

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.

FY19 exports rise by 10.55%, hit USD 40.53 billion

- The country's export earnings reached an all-time high of USD 40.53 billion in the just concluded fiscal year (FY), 2018-19, registering a 10.55% growth over that of the previous fiscal. Bangladesh fetched USD 36.66 billion in FY 2017-18. The export earnings in FY 19 also surpassed the target, set for the fiscal, by 3.94%, according to the Export Promotion Bureau (EPB) data released on Monday. The single month earnings in June 2019, however, declined by 5.27% to USD 2.78 billion over that of June 2018. The June earnings also fell short of the target by 22.65%, according to the data.

- The ready-made garment (RMG) sector contributed more than 84% or USD 34.13 billion to the total export income in FY 19. In last fiscal, the RMG exports grew by 11.49% from USD 30.61 billion of FY 18. The sector's earnings also exceeded the respective target in FY 19 by 4.42%. The country earned USD 16.88 billion from knitwear exports, registering a growth of 11.19%. Bangladesh fetched USD 15.18 billion from knitwear exports in FY 18.

- Vice President of the Exporters Association of Bangladesh (EAB) said that the ongoing trade war between China and the US is offering an opportunity to local exporters. The country's garment exports in the US market have increased in the wake of the trade war between China and the US, as the latter is shifting orders to other countries, including Bangladesh. A former leader of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) claimed that profit margin is gradually declining with the rise in growth. The companies are forced to take orders at lower rates to continue operating factories, as their workers as well as installments of bank loans need to be paid, he noted.

- The country fetched USD 1.01 billion from exports of leather and leather goods in FY 19, registering a 6.06% decline over FY 18. On the other hand, export earnings from plastic products grew by 21.65% to USD 119.8 million, pharmaceuticals grew by 25.60% to USD 129.95 million, and furniture grew by 18.53% to USD 74.89 million in the last fiscal.

<http://today.thefinancialexpress.com.bd/first-page/fy19-exports-rise-by-1055pc-hit-4053b-1562607199>

<https://www.thedailystar.net/business/export/news/double-digit-export-growth-fy19-1768774>

<http://www.newagebd.net/article/77890/jute-leather-exports-fall-in-fy19>

<https://www.dhakatribune.com/business/economy/2019/07/08/earnings-from-jute-jute-goods-fall-by-20-41>

Current account deficit narrows 40%

- A massive decline in import and an inflow of record remittance have helped narrow the current account deficit by 40% in the first 11 months of the just concluded fiscal year, much to the relief of the Bangladesh Bank. This is a good trend that will help stabilize the country's foreign exchange regime, said a former adviser to a caretaker government. At the end of May the current account deficit stood at USD 5.17 billion, according to data from the central bank. But the import of capital machinery and raw materials has nosedived, which is worrying though, he added. This means a slowdown in the productive sector and employment generation is impending.

- Exports have so far showed a good performance and more initiatives should be taken to keep it up, he said. Between July last year and May this year, exports increased 11.45% year-on-year to USD 37.18 billion, while imports grew only 2.62% to USD 51.84 billion. This narrowed the trade deficit by 14.56% year-on-year to USD 14.65 billion. Both current account and trade deficit trends have given some breathing space to the government, said a former governor of the central bank.

- Despite attracting a record remittance last fiscal year, the inflow dropped 11.55% to USD 1.36 billion in June, he said, while urging the central bank and the government to focus on the issue on a priority basis. All things of the balance of payments are good, but foreign exchange reserve is not working as expected said an official of the central bank. Any country must maintain foreign exchange reserves to make import payments for at least three months and Bangladesh's reserves now are good for at most 5.2 months, down from 5.3 months a month ago and 5.8 months a year ago, he said.

