

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.

January-September overseas hiring falls 24%

- The country's overseas employment dropped by more than 24% in the first nine months of the current calendar year compared to that of the previous year, official statistics showed.
- It happened, as manpower recruitment by Kingdom of Saudi Arabia (KSA) has declined significantly this year that has created a negative impact on overall overseas job scenario.
- A total of 555,393 Bangladeshis found job abroad from January to September of 2018. The number was 736,461 in the corresponding period of 2017, according to Bureau of Manpower Employment and Training (BMET).
- KSA is the largest job market for Bangladeshis, which hired a total of 412,397 workers in the first nine months of 2017. The number reduced to 187,223 workers in the matching period of 2018. Other middle-eastern (ME) countries also hired lower number of workers during the period this year than the previous year. Besides, Malaysia has also suspended manpower recruitment from Bangladesh through the existing system under 'G2G Plus' deal due to some alleged unethical practices.
- So, the goal of sending 1.2 million workers abroad in 2018, as fixed by the ministry, is likely to be failed. However, president of Bangladesh Association of International Recruiting Agencies (BAIRA) said that the negative trend will not continue for long. At the end of the year, the number of employment will increase notably, he added.

<http://today.thefinancialexpress.com.bd/last-page/jan-sept-overseas-hiring-falls-24pc-1539712501>

Block account facilities for jute sector may cause losses to banks, Bangladesh Bank (BB) opines

- Banks concerned are likely to suffer financial losses if the country's jute sector is allowed block account facilities. It may also create liquidity crisis including drop in profits in the banking sector.
- The BB said that it is positive to provide the jute sector with block account facilities for outstanding bank loans for the development of the sector as the government is eager to give special facilities considering the importance of the jute sector. It has recommended that outstanding loans of the jute sector be transferred to block account for 10 years with 02-year moratorium to repay existing outstanding loans case-to-case and bankers-customers relations basis.
- The loan provided under the refinancing scheme would not be applicable to the block account facility, the BB said. It also thinks that the existing refinancing scheme may be ineffective for ten years if the government provides block account facility. It may be difficult to collect the block funds and BB may suffer huge financial losses.

<http://today.thefinancialexpress.com.bd/trade-market/block-account-facilities-for-jute-sector-may-cause-losses-to-banks-bb-opines-1539707054>

<http://www.newagebd.net/article/53360/loss-making-bjmc-gets-BDT-10cr-more-from-block-allocation>

State banks' bad loan recovery falters

- Five state-run banks made half-hearted efforts in the first half of the year in recovering their non-performing loans, which account for 47% of the total default loans in the sector.
- Between the months of January and June, Sonali, Janata, Agrani, Rupali and BASIC managed to retrieve 8.74% of their bad loan recovery target of BDT 75.93 billion for the year. At the end of June, total non-performing loan of the banking sector stood at BDT 893.40 billion.
- Default loans in state banks escalated in recent months thanks to disbursement of a large amount of loans to unscrupulous persons without their business profile being verified, said a Bangladesh Bank official. Besides, recovery efforts have been underwhelming as many of the large borrowers could refrain from repaying the loans because of their close relationship with the political quarters and the high-ups of the banks, the BB official added.

Of the five banks, Janata made the highest recovery in the first half of the year: 19.18% of its annual target of BDT 17.00 billion. It was followed by Agrani, which recovered 11.66% of its annual target of BDT 12.00 billion. Sonali realised only 3.23% of its annual recovery target of BDT 25.00 billion, BASIC 4.11% of BDT 11.93 billion, Rupali 6.16% of BDT 10.00 billion.

<https://www.thedailystar.net/business/news/state-banks-bad-loan-recovery-falters-1647997>

Government to provide Bangladesh Krishi Bank (BKB) with BDT 2.3 billion interest subsidy

- The government is set to provide BDT 2.3 billion as interest subsidy to Bangladesh Krishi Bank (BKB), finance ministry officials said.
- Earlier, the state-owned bank sought the fund from the FID. The division decided to provide the fund after scrutiny, the officials also said.
- According to a Bangladesh Bank (BB) guideline, Krishi Bank gives loans to crops, fisheries and livestock sectors at a maximum of 9.0% interest rate. For this, the bank has been making loss every year. Currently, it has accumulated a deficit of funds.
- The ministry of finance allocated BDT 20 billion as recapitalisation fund for the fiscal year (FY) 2017-18. Of the allocation, the government released BDT 4.0 billion for BKB for FY 2017-18.

