

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.

Service sector's H1 export earnings soar over 50%

- Export earnings from the country's service sector swelled up by more than 50 % during the July-December period or first half (H1) of this fiscal year (FY), 2018-19.
- Bangladesh fetched more than USD 2.87 billion during the first six months of the current fiscal compared to USD 1.90 billion in the same period of FY 2017-18. Of the total, nearly USD 2.80 billion came from export of services including those of manufacturing, maintenance and repair, transportation, travel, telecommunication and information technology, and other business services in H1 of this fiscal.

<http://today.thefinancialexpress.com.bd/last-page/service-sectors-h1-export-earnings-soar-over-50pc-1550080288>

Export performance of many sectors falls short of expectations

- Exports from many sectors in the economy either took slow lane of growth or swung between their highs and lows despite subsidies doled out over the years. The sectors putting on this lacklustre show include jute and jute goods, plastic products, agro-products including potato, meat, animal bones and horn-cores, and some frozen foods.
- In the meantime, people familiar with the subsidy regime, were found dubious about the impact of cash incentives on the export-oriented RMG industry. And many of them argued that the RMG will not require right at this moment such cash subsidy rather they need regulatory supports.
- The export earnings from the jute sector swung highly both upwards and downwards over the years, although our objective is to boost the shipments according to the Ministry of Finance.

<http://today.thefinancialexpress.com.bd/first-page/export-performance-of-many-sectors-falls-short-of-expectations-1550079848>

Banks want hike in interest rate on foreign currency trade finance

- Banks requested Bangladesh Bank for upward revision of interest rate of foreign currency loans for trade finance which they issued against export and import bills. They made the request to increase the cap to, at least, 7 % at the central bank headquarters in Dhaka.
- As per the central bank's instruction of 2013, authorised dealers of banks are allowed to issue foreign currency loans against export and import bills also known as buyer's credit and supplier's credit at highest 6 % interest inclusive of London Interbank Offered Rate (LIBOR).
- Officials of the scheduled banks at the meeting said that issuing foreign currency loans at the rate of 6 % had become tough for the banks due to the significant rise in LIBOR. In 2012, when BB imposed cap on interest rate of foreign currency loan for such trade, six month's average and one year average rate of LIBOR was 0.76 % and 1.08 % respectively. The rate of six month average and one year average LIBOR have later increased to 2.86 % and 3.03 % respectively.
- ACI Limited share prices have been declining for the last one year, so has been its earning per share. On Wednesday, a share of ACI was traded at BDT307.90, down from BDT 430 a year ago. ACI Limited disbursed 115% cash and 3.5% stock dividend to its shareholders last year.

<http://www.newagebd.net/article/64752/banks-want-hike-in-interest-rate-on-foreign-currency-trade-finance>

Bangladesh Bank (BB) warns of fraud in Fintech services

- Bangladesh's payment service providers will have to take prompt remedial measures against frauds and forgery for ensuring public confidence in the financial system according to the central bank.
- Cross-border financial transactions need to be dealt with due diligence because of increasing cyber threat, complexity of transactions and involvement of multiple cross-frontier jurisdictions.
- The Bangladesh Bank (BB)'s latest warning came against the backdrop of rising trend in Fintech ecosystem in the last couple of years mainly on payment and clearing systems in Bangladesh.

- Fintech is in nascent stage to pose any major systemic threat, it still requires close regulatory supervision and monitoring due to its constant evolutionary nature with the latest technology the BB said in a study on the Financial Stability Implications of Fintech in Bangladesh.
- Fostering well-regulated Fintech solutions in cross-border foreign exchange transactions would enhance remittance inflow through legal channels, which has favourable implications for financial stability.

<http://today.thefinancialexpress.com.bd/first-page/bb-warns-of-fraud-in-fintech-services-1550079798>

High Court orders list of money launderers, loan defaulters

- The High Court ordered on Wednesday the authorities concerned to prepare a list of loan defaulters and money launderers of the last 20 years and submit it to the court.
- The HC also issued a rule asking the authorities concerned to explain why an order should not be given to form a powerful commission to identify irregularities and corruption in the banking sector in the previous years.
- The HC bench came up with the order and rule after primary hearing on a writ petition filed by a on behalf of the Human Rights and Peace for Bangladesh (HRPB) to stop irregularities and corruption in the banking sector.
- The statistics available with the Bangladesh Bank showed that the total amount of default loans, also termed classified loans, stood at BDT 993.70 billion at the end of September, 2018. During the hearing, the court said a vulnerable situation had already been created in the public and private banking sectors in the country. Necessary steps should be taken to stop all irregularities for reviving the economy and taking it to a strong position.

<http://today.thefinancialexpress.com.bd/first-page/hc-orders-list-of-money-launderers-loan-defaulters-1550079612>

Businesses to help in new VAT law implementation

- Businesses and VAT (Value Added Tax) officials reached a consensus over the implementing the long-delayed VAT law from next fiscal year.
- In a close-door meeting with the National Board of Revenue (NBR), the business leaders have expressed their positive views on the implementation of the new law through amendments.
- The proposed amendments are: Introduction of multiple rates of VAT, keep provisions of obtaining credit of the paid VAT, abolishing tariff value, and continuing the VAT registration process as per VAT law-1991.
- In a meeting on NBR's premise with business leaders, both sides agreed to scrap the uniform rate of VAT at 15 % for all businesses and reduce the burden of Supplementary Duty on businesses.

