

# ILCL-ILSL MONTHLY

## Economy and Market Review

June : 2015 Issue : 22



### National Budget 2015-16



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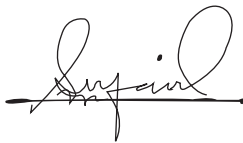
## Editorial

Eid Mubarak and Welcome to our June 2015 issue. Our vision is to establish ourselves as one of the leading Investment Banking solution providers in Bangladesh with high ethical standards and best practices. We started our first monthly publication “**ILCL Monthly Economy and Market Review**” with September, 2013 edition and seek every opportunity to make it more informative and beneficial for our readers that cover honorable business community, corporate clients and high net worth retail clients.

This edition covers **A Review on the National Budget 2015-16**.

We are looking forward to any advice or suggestions from our readers or any other concern to make it distinguished and complete. Please do not hesitate to contact us to convey your opinion. We are also committed to the readers for any assistance or explanation over any doubt or confusion arising from our publications.

Thanking You-



**Saad Faisal**  
Chief Operating Officer, IL Capital



**Md. Humayan Kabir, FCA**  
Chief Operating Officer, ILSL

## ILCL-ILSL MONTHLY

Economy and Market Review

June, 2015

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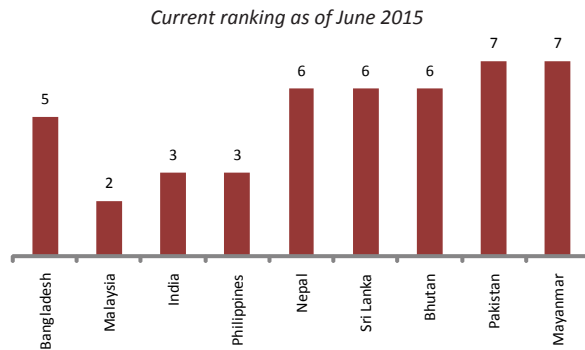
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## Economy Update

Observing the stable growth of Bangladesh economy, the Organization for Economic Cooperation and Development (OECD) has improved the country’s risk classification among recipients of officially supported export credit. The OECD rated Bangladesh 5 from a previous 6 on their Prevailing Country Risk Classification statistics released in June 2015. OECD is a body comprising of 34 countries committed to democracy and good practice of market economy over its member countries. The risk classification refers to a country’s ability to transfer currency for foreign payments. To further elaborate, the classification is determined by three main factors: political, economic and financial factors. The risk classification is used to define the minimum premium for credit risk in each country. Bangladesh Central Bank believes that with this enhancement, the country can be better portrayed as a new frontier market with less dependence on foreign aid.

Moreover, Bangladesh now has surpassed countries like Pakistan, Sri Lanka, Nepal, Bhutan and Myanmar in the classification, and is only 2 ranks behind India.

OECD Country Risk Classifications on Officially Supported Export Credits



Source: OECD and IL Capital Research

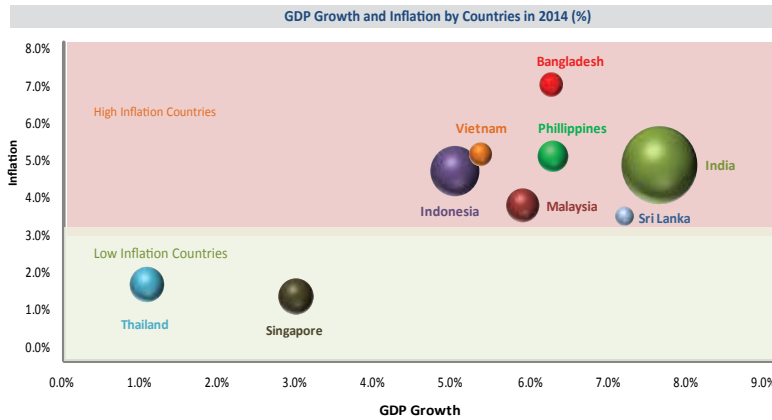
This classification will help Bangladesh to lead to significant lowering of costs for local entrepreneurs and banks in securing guarantees and L/C confirmations. This will also allow Bangladesh to attract investments from advanced economies in sectors like infrastructure, pharmaceuticals, leather and textiles.

Furthermore, the World Bank upgraded Bangladesh to lower middle income countries from a previous classification of least developed countries. With such image of Bangladesh being recognized as a stable yet fast paced economically developing nation around the world, the country’s expectation to achieve a GDP growth rate of 7% by FY2016-17 cannot be termed as farfetched.

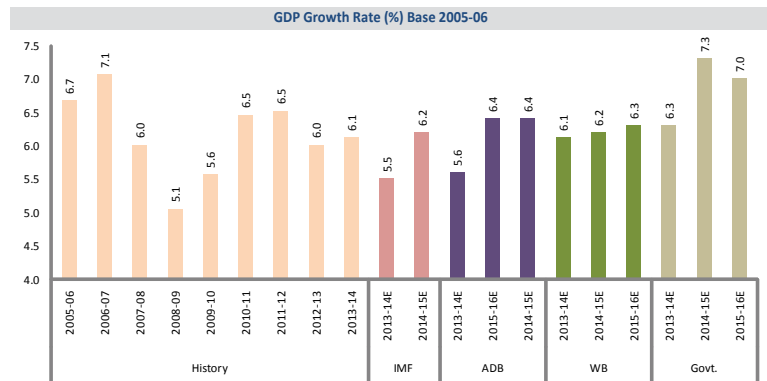
The FY2015-16 began with encouraging economic indicators. For instance, Bangladesh’s per capita income rose to USD 1,314 in FY2015, which was USD 1,190 in FY2014 and USD 1,154 in FY2013. The remittance earnings which has achieved a 7.5% growth rate per year, the strong foreign exchange reserve marking USD 25 billion at the end of FY2015, controlled inflation rate, promising export earnings and maintained exchange rates, only assures a healthy and stable economic trend for the FY2016.

Banking giant HSBC in its recent Global Connections Trade Forecast report said “Bangladesh: Getting back to business”. The bank is positive about the country’s economy and stated that investors should focus on the country based on five crucial factors: macro economy, remittances and garment exports, domestic demand, banking sector and stock market. On the ground of macroeconomic stability, Bangladesh is positioned above Vietnam and Sri Lanka. HSBC’s economists anticipate the private sector consumption growth of the country to remain on an upward trend in the next two fiscal years. With the recent budget proposed, HSBC terms the environment of the country to be business friendly for the FY2015-16. Moreover, the banking giant also emphasized over the declining equity valuation of the Bangladesh market. It stated that the equity market is trading at a 12-month trailing price-earnings ratio of 15.8x, which is below the five-year average.

**GDP:**



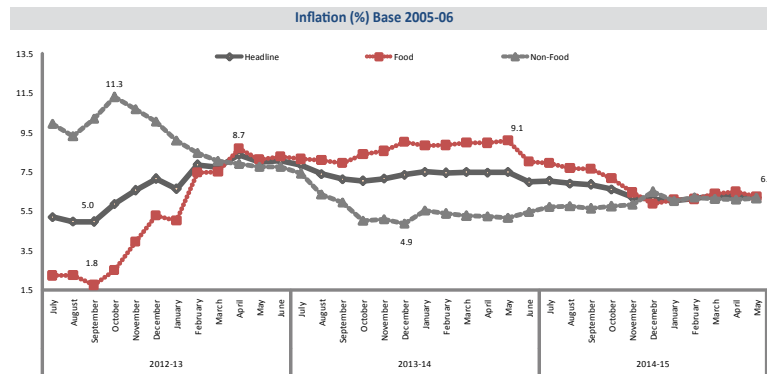
All the eight countries in South Asian Association for Regional Cooperation (SAARC): Bangladesh, Bhutan, Nepal, Sri Lanka, India, Maldives, Pakistan and Afghanistan are almost closer to achieve most of the MDGs. South Asia is one of the most dynamic regions in the world. The combined economy of SAARC is the 3rd largest in the world in terms of GDP(PPP) after the United States and China, and 5th largest in terms of nominal GDP. SAARC is also home to world's 3rd & 7th largest Economy of the world in GPP (PPP) & GDP (Nominal) terms respectively.



Although the current intra-regional trade accounts for only 5% of total trade, compared to 25% in the Association of Southeast Nations (ASEAN) according to the World Bank, the region is yet to achieve higher rate with recent trade agreements made.

On the other hand, from the view of overall Asian region, Bangladesh is showing promising signs as an emerging economy, while according to Bloomberg, Vietnam joins with India and China for the three fastest-growing economies by the end of FY2015-16.

**Inflation:**

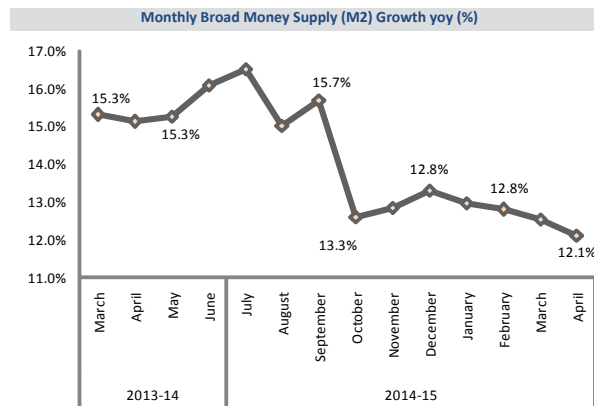
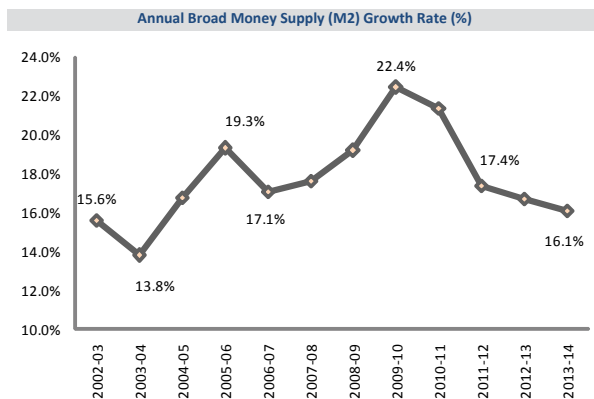


The point-to-point inflation of Bangladesh for the month of May stood at 6.19%. At the end of FY2014-15 the average inflation reached 6.41% against the target of 6.5%. The average food inflation was 6.69% at the end of the FY2014-15, while non-food inflation stood at 5.98%. The food inflation for May FY2015 was 6.23%, while the non-food inflation was 6.14%.

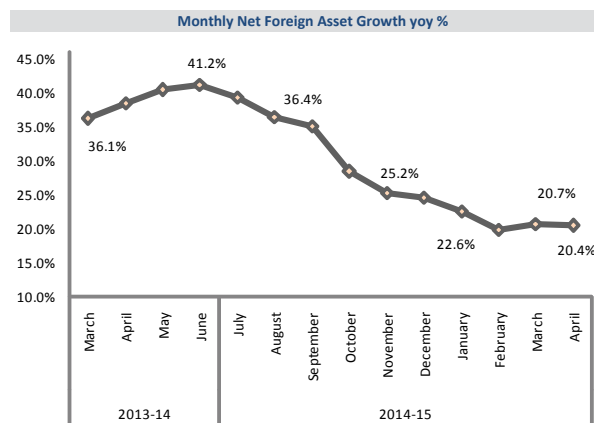
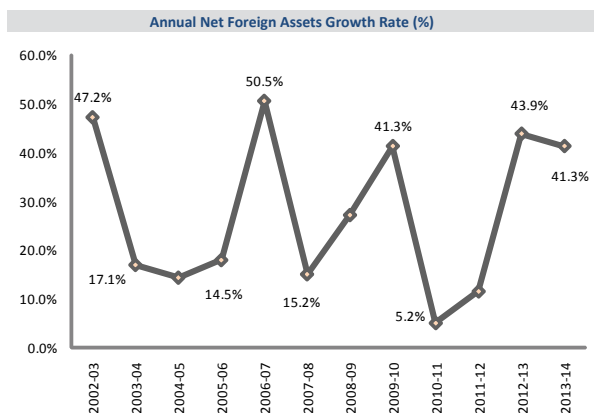
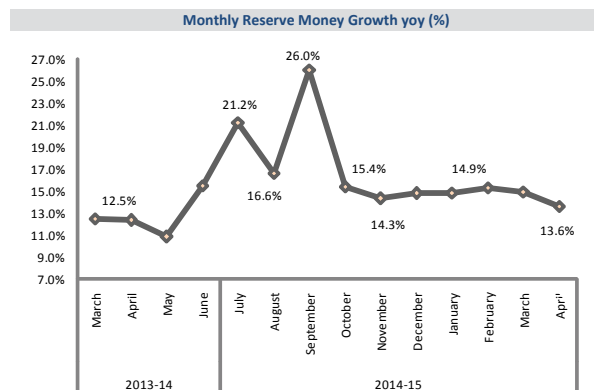
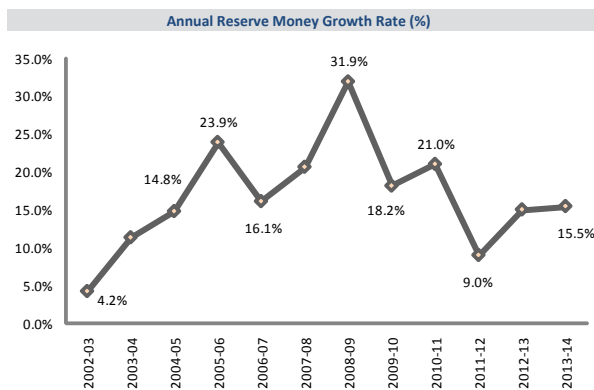
The national wage index rate stood at 9238.11 point in May FY2015, which is expected to rise in the following month. The average year to year rate of inflation from July FY2014 to June FY2015 stood at 6.41%, which was 7.35% from July FY2013 to June FY2014.

Source: United Nation: World Economic Situation and Prospects 2015, Bangladesh Bank and IL Capital Research

### Money Supply:



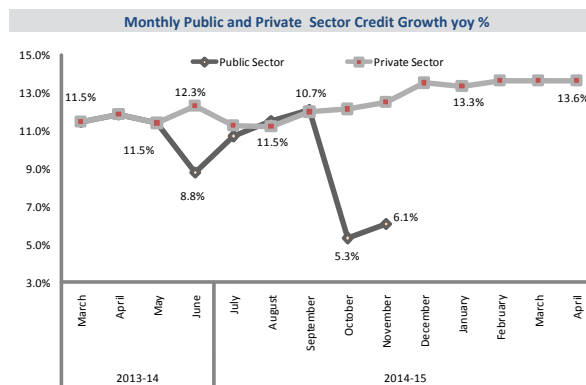
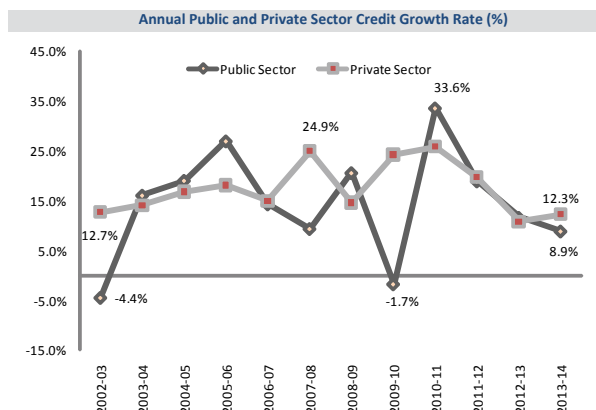
The country's broad money growth rate continued to decline from 15.7% since September FY2015 till 12.1% in April FY2015. The reserve money growth rate also fell to 13.6% in April FY2015 from 14.9% in March FY2015. The reserve money growth rate was 12.3% in April FY2014.