<http://today.thefinancialexpress.com.bd/trade-market/govt-to-provide-bkb-with-BDT-23b-interest-subsidy-1539707029>

No gas price hike for now: Bangladesh Energy Regulatory Commission (BERC)

- Bangladesh Energy Regulatory Commission (BERC) has kept the existing natural gas tariff unchanged, saying price hike is not necessary now, as the current volume of LNG import is lower than expected. The waiver of supplementary duty (SD) and customs duty (CD) at consumers' end as well as lowering of advance income tax (AIT) by National Board of Revenue (NBR) also helped a lot for taking the decision.
- The BERC chairman said that the non-hiking of gas tariff will cost the government paying subsidy worth BDT 31 billion to Petrobangla during this fiscal year, 2018-19, until June 2019.
- Currently the weighted average gas price is BDT 7.17 per cubic metre, and BERC had to increase the price by BDT 1.46 per cubic metre, if the NBR's actions were not there.
- BERC earlier raised the natural gas tariff by 22.70% for all types of consumers in phases with effect from March 01, 2017 and June 1, 2017 respectively.

<http://today.thefinancialexpress.com.bd/first-page/no-gas-price-hike-for-now-berc-1539712130>

Bangladesh Securities & Exchange Commission (BSEC) approves Mutual Fund (MF) prospectus

- The securities regulator has approved the draft prospectus of Shanta Amanah Shariah Fund, an open-end mutual fund (MF). The initial size of the fund will be BDT 300 million. The sponsor will contribute BDT 30 million and the remaining BDT 270 million will be collected through selling the MF units.
- The offer price of the units of Shanta Amanah Shariah Fund will be BDT 10 each. Shanta Asset Management Limited is the sponsor and fund manager of the Shanta Amanah Shariah Fund. Investment Corporation of Bangladesh (ICB) is working as the trustee and custodian of the fund.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-mf-prospectus-1539706618>

BRAC Bank strengthens financial and digital ecosystem

- BRAC Bank has undertaken a number of projects aiming to become the best bank in Bangladesh using modern and world-class digital technologies by 2020, the bank's managing director (MD) and chief executive officer (CEO) has said.
- In partnership with different Fintech companies, BRAC Bank is aiming to replace the traditional platforms for service delivery through digital solutions based on the use of smartphones and laptops. These solutions are expected to make financial services more accessible and convenient to the general public.

As part of initiatives, the third generation tech-savvy bank has launched digital agent banking to bring unbanked people under the financial network. With real time transaction facilities and the full array of banking services that are available at the branches, BRAC Bank's Agent Banking is different from that of other banks, according to the CEO.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-strengthens-financial-and-digital-ecosystem-1539706594>

Submarine Cable Company records lowest profit

- Bangladesh Submarine Cable Company Ltd's net profit sank 77% to BDT 73.3 million in fiscal 2017-18 despite logging in record revenue thanks to repayment of a loan taken to launch the country's second undersea link.

- Last year, it borrowed USD 39 million from the Islamic Development Bank to bear the cost of launching the country's second submarine cable, which connected Bangladesh with South East Asia and Western Europe via the Middle East. For the next ten years it has to pay BDT 330 million in instalment to the Jeddah-based lender. Accordingly, BDT 330 million was kept as provisioning from last fiscal year's earnings.
- The profit was the lowest yet for the country's lone submarine cable company, although revenue earnings surged 35.53% year-on-year to BDT 1.40 billion during the course of the fiscal year, according to the company's annual report.

<https://www.thedailystar.net/business/news/submarine-cable-company-records-lowest-profit-1647994>

Berger to splash out BDT 2.50 billion on new plant

- Berger Paints Bangladesh Ltd is going to invest BDT 2.50 billion to establish a new production unit at the Mirsarai Economic Zone in Chattogram. The Prime Minister's Office has already endorsed the application for 30 acres of land for the company at the economic zone. A land lease agreement is going to be signed between Bangladesh Economic Zones Authority (Beza) and the paint maker today (Wednesday).
- Managing director of Berger Paints Bangladesh told that initially Berger Paints will invest BDT 2.50 billion to set up the unit. Under the new project, Berger will set up an emulsion plant, a resins plant, and a central raw material warehouse. The unit will mainly produce water- and solvent- based paints. It will be a strategic initiative for the future business diversification and the potential setup to explore export opportunities in the future, he added. It will create at least 250 jobs directly.

<https://www.thedailystar.net/business/news/berger-splash-out-BDT-250cr-new-plant-1647988>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$72.17	+0.25	+0.35%
Crude Oil (Brent)*	\$81.61	+0.20	+0.25%
Gold Spot*	\$1,224.57	-0.38	-0.03%
DSEX	5399.88	+15.47	+0.29%
Dow Jones Industrial Average	25,798.42	+547.87	+2.17%
FTSE 100	7,059.40	+30.18	+0.43%
Nikkei 225	22,924.20	+374.96	+1.66%

Exchange Rates

USD 1 = BDT 84.93*
 GBP 1 = BDT 112.00*
 EUR 1 = BDT 96.32*
 INR 1 = BDT 1.16*

*Currencies and Commodities are taken from Bloomberg.

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