

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.

Accelerated investment prerequisite for higher growth: International Chamber of Commerce-Bangladesh (ICCB)

- Bangladesh will emerge as the biggest driving force in the global Gross Domestic Product (GDP) in 2030 as predicted by HSBC Global Report "The World in 2030".
- The country is going to become the 26th largest economy in the world from the current 42nd position followed by the Philippines, Pakistan, Vietnam and Malaysia, the report added, according to the editorial of the current News Bulletin (July-September 2018) of International Chamber of Commerce-Bangladesh (ICCB).
- The brand value of Bangladesh is also rising as the country has ranked 39th in a global brand value index 2018 reflecting its socioeconomic vivacity. Bangladesh has a brand value of USD 257.0 billion, up 24% from last year, according to the London-based Brand Finance 'Nation Brands 2018' report.
- Bangladesh economy has kept up an impressive annual average growth rate of more than 6.0% over the last ten years and has been having increased GDP over the last couple of years. In FY18, its GDP growth rate was 7.86%.
- It is believed that the country could have easily achieved 8% plus growth by controlling the project implementation time, which would automatically minimize the project cost.
- But the private sector investment did not increase proportionately. For about a decade private investment to GDP ratio has been stuck at 21% to 23%. But according to country's growth ambitions the ratio has to be about 35% of GDP.
- Experts claimed that in the absence of an appropriate investment environment, caused by insufficient infrastructure, port congestion and poor transportation facilities, desired investment is not flowing into the country. FDI is only moving forward because of the reinvestment of current investments.
- It is estimated that Bangladesh needs investment of more than USD 600.0 billion for its infrastructure, against which the country can manage around USD 400.0 billion. In order to meet the shortfall, the country has to explore alternative sources of funding.
- In order to meet the criteria applied by the UN for graduation to developing country status and attain Sustainable Development Goals (SDGs) and achieve higher GDP, Bangladesh needs huge investment in different sectors like infrastructural development, especially in the power and energy sector, modern and effective air and sea ports, highways etc. as well as ensure timely and cost effective implementation of Mega Projects.

<https://thefinancialexpress.com.bd/economy/bangladesh/accelerated-investment-prerequisite-for-higher-growth-iccb-1542196814>

Regulatory barriers affect economic growth

- Business Initiative Leading Development (BUILD), a leading private think tank has placed a recommendation for forming a high-powered committee of relevant stakeholders for understanding and addressing the constraints of the Tannery Industrial Estate of Dhaka (TIED) operating in Savar.
- The paper highlighted procedural, understanding and policy related gaps which need to be bridged to increase finished and crust leather export which declined 24% and 92% respectively in FY2017-18.
- An independent third party audit for monitoring current operation of Central Effluent Treatment Plant is a must viewed by the stakeholders of leather sector. Adopting measures for solid wastes management, making Common Chrome Recovery Unit (CCRU) operational, measures for reducing water and chemical used by tanneries and standardizing the water and chemical use parameters in the environmental regulations are some other recommendations, presented by BUILD.

<http://today.thefinancialexpress.com.bd/public/trade-market/regulatory-barriers-affect-economic-growth-1542469011>

China top foreign direct investment (FDI) source in fiscal year '18

- China became the top source of foreign direct investment (FDI) for Bangladesh last fiscal year (FY).
- The net inflow of FDI from the world's second-largest economy reached USD 506.1 million in fiscal year 2017-18.

- The amount was around one-fifth of the total foreign capital flow into Bangladesh during the FY 2017-18.
- Bangladesh received net FDI worth USD 2,580.4 million in the past fiscal year, posting a growth of 5.12% over the previous fiscal year.
- A large chunk of the Chinese FDI came to the power sector, which received a record USD 407.3 million in the last quarter of the last fiscal year.

This means the Chinese FDI in Bangladesh was six times the figure received during FY17 when the net flow amounted to USD 68.6 million.

The stock of Chinese FDI also stood at USD 1,193.2 million by the end of FY18 while the gross inflow was USD 534.6 million.

