

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.

50% of public funds can be deposited in private banks and NBFIs, Bangladesh Bank notifies them

- Bangladesh Bank has instructed all the banks to comply with a finance ministry notification on pulling deposit from government, semi-government and autonomous entities' by the private banks and non-bank financial institutions.
- The central bank issued a circular in this regard on Tuesday to all the managing directors and chief executive officers of all scheduled banks. Amid intense pressure from the bank owners, finance ministry on April 2 this year issued a notification allowing private banks and non-bank financial institutions to get up to 50% of the government, semi-government and autonomous bodies' fund.
- Earlier, private banks and non-bank financial institutions were allowed to get highest 75% fund from the entities.

<http://www.newagebd.net/article/39304/50pc-of-public-funds-can-be-deposited-in-pvt-banks-and-nbfis-bb-notifies-them>

Bangladesh Bank (BB) asks Bangladesh International Arbitration Centre (BIAC), Association of Bankers Bangladesh (ABB) to draft guideline on non-performing loan (NPL) recovery

- Bangladesh Bank (BB) has recently moved to formulate a guideline for realization of non-performing loans (NPLs) in the banking sector and make amendment to relevant laws. The central bank has asked Bangladesh International Arbitration Centre (BIAC) and Association of Bankers Bangladesh (ABB) to draft the guideline. The meeting had aimed at finding ways to strengthen Alternative Dispute Resolution (ADR) system to help settle a large number of loan disputes.
- Noting that ADR is becoming a process requiring immediate attention from the banking sector, the BB deputy governor emphasized strengthening ADR to settle the NPL related disputes. BB Deputy Governor also mentioned that the central bank is willing to provide required support to expedite ADR process and make it more effective. He also noted that BB has already encouraged all scheduled banks to opt for ADR at BIAC through an advisory letter on April 19, 2016. The deputy governor also asked ABB and BIAC to prepare the draft guideline jointly. The draft will be considered by BB for circulation.
- BIAC CEO urged ABB to intensify efforts in this area by referring cases to ADR in order to make an amicable and expeditious settlement. ABB Vice Chairman opined that legal amendments to Artha Rin Adalat Ain should include mandatory mediation for SME and retail sector loans. He added that a threshold of up to BDT 250 million should be included in all loan contracts, while the time limit should be 60 days and facilitated under an institution like BIAC.

<http://today.thefinancialexpress.com.bd/first-page/bb-asks-biac-abb-to-draft-guideline-on-npl-recovery-1524073393>
<https://www.thedailystar.net/business/banking/bb-mulls-guideline-recover-bad-loans-1564432>
<http://www.newagebd.net/article/39303/bb-asks-biac-abb-to-draft-guidelines-to-realise-npl>

Online fund transfer to any bank from June

- Fund transfer to any Bangladeshi bank account through online banking will become possible from June, in a development that promises to be a great timesaver for bank customers. For that end, the central bank has asked all banks in the middle of February to connect their fund transfer channel to the National Payment Switch Bangladesh (NPSB). In November last year, six banks -- Bank Asia, Standard Chartered, Bangladesh Commerce Bank, City, Dutch -Bangla and Midland -- signed up for the fund transfer facility through the NPSB. Another 22 banks will soon integrate their systems with the NPSB, said a Bangladesh Bank official.
- The banks that are yet to introduce internet banking will have to offer at least fund receiving facility to their clients. Thanks to the facility, customers will be able to pay their credit card bills and make their monthly instalment payments on deposit pension schemes, loans and insurance premiums from the comforts of one's homes.
- A person can make a maximum of five transactions amounting to BDT 0.2 million a day; the single transaction limit is BDT 50,000. As of January, there are nearly 1.76 million users of internet banking, according to data from the BB. Of them, more than 90% are clients of private banks and the remaining foreign banks. About 0.72 million transactions involving BDT 21.75 billion were made through the internet banking platform in January this year.

<https://www.thedailystar.net/business/banking/online-fund-transfer-any-bank-june-1564456>

National Board of Revenue (NBR) in a fix over collecting BDT 16.18 billion 'taxes' from British American Tobacco Bangladesh (BATB)

- The Large Taxpayers Unit for value-added tax of the National Board of Revenue has sought directives from the board on implementation of a budgetary measure through issuing a demand notice to British American Tobacco Bangladesh for realizing supplementary duty and value-added tax worth BDT 16.18 billion.
- The government in the budget set the price of low quality international-brand cigarettes at BDT 35 per 10 sticks produced and sold by multinational companies for imposing duty and other taxes while it set the price of same quality cigarettes produced and sold by local companies at BDT 27 to protect local manufacturers. The BATB has been paying the SD and VAT on BDT 27 like local companies and denying paying the tax on the additional portion of the price (BDT 8) questioning the legality of the measure. The arrears SD and VAT amounts from the company stood at BDT 16.18 billion for the period between June 2017 and February 2018. The budgetary measure on tobacco taxation comes into effect from June 1, immediately after the announcement of the budget.

