

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.

Bangladesh poised to emerge as 30th largest economy: Multilateral Investment Guarantee Agency (MIGA)

- MIGA, the political risk insurance arm of the World Bank Group, was created in 1988 to promote foreign direct investment in emerging economies. Bangladesh is poised to emerge as the world's 30th largest economy over the next few years with a trillion-dollar GDP, a top official of Multilateral Investment Guarantee Agency (MIGA) said on Wednesday, reports UNB. In order to ensure sustained economic development, it is essential that the country is seen as a safe harbour for foreign investment, particularly in sectors that are critical towards this growth: energy, infrastructure, manufacturing and agriculture, said the vice-president and chief operating officer of MIGA, in a statement.

- MIGA is currently exploring the possibility of building an energy efficient fertiliser plant in Narsingdi, which will produce urea from natural gas. This will help boost domestic urea production and improve agricultural production, enhance food security, and reduce environmental pollution.

<http://today.thefinancialexpress.com.bd/last-page/bd-poised-to-emerge-as-30th-largest-economy-miga-1552500840>

China to invest more than USD 50 billion in next 10 years in Bangladesh

- China is expected to invest more than USD 50 billion in the next 10 to 15 years in Bangladesh's thrust sectors like energy and power, transport and communications etc. Commerce Minister disclosed this in a Bangladesh-China Business Connections event, arranged by HSBC recently in the city. Li Guangjun, Chinese economic and commercial counsellor in Bangladesh, said that he is confident that the bilateral economic cooperation between Bangladesh and China will be explored in a more extensive way in the future.

<http://today.thefinancialexpress.com.bd/stock-corporate/china-to-invest-more-than-50b-in-next-10-yrs-in-bangladesh-1552498482>

<https://www.thedailystar.net/business/news/china-may-invest-50b-15yrs-1714723>

Construction of Sonadia sea port hits snag

- A fast-track project of the government -- establishment of the country's third deep-sea port proposed at Cox's Bazar's Sonadia -- has plunged into uncertainty. The existing two ports in Chattogram and Mongla are being upgraded, while construction of two deep-sea ports in Payra and Matarbari is underway. On completion of these, the fifth port would be built at Sonadia, if need be, said Finance Minister AHM Mustafa Kamal yesterday.

- Replying to a query regarding completion of Payra Port, the minister said a huge volume of construction was going on there which would take five to seven years to complete. On the Matarbari port in Cox's Bazar, he said the government was constructing the port such a way that bigger ships from around the world could easily use it.

<https://www.thedailystar.net/backpage/news/construction-sonadia-sea-port-hits-snag-1714927>

Non-Performing Loans (NPL) drag down banks' capital

- The capital base of banks weakened slightly last year, due mainly to the increased non-performing loans (NPLs), officials said. The overall capital-to-risk weighted-asset ratio (CRAR) of all the banks operating in Bangladesh came down to 10.50% on December 31, 2018 from 10.83% on the same day the year before, according to the latest statistics of the Bangladesh Bank (BB). Besides, the banks failed to achieve required CRAR at 11.875% by the end of 2018 in line with the Basel-III framework.

- The rising trend in regulatory capital coupled with higher NPLs pulled down the overall CRAR, BB officials said. The total regulatory capital increased by 8.46% or nearly BDT 80 billion to BDT 1,025.61 billion in the final quarter of 2018 from BDT 945.61 billion a year before. On the other hand, the volume of classified loans in the country's banking system jumped by over 26% to BDT 939.11 billion as on December 31 in 2018 from BDT 743.03 billion a year ago.

- Ten banks, six owned by government, suffered a total capital shortfall worth over BDT 266.90 billion in 2018 as growing classified loans wiped out their profits. The 10 banks-four state-owned commercial banks (SoCBs), three private commercial banks (PCBs), two specialised banks (SBs) and a foreign commercial bank (FCB)--were put on the list of capital shortfall, according to the BB officials. Nine banks suffered a total capital shortfall of over BDT 194.67 billion in 2017 on the same ground. The nine banks-four SoCBs, three PCBs and two SBs-were put on the list of capital-deficient ones.

<http://today.thefinancialexpress.com.bd/first-page/npls-drag-down-banks-capital-1552500713>
<http://www.newagebd.net/article/67291/ten-banks-face-BDT-26678cr-capital-shortfall>
<https://www.thedailystar.net/business/news/banking-sector-govts-weak-point-kamal-1714858>

Special audit in banks, Financial Institutions to start soon: Finance Minister

- The finance minister spoke of running a special audit in every bank and financial institution very soon and also said that they have started working in this regards. He, however, asked the bankers not to be worried. Audits are not meant to send anybody to jail. This is an attempt to assess the situation.

- Finance Minister projected the country's economy to grow at a rate over 8.0% this fiscal year (FY 2018-19).

