

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.

Defaulters rush to state banks to reschedule loans

- Five state-owned commercial banks have received nearly 80% of loan rescheduling applications as defaulters rush to regularize their credits on easy terms under a special facility extended by the central bank. Around 4,000 loan rescheduling proposals have been submitted as of yesterday, the last day for sending in the applications as per the latest deadline, according to the officials of the banks. The number of applications may go up further as the High Court yesterday extended the deadline by a month.
- Of the lenders, five state-run commercial banks Sonali, Janata, BASIC, Agrani and Rupali received more than 3,000 proposals. While the state-run banks were flooded with the rescheduling applications, the picture was opposite for private banks as they were not much interested about offering the wholesale facility to the defaulters. The bank received more than 700 proposals involving around BDT 100.00 billion, including BDT 30.00 billion for AnonTex Group.
- Troubled BASIC Bank received more than 500 applications involving loans amounting to BDT 23.00 billion, an official of the bank said. On May 16 this year, the Bangladesh Bank issued a circular allowing borrowers who got defaulted by December last year to reschedule their loans for 10 years, by giving a down payment of only 2% instead of the existing at least 10%. The BB also capped the maximum interest rate at 9%, down from the existing rate of 10-14%. Also, based on a bank's relationship with a client, the accrued interest on the defaulted loan can be waived, leaving the defaulter to pay only the principal amount with the new interest rate of 9%.
- The amount would be nearly BDT 2.0 trillion if the delinquent loans of 675 large borrowers—who obtained stay order from the High Court on their default status—are taken into account. There are concerns that the reported NPLs are underestimated considering significant under-provisioning, regulatory forbearance and legal loopholes, it said. Cases involving BDT 792.42 billion were pending at courts as of January 10.

<https://www.thedailystar.net/business/news/defaulters-rush-state-banks-reschedule-loans-1816585>
<http://www.newagebd.net/article/88297/5-sobs-receive-over-3000-pleas-for-spl-loan-rescheduling>

No fresh loans to defaulters in one month

- The High Court on Sunday ordered the Bangladesh Bank and other banks not to allow the loan defaulters to take out fresh credit for the next one month or until the disposal of the writ petition.
- Meanwhile, the hearing continues on a Bangladesh Bank circular that allowed defaulters to reschedule their loans extending the repayment period to 10 years while securing new loans.
- Following a writ petition filed by the rights group, the High Court on May 21 issued a status quo until June 24 on the central bank's May 16 circular that allowed defaulters to reschedule their defaulted loans up to 10 years and to further loans by making a down payment of just 2.0% of the total loan. On June 24, the HC extended its May 21 order for the next two months. After hearing an appeal petition filed by the Finance Ministry, the Appellate Division's Justice on July 3 stayed the HC order until July 8 and sent it to the SC full bench.

<https://today.thefinancialexpress.com.bd/first-page/no-fresh-loans-to-defaulters-in-one-month-1571592807>

Bangladesh Financial Intelligence Unit (BFIU) receives 1.41 million reports on cash transactions in July

- The scheduled banks submitted reports on cash transactions of over 1.416 million to Bangladesh Financial Intelligence Unit (BFIU) in July, officials said. Beside, reports on suspicious transaction numbering 358 were submitted to the BFIU in September. Primarily, the central bank did not find any terror financing or money laundering links to the reports it received. But the reports were being reviewed intensively for any such links, they added. Banks have to report to the BB if an amount of BDT 1.0 million or above is deposited in or withdrawn from a particular account on a single day.
- Banks submitted 14.70 million CTRs in the fiscal year (FY) 2017-18 and non-banking institutions only 2,330, according to the available annual report of BB. The BFIU's annual report showed that the total number of STRs and SARs climbed to 3,878 in FY '18 against 2,357 in FY '17. Of the total reports submitted in FY '18, the numbers of STRs and SARs were 2,069 and 1,809 respectively. The figures were 1,267 and 1,090 respectively in FY '17. It received the highest number of STRs in August 2017 and most SARs only a month ago in July. However, the volume of suspicious transactions decreased in the last one year. It was BDT 9217.50 million in FY '18 against BDT 11637.70 million in the previous FY.

• The country's banking system has an estimated 124 million accounts. The 2019 Global Financial Integrity report on illicit financial flows to and from developing countries showed that at least USD 5.90 billion flew out of Bangladesh in 2015 through misinvoicing in international trade with advanced economies. Illicit inflows from other countries to Bangladesh stood at USD 2.8 billion in 2015, it also revealed. The 2017 report showed that annual average illicit capital outflow from Bangladesh stood at USD 7.58 billion during 2005-2014, and the amount was USD 9.10 billion in 2014.