The net foreign asset of Bangladesh has been declining since June FY2014, from 41.2% to 20.4% in April FY2015. This trend may indicate that the country is lowering its debt position in the world market.

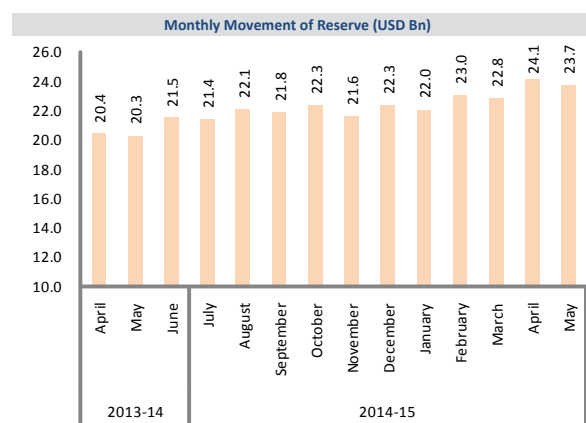
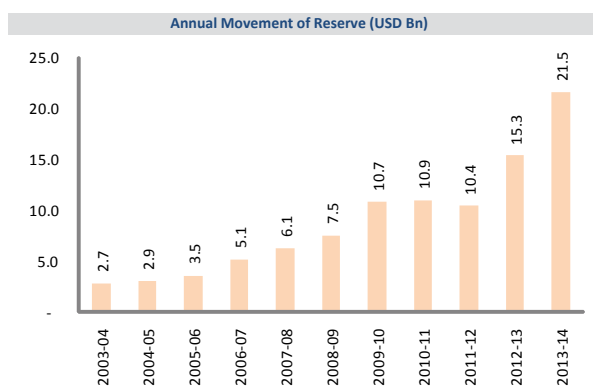
Source: Bangladesh Bank and IL Capital

## Money Supply (Continued):



The private sector credit growth remained steady at 13.5% level during the past few months, which was 13.6% in April FY2015. The central bank had set the ceiling for private sector credit growth at 15.5% for January-June period of FY2014-15. But with the recent signs of business expansion activities and credit demands, the private sector is showing an upward trend. On the other hand, the public sector credit growth has been consistently declining since September last year.

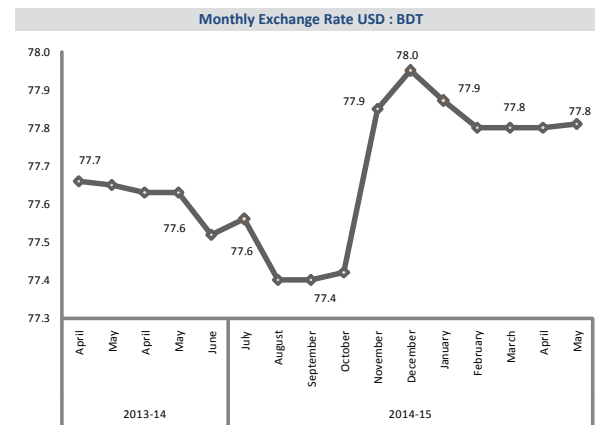
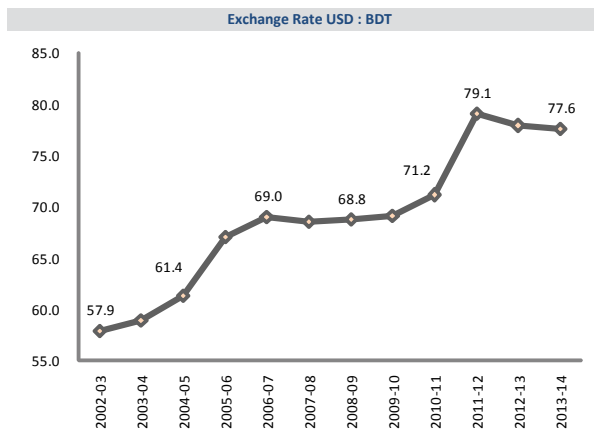
## Reserve:



The reserves marked USD 25.02 billion in June FY2015 with stable growth in export earnings and remittance. The reserve at the end of May FY2015 was stated to be USD 23.7 billion. The current reserve is expected to be enough to pay import bills up to seven months. The historical rise in reserve rate crossing the USD 23 billion mark since February FY2015 may indicate lower trade deficits for the upcoming period. Although the figure dropped to USD 22 billion after the central bank cleared import bills for January-February period - amounting USD 1.01 billion - to Asian Clearing Union (ACU) in the first week of March, the reserves again crossed USD 23 billion in the end of March and exceeded USD 24 billion in April FY2015.

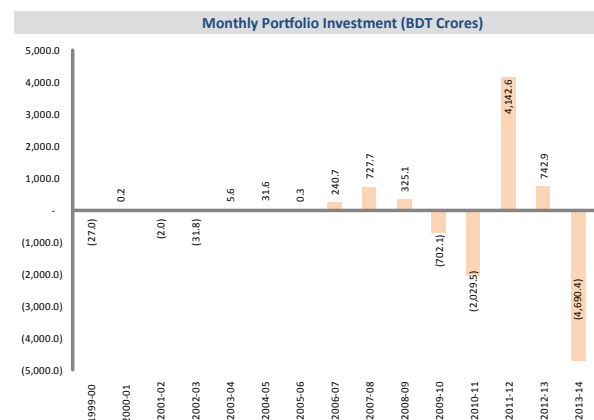
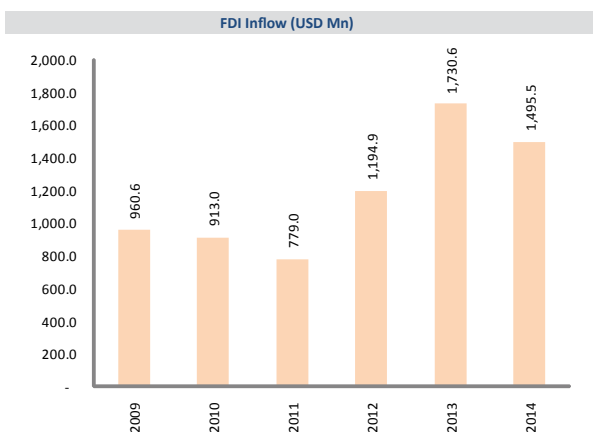
Source: Bangladesh Bank and IL Capital Research

### Exchange Rate:



The Central Bank has kept the USD BDT exchange rate steady at BDT 77.8 for the fourth consecutive months. Experts believe that USD may eventually pick up when the government strengthens implementation of its mega projects including the Padma Bridge, deep-sea port at Sonadia, Dhaka-Chittagong Access Control Highway and Dhaka City Elevated Expressway.

### FDI Inflow and Portfolio Investment:



The World Investment Report launched by UNCTAD stated that the foreign direct investment (FDI) flow into Bangladesh has gone down by 4.74% in FY2014. According to the report launched globally in 41 locations on June FY2015, the FDI inflow into the country amounted to USD 1.53 billion last year.

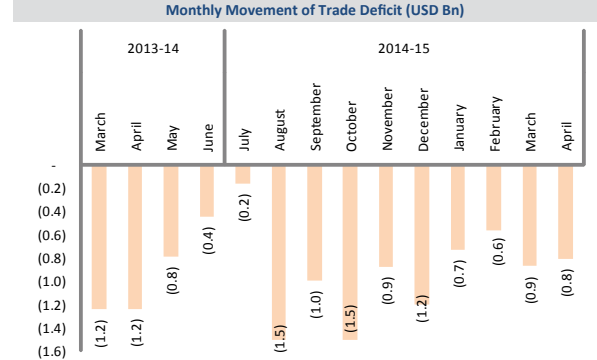
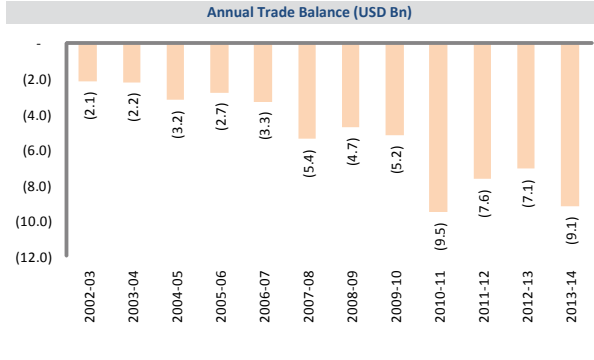
However, the developing Asia remains the most desired investment destination with total FDI inflows of USD 426 billion in FY2013, which accounts for nearly 30% of the global total.

With the corridors linking South Asia and South-East Asia being established, the Bangladesh-China-India-Myanmar Economic Corridor and the China-Pakistan Economic Corridor will enhance connectivity between Asian sub-regions and provide investment opportunities for regional economic cooperation.

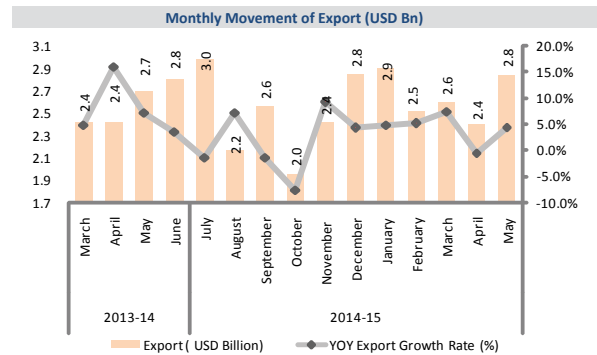
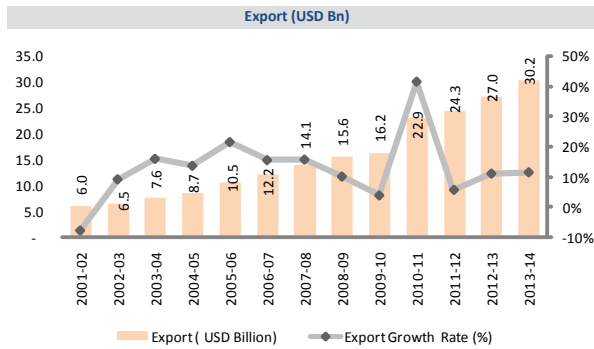
Source: Bangladesh Bank and IL Capital Research.



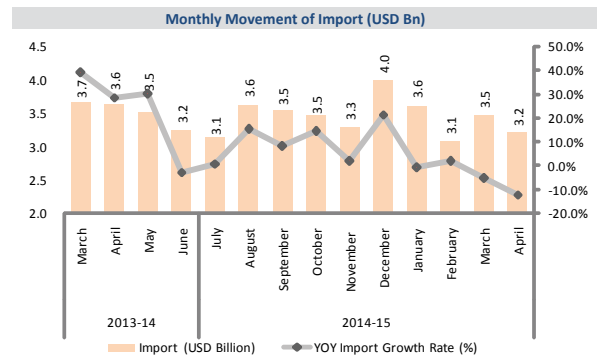
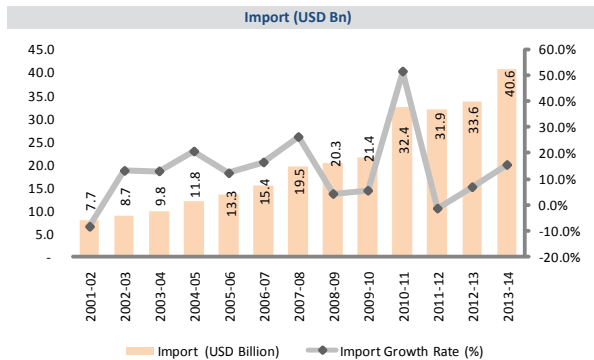
**International Trade:**



The country's export earnings posted a 3.35% growth in FY2015, which is the lowest in last 13 years. According to the provisional data of Export Promotion Bureau (EPB), Bangladesh earned USD 31.19 billion in the FY2015, which is 3.35% higher compared to USD 30.18 billion in FY2014. Experts assume that the exchange rate, particularly the devaluation of Euro against dollar, may have impacted the export earnings.

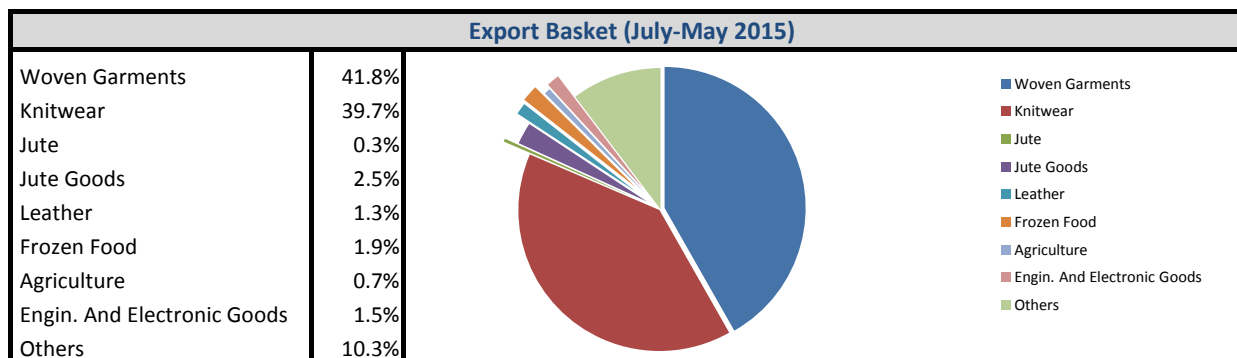


Imports fell further in May FY2015 due to lower prices of essential commodities including fuel oil in the global market. Opening of letters of credit (LCs) against imports decreased by 9.56% to USD 3.47 billion in May FY2015 from USD 3.84 billion in the same month of the previous year. The settlement of LCs also dropped by more than 6.0% to USD 3.05 billion during the period from USD 3.26 billion in the corresponding period in the previous year.

