

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.

Forex reserves up 441% in the last 10 years

- foreign exchange reserve increased 4.41 times in the last 10 years from fiscal 2008-09 to 2017-18, riding on the steady rise of garment exports and inflow of remittances. According to Bangladesh Bank (BB) data, foreign exchange reserves stood at USD 32.94 billion in fiscal 2017-18, which was USD 7.47 billion in fiscal 2008-09. Increasing remittances sent by expatriates abroad and rising export incomes have boosted Bangladesh's reserves, Bangladesh Bank Chief Spokesperson said. According to BB's major monthly economic indicators for August, the gross foreign exchange reserve of BB stood at USD 32.93 billion and the current foreign exchange reserve is equivalent to an import liability of 6.41 months.

- The BB data also shows that the growth of the foreign exchange reserve was upward from fiscal 2008-09 onwards. But in 2017-18, the growth dropped slightly due to a declining trend in remittances. The reserve was USD 33.49 billion in fiscal 2016-17, USD 30.17 billion in 2015-16, USD 25.03 billion in 2014-15, USD 21.56 billion in 2013-14, USD 15.32 billion in 2012-13, 10.36 billion in 2011-12, USD 10.91 billion in 2010-11 and 10.75 billion in 2009-10. Over the last 10 years, remittance flow into the country has increased 3.56 times, which can be viewed as a milestone on the path to upgrading Bangladesh to a developed country.

- Bangladeshi expatriates sent USD 131.86 billion between fiscal 2008-09 and 2017-18. This was USD 94.82 billion higher than the sum total of incoming remittances over the 10 years previous to that. Non-Resident Bangladeshis (NRBs) sent around USD 37.04 billion from fiscal 1998-99 to fiscal 2007-08. In fiscal 2017-18, export earnings were at USD 40.94 billion against a target of USD 41 billion. The growth in goods exported was 6.36% ,while the service sector grew 7.43% . Overall export growth was 6.47%.

<https://www.dhakatribune.com/business/2018/09/20/forex-reserves-up-441-in-the-last-10-years>

World Bank (WB) for cutting barriers to increased trade with South Asia

- Bangladesh can viably raise more than double its trade volume in South Asia if man-made trade barriers are reduced. The country is currently having around USD 7.6 billion worth of annual trade with its neighbours, which is 9.0% of the total global trade in 2015, it showed. That volume can reach USD 18.9 billion through reduction of trade barriers, says the report styled 'A Glass Half Full: The Promise of Regional Trade in South Asia'. In case of Bangladesh, nearly 46% of its imports from South Asia fall under sensitive lists, according to the WB lead economist.

<http://today.thefinancialexpress.com.bd/last-page/wb-for-cutting-barriers-to-increased-trade-with-south-asia-1537378962>

<https://www.thedailystar.net/business/news/south-asia-can-treble-regional-trade-1636342>

<http://www.newagebd.net/article/51009/intra-south-asia-trade-to-triple-to-67b-if-tariff-barriers-lifted-wb>

<https://www.dhakatribune.com/business/2018/09/19/world-bank-bangladesh-can-be-economic-powerhouse>

Japan jt venture to invest USD 59.19 million in Mirsarai Economic Zone (EZ)

- Mcdonald Steel Building Product Ltd and Nippon Koei of Japan will make a joint venture investment worth USD 59.19 million in the country's Mirsarai Economic Zone (EZ). They will build large manufacturing and import substitute industries on 100 acres of land of the zone. Bangladesh Economic Zones Authority (BEZA) will sign a land lease agreement with the joint venture company on Sunday. The investors will start its development work in the zone in December 2018, BEZA sources said. They said the companies will implement the project within 730 days and pay annual rent to BEZA.

- It will use more than 50% of local raw materials for the manufacturing units. They will construct factories, administrative building, warehouse, logistic yard, effluent treatment plant, waste treatment plant, road, drainage, utilities, dormitory, training centre and health service in the zone. It will build environment management plan with certified technology. A total of 2500 human resources will be recruited in the factory, he said. Some 20% of the manufactured products will be exported to other countries. Mcdonald Steel Building Products Limited is producing pre-fabricated structural steel in Bangladesh. It imports and uses the best quality products from Japan, Luxembourg, China and India.

<http://today.thefinancialexpress.com.bd/last-page/japan-jt-venture-to-invest-5919m-in-mirsarai-ez-1537379159>

Asian Development Bank (ADB) approves additional USD 110 million for urban health services

- The Asian Development Bank (ADB) has approved an additional loan of USD 110 million for an urban health services project in Bangladesh. The ADB Board of Directors has given an approval to the additional financing for the

government-led Urban Primary Health Care Services Delivery Project (UPHCSDP). The project aims to help improve access to urban primary healthcare services in Bangladesh through public-private partnership (PPP). The additional financing will cover the cost of a five-year extension to assist the government to strengthen local health systems and continue to expand the PPP system of contracting to service providers.