<https://www.thedailystar.net/business/banking/news/current-account-deficit-narrows-40pc-1768762>

Overseas jobs drop by 18%

- The country's overseas employment dropped by 18% in the first six months of the current year following a reduction in recruitment by Middle Eastern nations, official data showed. A total of 332,754 workers went abroad with jobs during the period between January and June this year while 392,002 workers in the same period of the previous year, according to the data of Bureau of Manpower Employment and Training (BMET). Overseas jobs also have shrunk in recent months as some countries like Malaysia and United Arab Emirates (UAE) stopped hiring Bangladeshi workers.

- Manpower recruiters said if traditional job markets do not reopen soon, it will be tough to maintain the previous uptrend in migration from Bangladesh. They also stressed the need for exploring job opportunities in prospective countries. Bangladesh sent 734,181 workers abroad in 2018 while 1,008,525 in 2017. Middle Eastern countries such as Saudi Arabia, Oman, Qatar and Kuwait have reduced the recruitment of foreign workers following sluggish development works.

- As part of its policy reform, Saudi Arabia has engaged more local workers in its different sectors. Besides, Oman is discouraging recruitment of low-skilled workers from Bangladesh. However, the officials at the Ministry of Expatriates' Welfare and Overseas Employment said they were now focusing more on quality migration. If the number of outbound workers declines, it will not create problem as they will send more skilled workers abroad, the officials added. The flow of inward remittances grew by 9.65% to USD 1.44 billion in the just-concluded fiscal year (FY) as the exchange rate of local currency maintained a depreciating mode against US dollar.

- Strengthening supervision and monitoring by the central bank to check illegal 'hundi' transaction has also helped raise the inflow of remittances, officials said. Remittance inflow hit record USD 16.42 billion in FY 2019 against USD 14.98 billion a year before, according to the Bangladesh Bank's latest statistics. The BMET data revealed that Saudi Arabia recruited 188,747 workers in last six months, followed by Oman 37,352, Qatar 36,070 and Singapore 23,399. Bangladesh received USD 12.77 billion in remittance in FY 2017 while USD 14.93 billion in FY 2016.

<http://today.thefinancialexpress.com.bd/last-page/overseas-jobs-drop-by-18pc-1562607654>

Loan defaulters cheer as Supreme Court (SC) stays High Court (HC) order

- The Supreme Court (SC) on Monday stayed the High Court (HC) order for two more months, thus allowing loan defaulters to enjoy the central bank's privileges. Earlier on July 02, the chamber judge had stayed the HC order that halted the Bangladesh Bank (BB) guidelines on special facilities for loan defaulters. With the latest SC order, defaulted borrowers will be able to reschedule loans by paying a 2.0% down payment for a maximum period of 10 years in line with BB guidelines issued on May 16. However, the apex court in its order barred these defaulters from getting fresh loans from any bank during the period.

<http://today.thefinancialexpress.com.bd/first-page/loan-defaulters-cheer-as-sc-stays-hc-order-1562607081>

Local ceramic industry grows to fetch foreign currencies

- Ceramics industry has turned into a booming manufacturing sector in Bangladesh over the years, cashing in on growing demand both in domestic and international markets. At present the industry caters to 85% of local demands while because of high quality, ceramic products of Bangladesh have huge demand in international markets as well. According to Bangladesh Ceramics Manufacturers and Exporters Association (BCMEA), a total of 66 ceramic manufactures are operating in the country, producing mainly tableware, tiles and sanitary ware.

- According to the data of Export Promotion Bureau (EPB), the industry earned more than USD 45.74 million through export in 2017-18 fiscal year (FY), which was USD 35.57 million in 2016-17 FY, and USD 35.32 million in 2015-16 FY. Of different ceramic products, tableware is exported to more than 50 countries including the US, Canada, European Union countries and Australia; tiles to India, Nepal and Bhutan; and sanitary ware to the Middle East, especially to the UAE.