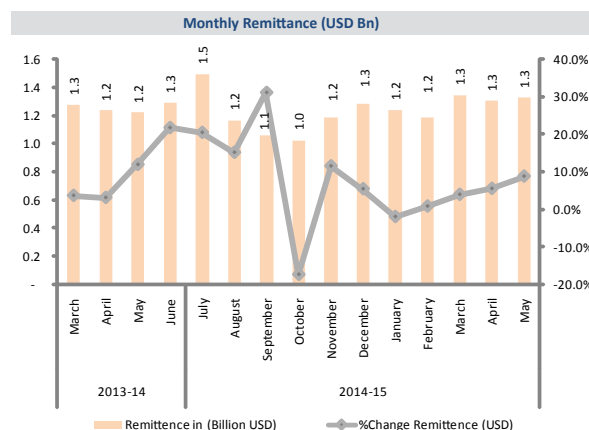
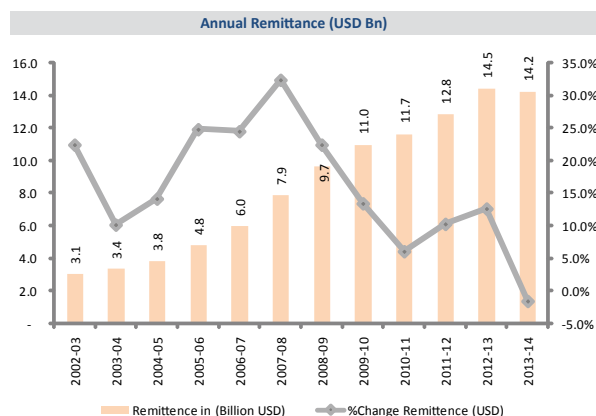


Source: Bangladesh Bank and IL Capital Research

International Trade (Continued):

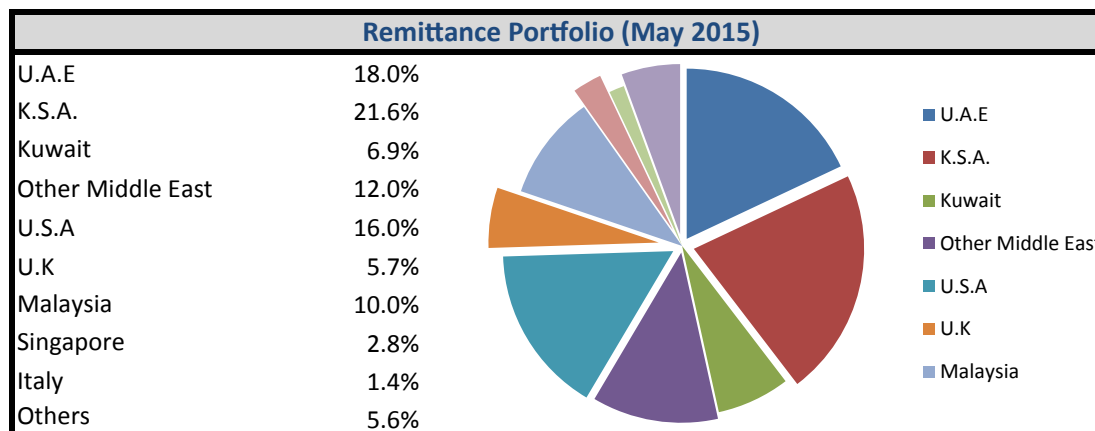


Remittance:



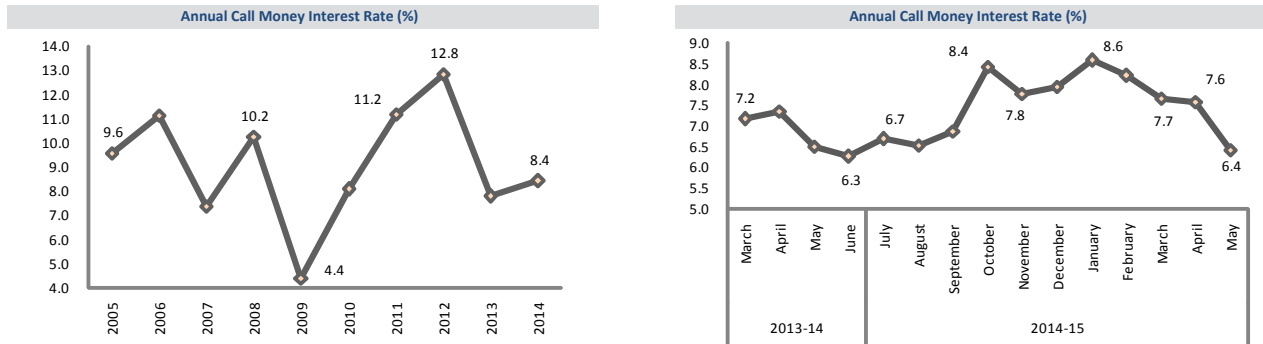
The remittance in FY2014-15 rose 7.6% from USD 14.23 billion in the previous fiscal year. In FY2014-15, migrant workers sent USD 15.31 billion in remittance, which is the highest in the country's history. The increase in manpower export, supported by the central bank's measures to facilitate the inflow through systematic channel, is believed to have driven the remittance growth.

Economists believe that more than eight million migrant workers sending remittance home has helped reduce the overall level of poverty as well as maintained a healthy balance of payments. The remittance accounts for about 66% of the country's foreign currency reserves, providing Bangladesh with a strong and stable external position.



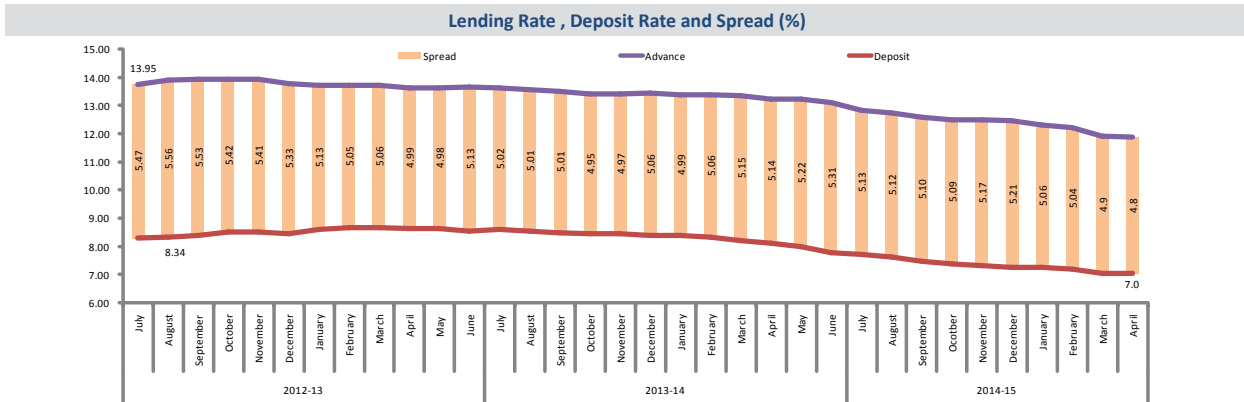
Source: Bangladesh Bank and IL Capital Research

**Interest Rate (Continued):**



The monthly call money rate for May FY2015 stood at 6.4%, which was 7.6% in the previous month of April FY2015 and 6.5% in May FY2014. The call money rate has been falling since January due to lower demand for short-term borrowing in the market.

The weighted average interest rate on deposit came down to 6.99%, a four year low, in May FY2015 due to lack of credit demand and increased foreign loan inflow. The interest rate on advance stood at 11.82%, slightly lower from 11.88% in April FY2015. The interest rates that ranged between 12% and 14% on saving instruments have recently been cut down to between 11% and 13% by the government. It is anticipated that the depositors now may focus on share market to get relatively more returns by investing their money.



Source: Bangladesh Bank and IL Capital Research



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  - Discretionary Investment Management

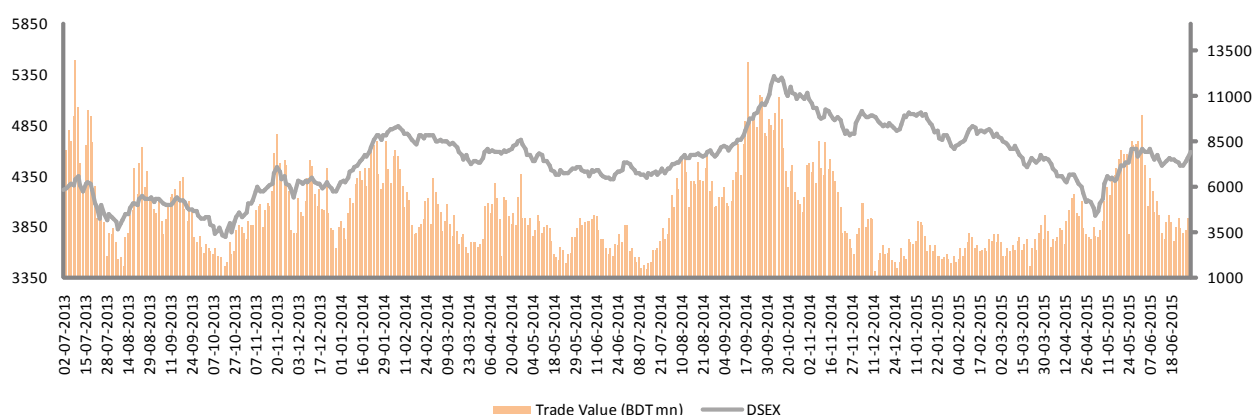
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**MARKET UPDATE:**

- The benchmark index of Dhaka Stock Exchange (DSEX) was down by 0.1% in June 2015 and 5.8% Year-to-Date.
- During the month of June 2015, Market (DSEX) witnessed bearish trend mainly driven by the down-trend in share prices of Travel & Leisure, ITs, Ceramics, Fuel & Power and Insurances.
- The major sectors that set backed during the month of June 2015 were Travel & Leisure (-9.8%), ITs (-9.4%), Ceramics (-6.9%) and Fuel & Power (-5.4%).
- On the other hand, the sectors that gained were Tannery & Footwear (7.3%), Foods (6.4%) and Pharma & Chemicals (5.4%) in June 2015.
- Among the companies traded in the Dhaka Stock Exchange (DSE), HAKKANIPUL (205.1%), DACCADYE (45.8%) and BDAUTOCA (42.8%) were the top gainers in June 2015.
- On the other hand, the major loser companies in June 2015 were BIFC (-31.3%), ASIAINS (-21.6%) and STANDARINS (-20.4%).
- During the month of June 2015 the average daily turnover in the public market of Dhaka Stock Exchange was down by 36.7% and it reached to BDT 4.38 bn from BDT 6.19 bn in May 2015.
- Average daily turnover of Cement sector increased by 80.1% followed by Tannery & Footwear (38.7%) and Travel & Leisure (14.9%) in June 2015 than that of May 2015.
- However, in Dhaka Stock Exchange the average daily turnover of Ceramics sector declined by 55.5% in June 2015 followed by General Insurance (48.1%) and NBFIs (46.8%).
- There are sectors that have outperformed DSEX Year-To-Date namely Pharma by 18.2%, Food by 17.1%, Tannery by 4.3%, Cement by 3.3% and Engineering by 0.7% as of June 30th 2015.
- On the other hand, Insurance, NBFIs, Banks, Textiles and Real Estate have underperformed DSEX Year-To-Date as of June 30th 2015 by 17.0%, 10.0%, 5.9%, 5.8% and 5.6% respectively.
- Market capitalization of DSE increased by 0.7% to BDT 2.68 trillion (USD 34.43 billion) as of June 30th 2015 from BDT 2.66 trillion (USD 34.19 billion) in May 31st 2015.
- Two securities were listed in DSE in June 2015, which are: Tosrifa Industries Limited and Olympic Accessories Limited under Textile and Engineering Sector with paid-up capital of BDT 590.36 mn and BDT 1,169.1 mn respectively.

**DSEX and Turnover movement in DSE**



Sources: DSE and IL Capital Research

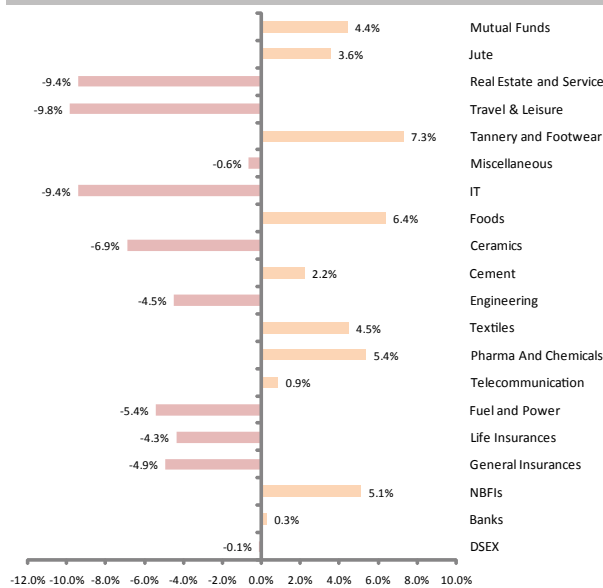
### Market Capitalization of DSE

Instruments	30-Jun-15			31-May-15			Change (%)
	BDT mn	USD mn	Weight (%)	BDT mn	USD mn	Weight (%)	
Equity	2,647,802.0	34,055.3	98.9%	2,630,234.2	33,829.4	99.0%	0.7%
Mutual Fund	28,911.0	371.8	1.1%	27,683.9	356.1	1.0%	4.4%
<b>Total</b>	<b>2,676,713.0</b>	<b>34,427.2</b>	<b>100.0%</b>	<b>2,657,918.0</b>	<b>34,185.4</b>	<b>100.0%</b>	<b>0.7%</b>

Note: Exchange Rate USD 1 : BDT 77.75

Source: DSE and IL Capital Research

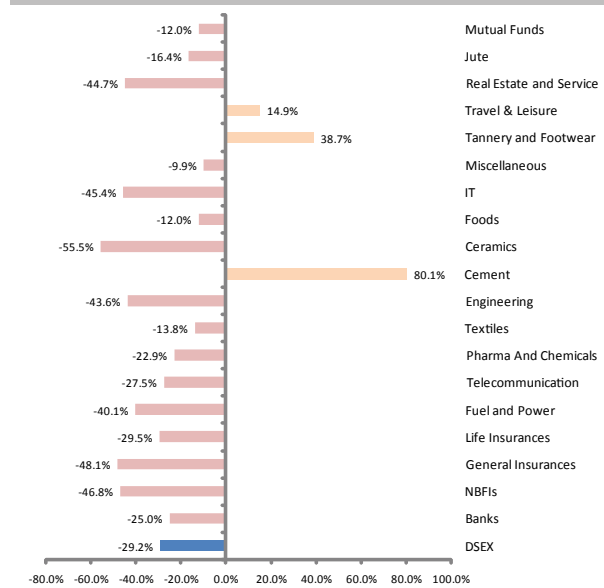
#### DSEX and Sectors Movement in DSE (Monthly)



