

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.

ADB lowers growth forecast to 7.5%

- Bangladesh economy is likely to grow at a rate of 7.5% in the ongoing fiscal year (FY), 2018-19, the Asian Development Bank (ADB) has projected afresh.
- The newly forecasted gross domestic product (GDP) growth rate is much lower than the 7.9% growth, which ADB forecasted for Bangladesh in the previous FY, 2017-18. The country achieved a 7.86% growth in the last fiscal.
- The ongoing US-China trade war will be the main reason behind this slower growth, officials of the multilateral development financier. On the other hand, domestic demand will be the main driver of this forecasted growth ADB analysis said.
- The prevailing high interest rate on bank loans, which is causing massive capital flight from the country, is among the challenges, the ADB experts observed.

<http://today.thefinancialexpress.com.bd/first-page/adb-lowers-growth-forecast-to-75pc-1551721770>

Private sector credit growth remains slow in January amid ADR adjustment pressure

- Private sector credit growth remained at 13.2% in January, far below the Bangladesh Bank's target to achieve 16.5% growth in the second half (January-June) of the fiscal year of 2018-2019.
- Officials of the central bank told that the liquidity crisis in the banks ahead of advance-deposit ratio adjustment as per the central bank-set deadline (March 31 this year) might be the major reason for slow disbursement of credit to the private sector.
- As per the BB instruction, conventional banks have to increase advance (loan)-deposit ratio to 85% from 83.5% and Islamic banks have to maintain IDR (income-deposit ratio) at 90% instead of 89% by the BB-set deadline.
- ADR of 11 banks were yet above the stipulated limit. Besides the 11 banks, a number of banks are maintaining their ADR or IDR close to the BB-set limit, curbing their capacity to issue new credit to their clients.

<http://www.newagebd.net/article/66465/pvt-sector-credit-growth-remains-slow-in-jan-amid-adr-adjustment-pressure>

Banks to cut 15% VAT on foreign e-purchase, payments for ads

- Bangladesh Bank asked country's all scheduled banks to deduct 15% value-added tax on overseas payments made by their clients using any method, including credit card, against services like online purchase and advertisement on digital platforms.
- Banking Regulations and Policy Department of the central bank gave the instruction to the chief executive officers and managing directors of the scheduled banks following a letter of National Board of Revenue.
- VAT wing of NBR on January 22 requested BB governor to instruct all banks to deduct the VAT on any payment, irrespective of mode of payment, made by banks' clients against services including royalty, various internet services, advertisement on digital platforms and other services received from abroad.
- A big number of people also buy products services and goods using digital platform like Amazon and Alibaba owned by foreign firms and located abroad. Considering the issues, NBR made the clarification to ensure proper revenue collection from the sector.

<http://www.newagebd.net/article/66459/banks-to-cut-15pc-vat-on-foreign-e-purchase-payments-for-ads>

Banks charge importers more for greenback

- Banks do not follow the exchange rate they set every day in a deviation that inflicts additional costs on importers and may fuel inflation.
- Data from the Bangladesh Foreign Exchange Dealers' Association showed that banks fixed the average exchange rate for bills for collection (BC) sale, at which lenders make import payments, at BDT 84.20 per USD for the last week, but a majority of the lenders ignored the rate while making payments on behalf of importers.

- Bankers blame it on the gap between supply and demand of the dollar. They say the spending spree of the government for implementation of the mega projects has created a fresh demand for the greenback.
- City Group, one of the biggest commodity importers and processors in the country, was forced to pay banks BDT 84.70 to BDT 85.05 a dollar in the last two weeks to settle import payments, up by a minimum BDT 0.50 per USD than the rate set by banks, said its director

<https://www.thedailystar.net/business/news/banks-charge-importers-more-greenback-1710709>

Indian carmakers ride on boom of Bangladesh

- Indian automobile manufacturers are keen to expand their market share in Bangladesh after posting steady sales growth in the last couple of years, thanks to rapid economic growth and a rise in purchasing power.
- Indian passenger vehicles, mainly sports utility vehicles (SUVs), witnessed an average sales growth of 20% in Bangladesh in the last three years despite the dominance of Japanese reconditioned vehicles.
- The share of Indian automakers in Bangladesh's brand-new car segment reached almost 35% in 2018, according to local distributors. The demand for Indian Suzuki cars would gradually increase as people have come to know that the automaker uses Japanese technologies.
- Their sales growth was 18 to 20% over the last five years while their annual growth target was 30 percent. Customers could purchase Suzuki's brand new 1,500cc hybrid cars with automatic transmission within the range of BDT 2.2 million to BDT 2.4 million.