<https://www.dhakatribune.com/business/economy/2019/07/08/local-ceramic-industry-grows-to-fetch-foreign-currencies>

Growing demand fuels cement industry growth

- According to Bangladesh Cement Manufacturers Association (BCMA), breaking the previous record, cement sale was the highest 33 million tons in 2018, up from 29 million tons in 2017 — an around 12% rise. The BCMA data shows that the consumption of cement across the country posted an average growth of 10-15% in the last 10 years. local companies now holding 82% of the market share due to their competitive advantage in price and quality, shows BCMA data.

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Government okays liquidation of People's Leasing

- The government has approved a central bank proposal for liquidating People's Leasing and Financial Services Ltd (PLFSL) considering its fragile financial state even as concern grows over depositors' protection, officials said. On June 27, the ministry of finance, in a letter to Bangladesh Bank (BB), gave the approval for liquidation. With the folding of the operations of the company, this will mark the first liquidation of a financial institution in Bangladesh, they said.
- The financial condition of the company is the worst. It won't be able to improve its health, said a top official at the financial institution division. Peoples' is a company having had an authorised capital of Tk 5.0 billion and paid up capital of Tk 2.85 billion. The sponsor directors of the company hold 23.21 per cent shares, institutions hold 8.76 per cent, foreigners hold 0.19 per cent, and public hold 67.84 per cent. Until 2014, Peoples' shares were trading under 'A' category on the Dhaka Stock Exchange. However, the company was relegated to "Z" category having failed to offer any dividend to shareholders in 2015.
- On Monday, its shares were trading at Tk 4.0, below the face value of Tk 10, with only 174,433 shares changing hands. More than 60 per cent of loans and leases of the company have already turned into non-performing loans (NPLs) of its total outstanding loans and lease worth Tk 11.33 billion as on March 31, 2019 comes under the radar , according to statistics. A banking analyst supported the liquidation of the company, saying unless this financially fragile company is liquidated, its peers will feel encouraged to deceive depositors.

<https://www.dhakatribune.com/business/economy/2019/07/08/local-ceramic-industry-grows-to-fetch-foreign-currencies>

Sea Pearl Beach Resort to make debut July 16

- Trading of the shares of Sea Pearl Beach Resort & Spa Limited will commence on DSE from July 16 under 'N' category, according to a disclosure posted on the DSE website. DSE Trading Code for Sea Pearl Beach Resort & Spa Limited is "SEPEARL" and DSE Company Code is 29004. Sea Pearl Beach Resort & Spa Limited (the owner of "Royal Tulip Sea Pearl Beach Resort & Spa Cox's Bazar"), a luxury resort & hotel in Bangladesh, started its commercial operation from 17 September, 2015.
- The company raised a fund worth BDT 150 million from the capital market by floating 15 million ordinary shares at a face value of BDT 10 each using the fixed price method. The securities regulator -- Bangladesh Securities and Exchange Commission -- approved the IPO proposal of the company on February 19 this year. The IPO subscription for shares of the company by the eligible investors through electronic subscription system was held between April 23 and May 06. The company will utilise the IPO fund for interior, finishing, furniture & fixture (157 rooms) 71.22%, acquisition of land 17.77%, and bearing the IPO expenses 11.01%.

<http://today.thefinancialexpress.com.bd/stock-corporate/sea-pearl-beach-resort-to-make-debut-july-16-1562603592>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.46	-0.20	-0.35%
Crude Oil (Brent)*	\$63.97	-0.14	-0.22%
Gold Spot*	\$1,394.84	-0.69	-0.05%
DSEX	5,333.09	-47.71	-0.89%
Dow Jones Industrial Average	26,806.14	-115.98	-0.43%
FTSE 100	7,549.27	-3.87	-0.05%
Nikkei 225	21,530.94	-3.41	-0.02%

Exchange Rates

USD 1 = BDT 84.54*
GBP 1 = BDT 105.75*
EUR 1 = BDT 94.79*
INR 1 = BDT 1.23*

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

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