<http://today.thefinancialexpress.com.bd/first-page/businesses-to-help-in-new-vat-law-implementation-1550079737>
<http://www.newagebd.net/article/64753/nbr-fbcc-agree-new-vat-law-with-changes-take-effect-in-july>

Coal import for Payra power plant by August likely

- The authorities are expected to start large-scale coal import by August this year to run USD 1.98 billion Payra power plant in Patuakhali in southern Bangladesh.
- The Bangladesh-China Power Company Limited (BCPCL), the executing agency of the 1,320 megawatt (MW) thermal power plant, would import annually around 4.0 million tonnes of coal from Indonesia to run the facility. The mine has an annual capacity to extract around 1.0 million tonnes of coal.
- Bangladesh did not import large quantity of coal before as its major requirement was being met by the country's lone-operational Barapukuria coalmine. The Payra coal-fired power plant would be the first to be run on imported coal.

<http://today.thefinancialexpress.com.bd/last-page/coal-import-for-payra-power-plant-by-august-likely-1550080153>
<http://today.thefinancialexpress.com.bd/last-page/coal-import-for-payra-power-plant-by-august-likely-1550080153>
<http://today.thefinancialexpress.com.bd/trade-market/deal-on-payra-port-master-plan-today-1550078994>

FSRU gas supply to national grid rises to 450 mmcfd

- Gas supply to the national grid from the maiden floating LNG import terminal in the deep sea rose to its maximum capacity as the pipeline started receiving 450 million cubic feet of gas a day.
- The gas supply to different regions from the national grid will boost up production in factories, gas-based power plants and fertiliser factories, domestic holdings and garment manufacturing units resulting in a positive impact on the overall

national economy.

- With the enhanced supply the country is now getting gas for all regions including the capital Dhaka from the national grid in a limited scale alongside the natural gas available from the local gas fields. The natural gas supplied earlier to the Chattogram region has also been added to Dhaka and rest of the country from the national grid.
- Chattogram, a long-time gas-hungry region, will be the most beneficiary of the FSRU gas supply as most of the major industries and the thriving special industrial and economic zones are located in the region.

<http://today.thefinancialexpress.com.bd/last-page/fsru-gas-supply-to-natl-grid-rises-to-450-mmcf-1550080203>
<https://www.thedailystar.net/business/news/lng-boosts-ctg-factories-1701799>

Bangladesh Securities and Exchange Commission (BSEC) slaps BDT 23.0 million fine

- The Bangladesh Securities and Exchange Commission (BSEC) has slapped fines amounting to BDT 23.0 million on two individuals and a company for manipulating Shahjibazar Power Company's share price in 2014 . The regulator then decided to file a case in the special tribunal for stockmarket against them, but the individuals and firm appealed to the BSEC to settle the matter out of court.
- Previously, in June 2015, BSEC had slapped a fine of BDT48.2 million on nine business entities and two individuals for their involvement in the abnormal rise of share prices of SPCL.

<https://www.thedailystar.net/business/news/bsec-slaps-BDT-230cr-fine-1701775>
<https://www.dhakatribune.com/business/2019/02/13/bsec-fines-BDT2-30cr-for-manipulating-share-prices>
<http://www.newagebd.net/article/64755/bsec-retreats-from-suing-3-investors-for-spcl-price-rigging>

Dhaka Stock Exchange (DSE) launches inquiry into reported huge loss of ACI's subsidiary

- Dhaka Stock Exchange (DSE) has launched an inquiry committee to unearth the reason why ACI Logistics Limited, or Swapno, a chain super shop brand, being the subsidiary of ACI Ltd has been incurring huge losses and gobbling up profit of its parent company.
- A decade of loss making record since its inception, Shwapno has weighed on the profitability of ACI Ltd resulting in registering loss for the parent company ACI as a consequence. The situation aggrieved ACI's shareholders, as its prices in the DSE fell nearly BDT125 in a year.
- 'Shwapno' is the brand name of ACI Logistics, and the super shop owns 76% of the logistics company. The super shop 'Shwapno' has been running at a loss since its inception in 2008. In the 2017-18 fiscal year, 'Shwapno' incurred loss of BDT1.35 billion, and its accumulated loss in the year stood at BDT 8.91 billion, according to annual report of ACI.
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<https://www.dhakatribune.com/business/2019/02/13/dse-launches-inquiry-into-reported-huge-loss-of-aci-s-subsiary>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.06	+0.16	+0.30%
Crude Oil (Brent)*	\$63.82	+0.21	+0.33%
Gold Spot*	\$1,308.27	+2.00	+0.15%
DSEX	5748.31	+16.36	+0.28%
Dow Jones Industrial Average	25,543.27	+117.51	+0.46%
FTSE 100	7,190.84	+57.70	+0.81%
Nikkei 225	21,155.44	+10.96	+0.05%

Exchange Rates

USD 1 = BDT 83.81*

GBP 1 = BDT 107.80*

EUR 1 = BDT 94.53*

INR 1 = BDT 1.18*

**Currencies and Commodities are taken from Bloomberg.*

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