Note: Sector movement considers changes in Market Capitalization of the sectors

Source: DSE and IL Capital Research

#### Average Turnover Movement in DSE (Monthly)



Note: Average Turnover excludes Block and Oddlot Market transaction

#### Top Gainers This Month

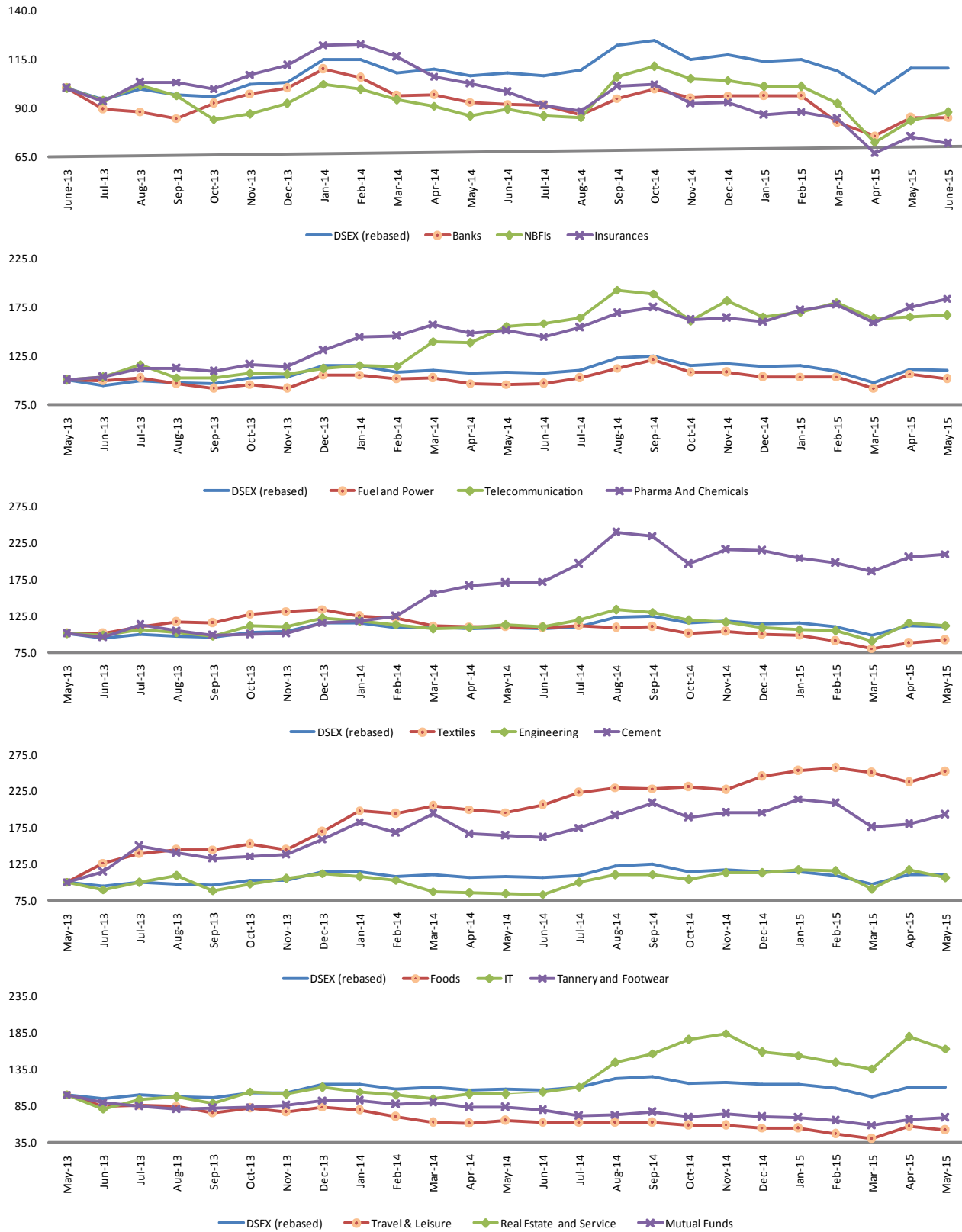
1 HAKKANIPUL	205.1%
2 DACCADYE	45.8%
3 BDAUTOCA	42.8%
4 RNSPIN	38.2%
5 RDFOOD	36.8%
6 ATLASBANG	31.8%
7 ANLIMAYARN	28.7%
8 AL-HAJTEX	27.2%
9 STYLECRAFT	24.7%
10 TRUSTBANK	23.6%

#### Top Losers This Month

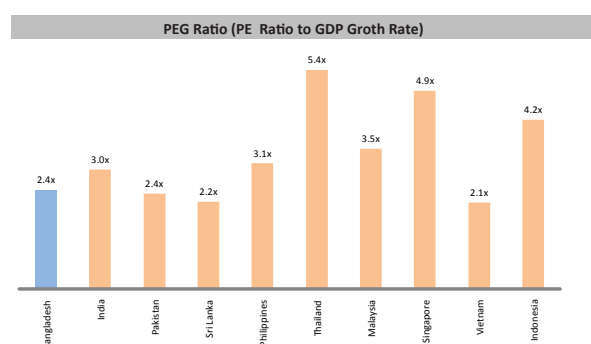
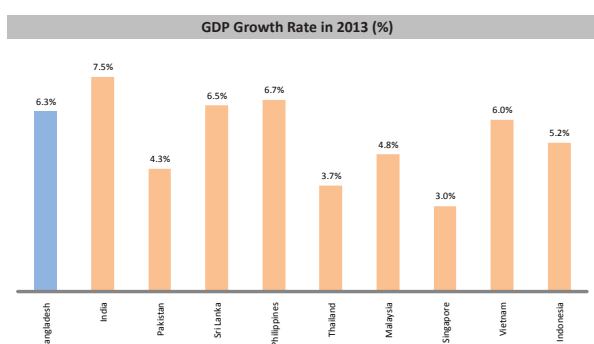
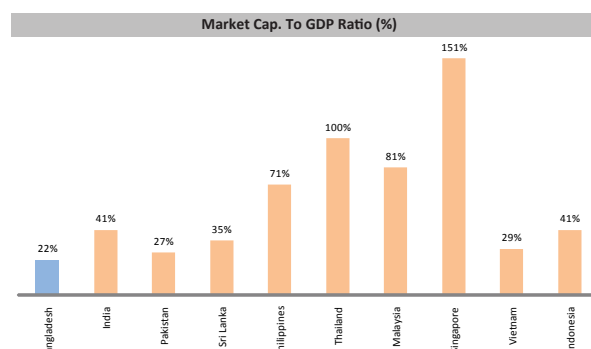
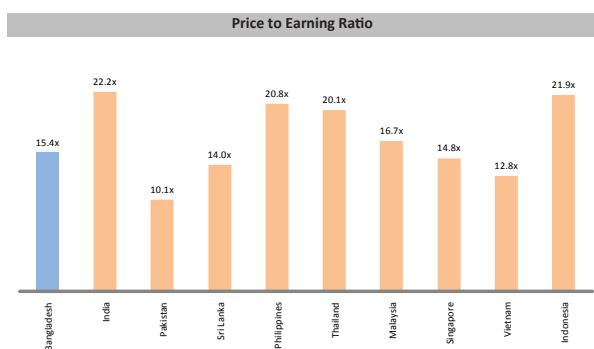
1 BIFC	-31.3%
2 ASIAINS	-21.6%
3 STANDARINS	-20.4%
4 SPPCL	-18.9%
5 SAVAREFR	-18.5%
6 BSCCL	-17.9%
7 UNIQUEHRL	-16.2%
8 GBBPOWER	-15.8%
9 KPCL	-15.6%
10 SPCL	-15.5%

Source: DSE and IL Capital Research

DSEX vs Sectors Movement (Base Value: 100 and Base Date: June 2013)



Note: The sector Indices are market capitalization weighted indices. Should you require any further clarification over index calculation methodology, please don't hesitate to contact IL Capital Research Team.



PEG ratio = PE ratio of the major stock exchange of the country /GDP Growth of the country in 2013. We assume that listed companies' aggregate earnings growth is reflected in GDP growth rate of the country.

Sources: [www.bloomberg.com](http://www.bloomberg.com), [www.imf.org](http://www.imf.org), [knoema.com](http://knoema.com), DSE and IL Capital Research

- As on June 30th 2015, Bangladesh (Dhaka Stock Exchange) is trading at 15.4x PE, which is lower than that of Philippine (20.8x), India (22.2x) and Indonesia (21.9x). However, Bangladesh (DSE) is trading higher than that of Pakistan (10.1x) and Vietnam (12.8x).
- The PEG (Price Earning Growth) Ratio of Bangladesh as on June 2015 is 2.4x which is lower than that of Singapore (4.9x), Malaysia (3.3x), Indonesia (4.2x) and India (3.0x). However, it is higher than that of Sri Lanka (2.2x) and Vietnam (2.1x).

Regional Market Comparables							
Country	Index Symbol	Index Point	52-Week Low	52-Week High	PE Ratio	PEG Ratio	M. Cap (USD bn)
Bangladesh	DSEX	4,583	3.96K	5.37K	15.4x	2.4x	34.4
India	SENSEX	27,692	24.89K	30.02K	22.2x	3.0x	728.8
Pakistan	KSE100	34,290	27.85K	35.06K	10.1x	2.4x	64.1
Sri Lanka	CSEALL	7,029	6.35K	7.67K	14.0x	2.2x	22.7
Philippines	PCOMP	7,537	6.80K	8.14K	20.8x	3.1x	192.1
Thailand	SET	1,504	1.38K	1.62K	20.1x	5.4x	424.8
Malaysia	FBMKLCI	1,707	1.67K	1.90K	16.7x	3.5x	275.8
Singapore	FSSTI	3,324	3.15K	3.55K	14.8x	4.9x	407.4
Vietnam	VNINDEX	597	0.51K	0.64K	12.8x	2.1x	50.1
Indonesia	JCI	4,920	4.84K	5.52K	21.9x	4.2x	359.3

Sources: [www.bloomberg.com](http://www.bloomberg.com), [www.imf.org](http://www.imf.org), [knoema.com](http://knoema.com), DSE and IL Capital Research

We Dig Through The Bottom...



## ILSL Research

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Uphold Professional and Ethical Manner

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Exercise Diligence, Independence and Thoroughness in Analysis



## A Review on the National Budget 2015-16

The seventh five year plan has been started with the FY 2015-16 National Budget with a view to fulfill the unmet target of Sixth five year plan and the post 2015 agenda of Millennium Development Goals (MDGs). On 4 June 2015, the Finance Minister Abul Maal Abdul Muhith presented his 7th consecutive budget proposal before the Nation. On 29 June 2015, the proposed budget was approved in the Parliament.

Guidance has been delivered through this budget document on the issues like, government income and expenditure, deficit financing, savings, investment, foreign aid, public-private partnership, infrastructural development and reforms. Moreover, in this budget, priorities were given to the sectors like, agriculture, power, energy, transport, SME, health and education.

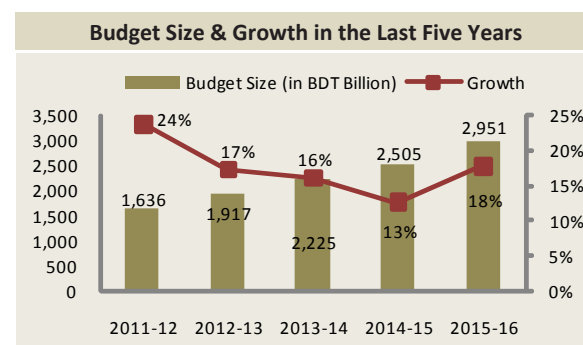
The budget structure for the FY 2015-16 is presented below –

Budget Structure for FY 2015-16 (in BDT Billion)			
Particulars	FY 2015-16	FY 2014-15 (Rev.)	FY 2014-15
<b>Total Revenue</b>	<b>2,084</b>	<b>1,634</b>	<b>1,830</b>
NBR Tax	1,764	1,350	1,497
Non-NBR Tax	59	56	56
Non-Tax Receipt	262	227	277
<b>Total Expenditure</b>	<b>2,951</b>	<b>2,397</b>	<b>2,505</b>
Non Development Expenditure	1,646	1,274	1,282
Development Expenditure	1,026	805	863
Other Expenditure	280	318	359
<b>Budget Deficit</b>	<b>867</b>	<b>763</b>	<b>676</b>
<b>Financing Source of Deficit</b>	<b>867</b>	<b>763</b>	<b>676</b>
<b>Domestic Financing</b>	<b>565</b>	<b>547</b>	<b>433</b>
a) Bank	385	317	312
b) Non-Bank	180	230	121
<b>Foreign Financing</b>	<b>301</b>	<b>216</b>	<b>243</b>
<b>GDP</b>	<b>17,167</b>	<b>15,136</b>	<b>13,395</b>

Source: Ministry of Finance & ILSL Research

### Budget Size

Traditionally, the size of the National Budget used to be larger than that of the last year. For FY 2015-16 the estimated budget size was BDT 2,951 billion which was around 23% higher than that of revised budget of 2014-15.

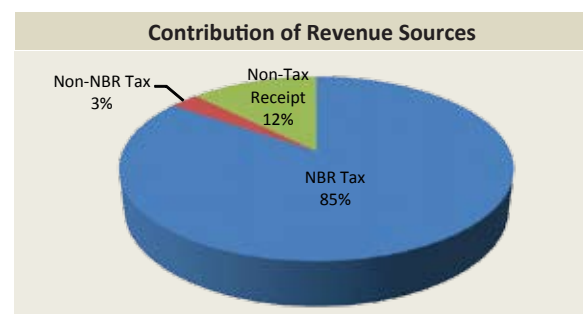


Source: Ministry of Finance & ILSL Research

The size of the National Budget of 2015-16 was 17.2% of GDP (Gross Domestic Products). In the revised budget of 2014-15, this percentage was 15.8% of respective GDP.

### Revenue Sources

The estimated revenue was BDT 2,084 billion for the FY 2015-16 registering 27.5% growth compared to that of revised budget of FY 2014-15. The revenue estimation for FY 2015-16 was around 12% of GDP. Taxes from National Board of Revenue (NBR) and Non-NBR sources along with Non-tax Receipt are the contributors of this total estimated revenue. The contribution from these specified sources is illustrated below –



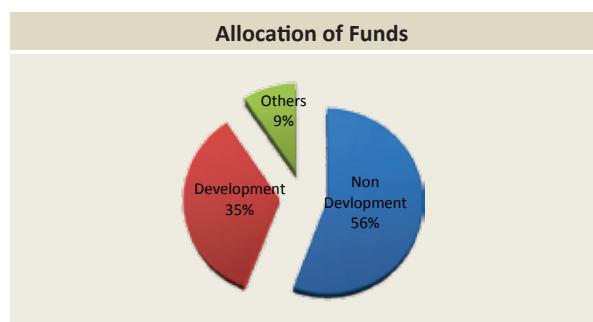
Source: Ministry of Finance & ILSL Research

In the National Budget of FY 2015-16, 88% revenue has been estimated to be collected from tax. The challenging part is to accumulate the targeted revenue. Non-Tax receipt i.e., foreign aid, foreign Loan etc. were also expected to contribute 12% of total revenue.

### Allocation of Funds

In the FY 2015-16 National Budget, total expenditure has been estimated around BDT 3,000 billion augmented by 23.0% than that of the revised budget of FY 2014-15.

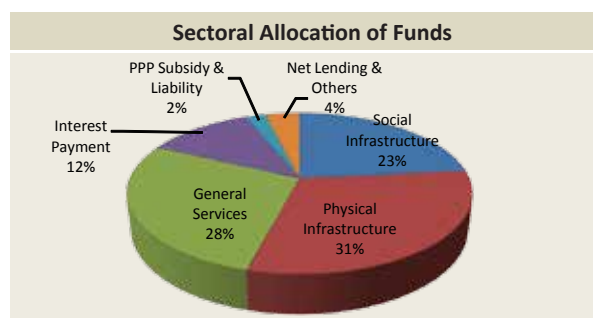
Broadly, the usages of funds are classified into three categories – *Non-Development Expenditure*, *Development Expenditure* and *other expenditure*. In FY 2015-16, the cost allocation into these categories are as follows –



Source: Ministry of Finance & ILSL Research

In the National Budget of 2015-16, *Non-Development Expenditure* and *Development Expenditure* have been increased by 29.2% and 27.2% respectively while Other Expenditure has been dropped by 12.1% compared to those of revised budget of 2014-15.

