

## Stock Market

### Stocks slump on Evinco Tex's no-dividend impact

New Age, September 24, 2018

- Dhaka stocks plunged for the second session on Sunday as investors accelerated sell-offs following no-dividend declaration by Evinco Textiles Limited despite making profits. DSEX, the key index of Dhaka Stock Exchange, lost 0.94%, or 51.80 points, to close at 5,467.05 points on Sunday after losing 38.00 points in the previous session.
- The market began to dip from the very beginning of the day and the downward trend escalated in late hours amid investors' fierce sell-offs following the no-dividend declaration by Evinco Textiles, market operators said.
- ETL declared no dividend for the year ended on June 30, 2018 despite making good amount of profits that made investors angry, they said. The company will be placed under 'Z' category, also known as junk category, from 'A' category from today. The company reported earnings per share of BDT 1.06 for the year ended on June 30, 2018 as against BDT 1.16 for the same period of the previous year.
- Investors' fierce sell-offs dragged the share prices of ETL down by 30% on Sunday, posting the worse single-day loss for the company. The share prices of ETL closed at BDT 10.40 on the day. Therefore, the average share prices of the textile sector plunged by 3.4% that contributed most to the loss of the day. board

<http://www.newagebd.net/article/51332/stocks-slump-on-evince-texs-no-dividend-impact>

### Only two pvt banks lower lending rate to single digit

New Age, September 24, 2018

- Only a couple of private banks complied with the declaration made by the private banks owners' association of bringing down the interest rate to single digit against the backdrop of desperate efforts by the government to spur private investment. On the contrary, all the state-owned commercial banks have complied with the directive, Bangladesh Bank officials have said quoting investigation carried out by its department of off-site supervision.
- However, a state-owned bank has already lodged complaints about falling deposits because of offering six% interest rate to the depositors, another major aspect of the declaration given by the ministry of finance in light of the commitment from the private banks owners.
- Finance minister AMA Muhith on August 2 declared that the lending at nine% and deposit rate at six% would come into effect from August 9 after the previous deadline of July was missed. A huge amount of classified loans in the banking sector, which was over BDT 1,20,000 crore at the end of June, 2018, was identified as another barrier to reducing lending rate. The private bank owners using political clout realised 'undue' demands and thwarted the role of the BB.
- The bank owners also realised their demand for lowering the bank rate to 6% from 6.75% and cash reserve requirement of 5.5% from 6.5% on pretext of liquidity crisis. The government met the bank owners' demand for deposition of 50% of funds instead of the existing 25% by the state-owned agencies in the private banks despite growing loss of trust in private banks due to Farmers Bank's failure to repay the deposits to Bangladesh Climate Trust Fund and Bangladesh Telecom Regulatory Commission.

<http://www.newagebd.net/article/51326/only-two-pvt-banks-lower-lending-rate-to-single-digit>

## Economy

### JV to invest BDT 500cr in steel plant

#### Japan's Nippon Steel teams up with Bangladesh's McDonald

The Daily Star, September 24, 2018

- Japan's Nippon Steel has formed a joint venture company with Bangladesh's McDonald Steel Building Products Ltd to set up an import substitute plant in the Mirsarai Economic Zone in Chattogram. Initially, the two companies have agreed to invest \$59.19mn, or nearly BDT 500 crore, to establish the plant.
- Bangladesh Economic Zones Authority (Beza) yesterday signed an agreement with the joint venture to lease out 100 acres of land in the economic zone for the plant. Md Harunur Rashid, executive member for investment promotion of the Beza, and Kamal signed the agreement at the Beza conference hall in Dhaka.
- McDonald Steel produces pre-fabricated structural steel. It imports quality products from Japan, Luxembourg, China and India. According to the Beza, the joint venture will start the development work of the project in December 2018 and it will be completed within 730 days.
- The venture plans to sell \$13.67mn-worth steel products in the local market every year. Some 20% of the total output will be exported to South Asian countries. The Beza has received investment proposals involving more than \$12bn for Mirsarai Economic Zone, he said, adding that the government was ready to provide security to Japanese investors. Kago Taiki, acting country representative of Japan External Trade Organisation, said there were 269 Japanese companies present in Bangladesh manufacturing export-oriented products.

