

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.

Private sector credit growth sinks to nine-year low

- Private sector credit growth sank to a nine-year low in September this fiscal year, which experts blame on slow deposit growth leading to liquidity crisis, high government borrowing, cautious lending and slow import growth. In the month, the private sector credit growth dropped to 10.66%, the lowest after September 2010, when it was 6.09%, according to the Bangladesh Bank data. In the first three months (July-September) of this fiscal year, the growth remained far below the central bank's curtailed estimation, 14.8%, for the current fiscal year. Most of the banks were lending cautiously because they were now under pressure to adjust the advance-deposit ratio (ADR) by September 30 as per the central bank's instruction, said Pubali Bank Managing Director.
- Policy Research Institute executive director and BRAC Bank Chairman blamed two factors for slowed private sector credit growth. The first one is liquidity crisis in banks due to a slow deposits growth while the second is increased government borrowing from bank to meet budget deficit. High amount of non-performing loans was another reason for the slump in private sector credit growth, he said. The government borrowed nearly BDT 280 billion from the country's banking system in more than 100 days of the current fiscal year to meet the budget deficit, partially.
- Association of Bankers, Bangladesh (ABB) Chairman said that the private sector credit growth dropped due to slow import growth. Between July and August, imports stood at USD 8.62 billion, down by 2.30% year-on-year, according to central bank data. Non-performing loans continued to rise in the country's banking sector and because of this, Bangladesh Bank was keeping an eye on the banks to ensure quality of credit, which could be a reason behind the slowdown, as per a BB high official. Non-performing loans (NPLs) of banks rose by a staggering BDT 15.51 billion in three months till June this year, taking the amount of stress loan in the banking sector to BDT 1124.25 billion. As of June, the total bad loans accounted for 11.69% of the total disbursed loans, according to the latest Bangladesh Bank (BB) latest data.

<https://www.dhakatribune.com/business/2019/10/29/pvt-sector-credit-growth-sinks-to-nine-year-low>

<http://www.newagebd.net/article/89182/private-sector-loan-growth-hits-fresh-9-yr-low-in-sept>

Summit to invest USD 5 billion in infrastructure in 5 years

- Summit Group will invest USD 5 billion in various projects in Bangladesh in the next five years to meet the country's growing appetite for infrastructure. Of the investment, USD 3 billion will flow to the energy and power sectors and USD 1 billion each to the digital infrastructure and the ports and shipping sectors. With 8% GDP growth and a population of 170 million, Bangladesh needs 40,000 megawatts to 50,000 megawatts of electricity by 2030, which is more than double the present installed capacity, the Chairman of the infrastructure conglomerate said.
- Around 60% of the planned investment will come from Summit's new shareholder JERA, the largest energy company in Japan. The Japanese firm has recently bought a 22% stake in Summit Power International (SPI) for USD 330 million, which is incorporated in Singapore and holds all assets of Summit in Bangladesh. JERA will enable them to invest USD 3 billion in the three years to 2022. Of which, USD 1 billion will be in the form of equity, the Chairman said. SPI will raise another USD 600 million by way of listing on the Singapore Stock Exchange, but it will take at least two years.

<https://www.thedailystar.net/business/news/summit-invest-5b-infrastructure-5-years-1820443>

Runner Auto to set up three-wheeler plant

- The board of directors of Runner Automobiles Ltd. has approved a proposal for establishing a three-wheeler progressive manufacturing plant at its factory at Bhaluka in Mymensingh. However, the setting up of the plant is subject to the final agreement with the international partner of the company, according to an official disclosure published on Tuesday.
- The company has decided to set up progressive plant of CNG/LNG-based three-wheelers with the existing two-wheelers manufacturing facilities to grab the huge potential market all over Bangladesh. With the new manufacturing units, the company will produce around 30,000 units a year. The initial capacity of the progressive manufacturing plant will be 3,000 units a month, the disclosure said.

