

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.

Bangladesh attracts nearly USD 3.0 billion FDI in 2017-18 fiscal year

- Bangladesh has attracted nearly 3.0 billion US dollars in Foreign Direct Investment (FDI) in the fiscal year 2017-18 (FY18), the country's central bank data showed Wednesday. According to the Bangladesh Bank (BB) data, the country's gross FDI inflows stood at USD 2,798 million in FY18. The figure was USD 3,038 million in FY17, it showed. According to BB data, net FDI inflow in the country in the last fiscal (FY18) stood at USD 1,583 million against USD 1,653 million in the same period a year earlier, reports Xinhua. Inadequate basic infrastructure has long been blamed for impeding large FDI inflow in Bangladesh.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-attracts-nearly-3b-fdi-in-2017-18-fiscal-year-1536149782>

Four SoCBs, ICB to invest BDT 10 billion

- Four state-owned commercial banks (SoCB) and a financial institution will invest BDT 10 billion (1000 crore) more in the troubled Farmers Bank Limited (FBL) through subscribing subordinated bonds. Under the latest decision, taken by the board of directors of the FBL earlier, Sonali Bank Limited will subscribe to bonds worth BDT 3.0 billion while the Investment Corporation of Bangladesh (ICB) will invest BDT 1.0 billion in the bonds. Three other SoCBs -Janata, Agrani and Rupali - will subscribe to bonds worth BDT 2.0 billion each, according to sources both at the BB and the FBL.

- Earlier four SoCBs and the ICB were included in the reconstituted board of the private commercial bank (PCB) as directors on their injection of BDT 7.15 billion as equity into the FBL in a bid to rescue it. The meeting reviewed the latest overall performance of the troubled fourth generation PCB and advised the top management of the bank to gear up their ongoing recovery drives. The FBL MD said that the floating of subordinated bonds will be completed in two phases. The process of issuing bonds worth BDT 5.0 billion has already started under phase-I that would end by the current month, he added.

<http://today.thefinancialexpress.com.bd/first-page/four-socbs-icb-to-invest-BDT-10b-1536515192>

Regional lending gap threatens SDGs: Study

- The big regional lending gap emerged one of the major barriers to the country's financial institutions (FIs) in achieving SDGs (sustainable development goals). The study report of the Bangladesh Institute of Bank Management (BIBM) titled "Achieving SDGs in Bangladesh: The role of banking sector" found almost 85% of the banks' advances are concentrated only in Dhaka (66.18%) and Chattogram (18.80%) in 2017. Six other regions are getting Only 20% of the overall loans which experts term lending inequality, not suitable for achieving SDGs by 2030.

- Of the regions, Barishal (1.27 %) received the lowest volume of loans while Khulna, Rajshahi, Rangpur, Mymensingh and Sylhet got 4.10%, 4.03%, 2.41%, 1.62% and 1.59% respectively. Other factors like the growing volume of NPL (non-performing loans) coupled with the declining trend of small and medium enterprise (SME) financing also pose a threat to establishing a sustainable financial sector in the country. Professor and director of Dhaka School of Bank Management (DSBM) said that almost 90% of the advances focus on urban areas although rural areas contributed 20% of the deposits. This is unfair.

- He again said that 17.35% of the loans were disbursed in 2017 against 14.51% in 2010. BIBM supernumerary said that the country needed to ensure access to finance for all so that not a single piece of land remains unutilised due to lack of capital. He was critical of too many service charges imposed in various forms by the banks. He laid emphasis on ensuring financial literacy at all stages for a sustainable financial sector.

<http://today.thefinancialexpress.com.bd/first-page/regional-lending-gap-threatens-sdgs-study-1536515331>

<http://www.newagebd.net/article/50232/bangladesh-lagging-behind-neighbours-in-financial-inclusion-bibm-study>

<https://www.thedailystar.net/business/news/bangladesh-behind-neighbours-bibm-1631743>

Private sector can help improve infrastructure: IDB president

- Countries like Bangladesh should ensure an investment-friendly environment for the private sector that plays a big role in meeting the development financing needs, Islamic Development Bank (IsDB) President said. He also added that if member countries think that they can depend only on multilateral development banks (MDBs) for their development finance, they are wrong. For example, our member countries would require, in total, around USD 1.0 trillion each year to implement the Sustainable Development Goals (SDGs).

