

## Stock Market

### Stocks gain for 4th day but turnover slumps

New Age, December 24, 2018

- Dhaka stocks increased on Sunday, extending the gaining streak to the fourth consecutive session, despite a fall in share prices of almost two-thirds of the traded scrips as a section of investors continued buying shares from sector-specific large capitalised scrips.
- The turnover on Dhaka Stock Exchange, however, slumped to BDT 353.63 crore on Sunday compared with that of BDT 462.85 crore in the previous trading session. Market operators said the investors' participation on the trading floor decreased as investors remained cautious ahead of the 11th parliamentary elections slated for December 30.
- Due to the polls, banks and non-bank financial institutions will close their annual financial accounts on December 27 as per Bangladesh Bank's directives. Banks and NBFIs usually close their annual financial accounts on December 30.
- DSEX, the key index of DSE, added 0.31 %, or 16.45 points, to close at 5,281.77 points on Sunday. The DSEX gained 64 in last four sessions. The trading at the market was volatile throughout the session but the market ended in the positive territory as share prices of some of the large capitalised scrips increased in late trading, market operators said.
- Average share prices of telecommunication, energy, bank and NBFIs advanced by 0.85 %, 0.44 %, 0.43 % and 0.11 % respectively. Among the large capitalised scrips, a gain in the share prices of Grameenphone, Square Pharmaceuticals, Khulna Power Company and Investment Corporation of Bangladesh contributed most to the market gain.
- Market operators said investors were also assessing risk factors associated with the current political situation. Average share prices of textile and cement dropped by 0.63 % and 0.37 % respectively. The textile sector led the turnover chart on Sunday by holding 20 % of the day's total turnover. Of the 336 companies and mutual funds traded on Sunday, 184 declined, 118 advanced, and 50 remained unchanged.
- DSE blue-chip index DS30 advanced by 0.46 %, or 8.64 points, to close at 1,850.75 points. Shariah index DSES added 0.37 cent, or 4.49 points, to finish at 1,213.86 points. Khulna Power Company led the turnover leaders with its shares worth BDT 20.51 crore changing hands. Quasem Industries gained the most on the day with a 9.56-% increase in its share prices, while EBL First Mutual Fund was the worst loser, shedding 7.69 %.

<http://www.newagebd.net/article/59662/stocks-gain-for-4th-day-but-turnover-slumps>

### 17 banks raise BDT 9,600cr thru bonds in 2018

New Age, December 26, 2018

- Seventeen listed banks have issued subordinated bonds worth BDT 9,600 crore in total in the outgoing year of 2018 to raise their capital base in line with the Basel III requirements as the banks have found the debt instrument cost-effective than issuing more shares or rights shares on the stock market.
- Issuance of subordinated debt by banks has been rising as 13 listed banks floated bonds worth BDT 5,500 crore in total in 2017, seven banks BDT 3,100 crore in 2016 and six banks BDT 2,350 crore in 2015. Subordinated debt has become the favourite form of capital raising instrument for banks in recent years as they now realise the benefits of the supplementary capital raising instrument, bankers said.
- In 2018, Eastern Bank floated bonds worth BDT 500 crore, United Commercial Bank BDT 800 crore, Shahjalal Islami Bank BDT 600 crore, Trust Bank BDT 500 crore, Islami Bank Bangladesh BDT 700 crore, Social Islami Bank BDT 500 crore, Dutch-Bangla Bank BDT 500 crore. One Bank issued bonds worth BDT 800 crore, Al-Arafah Islami Bank BDT 500

crore, City Bank BDT 700 crore, Mercantile Bank BDT 300 crore, Rupali Bank BDT 600 crore, Prime Bank BDT 700 crore, Dhaka Bank BDT 500 crore, Jamuna Bank BDT 500 crore, Southeast Bank BDT 500 crore and NCC Bank BDT 400 crore.

- CAR, which determines the adequacy of banks' capital keeping in their risk exposures, stood at 10 % in June, 2018 against the requirement of 11.817 %, BB data showed. The banking sector's capital base remained weak on the back of deteriorating asset quality of banks in 2018.
- Bonds are more cost-effective and time-efficient than other means of capital raising, he said, adding that the interest expense paid on subordinated debt was tax-deductible. The central bank in October, 2009 issued guidelines, allowing banks to raise their capital through issuing subordinated debt to meet the Basel-II requirement. Newly issued subordinated debt can enable banks to reduce debt service requirements, increase regulatory capital, and preserve current ownership interests that otherwise could be diluted by raising common equity.

