

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.

Finance Minister defends government's GDP growth data

- Finance Minister defended the government's GDP growth data, saying the rates are based on solid numbers. His remark came a day after the South Asian Network on Economic Modeling (SANEM), a research organization, called the recent economic growth data "puzzling", citing that the figures are inconsistent with various indicators of the economy. The Centre for Policy Dialogue, an eminent think-tank, had also questioned the current fiscal year's provisional growth estimate of 8.13%
- All the numbers that were used to measure the economy and the annual growth are available, the Finance Minister said. The finance minister, however, solicited constructive feedback from the think-tanks and research organizations.
- Citing the International Monetary Fund's (IMF) recent report on the World Economic Outlook, he said the organization predicted sluggishness in the world economy until 2024. The IMF forecasted that 20 countries would act as growth drivers during the period -- and Bangladesh is one of them, he said. The country's contribution to global GDP growth would be 0.9%, which is the same as Canada, a developed nation, according to an analysis by Bloomberg. He has not done this. This is done by the IMF," he said.
- Earlier on May 9 after a meeting with a World Bank team, the Finance Minister said in a statement that Bangladesh would be among the top 20 contributors to the global GDP by 2024. In another statement the following day, he got corrected saying that Bangladesh would be one of the 20 countries to contribute to the growth of the global economy in 2019-20.

<https://www.thedailystar.net/business/news/kamal-defends-govts-gdp-growth-data-1742329>

Bangladesh foreign direct investment (FDI) inflow rises by 68% to USD 3.6 billion China tops list with USD 1 billion investment

- The foreign direct investment (FDI) inflow to Bangladesh saw a sharp rise of 68% in 2018 calendar year. The amount of FDI hit a record high of USUSD 3.6 billion in 2018, which was USD 2.6 billion in the previous calendar year. It happened, as China became the largest FDI provider to Bangladesh in 2018, according to Executive Chairman of the Bangladesh Investment Development Authority (BIDA).
- China topped the list by investing about USD 1.0 billion in 2018, the major portion of which was channeled to power sector. The Chinese FDI in Bangladesh was only USD 119 million in 2017, he said at a press conference at BIDA office in city. Besides China, the second highest FDI flow, amounting to USD 692 million, came from the Netherlands last year. It was followed by USD 371 million from the UK, USD 174 million from the US, USD 171 million from Singapore, USD 170 million from Hong Kong, USD 121 million from India, and USD 108 million from Norway.
- With Japan Tobacco Inc's acquisition of Akij Group's tobacco business at a cost of USD 1.47 billion, which took place at the end of last year, the total FDI inflow in 2018 will cross USD 5.0 billion, the BIDA high-up said. Equity capital of FDI more than doubled in one year, from USD 538 million in 2017 to USD 1.12 billion in 2018, he added. The major FDI-receiving sectors in the country last year were - power, food, textile, and banking and financial institutions. Besides, intra-company loans in foreign investment in Bangladesh increased more than four times in 2018, according to the BIDA data.

<http://today.thefinancialexpress.com.bd/public/first-page/bd-fdi-inflow-rises-by-68pc-to-36b-china-tops-list-with-1b-investment-1557421765>

Finance Minister iterates new VAT law to be effective from July

- Finance minister AHM Mustafa Kamal on Saturday reiterated that the government would start implementation of the new VAT law from July. Bangladesh Chambers of Commerce and Industry sent to NBR questioning its preparedness to implement the new Value-Added Tax and Supplementary Duty Act-2012. NBR on May 5 in the letter claimed that the implementation of 'unprepared and much lingered in terms of re-evaluation' VAT law would fuel inflation which may lead to public suffering, resentment and instability in the society. The minister also said that earlier businesses did not let NBR to implement the law and this year the government would implement the law through budget.

