

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.

Remittance inflow soars 17% to USD 14.98 billion in last fiscal year

- The inflow of remittance jumped by more than 17% or USD 2.21 billion in the just-concluded fiscal year (FY), 2017-18, following higher fuel oil prices in the global market. The flow of inward remittance rose to \$14.98 billion in FY 2017-18 from \$12.77 billion a year ago. As Bangladesh Bank officials, the upward trend in fuel oil prices in the international market has contributed to raise the inflow of remittance, particularly from the Middle-East countries. He also said the depreciating mode of the local currency against the USD has also helped to increase the flow of inward remittance in the recent months.

- Chairman of the Association of Bankers, Bangladesh (ABB) said that the strengthened surveillance of BB to check 'hundi', the illegal cross-border channel used to move funds, has also contributed to raise the remittance inflow. Currently, 29 exchange houses are operating across the globe with 1,205 drawing arrangements set up abroad to boost the remittance inflow.

<http://today.thefinancialexpress.com.bd/first-page/remittance-inflow-soars-17pc-to-1498b-in-last-fiscal-year-1530640014>

NBFIs to cut lending rates to single-digit

- The country's non-banking financial institutions (NBFIs) have agreed to lower the interest rates on lending to single-digit from the existing level shortly. Bangladesh Bank Deputy Governor said that NBFIs have willingly agreed to reduce their lending rates to single-digit phase by phase. He also added that Like the banks, the NBFIs have committed to reduce their lending rates to 9.0% in line with the decisions of their respective board of directors.

- The NBFIs are allowed to collect deposit from individuals and organisations. Currently, they are offering interest on term-deposit at rates ranging from maximum 14.87% to minimum 5.0%, according to the BB's monitoring report for the January-March period of 2018. The NBFIs have been advised to look for alternative instruments, including issuance of bond, along with taking deposits from various sources.

- At the meeting, the NBFIs also proposed to form a special revolving re-financing fund only for the financial institutions to meet their liquidity requirement. The central bank, however, declined the proposal, suggesting the NBFIs to avail such facility from the existing re-financing schemes. Currently, 34 NBFIs are operating in the country. On June 21, the central bank advised them to fix interest rates on deposit at a reasonable level for ensuring stability in the country's financial sector.

<http://today.thefinancialexpress.com.bd/first-page/nbfis-to-cut-lending-rates-to-single-digit-1530640158>
<https://www.thedailystar.net/business/nbfis-want-state-banks-deposits-lower-interest-1599556>
<http://www.newagebd.net/article/45118/nbfis-too-bring-down-lending-rate-at-9pc>

Inflation crawls down

- Inflation came down 9 basis points to 6.39% in June on the back of a decline in food prices, according to Bangladesh Bureau of Statistics. Planning Minister said that in the international market, the prices of various consumer items, including sugar, edible oil and lentil, witnessed a decline. In June, food inflation declined 58 basis points to 5.98%. In the previous month too it declined: 95 basis points to 6.56%. But in May, non-food inflation went up 41 basis points from April.

- According to lead economist of the World Bank's Dhaka office, the decline in year-on-year headline inflation in June relative to both May this year and June last year largely reflects the drop-off in food inflation. However, the food inflation is still high and could rise in the near future with increase in rice prices due to the re-imposition of 25% customs and 3% regulatory duties on rice imports in the budget for fiscal 2018-19. The rise in non-food inflation could be reflecting the second-round effects of high food inflation experienced since early 2017 as well as exchange rate depreciation and strong domestic demand.

<https://www.thedailystar.net/business/inflation-crawls-down-1599565>
<http://www.newagebd.net/article/45117/average-inflation-rises-in-fy18>

Merchant banks get more time for loss provisioning

- The securities regulator has extended the timeframe by two years to complete provisioning of the unrealised losses in the portfolios of merchant banks and their clients. The Bangladesh Securities and Exchange Commission (BSEC) extended the timeframe following a request by Bangladesh Merchant Bankers Association (BMBA). The existing

timeframe in this regard is scheduled to end on December 31, 2018.

- Previously, the BSEC extended the timeframe for five times. A BSEC executive director said that the regulator extended the timeframe considering the situation of the merchant banks. He explained that many of the merchant banks are yet to come out of the woes of 2010-11 stock market debacles. The regulator also considered the market situation, he added. Presently, there are 60 merchant banks operating in the country's capital market.

<http://today.thefinancialexpress.com.bd/stock-corporate/merchant-banks-get-more-time-for-loss-provisioning-1530636265>

Bay's leather park eyes USD 25 million Chinese fund

- Chinese companies are likely to invest USD 25 million at the Bay's planned leather and footwear industrial park in the Mirsarai Economic Zone in Chittagong. According to Bay Group, 18 leather and footwear makers based in China are interested to make the investment in order to produce leather goods and footwear. The investment figure is an initial estimation and it will go up gradually. At least 1,000 jobs will be created directly at the park.