<http://www.newagebd.net/article/59854/17-banks-raise-BDT-9600cr-thru-bonds-in-2018>

## Jute industry going thru' rough patch

The Daily Star, December 26, 2018

- The jute industry is riding out 2018 on a rough tide thanks to a slide in global demand in the second half after a decent start to the year. Economic downturn in Turkey, anti-dumping duty imposed by India on jute goods and a decline in demand in China altogether affected the jute industry this year.
- The industry, which posted a 6.56 % higher export receipt of \$1.02 bn last fiscal year, fell into trouble in the wake of sliding demand for yarn from buyers in Turkey, which usually account for 37 % of total annual exports. Turkish economic growth crawled down to 1.6 % in the third quarter, falling short of forecasts as a currency crisis and soaring inflation led to the worst economic performance in two years, reported Reuters on December 10.
- Local manufacturers make about 10 lakh tonnes of jute goods, namely yarn and twine, sacks and bags and export 8.5 lakh tonnes annually, according to the Bangladesh Jute Spinners Association (BJSa). Of the shipment, about 6 lakh tonnes are jute yarn. Shipment of yarn and twine sank 26 % year-on-year to \$212 mn in the first five months of the fiscal 2018-19.
- Overall, export of jute and jute goods were 22 % down to \$351.5 mn during the period, according to the Export Promotion Bureau. China is one of the biggest markets for jute goods, particularly yarn. The crisis for millers intensified further as they had to count extra for the soaring prices of raw jute, according to industry insiders.

<https://www.thedailystar.net/business/news/jute-industry-going-thru-rough-patch-1678972>

## MIDAS gets new chairman

The Daily Star, December 26, 2018

- Anjan Chowdhury has recently been elected chairman of the Micro Industries Development Assistance and Services (MIDAS). The board of directors of MIDAS elected Chowdhury during a board meeting on December 20, says a tatement. Ali Imam Majumder has also been included as a director from the MIDAS general body.
- Chowdhury, a freedom fighter, is one of the key stakeholders of Square Group, a leading business conglomerate in Bangladesh. He is the managing director of Square Toiletries Ltd, chairman of Maasranga Productions Ltd and a director of Square Pharmaceuticals Ltd, Square Textiles Ltd and Square Hospitals Ltd.

- He was recognised by the government as a CIP in different years since 2005 and as one of the nation's top taxpayers since 2008. Chowdhury was a former president of Bangladesh Agro Processors Association, vice president of the Association of TV Company Owners and president of the Airline Operators Association of Bangladesh.
- He was awarded National Sports Award 2009 for his outstanding contribution to sports activities and National Film Award 2010 as best producer in 2011 for the movie Monpura. Chowdhury studied management at the University of South Florida.

<https://www.thedailystar.net/business/news/midas-gets-new-chairman-1678921>

## **No contract jobs in banks beyond 65yrs**

The Daily Star, December 26, 2018

- Bangladesh Bank has asked banks not to hire people over the age of 65 on a contractual basis amid a rising trend of such appointments. As per existing rules, chief executive officers of banks will have to go into retirement at the age of 65 but there is no specific rule for other contractual posts, creating disparity among employees in the banking sector.
- The central bank, however, said no such age limit would be applicable for recruiting advisers and consultants on contracts. The board of directors of private lenders will have to frame retirement related guidelines in accordance with the existing policy followed by state-run lenders, according to a central bank circular sent to all banks on Monday.
- Employees of the state-lenders have to go into retirement when their age exceeds 59 in line with government service rules. In a separate instruction, the central bank asked lenders to refrain from recruiting people without postgraduate degrees as managing directors.
- If any person attained third division in his academic life, he will not be eligible to hold the post of chief executive officer of a bank. Moreover, the CEOs must have obtained at least GPA 3 in both SSC and HSC examinations. In graduate and postgraduate exams, they must have a minimum CGPA of 2.5 and 3 on the scales of 4 and 5 respectively.
- The degrees must be from recognised universities and the lenders should put emphasis on degrees from the fields of economics, banking and finance, accounting, management and business administration.

