

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 (BB) asks banks to be diligent in loan disbursement

- The central bank has again directed the commercial banks to ensure that the loans they disburse are not diverted to uses other than the ones proposed originally. If any sort of anomaly is detected by the banks concerned, they (the banks) have to take remedial action immediately, the central bank said in its directive. The banks have been reminded of their responsibility in ensuring the proper utilization of the loans they disburse through regular monitoring. The Bangladesh Bank (BB) has advised the banks to release an instalment of loans, particularly in case of the term loans, after being certain about the proper use of the same made available to borrower/s earlier.
- The banks have been advised to follow the amended credit risk management guidelines in this regard. The BB issued a directive in this connection Tuesday, asking the chief executives and managing directors of all scheduled banks to comply with the instructions therein properly. If any type of anomaly or connivance in disbursement of loans is detected during the BB's supervision, stringent actions will be taken against the person(s) involved in line with the relevant provisions of the Banking Companies Act, 1991, it added. As per BB officials, all (types of) loans will have to be scrutinized by the banks concerned in line with the latest instructions.
- Particularly the import-related ones, will also come under such monitoring. On March 13, 2017, the central bank had issued a similar circular, asking the banks to comply with the instructions as mentioned in the previously issued BB guidelines. According to the guideline, in the case of disbursing a loan, it is imperative that the borrower concerned understands and acknowledges the purpose of the loan. It is also imperative for the bank to design and implement checks, such as the submission of invoices, to ensure that the loan proceeds are spent on the designated purposes only.

<http://today.thefinancialexpress.com.bd/first-page/bb-asks-banks-to-be-diligent-in-loan-disbursement-1528220547>
<http://www.newagebd.net/article/42955/bb-asks-banks-to-monitor-use-of-loans-amid-rising-defaults>

Export earnings up 6.7% in 11 months

- The country's export earnings grew by 6.7% to USD 33.73 billion in the first eleven months of the current fiscal year over the corresponding period of last fiscal year. However, the aggregate export receipts were slightly (0.44%) less than the strategic target, set earlier for the aforesaid period of this fiscal year (FY). Bangladesh fetched USD 31.62 billion through shipment of merchandise goods during the July-May period of the FY 2016-17. Of the total, the country's readymade garment (RMG) posted 9.77% growth to nearly USD 28.13 billion during the July-May period this FY over the corresponding period of last fiscal. The government had earlier fixed the country's total exports target at USD 37.50 billion for the FY 2017-18.

<http://today.thefinancialexpress.com.bd/first-page/export-earnings-up-666pc-in-11-months-1528220614>
<http://www.newagebd.net/article/42954/exports-post-666pc-growth-in-11-months-amid-leather-sector-woes>
<https://www.thedailystar.net/business/exports-cruising-towards-target-1587154>

Inflation rate drops slightly in May

- The point-to-point inflation rate in the last month dropped to 5.57% compared to that of 5.63% in the previous month April. Bangladesh Bureau of Statistic (BBS) data, unveiled Monday, reported that the inflation rate fallen by 0.06% points in last month compared to 5.63% in April. According to the BBS data, the point-to-point inflation a year ago in May 2017 was recorded higher at 5.76%. Meanwhile, the BBS data showed that the inflation rate in urban areas increased at higher rate to 6.48% in the last month May this year. In the previous month, it was recorded lower at 5.70% in the city areas. The point-to-point inflation in rural areas, however, fallen to 5.07% in the last month as the consumer price index (CPI) has shown a falling trend there. In the villages, the inflation was recorded higher at 5.59% in the previous month April 2018.

<https://thefinancialexpress.com.bd/economy/bangladesh/inflation-rate-drops-slightly-in-may-1528109662>

Secondary trading of T-bills, bonds drops in April

- Secondary trading of the treasury bills (t-bills) and treasury bonds (t-bonds) declined sharply in the month of April this year. Central bank statistics showed that total turnover of T-bills and t-bonds declined to BDT 6.50 billion in April from BDT 27.78 billion in March this year. Banks and financial institutions are the main buyers of these fixed income government securities. T-bills are short-term in nature and t-bonds are long-term. Bangladesh Bank statistics also showed that total secondary trading of the t-bills and t-bonds in the first 10 months of the current fiscal year stood at BDT 145.01 billion. The amount was BDT 355.22 billion in the same period of the past fiscal year. Thus secondary trading of t-bills and t-bonds declined by 59% in the period under review.

