

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 Bank order on interest rate spread largely ignored

- Bangladesh Bank's instruction to bring down the interest rate spread to 4% points in banks has remained largely ignored due to rising bad loans in the country's banking system.
- Besides, banks' reluctance to cut the interest rate spread in fear of profit fall was another reason for their non-compliance with the BB directive.
- As per the BB data as of December 31 last year, the interest rate spread of 32 out of 57 scheduled banks were above the BB-set limit (4% points).
- According to BB officials, March last year, the interest rate spread of 11 banks had exceeded the BB-allowed limit of 5 percentage points, which indicated that the situation deteriorated in several banks.

<http://www.newagebd.net/article/62868/bangladesh-bank-order-on-interest-rate-spread-largely-ignored>.

Mobile Financial Service (MFS) deals up 20.70% at BDT 3.8 trillion in 2018

- Mobile banking transactions maintained a momentous growth in 2018, albeit at a much lower rate than the previous years.
- The latest data of the Bangladesh Bank (BB) shows that transactions worth around BDT 3.8 trillion took place through mobile financial service (MFS) platforms last year.
- The figure is around 20.7% higher than MFS transactions worth BDT 3.14 trillion that took place in the country in 2017.
- The CEO of bKash said, some saturation is bound to happen, as MFS becomes accessible to more and more people, and there is lesser market to tap in

<http://today.thefinancialexpress.com.bd/first-page/mfs-deals-up-2070%-at-BDT-379t-in-2018-1548352411>

VAT Act takes effect in next FY: Finance Minister

- The much-discussed Value Added Tax (VAT) and Supplementary Duty Act, 2012 will be implemented from the next fiscal year.
- The government has no plan to implement a uniform VAT rate as part of this new act.
- The VAT rate will be less for the essential products while it will gradually go up for the semi essential, nonessential or luxurious items.
- The Government wants to generate more revenues, but not to increase the tax rate.

<http://today.thefinancialexpress.com.bd/last-page/vat-act-takes-effect-in-next-fy-kamal-1548520891>
<https://www.thedailystar.net/business/news/new-vat-law-july-kamal-1693468>
<https://www.dhakatribune.com/business/2019/01/27/mustafa-kamal-tax-rates-will-not-increase-further>

Job creation is H2 Monetary Policy Statement's (MPS) top priority

- The central bank is set to unveil its second half-yearly (H2) [monetary policy](#) on Wednesday at 11:30 am, giving top priority to job creation through boosting credit flow to the productive sectors.
- Bangladesh Bank (BB) Governor will announce the monetary policy statement (MPS) for the January-June period of the current fiscal year (FY), 2018-19, with aims of achieving sustainable economic growth and curbing inflation.
- A special meeting of the central bank's board of directors is scheduled to be held at its headquarters on Sunday with the BB governor in the chair to discuss about the proposed MPS.
- Policy rates, including CRR (cash reserve requirement), Repo and Reverse Repo, may remain unchanged for H2 of FY 19.

<http://today.thefinancialexpress.com.bd/first-page/job-creation-is-h2-mps-top-priority-1548352195>
<https://www.dhakatribune.com/business/2019/01/24/bangladesh-bank-to-unveil-monetary-policy-on-jan-30>

Bangladesh Telecommunication Regulatory Authority (BTRC) to focus on telcos' market equilibrium

- The telecom regulator plans to concentrate on market equilibrium in the telecommunication sector to break the uneven market share of mobile network operators (MNOs).
- Bangladesh Telecommunication Regulatory Commission (BTRC) is going to implement the legal framework dubbed "significant market power (SMP)" as early as possible for the purpose.
- Bangladesh's telecommunication sector has attained significant achievements last year such as introduction of 4G, member of elite satellite owners' club, mobile number portability (MNP), successful test of 5G etc, but the telecom regulator has to do lot for ensuring market equilibrium as well as consumer's satisfaction by addressing problems like call drop, mute call, unwanted promotional activities and data connectivity disruption.

<http://today.thefinancialexpress.com.bd/trade-market/btrc-to-focus-on-telcos-market-equilibrium-1548350661>

MI Cement to expand production capacity

- MI Cement, the owning entity of popular brand Crown Cement, plans to expand its daily production capacity by 76% to 19,400 tons with the introduction of the sixth manufacturing unit inside its factory premises in Munshiganj.
- The estimated project cost is BDT 6.0 billion, including civil construction.
- Commercial production from the project will begin in January 2021.

<https://www.thedailystar.net/business/news/mi-cement-expand-production-capacity-1692703>

Agrani Insurance evades huge VAT

- A policyholder of Agrani Insurance Company Ltd paid a premium of BDT 270,094 against a fire insurance policy in May 2016. The required value-added tax on the premium was BDT 40,514.
- But the insurer issued a duplicate money receipt of the National Board of Revenue that showed that the premium amount was BDT 1,340 against the policyholder and consequently paid BDT 201 in VAT to the government exchequer.
- This way Agrani Insurance evaded around BDT 50 million in VAT, according to the findings of the VAT Intelligence Directorate last year.
- The VAT Commissionerate has filed a case to realise the money and the insurance company is paying it gradually.