<https://www.thedailystar.net/business/news/indian-carmakers-ride-boom-bangladesh-1710712>

Chemical imports treble in 10 years

- Bangladesh's chemical imports have nearly tripled in the past decade, spurred by the rising demand from various industrial sectors catering to domestic and foreign markets.
- Sector operators said garments and textile sectors are the main consumers of the imported chemicals followed by pharmaceuticals, food processing, cosmetics and toiletries, leather, plastic and other sectors. Businesses brought in BDT 175.48 billion worth of chemicals in 2017-18, which was only BDT 61.03 billion in 2007-08, according to Bangladesh Bank (BB) data.
- Imports rose 12% year-on-year to BDT 77.72 billion in the July-November period of the current fiscal year.
- As requirement and use of chemicals is rising, everyone should be taking a life cycle approach for management of chemicals. Coordination and monitoring should be strengthened to ensure safety and security, professor of chemical engineering at the Bangladesh University of Engineering and Technology said.

<https://www.thedailystar.net/business/news/chemical-imports-treble-10yrs-1710706>

24% of total bank investments come from Islamic banks

- Around 24% of the total investments of the country's banking sector come from the Islamic banks, according to the latest statistics of the central bank. It showed that total Investments, loans in conventional sense, in Islamic banking sector stood at BDT 2.31 trillion at the end of December 2018 while total loans of the banking sector stood at BDT 9.60 trillion.
- Central bank statistics also showed that investment by the Islamic banking sector increased around 5.0% by the end of last quarter of the past year over the previous quarter-end.

<https://thefinancialexpress.com.bd/economy/24pc-of-total-bank-investments-come-from-islamic-banks-1551694512>

Go to launch 'business hub' for potential UAE-based investors

- A three-member UAE-based business delegation called on MP, the Prime Minister's Private Industry and Investment Adviser. The delegation led by CEO of OnTime Group, informed the Adviser that the company was granted permission by the Government of the United Arab Emirates (UAE) to launch a 'business hub' for potential UAE-based investors and entrepreneurs, who intend to do business in Bangladesh.
- In coordination with the Embassy of the UAE in Dhaka, the hub will be an information dissemination point to help the investors and business people. It also seeks to help and guide Bangladeshi businessmen who want to invest or set up

businesses in the UAE.

- MP, the Prime Minister's Private Industry appreciated the effort being undertaken by CEO of OnTime Group. He assured the delegation that he would wholeheartedly support any initiative that is intended to ease the process of doing business and facilitate investment in Bangladesh.

<http://today.thefinancialexpress.com.bd/stock-corporate/co-to-launch-business-hub-for-potential-uae-based-investors-1551720366>

LPG becoming vital source of energy

- The use of energy at both households and industries will undergo a major shift in the next decade as Bangladesh is increasingly making liquefied petroleum gas (LPG) widely available.
- The demand for LPG is growing exponentially in the country. It needs about 600,000 tonnes of LPG to meet the current demand, which is projected to be more than 1,400,000 tonnes by 2022. The rising energy demand and the projected shortage of natural gas are bolstering the growth of LPG use at both household and industry levels.
- The market players in Bangladesh have realised that the use of energy is changing as the government liberalised the business for the private sector to fulfil the growing demand, said country director of Parlym, an engineering and procurement services company of France.