<https://today.thefinancialexpress.com.bd/trade-market/bfiu-receives-141m-reports-on-cash-transactions-in-july-1571591132>

Mirsarai Economic Zone set to open next month

• One factory will go into operation at the Mirsarai Economic Zone (MEZ) next month and another five by June next year as the country's largest industrial enclave is all set to open its doors to both local and foreign entrepreneurs. Jinyuan Chemical Industry Ltd, a Chinese company which exports chemical products to the US and Canada, will be the first company to begin operations in the economic zone. The MEZ will be the first public economic zone to go into operation as part of the government plan to set up 100 industrial enclaves across the country to give a boost to industrialisation.

• The chairman of Jinyuan Chemical Industry shifted her factory from China to Bangladesh in order to lessen tariff burden while exporting products to North America. Her first aim is to avoid the impacts of the US-China trade conflict and make my products competitive, she said. Five more factories will go into operation in the zone by June next year, the executive chairman of the Bangladesh Economic Zones Authority (Beza), said. The factories are Modern Syntex, Bangladesh Auto Industries Ltd (BAIL), Nippon & McDonald Steel Industries Ltd, Asian Paint, and Arman Haque Denim Ltd.

• Local automobile company BAIL will start producing electric vehicles at the plant for the local market by July, BAIL Chairman said. The construction of the road connecting the zone with the Dhaka-Chattoogram highway and the roads inside the zone will be completed by the dry season. So far, the agency has received investment proposals involving more than USD 12 billion from local and foreign investors for the zone. Globally reputed companies Sojitz Corporation of Japan, Wilmar of Singapore, and Adani Group of India will invest in the zone. It hopes that the zone will create at least 1.5 million to 2.0 million jobs when it will be fully up and running by 2030. The government plans to set up 100 new economic zones to generate 10 million new jobs, earn USD 40 billion in additional exports and attract USD 20 billion in FDI, all by 2030.

<https://www.thedailystar.net/business/news/mirsarai-economic-zone-set-open-next-month-1816582>

Bangladesh Telecommunication Regulatory Commission (BTRC) appeals against HC injunction

• The Bangladesh Telecommunication Regulatory Commission on Sunday filed an appeal against the High Court's injunction for two months on realisation of BDT 125.79 billion in audit claim from mobile operator Grameenphone by the telecom regulator. The BTRC in its appeal also prayed to the Appellate Division for staying the injunction.

• BTRC officials said that if the commission got positive result from its appeal with the AD, the BTRC would further proceed with its move to appoint administrators to the mobile operators to realise the claims.

<http://www.newagebd.net/article/88298/btrc-appeals-against-hc-injunction>

Bangladesh Telecommunication Regulatory Commission (BTRC) seeks ministry nod for telcos single licensing system

• The telecom regulator has sought government approval to scrap the current multiple licensing regime for mobile operators, and introduce single licensing system to reduce operational complexity. The Bangladesh Telecommunication Regulatory Commission (BTRC) last week sought the approval from the Posts and Telecommunication Ministry. BTRC Chairman said that introduction of single licensing system would reduce hassle for all related parties.

• BTRC officials have said that currently a mobile phone operator has to maintain one generic licence for operating as a mobile phone entity, two licences for running 2G services, two for 3G services and two other licences for rendering 4G services. The single licensing will come into effect from the date of licence issuance and remain valid till February 18, 2033, subject to the renewal of spectrum, says the draft guideline. Under the proposed licensing guidelines, mobile phone operators will be allowed to provide nine types of services including 2G, 3G, and 4G cellular mobile phone services.

• Annual licence fee for the single licence in the draft guidelines has been proposed at BDT 100 million along with 5.5% revenue sharing and 1% contribution to social obligation fund. The Association of Mobile Telecom Operators Bangladesh welcomed the BTRC's move. In June last year, BTRC initiated the move for unified licensing for the mobile phone companies and prepared the draft guideline in August this year.

<https://www.dhakatribune.com/business/2019/10/20/btrc-seeks-ministry-nod-for-telcos-single-licensing-system>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$53.67	-0.11	-0.20%
Crude Oil (Brent)*	\$59.24	-0.18	-0.30%
Gold Spot*	\$1,490.29	+0.24	+0.02%
DSEX	4,782.09	+11.10	+0.23%
Dow Jones Industrial Average	26,770.20	-255.68	-0.95%
FTSE 100	7,150.57	-31.75	-0.44%
Nikkei 225	22,555.34	+62.66	+0.28%
BSE SENSEX	39,298.38	+246.32	+0.63%

Exchange Rates**USD 1 = BDT 84.68*****GBP 1 = BDT 109.36*****EUR 1 = BDT 94.49*****INR 1 = BDT 1.19***

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

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