

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.

Revenue shortfall forces government to wind down budget

- The government has wound down this fiscal year's budget by 7.25% to BDT 3.71 trillion after a large shortfall in internal revenue collection and lower execution of development work. In June last, Finance Minister placed a BDT 4.002 trillion budget for fiscal year 2017-18, which he himself termed 'ambitious'.
- A senior finance official said the poor implementation of Annual Development Programme (ADP) and a large amount of revenue shortfall against its target were the main reasons why the authorities slashed the budget size. In the revised budget, the target for the National Board of Revenue (NBR) has been reduced to BDT 2.25 trillion from the original target of BDT 2.48 trillion, finance officials said. The government estimated BDT 200 billion losses in tax revenue collection this year due to deferment of the new VAT, revenue board officials said.
- Although savings certificates are considered to be one of the costlier borrowing options, the government's target from it has ballooned to BDT 440 billion from the original target BDT 301 billion. The net investment in savings tools was recorded at BDT 331.19 billion in the July-February period of the fiscal 2017-18, surpassing the annual target, according to official statistics. The financing target from external sources, in the form of grant, loan disbursement and amortization, has been revised downward to BDT 458 billion from BDT 519 billion.

<http://today.thefinancialexpress.com.bd/first-page/revenue-shortfall-forces-govt-to-wind-down-budget-1524592749>

BDT demand in money market dips

- The demand for Bangladesh Taka (BDT) in the money market fell drastically mainly due to the recent slash of the cash reserve requirement (CRR) by 1.0% by the central bank. Both the weighted average inter-bank call money rate and weighted average yield on Bangladesh Bank (BB) Bills dropped significantly in the recent days in lockstep with the revised CRR, according to market operators. The weighted average inter-bank call money rate came down to 3.76% on Monday from 4.53% as on April 12 while volume of transaction also fell to BDT 46.66 billion from BDT 78.36 billion, according to the central bank's statistics.
- On the other hand, the weighted average yield (WAY) on 07-Day BB Bills fell to 1.32% on Tuesday from 2.98% as on April 12 while the WAY on 14-Day BB Bills dropped to 1.28% from 2.98%. Besides, the central bank suspended the auction of 30-Day BB Bills since April 01 without official announcement to help mitigate the liquidity crunch in the banking system.

<http://today.thefinancialexpress.com.bd/first-page/bdt-demand-in-money-market-dips-1524593365>

Trade-based money laundering on the rise

- Trade-based money laundering is a growing concern for the banking industry amid rapid expansion of foreign trade, according to a recent survey by the Bangladesh Institute of Bank Management. Bangladesh's external trade stood at about \$80 billion in 2016-17 and it has been growing thanks to the steady economic growth over the past decade, it said. Among the trade-based money laundering techniques, over- and under-invoicing of goods and services and misdeclaration of goods are commonly used in Bangladesh, the survey on trade services operations of banks found.

- The value of the total imported goods was BDT 10.40 billion but the importer paid only BDT 34.7 million through the banking channel; the rest of the money was laundered through unofficial channels. A lack of proper price assessment is responsible for money laundering through foreign trade activities, said a supernumerary professor of BIBM.

<https://www.thedailystar.net/business/trade-based-money-laundering-the-rise-1567393>

<http://www.newagebd.net/article/39786/majority-of-money-laundering-occur-thru-banking-channel-seminar>

Card use finally spreading

- Bangladeshi consumers are slowly but surely warming up to the idea of using cards, especially debit cards, to make payments, with the total number of cards in circulation expanding 15.45% last year. About 1.7 million debit, credit and pre-paid cards were issued last year to take the total to 12.7 million, according to data from the central bank. Among the various plastic card products, debit card was the most popular: at the end of 2017, a total of 11.6 million debit cards were in circulation, in contrast to 7.69 million two years earlier. However, the number of credit cards declined 4% year-on-year to 0.91 million in 2017.

- One of the reasons for the spike is the various incentives being offered by banks to encourage the use of cards with a view to promoting a cashless society. Private banks issued 94.58% of the cards, followed by foreign banks at 3.79% and state banks at 1.6%. Of the total transactions, 86% was for withdrawal of money from cash machines. The total number of ATM booths at the end of last year was 9,522. Of the total card transactions, 89% took place through debit cards and 9% through credit cards.

<https://www.thedailystar.net/business/card-use-finally-spreading-1567390>

Import of Internet of Things (IoT) devices needs prior approval

- The telecom regulator has made it mandatory for businesses to get enlisted and take prior approval to import Internet of Things (IoT) devices. A fee of BDT 25,000 will be charged for enlistment, the Bangladesh Telecommunication Regulatory Commission said in a directive. However, importers will be exempted from such fee and approval if they bring in devices with only 2-watt power output capacity. They, however, will have to pay BDT 5,000 as the application fee and BDT 500 as the processing fee.

- Internet of Things is the concept of connecting any device with an on and off switch to the internet (and/or to each other). IoT devices include everything starting from cellphones, coffee makers, water, and waste management tools, lamps, agriculture, wearable devices, car parking and lighting to airplane engines.

<https://www.thedailystar.net/business/import-iot-devices-needs-prior-approval-1567369>
<http://www.newagebd.net/article/39783/btrc-issues-directives-on-iot-device-import>

Beximco Pharma begins exporting third product to the US market

- Beximco Pharma has begun the export of their third product Methocarbamol (500mg and 700mg) to the US market on Tuesday. The first consignment was delivered on April 21, 2018 and this is the third product from Beximco Pharma in the world's largest pharma market after the successful launch of Carvedilol and Sotalol in August 2016 and November 2017, respectively. Beximco Pharma remains the only Bangladeshi pharmaceutical company to export medicine to the US market following its manufacturing site approval by the US Food and Drug Administration in June 2015.

<https://www.dhakatribune.com/business/2018/04/24/beximco-pharma-begins-exporting-third-product-us-market/>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$67.73	+0.03	+0.04%
Crude Oil (Brent)*	\$73.90	+0.04	+0.05%
Gold Spot*	\$1,329.37	-0.98	-0.07%
DSEX	5777.36	-28.77	-0.50%
Dow Jones Industrial Average	24,024.13	-424.56	-1.74%
FTSE 100	7,425.40	+26.53	+0.36%
Nikkei 225	22,134.17	-143.95	-0.65%

Exchange Rates

USD 1 = BDT 83.78*
 GBP 1 = BDT 117.12*
 EUR 1 = BDT 102.43*
 INR 1 = BDT 1.26*

*Currencies and Commodities are taken from Bloomberg.

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