

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 set to be 24th largest economy in 2033**

- Bangladesh is set to become the 24th largest economy in the next 15 years, according to a new analysis by a UK-based research firm.
- The country, ranked 43rd in the globe in 2018 for its higher economic growth, may improve its position to 41st in the current year, said the Centre for Economics and Business Research (CEBR) in its World Economic League Table (WELT) 2019.
- According to the research firm, the size of the Bangladesh's economy (Gross Domestic Product) will reach USD 1.05 trillion at current prices in 2033 from the last year's size of USD 286 billion.
- The country has benefitted from a strong increase in remittances in the financial year ending 2018, after seeing declines in the previous two years, it said.

<https://www.thedailystar.net/business/banking/news/state-banks-cash-recovery-flatters-deceive-1683895>  
<http://www.newagebd.net/article/61137/bangladesh-to-be-worlds-41st-largest-economy-in-2019-report>

### **Balance of Payment (BoP) deficit rises to USD 837 million in July-November**

- Bangladesh's overall balance of payment (BoP) recorded USD 837 million deficit during the July-November period of this fiscal year (FY), 2018-19, over the corresponding period of the previous fiscal.
- The overall deficit in BoP was USD 479 million during the same period of FY 2017-18, according to the central bank's data.
- Sharp fall in the country's financial account and capital account surplus were primarily responsible for the BoP widening.

The volume of financial account surplus almost halved to nearly USD 2.06 billion during the first five months of the current fiscal from USD 4.09 billion in the matching period of last fiscal, the Bangladesh Bank (BB) data revealed.

Besides, the amount of capital account surplus dropped to USD 49 million during July-November of FY 19 compared to USD 94 million in the same period of last FY, according to the BB figures.

Meanwhile, the country's overall trade deficit narrowed down further to USD 6.66 billion during the first five months of the current fiscal.

The trade deficit was nearly USD 7.61 billion during the July-November period of FY 18, the BB data showed.

<http://today.thefinancialexpress.com.bd/last-page/bop-deficit-rises-to-837m-in-july-nov-1546884018>

### **Trade deficit narrows amid rise in exports**

- Trade deficit narrowed 12% in the first five months of the fiscal year thanks to a rise in exports and a slowdown in imports.
- At the end of November, trade deficit stood at USD 6.65 billion, down from USD 7.60 billion a year earlier, according to the central bank's latest data.
- The development comes as a relief for the government, which has sufficient breathing space now to run the economy. Trade deficit hit an all-time high of USD 18.25 billion last fiscal year.
- While unveiling the monetary policy statement for the second half of 2018 the central bank projected that the trade gap may reach USD 22.19 billion by the end of the fiscal year, suggesting a stringent state of affairs for the country's macroeconomy.

<https://www.thedailystar.net/business/news/trade-deficit-narrows-amid-rise-exports-1684558>

### **Bangladesh struggling to penetrate into Chinese drug market**

- Bangladesh has failed to take advantage of China's removal of tariffs on 28 categories of imported drugs including all cancer medicines, although the country is doing well in terms of exports of pharmaceutical products.
- Industry insiders said it is not an easy task to export pharmaceutical products to China as like as other goods. Another reason they find that both Bangladesh and China are the competitors in the global market for pharmaceutical products.
- According to the director (commodities) at Export Promotion Bureau (EPB), only zero tariffs will not help raise the volume of exports of Bangladeshi pharmaceutical products to the Chinese market. There are a lot of non-tariff barriers too. It needs popularity so that physicians can trust and prescribe drugs for patients. There are also complexities in registering new products in a specific market, he added.
- Bangladesh's pharmaceutical exports were more than USD 100 million in the fiscal year 2017-18. The destination countries include United States and some European countries. The BDT 22-billion pharmaceutical market is currently meeting 98% demand of local market which was largely dependent on import until 80s.