<https://thefinancialexpress.com.bd/economy/bangladesh/secondary-trading-of-t-bills-bonds-drops-in-april-1528116734>

VAT on internet use may go down

- Internet users are likely to get a boost tomorrow as possibilities are there for the finance minister to slash the value-added tax on internet use in the national budget for 2018-19. Finance Minister has recently said he would keep his promise of revising the VAT on internet use in the budget, Telecom and ICT Minister said. Currently, there is 15% VAT on internet use. However, if internet is used on mobile phones, users face 5% supplementary duty and 1% surcharge. This means a mobile phone user has to spend BDT 121.96 to use BDT 100 worth of internet. As of April, there were 85.9 million active internet connections in the country, according to Bangladesh Telecommunication Regulatory Commission.
- Of them, 80.2 million are connected to internet through the mobile network and 5.7 million use connections of internet service providers. If such tax is withdrawn, the use of internet by the youth will surely increase, which will ultimately, help the government compensate for the loss of VAT, Telecom and ICT Minister added. The government earns BDT 110.0 million every year from VAT on internet use, according to the Association of Mobile Telecom Operators of Bangladesh.

<https://www.thedailystar.net/business/vat-internet-use-may-go-down-1587142>

No new tax in upcoming budget, Finance Minister assures

- Finance Minister has said the government is not imposing any new tax in the upcoming national budget. He also said they were not changing the tax slabs like in the previous budget. The minister earlier said he was planning a budget of over BDT 4.5 trillion for the next financial year. On Monday, the minister said he was banking on the increased number of taxpayers instead of imposing new taxes to meet the revenue target.

<https://thefinancialexpress.com.bd/economy/bangladesh/no-new-tax-in-upcoming-budget-muhith-assures-1528123265>

Education, healthcare, infrastructure will get priority in budget

- Healthcare, education and infrastructure development will get priority in the national budget for the financial year 2018-19 (FY19) to achieve sustainable development goals (SDGs). According to the Finance Ministry, seven large projects are likely to get BDT 296.75 billion in the upcoming budget for financial year 2018-19 (FY19) for accelerating the implementation process of these 'fast-track' projects. Finance Secretary said that the government has no decision to reduce the interest rate on savings certificates in the next budget, according to BSS.

<https://thefinancialexpress.com.bd/economy/bangladesh/education-healthcare-infrastructure-will-get-priority-in-budget-1528208840>

Bangladesh Securities & Exchange Commission (BSEC) rejects Baraka Power's proposal to raise authorized capital

- The securities regulator has rejected a proposal of Baraka Power to raise its authorized capital through issuance of preference shares. The company has failed to comply with the mandatory minimum shareholding rules of the Bangladesh Securities and Exchange Commission (BSEC). The company said in a statement on Tuesday that the BSEC declined to approve the anticipated increase of the authorized capital through issuance of preference shares due to failure in holding 30% shares jointly by the sponsor-directors.
- Following the bearish market trend, the BSEC issued a notification on November 22 in 2011, saying that the sponsors, directors and promoters of a company listed with the stock exchanges will have to jointly hold at least 30% stake in the firm for all time. Baraka Power's sponsor-directors own only 18.93% stake in the company as on April 30, 2018 while the institutional investors own 24.93% and the general public 56.14%.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-rejects-baraka-powers-proposal-to-raise-authorised-capital-1528224890>

<http://www.newagebd.net/article/42957/bsec-rejects-baraka-powers-plea-for-issuing-preference-shares>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.69	+0.17	+0.26%
Crude Oil (Brent)*	\$75.46	+0.08	+0.11%
Gold Spot*	\$1,297.30	+0.90	+0.07%
DSEX	5346.80	+33.09	+0.62%
Dow Jones Industrial Average	24,799.98	-13.71	-0.06%
FTSE 100	7,686.80	-54.49	-0.70%
Nikkei 225	22,591.11	+51.57	+0.23%

Exchange Rates
USD 1 = BDT 84.19*
GBP 1 = BDT 112.86*
EUR 1 = BDT 98.69*
INR 1 = BDT 1.25*
**Currencies and Commodities are taken from Bloomberg.*

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