- According to Hassan, the Chinese investors are keen to establish their production units out of China in order to lower production cost. Bay Footwear, one of the top footwear exporters in Bangladesh, has already sought 100 acres of land from the Bangladesh Economic Zones Authority (Beza) to set up the industrial park. Established in 2001, Bay Footwear supplies products to global brands Timberland and Clarks and its key export destinations are the US, Europe, and Asia.

- Its current annual production capacity stands at 2 million to 4 million pieces and it has already created jobs for about 4,500 people. On the initiative of Bay Footwear, Paban Chowdhury, executive chairman of the Beza, said leather is a potential sector for Bangladesh with good export records over the years. The leather and leather goods sector, the second largest export earner after garments, fetched \$999.07 million in the July-May period of the just concluded fiscal year.

<https://www.thedailystar.net/business/bays-leather-park-eyes-25m-chinese-fund-1599559>

FY18 exports post paltry 5.8% growth

- The country's export earnings in the just concluded financial year 2017-18 stood \$36.66 billion, growing by only 5.8% from \$34.65 billion in the previous fiscal year. The amount of export earnings in the FY 18 is \$84 million lower than the government set target of \$37.5 billion for the financial year. EPB officials said that despite moderate growth in shipment of readymade garment products, the drop in exports of non-RMG items like leather and leather goods contributed to the lower growth in overall export earnings in FY18.

- Data showed that earnings from RMG sector in the FY18 grew by 8.7% to \$30.6 billion from \$28.15 billion in the FY17. EPB sources said that poor export earnings in June, the last month of FY18, also contributed to the lower earnings in the year. Although total data for June was not available, sources said, export earnings in the month were three% lower than the same month of last year.

<http://www.newagebd.net/article/45115/fy18-exports-post-paltry-58pc-growth>

Annual Development Programme (ADP) spending hits record high

- Spending on development projects hit 93.09% of allocation in the just concluded fiscal year, the highest in the country's history, riding on a massive escalation in expenditure in the last month of fiscal 2017-18. Ministries and divisions spent BDT 1.46 trillion of the revised annual development programme (ADP) in the last fiscal year, according to Planning Minister. ADP implementation rate stood at 89.76% in 2016-17 when the government spent BDT 1.07 trillion.

- Historically, the ADP spending rate remains low in the beginning of a fiscal year and gets momentum in the second half of the year. Finance ministry officials said the ADP implementation rate of the IMED does not match that of the Office of the Comptroller and Auditor General (CAG) and CAG data always shows lower implementation rate.

<https://www.thedailystar.net/business/adp-spending-hits-record-high-1599574>

<http://www.newagebd.net/article/45121/fy18-sees-9371pc-adp-spending-says-kamal>

Nordic firms betting big on Bangladesh

- Nordic companies are faring well and are optimistic about their future in the country, found a survey by the Nordic Chamber of Commerce and Industry in Bangladesh and the Sweden Bangladesh Business Council. As many as 94% of the survey respondents said they would be expanding their operations with an expected investment of 213 million euros over the next three years. The disclosure in the Business Confidence Survey 2017, which was supported by the embassies of Sweden, Norway and Denmark, can be viewed as an endorsement of the country's business climate and

investment outlook.

- As many as 82% of the respondents are looking to expand their operations in Bangladesh over the next three years, which is a slightly lower number compared with those in 2015 and 2013. Still a strong majority of the companies plan to increase their activities owing to the respondents experiencing higher profits in comparison to other markets. The most common reason for entering Bangladesh is market demand, as indicated by 45.5% of the respondents in 2017 compared to 30% in 2015.

<https://www.thedailystar.net/business/nordic-firms-betting-big-bangladesh-1599583>

<http://www.newagebd.net/article/45116/nordic-cos-find-graft-infrastructure-biggest-business-challenges-in-bangladesh>

Dhaka Stock Exchange (DSE) buys 2.26 million shares of 123 companies

- Dhaka Stock Exchange (DSE) has bought more than 2.26 million shares of 123 companies on behalf of two brokerage houses on Tuesday to execute trade settlement. DSE chief financial officer said that two brokerage houses failed to execute trade settlement with the Central Depository Bangladesh Limited (CDBL) on Monday due to technical glitch. So the DSE, on behalf of the brokerage houses, bought shares and executed the trade settlement

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-buys-226m-shares-of-123-companies-1530636320>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$74.59	+0.45	+0.61%
Crude Oil (Brent)*	\$78.10	+0.34	+0.44%
Gold Spot*	\$1,256.97	+4.24	+0.34%
DSEX	5273.17	-49.24	-0.93%
Dow Jones Industrial Average	24,174.82	-132.36	-0.54%
FTSE 100	7,593.29	+45.44	+0.60%
Nikkei 225	21,697.65	-87.89	-0.40%

Exchange Rates

USD 1 = BDT 83.41*
 GBP 1 = BDT 110.17*
 EUR 1 = BDT 97.32*
 INR 1 = BDT 1.22*

*Currencies and Commodities are taken from Bloomberg.

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