

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.

Government has no net bank borrowing in 9 months as NSC sales soar

- The government had no net borrowing from the banking sector in nine months (July-March) of the current fiscal year (2018-2019) as high sales of pricy national savings certificates helped the government meet deficit financing, Bangladesh Bank officials said. Instead, the government paid back BDT 12.56 billion to banks in the nine months of the current fiscal year. Despite the poor state of tax-revenue collection, the government's net borrowing from the banking sector dropped to BDT 8.70 billion as of April 7 this year from BDT 882.58 billion as of June 30, 2018.
- Policy Research Institute of Bangladesh executive director said that the government's move to borrow high-cost fund by the sales of NSCs and to pay back low-cost fund of the banks was a political decision. A major portion of the budget is being spent for debt payment and the amount would increase if such trend continues, he said. High borrowing from the sales of NSCs would finally increase interest payment burden and reduce the government's capacity to finance for social safety purposes including health education, he said.
- Return rates offered by the NSCs are between 11.04% and 11.76%, while the government can take fund from the banks at less than 8% interest. Former finance minister announced the BDT 4.65 trillion fiscal budget for 2018-2019, setting BDT 2.96 trillion as revenue collection target and 4.9% as deficit. The pace of revenue collection in July-February of FY19 was poor considering the government's budget projection.

<http://www.newagebd.net/article/69996/govt-has-no-net-bank-borrowing-in-9-months-as-nsc-sales-soar>

Move to rid banks of NPL burden

- The central bank has moved to form an asset management company to deal with the growing non-performing loans (NPLs) of banks, as part of its efforts to perk up the ailing sector. The development comes following recommendation from a six-member committee formed two months ago. The committee came up with the recommendation after conducting an extensive analysis of seven Southeast Asian countries on how they had brought down their large amounts of NPLs after facing a major recession -- widely known as Asian financial crisis -- between 1997 and 1999.
- Each of the seven countries -- Vietnam, South Korea, Indonesia, Malaysia, Thailand, Taiwan and the Philippines -- successfully brought down their classified loans by way of implementing this formula. For instance, NPLs in Indonesia went up to nearly 50% of its outstanding loans during the financial crisis, but it came down to less than 3% in 2017, said a member of the committee.
- The company will purchase NPLs from banks and sell them off to individuals or corporate entities. At the end of 2018, the total amount of NPLs in the banking sector stood at BDT 939.11 billion, which is 10.30% of total outstanding loans. Many banks have been failing to maintain the requisite capital and provisioning against bad loans, which are eating up their profits.
- The company would take the NPLs off the banks' hands in exchange for special bonds that would have certain maturity, thus enabling lenders to provision for the bad loans, according to a report prepared by the committee. The committee also called for the creation of a secondary market for NPL, where people would be allowed to sell and purchase default loans.

<https://www.thedailystar.net/business/news/move-rid-banks-npl-burden-1730224>

Banks' return on assets narrows by 57% in 2018

- Banks' return on assets (ROA) narrowed by 57% in 2018, as a result of the high amount of non-performing loans (NPLs) in the sector. In 2018, net profit of banks stood at only BDT 0.30 against assets worth BDT 100, down from BDT 0.70 per BDT 100 of assets in 2017, according to the Bangladesh Bank. In 2018, state-owned commercial banks lost BDT 1.30 against assets worth BDT 100. In 2017, these banks had made profits of BDT 0.20 against assets worth BDT 100. On the other hand, private commercial banks made net profit of BDT 0.80 per BDT 100 of assets last year. However, in 2017, banks had earned a higher net profit of BDT 0.90 per BDT 100 of assets, according to central bank data.
- The non-performing loans (NPLs) of banks rose by BDT 196.08 billion in December 2018, compared to the same period in 2017. The amount stood at BDT 939.11 billion or 10.30% of total disbursed loans as of December 2018.

<https://www.dhakatribune.com/business/2019/04/15/banks-return-on-assets-narrows-by-57-in-2018>

Only 11% women using Mobile Financial Services (MFS) in Bangladesh: Study

- Only 11% of women are registered users of Mobile Financial Services (MFS) in the country while 30% of men are using such services, a study has revealed. Volume or frequency of need, influencers and convenience are the main three factors that motivate women to use Mobile Financial Services (MFS), found the research, styled 'Gender Centrality of Mobile Financial Services (MFS) in Bangladesh'. Lack of literacy, far distance, social and religious barriers and absence of innovation in product design are found as main hurdles for women to avail the services.

<http://thefinancialexpress.com.bd/economy/only-11pc-women-using-mfs-in-bd-study-1555324101>

Summit's FSRU (floating, storage, re-gasification unit) likely to reach Bangladesh next week

- The country's second liquefied natural gas (LNG) import terminal is expected to arrive at Moheshkhali Island in the Bay Bengal next week to initiate supply of re-gasified LNG (RLNG) to end users. The Rupantarita Prakritik Gas Company Ltd (RPGCL) has already informed the terminal contractor - the Summit Group - about its readiness to carry out test as soon as the FSRU arrives in the country. The RPGCL, a wholly-owned subsidiary of the Petrobangla, is responsible to look after LNG trading. The Summit Group has also informed its readiness to the state-run Petrobangla and the RPGCL for commissioning of the FSRU on April 20.
- The Summit's LNG import terminal will be located near the currently operational maiden FSRU, owned by the US's Exceletrate Energy at Moheshkhali having the same 3.75 million tonnes per year (Mtpa) capacity. The Exceletrate Energy's FSRU - Excellence - is currently re-gasifying around 500 million cubic feet per day (mmcf) of LNG.

<http://today.thefinancialexpress.com.bd/last-page/summits-fsru-likely-to-reach-bd-next-week-1555350542>

Finance minister seeks enhanced World Bank support

- Finance minister has sought increased funds from the World Bank (WB) for completing ongoing development projects as the portfolio has almost finished before the deadline. The Bank's portfolio for Bangladesh under its current aid package has almost been finished, which has resulted in the delay of implementing some ongoing and proposed development projects, officials said. They said under the three-year IDA-18 package, only USD 30 million fund has remained in the hand of the Bank for disbursement to Bangladesh. The tenure of ongoing IDA-18 package will end by June 2020.
- The finance minister also sought the Bank's financial support for the stranded Rohingya in Bangladesh. The lender has agreed to provide adequate assistance for the refugees, he said.

<http://today.thefinancialexpress.com.bd/first-page/finance-minister-seeks-enhanced-wb-support-1555350189>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|-------------|--------------|----------|
| Crude Oil (WTI)* | \$63.71 | -0.18 | -0.28% |
| Crude Oil (Brent)* | \$71.53 | -0.02 | -0.03% |
| Gold Spot* | \$1,290.90 | -4.30 | -0.33% |
| DSEX | 5,326.39 | +64.78 | + 1.23% |
| Dow Jones Industrial Average | 26,412.30 | +269.25 | +1.03% |
| FTSE 100 | 7,437.06 | +19.11 | +0.26% |
| Nikkei 225 | 22,190.71 | +320.15 | +1.46% |

Exchange Rates

USD 1 = BDT 84.17*
GBP 1 = BDT 110.23 *
EUR 1 = BDT 95.22 *
INR 1 = BDT 1.22*

*Currencies and Commodities are taken from xe.com.

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