

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.

Supreme Court (SC) defers order on Bangladesh Telecommunication Regulatory Commission (BTRC) petition

- The Supreme Court has deferred its order until November 24 on a petition filed by the Bangladesh Telecommunication Regulatory Commission (BTRC) seeking a stay on the High Court order that issued an injunction on its move to realize BDT 125.80 billion due from Grameenphone. The apex court, however, asked Grameenphone not to pursue any arbitration process over the payment before any other forum during this period.
- During the SC hearing on November 14 on the issue, Grameenphone has agreed to deposit BDT 2 billion with the BTRC against its claim of BDT 125.80 billion. On the other hand, a lawyer for the BTRC told the SC that Grameenphone should clear 50% of the BDT 125.80 billion due now.

<https://www.thedailystar.net/business/news/sc-defers-order-btrc-petition-1829095>
<https://www.dhakatribune.com/business/2019/11/18/sc-asks-gp-not-to-settle-btrc-audit-dispute-outside-court>
<https://today.thefinancialexpress.com.bd/last-page/gp-asked-not-to-proceed-with-the-issue-in-any-other-forum-1574097809>
<http://www.newagebd.net/article/91012/no-arbitration-by-icsid-during-pendency-of-hearing-ad>

Agent banking getting popular

- Agent banking, that takes banking services to the unbanked people, is gaining popularity among depositors, borrowers and diaspora Bangladeshis. As of September this year, deposit collection through the agent banking channel was BDT 61.69 billion, up from BDT 20.13 billion in the same period a year earlier. At the same time, the amount of loan disbursement stood at BDT 3.06 billion, up from BDT 1.37 billion in the same period a year ago, according to Bangladesh Bank data. Besides, remittance sent through agent banking was BDT 119.37 billion, up from BDT 35.14 billion a year ago.
- Agent banking is growing robustly owing to its cost-effectiveness and availability. Beside deposit collection, lending through agent banking also are increasing, which is good for rural economy, said the managing director of Bank Asia. He said Now Bank Asia was enjoying 75.85% share of the total loan disbursement through agent banking.
- As of September, the number of agents increased by 82.02% to 6,431, up from 3,588 in the same period a year ago. The number of outlets increased by 75.50% to 9,391, up from 5351 a year earlier. On the other hand, agent banking account rose by 123.04% to 3,964,346, up from 1,777,400 a year ago, according to Bangladesh Bank data. 19 banks have so far commenced agent banking services, but only eight gave out loans.

<https://www.dhakatribune.com/business/banks/2019/11/18/agent-banking-getting-popular>

Bata to keep expanding in Bangladesh: A top official of Bata

- Thanks to steady economic development and higher incomes of people, Bangladesh has turned into a lucrative market for multinational retail companies, said the president of the Asia-Pacific region of Bata. Bata has been in Bangladesh for many years and investing in its own manufacturing units. A huge amount of money will be invested in Bangladesh by Bata in near future, he said. The company is targeting the younger population to keep up the growth momentum, he added. He is upbeat about the robust growth of the retail market in Bangladesh in the coming days. The retail marketing is growing on the back of economic growth. He said the shoe market is growing in Bangladesh. Bata holds the majority of the market share, at 40%.
- The multinational shoe company has been serving the local customers since 1962. Currently, Bata Shoe Company (Bangladesh) Ltd operates two manufacturing facilities – one in Tongi and the other in Dhamrai. With a production capacity of 160,000 pairs of shoes daily, its annual sales stand at about 30 million pairs, according to the company's website.

<https://www.thedailystar.net/business/news/bata-keep-expanding-bangladesh-1828879>

Tax collection dismal for sluggish domestic VAT

- Tax collection growth slowed in the first quarter of the fiscal year due to a decline in the flow of value-added tax (VAT) from domestic economic activities and decline in import tariff, according to data released by the National Board of Revenue (NBR). Overall, revenue collection grew 2.62% year-on-year to BDT 473.88 billion between the months of July and September thanks to an 11% growth in income tax receipts during the period. Yet, the NBR missed its target of BDT 622.94 billion for the period by almost BDT 150 billion.

