

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.

Trade deficit falls by 8% in July-October

- Country's trade deficit eased by 8 % in the July-October period of the current fiscal year of 2018-2019 compared with that in the same period of last fiscal year of 2017-2018 due mainly to a rise in export earnings.
- According to Bangladesh Bank data released on Wednesday, trade deficit stood at USD5.32 billion in the first four months of FY19 from that of USD5.78 billion in the same period of FY18.
- Country's export earnings witnessed a comparatively better growth in the period as Bangladesh received higher orders for readymade garment products from western buyers who shifted their orders to Bangladesh amid the ongoing trade war between the USA and China.
- In July-October this year, the country's export earnings grew by 18.08% to USD13.40 billion from that of USD11.35 billion in the same period of last year. Import payments grew by 9.28% year-on year to USD18.73 billion in the period.
- Deficit in the overall balance, however, doubled to USD444 million in July-October this year from that of USD222 million in the same period of last year.
- Former Bangladesh Bank governor said "The overall balance deficit increased as foreign fund flows particularly FDI, foreign loans and grants in financial accounts declined as donors became more cautious about quality of projects".

<http://www.newagebd.net/article/58743/trade-deficit-falls-by-8pc-in-jul-oct>

Trade payment delays taint country's image

- Bangladesh's image abroad is being "very badly" affected for some commercial banks, which delay in clearing payments against letter of credit despite having no issues, said ICCB President. "We at ICC Bangladesh quite frequently receive complaints from foreign banks of L/C terms not being honoured and payments not being made on time," he added.
- As per an ICC 2017 survey, the major challenges facing businesses today are cost control, limited technical competency, limitations of current technology, poor productivity management and limited training and development, he said.
- The banking sector had lost BDT 225.02 billion in the past decade through major scams. Therefore, the loss per year is BDT 22.50 billion and per day—when 260 working days a year is taken into consideration—is BDT 86 million, he said.
- He blamed a lack of good governance and pressure from vested groups as the main reasons for such scams and urged the central bank to take remedial measures.

<https://www.thedailystar.net/business/news/trade-payment-delays-taint-countrys-image-1672966>

<http://today.thefinancialexpress.com.bd/trade-market/delay-in-settling-export-import-payments-tarnishing-bds-image-iccb-president-1544636576>

<http://www.newagebd.net/article/58747/non-payment-money-against-lcs-tarnishing-countrys-image-iccb>

Bangladesh Bank: 10% value addition mandatory to become eligible for export subsidy

- At least 30% local value addition is mandatory to become eligible for export subsidy against the export proceeds of nine products, Bangladesh Bank (BB) said in an official circular on Tuesday.
- The nine new products are pharmaceutical items, photo voltaic modules, motorcycles, chemicals (chlorine, hydrochloric acid, caustic soda and hydrogen peroxide), razors and razor blades, ceramic items, caps, crabs, eels (both frozen and soft cell, subject to clearance approval from environment and forest departments) and galvanized sheets and coils.
- The conditions in the circular mention that the products' local value addition rate must be minimum 30%, and applicants cannot avail export subsidy and duty drawback simultaneously. It also states that if one gets export subsidy without following the official guidelines, then the paid subsidy will be deducted from the deposited bank account.
- The BB announcement increases the total number of products with export subsidy to 35 from 26.
- The new 10% export subsidy can be availed for products that were exported from July 1 in the current fiscal year to

June 30, 2019. Officials at Bangladesh Bank said the value addition criteria of 30% is also applicable for 26 other products enjoying subsidy.

<https://www.dhakatribune.com/business/2018/12/13/bb-10-value-addition-mandatory-to-become-eligible-for-export-subsidy>

Association of Bankers Bangladesh (ABB) defends bankers over rising defaulted loans in banks

- Association of Bankers, Bangladesh on Wednesday said that the bankers should not only be blamed for the rising non-performing loans in the country's banking sector.
- 'Bankers may make mistake in risk assessment before giving loans but the whole eco-system including loan payment culture, economic reality and case settlement process should be considered for rising NPLs,' ABB chairman said.
- Amid severe criticism over the huge amount of default loans amassing and burdening the economy, top bankers on Wednesday claimed to have worked hard to develop the banking sector but do not get enough credit for it.
- ABB arranged the briefing at the Hotel InterContinental Dhaka four days after the CPD report revealed that BDT 225.00 billion were plundered from the country's banks in 10 major scams and irregularities in last 10 years.

