

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.

Foreign Direct Investment (FDI) flow drops by 7.7% last year

- Net inflow of foreign direct investment in the country declined by 7.72 per cent last year, with officials attributing the drop-off to geo-political tension, the central bank has said. Statistics available with Bangladesh Bank showed that net inflow of FDI stood at \$2.15 billion in 2017, down from \$2.33 billion a year ago. The seventh Five-Year Plan (7FYP) of the country, however, projected to attract \$5.87 billion in the current fiscal year (FY18). It appears that actual FDI is much lower than the projected in the medium-term development plan document.

- A senior official of the central bank, however, termed the drop in FDI a reflection of global tension. Provisional estimates of the United Nations Conference on Trade and Development (UNCTAD) showed that the global inflow of FDI plunged by 16 per cent in the past year. According to the UN agency's Global Investment Trends Monitor, released early this year, estimated that the global inflow of FDI dropped to \$1.52 trillion in 2017, which was \$1.81 trillion in 2016.

<http://today.thefinancialexpress.com.bd/first-page/fdi-flow-drops-by-77pc-last-year-1524680389>

Seven-day Bangladesh Bank bills' yield below 1.0%

- The weighted average yield on seven-day Bangladesh Bank Bills fell to below 1.0 per cent while no bids for 14-Day BB bills were received on Wednesday. The yield on seven-Day BB Bills came down to 0.85 per cent on the day from 1.32 per cent of the previous day, according to Bangladesh Bank officials.

- Ten bids amounting to Tk 37.95 billion were offered for seven-Day BB bills auction on Wednesday. Of which, two bids amounting to Tk 10 billion were received. On the other hand, 11 bids amounting to Tk 29.21 billion were offered for 14-Day BB bills auction on the same day. But no bid was accepted.

- The central banker also said the BB was still discouraging the banks to invest their excess funds in the bills. Besides, the central bank has unofficially suspended the auction of 30-Day BB Bills since April 01 to help mitigate the liquidity crunch in the banking system.

<http://today.thefinancialexpress.com.bd/last-page/seven-day-bb-bills-yield-below-10pc-1524681096>

Foreign loans getting costlier: Bangladesh Institute of Bank Management (BIBM)

- Increasing LIBOR rate and the appreciation of the greenback against the taka are putting pressure on Bangladeshi businesses that borrowed from foreign sources to meet their needs, according to a report of the Bangladesh Institute of Bank Management. If these pressures cause the exchange rate to depreciate further the private sector debt will become costlier to service, said the report that will be unveiled today.

- Most of the borrowers are importers, meaning they have no source of foreign currency earnings to absorb the pressure. Between 2013 and 2017, the private sector's commercial borrowing from external sources almost trebled, according to data from the Bangladesh Bank. Last year, the private sector borrowed \$11.34 billion from abroad, in contrast to \$4 billion in 2013.

- The interest rate on foreign loans is tagged with the London interbank offered rate (LIBOR), the global standard interest rate. Typically, the interest rates are LIBOR plus 3-4%. The three-month LIBOR rate, which mostly remained below 1% for the best part of last decade, hit a nine-year high of 2.32%, meaning the local borrowers will have to pay about 2% points more. Moreover, the appreciation of the dollar -- from Tk 78 to Tk 85 in the last one year -- has also created an additional pressure on borrowers.

<https://www.thedailystar.net/business/foreign-loans-getting-costlier-bibm-1567978>

Uniform tariff value for both manufacturers, traders

- The National Board of Revenue (NBR) has fixed a uniform tariff value for both traders and manufacturers of Liquefied Petroleum Gas (LPG). Under the new tariff value, traders will, from now on, require to pay the amount of VAT similar to that of manufacturers. The VAT wing of the revenue board on April 9 set the tariff value at Tk 3 per kilogram of LP gas reducing the VAT incidence to 0.45 per cent from current 4 per cent advance trade VAT. The tariff value will be applicable only on bulk LP gas above 45kg which is mainly used for industrial purposes, officials said.

<http://today.thefinancialexpress.com.bd/first-page/uniform-tariff-value-for-both-manufacturers-traders-1524680542>
<http://www.newagebd.net/article/39853/nbr-reduces-vat-on-bulk-lpg-trading>

GP to get 63% of proceeds from BR's fibre lease to 3rd party

- Mobile phone operator Grameenphone, which holds the exclusive rights to use 1,600 kilometres of fibre optic cable of Bangladesh Railway under a lease deal, would get 63 per cent of the proceeds if unused portion of the cable network is leased to any third party. As per the approval of the commission, 10 per cent of the lease proceeds would be kept for meeting up regulatory and licensing- related costs. Of the rest amount, GP would get 70 per cent (or 63 per cent of the total proceeds) while BR would retain remaining 30 per cent.
- The revenue sharing ratio for BR's dark fibre, leased to Grameenphone in 1997 with exclusive rights, was set considering the payment GP made and its effort to maintain the fibre, the BTRC official said. Grameenphone has got the exclusive rights over the BR's 1,600 kilometres dark fiber after winning an international tender. The government in 2016 took an initiative to open the fibre optic cable to other mobile phone operators with a view to ensuring its maximum use.

<http://www.newagebd.net/article/39855/gp-to-get-63pc-of-proceeds-from-brs-fibre-lease-to-3rd-party>

Linde opens Tk 1.20 billion air separation unit

- Linde Bangladesh Ltd, a member of Linde Group's Gases Division, yesterday inaugurated an air separation unit in Rugganj. The company invested Tk 1.20 billion for the unit. An air separation plant separates atmospheric air into its primary components, typically nitrogen and oxygen, and sometimes also argon and other rare inert gases. The Rugganj plant will produce about 100 tonnes of liquefied gases per day, making it the largest liquid-producing merchant air separation unit in Bangladesh, according to a statement of the company.
- The plant will more than double Linde Bangladesh's current production capacity, strengthening Linde's position as the leading gases player in Bangladesh. A state-of-the-art cylinder filling site at Rugganj has also been built to provide a range of cylinder products to customers across all market segments.

<https://www.thedailystar.net/business/linde-opens-tk-120cr-air-separation-unit-1567951>

Mercantile Bank, iPay sign deal

- Mercantile Bank Limited has recently signed an agreement with iPay Systems Limited. Under this agreement, iPay customers will be able to make payment for different utility services through MYCash channel - Mobile Banking Service of Mercantile Bank Limited without any charge. The iPay is the first online payment platform with an E-wallet in Bangladesh which provides real cashless experience, operating under the license from Bangladesh Bank as payment service provider.

<http://today.thefinancialexpress.com.bd/stock-corporate/mercantile-bank-ipay-sign-deal-1524672820>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|--------------------|---------------------|-----------------|
| Crude Oil (WTI)* | \$68.41 | +0.36 | +0.53% |
| Crude Oil (Brent)* | \$74.41 | +0.41 | +0.55% |
| Gold Spot* | \$1,323.70 | +0.57 | +0.04% |
| DSEX | 5802.03 | +24.67 | +0.43% |
| Dow Jones Industrial Average | 24,083.83 | +59.70 | +0.25% |
| FTSE 100 | 7,379.32 | -46.08 | -0.62% |
| Nikkei 225 | 22,346.24 | +130.92 | +0.59% |

Exchange Rates

USD 1 = BDT 83.78*

GBP 1 = BDT 116.84*

EUR 1 = BDT 102.02*

INR 1 = BDT 1.25*

**Currencies and Commodities are taken from Bloomberg.*

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