- Revenue officials linked the sluggish growth in collection to delays in adoption of the new VAT law by businesses because of changes in the accounting system and definition of rebate. Decline in collection of VAT from cigarettes, one of the biggest sources of revenue, and imports were also blamed. A section of smokers switched to low-end segment of cigarettes after the hike in prices of mid-price cigarette at the beginning of the fiscal year. This has affected VAT receipts from this sector, said a senior official of the NBR. The overall fall in imports affected the collection of tariffs from overseas trade activities, said the commissioner of Customs House at Chattogram. Imports declined 2.54% year-on-year to USD 14,324 million in the July-September period, according to data from Bangladesh Bank.

<https://www.thedailystar.net/business/news/tax-collection-dismal-sluggish-domestic-vat-1829125>
<https://www.dhakatribune.com/business/2019/11/18/countrywide-tax-fair-nbr-collects-BDT1-659-crore-in-five-days>

Foreign aid utilization for development projects crawling

- Foreign aid utilization in the annual development programme dropped 8.14% over the last four months although the government had set an ambitious target of spending from foreign sources. Between the months of July and October, some BDT 76.37 billion was utilized, which is 10.64% of the foreign aid allocation for the fiscal year. At this point last year, foreign aid utilization was BDT 83.60 billion, which was 13.93% of total foreign aid allocation for fiscal 2018-19. The government has targeted to spend BDT 718.0 billion or more than USD 8 billion from the foreign fund for ADP implementation this fiscal year.

- A senior finance ministry official said the amount of foreign aid has been increasing over the last few years because Russia, China, Japan and India have committed more funds to Bangladesh with a view to implementing the mega infrastructure projects in the country. However, the implementation progress of the projects is still slow although those lending countries are ready to give a lot of funds to Bangladesh. Delays in appointment of project staffers, contract approvals and revision of project design and costs are often blamed, the official said.

- On the other hand, spending from the government-owned funds increased 50.14% year-on-year to BDT 222.22 billion during the first four months of the fiscal year, which is 16.97% of the total government allocation, according to data from the Implementation Monitoring and Evaluation Division. The BB circular also allowed banks to grant rescheduling facility to the garments and textile entities without conducting special audit in the entities.

<https://www.thedailystar.net/business/news/foreign-aid-utilisation-dev-projects-crawling-1829101>

Size of ceramic industry may double by 2023

- The country's ceramic industry is estimated to be doubled in size by 2023, aided by the growing domestic real estate industry, rising demand for products in the EU markets and the trade tension between US and China, industry people said. A recent USAID report also made a similar forecast, saying the ceramic industry of Bangladesh would attain a value worth USD 1.56 billion by 2023.

- The industry that started journey in 1960s currently caters to 87% of the domestic demand worth USD 668.5 million. According to the Export Promotion Bureau (EPB), the country fetched USD 68.97 million through exporting ceramic products in the last fiscal year (FY 2018-19), marking a 32.79% growth against USD 51.94 million in the last FY. Industry people said more than a dozen of new ceramic manufacturing units are in the pipeline to cater for the growing demands both in and outside the country.

- Recently, the government has declared 10% cash incentives on export of ceramic items, sources said. It is also a priority sector in accordance with the 2018-21 export policy. Currently, there are more than 60 ceramic manufacturers in the country with 20 units more in the pipe line to hit the market shortly, the association officials said.

<https://today.thefinancialexpress.com.bd/trade-market/size-of-ceramic-industry-may-double-by-2023-1574094287>

Non-life insurers must invest 7.5% of assets in government securities

- The government has made it mandatory for non-life insurance companies to invest at least 7.5% of their assets in government securities. The government securities include short-term and long-term securities such as treasury bills and treasury bonds. At the same time, each non-life insurer will have to invest 10% of their premium income or the sum equivalent to their liabilities plus BDT 10 million, which is higher of the two, in the country.

- As per the rules, the companies can invest their remaining amount either in Bangladesh or abroad with prior approval from relevant government agencies. After investing in government securities, the non-life insurers can invest their remaining assets in nine specified sectors. The sectors include deposits in A-rated scheduled banks, bonds issued for infrastructure development, debenture and securities issued by city corporations, debenture, mutual funds and unit funds approved by the Bangladesh Securities and Exchange Commission (BSEC), shares listed with stock exchanges, immovable asset located at city corporations and municipalities and in subsidiary companies.