The United Kingdom became the second-largest source of FDI with USD 372.7 million during the past fiscal year, followed by Hong Kong (USD 190.7 million), the United States of America (USD 170.6 million), and Singapore (USD 158.5 million).

In FY18, the net FDI from India to Bangladesh stood at USD 125.3 million, registering a 31.30% growth over the previous year.

<http://today.thefinancialexpress.com.bd/public/first-page/china-top-fdi-source-in-fy-18-1542473544>

Economy is in shipshape: Metropolitan Chamber of Commerce and Industry (MCCI)

- The economy is progressing well despite the presence of some risk factors like marginal growth in remittance, slower exports and a lower rate of investment, according to a report of the Metropolitan Chamber of Commerce and Industry (MCCI).
- Inflation between the months of July and September was under control, the exchange rate remained stable and the foreign exchange reserves rose to a comfortable level, said the first-quarter report.
- During the period, agriculture, manufacturing and services sectors performed well, but continuous government support of various types will be needed to sustain their growth.
- Infrastructure deficits and gas and power supply problems are now undermining the performance of all productive sectors of the economy.

<https://www.thedailystar.net/business/news/economy-shipshape-mcci-1661266>

Trade suffers as India allows limited time for cargo movement

- An inordinate delay in allowing the Bhutanese goods-laden trucks to enter Bangladesh through Indian land port Changrabandha is badly hampering Bangladesh's import trade with Bhutan.
- The Indian land port authorities have set a limited time frame for Bhutanese cargoes to enter Burimari in Bangladesh through Changrabandha, which causes the delay, according to them.
- As a result, many imported items get damaged, causing financial losses to both importers and exporters.

<http://today.thefinancialexpress.com.bd/public/last-page/trade-suffers-as-india-allows-limited-time-for-cargo-movement-1542473986>

Bangladesh youth jobless rate rises by 6.4% points: International Labour Organisation (ILO)

- The rate of youth unemployment in Bangladesh remained one of 'the most worsening' situation among the countries in the Asia-Pacific region.
- The country's overall unemployment rate rose by 1.0% point in 2017, according to International Labour Organisation (ILO).
- Bangladesh's youth unemployment rate increased by 6.4% points in 2017 since the year 2010, the Asia-Pacific Employment and Social Outlook 2018 of the ILO revealed.
- Besides, Bangladesh remained one of the top positions in respect of employed people working long hours per week.

<http://today.thefinancialexpress.com.bd/public/last-page/bd-youth-jobless-rate-rises-by-64-%-pts-ilo-1542473822>

Bangladesh Institute of Bank Management (BIBM) proposes BDT 2.0 billion credit guarantee scheme for small and medium enterprises (SMEs)

- The Bangladesh Institute of Bank Management (BIBM) yesterday proposed the government launch a BDT 2.0 billion credit guarantee scheme to encourage banks to lend more to small and medium enterprises.
- The BIBM came up with the idea after studying such schemes in different countries. There are over 2,000 such schemes in over 100 countries around the world aimed at giving a boost to the SME sector.
- Credit guarantee schemes will help banks share the risk of loan default for a specific type or market of customers and help enterprises get loans, said the deputy governor of Bangladesh Bank.
- He said most of the financial institutions show little interest in offering credit due to a perception of high risk and lack of sufficient collateral. The credit guarantee scheme will minimise the risks for financial institutions, he added.
- SMEs in Bangladesh have to pay 14-18% as interest, which is much higher than the 10-12% interest for other businesses. According to the proposed model, the guarantee will cover 50% of the total loan. The loan limit will be BDT 0.3 million to BDT 2.0 million.