<http://today.thefinancialexpress.com.bd/first-page/spl-audit-in-banks-fis-to-start-soon-kamal-1552500416>
<https://www.dhakatribune.com/business/2019/03/13/finance-minister-no-place-for-dishonest-employees-in-state-owned-banks>

Gas price move faces uproar

- The proposal to double the gas price because of liquefied natural gas (LNG) imports is being met with fierce resistance as the increase stands to hit the economy, make businesses uncompetitive and fuel inflation. Experts, consumer rights activists, industrialists, trade bodies and left-leaning politicians have opposed the proposal. There is no legal scope to increase the gas price at the moment as the BERC cannot raise the price twice in a single fiscal year as per its laws, said the energy adviser of the Consumer Association of Bangladesh. The most recent gas hike came in October last year. Some, however, have come forward in defence of the state-run companies considering the reality of fast depleting gas reserves amid growing demand and no new discoveries.

- The proposal was to raise gas tariff for household consumers by 80 percent, and up to 211 percent for consumers of different sectors including power, industry, and motor vehicles.

- The Bangladesh Energy Regulatory Commission (BERC) will take 'logical' decision following the public hearing for raising gas tariff hike, BERC Chairman said on Wednesday. The commission is hearing from all the stakeholders concerned, which will help it to take proper decision, he said.

- The High Court will deliver its order on March 31 on a writ petition filed challenging the government's move to hike gas prices, reports UNB.

<https://www.thedailystar.net/business/news/gas-price-move-faces-uproar-1714867>
<http://today.thefinancialexpress.com.bd/last-page/berc-to-take-logical-decision-after-hearing-1552500888>
<http://today.thefinancialexpress.com.bd/last-page/hc-order-on-move-to-hike-gas-prices-on-march-31-1552500971>
<https://www.dhakatribune.com/business/2019/03/13/proposed-gas-price-hike-to-hit-businesses-dampen-investment>

Asian carmakers eye bigger share of Bangladesh market

- According to Bangladesh Road Transport Authority (BRTA), around 9,224 vehicles were sold in 2012 whereas it was 18,227 units in 2018, meaning there has been 98 percent growth in the past six years. In 2017, car sales amounted to around BDT 50.0 billion and the industry achieved 8 percent growth a year on an average since 2012, according to industry insiders. Around 63 automobiles, including sport utility vehicles (SUVs), are now sold every day in Bangladesh while it was 29 in 2012 when the market started thriving, as per the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida).

- The figures seem tempting enough to awaken Subaru Bangladesh into launching four models of the Japanese brand - Forester, BRZ, Impreza, XV -- today after a five-year gap. Moreover, the Society of Indian Automobile Manufacturers (SIAM) says it was trying to motivate the Bangladesh government into formulating an automobile manufacturing policy and bring changes to an existing automobile import policy. On the other hand, Korean automobile manufacturers Hyundai, Kia and SsangYong Motor are also looking to increase their market share in Bangladesh after sales of their cars rose 20 percent on an average in the last four years, said industry insiders. The share of Korean automakers in the Bangladesh market reached 6 percent in 2017 and it continued to grow in 2018, showed an analysis of data from the BRTA and local agents.

- High-end cars are neither lagging behind. Their sales grew about 17 percent annually in the last three years thanks to Bangladesh's growing affluent class. Some 5,555 luxury cars were sold in 2018 while it was 4,425 in 2017. The number was not more than 300 before 2014, according to the BRTA.

<https://www.thedailystar.net/business/news/asian-carmakers-eye-bigger-share-bangladesh-market-1714756>

Total tenure of existing closed-end Mutual Funds won't be more than 20 years

• The stock market regulator has issued a directive scrapping its previous directive regarding conversion or liquidation of closed-end mutual funds on completion of tenure of ten years. According to BSEC directive, total tenure, including another term of ten years, of the existing closed-end MFs will not be more than 20 years. The asset managers may extend or go for redemption or conversion of the closed-end mutual funds to the open-ended ones, according to the BSEC directive.

<http://today.thefinancialexpress.com.bd/stock-corporate/total-tenure-of-existing-closed-end-mfs-wont-be-more-than-20-yrs-1552498595>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.42	+0.16	+0.27%
Crude Oil (Brent)*	\$67.82	+0.27	+0.40%
Gold Spot*	\$1,304.44	-4.68	-0.36%
DSEX	5653.21	-29.22	-0.51%
Dow Jones Industrial Average	25,702.89	+148.23	+0.58%
FTSE 100	7,159.19	+8.04	+0.11%
Nikkei 225	21,408.08	+117.84	+0.55%

Exchange Rates

USD 1 = BDT 84.04*

GBP 1 = BDT 111.41*

EUR 1 = BDT 95.14*

INR 1 = BDT 1.21*

**Currencies and Commodities are taken from Bloomberg.*

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