<https://www.thedailystar.net/business/news/lpg-becoming-vital-source-energy-1710715>

The National Board of Revenue (NBR) to offer fiscal benefits on basis of industries' inputs

- The National Board of Revenue (NBR), from now on, will offer monetary benefits to the investors and businesses on the basis of their economic contribution and payback plan.
- To get the benefits, the industries concerned will have to furnish their year-wise plans, for next five years, on investment, production and supply, export potentials, existing total tax incidence and volume of tax exemptions.
- Besides, they will have to furnish details of their next five years payback plan to the government, including income tax, VAT, amount of foreign currency savings, and employment generation.
- The NBR recently issued guidelines and prescribed format in this regard, seeking relevant data from businesses of all sectors of the country, to analyse their industrial data for giving the tax exemption.

<http://today.thefinancialexpress.com.bd/first-page/nbr-to-offer-fiscal-benefits-on-basis-of-industries-inputs-1551721918>
<http://www.newagebd.net/article/66462/nbr-to-assess-potential-of-sector-for-duty-benefits>

Dhaka to seek DP World's investments in ports

- Bangladesh will seek Dubai-based DP World's investments for Chittagong and Payra ports. A delegation of the DP World high-ups is scheduled to arrive in the city and shipping officials in Dhaka will seek investments.
- The DP World high-ups told Bangladesh officials that wherever they constructed a port they would also set up an industrial park. They are thinking about large investments in Bangladesh, foreign secretary of Bangladesh told.
- Shipping officials said the DP World is among the five short-listed global port giants who submitted request for qualification (RFQ) for building Laldia multi-purpose terminal in Chittagong.

<http://today.thefinancialexpress.com.bd/first-page/dhaka-to-seek-dp-worlds-investments-in-ports-1551722130>

Foreign fund in stocks keep soaring on Dhaka Stock Exchange (DSE)

- Net foreign investments in Dhaka bourse soared more than 84% month-on-month in February as overseas investors continued to put fresh funds after the national elections. Net foreign fund in stocks turned positive in January, 2019 after remaining negative in the past three consecutive months - October, November and December, 2018.
- Market analysts said a stable political situation after the national elections pepped up the confidence level of the overseas investors and they started to invest in stocks.
- The overseas investors bought shares worth BDT 5.87 billion and sold stocks of BDT 2.64 billion, to take their net investment to BDT 3.23 billion in February.

- It is expected by the analysts that foreign investors may continue to invest in stocks in the coming months in anticipation of steady economic growth coupled with discounted rate of many fundamentally sound stocks.

<http://today.thefinancialexpress.com.bd/stock-corporate/foreign-fund-in-stocks-keep-soaring-on-dse-1551720250>
<https://www.thedailystar.net/business/news/foreign-fund-dse-jumps-84pc-1710703>
<https://www.dhakatribune.com/business/2019/03/04/net-foreign-investment-at-dse-surges-84-in-february>
<http://www.newagebd.net/article/66467/foreign-funds-at-dse-hit-19-month-high-in-feb>

Provident fund of private firms can't sponsor mutual funds

- Private firms cannot be a sponsor of any mutual fund with the investments of their provident funds, according to a decision of the Bangladesh Securities and Exchange Commission (BSEC).
- The BSEC said it has recently approved the unit fund, the sponsor of which, Popular Life Insurance Employees Provident Fund, invested BDT 10 million. As stock market investment is risky so the commission asked the fund manager (CAPITEC Fund Management Ltd) to get approval from the beneficiary of the provident fund about the investment.
- Considering the speculation and risks, members of any provident fund do not want to invest their money into stocks, a senior official of the BSEC said.

<https://www.thedailystar.net/business/news/provident-fund-private-firms-cant-sponsor-mutual-funds-1710697>
<http://www.newagebd.net/article/66469/bsec-bars-provident-funds-from-being-mf-sponsor>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.31	-0.28	-0.49%
Crude Oil (Brent)*	\$65.37	-0.30	-0.46%
Gold Spot*	\$1,288.54	+1.80	+0.14%
DSEX	5682.41	-40.66	-0.71%
Dow Jones Industrial Average	25,819.65	-206.67	-0.79%
FTSE 100	7,134.39	+27.66	+0.39%
Nikkei 225	21,714.32	-107.72	-0.49%

Exchange Rates

USD 1 = BDT 84.03*
 GBP 1 = BDT 110.50*
 EUR 1 = BDT 95.17*
 INR 1 = BDT 1.19*

*Currencies and Commodities are taken from Bloomberg.

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