<http://www.newagebd.net/article/39300/nbr-in-a-fix-over-collecting-tk-1618cr-taxes-from-batb>

National Board of Revenue (NBR) plans tax benefits for manufacturing sector

- The revenue authority plans to provide manufacturing industries with tax benefits to accelerate expansion of the sector, NBR Chairman said yesterday. Manufacturing flourished and exports increased in some sectors owing to the past fiscal benefits provided by the National Board of Revenue (NBR), he said. Bangladesh Mobile Phone Importers Association (BMPIA) demanded a cut in import duty and tax for components to 1% from a total of 16% for the next fiscal year. The trade body also urged for a cut in import tariffs on smartphones to 22.19% from the existing 30.19% to boost use of 4G-enabled handsets.

<https://www.thedailystar.net/business/nbr-plans-tax-benefits-manufacturing-sector-1564435>
<http://www.newagebd.net/article/39302/manufacturers-to-get-protection-incentives-in-next-budget-nbr>
<http://today.thefinancialexpress.com.bd/print/corporate-tax-may-see-cuts-says-nbr-chief-1524073621>

63 plants with 15,967 MW capacity under construction

- Aiming to ensure cent% electricity by 2021, the government signed contracts with private and public sponsors to set up 130 power plants having a total generation capacity of 23,861 megawatt (MW). Chairman of Bangladesh Power Development Board (BPDB) said that 67 power plants having generation capacity of 7,800 MW have already been commissioned while 63 power plants with 15,967 MW are under construction. He also said the government has installed 88 power plants with a generation capacity of 8,819 MW and has been importing 660 MW electricity since 2009 from neighboring India.
- He again mentioned that the BPDB has taken a massive capacity expansion plan to add about 11,600 MW in next five years to achieve 24,000 MW (power generation) target by 2021 with the aim to provide quality and reliable electricity to all the people of the country for desired economic and social development. Currently, the electricity generation capacity reached 16,046 MW and 90% people are brought under the power coverage, the BPDB chairman added. According to a BPDB official, the government added 9,479 MW electricity to the national grid with its sincere and relentless efforts till March 2018 from 2009.

<http://today.thefinancialexpress.com.bd/trade-market/63-plants-with-15967-mw-capacity-under-construction-1524067673>

Shipbuilders served loan rescheduling on silver platter

- At a time when the country's banking sector is going through a liquidity stress, the borrowers from the shipbuilding industry are being gifted with a 10-year loan rescheduling facility by the finance ministry. As of December last year, the total loans to the shipbuilding industry, whose contribution to the economy is less than 1%, were BDT 46 billion, and now the banking sector will be saddled with the sum for the next decade. The loans carry interest rate of 10-13%, but as per the special package being offered to the shipbuilders the interest rate will be revised down during rescheduling. Of the loan amount, only BDT 8.6 billion is with the state banks, meaning the move will intensify the ongoing liquidity crisis in the banking sector, the epicenter of which is in the private banks.

<https://www.thedailystar.net/business/shipbuilders-served-loan-rescheduling-silver-platter-1564468>

United Arab Emirates (UAE) to hire Bangladeshis in 19 categories

- The United Arab Emirates (UAE) has signed a deal to recruit 19 categories of workers from Bangladesh, paving the way for opening up the much-awaited job market in the Gulf country very soon. The UAE has not been hiring manpower from Bangladesh for about six years after the oil-rich Middle-eastern country had stopped recruiting workers from here in 2012.

<http://today.thefinancialexpress.com.bd/trade-market/uae-to-hire-bangladeshis-in-19-categories-1524067652>

Wilmar-Adani to invest USD 350 million in Mirsarai economic zone

• Singapore-based Wilmar and India's Adani Group plan to invest USD350 million in Bangladesh to establish an industrial park in the Mirsarai economic zone under a joint venture that will produce agro-based foods and allied products. The investment will enhance competitiveness of local manufacturers and help consumers get quality products, said executive chairman of the Bangladesh Economic Zones Authority (Beza).

<https://www.thedailystar.net/business/wilmar-adani-invest-350m-mirsarai-economic-zone-1564480>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$68.73	+0.26	+0.38%
Crude Oil (Brent)*	\$73.79	+0.31	+0.42%
Gold Spot*	\$1,352.73	+3.32	+0.25%
DSEX	5823.00	+45.04	+0.78%
Dow Jones Industrial Average	24,748.07	-38.56	-0.16%
FTSE 100	7,317.34	+91.29	+1.26%
Nikkei 225	22,296.14	+137.94	+0.62%

Exchange Rates

USD 1 = BDT 82.98*
GBP 1 = BDT 117.28*
EUR 1 = BDT 102.75*
INR 1 = BDT 1.26*

**Currencies and Commodities are taken from Bloomberg.*

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