<https://www.thedailystar.net/business/banking/news/bibm-proposes-BDT-200cr-credit-guarantee-scheme-smes-1661245>

Agent banking expands fast

- Agent banking, which takes banking services to the unbanked people, is going from strength to strength, with both deposit collection and loan disbursement on the rise.
- Lenders earlier kept their core focus on collecting deposits from clients through the new banking wing but they have recently given the same importance to loan disbursement.
- As of September, loan disbursement through the agent banking channel was BDT 1.5 billion, up 9.80% from a quarter earlier. At the same time, deposit collection went up 28% to BDT 25.8 billion, according to data from the central bank.
- According to the managing director of Bank Asia, there remains huge scope for widening agent banking as lenders are yet to extend their traditional banking service to the large numbers of unbanked people.
- Banks have so far set up 5,791 agent banking outlets in the rural areas, whereas the countryside requires nearly 25,000 shops to bring the unbanked people under the formal financial umbrella, he said.

<https://www.thedailystar.net/business/banking/news/agent-banking-expands-fast-1661287>

Modern retail growing at 15% a year

- Modern retail, which replaces traditional grocery shops, has been growing at 15% a year since 2014 in Bangladesh riding on changing consumer behaviour, said a top official of Nielson, a leading global market researcher.
- In 2018 the total turnover is estimated to be BDT 21.8 billion, up from BDT 13.4 billion in 2014.
- Population growth, increased urbanisation and rising income, particularly the growing middleclass population in the country, have been driving the growth of consumerism in Bangladesh, which is expected to be the 26th largest economy in the world by 2030.

<https://www.thedailystar.net/business/news/modern-retail-growing-15pc-year-1662061>

Footwear export fetched USD 438.0 million last fiscal year

- Bangladesh bagged USD 438.0 million in export earnings from the footwear sector alone in the last fiscal year and has become the sixth largest footwear and leather goods exporter in the world.
- Every year, the South Asian nation manufactures 330 million square feet of finished leather and sends abroad around 230 square feet of the product.
- Bangladesh exports leather and leather goods to countries such as China, Italy, the USA, the UK, Germany, Sweden, Taiwan and Japan.

- Executive chairman of Bangladesh Investment Development Authority suggested to raise competitiveness, attention should be given to compliance and quality of the leather products along with maintaining low prices. He also suggested adoption of modern technologies to stay competitive in the global market.

<https://www.thedailystar.net/business/news/footwear-export-fetched-438m-last-fiscal-year-1662064>

Investment Corporation of Bangladesh (ICB) raises BDT 7.5 billion from subordinated bonds

- The Investment Corporation of Bangladesh (ICB) has so far raised BDT 7.5 billion from the issuance of subordinated bonds floated as part of its market supportive measures.
- The state-run corporation is expected to raise BDT 20.0 billion by offering the subordinated bonds. Of the total amount, BDT 15.0 billion will be invested in the listed securities.
- On July 17, the Bangladesh Securities and Exchange Commission (BSEC) approved the ICB's proposal for raising a fund of BDT 20.0 billion through issuing non-convertible fixed rate subordinated bond.
- The securities regulator also set a condition that BDT 15.0 billion has to be invested in the listed securities to boost the country's capital market.
- Accordingly, the ICB has already started making investment in the capital market after it received a fund of BDT 7.5 billion from three institutions by offering the subordinated bonds.
- Of the amount, BDT 7.0 billion came from Agrani Bank, BDT 400.0 million from the DSE and BDT 100.0 million from Dhaka Bank.
- Of the remaining funds, BDT 5.0 billion will come from Janata Bank, BDT 5.0 billion from Sonali Bank, and BDT 1.50 billion from Rupali Bank, according to the ICB managing director.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/icb-raises-BDT-75b-from-subordinated-bonds-1542382663>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.46	0.00	0.00%
Crude Oil (Brent)*	\$66.76	+0.14	+0.21%
Gold Spot*	\$1,223.36	+10.00	+0.82%
DSEX	5244.63	-0.96	-0.02%
Dow Jones Industrial Average	25,413.22	+123.95	+0.49%
FTSE 100	7,013.88	-24.13	-0.34%
Nikkei 225	21,680.34	-123.28	-0.57%

Exchange Rates

USD 1 = BDT 83.80*
GBP 1 = BDT 107.55*
EUR 1 = BDT 95.66*
INR 1 = BDT 1.17*

*Currencies and Commodities are taken from Bloomberg.

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