<http://www.newagebd.net/article/72126/kamal-iterates-new-vat-law-to-be-effective-from-july>

Telenor-Axiata merger to jeopardize tower companies' business: Experts

- The possible merger of the parent companies of Bangladesh's top two mobile operators would jeopardize the business of local mobile tower companies, reports BSS. Industry analysts anticipate market dominance of Axiata-owned mobile tower company 'edotco' would be unparalleled under the new "MergerCo" to be headquartered in Malaysian capital Kuala Lumpur.
- Axiata owns 70% stakes of edotco Bangladesh Company Limited which already acquired the towers of Robi. Edotco is also part of the arrangement announced by Norway's Telenor and Malaysia's Axiata, parent companies of Grameenphone and Robi, on May 7 that they were in talks to combine their Asian operations. If the negotiation becomes successful, meaning there can be potential gains for Grameenphone and over 80% market share would go under same umbrella in both mobile and tower business, said the analysts.
- In the merged company, Telenor will hold 56.5% stakes while Axiata the remaining 43.5%. A former Secretary General of the Association of Mobile Telecom Operators of Bangladesh (AMTOB), said the tower companies from the beginning have been facing uneven and unhealthy competition in terms of business case. Ultimately three local tower companies didn't come in the race till now, and if the merger becomes fruitful, the market would be more unparalleled, he opined.
- If the Telenor-Axiata merger becomes successful, they will create a company with 300 million customers in nine countries, sales of about USD 13 billion and earnings of about USD 5.5 billion. Anticipating resistance from the telecom regulator, Robi, Axiata's subsidiary in Bangladesh with the co-ownership of Bharti Airtel and NTT Docomo, was not offered as part of the deal. Both Grameenphone and Robi will continue their business in Bangladesh separately. Telenor has 55.8% stakes in Grameenphone.

<http://today.thefinancialexpress.com.bd/public/trade-market/telenor-axiata-merger-to-jeopardise-tower-cos-business-experts-1557415273>

Banks can deduct non-listed companies' shares from exposure

- The central bank has decided to extend its policy support further to bring back stability in the country's ailing capital market. As part of the initiative, a bank's investment in the shares of non-listed companies can be deducted from the calculation of its share market exposure. They've considered the issue positively that will also help the banks to increase their investment capacity in the share market, said the BB Deputy Governor. The meeting also advised the monitoring committee on the capital market refinancing scheme to take effective measures to immediately start disbursement of the fund, amounting to around BDT 9.0 billion.
- The central bank will release the fund soon after receiving recommendations from the committee, the BB deputy governor added. On May 02, the government extended the tenure of the capital market refinancing scheme until December 31, 2022, with some amendments, to help revamp the country's stock market. Now the fund will be treated as a revolving one that will be eligible for other capital market intermediaries along with small investors, according to a notification, issued by the Ministry of Finance (MoF) on the day.

<http://today.thefinancialexpress.com.bd/public/first-page/banks-can-deduct-non-listed-cos-shares-from-exposure-1557421683>

Yamaha bikes to be built here from next year

- Yamaha motorcycles will be manufactured in Bangladesh starting next year, a move which the initiators say will offer competitive prices to bikers. It will take up the rest of this year to set up the manufacturing operations, said managing director of ACI Motors, a joint initiative of ACI Limited and Yamaha Motor Corporation bringing the Japanese brand's two-wheelers. His comment came at a launching ceremony in Le Méridien Dhaka yesterday for ACI Motors' assembly plant for completely knocked-down kits at Sreepur in Gazipur.
- Sitting on 6 acres of land, the plant took about BDT 1 billion to build and has an annual assembling target of 60,000 motorcycles. Two models will now be assembled at the plant, said executive director of ACI Motors, adding, already their price has gone down in the local market. The government wants to facilitate initiatives taken up by investors so as to increase production, the prime minister's private industry and investment advisor added.
- Last year 5.37 million Yamaha motorcycles were sold, he said, adding that Asia was a big market, especially Bangladesh, for its huge young generation. So, they have agreed to set the plant here to provide them bikes at a fair price," said executive general manager of Yamaha Motor Corporation.