Different sectors are included in the broad classification of fund distribution. Based on business allocation, funds were disseminated into the following groups –

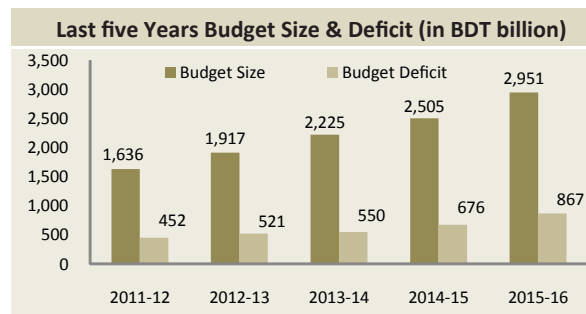


Source: Ministry of Finance & ILSL Research

In the current budget priorities have been shifted among the sectors in terms of fund allocation. As revealed in the budget document, in terms of fund allocation compared to revised budget of 2014-15, General Services observed highest growth – 43.65%, followed by Physical infrastructure (31.12%), Interest Payment (17.56%) and Social Infrastructure (9.25%).

### Budget Deficit

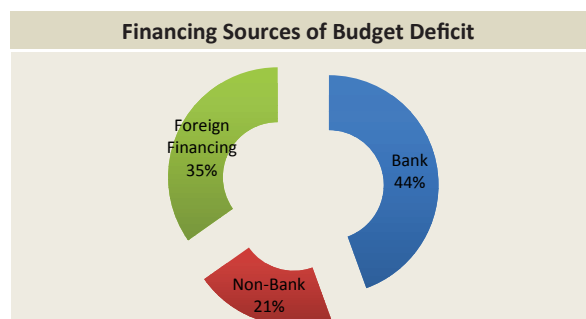
In the National budget for FY 2015-16, the estimated expenditure is higher than expected revenue. Therefore, budget deficit is inevitable. The amount of deficit in the National Budget of FY 2015-16 was BDT 866.5 billion which 5% of estimated GDP. Every year the deficit amount increases along with the budget size.



Source: Ministry of Finance & ILSL Research

This shortfall is financed through foreign and domestic sources. Loan from local banking sector is, generally, a prime financing source of this deficit.

In the National Budget 2015-16, 65% deficit budget will be financed through domestic sources while rest 35% will be financed by foreign sources.



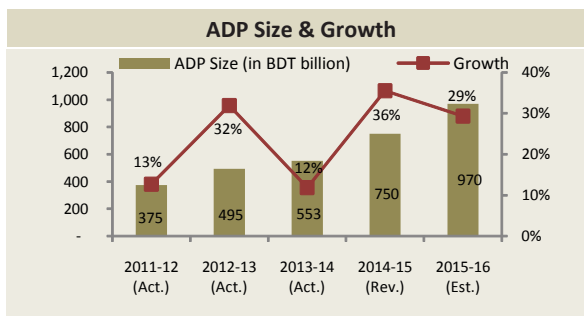
Source: Ministry of Finance & ILSL Research

The estimated Government borrowing from banking sector was BDT 385 billion which was 21.4% higher than that of the revised budget of FY 2014-15. It is implicit that extensive government borrowing from banking sector creates negative impact on private sector bank borrowing.

Fulfilling the financing target from non-bank borrowing i.e., Sanchayapatra, saving certificates, might get difficult for the Government due to recent downward yield rates. Higher utilization of foreign aid might be helpful to reduce the pressure on domestic borrowing.

### ADP Composition

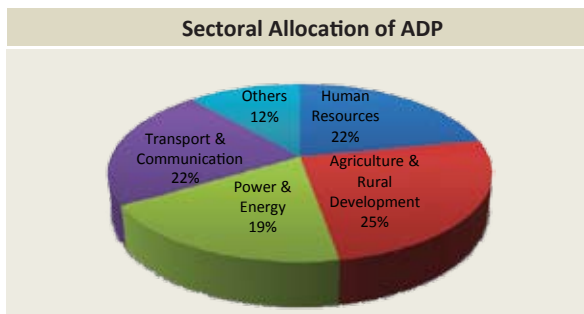
Annual Development Programme (ADP) consisted around 95% of development expenditure of the National Budget. The ADP amount for the FY 2015-16 was estimated to BDT 970 billion which was 29.3% higher than that of revised budget of 2014-15. Each year the Government increases its ADP allocation along with the budget size. For the last five year ADP size and its growth are presented below –



Source: Ministry of Finance & ILSL Research

As it can be identified in the last five years ADP growth was 20% on an average.

In the National Budget of 2015-16, ADP amount was allocated to several broad sectors. The fund allocation to the different sector is exhibited below –



Source: Ministry of Finance & ILSL Research

In case of ADP allocation of budget FY '16, Power & Energy sector and Transport & Communication sector got more precedence; confirming 98.8% and 55.60% higher allocation respectively compared to those of revised budget of 2014-15.

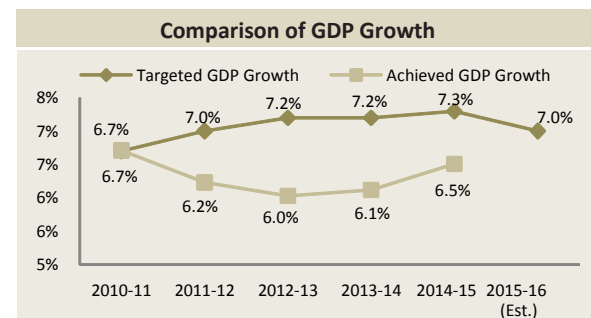
Particulars	(in BDT billion)		
	2012-13	2013-14	2014-15
Proposed ADP	550	659	803
Actual ADP	495	553	275*
Implementation Rate	90%	84%	34.2%

\* Up to March 2015; Source: Ministry of Finance & ILSL Research

### Gross Domestic Products (GDP)

GDP target has been set at 7.0% for the FY 2015-16 which was 7.3% in the FY 2014-15. However, achieved GDP growth in FY 2014-15, as per the preliminary estimate of Bangladesh Bureau of Statistics (BBS), was 6.51%. The expected supply side drivers for this GDP growth were higher growth in industry and service sector while the demand side drivers were higher consumer spending as well as public and private sector investment.

In the last five years actual achieved GDP growth was lower than the targeted GDP growth. A comparison is going to be useful here –



Source: Ministry of Finance & ILSL Research

To achieve this targeted GDP growth, various strategies have been identified; such as, scaling up the supply of public goods and services, production specialization, use of advance technology, increase both the public and private investment etc.

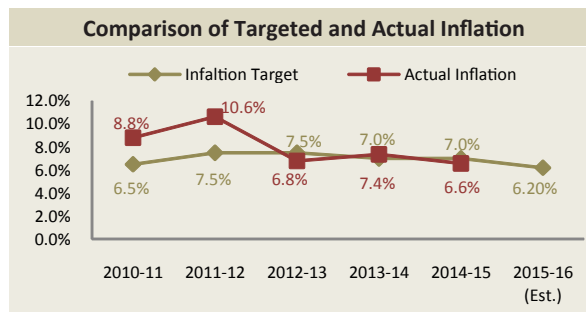
The Government has taken initiatives in power sector, energy and communication sector as well as creating economic zone to stimulate the economic progress. Proper and timely implementations of these steps are the major challenge.

### Inflation

The Government has set inflation target for FY 2015-16 at 6.2%. In the FY 2014-15 the targeted inflation level was below 7.0% and according to Bangladesh Bank data, as on April 2015, 12 month average general inflation was 6.57%.

Achieving inflation target may be challenging due to pay rise in public sector. However, declining trend in fuel price in the international market, expected favorable agriculture production, improved domestic distribution system and proper monetary policy might assist to achieve the stated inflation target.

A Comparison of targeted inflation and actual inflation in the last five year is exhibited here –



Source: Ministry of Finance, BB & ILSL Research  
Data of 2014-15 is up to April '15  
Achieved Inflation figures are in 2005-06 Base except FY '11 & '12

### Export & Import

In the National Budget of 2014-15, the targeted export and import growth were 15% each on the basis of positive trend in the global economy. However, up to April 2015, export growth was only 2.6% due to several external and internal factors.

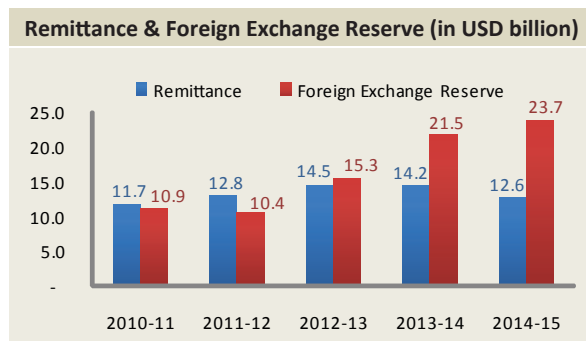
In case of import scenario, 12.2% growth was registered up to March 2015. Heightened domestic demand, particularly of capital machinery, drove the import growth.

In the current national Budget, no specific target was set for export and import. However, several measures have been recognized to stimulate the condition positively.

### Remittance & Foreign Exchange Reserve

In the July–April of FY 2014-15, total remittance amount was USD 12.56 billion registering 7.1% growth compared to the same period of the last fiscal year. Remittance flow was assumed to grow in the upcoming years since Saudi Arabia is going recruit manpower from Bangladesh after six years.

Foreign exchange reserve enjoys growth and reached to USD 23.7 billion as on 27 May 2015 comforting six months import bill.



Source: Ministry of Finance, BB & ILSL Research  
In 2014-15, Data of Remittance was at April 2015 and Data of Foreign Exchange Reserve was at 27 May 2015

### Income Tax & Wealth Surcharge

In the National Budget of 2015-16, threshold for individual tax payer has been augmented. The provision of “Scrutiny Assessment” was added in the “Universal Self” return submitting system. Minimum tax amount has been increased from BDT 3,000 to BDT 5,000 for Dhaka and Chittagong City Corporation. While BDT 4,000 for other city corporation and BDT 3,000 for outside the cities were imposed. Threshold for taxable income and individual tax rate are depicted here –

Types of Tax payer	Previous	Current
General Taxpayers	BDT 0.22 mn	BDT 0.25 mn
Women and Senior Citizen aging 65 year and above	BDT 0.275 mn	BDT 0.30 mn
Physically Challenged	BDT 0.35 mn	BDT 0.375 mn
War-wounded Gazette Freedom Fighters	BDT 0.40 mn	BDT 0.425 mn

Source: Ministry of Finance & ILSL Research

Individual Tax Rate	
Total Income	Rate
On first, BDT 0.25mn taxable income	Nil
On next, BDT 0.40 mn taxable income	10%
On next, BDT 0.50 mn taxable income	15%
On next, BDT 0.60 mn taxable income	20%
On next, BDT 3.00 mn taxable income	25%
On the balance of taxable income	30%

Source: Ministry of Finance & ILSL Research

Moreover, in the Finance Bill 2015-16, amount of initial slabs for surcharge on the individual wealth has been finalized to increase from BDT 20 million to BDT 22.5 million.

Surcharge Rate on Individual's Net Worth	
Wealth Size	Rate
Up to BDT 22.5mn	Nil
More than BDT 20 mn but Less than BDT 100 mn	10%
More than BDT 100 mn but Less than BDT 200 mn	15%
More than BDT 200 mn but Less than BDT 300 mn	20%
More Than BDT 300 mn	30%

Source: Finance Bill 2015-16 & ILSL Research

It is to be noted that, if the total net worth exceeds BDT 22.5 million; minimum tax would be BDT 3,000.

### Corporate Tax

In the National Budget of 2015-16, some changes were observed in the corporate tax. Tax rate of publicly traded company, bank, insurance and financial institutions has been reduced. Meanwhile, publicly traded cigarette company is burdened with higher tax rate. Recommended corporate tax structure in the National Budget 2015-16 is presented below –

Corporate Tax Rate		
Types of Tax payer	Previous	Current
Publicly Traded Company	27.5%	<b>25.0%</b>
Non-Publicly Traded Company	35.0%	35.0%
Publicly Traded as well as Approved in 2013 – Bank, Insurance and Financial Institutions	42.5%	<b>40.0%</b>
Non-Publicly Traded Bank, Insurance and Financial Institutions	42.5%	42.5%
Merchant Bank	37.5%	37.5%
Cigarette Manufacturer		
• Publicly Traded	40.0%	<b>45.0%</b>
• Non-Publicly Traded	45.0%	45.0%
Mobile Phone		
• Publicly Traded	40.0%	40.0%
• Non-Publicly Traded	45.0%	45.0%
Dividend Income	20.0%	20.0%
Minimum Turnover Tax	0.30%	0.30% (0.10% in the first 3 assessment years of commencement of commercial production)

Source: Ministry of Finance & ILSL Research

As it is observed, listed public manufacturing and financial institutions are getting benefit from suggested corporate tax structure. At the same time, to support the startup companies minimum tax is fixed to 0.10% for the first three assessment year from starting of commercial operation.

### Capital Market

In the National Budget of 2015-16, several incentives have been offered to stimulate the Country's capital market. These incentives are described below –

- The corporate tax rate for publicly traded manufacturing company has been reduced from 27.5% to 25.0% and for the publicly traded bank, insurance and financial institutions the agreed reduced rate was 40.0% from existing 42.5%. Such tax reduction might improve the bottom line of these companies and eventually improve the capital market situation.
- The existing rule of applying 35.0% tax for the listed manufacturing companies in case of paying less than 10.0% dividend has been withdrawn. Therefore, companies which pay less than 10.0% dividend can actually pay tax at the rate of 25.0%.
- Existing threshold for tax free dividend income was BDT 20,000 from any company; now the amount has been increased to BDT 25,000 but from only listed companies.
- The existing provision for deducting 10% at source on income from share market by any company or partnership firm has been withdrawn.
- Tax exemption threshold on income of Equity Mutual Fund and Fixed Income Mutual fund has been extended at BDT 25,000.
- The 5% upfront source tax (TDS) on interest income of Treasury Bond and Treasury Bill has been withdrawn with a view to develop an effective bond market.
- Tax exemption has been offered on interest income on Wage Earners Development Bond, U.S Dollar Premium Bond, U.S Dollar Investment Bond, Euro Investment Bond, Euro Premium Bond, Pound Starling Investment Bond and Pound Starling Premium Bond.
- Complete tax exemption is offered to the Bangladesh Security and Exchange Commission

On negative side –

- Facility of 10% tax rebate has been withdrawn on 30% dividend declaration by publicly listed companies.
- Corporate Tax of listed cigarette company has been increased from 40.0% to 45.0%.

