

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.

July imports drop by over 2.0%

- Country's overall import dropped by more than 2.0% in the first month of the current fiscal year (FY) 2019-20 following announcement of the national budget, officials said. The settlement of letters of credit (LCs), generally known as actual import, came down to USD 4.57 billion in July of this fiscal year from USD 4.69 billion during the same period of the previous fiscal, according to the central bank's latest statistics. A senior official of the Bangladesh Bank (BB) said import normally falls after announcement of the national budget. The central banker expects that overall import may pick up in the coming months to meet the growing demands for construction materials for implementation of the ongoing projects particularly mega infrastructure projects across the country.

<http://today.thefinancialexpress.com.bd/trade-market/july-imports-drop-by-over-20pc-1568303875?date=13-09-2019>

Asian Development Bank (ADB) to lend USD 5.0 billion over three years

- The Asian Development Bank (ADB) will provide USD 5.0 billion worth financial support to Bangladesh in the next three years through 2022 for its infrastructure and poverty reduction. The Manila-based lender has recently finalized the country operations business plan for 2020-2022, it said in a statement on Friday. Under the plan, the bank, the country's second-largest multilateral lender after the World Bank, has set aside another USD 4.9 billion in the pipeline, which it calls as "standby" fund. Based on the Bangladesh's requirements, the lender will provide necessary funds from the standby package.

<http://today.thefinancialexpress.com.bd/first-page/adb-to-lend-50b-over-three-years-1568395638?date=14-09-2019>

Truck sales down 26.0%

- Daily sales of truck—a major goods carrier—fell 26% year-on-year in 2019 owing to bank's liquidity crisis and a slowdown in public expenditure since the last general elections. Some 32 units of trucks were sold daily on an average this year, down from 43 in 2018, according to the registration record of the Bangladesh Road Transport Authority (BRTA) and industry people. From January to July this year, 5,693 units of truck were sold, compared to 12,663 units in the full-year of 2018.

- The managing director of Ifad Autos Ltd. said that the sale of commercial vehicles depends on the existing market condition of the cement and steel sectors as well as the export and import volumes. According to him, the sales in other major sectors have also slowed since January, affecting the sales of trucks. Some corporate clients failed to take delivery of trucks despite making the minimum payment in advance as they could not secure loans from banks, he added. The chairman of Runner Group, distributor of Eicher branded trucks, said the company's prediction on the sales of truck mismatched with the final figure as the sales declined.

- Existing trucks have the ability to provide services to the businesses as traffic congestion has lessened on the highways and the travel time has also come down due to widening of the highways. The chairman of Nitol Niloy Group said that the pre- and post-election moods have an impact on the market, which caused the fall of the sales of commercial vehicles, particularly trucks. He also said that the government was cautious in spending money for development activities, so big clients did not buy trucks. The businessman is, however, bullish that the sales may go up in the fourth quarter as the government will disburse funds and the clients will buy trucks when money flow increases.

<https://www.thedailystar.net/business/news/truck-sales-down-26pc-1800244>

Insurers lick lips as fixed commission takes effect

- Local non-life insurers expect to bag an additional income of BDT 10 billion, helped by the implementation of a 15% agent commission. The commission against business procurement has been made effective since August. Currently, the annual turnover of the privately-owned general insurance firms is around BDT 18 billion. There are 45 non-life insurers in the private sector. Another non-life and re-insurer is state-owned Sadharan Bima Corporation, which earns around BDT 12 billion a year.

- In July last, the IDRA issued two orders regarding the 15% agent commission while procuring the nonlife business. The watchdog did it as many firms provide as high as 70% commission for procuring business, which ultimately impacts the financial health of the insurance companies. Even this practice weakened the companies' ability to make claims. There have been instances of diverting business from one insurer to another, the BIA chief said, adding many insurers did it luring agents into higher commissions.

<http://today.thefinancialexpress.com.bd/last-page/insurers-lick-lips-as-fixed-commission-takes-effect-1568479547>

After GSK, Sanofi decides on wind-up

- Global drug colossus, Sanofi, is set to wind up its Bangladesh operations after decades of producing key life-saving pharmaceutical products, officials said. Last week, the French company conveyed its decision on leaving Bangladesh to the state-run Bangladesh Chemical Industries Corporation, which controls around 20% stakes in its local operations. The decision comes in less than 15 months after the departure of GlaxoSmithKline, which had left Bangladesh as it found the market to be "not sustainable."
- The government owns 45.32% shares in the multinational company and the rest by the Sanofi. Each year, the company provides dividend to the national exchequer amounting to more than BDT 15 million. Economists and analysts have expressed the concern over the company's planned exit, saying the government should hold regular dialogues with foreign investors to see where the problems lie. They have warned that this may impact adversely on the country's foreign direct investment (FDI) in the years to come.
- Bangladesh's drug market has been expanding at a double-digit rate, reaching at around USD 2.0 billion. Sanofi holds over 2.0% shares in the booming local pharmaceuticals market.

<http://today.thefinancialexpress.com.bd/first-page/after-gsk-sanofi-decides-on-wind-up-1568395421?date=14-09-2019>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.85	-0.24	-0.44%
Crude Oil (Brent)*	\$60.22	-0.16	-0.26%
Gold Spot*	\$1,488.53	-10.73	-0.72%
DSEX	4,933.89	+0.72	0.01%
Dow Jones Industrial Average	27,219.52	+37.07	+0.14%
FTSE 100	7,367.46	+22.79	+0.31%
Nikkei 225	21,988.29	+228.68	+1.05%
BSE SENSEX	37,384.99	+280.71	+0.76%

Exchange Rates

USD 1 = BDT 84.37*
GBP 1 = BDT 105.39*
EUR 1 = BDT 94.12*
INR 1 = BDT 1.19*

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

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