

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.

BDT 1 billion more NBFIs loans become defaulted in Q2

- The amount of defaulted loans in the non-bank financial institutions increased further by Tk 100 crore to Tk 7,320 crore in the second quarter (April-June) of 2019 from Tk 7,220 crore in the January-March quarter, reflecting more deterioration of the sector that witnessed massive irregularities. Earlier, the non-performing loans of People's Leasing and Financial Services (PLFS) Limited was included in calculating NPLs in the NBFIs sector. But, the Bangladesh Bank excluded the figure from its latest report as the liquidation of PLFS was underway as its 70 per cent loans turned defaulted. Out of the PLFS' Tk 1,131 crore disbursed loans, Tk 748 crore had become defaulted, as per the BB data. If the figure was included, the amount of defaulted loans in the NBFIs sector would have been Tk 8,068 crore.
- Amid growing public distrust and series of scams in the financial sector, the outstanding loans and leases of NBFIs dropped to around Tk 66,545 crore at the end of June this year from around Tk 70,106 crore in the previous quarter. As per the BB's Financial Stability Assessment Report released last week, the amount of defaulted loans in the NBFIs sector was 11 per cent of loans and advances, up 0.7 percentage points. The NPLs in the NBFIs sector were 7.9 per cent and 10.3 per cent respectively in October-December and January-March quarters respectively.
- The entities, which are suffering from high non-performing loans, should be brought under tight supervision, the CEO of IDLC said, adding that the board and the management of those entities also should act properly to make improvement. However, there are some entities which hold very nominal amount of NPLs, he said. For instance, IDLC's NPLs have been around 2.5 per cent, he added. He, however, mentioned that the NPLs in NBFIs were 7-8 per cent against around 11 per cent NPLs in the banking sector but, the rate increased in recent times and it was usual in the current context in the country.

<http://www.newagebd.net/article/90550/tk-100cr-more-nbfi-loans-become-defaulted-in-q2>

Inefficient logistics cut Bangladesh's competitiveness: Congestion-free roads to cut costs by 7-35%, says World Bank report

- Logistics costs are high in most of the sectors in Bangladesh, ranging from 4.5 per cent to nearly 48 per cent of the businesses' aggregate sales, said a World Bank report released on Wednesday at a city hotel. It said such costs are as high as 47.9 per cent in horticulture and as low as 4.5 per cent in the leather sector. The report on 'Moving Forward: Connectivity and Logistics to Sustain Bangladesh's Success' said such high costs make it difficult for businesses to compete in the global market due to the low-margin like that in the clothing sector.
- If there was no congestion on roads, logistics costs would have been at least 7-35 per cent lower, according to the report. It noted that the current average dwell times at the Chattogram seaport are four days for an export container and 11 days for an import container.

<https://today.thefinancialexpress.com.bd/first-page/inefficient-logistics-cut-bds-competitiveness-1573666895>

SME loans via NGOs: Bangladesh Bank Governor

- The Bangladesh Bank will order banks to lend to small and medium enterprises through non-governmental organizations for a rapid growth of the SME sector, BB Governor said yesterday. State-run Palli Karma-Sahayak Foundation (PKSF) provides Tk 1 lakh to Tk 10 lakh SME loans through 250 partner NGOs in order to create entrepreneurs and jobs in rural areas. Currently, banks distribute farm loans through NGOs. The governor said only 7 to 10 per cent of large default loans were recovered whereas the recovery rate is 95 per cent in case of small loans. The state minister for information, said the government is emphasizing the SME sector to promote businesses.

<https://www.thedailystar.net/business/news/sme-loans-ngos-1826965>

Heidelberg to snap up Ultratech

- Fierce competition among too many producers has forced Emirates Cement Bangladesh, the owning company of Ultratech, to sell its entire stakes in Bangladesh to Germany's HeidelbergCement. HeidelbergCement Bangladesh in a statement yesterday announced that the board of directors of the company has approved the acquisition of 100 per cent of Emirates Cement Bangladesh and Emirates Power Company at a cost of nearly Tk 1.83 billion (\$21.59 million). The company also said transaction is subject to completion of the necessary regulatory formalities and approvals in compliance with the laws of Bangladesh.
- Bangladesh has the capacity to produce 60 million tonnes of cement, exceeding a market demand of 35 million tonnes, according to industry people. Of the 75 cement manufacturers in Bangladesh, around three dozens are

actively making cement. Producers often blamed overcapacity of plants and competition in the market on selling cement at lower prices.

<https://www.thedailystar.net/business/news/heidelberg-snap-ultratech-1826983>

MI Cement to form three subsidiary companies

- MI Cement Factory Ltd has approved formation of three subsidiary companies -- Ocean Voyager Shipping Lines, Ocean Victory Shipping Lines and Ocean Vision Shipping Lines. The board of directors of the company has also okayed transfer of the three mother vessels owned by the MI Cement to its three fully owned subsidiary companies, according to an official disclosure on Wednesday. At the moment, the performance and profit and loss from shipping operations is getting merged into the core business of cement, said the disclosure.

- It is imperative that the three mother vessels may be transferred to MI Cement's three separate fully owned subsidiaries companies, -- Ocean Voyager Shipping Lines, Ocean Victory Shipping Lines and Ocean Vision Shipping Lines at a valuation of Tk 568.50 million, Tk 384.60 million and Tk 706.10 million respectively.

- In addition, it has a number of sister concerns or associate companies that are engaged in the supply chain of inbound and outbound logistics and forward and backward linkage, said the disclosure.

<https://today.thefinancialexpress.com.bd/stock-corporate/mi-cement-to-form-three-subsiary-cos-1573665200>
<https://www.thedailystar.net/business/news/mi-cement-segregates-shipping-business-1826971>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.44	+0.32	+0.56%
Crude Oil (Brent)*	\$62.65	+0.28	+0.45%
Gold Spot*	\$1,463.93	+0.35	+0.02%
DSEX	4,737.17	-42.02	-0.88%
Dow Jones Industrial Average	27,783.59	+92.10	+0.33%
FTSE 100	7,351.21	-14.23	-0.19%
Nikkei 225	23,263.96	-55.91	-0.24%
BSE SENSEX	40,208.70	+92.64	+0.23%

Exchange Rates

USD 1 = BDT 84.75*

GBP 1 = BDT 108.86*

EUR 1 = BDT 93.26*

INR 1 = BDT 1.18*

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

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