- The Bangladesh government will contribute USD 30 million toward the cost of the additional financing, while the United Nations Population Fund will provide USD 1.5 million in-kind technical support. The project completion date is March 2023, said the ADB release.

<http://today.thefinancialexpress.com.bd/last-page/adb-approves-addl-110m-for-urban-health-services-1537379263>

Bangladesh House Building Finance Corporation (BHBFC) set to bring down lending rate to 9.0%

- The Bangladesh House Building Finance Corporation (BHBFC) is set to lower its lending rate to 9.0% with effect from July this year. The state-run corporation is going to issue a circular today (Thursday) to this end. The BHBFC has been providing loan at a rate of 10% for Dhaka and Chattogram metropolitan areas and 9.5% for other areas since July 2017. And before that, it was 12%. However, the rate of interest on loans for rural areas will remain unchanged at 8.5%.
- Both the existing borrowers and fresh loan seekers can enjoy the new interest rate. But to avail themselves of new interest rate, existing borrowers will have to produce up-to-date papers regarding payment of loan installments. BHBFC has set a BDT 6.0 billion loan disbursement target for fiscal year 2018-19, which is 2.0 billion higher than that of the previous fiscal year. The amount of loan disbursed outside Dhaka and Chattogram metropolitan areas was nearly 62% of total house building loans as of April.

<http://today.thefinancialexpress.com.bd/trade-market/bhbfc-set-to-bring-down-lending-rate-to-90pc-1537375686>

More licences soon for international call routing

- The government has taken an initiative to award more licences for international voice call routing business just before the 11th general election and is scheduled to issue a public notice today. The Bangladesh Telecommunication Regulatory Commission (BTRC) will receive applications up to October 10. All resident and non-resident Bangladeshis can file applications through firms registered with the Registrar of Joint Stock Companies and Firms. The industry has already been facing challenges as there are way too many licences in context to the total call volume and the new move would make the sector even more crowded.
- Currently there are 25 active licences running the International Gateway (IGW) business. Four licences have already been cancelled for improperly sharing revenues, a violation of the rules. Some six companies with about BDT 10.00 billion in dues—involving licence fees and revenue sharing with the telecom regulator—have gone traceless after transferring shares to some unidentified people. An officials of Bangladesh Tele-communication Regulatory Commission (BTRC) yesterday said the government asked them to launch the licencing procedure as an influential group has shown interest in this business.
- A commissioner of the BTRC's legal and licencing division said that there are already an adequate number of licences in the market and awarding of new licences might shrink business opportunities for existing players. The BTRC will not fix the number of licences that will finally exist as only the government could do so, he said. He also added that the government will have to think about the future of the business.

<https://www.thedailystar.net/business/news/more-licences-soon-intl-call-routing-1636336>

<http://www.newagebd.net/article/51011/govt-moves-to-award-more-igw-licences-in-crowded-market>

Import duty on raw materials for metal package cut

- National Board of Revenue has cut duty on import of raw materials for manufacturing of metal packages, like can and container, and tin-coated household products. Customs wing of NBR on Tuesday issued a statutory regulatory order lowering the customs duty to 10% from existing 25% and withdrawing 3% regulatory duty on import of flat-rolled products of iron. Previously, total tax on import of the items was 60.73%, including 25% CD, 3% RD, 15% value-added tax, 5% advance income tax and 5% advance trade VAT.
- The associations and companies are the main importers of the raw materials which are used to produce metal packages like can, container and tubes for food processing, beverage and milk products and pharmaceuticals companies. In addition, the products are also used to manufacture metal almirah, file cabinet, trunk, utensils, jug, drum, stove and other home appliances.

<http://www.newagebd.net/article/51010/import-duty-on-raw-materials-for-metal-package-cut>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$71.67	+0.55	+0.77%
Crude Oil (Brent)*	\$79.67	+0.27	+0.34%
Gold Spot*	\$1,206.30	+2.26	+0.19%
DSEX	5505.05	32.45	0.59%
Dow Jones Industrial Average	26,405.76	+158.80	+0.61%
FTSE 100	7,331.12	+30.89	+0.42%
Nikkei 225	23,672.91	+0.39	+0.00%

Exchange Rates

USD 1 = BDT 83.84*

GBP 1 = BDT 110.26*

EUR 1 = BDT 97.96*

INR 1 = BDT 1.16*

**Currencies and Commodities are taken from Bloomberg.*

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