<https://www.thedailystar.net/business/news/no-contract-jobs-banks-beyond-65yrs-1678966>

## **DSE won't charge monthly fee for using mobile app**

The Financial Express, December 25, 2018

- The Dhaka Stock Exchange (DSE) will not charge monthly BDT 150 per user for trading using DSE Mobile app. The DSE board of directors changed its decision after widespread criticism from all quarters including stockbrokers, trading rights entitlement certificate (TREC) holders and investors
- The DSE board on December 19 at a meeting decided to charge BDT 150 per month on the use of its investment app from January 01, 2019, but it was made public on Sunday morning through web posting. The prime bourse also requested to the TREC holders to take necessary approval of monthly fee from their clients to provide DSE-Mobile app service through the web posting.
- The market has been largely bearish in recent months. The DSEX -- the prime index of DSE -- eroded more than 944 points or 15 % between January 01 and December 24 this year.

- The prime bourse on March 9, 2016 launched the mobile-based share trading app and the usage of the app has been free since the introduction. The app is available on Google Play Store and offers features to help users track the indices and get market and company information. The application was developed by FlexTrade Systems, a global leader in broker-neutral trading platforms. Investors, first need to register with the concerned broker, then install the app from the Google Play Store.

<http://thefinancialexpress.com.bd/stock/dse-wont-charge-monthly-fee-for-using-mobile-app-1545711996>

## Listed companies see incongruity in Corporate Governance Guidelines

The Financial Express, December 25, 2018

- The Bangladesh Association of Publicly Listed Companies (BAPLC) has demanded of the regulatory bodies to remove the conflicting clauses from the Corporate Governance Guidelines promulgated recently by the Bangladesh Securities & Exchange Commission.
- The apex body of listed companies in its 19th AGM held recently raised the issue and said some of the BSEC guidelines are not congruent with the regulations issued earlier by primary regulators of banks and listed companies - Bangladesh Bank and the Insurance Development & Regulatory Authority (IDRA).
- The BAPLC members said there was an urgent need for clarification on the conflicting items from the BSEC, as compliance has been mandated for December 31, 2018, and the Executive Committee of BAPLC was requested to take immediate follow-up measures in this regard, said a statement.

<http://thefinancialexpress.com.bd/stock/listed-companies-see-incongruity-in-corporate-governance-guidelines-1545712792>

## Sonali Bank to offer services in economic zones

The Daily Star, December 26, 2018

- Sonali Bank has teamed up with Bangladesh Economic Zones Authority (Beza) to provide banking services to foreign and local investors of the economic zones across the country. Gazi Mohammad Saifuzzaman, secretary of Beza, and Md Obayed Ullah Al Masud, managing director of the bank, signed a memorandum of understanding in this regard at Pan Pacific Sonargaon Dhaka on Monday.
- The bank will meet the financing needs of the foreign and local entrepreneurs along with providing services related to foreign currency exchange and offshore banking and establishing ATM booths in the zone areas. An authorised dealer of the bank will also be there inside the economic zones providing treasury transaction services. It is not possible to attract new foreign direct investment without ensuring updated banking services and state-of-the-art technologies, Paban Chowdhury, executive chairman of Beza, said at the MoU signing ceremony.

<https://www.thedailystar.net/business/news/sonali-bank-offer-services-economic-zones-1678963>

## Liquidity crisis grips banks: BDT3,500 crore borrowed in a week from central bank

Dhaka Tribune, December 25, 2018

- Banks have been experiencing a liquidity crisis in the country for the last seven days, thanks to a high number of withdrawals and impending bank holidays ahead of the general election. In order to meet customers' withdrawal demands, Bangladesh Bank (BB) was compelled to lend BDT3,500 crore to the banks.

