90,000. The other is for that above 100cc with BDT 200,000 considered as the average price. In Bangladesh, the motorcycle registration fee is a combination of charges for registering and inspecting the vehicle alongside a road tax with a two-year validity.
- The BRTA suggested reducing the cost of registering 100cc motorcycles to BDT 2,000 from BDT 4,200 and for those over 100cc to BDT 3,000 from BDT 5,600. Though no changes have been brought to the inspection fee and the road tax, the BRTA recommended the latter's validity be extended to five years. This means that the overall registration fee of 100cc motorcycles would decrease by 29% to BDT 7,529 from BDT 10,589. For those over 100cc, it is 27% to BDT 9,852 from BDT 13,590. The proposal is awaiting consent from the finance ministry, after which the new rate will come into effect.

<https://www.thedailystar.net/business/news/bike-registration-fee-cut-the-way-1991749>

Bangladesh in talks with China on four mega projects

- Bangladesh is now in discussion with China for implementation of four new mega projects in the country with Chinese funding. The projects are East West elevated expressway project, High-speed railway project, 5G Mobile network project, and Satellite project. Among the projects, China assured to consider funding Dhaka East-West Elevated Expressway project, involving over USD 2.0 billion. The Bangladesh Bridge Authority is the implementing agency of the project. It will be the largest expressway with a length of 45 kilometres, connecting the eastern regions like Chittagong and Sylhet to the eastern regions including Rajshahi and Khulna, bypassing the capital.
- According to feasibility study of the project, implementation of the mega project will significantly reduce traffic congestion as well as improve transportation and communications in Savar, Ashulia, Nabinagar and Savar EPZ areas. However, the mode of financing for implementing the project is not yet decided, sources in the Ministry of Finance said. The project may be implemented through public private partnership (PPP) or build-operate-transfer (BOT) system, China opined.

<https://today.thefinancialexpress.com.bd/last-page/bd-in-talks-with-china-on-four-mega-projects-1604858811>

Index Agro's cut-off price fixed at BDT 62.0 each

- The cut-off price of Index Agro Industries shares has been fixed at BDT 62.0 each through electronic bidding by eligible investors. 191 eligible investors (EIs) offered different prices to buy the company's shares. Among them, most bids were BDT 61.0 and BDT 51.0 each, according to the data from the electronic subscription system (ESS) disclosed on Sunday. A total of 16 bidders offered BDT 61.0 each and 12 bidders offered BDT 51.0 each to buy the company's shares. The highest bidding price was BDT 100.0, and the lowest bidding price was BDT 11.0 each, according to the ESS data.
- The company will use the IPO proceeds for the purpose of constructing buildings, purchasing machinery and bearing the IPO related expenses. According to the financial statement for the year ended on June 30, 2019, the company's net asset value (NAV) per share stood at BDT 45.03 (with revaluation reserve) while the earnings per share (EPS) was BDT 7.07. The company also reported the weighted average EPS of BDT 5.60 based on financials of last five years.

<https://today.thefinancialexpress.com.bd/stock-corporate/index-agros-cut-off-price-fixed-at-BDT -62-each-1604854327>

<https://www.dhakatribune.com/business/stock/2020/11/08/index-agro-s-cut-off-price-set-at-BDT -62>

Insurance Development & Regulatory Authority Bangladesh (IDRA) fines life insurer

- The Insurance Development and Regulatory Authority (IDRA) has imposed a fine of over BDT 1.8 million on Delta Life. On November 05, the IDRA sent a letter to the life insurer signed by the deputy secretary who serves at the regulatory agency. The IDRA letter said that the life insurer failed to submit its audited reports within six months after the end of its financial year that should have submitted by June 30,2020. The financial year of insurers is between January and December. Besides, the life insurance company did not submit its actuarial valuation report to the IDRA within September 2019. It has fined BDT 1.13 million to the company and BDT 730,000 to the CEO.

<https://today.thefinancialexpress.com.bd/trade-market/idra-fines-life-insurer-1604857775>

No pandemic blues in Parachute Coconut Oil maker's world

- Marico, the maker of the much-loved Parachute Coconut Oil, saw its profit soar 17.8% year-on-year to BDT 789 million between July and September. During the quarter, the Bangladesh subsidiary of the Mumbai-based company performed better than its parent, whose profit was up 8% to INR 2.73 billion. Marico Bangladesh logged in sales of BDT 2.9 billion during the quarter, up 16.7% from a year earlier.
- Based on the tremendous demand for its product, Marico last month announced its plan to invest BDT 2.27 billion to set up a new plant in the Mirsarai Economic Zone to supplant its existing production facilities in Gazipur and other manufacturing contracts. The share price of Marico, which was listed on the Dhaka Stock Exchange in 2009, has been on an upward trajectory in the past two years. For instance, it started the quarter at BDT 1,562.5 and yesterday, it closed at BDT 2,149.4. The company declared a 200% interim cash dividend for the first half of the financial year. It gave a whopping 950% cash dividend for its last financial year, up from 650% in the 2018-19 financial year.

<https://www.dhakatribune.com/business/stock/2020/11/08/no-pandemic-blues-in-parachute-coconut-oil-maker-s-world>

Five institutional investors barred from bidding in next three IPOs

- The Bangladesh Securities and Exchange Commission (BSEC) has barred top five bidders from participating as eligible investors in the next three initial public offerings under the book-building method for their aggressive pricing. The stock market regulator on Sunday issued letters to the five institutional investors in this regard. Their names could not be confirmed at the time of filing the report.
- Earlier, BSEC had asked for explanations from the top five bidders who took part in the initial public offerings of Walton Hi-Tech Industries and Mir Akhter Hossain in this regard. This comes after the regulator recently barred MTB Securities from participating as an eligible investor in the next three IPOs for violating rules during the IPO application process. During Walton Hi-Tech's book-building session earlier this year, eligible investors had bid as low as BDT 12 for a stock of the electronics manufacturer that logged in profits of BDT 13.8 billion in its last financial year, while some placed bids as high as BDT 765, according to the Electronic Subscription System for EIIs.

<https://www.dhakatribune.com/business/stock/2020/11/08/five-institutional-investors-barred-from-bidding-in-next-3-ipos>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 37.92	(USD 23.71)	-38.47%
Crude Oil (Brent)*	USD 40.19	(USD 28.25)	-41.28%
Gold Spot*	USD 1,955.24	USD 433.77	28.51%
DSEX	4,923.66	470.73	10.57%
S&P 500	3,509.44	278.66	8.63%
FTSE 100	5,910.02	(1,677.03)	-22.10%
BSE SENSEX	41,893.06	250.92	0.60%
KSE-100	40,731.61	(3.47)	-0.01%
CSEALL	6,080.09	(49.12)	-0.80%

Exchange Rates
USD 1 = BDT 84.79*
GBP 1 = BDT 111.79*
EUR 1 = BDT 100.80*
INR 1 = BDT 1.15*

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

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