

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.

Use ADR to overcome troubled loan situation

- Businesses and professionals raised concern over the growing volume of non-performing loans (NPLs), which could jeopardize the economic health of the country. To overcome the unpleasant situation, they suggested prioritises Alternative Dispute Resolution (ADR) as another avenue for resolving commercial disputes faster and cheaper. To make the ADR mechanism more effective like many other countries, they also suggested establishing a legal framework for the operation of such institutes in Bangladesh.
- The chairman of BIAC Mahbubur Rahman said troubled loans will not become performing unless the existing laws and regulations are implemented properly. He highlighted the importance of justice against the financial fraudulence for the sake of the country's financial sector.
- NPL rose to BDT 885 billion or 10.78% of the total outstanding loans as of March, 2018. Six state-owned commercial banks account for 49% NPL, while 40 private commercial banks (PCBs) make up 42%.

<http://today.thefinancialexpress.com.bd/first-page/use-adr-to-overcome-troubled-loan-situation-1532192078>

Costs of opening outlets in Bangladesh among highest in the region

- The costs of opening up a single super store in Bangladesh are at least four times as much as those of neighbouring countries, according to an analysis. Businesses have to spend as high as BDT 45 million for opening up a 4,000 square feet super store. The opening of similar-size super stores in Sri Lanka and Indonesia costs BDT 11 million. The Bangladesh Super Market Owners Association (BSOA) prepared the analysis to present it to the chairman of the National Board of Revenue (NBR).
- The annual sale of super stores has slipped by 15% in the last six months. Common people are being discouraged to buy things from super shops due to uneven VAT situation

<https://thefinancialexpress.com.bd/trade/costs-of-opening-superstores-in-bd-among-highest-in-the-region-1532231559>

Advocacy group decries Bangladesh Garment Manufacturers and Exporters Association (BGMEA)'s wage proposal

- A foreign anti-sweatshop advocacy group has strongly condemned the owners' minimum monthly wage proposal for ready-made garment (RMG) workers in Bangladesh.
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) proposed BDT 6,360 as the minimum wage for the workers.
- Ineke Zeldenrust of the EU-based anti-sweatshop advocacy group Clean Clothes Campaign (CCC) said, ""We strongly condemn the proposal handed in by the BGMEA as well as the entire wage revision process so far". The group made a plea to global brands to take action in this regard.
- According to the group the Bangladesh garment industry employers' association has shown utmost disregard for workers.
- The current minimum wage is BDT 5,300 set in 2013. According to the global trade union federation, the new minimum wage should be set at BDT 16,000.

<http://today.thefinancialexpress.com.bd/last-page/advocacy-group-decries-bgmeas-wage-proposal-1532192417>

Indo-Bangla Pharma IPO subscription begins today

- The IPO subscription of Indo-Bangla Pharmaceuticals Limited starts today and will end on July 26, following the withdrawal of the High Court's (HC) stay order in this regard.

- The IPO subscription of Indo-Bangla Pharmaceuticals was supposed to begin on April 08, but was suspended following a writ petition filed with the HC by National Bank Limited (NBL). The bank filed the writ petition as four directors of Indo-Bangla Pharmaceuticals were 'loan defaulters' as the guarantors of loans disbursed by the bank.
- The Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on October 3, 2017. Indo-Bangla Pharmaceuticals will raise a fund worth BDT 200 million by issuing 20 million ordinary shares at an offer price of BDT 10 each under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/indo-bangla-pharma-ipo-subscription-begins-today-1532188472>

BRAC Bank raises authorised capital

- BRAC Bank Limited has increased its authorised capital to BDT 20 billion as per the bank's earlier decision, after obtaining necessary approval from the Bangladesh Bank. Earlier the banks authorised capital was BDT 12 billion. Referring to its earlier disclosure disseminated on March 14, 2018 regarding the decision, the company informed the DSE on Thursday that they increased the capital.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-raises-authorised-capital-1532188550>

Thrust on land ports' capacity-building

- The trade prospects between Bangladesh and India are being hindered by some challenges including lack of capacity in the land customs ports, non-payment issue of an Indian company and non-tariff barriers.
- Bangladesh apparel exports to India witnessed a 114.69% growth to USD 279 million in the just concluded fiscal year of 2017-18 over that of corresponding fiscal.
- The trade deficit between the two neighbouring countries, however, stood at USD 5.47 billion mostly favoring India.
- The observations were disclosed at a business to business meeting with an Indian yarn and fabric exporters association and leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

<http://today.thefinancialexpress.com.bd/trade-market/thrust-on-land-ports-capacity-building-1532189977>

Money market unstable due to banks' problems

- According to analysts, Bangladesh's money market has been volatile due to the deepening problems in the banking sector. The problems include: liquidity crisis, non-performing loans, growing gap between lending and deposit growth, widening current account deficit, a distortion in the interest rate market and a lack of skilled manpower.
- According to Mustafizur Rahman the Bangladesh Bank could have been more proactive in bringing back stability in the banking sector. The central bank should adopt a zero tolerance policy to rescheduling default loans by bypassing its regulations as many influential borrowers frequently enjoy the facility. It will also have to strengthen its monitoring on the banking sector to restore corporate governance.
- The high classified loans indicate that the banks have less money, meaning their cost of fund is high.
- The sponsors of banks have recently taken a decision not to charge more than 6% interest on fixed deposit schemes

<https://www.thedailystar.net/business/banking/money-market-unstable-due-banks-problems-1609036>

Domestic power generation hits new high

- Bangladesh witnessed record levels of power generation, at 11,387MW, according to the Power

Development Board (PDB). The previous highest level of electricity generation was 11,306MW, on July 14. Meanwhile, the country's third highest level of power generation was recorded at 11,210MW on July 11, just four days after first crossing the 11,000MW mark.

• As of June 30 this year, Bangladesh's installed power generation capacity, including captive power, stood at 18,753 MW. The PDB has taken up an extensive capacity expansion plan to add about 11,600 MW in the next five years, to meet the government target of generating 24,000MW of electricity by 2021, and 40,000MW by 2030.

<https://www.dhakatribune.com/bangladesh/power-energy/2018/07/22/domestic-power-generation-hits-new-high>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$68.26	+0.02	+0.03%
Crude Oil (Brent)*	\$73.07	+0.49	+0.68%
Gold Spot*	\$1,229.53	+6.56	+0.54%
DSEX	5337.42	+3.24	+0.06%
Dow Jones Industrial Average	25,058.12	-6.38	-0.03%
FTSE 100	7,678.79	-5.18	-0.07%
Nikkei 225	22,697.88	-66.80	-0.29%

Exchange Rates

USD 1 = BDT 84.00*
GBP 1 = BDT 110.34*
EUR 1 = BDT 98.48*
INR 1 = BDT 1.22*

**Currencies and Commodities are taken from Bloomberg.*

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