## Sectorwise Initiatives

In the National Budget of 2015-16, various initiatives have been suggested for different industries. Some of these initiatives may create positive impact and some of them may create negative impact for the respective entities of the industry. In this segment, budgetary announcement for different industries participating in the Country's capital market is depicted below –

### Banking Industry

There were some initiatives offered in the National Budget of 2015-16 for the Country's banking industry–

- In the National Budget of 2015-16, the Government's borrowing from banking sector was estimated BDT 385 billion. Such large amount of borrowing might slow down the private sector credit growth.
- Several steps, like 10% rebate on accrued interest/profit for regular repaying borrowers, amendment of the "Loan Re-scheduling Policy", precautionary self-assessment measures, development of corporate database on bank wise lending information etc., have been taken to reform the borrowing scenario of the banking sector.
- A decision has been taken that, country side bank branches will have to invest a substantial amount of their deposits in local activities to enhance the economic activity throughout the Country.
- Regulatory steps like implementation of "Lender of Last Resort (LOLR) Framework" and "Contingency Planning and Bank Intervention/Resolution Framework" is on the move. Such attempts will help to stabilize the banking sector.
- Establishment of Banking Commission to review and recommend measures on banking policies and overall banking activities was in the budget document.
- A proposal is under consideration to establish a commercial and development bank named "Shammridhi Shopan Bank" for the welfare of government employees as recommended by the Pay and Service Commission.
- Banks – those are approved in 2013 will be taxed at the rate of 40.0% instead of 42.5%.

### Cement Sector

The Government has declared several infrastructural projects which will stimulate the demand of cement sector. Ventures like Padma Bridge project, Deep Sea Port project, Paira Sea Port project and other infrastructure development projects will definitely augment the demand of cement industry. However –

- Current exemption of VAT on concrete ready-mix was withdrawn and 15% VAT has been imposed.

### Ceramic Sector

- 20% supplementary duty was imposed on ceramics' made Bathtub, Jacuzzi, Shower and Shower tray.

### Engineering

Engineering sector of the Country's capital market consist different types of industries. The respective proposal which might have impact on different companies are given below –

- Customs Duty (CD) of Iron and non-alloy steel in ingots or other primary forms and semi-finished products of iron or non-alloy steel was proposed to increase at BDT 7,000/MT from existing BDT 5,000/MT. This will increase cost of imported products and benefit the local producers.  
**Related Listed Companies: BSRM, GPHISPAT**
- Exemption of applicable VAT on the supply of broken iron pieces or iron scraps. **Related Listed Companies: BSRM, GPHISPAT**
- The BRTC will procure 300 double-decker and 100 articulated buses with the aim of improving the quality of passenger service delivery.  
**Related Listed Companies: AFTABAUTO and IFADAUTOS**
- Tax Holiday was offered for tyre manufacturing industry. At the same time, 20% supplementary duty was imposed on tyres used in motorcars.
- Supplementary Duty on electric battery operated motor car has been increased at 20% from existing 0%. While Supplementary Duty on four stroke motorcycle in CKD has been increased from existing 30% to 60%. **Related Listed Company: AFTABAUTO**
- 15% VAT has been imposed on tissue holder, ice tray, ice scoop and hanger. While, VAT exemption on the manufacturing of plastic crystals through recycling of plastic waste has been offered. **Related Listed Companies: BENGALWTL, GOLDENSON, RANFOUNDRY**

- For the development of plastic Industry a training academy was planned at Dhaka.
- Exemption of custom duty excess of 5% and full exemption of VAT at import stage has been imposed to promote local toy industry. (p-128)  
**Related Listed Company: GOLDENSON**
- Concessionary facility for local shipbuilding industry has been extended. **Related Listed Company: WMSHIPYARD**
- Current VAT exemption on glass tube and energy saving bulb and also the raw materials used to manufacture them has been extended up to June 2017 from June 2015. **Related Listed Companies: NTLTUBES, BDLAMPS**
- Customs Duty of other LED lamps and bulb has been increased from existing 5% to 10%. **Related Listed Companies: NTLTUBES, BDLAMPS**

#### Non-Banking Financial Institutions

- 15% VAT has been imposed on credit rating and financial analysis related activity.
- Non-Banking Financial Institutions – those are permitted in 2013 will be taxed at the rate of 40.0% instead of 42.5%.

#### Food & Allied

- Supplementary Duty on sugar confectionary has been reduced at 20% from existing 30%. **Related Listed Companies: RDFOOD, FUWANGFOOD**
- Supplementary Duty on Sweet biscuit, Waffles and wafers, Rusk, Toasted products and Toasted Bread has been reduced at 45% from existing 60%. **Related Listed Companies: BANGAS, FUWANGFOOD and OLYMPIC**
- Supplementary duty on tea imports has been increased from existing 15% to 20%. This step will safeguard the local manufactures. **Related Listed Company: NTC**
- Minimum price floor of cigarette has been increased and supplementary duty and VAT was imposed on that price. **Related Listed Company: BATBC**

- Additionally, fixed amount of supplementary duty and VAT will be applicable on the additional amount after the floor price of cigarettes. **Related Listed Company: BATBC**
- Cigarette manufacturers have to collect 3% advance tax on Maximum Retail Price (MRP) of cigarette at the time of payment of such VAT. **Related Listed Company: BATBC**
- Customs duty on Artificial Filament Tow, used to produce filter tips for cigarettes, has been increased from 5% to 25%. **Related Listed Company: BATBC**
- The prices of 25 sticks non-filter bidi and 20 sticks filter bidi has been increased at BDT 7.06 and BDT 7.98 respectively from existing BDT 6.14 and BDT 6.92 in that order.
- 20% supplementary duty has been imposed on bidi paper.

#### Fuel & Power

Several steps have been taken for the development of Power & Energy Sector. Successful completion of these initiatives will improve the present scenario.

- There is a plan in the budget to construct 10 thousand km new transmission line to extend the number of population under electricity coverage. **Related Listed Company: POWERGRID**
- Another step has been taken to establish 1 lakh 50 thousand km new distribution line. **Related Listed Company: POWERGRIDDESCO**
- Continue the existing concessionary rate of duties and taxes on imports relating to power and energy sector.
- Public power generation plant will get same concessionary benefit as the private plants due to amendment of notification No. 73/1997.
- Tax deduction at source has been reduced at 3.0% for gas distribution companies. **Related Listed Company: TITASGAS**

#### Insurance

- Insurance companies – those are sanctioned in 2013 will be taxed at the rate of 40.0% instead of 42.5%.

### Information Technology

- Full exemption on existing VAT on the electricity bill of the relevant developers of the High Tech Park and on the procurement provider service of the relevant developers and investors of the same.
- Concessionary rate on various Information Technology products including computers will stay. Meanwhile, duty on web camera and digital camera will reduce at 10% from existing 25%.
- 5% customs duty has been imposed on imported computer software (except database, operating systems and development tools) to promote the local customized software. **Related Listed Company: AAMRATECH**

### Jute

- Existing 4% trade VAT has been withdrawn on local sales of jute products. **Related Listed Companies: JUTESPINN, NORTHERN and SONALIANSH**
- Tax at concessionary rate of 15% on income earned at Jute sector has been extended up to 30 June 2019. **Related Listed Companies: JUTESPINN, NORTHERN and SONALIANSH**
- Existing 15% VAT has been withdrawn on the license issuance and license renewal fee of jute and jute products. **Related Listed Companies: JUTESPINN, NORTHERN and SONALIANSH**

### Miscellaneous

- Supplementary Duty on sacks and bags of polymers of ethylene other than plastic, sacks and bags of other plastic was proposed to reduce at 45% from existing 60%. **Related Listed Companies: KBPPWBIL, SINOBANGLA**
- Supplementary duty on Sulfuric acid, Dioctyl othophthalates, other plasticizers and all related items has been increased from existing 15% to 20%. **Related Listed Companies: BERGERPBL, SINOBANGLA**

### Pharmaceuticals & Chemicals

- Active Pharmaceutical Ingredients (API) park at Munshigonj will create job opportunity for 25 thousand people in 42 factories.

- Exemption of VAT has been offered on both at the domestic production and trade level against the medicines for acute liver related diseases.
- The government withdrew all taxes on import of raw materials for cancer medications, hepatitis-C preventives and raw materials for herbal medicine.
- VAT exemption threshold on the export of sample medicines has been increased from BDT 30,000 to BDT 100,000. **Related Listed Companies: BXPHERMA, SQRPHARMA**
- Continuation of existing concessionary rates of duty and other benefits on certain other raw materials and ingredients used in pharmaceuticals sector.
- Supplementary Duty on Mosquito coil, aerosol and mosquito repellent has been reduced at 20% from existing 30%. **Related Listed Company: RECKITT BEN**
- Supplementary Duty on Liquid glucose, other glucose and glucose syrup has been reduced at 20% from existing 30%. (p-114) **Related Listed Company: GLAXOSMITH**
- Supplementary Duty on Sulphuric Acid has been increased at 20% from existing 15%. **Related Listed Company: SALVOCHEM**

### Services & Real Estate

- Existing VAT rate of 3% on apartment has been withdrawn; instead 1.5%, 2.5% and 4.5% VAT was offered on apartments having floor space up to 1100 sq. feet, floor space between 1101 sq. feet and 1600 sq. feet and floor space of more than 1600 sq. feet respectively. **Related Listed Company: EHL**
- The facilities to use of undisclosed money for purchasing flats will continue. Furthermore, the required tax on undisclosed money to buy flats in outside of Dhaka and Chittagong cities has been reduced.

### Tannery Industry

- Supplementary Duty of prepared water pigments of a kind used for leather, for cleaning footwear in tablet form has been increased to 20% from existing 15%. **Related Listed Companies: APEXFOOT, APEXTANRY, BATASHOE, LEGACYFOOT and SAMATALETH**



- Supplementary Duty of polishes, creams and similar preparations for footwear and leather has been increased to 20% from existing 15%. **Related Listed Companies: APEXFOOT, BATASHOE and LEGACYFOOT.**

#### Telecommunication

- BDT 100 has been imposed as SIM tax for both the issuance and replacement of mobile SIM card. Previously, the SIM tax was BDT 300 for new SIM issuance and BDT 100 was for SIM replacement. **Related Listed Company: GP**
- 3% supplementary duty on the voice talk time and internet use through SIM and RUIM card of mobile phone has been imposed. **Related Listed Company: GP**
- Supplementary duty on SIM card has been increased at 20% from existing 15%. **Related Listed Company: GP**
- By connecting second submarine cable bandwidth capacity will increase to 1,300 Gbps from existing 200 Gbps. **Related Listed Company: BSCCL**
- Customs duty of optical fiber cables has been increased to 10% from existing 5%. **Related Listed Company: BSCCL**

#### Textile

- Existing concessionary tax rate of 0.30% on proceeds from readymade garments was withdrawn and settled for 0.60% tax on proceeds from export items including garments, terry towel, carton and accessories. However, this tax deduction at source (TDS) is going to be considered as the final tax liability. **Related Listed Companies: ARGONDENIM, ENVOYTEX, GENNEXT, SHASHADNIM**
- Tax at concessionary rate of 15% on income earned at textile sector has been extended up to 30 June 2019.
- Existing Advance Trade VAT (ATV) of 4% on PET Chips, a raw material of polyester yarn, has been withdrawn to protect the domestic industry.
- The tariff value for locally produced and un-exportable grey denim fabric has been fixed for domestic sales. **Related Listed Companies: ARGONDENIM, ENVOYTEX and SHASHADNIM**

- Exemption on custom duty in excess of 5% and full of VAT on the imports of fire extinguishing equipment, energy efficient electrical items for apparel sector has been offered.
- Busbar Trunking System, imported by Textile Mills and Garments industry, was offered to include in the capital machinery SRO for a concessionary duty rate.
- Existing 5% supplementary duty on flax fiber, an important raw material of textile industries, has been withdrawn.
- To safeguard the local silk industry, duty rates of silk products have been enhanced at 25% and impose supplementary duty on silk fabrics at the rate of 45%.
- For the handloom weavers, exemption of customs in excess of 5% and full of VAT on the essential imports was offered.

#### Travel & Leisure

- The year 2016 has been declared as “Tourism Year” to revitalize the tourism sector. Therefore, listed companies in our capital market – **BDSERVICE, PENINSULA, UNIQUEHRL and UNITEAIR** are expected to perform well along with other participants.

To sum up, in the budget 2015-16, the Finance Minister expects to break the 6% growth loophole by implementing identified development plans and reform initiatives on timely basis. However, not mentioning the present status and achieved benefits of such good initiatives declared in the previous budget makes the Nation skeptical about the suggested ones.

#### Reference

- Budget Speech 2015-16
- Finance Bill 2015-16
- Ministry of Finance, Government of the People’s Republic of Bangladesh
- National Board of Revenue, Government of the People’s Republic of Bangladesh
- Newspaper Reports

## Mutual Fund : Monthly Update

### Performance of Mutual Funds

Mutual Fund Sector of DSE posted 3.36% gain over the month (28 May - 25 June, 2015), while the prime index of the bourse, DSEX, decreased by 2.0%. Price of 21 Mutual Funds increased, 8 Mutual Funds remain unchanged and 12 Mutual Funds decreased over the period. On the other hand, NAV @ Market Price of 21 Mutual Funds increase, 1 Mutual Fund remain unchanged and 19 Mutual Funds decreased. Out of 41 Mutual Funds, 39 were traded below their respective NAV. LRGLOBMF1 Mutual Fund had the lowest Price/NAV ratio (35.8%) whereas 1STPRIMFMF was traded at highest Price/NAV ratio (119.7%). Price of ICBEPMF1S1 Mutual Fund increased by 22.2% against decrease in NAV by 0.7%.