- As per the regulation, non-life insurers will be able to invest a maximum of 15% of their assets in the government infrastructure bonds or other bonds that are rated not below 'AA'. Some 5.0% of the assets of non-life insurance companies could be invested in debenture or other securities issued by city corporations. They are also allowed to invest a maximum of 15% of their assets in the BSEC-approved debenture. The companies will also be able to keep up to 80% of their assets in deposits in the scheduled banks. However, the amount of deposits to a particular bank should not exceed 15% of assets of a company. A non-life insurer will be able to invest 20% of its assets in undisputed immovable assets located in the areas of city corporations and municipalities. Also, total investment in shares of any company would not exceed 25% of non-life insurer's assets. However, investment in Z-category shares would not be allowed. The non-life insurance companies can also invest 2.0% of their assets in residential property.

<https://today.thefinancialexpress.com.bd/last-page/non-life-insurers-must-invest-75pc-of-assets-in-govt-securities-1574097746>

<http://www.newagebd.net/article/91011/gen-insurers-must-invest-75pc-of-assets-in-govt-securities>

Dhaka Stock Exchange (DSE) board okays Ring Shine listing

- The board of directors of Dhaka Stock Exchange on Monday approved listing of Ring Shine Textiles on the bourse. The bourse found that the Managing Director of Ring Shine Textiles is the chairman of Universe Knitting while around twenty million placement shares of Ring Shine were issued to Universe Knitting, but the shares were placed under one-year lock-in period. The premier bourse wanted to investigate whether there was any existence of Universe Knitting at all. The BSEC did not pay heed to the DSE appeal and imposed a three-year lock-in on those shares held by him. The BSEC also said that he did not violate securities rules as the company sent documents related to Universe Knitting and the matter was settled on disclosure basis.

<http://www.newagebd.net/article/91019/dse-board-okays-ring-shine-listing>

Apparel exporters to get additional 1.0% cash incentive

- Apparel exporters will get an additional 1.0% cash incentive as the government is going to issue a circular soon to this end amid less-than-expected export growth due to global competition, officials said. They said the existing four categories of exporters, who now enjoy 4.0% incentive, will also be entitled to get the extra subsidy, once the government issues an order in this regard. The exporters, who have so far been deprived of the facility, will then get 1.0% incentive as proposed in the budget for the current fiscal year. Bangladesh expects the volume of garment exports to reach USD60 billion within next three to five years.

<https://today.thefinancialexpress.com.bd/first-page/apparel-exporters-to-get-addl-10pc-cash-incentive-1574097267>

Bonus shares recommended by BD Autocars: Central Depository Bangladesh Limited (CDBL) asked to refrain from provisional credit

- The securities regulator has asked the Central Depository Bangladesh Limited (CDBL) to refrain from provisional credit of the bonus shares recommended by Bangladesh Autocars. A CDBL official said the Bangladesh Securities and Exchange Commission (BSEC) asked them to refrain from provisional credit of the bonus shares till holding of the company's annual general meeting (AGM).

- On October 21, the Bangladesh Autocars recommended 15% stock dividend for the year ended on June 30, 2019. Later, the Dhaka Stock Exchange (DSE) made a query regarding declaration of bonus share in connection with the company's negative retained earnings.

<https://today.thefinancialexpress.com.bd/stock-corporate/cdbl-asked-to-refrain-from-provisional-credit-1574094578>

<https://www.thedailystar.net/business/news/regulator-blocks-bangladesh-autocars-dividend-1829086>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.89	-0.16	-0.28%
Crude Oil (Brent)*	\$62.27	-0.17	-0.27%
Gold Spot*	\$1,469.87	-1.64	-0.11%
DSEX	4,722.02	+4.63	+0.10%
Dow Jones Industrial Average	28,036.22	+31.33	+0.11%
FTSE 100	7,307.70	+4.76	+0.07%
Nikkei 225	23,384.14	-32.62	-0.14%
BSE SENSEX	40,417.28	+133.09	+0.33%

Exchange Rates**USD 1 = BDT 84.73*****GBP 1 = BDT 109.78*****EUR 1 = BDT 93.85*****INR 1 = BDT 1.18***

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

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