<http://www.newagebd.net/article/58746/abb-defends-bankers-over-rising-defaulted-loans-in-banks>
<https://www.dhakatribune.com/business/banks/2018/12/13/bankers-we-are-not-villains>

Mitsubishi's subsidiary may set up factory in Bangladesh

- Setsuyo Astec Corporation, a subsidiary of Mitsubishi Electric Corporation, is considering to set up its factory in Bangladesh as the wages here is the lowest among the Asian and Oceania countries.
- The production cost in Bangladesh is the lowest in the region and the country has been moving ahead with the efforts to set up power, traffic, building and other social infrastructures in recent years. The country's expectations are also high as it has achieved even greater growth in the textile industry.
- Chief Representative of the corporation's Bangladesh office said Bangladesh's economy is moving forward with a higher speed than the other neighboring countries, so Setsuyo Astec Corporation recently launched its representative office in the country to strengthen market survey, information collection and such other capabilities.
- Now Setsuyo is investing in the marketing and research, but it has a plan to open factory in the country as per the demand and development. "We have factories in different countries, including China and India. Now, we are considering setting up factory in Bangladesh due to lots of potentialities in the market," he added.
- As per a study of Japan External Trade Organisation (JETRO), about 70 % of the Japanese companies in Bangladesh want to expand their business in the next one to two years as their confidence has improved.

<http://today.thefinancialexpress.com.bd/trade-market/mitsubishis-subsidiary-may-set-up-factory-in-bd-1544636849>

Government revises down gold import duty

- The government revised downward on Wednesday the import duty on gold to BDT 2000 per bhori from existing BDT 3000, officials said.
- The existing 5.0 % VAT (value added tax), however, will remain unchanged
- It also decided to hold an auction of gold deposited in the central bank's vault soon. The auction has remained suspended for a decade, according to officials.
- In October this year, the government framed the country's first ever Gold Policy-2018, allowing authorised dealers to import gold bars and ornaments, said the officials.
- According to commerce ministry officials, the country's annual demand for gold is between 20 tonnes and 40 tonnes. But nearly 80 % of demand is met by smuggled gold while the remaining demand by recycled one, they said.

<http://today.thefinancialexpress.com.bd/trade-market/govt-revises-down-gold-import-duty-1544636829>

National Board of Revenue (NBR) against tax waiver for SIMs used in Mobile Number Portability (MNP) service

- The revenue board has strongly opposed the government's decision to waive the tax on SIMs used in MNP service.

- Reduction of SIM tax for mobile number portability (MNP) service may create the scope for evasion of VAT worth BDT 0.5 billion a year, the National Board of Revenue (NBR) said in a letter sent to the Ministry of Finance recently.
- The NBR said the BDT 50 charge for MNP service can be waived instead of giving tax exemption.
- "There is no such charge on MNP service in the neighboring countries like India and Pakistan," said the NBR proposal.

<http://today.thefinancialexpress.com.bd/first-page/nbr-against-tax-waiver-for-sims-used-in-mnp-service-1544637551>

Bangladesh Telecommunication Regulatory Commission(BTRC) may fine telcos for charging subscribers without their consent

- Bangladesh Telecommunication Regulatory Commission has initiated a move to impose fine on the mobile operators and value-added service providers if they are found charging subscribers without their consent for any services including VAS.
- The BTRC department concerned initiated the move to address customers' woes as it received a large number of complaints against the companies to this end, said BTRC officials.
- In most of the cases, customers came to know about the activation of such services after the deduction of money from their mobile phone balance.
- Mobile operators and VAS providers were not stopping such fraudulent activities in absence of punitive measures, observed BTRC officers.
- In 2017, subscribers lodged 3,522 complaints against the mobile operators in which auto-activation of VAS leading to balance deduction without customers' knowledge was among the top complaints

<http://www.newagebd.net/article/58744/btrc-may-fine-telcos-for-charging-subscribers-without-their-consent>

Bangladesh Securities Exchange Commission warns 18 companies for securities law violation

- The Bangladesh Securities and Exchange Commission (BSEC) in November warned 18 organizations, including six companies and 12 merchant banks and securities houses, for non-compliance of securities laws.
- Non-compliance warnings were sent to Confidence Cement Ltd, JMI Syringes & Medical Devices Ltd, Miracle Industries Ltd, Monno Ceramic Industries Ltd, Monno Jute Staffers Ltd, and Prime Textile Spinning Mills Ltd.
- BSEC sources said directors, managing directors and company secretaries of the six companies have been warned against alleged securities rules violations. In most cases, violations were related to price sensitive information.
- BSEC said the commission is considering the apologies of the accused and their promises of compliance in future. They have also decided to dispose of the proceedings against them by placing on record the commission's dissatisfaction on the defaults and contraventions made by them, with a warning to ensure compliance of all securities related laws in future.

<https://www.dhakatribune.com/business/stock/2018/12/13/bsec-warns-18-companies-for-securities-law-violation>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$51.41	+0.26	+0.51%
Crude Oil (Brent)*	\$60.48	+0.33	+0.55%
Gold Spot*	\$1,244.78	-0.88	-0.07%
DSEX	5265.84	-9.92	-0.19%
Dow Jones Industrial Average	24,527.27	+157.03	+0.64%
FTSE 100	6,880.19	+73.25	+1.08%
Nikkei 225	21,853.29	+250.54	+1.16%

Exchange Rates

USD 1 = BDT 83.78*

GBP 1 = BDT 105.71*

EUR 1 = BDT 95.25*

INR 1 = BDT 1.17*

**Currencies and Commodities are taken from Bloomberg.*

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