Name of Fund	NAV Per Unit @		Price 25 Jun, 2015	Close Price/ NAV per Unit	% Change in NAV		% Change in Price		52-Week Price Range	Avg Monthly Turnover (BDT mn)	Year of Redemption	Asset Manager
	Market Price	Cost Price			↓	↑	↓	↑				
AIMS1STMF	38.31	14.47	27.1	70.7%	↓	-1.5%	↔	0.0%	20 - 45.5	3.23	31/Dec/15	AIMS
GRAMEEN1	31.37	12.46	23.0	73.3%	↑	0.8%	↔	0.0%	16.9 - 48.5	2.22	31/Dec/15	AIMS
GRAMEENS2	19.2	11.46	10.6	55.2%	↓	-0.6%	↓	-0.9%	8.7 - 17.9	3.00	2/Sep/23	AIMS
RELIANCE1	12.49	12.02	7.0	56.0%	↓	-1.6%	↓	-2.8%	5.6 - 9.6	1.21	7/Jul/21	AIMS
ATCSLGF	11.89	11.91	7.6	63.9%	↔	0.0%	↑	7.0%	5.7 - 9.6	1.05	30/Mar/25	AT CAPITAL
1STICB	1518.97	312.26	1087.6	71.6%	↑	4.8%	↑	2.2%	842.1 - 1184	0.29	31/Dec/15	ICB
2NDICB	291.73	124.34	281.6	96.5%	↓	-1.6%	↑	0.6%	235.7 - 329	0.10	31/Jan/16	ICB
3RDICB	358.66	82.16	253.7	70.7%	↑	0.1%	↑	8.0%	188 - 278	0.10	29/Feb/16	ICB
4THICB	281.62	98.28	210.9	74.9%	↑	0.3%	↑	2.6%	185.9 - 235	0.10	31/Mar/16	ICB
5THICB	241.1	71.2	190.2	78.9%	↑	0.6%	↑	0.1%	140 - 205	0.06	30/Apr/16	ICB
6THICB	57.88	34.66	62.5	108.0%	↓	-0.1%	↑	7.9%	49.8 - 72.4	0.47	30/Jun/16	ICB
7THICB	105.44	48.42	90.5	85.8%	↓	-0.3%	↓	-2.7%	75 - 105	0.04	30/Sep/16	ICB
8THICB	69.59	41.37	66.9	96.1%	↓	-0.7%	↑	3.1%	53.2 - 75	0.08	31/Dec/16	ICB
1STPRIMFMF	9.86	16	11.8	119.7%	↑	10.7%	↓	-2.5%	9.1 - 20.7	3.40	17/Mar/16	ICB AMCL
ICB1STNRB	23.59	34.44	19.6	83.1%	↓	-1.3%	↓	-0.5%	15.7 - 31.9	0.58	28/Mar/17	ICB AMCL
ICB2NDNRB	10.72	15.22	7.2	67.2%	↑	0.6%	↑	7.5%	5.7 - 11	1.11	27/Jul/18	ICB AMCL
ICB3RDNRB	7.43	11.5	4.2	56.5%	↑	0.1%	↑	2.4%	3.7 - 5.5	0.73	24/May/20	ICB AMCL
ICBAMCL2ND	8.31	13.22	4.9	59.0%	↓	-0.7%	↑	6.5%	3.8 - 6.8	0.26	28/Oct/19	ICB AMCL
ICBEPMF1S1	7.94	12.01	5.5	69.3%	↓	-0.7%	↑	22.2%	3.6 - 6.1	1.61	18/Jan/20	ICB AMCL
ICBSONALI1	9.51	11.42	6.4	67.3%	↓	-1.6%	↑	4.9%	4.7 - 9.5	0.37	12/Jun/23	ICB AMCL
IFILISLMF1	9.56	11.65	6.3	65.9%	↑	1.9%	↑	6.8%	4.8 - 8	1.37	22/Nov/20	ICB AMCL
PF1STMF	7.67	11.63	4.7	61.3%	↓	-0.4%	↑	6.8%	4 - 6.3	0.39	9/May/20	ICB AMCL
PRIME1ICBA	8.16	11.79	4.8	58.8%	↓	-0.4%	↑	14.3%	3.7 - 6.1	0.54	2/Feb/20	ICB AMCL
AIBL1STMF	10.17	11.04	3.8	37.4%	↑	1.4%	↓	-5.0%	3.7 - 9	0.67	10/Jan/21	LR Global
DBH1STMF	9.79	11.08	3.9	39.8%	↑	0.7%	↓	-4.9%	3.7 - 6.7	0.34	7/Feb/20	LR Global
GREENELMF	9.99	10.67	3.9	39.0%	↑	0.2%	↔	0.0%	3.8 - 6.3	0.35	28/Sep/20	LR Global
LRGLOBMF1	10.34	11.1	3.7	35.8%	↑	7.8%	↑	5.7%	3.3 - 7	0.65	19/Sep/21	LR Global
MBL1STMF	9.92	11.06	3.7	37.3%	↓	-0.2%	↓	-2.6%	3.4 - 8.9	0.32	8/Feb/21	LR Global
NCCBLMF1	9.87	10.82	3.6	36.5%	↑	3.9%	↓	-7.7%	3.3 - 7.5	1.14	24/May/22	LR Global
1JANATAMF	11.06	11.37	4.7	42.5%	↑	1.5%	↔	0.0%	4.1 - 7.2	0.81	20/Sep/20	RACE
ABB1STMF	12.02	11.16	5.3	44.1%	↓	-0.3%	↓	-5.4%	4.5 - 7.5	0.58	29/Jan/22	RACE
EBL1STMF	10.55	11.66	4.7	44.5%	↓	-0.6%	↓	-4.1%	4 - 7	0.49	19/Aug/19	RACE
EBLNRBMF	10.61	10.99	4.5	42.4%	↓	-0.6%	↔	0.0%	4 - 7.5	0.36	23/May/21	RACE
EXIM1STMF	10.88	10.82	5.3	48.7%	↑	0.5%	↓	-1.9%	5.1 - 9.3	0.00	16/Jul/23	RACE
FBFIF	11.07	10.82	7.5	67.8%	↑	0.1%	↑	21.0%	5.4 - 10	0.23	19/Mar/22	RACE
IFIC1STMF	10.95	11.29	4.8	43.8%	↓	-0.5%	↔	0.0%	3.9 - 7.1	0.48	1/Apr/20	RACE
PHPMF1	10.58	11.6	4.4	41.6%	↑	1.4%	↔	0.0%	3.9 - 6.7	1.60	29/Nov/20	RACE
POPULAR1MF	11.26	11.67	4.6	40.9%	↑	1.2%	↑	2.2%	3.9 - 6.9	1.51	19/Oct/20	RACE
TRUSTB1MF	10.91	10.95	4.9	44.9%	↓	-0.6%	↑	2.1%	4 - 7.9	2.49	27/Jan/20	RACE
NLI1STMF	12.91	12.71	8.6	66.6%	↑	1.7%	↑	2.4%	6.7 - 9.7	0.62	27/Feb/22	VIPB
SEBL1STMF	12.42	12.29	8.1	65.2%	↑	1.5%	↔	0.0%	6.6 - 9.4	0.98	23/May/21	VIPB

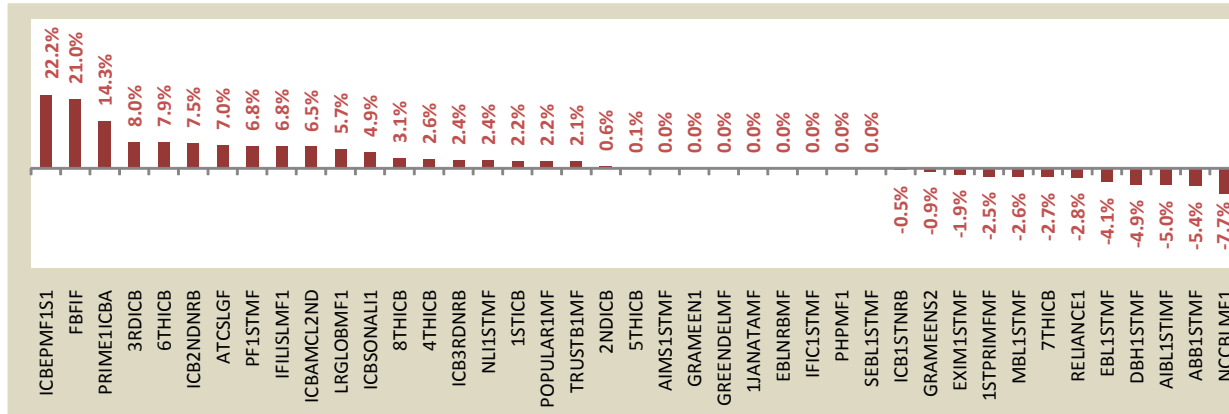
Source: DSE, ILSL Research

## Mutual Fund : Monthly Update

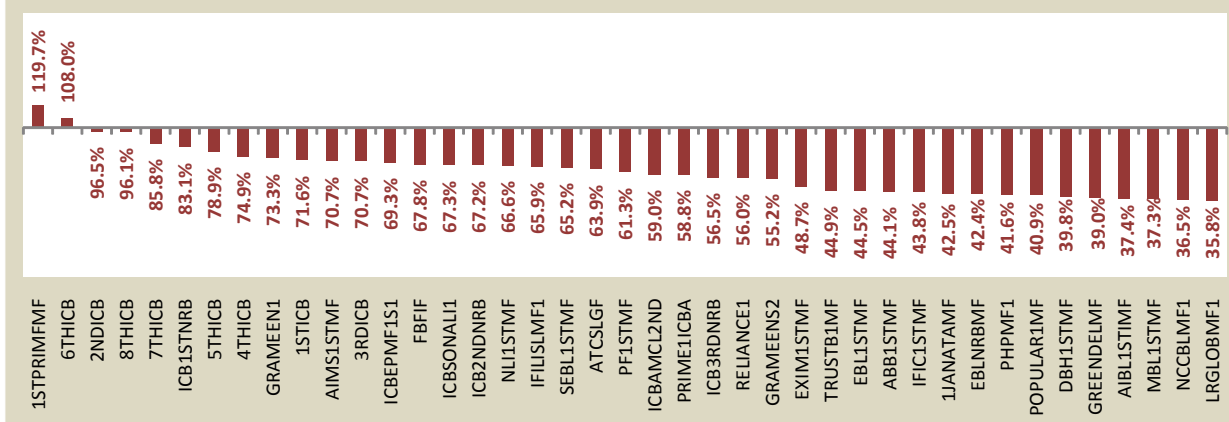
### Monthly Top 10 Analysis

Highest Return	% Change in NAV	Lowest Return	% Change in NAV	Turover Leader	Avg Turnover (BDT mn)
1STPRIMFMF	10.7%	2NDICB	-1.6%	1STPRIMFMF	3.4
LRGLOBMF1	7.8%	RELIANCE1	-1.6%	AIMS1STMF	3.2
1STICB	4.8%	ICBSONAL1	-1.6%	GRAMEENS2	3.0
NCCBLMF1	3.9%	AIMS1STMF	-1.5%	TRUSTB1MF	2.5
IFILISLMF1	1.9%	ICB1STNRB	-1.3%	GRAMEEN1	2.2
NLI1STMF	1.7%	ICBEPMF1S1	-0.7%	ICBEPMF1S1	1.6
SEBL1STMF	1.5%	ICBAMCL2ND	-0.7%	PHPMF1	1.6
1JANATAMF	1.5%	8THICB	-0.7%	POPULAR1MF	1.5
PHPMF1	1.4%	TRUSTB1MF	-0.6%	IFILISLMF1	1.4
AIBL1STMF	1.4%	GRAMEENS2	-0.6%	RELIANCE1	1.2

### Monthly Price Return



### Mutual Funds Trading at Premium/Discount



### Performance of Asset Managers

Asset Manager	Assets Under Management (AUM) (BDT mn)	% of Total AUM	Monthly Return on Portfolio	NAV @ Market Price/ Cost Price	Paid-Up Capital (BDT in mn)
AIMS	7,213	13.6%	-0.8%	1.87	3,140
AT CAPITAL	720	1.4%	0.0%	1.00	606
ICB	3,241	6.1%	1.5%	2.92	178
ICB AMCL	6,442	12.2%	-0.1%	0.71	7,150
LR Global	8,970	17.0%	3.0%	0.92	8,896
RACE	24,440	46.2%	0.3%	0.99	22,181
VIPB	1,889	3.6%	1.5%	1.01	1,501

Source: DSE, ILSL Research



## Addressing Your Financial Concerns

In today's competitive world, each of you is looking for growth opportunities. While some of you are considering expansion of your existing business, others are looking for expansion in a new field. Some may feel that working capital management is the priority while others need to focus on financial efficiency. Many have suffered from high interest burden in the past while others are looking for scope to minimize tax burden to safeguard a substantial profit. Few need hands-on assistance to explore business opportunities with major industry players while others require a strategic plan to make an acquisition successful.

Yes, we are talking about financial restructuring and investment alternatives. And a lot of questions come and wait in mind. Which type of financing is the best solution? Is it going to fit the long term strategy of the organization? Is it sustainable? Are you ready for this?

Faced with such dilemmas, what you need is an expert who can offer a wide array of financial services and benefits with comparative analyses of feasible alternatives.

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We are offering investment management solutions to both individuals and corporate entities. Our investment management team believes in continuous improvement in discovering profit making opportunities at appropriate levels of risk tolerance and liquidity need supported by detailed research and analysis.

Our team follows the economic trend, industry trend as well as individual companies and this enables it to identify profitable investment opportunities for the clients well in advance of other market participants.

Please visit our website [www.il-capital.com](http://www.il-capital.com) for further information.

## Business Newsflash

### Economy

#### Excess fund pushes govt to halt T-bond auction again

New Age, June 01, 2015

The finance ministry on Sunday asked Bangladesh Bank not to arrange any auction of treasury bond in June, for second month in a row, as the government account is still facing an excess fund of BDT 5,000 crore. According to the government auction calendar, the government is scheduled to take loans of BDT 2,100 crore from the banking sector in every month by arranging four or five separate auctions. The central bank has postponed the auction of T-bond amounting to BDT 4,200 crore between May and June this year. The excess fund in the government account had gradually enlarged in the recent months as the net investment on the national savings certificates and bonds increased during the period.

#### Remittance raises 8% y/y in May

The Daily Star, June 4, 2015

Bangladesh received USD 1.32 billion in remittance in May, up 8.47% over the same month a year ago, as migrant workers began sending more money home as Ramadan and the Eid festivity are nearing, according to Bangladesh Bank. Migrant workers sent USD 13.87 billion in the first 11 months of the current fiscal year to their beneficiaries, which is 7.2% more than in the same period a year ago. The remittance flow for May is 1.6% higher than in April. Last fiscal year, the country received nearly USD 14.23 billion in remittance.

#### Bangladesh notches up 11 steps in GDP size in 2015

Dhaka Tribune, June 10, 2015

**Bangladesh is now the world's 44th largest economy, notching up 11 steps from the previous year**, as per the current prices of gross domestic product buoyed by the consistent growth over the years, according to the International Monetary Fund and the World Bank. In 2015, the size of the country's GDP expanded to USD 205.3bn, which was USD 185.4bn in 2014 with the 55th position, according to IMF World Economic Outlook Report April, 2015. In terms of purchasing power parity, Bangladesh secured 33rd place in 2015 by two steps ahead from 35th position in 2014.

#### Trade deficit on course to break USD 9.32b record in FY15

New Age, June 10, 2015

The country's trade deficit is set to cross the record of USD 9.32 bn in the outgoing financial year 2014-15 as the gap already stood USD 8.49 bn in the first 10 months due to a drop in export growth against higher import. The country registered a record gap in import payments and exports earning of USD 9.32 bn in the FY12 after which the deficit decreased to USD 7 bn and USD 6.80 bn respectively in the FY13 and the FY14. The trade deficit in July-April of the current fiscal year is 54.18% higher than that of USD 5.5 bn in the corresponding period of the FY14. Falling export growth of readymade garment, the main export product of the country, dented the overall earnings in July-April of the FY15 while import registered an increased trend during the period.

#### Inflation eases in May, helped by falling food prices

The Daily Star, June 11, 2015

Inflation slowed to 6.19% in May, which is close to the government's annualized target for the fiscal year, due to a decline in food prices. The trend in prices reversed after accelerating to 6.32%, a six-month high, in April from 6.27% in the previous month. Food inflation stood at 6.23% last month, down from April's 6.48%. Non-food inflation however went up a bit: it was 6.14% in May from 6.08% in April. The government is very close to reaching its inflation target of 6.5% in the current fiscal year. Average annualized inflation stood at 6.42% by the end of May.

#### WB projects 6.3pc growth for Bangladesh in FY16

New Age, June 14, 2015

The country's growth in the next fiscal year may not cross 6.3%, which is more than 0.5% point lower than the government projection of 7%. Political uncertainty remains an important risk factor for Bangladesh, said the WB in the report 'The Global Economic Prospects' released this month. It noted that private investment should be raised in Bangladesh. The WB observed that high level of non-performing loans in the banking sector in Bangladesh held back the recovery in the credit growth.