<https://www.thedailystar.net/business/news/yamaha-bikes-be-built-here-next-year-1742338>

Higher import payments strain forex reserves

- The country's foreign exchange reserves have come under pressure after higher external payments against import of oil and construction materials for mega projects. The reserves shrank on Wednesday after a routine payment to the Asian Clearing Union (ACU) against imports during the March-April period of the year, officials said. After the payment, the country's forex reserves reached USD 30.99 billion on the day from USD 32.19 billion of the previous working day, according to the central bank's latest statistics. It was USD 31.02 billion on Thursday.
- The highest USD 33.68 billion reserves were recorded on September 05, 2017. Bangladesh will be able to meet more than five months import payment bills with the existing reserves, the officials added. The reserves are under stress because of higher import payment obligations, particularly for petroleum products, construction materials, capital machinery for power plants and fertilizer, said the officials.
- The import of LNG (liquefied natural gas) has been contributing to the forex reserve pressure in the recent months, they added. The country's overall imports have advanced by more than 7.0% in the first nine months of the current fiscal, following higher imports of intermediate goods and oil. The actual import in terms of settlement of letters of credit (LCs) rose to USD 41.22 billion during the July-March period of FY 19 from USD 38.41 billion in the corresponding period of the last fiscal, the central bank data showed.
- Import of intermediate goods such as coal, hard coke, clinker and scrap vessels jumped by 39.42% to USD 4.16 billion during the period from USD 2.98 billion in the same period last year. The purchase of construction materials pushed up the overall import payments in the first nine months of the fiscal, another BB official explained. He also said mega infrastructure projects, including Padma bridge, Rooppur Nuclear Power Plant (NPP), metro-rail and Dhaka Elevated Expressway account for the lion's share of intermediate goods, he added.

<http://today.thefinancialexpress.com.bd/public/first-page/higher-import-payments-strain-forex-reserves-1557507638>

Jobs in Middle Eastern (ME) countries post over 17% fall in four months

- The country saw a fall in overseas employment by more than 17% in the first four months of the current calendar year following a cut in recruitment by Middle Eastern (ME) nations, official statistics showed. A total of 226,771 workers went abroad with jobs in the January-April period this year while 273,304 workers went abroad in the corresponding period of the previous year, the data of the Bureau of Manpower, Employment and Training (BMET) showed.
- However, the manpower recruiters feared that if the trend continued, it would be hard to send even 500,000 workers abroad in the current calendar year. Bangladesh sent 734,181 workers abroad in 2018 and 1,008,525 in 2017. The ME countries such as Saudi Arabia, Oman, Qatar, Kuwait have reduced the recruitment of foreign workers following their sluggish development work. As part of policy reforms, Saudi Arabia has employed more local workers in different sectors. Besides, Oman is discouraging recruitment of less-skilled workers from Bangladesh.
- But the officials at the Ministry of Expatriates' Welfare and Overseas Employment said they were focusing now on quality migration, rather than the number. So, if the number of workers going abroad declines, it will not create a problem as they will send more skilled workers. A member of the executive committee of Bangladesh Association of International Recruiting Agencies (BAIRA), said the government should take necessary initiatives to secure jobs in the markets remaining closed for a long time. "Otherwise, it will be difficult for them to survive. Recruitment by the United Arab Emirates (UAE) and Malaysia remained stopped currently.
- Although the outflow of workers declined, the inward remittances grew by 10.01% in the 10 months of the current fiscal year (FY) due to the depreciating rate of the local currency against the US dollar. Bangladeshi nationals working abroad sent home USD 13.03 billion during the July-April period of the FY 2018-19 against USD 12.09 billion remitted home in the corresponding period of the previous fiscal year, the central bank data said. The BMET data revealed that Saudi Arabia recruited 123,474 workers followed by Qatar with 28,169, Oman 26,444 and Singapore 14,561 in the last four months.

<http://today.thefinancialexpress.com.bd/last-page/jobs-in-me-countries-post-over-17pc-fall-in-four-months-1557593046>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$61.66	-0.04	-0.06%
Crude Oil (Brent)*	\$70.62	+0.23	+0.33%
Gold Spot*	\$1,286.05	+1.97	+0.15%
DSEX	5275.83	+3.44	0.07%
Dow Jones Industrial Average	25,942.37	+114.01	+0.44%
FTSE 100	7,203.29	-4.12	-0.06%
Nikkei 225	21,344.92	-57.21	-0.27%

Exchange Rates

USD 1 = BDT 84.54*
GBP 1 = BDT 109.89*
EUR 1 = BDT 94.98*
INR 1 = BDT 1.21*

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

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