- Several bankers opined that due to the banks' annual accounts closing on December 27, followed by a two-day weekend, the general election on December 30 and a bank holiday on December 31, the five-day closure has caused scores of customers to withdraw cash from their accounts.
- Upon investigation, it was found that 21 banks have taken BDT3,500 crore in loan from the central bank, including BDT546 crore on December 18, BDT763.55 crore on December 19 and BDT924.46 crore on December 20. Sources said that AB Bank Ltd had borrowed the most, with BDT400 crore, followed by Eastern Bank Ltd with BDT183 crore, Trust Bank Ltd with BDT50 crore, National Bank Ltd with BDT97.5 crore, NRB Bank with BDT41 crore, Uttara Bank Ltd with BDT27 crore and Standard Bank Ltd with BDT25 crore.
- Inter-bank borrowing was highest on December 18, when BDT2,322.71 crore was lent between banks. In terms of repo interest rates, on December 18 it varied between 4.25–9%, with the average interest rate standing at 5.86%. Even the local call money market was affected, as minimum interest rates rose from 1.75% on December 18 to 2.8% the next day. BDT6,188 crore's worth of transactions were made on December 20.
- Bankers also remarked that over BDT77,000 crore, which was distributed as loans by the banks over the past two years, has still not been collected. Central bank sources said that from September 2016 till September 2018, the banks had distributed BDT242,106 crore as loans, but got only BDT164,365 crore in returns.
- According to recent Bangladesh Bank statistics, the non-performing loans (NPLs) of banks rose by a staggering BDT10,030 crore from July to September this year, increasing the amount of default loans in the banking sector to BDT99,370 crore.

<https://www.dhakatribune.com/business/banks/2018/12/25/BDT3-500-crore-borrowed-in-a-week-from-central-bank>

## July-Sept quarter: Shariah-based banks account for 23.31% of total deposits

Dhaka Tribune, December 26, 2018

- Total deposits in Islamic banks reached BDT227,814.44 crore at the end of the July-September quarter of this year. Shariah-based banks have contributed 23.31% of total deposits in the banking sector in the first quarter of the current fiscal year, according to latest data of Bangladesh Bank (BB).
- Total deposits in Islamic banks reached BDT227,814.44 crore at the end of the July-September quarter of this year, up by BDT23,807.38 crore (11.67%) compared to the corresponding quarter of the previous year. Financial experts say that by terming interest as "profit," increasing the number of branches in remote areas, and providing friendly service to customers, Islamic banks are gradually gaining people's confidence.
- According to BB, demand deposits of the eight Islamic banks in Bangladesh stood at BDT31,196.44 crore, while time deposits stood at BDT196,618 crore at the end of September this year. Total deposits of these Islamic banks - which stood at BDT215,309.77 crore at the end of September this year - accounted for 94.51% of the total deposits of the Islamic banking sector.
- Among them, Islami Bank Bangladesh accounted for the highest share of deposits (35.31%), followed by First Security Islami Bank (13.56%), Al-Arafah Islami Bank (12.23%), EXIM Bank (11.27%), Social Islami Bank (9.31%), Shahjalal Islami Bank (7.23%), ICB Islamic Bank (0.50%), and Union Bank (5.09%).
- Islamic banking branches of commercial banks contributed 2.87%, while Islamic banking windows contributed 2.62% to the deposits. Nine commercial banks of the country have a total of 19 Islamic banking branches. The nine commercial banks are: The City Bank, AB Bank, Dhaka Bank, Premier Bank, Prime Bank, Southeast Bank, Jamuna Bank, Bank Alfalah, and HSBC Bank.
- Seven other commercial banks also have 25 Islamic banking windows. They are Sonali Bank, Agrani Bank, Pubali Bank, Trust Bank, Standard Bank, Bank Asia, and Standard Chartered Bank. Janata Bank recently obtained permission from BB to start an Islamic Banking window, but has not started operations yet.

- Among the different types of deposits of Islamic banking, Mudaraba Term Deposits made the highest contribution (49.59%), followed by Mudaraba Savings Deposits (18.53%), other deposits (14.95%), Mudaraba Special Savings Deposits (8.64%), Al-Wadeeah Current Account Deposits (3.87%), Mudaraba Special Notice Deposits (3.55%), Mudaraba Savings Bonds (0.67%), and Mudaraba Hajj Deposits (0.21%), according to BB.