- At the same time, they need around USD 700 billion each year for implementing just the basic infrastructure. But the total amount of financing available with the MDBs is only around USD 147 billion. So, the financing gap is huge. And we need other sources of financing and that source is the private sector. In this context, the IsDB president called for creating congenial environment for private sector investment in the country. The only way to attract more investment from the private sector is to create an investment-friendly regulatory environment, the president added.

<http://today.thefinancialexpress.com.bd/first-page/rely-more-on-private-sector-for-development-financing-1536515382>
<https://www.thedailystar.net/business/news/private-sector-can-help-improve-infrastructure-idb-president-1631755>

Government to set up 2 more leather industrial estates

- The government is going to establish two more leather industrial estates in Chittagong and Rajshahi to utilise the untapped potential of leather and leather goods both at domestic and export market. Industries minister on Sunday said that Bangladesh Small and Cottage Industries Corporation was now working on selecting the possible sites for the estates. The ministry took the initiative at the instruction of prime minister after implementation of first leather estate at Savar, minister said at the ninth meeting of executive committee on National Council of Industrial Development held at the ministry's conference room in Dhaka.

- Earlier in November 2017, prime minister announced the plan to take ahead the country's leather sector. The government chose Chittagong and Rajshahi to decentralise the tannery and leather industries which were now mostly Dhaka-centric. The planned estates would be environment-friendly to attract both local and foreign investors, officials said.

- That leather sector was the second largest export earner after apparel products in the country. Export earnings from leather and leather goods stood at USD 1.08 billion in the fiscal year 2017-2108. They hoped export earnings would rise significantly in coming years when Savar leather estates would be fully operative and other government initiatives to boost the sector would be implemented.

<http://www.newagebd.net/article/50231/govt-to-set-up-2-more-leather-industrial-estates>

Apparel makers seek government incentives

- Garment makers have called for realising government facilities in the form of direct or indirect incentives to implement the proposed pay hike. They proposed adjusting annual inflation through increment instead of pay hike review every five years. The manufacturers voiced concern over the pay rise, saying if the wages are increased much more than BDT 6,360, the industry might not survive. A former president of the BGMEA, suggested the owners unite for strong negotiations with buyers to ensure fair prices of their products. He also called for an end to unhealthy practice of price cut among themselves in time of taking orders from buyers.

<http://today.thefinancialexpress.com.bd/last-page/apparel-makers-seek-govt-incentives-1536515544>

Peninsula to expand hotel building

- The board of directors of The Peninsula Chittagong, a hotel service company, has decided to renovate and expand its hotel building. The cost for the renovations and expansion has been estimated BDT 124.20 million. The company said the fund will be arranged from the company's own source and loans from bank/financial institutions. The renovation and expansion work is expected to be completed within six months. The board of the company has also recommended 5.0% cash dividend for the year ended on June 30, 2018.

- The board has also decided to bring changes in the mode of utilisation of the proceeds from the initial public offering (IPO) and its implementation schedule and amendment of articles of association, which is subject to the approval by the shareholders in the extraordinary general meeting (EGM). The company raised a fund worth BDT 1.65 billion in March 2014 by offloading 55 million ordinary shares at an offer price of BDT 30 each, including BDT 20 as premium.

<http://today.thefinancialexpress.com.bd/stock-corporate/peninsula-to-expand-hotel-building-1536514251>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|--------------------|---------------------|-----------------|
| Crude Oil (WTI)* | \$68.09 | +0.34 | +0.50% |
| Crude Oil (Brent)* | \$77.27 | +0.44 | +0.57% |
| Gold Spot* | \$1,194.91 | -2.02 | -0.17% |
| DSEX | 5549.78 | -24.46 | -0.44% |
| Dow Jones Industrial Average | 25,916.54 | -79.33 | -0.31% |
| FTSE 100 | 7,277.70 | -41.26 | -0.56% |
| Nikkei 225 | 22,317.8 | +10.79 | +0.05% |

Exchange Rates

USD 1 = BDT 83.71*
GBP 1 = BDT 108.18*
EUR 1 = BDT 96.70*
INR 1 = BDT 1.17*

**Currencies and Commodities are taken from Bloomberg.*

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