<https://www.thedailystar.net/business/banking/news/agrani-insurance-evades-huge-vat-1692721>

Growth rate 'insufficient' to absorb workforce: Planning Commission report

- Bangladesh's economy needs to grow at a rate of 8.0% or more in the coming years to absorb the country's growing labour force.
- Attracting more foreign direct investment along with other forms of foreign resources will be crucial for the country to attain the United Nations-mandated Sustainable Development Goals (SDGs).
- The economy needs to grow at a higher rate -at least 8.0% per annum to absorb the labor force according to a recent government report.

<http://today.thefinancialexpress.com.bd/first-page/growth-rate-insufficient-to-absorb-workforce-1548437764>

Bangladesh Bank (BB) to suggest amending three acts, regulations

- The Bangladesh Bank (BB) has decided to submit a set of recommendations to the Ministry of Finance (MoF) for amending three relevant laws and regulations to help reduce the volume of classified loans in the country's banking system.
- The BB will suggest amending Banking Companies Act, Bankruptcy Act and Negotiable Instrument Act along with Merger and Acquisition (M&A) regulation.
- A high-level meeting is scheduled to be held at the central bank headquarters in Dhaka tomorrow (Sunday) to review overall progress of the BB's latest moves.

<http://today.thefinancialexpress.com.bd/first-page/bb-to-suggest-amending-three-acts-regulations-1548438209>

National Board of Revenue (NBR) wants law on mandatory financial transactions through banking channel

- National Board of Revenue has proposed that the government should frame a law on mandatory financial transactions through banking channel to reduce cash transactions in the country for ensuring tax collections.
- All types of financial and business transactions above BDT 0.2 million should be completed through banking channel under the proposed law, NBR said in a plan recently sent to the Prime Minister's Office.
- Income tax wing of NBR included the idea in its work plan for implementation of the election manifesto of the ruling Awami League and sustainable development goals of United Nations.

<http://www.newagebd.net/article/62952/nbr-wants-law-on-mandatory-financial-transactions-thru-banking-channel>

Plan to cut need of fund by 38% on slow work

- The progress in work on the government's 'fast-track' Padma railway link project is slow and the authorities want to surrender 38% of its allocated funds this year.
- Bangladesh Railway (BR) sought to lower its annual allocation to BDT 32.9 billion from current outlay of BDT 53.3 billion for fiscal year 2018-19.
- In August 2016, the BR appointed China Railway First Group Ltd for building the rail link from Dhaka to Jashore via Padma Bridge and Bhanga of Faridpur. It signed a USD 3.14-billion deal with the Chinese company for civil works and railway systems installation.

<http://today.thefinancialexpress.com.bd/last-page/plan-to-cut-need-of-fund-by-38%-on-slow-work-1548438428>

Plan underway to open more exchange houses abroad

- The government plans to set up branches/exchange houses of scheduled banks soon in some countries having potential sources of remittances.
- France, Greece, Mauritius, Egypt, Libya and Lebanon are going to be vital sources of remittance earnings for Bangladesh.
- Industry insiders said some state-run exchange houses abroad incur loss every year. For this, opening of new exchange houses abroad through approval of the central bank will be loss-making branches.
- The government and Bangladesh Bank (BB) have taken various regulatory and institutional measures to promote remittances through formal channel, which successfully contributed to boost the inflow of remittances.

<http://today.thefinancialexpress.com.bd/trade-market/plan-underway-to-open-more-exchange-houses-abroad-1548434729>

Gazette out on revised wages for RMG workers

- The gazette notification on the revised wages for ready-made garment (RMG) workers has been published. The government declared the upward revision of basic and gross wages in six out of seven grades for the garment sector.
- The gross hike ranges from a token BDT 15 to a modest BDT 747, effective from last December and to be adjusted from next February.
- In the revised structure, which comes after agitation of workers, the annual increment has been fixed at 5.0%.
- Basic pay of grade six has been proposed at BDT 4,380, up by BDT 10 from the recently announced wage structure. Sixth graders will receive BDT 8,420 as gross wage that includes 50% of basic as house rent, BDT 600 as medical allowance, BDT 350 transport and BDT 900 as food allowance.

<http://today.thefinancialexpress.com.bd/last-page/gazette-out-on-revised-wages-for-rmg-workers-1548521234>

Embrace IT for higher growth

- There is no alternative to developing the information technology sector in Bangladesh if the country wants to boost the growth of trade and commerce.

- The country is marching ahead in the IT like in other sectors and the government has undertaken a number of initiatives to expand it in Chattogram.
- The Chattogram Port is already a world-class port, so there is no alternative to developing the IT sector for the expansion of trade and business.

<https://www.thedailystar.net/business/news/embrace-it-higher-growth-1693462>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$ 53.69	+0.56	+1.05%
Crude Oil (Brent)*	\$ 61.64	+0.55	+0.90%
Gold Spot*	\$ 1,305.25	+24.04	+1.88%
DSEX	5950.01	+24.77	+0.42%
Dow Jones Industrial Average	24,737.20	+183.96	+0.75%
FTSE 100	6,809.22	-9.73	-0.14%
Nikkei 225	20,773.56	+198.93	+0.97%

Exchange Rates

USD 1 = BDT 83.71*
GBP 1 = BDT 110.46*
EUR 1 = BDT 95.48*
INR 1 = BDT 1.18*

**Currencies and Commodities are taken from Bloomberg.*

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