

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Standard Chartered Bank: Bangladeshis set to be wealthier than Indians by 2030

- With a sustainable GDP growth rate of 7%, Bangladesh is among the seven countries in the world that are expected to dominate world economy in the coming decade, says Standard Chartered Bank. By 2030, Bangladesh's per capita GDP is projected to be USD 5,700, surpassing India's per capita GDP of USD 5,400. The demographic dividend will be a boon for India, while Bangladesh's investments in health, and education should juice productivity, the analysts said.
- Besides Bangladesh and India, Vietnam, Myanmar, and the Philippines are also the members of the exclusive "7% club." The other two are from Africa – Ethiopia, and Côte d'Ivoire. Vietnam tops the list of the seven countries, with its per capita GDP expected to soar to USD 10,400 in 2030, from about USD 2,500 in 2018.

<https://www.dhakatribune.com/business/economy/2019/05/14/stanchart-bank-bangladeshis-set-to-be-wealthier-than-indians-by-2030>
<http://www.newagebd.net/article/72326/bangladesh-per-capita-income-to-be-5700-in-2030-to-surpass-india-stanchart>

Trade deficit narrows 9%

- Trade deficit fell 9.24% year-on-year to USD 11.92 billion in the first nine months of the current fiscal year, giving some breathing space to the government in managing the economy. Merchandise exports fetched USD 30.43 billion in the nine months, up 12.09% year-on-year. Imports rose 5.13% to USD 42.36 billion, according to data from the central bank.
- There is no scope to curb imports, considering the implementation of large infrastructural projects along with ensuring uninterrupted production by the industrial sector, said an executive director of the Policy Research Institute of Bangladesh., also a former economist of the International Monetary Fund. But many banks are in crisis to open fresh letters of credit because of shortage of foreign exchange, he said.

<https://www.thedailystar.net/business/news/trade-deficit-narrows-9pc-1743340>

Export, import may rise in May, June: The Metropolitan Chamber of Commerce and Industry (MCCI)

- The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) has projected a rise in the country's export earnings and import value at the end of this month (May) and the next month (June). The foreign currency reserve is expected to rise in May to USD 32,820 million from USD 32,450 million in April, but would fall to USD 32,250 million at the end of June, said the trade body. The rate of point-to point inflation is likely to increase to 5.65% by the end of May, which might decline to 5.50% by June-end, the MCCI review added.
- The MCCI has predicted that the export receipts might go up to USD 3,395 million and USD 3,450 million at the end of May and June respectively, as against USD 3,190 million in May last year. On the other hand, the country's import values are also expected to reach USD 5,160 million in May and USD 5,195 million in June, according to the MCCI's forecast.

<http://today.thefinancialexpress.com.bd/trade-market/export-import-may-rise-in-may-june-1557768178>

Net sales of savings tools up 8.0% in nine months

- The net sales of state-run savings instruments rose by more than 8.0% in nine months of the current fiscal year (FY), compared to the same period of the previous fiscal. According to the Department of National Savings (DNS) data, the net sales of savings tools in the July-March period of FY 2018-19 stood at BDT 397.33 billion, up from BDT 367.09 billion in the corresponding period of FY 2017-18. At the same time, the government's interest payments have also increased by more than 23% in the nine months of this fiscal, the data shows. The government spent BDT 181.54 billion on interest payments in the July-March period of current FY, up from BDT 147.33 billion in the same period of FY 2017-18, according to the official statistics.
- The government, however, is now considering reviewing the yield rates of savings schemes. Meanwhile, the government has revised the target of its net borrowing from savings instruments for FY 2018-19 upward to BDT 450 billion from BDT 261.97 billion.

<http://today.thefinancialexpress.com.bd/last-page/net-sales-of-savings-tools-up-80pc-in-nine-months-1557769389>

Poverty situation improves further

• The country's poverty situation improved further between 2016 and 2018 but at slower pace among extreme poor households, according to final report of the Household Income and Expenditure Survey (HIES). The Bangladesh Bureau of Statistics (BBS) estimated that the poverty rate, among households belonging to upper 'poverty line', dropped to 21.8% in 2018, down by 2.5% point from 2016. On the other hand, the poverty rate, among those in lower poverty line, dropped to 11.3% in 2018, down by 1.6% point from 2016. The BBS conducted the survey on some 46,076 households, the biggest-ever in size. The primary sampling units was also the largest at 2,304 in 2016.

<http://today.thefinancialexpress.com.bd/first-page/poverty-situation-improves-further-1557769029>
<https://www.thedailystar.net/frontpage/news/poverty-declining-slower-pace-1743196>

Government borrowing from banks to pick up soon

• The government's bank borrowing is set to pick up significantly in May following revenue target shortfall in recent months, officials and bankers said. Faster execution of Annual Development Programme (ADP) along with extra-pressure on festival bonus ahead of the Eid-ul-Fitr has forced the government to revise its auction calendar with keeping BDT 40 billion extra borrowing arrangement, they explained. Normally, the implementation rate of ADP goes up with faster speed in the last two months of each fiscal year, they added. They also predicted that the upward trend in the government's bank borrowing may continue until June.