<http://today.thefinancialexpress.com.bd/last-page/bd-struggling-to-penetrate-into-chinese-drug-market-1546883980>

### **The new finance minister expects 8.5% GDP growth in FY19**

- New Finance Minister have expressed optimism that the country's GDP growth rate in the current fiscal year (FY19) would reach 8.5%, exceeding the fiscal target of 7.8%.
- He said Bangladesh has achieved remarkable successes in the last 10 years and the country has attained 41st position among the largest economies in the world in 2019, up from the 43rd position last year, as per UK-based think tank "World Economic League Table." If the country improves maintaining this trend, Bangladesh will stand within the first 20 countries in 2041 as per the largest economy in the world and the top 20 countries are considered as developed countries, he added.
- The finance minister urged authorities concerned to come forward and take necessary reforms to bring non-performing loans (NPL) to a reasonable level.
- Referring to the on-going upward trend in the stock market, he said the national election has brought confidence to the people, taking the capital market to upward trend.
- He underscored the need for strengthening the bond market to collect long term investments of the business community. He also said Bangladesh should focus on increasing the country's tax to GDP ratio to accelerate the development activities.

<https://www.dhakatribune.com/business/economy/2019/01/07/mustafa-kamal-expects-8-5-gdp-growth-in-fy19>

### **More IPOs needed**

- There are 61 merchant banks in the country but they were able to collectively bring in only 14 companies in the capital market last year, widening the gap between demand and supply of stocks.
- This meant it took an average 4.35 merchant banks to introduce one single IPO (initial public offering) in the stockmarket.
- The 14 companies raised BDT 6.01 billion in total by offloading shares to the public and institutions, up 141% from that the previous year when eight companies raised BDT 2.49 billion.
- According to a senior official of the Bangladesh Securities and Exchange Commission (BSEC), the BSEC had allowed many merchant banks to operate in order to increase the supply of stocks through the IPOs of shares of different companies.
- Listing of new companies, however, grew year-on-year in 2018 but the number is still lower compared to previous years because of lower-than-expected performance of merchant banks.

<https://www.thedailystar.net/business/news/more-ipos-needed-1684555>

### **BRAC Bank signed agreement with bKash to allow money transfer between bank account and bKash account**

- BRAC Bank & bKash sign agreement for fund transfer facility between BRAC Bank account & bKash account. Under this agreement, the valued customers of BRAC Bank will be able to transfer fund from their BRAC Bank accounts to bKash account while bKash customers will be able to transfer fund from their bKash account to any BRAC Bank account.

- BRAC Bank customers will use different Alternate Banking Channel (e.g. Internet Banking or mobile apps) of BRAC Bank. bKash customers will use bKash app or USSD channel to send money to BRAC Bank account from their bKash account. The customers of BRAC Bank and bKash will be able to avail this new fund transfer facility soon.

### Textile has room for BDT 500.00 billion investment

- Bangladesh has the scope to invest a fresh BDT 500.00 billion in the primary textile sector (PTS) over the next five years as the demand for locally made fabrics has been rising in both the domestic and international markets.
- The government should supply energy and industrial land at a reasonable price so that the spinners and weavers feel encouraged to invest in the sector, said the president of Bangladesh Textile Mills Association (BTMA).
- Currently, the local spinners can supply 85% of the raw materials to the export-oriented knitwear sector and 35 to 40% to the woven sector.
- The newly-elected BTMA president is hopeful that local weavers can supply 60% of the requirement for woven fabrics in the next five years, which will also reduce the dependence on imports, especially from China and India.

<https://www.thedailystar.net/business/news/textile-has-room-BDT-50000cr-investment-1684543>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$48.58	+0.06	+0.12%
Crude Oil (Brent)*	\$57.38	+0.05	+0.09%
Gold Spot*	\$1,283.40	-5.81	-0.45%
DSEX	5655.19	-31.82	-0.56%
Dow Jones Industrial Average	23,531.35	+98.19	+3.29%
FTSE 100	6,810.88	-26.54	-0.39%
Nikkei 225	20,264.64	+225.67	+1.13%

### Exchange Rates

**USD 1 = BDT 83.80\***  
**GBP 1 = BDT 106.92\***  
**EUR 1 = BDT 95.84\***  
**INR 1 = BDT 1.20\***

\*Currencies and Commodities are taken from Bloomberg.

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