

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 Bank (BB) includes 3% Banks as Participating Financial Institutions (PFIs)

- Bangladesh Bank on Sunday signed a Master Facility Agreement (MFA) with three commercial banks to enlist them as Participating Financial Institution (PFI) under Investment Promotion and Financing Facility II (IPFF II), said a BB statement. Bank Asia Limited, Brac Bank Limited and Trust Bank Limited were enlisted as PFIs in this phase under IPFF II through the signing of this agreement. USD 403.70 million equivalents to BDT 31.77 billion will be extended as long term loan to the private sector led-infrastructure projects endorsed by relevant government agencies.
- The eligible sectors for financing under IPFF II project are: power generation, transmission, distribution, renewable energy and services, port development, industrial and solid waste management, highways and expressways, airport terminals and related aviation facilities, water supply and distribution, sewerage and drainage, industrial estates, economic zones, eco parks, theme parks and parks development, social sector including infrastructure in health and education and information and communications technology.

<http://today.thefinancialexpress.com.bd/trade-market/bb-includes-three-%20bs-as-pfis-1539541599>

Central bank seeks BDT 26.55 billion to pay subsidy for exporters

- BDT 26.55 billion is immediately needed to meet the outstanding cash incentive/subsidy demand from local exporters for the second quarter (Q2) of this fiscal year (FY), 2018-19. Of the amount, some BDT 1.45 billion will be required for the jute sector, while BDT 25.10 billion for other sectors. The Bangladesh Bank (BB) has sought the fund from the government to meet the cash incentive/subsidy demand made by the exporters.
- The Ministry of Finance (MoF) has already released the first tranche of BDT 11.25 billion as cash incentive/subsidy in current FY in favour of the BB. Of the amount, some BDT 1.25 billion was given to the exporters of jute sector, while BDT 10 billion was given to the exporters of other sectors for the first quarter. The fund, released by the government, was provided to the banks as their outstanding cash incentive/subsidy.
- The banks' unpaid cash incentive stood at over BDT 14.84 billion until September 2018. Of the amount, jute sector will get over BDT 220 million, while other sectors will get over BDT 14.62 billion.
- A total of 35 export-oriented sectors are receiving cash incentives for the current fiscal. The government has earmarked some BDT 45 billion as cash incentive/subsidy to these sectors for FY 19. The amount was same in last FY also.
- The government has set USD 44 billion export target for the current FY, including USD 5.0 billion from service sector. The country's total export earnings rose by 5.81 % to USD 36.66 billion in FY 18.

<http://today.thefinancialexpress.com.bd/first-page/central-bank-seeks-BDT-2655b-to-pay-subsidy-for-exporters-1539539412>

July-August trade gap reaches USD 2.11 billion

- Bangladesh's trade deficit crossed USD 2.0 billion in the first two months of the current fiscal year (FY), 2018-19, mainly due to its higher import payments than lower export receipts. The gap in trade with the rest of the world rose to USD 2.11 billion in the July-August period of FY 19, from USD 1.77 billion in the same period of the previous fiscal. The trade deficit registered a 19.31 % growth during the period under review.
- The country's overall import volume increased, although with a decreasing trend, in the first two months of FY 19. The overall import grew by 5.66 % during the July-August period of FY 19 against 33.95 % growth in the same period of FY 18.
- The import rose to USD 8.82 billion in the first two months of FY 19 from USD 8.35 billion in the same period a year earlier. In contrast, export earnings stood at USD 6.72 billion during the period under review against USD 6.59 billion in the same period.
- Meanwhile, the country's current-account deficit came down to USD 60 million during the July-August period of FY 19 against USD 369 million a year ago. The inward remittance flow increased by 8.39 % to USD 2.69 billion in the first two months of this fiscal from USD 2.48 billion in the same period of FY 18. Balance of Payments reached USD 156 million in the first two months of FY 19 against USD 206 million deficit in the same period of the previous fiscal.

<http://today.thefinancialexpress.com.bd/first-page/july-aug-trade-gap-reaches-211b-1539539371>

<http://www.newagebd.net/article/53232/trade-deficit-jumps-by-19%-in-jul-aug>

Number of accounts drops amid purge

- The number of active mobile financial service (MFS) accounts has decreased by 0.97 million in a month as the banking watchdog has strengthened monitoring to cut suspicious transactions. The number of active mobile wallets stood at 29.6 million at the end of August, down from 30.5 million in July, according to Bangladesh Bank data.
- However, the number of registered clients increased slightly by 1% to 64.6 million in August from the previous month.
- The MFS providers closed the accounts which have failed to comply with the regulatory rules. Bangladesh Bank has taken an initiative to identify and close the accounts, which are suspicious and have been inactive for three months.