• The authorities have already set the net bank borrowing target at more than BDT 67 billion only for May 2019 to finance budget deficit, according to the revised auction calendar, issued by the Bangladesh Bank (BB) on Monday. The net government's bank borrowing figure was BDT 27.25 billion, according to the original auction for May. As per revised calendar, the government may take up to BDT 88 billion as gross borrowing from the banking system this month by issuing treasury bills (T-bills) and bonds.

<http://today.thefinancialexpress.com.bd/first-page/govt-borrowing-from-banks-to-pick-up-soon-1557769087>

The Metropolitan Chamber of Commerce and Industry (MCCI) lists banking sector as a major risk to economy

• The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka has identified the present situation in the banking sector as one of the biggest risks to the economy and called for the central bank's strict vigilance to bring discipline in the sector. The corruption-ridden banking sector is perhaps the biggest downside risk now, which will call for strict vigilance by the central bank to bring discipline to the sector, the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka said in its review of the 'Economic Situation in Bangladesh for January-March (Q3) period of the fiscal year (FY) 2018-19.

• Despite making certain progress, the economy of Bangladesh is also facing some other downside risks, including inadequate infrastructure, lack of investors' confidence and shortage of power and energy, according to the country's MCCI.

<http://today.thefinancialexpress.com.bd/first-page/mcci-lists-banking-sector-as-a-major-risk-to-economy-1557768927>
<https://www.thedailystar.net/business/news/bank-graft-biggest-risk-economy-1743337>
<https://www.dhakatribune.com/business/economy/2019/05/13/mcci-corrupt-banking-sector-poses-biggest-economic-risk>
<http://www.newagebd.net/article/72325/graft-ridden-bank-sector-biggest-economic-risk>

Government issues tender for 1.345 million tonnes of oil products

• Bangladesh Petroleum Corporation (BPC) has issued an international tender to import as much as 1.345 million tonnes of refined oil products for the second half of 2019, officials said on Monday, reports Reuters. The state-owned company is seeking 940,000 tonnes to 1.12 million tonnes of gasoil with a sulphur content of 500 parts-per-million (ppm), 110,000 tonnes of jet fuel, 60,000 tonnes to 100,000 tonnes of 180-centistoke high sulphur fuel oil and 15,000 tonnes of 95-octane gasoline. The tender closes on May 16 and is valid up to September 02.

<http://today.thefinancialexpress.com.bd/last-page/govt-issues-tender-for-1345m-tonnes-of-oil-products-1557769789>

Bangladesh now depends less on India for cotton

• African nations have surpassed India to become the largest source of cotton for Bangladesh as local spinners and millers look to cut down their dependence on a single source for their vital raw material. Last year, Bangladesh, the largest importer of cotton in the world, met 37.06% of its requirement for the white fibre from East and West African countries. India accounted for 26.12% of the total cotton imports, down from more than 60% two years ago, according to data from the Bangladesh Textile Mills Association (BTMA).

<https://www.thedailystar.net/business/news/bangladesh-now-depends-less-india-cotton-1743343>

Two firms to raise BDT 250 million through new SME board

- Two companies, namely Krishibid Seed and Annex Suites, are set to raise BDT 250 million from the stock market through the newly introduced SME board in Dhaka bourse. The entire listing process may be completed by this year. Dhaka Stock Exchange (DSE) initiated the board last month with a view to letting small and medium-sized companies to raise capital from the stock market.
- Krishibid Seed will raise BDT 150 million at an offer price of BDT 10 each. The seed company will use the capital to set up a research and development unit. At present, the company produces, processes and markets seeds of cereals and other high value crops. Annex Suites is a luxury resort situated at Jaleshwaritola in Bogura. It will raise BDT 100 million under the fixed price method to renovate their suites. Some 15-16 companies are also planning to raise funds through the SME board, said the managing director of the DSE.

<https://www.thedailystar.net/business/news/two-firms-raise-BDT-25cr-through-new-sme-board-1743328>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|-------------|--------------|----------|
| Crude Oil (WTI)* | \$61.11 | +0.07 | +0.11% |
| Crude Oil (Brent)* | \$70.28 | +0.05 | +0.07% |
| Gold Spot* | \$1,298.75 | -1.16 | -0.09% |
| DSEX | 5247.83 | -26.10 | -0.49% |
| Dow Jones Industrial Average | 25,324.99 | -617.38 | -2.38% |
| FTSE 100 | 7,163.68 | -39.61 | -0.55% |
| Nikkei 225 | 21,036.92 | -154.36 | -0.73% |

Exchange Rates

USD 1 = BDT 84.48*
GBP 1 = BDT 109.52*
EUR 1 = BDT 94.95*
INR 1 = BDT 1.20*

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

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