

Stock Market

Stocks slump on new tax measures, GP woes

The Daily Star, July 08, 2019

- Dhaka stocks slumped on Sunday as investors resumed share selling amid worries over the new budgetary measures on listed companies and a hike in gas price by the government.
- The DSEX, key index of Dhaka Stock Exchange, fell by 0.88 %, or 47.70 points, to close at 5,333.08 points on Sunday. The index had only inched up by 8.58 points in the previous session on Thursday on bargain hunting following a three-day fall because of the new tax measures on the listed companies and gas price hike.
- Despite Thursday's gains, the DSEX lost 96.94 points in five trading sessions since parliament passed the Financial Bill 2019 with the new tax measures on June 29. In the bill, the government imposed 10 % tax on listed cos' stock dividend if it exceeds cash dividend.
- DS30, the blue-chip index of DSE, slumped by 1.03 %, or 19.69 points, to close at 1,890.38 points. DSE Shariah index DSES shed 0.96 %, or 11.93 points, to close at 1,221.46 points. JMI Syringe led the turnover chart with its shares worth BDT 13 crore changing hands.
- Asian Tiger Sandhani Life Growth Fund, Runner Automobiles, National Life Insurance, Rupali Insurance, Eastern Cables, Sino Bangla, Silco Pharmaceuticals, Paramount Textile Ltd and National Polymer were the other turnover leaders.
- CAPL BDBL Mutual Fund 01 gained the most on the day with a 10-% increase in its unit prices while Global Insurance was the worst loser, shedding 7.64 %.

<https://www.thedailystar.net/business/news/bandwidth-block-illegal-gp-robi-1768342>

GP terms BTRC's bandwidth cut move 'illegal'

GP, Robi seek arbitration over audit claim, BTRC rejects

New Age, July 08, 2019

- Grameenphone on Sunday proposed resolving the issue of Bangladesh Telecommunication Regulatory Commission's audit claim worth BDT 12,579.95 crore under the Arbitration Act 2001 in a transparent and acceptable manner.
- The leading mobile phone operator in the country made the plea at a press briefing organised by it at the Sonargaon Hotel in Dhaka after the BTRC on July 4 reduced the bandwidth for GP by 30 % and for another operator Robi by 15 %.
- The telecom regulator made the move as the operators refrained from paying the BTRC audit claims worth BDT 13,447.18 crore in total.

<http://www.newagebd.net/article/77790/gp-terms-btrcs-bandwidth-cut-move-illegal>

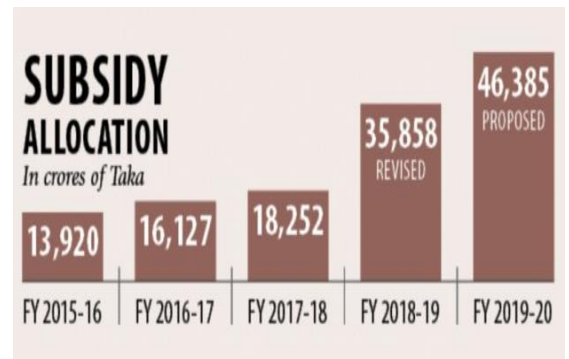
Economy

Subsidy burden gets heavier

Govt expenditure shoots up 29pc in a year

The Daily Star, July 08, 2019

- The government's subsidy expenditure has soared 29.36 % to BDT 46,385 crore this fiscal year largely due to its concessions on demands from pressure groups.
- For instance, BDT 6,825 crore has been set aside for exporters, up by a staggering 70.63 % year-on-year. The government has extended 1 % cash incentive to all garment exporters to prop up their competitiveness this fiscal year.
- Previously, 26 sectors -- including garment, which accounts for more than 80 % of the country's exports -- were given cash incentives ranging from 2 % to 20 % of their export proceeds. Garment makers who use local yarn enjoy subsidy of 4 % on their export earnings. Those who export to new markets -- destinations other than the US and the EU -- also get cash subsidy.
- But from July 1, all apparel exporters have been enjoying 1 % cash incentive on their export receipts. The handout for garment exporters came at a time when there were calls for providing cash subsidy to the country's nearly two crore farmers to help them offset losses from Boro harvest because of low paddy prices.



<https://www.thedailystar.net/frontpage/news/subsidy-burden-gets-heavier-1768159>

International

African leaders launch free-trade zone

New Age, July 08, 2019

- African leaders met on Sunday to launch a continental free-trade zone that if successful would unite 1.3 bn people, create a \$3.4 trillion economic bloc and usher in a new era of development.
- After four years of talks, an agreement to form a 55-nation trade bloc was reached in March, paving the way for Sunday's African Union summit in Niger where attendees will unveil which nation will host the trade zone's headquarters, when trading will start and discuss how exactly it will work.
- It is hoped that the African Continental Free Trade Area (AfCFTA) - the largest since the creation of the World Trade Organization in 1994 - will help unlock Africa's long-stymied economic potential by boosting intra-regional trade, strengthening supply chains and spreading expertise.

<http://www.newagebd.net/article/77792/african-leaders-launch-free-trade-zone>

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