However, the fall in MFS accounts' number did not leave any impact on the use of such payment channels. The average daily transaction through mobile wallets rose by 11.7% to BDT 11.09 million in August compared to that the previous month, according to central bank data. Inward remittance through mobile channels hit BDT 317.4 million in August, an increase by 116% from BDT 147.0 million in July.

<https://www.thedailystar.net/business/news/number-accounts-drops-amid-purge-1647145>

Development spending slows ahead of polls

- Development spending dropped 10.91% in the first quarter of the fiscal year -- a rather puzzling development for an election year.
- Typically, during an election year, development works are ramped up by the incumbent government to leave a favourable impression on the electorate. But this time, spending under the annual development programme between the months of July and September was lower than a year earlier both in terms of % and volume.
- In the first quarter of fiscal 2018-19, ADP spending was BDT 149.27 billion, which is the lowest in four years. This means, the ADP implementation during the period was only 8.25% -- the lowest in three years.
- The government has allocated BDT 1.80 trillion development spending this fiscal year, up 17% from the previous year. Of the BDT 14.9.27 billion spent in the first quarter, BDT 84.36 billion came from the government's own fund, which is 7.48% of the allotted sum. Some BDT 51.88 billion came from foreign aid, which is 8.65% of the allocation of BDT 600.00 billion.
- However, this time performance of state-owned enterprises improved: they spent BDT 13.03 billion in the first three months of the fiscal year, which is 16.55% of their allocation.

<https://www.thedailystar.net/business/news/development-spending-slows-ahead-polls-1647148>

Government may waive BDT 100 SIM replacement tax for mobile number portability (MNP)

- The government in principle has decided to waive BDT 100 in taxes on the SIM cards which would be replaced with the mobile phone operators against mobile number portability service. The decision came following a proposal from Bangladesh Telecommunication Regulatory Commission on the eve of MNP service launch.
- Under the existing taxation BDT 100 is applicable for any sort of replacement of SIM cards, irrespective of the purposes, including availing MNP service. If the issue of SIM replacement taxes is taken into consideration, subscribers will have to pay BDT 100 as SIM replacement taxes and another BDT 50 as MNP charge along with value-added taxes, taking to around BDT 158 total cost for MNP.

<http://www.newagebd.net/article/53233/govt-may-waive-BDT-100-sim-replacement-tax-for-mnp>

GP introduces '013' number series

- Grameenphone (GP) has introduced a new number series of '013' alongside the existing '017' series. With '013' connections, customers will be able to enjoy the same portfolio of products and services, and the best network experience in the country that our customers using '017' love. New SIM cards with '013' numbers will be available at all SIM selling outlets, just like the "017" numbers and at the same price.

<http://today.thefinancialexpress.com.bd/stock-corporate/gp-introduces-013-number-series-1539533564>

<https://www.thedailystar.net/business/telecom/grameenphone-013-new-phone-number-series-launched-1646884>

<http://www.newagebd.net/article/53235/gp-launches-013-number-series>

<https://www.dhakatribune.com/business/2018/10/15/grameenphone-launches-013-number-series>

IPDC Finance to issue BDT 1.0 billion bond

• IPDC Finance Limited will raise a capital worth BDT 1.0 billion through issuing bonds. The Bangladesh Securities and Exchange Commission (BSEC) approved a proposal to raise the capital through issuing 'Fully Redeemable Subordinated Bond'. The bond will be issued through private placement to other than existing shareholders of the company in cash consideration.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipdc-finance-to-issue-BDT-10-billion-bond-1539533546>
<https://www.thedailystar.net/business/news/ipdc-trust-bank-cleared-issue-bonds-1647010>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$72.08	+0.74	+1.04%
Crude Oil (Brent)*	\$81.42	+0.99	+1.23%
Gold Spot*	\$1,222.04	+4.99	+0.41%
DSEX	5446.41	+11.40	+0.21%
Dow Jones Industrial Average	25,339.99	+287.16	+1.15%
FTSE 100	6,995.91	-11.02	-0.16%
Nikkei 225	22,318.94	-375.72	-1.66%

Exchange Rates

USD 1 = BDT 83.75*
GBP 1 = BDT 109.77*
EUR 1 = BDT 96.71*
INR 1 = BDT 1.13*

*Currencies and Commodities are taken from Bloomberg.

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