<https://www.thedailystar.net/business/economy/news/jv-invest-BDT-500cr-steel-plant-1637794>

### Firms pay fees for four tower sharing licences

New Age, September 24, 2018

- Four tower sharing companies selected by Bangladesh Telecommunication Regulatory Commission for awarding licences have deposited BDT 25 crore each in licence fees. Edotco Bangladesh Company Limited, TASC Summit Towers Limited, ISON Tower Bangladesh Private Limited (renamed as Kirtonkhola Tower Bangladesh Limited), and AB Hightech Consortium deposited the money after getting notification of award from BTRC.
- Apart from these, each of the tower sharing companies will have to submit BDT 20 crore in performance bank guarantee to the telecom regulator. Annual licence fees for the tower sharing licences have been set at BDT 5 crore and submission of 1% of the entities' revenue to telecom social obligation fund has also been made mandatory from the second year of operation of the entities. The tenure of the licence would be 15 years initially that would be extended gradually by five years.
- As part of the documentation procedure prescribed in the tower sharing licensing guidelines, mobile phone operator Robi Axiata Limited has transferred from its possession 20% of shares of Edotco Bangladesh to Edotco Group. With the acquisition, Edotco Group's shareholding in Edotco Bangladesh has increased to 70% from 50%.
- Eight companies had applied to the commission but the four companies got highest marks from a 15-member evaluation committee formed by BTRC to secure the licences.

<http://www.newagebd.net/article/51330/firms-pay-fees-for-four-tower-sharing-licences>

## Use software to keep accounts

### NBR asks businesses

The Daily Star, September 24, 2018

- In a bid to automate the value-added tax system, the revenue authority has ordered businesses clocking more than BDT 5 crore in annual turnover to use software in maintaining accounts and keeping tax-related records.
- The National Board of Revenue said companies would have to install software meeting criteria it has set and comply with its directive from January 1, 2019 so that businesses can furnish returns and other documents electronically to VAT offices. The NBR has been bringing changes to its VAT software in line with the VAT Act 1991 in order to go online.
- However, if businesses are not prepared to submit returns and record sales in an automated manner, they will have to submit papers manually. The NBR said software makers would have to apply to a five-member panel headed by the commissioner of the Large Taxpayers' Unit of VAT to get approval of their software.
- The software should be capable of keeping records of accounts and issuing chalans (receipts). It said software makers whose software is already being used by businesses upon approval from commissioners will now have to update it and apply to the panel by September 30 for examination and listing. The NBR plans to automate the VAT system based on the VAT Act 1991 after businesses opposed the new VAT law framed in 2012

<https://www.thedailystar.net/business/news/use-software-keep-accounts-1637791>

## International

### Nepal restores \$2.5bn hydropower plant contract to Chinese co

New Age, September 20, 2018

- Nepal's new government has reversed its predecessor's decision and has asked China Gezhouba Group Corporation to build the nation's biggest hydropower plant, an official said on Sunday, as it seeks to woo Chinese investment in its ailing infrastructure.
- The \$2.5bn deal with the Gezhouba Group to build the Budhi Gandaki hydroelectric project was scrapped last year by the previous government, citing lapses in the award process. State-run Nepal Electricity Authority (NEA) was to have built it. But prime minister KP Sharma Oli, seen as China-friendly, pledged to revert the project to the Chinese company if he was elected to power in last year's elections.
- China and India are both jostling for influence in Nepal by providing aid and investment in infrastructure projects. Officials said a formal construction deal will be signed on the hydropower. Project after the government had negotiated the project modalities with the Chinese company. No date for this was given.
- Nepal's rivers, cascading from the snow-capped Himalayas, have vast, untapped potential for hydropower generation, but lack of funds has made Nepal lean on neighbour India to meet annual power demand of 1,400 megawatts (MW). Critics say the project should have been open for international bidding instead of being entrusted to the Chinese company.

<http://www.newagebd.net/article/51331/nepal-restores-25-billion-hydropower-plant-contract-to-chinese-co>

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