<https://today.thefinancialexpress.com.bd/stock-corporate/runner-auto-to-set-up-three-wheeler-plant-1572370686>

Aid disbursement drops in Q1

• Foreign aid received by Bangladesh from development partners has dropped by USD 56 million in the first quarter of the current fiscal year (FY) 2019-20 compared to that of the same period in the previous fiscal, officials said on Tuesday. The Economic Relations Division's provisional data showed that multilateral and bilateral development partners (DPs) disbursed USD 940.80 million worth of concessional assistance during the July-September period of FY 2019-20. The DPs provided USD 996.85 million worth of assistance during the same period of FY19, the official statistics showed. Out of USD 940.80 million foreign aid disbursed during Q1 of this fiscal, USD 935.23 million came as loan while USD 5.57 million as grant.

• Meanwhile, aid commitment from DPs including the World Bank, the Asian Development Bank, the Japan International Cooperation Agency, China and India increased by USD 193 million to USD 2.01 billion in the Q1 of the current fiscal, the data showed. Out of the USD 2.01 billion aid commitment in the Q1 of this fiscal, the DPs confirmed USD 1.99 billion worth of loan while the remaining USD 25 million as grant. The government has set an ambitious target of receiving USD6.0 billion in concessional foreign assistance and commitment of USD 8.47 billion during the current FY.

<https://today.thefinancialexpress.com.bd/last-page/aid-disbursement-drops-in-q1-1572372655>

Telecom companies compensate for only 8.48% cases of call drops

• Mobile operators have cut back on compensation for call drops in recent months, in a worrying development for customers. Between August last year and July this year, there were 1.81 billion call drops, according to the Bangladesh Telecommunication Regulatory Commission. As compensation, the mobile operators credited subscribers with 153.6 million minutes, as per an internal report of the telecom regulator. In contrast, between August 2017 and September last year there were 2.22 billion call drops and operators gave back 693.8 million free minutes as compensation.

• As per rules, if customers face more than two call drops in a day, they will receive compensation of one minute for every call drop from the second drop onwards. However, mobile operators are only compensating for drops in calls on their own network, which they feel could be due to some glitch on their end. But for drops when on call to another network they are not providing compensations as more than one parties are involved -- like another operator, interconnection exchange and fibre cable company -- in the call and the drop could arise for a problem at their end too. The chairman of the regulatory body acknowledged the problems, which they did not think through when the rules were formulated.

<https://www.thedailystar.net/business/news/telcos-compensate-only-848pc-cases-call-drops-1820437>

The Executive Committee of the National Economic Council (ECNEC) okays 10 projects at a cost of BDT 114.67 billion

• The government will conduct the country's sixth population census in 2021. The Executive Committee of the National Economic Council (ECNEC) has approved the population and housing census project at a cost of BDT 17.62 billion. Planning Minister said a total of 10 projects at a combine cost of BDT 114.67 billion have been approved. Of the total project cost, BDT 82.71 billion will come from the internal resources, while BDT 31.95 billion will come as project assistance from the foreign agencies.

<https://today.thefinancialexpress.com.bd/last-page/ecnec-okays-10-projects-at-a-cost-of-BDT-11467b-1572372729>
<https://www.dhakatribune.com/business/2019/10/29/ecnec-approves-10-projects-worth-BDT11-467cr>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.22	-0.32	-0.58%
Crude Oil (Brent)*	\$61.38	-0.21	-0.34%
Gold Spot*	\$1,488.65	+0.93	+0.06%
DSEX	4,670.75	-28.48	-0.61%
Dow Jones Industrial Average	27,071.42	-19.30	-0.07%
FTSE 100	7,306.26	-25.02	-0.34%
Nikkei 225	22,892.75	-81.38	-0.35%
BSE SENSEX	40,055.63	+223.79	+0.56%

Exchange Rates
USD 1 = BDT 84.66*
GBP 1 = BDT 108.88*
EUR 1 = BDT 94.03*
INR 1 = BDT 1.19*

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

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