**Govt plans to set up eight more economic zones**

The Financial Express, June 17, 2015

The government is planning to set up eight more economic zones in the country aiming to attract both local and foreign investments, boost exports and create employment for thousands of people. The primary selection committee has recently approved eight sites for new economic zones covering an area of about 3,000 acres. The main objective of setting up EZs is to allow industries in a planned way so that there is no scarcity of land for industrialisation in future and protect the environment from pollution. Both foreign and local investors are showing their interest to set up EPZs and the government is taking necessary steps in this regard. Of the eight proposed zones, three are from private sector and the rest from the government. The proposed Meghna Industrial Economic Zone and Meghna Economic Zone will be set up on 325 acres of land in Sonargaon of Narayanganj district while Famkom Economic Zone on 300 acres of land in Rampal of Bagerhat district, the official said.

**NSCs investment tops BDT 26,500cr in July-May**

New Age, June 25, 2015

Investment in the national savings certificates and bonds surpassed BDT 26,500 crore in 11 months of the current financial year 2014-15 as people invested heavily in the tools in May due to low bank deposit rates and sluggish business climate. **The net investment in the savings instruments increased by 165.14%** to BDT 26,562.44 crore in the July-May period compared with that of BDT 10,018.25 crore in the same period of the last financial year. The net investment in the NSCs crossed its annual target in just four months in this fiscal year as the figure stood at BDT 9,077.60 crore in the period against the fiscal year's target of BDT 9,056 crore. The savings instruments worth BDT 39,068.61 crore were sold through banks, national savings bureaus and post offices between July and May of the FY15 against BDT 21,656.12 crore during the same period a financial year ago.

**Reserve crosses USD 25billion as BB buys USD 3.7b more from banks**

Dhaka Tribune, June 27, 2015

The country's foreign exchange reserves have crossed USD 25 bn mark for the first time as the Bangladesh Bank's purchase of US dollars from local banks surpassed USD 3.72 bn in the current financial year till Thursday amid slow business. The reserves stood at USD 25.02 bn on Thursday as the BB kept intervening into the foreign exchange market so that the taka

remained stable against the dollar amid lack of demand for the greenbacks. The central bank purchased greenbacks worth USD 84 mn from the local banks on Thursday, taking the total dollar buy to USD 3.72 bn between July 1 and June 25 of the financial year 2014-2015. The reserves crossed USD 24 bn mark on April 28.

**Stock Market****IPO of Simtex Industries okayed to raise BDT 60cr**

New Age, June 10, 2015

The Bangladesh Securities and Exchange Commission on Tuesday allowed Simtex Industries Limited to raise BDT 60 crore floating its 3 crore shares through initial public offering. Issue price of each IPO share is set at BDT 20 including BDT 10 premium. Simtex Industries will use the IPO fund for capital investment, repayment of bank loan, and meeting up working capital requirement and IPO expenses. According to the financial statement of Simtex Industries for the year ended on December 30, 2014, earning per share, net asset value per shares of the company was BDT 3.33 and BDT 19.60 respectively. AFC Capital Limited and Imperial Capital Limited are the issue managers of the company.

**Regulator eases listing rules for foreign firms**

The Daily Star, June 22, 2015

**Joint venture and foreign companies with a paid-up capital of BDT 50 crore and above will not need to be listed with bourses**, as Bangladesh Securities and Exchange Commission has recently scrapped a provision on the mandatory listing of such firms. As per a notification issued in May 2010, private limited companies, including foreign and joint ventures, needed to turn into public limited firms within six months of exceeding their paid-up capital of BDT 40 crore. Once the paid-up capital of a company exceeded BDT 50 crore, the company was bound to apply to the capital market regulator within a year to float shares in the stock exchanges. With the new move, only the local companies will now have to be listed on the bourses after their paid-up capital exceeds BDT 50 crore. Some multinational companies seek an exemption every year from being listed as their paid-up capital has crossed BDT 50 crore. At present, some 15 multinational companies are listed and they account for less than 1% of the total market capitalization.

### **New BSEC rules ease foreign investment in pvt cos, stocks**

New Age, June 23, 2015

The capital market regulator on Monday finalised and approved Bangladesh Securities and Exchange Commission (Alternative Investment) Rules—2015 in a bid to make it easier for the overseas funds to invest in venture capital, private firms and stocks. Under the rules, local and foreign fund managers would be allowed to form 'alternative investment funds', which can invest in listed and non-listed entities, by taking BSEC approval to do the business. High net worth individual resident and non-resident Bangladeshi investors, registered local or foreign fund managers or companies incorporated in Bangladesh or abroad would be eligible to invest in the alternative investment fund. The minimum size of an Alternative Investment Fund will be BDT 10 crore and the initial subscription by the sponsors will be not less than 10% of total size of the fund. Fund managers and sponsors have to subscribe at least 2% and 20% of targeted size of the fund before registration of the fund. Fund managers will be allowed to invest highest 25% of the total fund size. At least 75% of the fund could be invested in non-listed securities as the main objective of forming such funds is to promote private firms in their early stage.

### **Dematerialized form of open-end mutual funds soon**

The Financial Express, June 28, 2015

The paper units of open-end mutual funds (MFs) are likely to be dematerialized as part of the regulatory move to accelerate the transaction of such MFs. "The days of paper shares and units are gone. That's why we are thinking as to how the units of open-end MFs can be converted into electronic ones, which are also called 'demat units'". All listed securities, including the closed-end MFs, have already completed the conversion of paper shares and units into electronic ones following a regulatory directive.

### **Banks get 1 more yr to adjust single borrower exposure limit in stocks**

New Age, June 29, 2015

Bangladesh Bank on Sunday extended time by one more year for adjusting single borrower exposure limit by the commercial banks' subsidiary brokerage houses and merchant banks as five banks failed to adjust the limit in due time. The BB issued a letter to managing directors and chief executive officers of the five banks asking them to adjust the loans which have exceeded the single borrower exposure limit in their respective

subsidiaries by December 31, 2015 instead of December 31, 2014. Under the existing provisions for single borrower exposure limit, the merchant banks and brokerage houses of the scheduled banks are not allowed to disburse more than 15% of their capital in loans at any point of time to any single person or enterprise or organisation or a group.

### **Banks' provisioning against MF investment relaxed further**

New Age, June 29, 2015

Bangladesh Bank on Sunday relaxed further provisioning requirement of banks for their investment in open-end mutual funds considering the bearish trend in the capital market. The the banks would have to maintain provision if the unit price of any open-end mutual fund equaled or went over 95% of the net asset value of the unit. Earlier, the rate was 85%.

### **Open-end mutual fund may get trading platform at DSE**

Dhaka Tribune, June 29, 2015

Open-end mutual fund (MF) is likely to get trading platform on over-the-counter (OTC) market at Dhaka Stock Exchange to make it popular as fund managers have primarily agreed on the issue. The idea comes against the back drop of many listed closed-end MFs now being converted into open-end MFs, which are non-listed. While a closed-end MF offers only limited number of shares and puts the brake on issuing new units after it is launched, open-end does not have any curbs on the amount of shares to be issued. ICB will have to be wrapped up its eight closed-end MFs by next year as the BSEC expanded operational period several times of the funds earlier. Currently, nine open-end funds – five operated by ICB and four by private firms – are being operated in the market sold from their respective offices or through selling agents and brokerage firms.

### **Bank**

### **Interest rate spread drops more in Apr**

New Age, June 20, 2015

Interest rate spread in the banking sector declined further in April as most of the scheduled banks were compelled to reduce rates of interest on their lending and deposit products amid dull business due to political uncertainty. The overall interest rate spread, the gap between the interest rate on credit and deposit, decreased to 4.84%age points in April from that of 4.87% age points in March of this year.

## Fuel and Power

### Summit attracts foreign investment

The Daily Star, June 2, 2015

SUMMIT Group has attained the ability to finance billion-dollar projects thanks to its goodwill in implementing successful ventures, wooing global investors to team up with the company to tap opportunities in Bangladesh. Summit said foreign investors are keen on investing in the company's Bibiyana II and Meghnaghat power projects. Investors have also offered to invest more than USD 400 million in equity in future Summit projects. The two developments will take the total power generated by Summit to 1,260MW, making the company the largest power producer in the private sector. For the Meghnaghat project costing USD 319 million, Summit received long-term loans of USD 190 million from Standard Chartered, DEG of Germany, FMO of the Netherlands, Opec Fund for Industrial Development of Austria, CDC Group of the UK, OeEB (Development Bank of Austria), Belgian Investment Company for Developing Countries, and Infrastructure Development Company Ltd of Bangladesh.

## Pharmaceuticals

### Square, Beximco get US approval

The Daily Star, June 24, 2015

The US Food and Drug Administration or FDA has recently given its approval to Square Pharmaceuticals and Beximco Pharmaceuticals after inspecting the oral solid dosage facilities of the two companies in Bangladesh. On June 16, the FDA released its Establishment Inspection Report under which it was audited whether the firms are following the current good manufacturing practices. The approval is given based on the comprehensive audit on all the systems of drug manufacturing: quality, facilities and equipment, materials, production, packaging and labeling and laboratory controls.

## Engineering

### Automobiles, tyre industries to get 10-yr tax holiday

New Age, June 01, 2015

The government is likely to provide tax holiday benefit to some sectors including automobiles and tyre industries from the upcoming national budget to facilitate industrialisation in the country. The proposed tax holiday facility would encourage setting up the import substitute manufacturing plants in the country which would create new employment

opportunities as well as save foreign currency through reducing dependence on import. Finance minister AMA Muhith might declare the benefits for 10 years for the sectors in the budget documents to be placed before parliament on next Thursday. The tax holiday facility may also be provided for the bicycle and tunnel brick kiln technology sectors.

### Beximco launches copy of blockbuster hepatitis C drug

The Daily Star, June 30, 2015

BEXIMCO Pharma yesterday announced the launch of the generic version of the wonder drug Sofosbuvir for treating hepatitis C under the brand name Sofovir C. Sofosbuvir is a revolutionary drug recently launched by Gilead Sciences Inc, under its brand Sovaldi, which is considered to be the most effective medication to treat hepatitis C with a cure rate of 90%. The drug costs USD 1,000 (around BDT 78,000) per tablet in the developed market, making it one of the most expensive medicines in the world. But a tablet will cost BDT 600 in Bangladesh, and the total cost of the therapy would be BDT 50,400 for a 12-week course compared to the whopping BDT 67 lakh in developed countries. The generic drugmaker has beaten to the market a number of larger Indian competitors that were licensed by Gilead to produce low-cost versions of Sovaldi for 91 countries that are mostly poor.

## Textile

### RMG exports to US market keep rebounding in April

New Age, June 08, 2015

Apparel exports to the United States continued to rebound in the January-April period of 2015—thanks to an increased volume of order as the outcome of safety inspection in the readymade garment factories made the buyers confident. Readymade garment exports to the US market in the first four months of 2015 grew by 7.03% to USUSD 1.82 bn from USUSD 1.70 bn in the same period of last year. US buyers are now more confident as they found faults in less than 2% of garment factories in Bangladesh, they said. Bangladesh's overall exports to the US market in the January-April period increased by 7.24% to USUSD 1.90 bn from USUSD 1.77 bn in the same period of last year.

### Zaheen Spinning plans to increase production capacity

The Financial Express, June 23, 2015

Zaheen Spinning Ltd, a Narayanganj-based cotton yarn manufacturer, has decided to increase their



production capacities by installing new spindles. "The Board of Directors have already opened three L/Cs on June 17, 2015 to import a set of capital machineries worth BDT 158.50 million (approx) for installing 15,480 spindles," said a web post on the Dhaka Stock Exchange (DSE). "After successful installation of machineries, the company's production capacity will increase to 4,240 Kg (approx) yarn per day and their expected net profit after tax will go up by BDT 40 million (55.55% expected)," said the DSE web post.

## Services

### Western Marine enters West African market

The Financial Express, June 7, 2015

Western Marine Shipyard has won a new shipbuilding contract with Gambia Groundnut Corporation (GGC), a state-run organisation in Gambia, to build a 350 BHP tugboat and 10 dummy barges of 200 tonnes each. The new building project is to be completed within a year. Western Marine has entered the West African market through this contract. These barges and tugboat will be used to transport groundnuts through Gambian river channels. Gambia is known as one of the leading producers and exporters of groundnut in the world. The project will be implemented at a cost of USD 2.65 million equivalent to approximately BDT 210 million.

### Saif Power gets contracts for handling two NCT jetties

Bdnews24.com, June 26, 2015

Private berth operator Saif Power Tech, which was handling containers at Chittagong Port, has been assigned handling operations of two jetties of the New Mooring Container Terminal. The company has got this contract after forging a joint venture with MH Chowdhury Limited, owned by Chittagong Mayor AJM Nasir Uddin, and A&J Traders, owned by Noakhali Sadar MP Mohammed Ekramul Karim Chowdhury. Saif Power holds 40% stake in the venture while the two other companies holds 30% each. According to the deal, the operator will handle a total of 701,400 inbound and outbound containers on the port's jetty number four and five in the next two years. The CPA calculated the cost of the work at BDT 415.65 mn while the companies offered BDT 496.42 mn.

## Telecommunication

### Bandwidth export to Italy awaits final nod

The Daily Star, June 1, 2015

A final proposal has been sent to the prime minister for the approval to export 10 gigabits per second of internet bandwidth of Bangladesh Submarine Cable Company Ltd (BSCCL) to an Italian company. The state-owned company is facilitating the export after an offer from Telecom Italia Sparkels. The BSCCL will initially finalize the deal for a year at a rate of USD 14,000 a month, with a provision to extend the agreement for a few more years. At present, the BSCCL is using only 32 Gbps of internet bandwidth out of its cable's total capacity of 200 Gbps.

### Assam, Meghalaya keen to import bandwidth

Dhaka Tribune, June 09, 2015

Indian states of Assam and Meghalaya have shown interest to import bandwidth from Bangladesh during Indian Prime Minister Narendra Modi's visit to Dhaka. State-owned Bharat Sanchar Nigam Limited (BSNL) wants to import at least 30 Gbps for the two states within six months. Bangladesh is assumed the best option for the Indian states to purchase bandwidth at cheaper rate than the other parts of India due to distance. On June 6, Bangladesh Submarine Cable Company Limited (BSCCL) signed a deal with BSNL to export bandwidth in presence of the Indian PM and his Bangladeshi counterpart. BSCCL will export the bandwidth at USD 10 per mbps—which is 33% higher than its local market price—and earn USD 1.2m (BDT9.6 crore) annually.

### 3G spectrum auction base price to rise to USD 30m

New Age, June 16, 2015

The government has decided to raise the base price of 3G spectrum to USD 30 mn per MHz for the upcoming auction of 2100MHz band from the initial base price of USD 22 mn. PMO also suggested excluding the private land phone operators (PSTN) from the auction which was proposed in the amended guidelines along with Wimax operators. According to the guidelines, 10.60MHz spectrum is available in two blocks for auction in 1800MHz band or 2G and 15MHz spectrum in three blocks is available in 2100MHz band or 3G for the auction. The base price for 1800MHz was initially set at USD 30 mn and for 2100MHz at USUSD 22 mn.

*Note: Business Newsflash is a collection of news published in the top daily newspapers like The Daily Star, The Financial Express, The NewAge and Dhaka Tribune. IL Capital is not responsible for any discrepancy in the information provided in the news.*

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