<https://www.dhakatribune.com/business/banks/2018/12/24/july-sept-quarter-shariah-based-banks-account-for-23-31-of-total-deposits-2>

## 2018 marked better year for IPO

Dhaka Tribune, December 24, 2018

- Fund collection by businesses through Initial Public Offerings (IPOs) in the current year saw a big leap, as BDT546 crore was raised as of early December, up by 149% from a year earlier. High bank interest rates, failing to secure bank loans and flexible terms of stock market are some of the reasons that attracted companies to go public, analysts said.
- Besides, good exposure to foreign buyers that favour listed firms for sourcing products and the demutualization of the Dhaka Stock Exchange (DSE) are two other major reasons to attract firms to get listed on the premier bourse, initially through issuing IPOs
- According to DSE's latest data, a total of 13 companies have raised funds worth BDT546 crore which was BDT219.25 crore in the last year. Of them, two companies have raised BDT280 crore using the book building method, while 11 companies collected BDT266 crore under the fixed price method.
- Among the fund raising companies, six in the textile and garment sector have raised BDT201 crore. Aman Cotton raised BDT80 crore followed by Kattali Textile -BDT34 crore, M.L Dyeing BDT20 crore, VFS Thread Dyeing BDT22 crore, SK Trims and Industries BDT30 crore and Queen South Textile Mills collected BDT15 crore.
- Three pharmaceutical companies raised BDT70 crore. They are- Indo-Bangla Pharmaceuticals -BDT20 crore, Silva Pharmaceuticals - BDT30 crore and Advent Pharmaceuticals -BDT20. Bashundhara Papers and Printing raised BDT200 crore, Intraco Refueling Station Limited collected BDT30 crore in the fuel and power category and SS Steel collected BDT25 crore, according to DSE data.
- Genex Infosys, an IT company has raised BDT20 crore. Stock market analysts think there is still shortage of quality stocks, a requirement for the stability of the stock market. In absence of quality stocks there remains always a possibility of being overvalued, creating scopes for manipulation in the market.

<https://www.dhakatribune.com/business/stock/2018/12/24/BDT536cr-raised-by-13-firms>

## DSE to hold election for a director January 24

Dhaka Tribune, December 24, 2018

- As per the election schedule, the final voter list will be published on the DSE website on December 26. An election for the post of a shareholder director of Dhaka Stock Exchange (DSE) will be held on January 24, as a director will retire this year in line with the demutualisation scheme, as per DSE's election board schedule.
- This year, Rakibur Rahman, former DSE president and also managing director of Midway Securities Ltd, will retire from the board, DSE officials said. The three-member election commission headed by retired High Court judge, Justice Md Abdus Samad, acting as its chairman, declared the election schedule yesterday.
- As per the election schedule, the final voter list will be published on the DSE website on December 26, while nomination papers can be collected from December 27 and must be submitted by December 31. Shareholders of the premier bourse will be allowed to withdraw candidature till January 13 and the election commission will publish the final list of candidates on the same day.



- The DSE election will be held at 10am till 3:30pm without any break, at the ground floor of Stock Exchange building in Dhaka's Motijheel. The newly-elected director's name will be announced at the bourse's 57th annual general meeting (AGM). According to the Demutualisation Act 2013, the 13-member board of the bourse consists of four from its existing shareholders, seven independent directors, a chief executive officer and one strategic investor.
- The demutualisation scheme was approved by Bangladesh Securities and Exchange Commission (BSEC) in 2013. In 2012, a law on demutualisation was passed in parliament with a promise to bring transparency and accountability to the stock market.

<https://www.dhakatribune.com/business/stock/2018/12/24/dse-to-hold-election-for-a-director-january-24>

## **ICB trading falls in stock market by 26.39% , profit up by 2.44%**

Dhaka Tribune, December 24, 2018

- During FY18, ICB's total trade, along with its subsidiary companies in both the bourses, was BDT15,478.83 crore. The total trading of state-owned Investment Corporation of Bangladesh (ICB) in the secondary market of the stock market fell by 26.39% in the last fiscal year, compared to the previous fiscal year.
- According to the latest annual report, during FY18, ICB's total trade, along with its subsidiary companies in both the bourses, was BDT15,478.83 crore—which is 26.39% lower than the total trade value of BDT21,028.46 crore of the previous year.
- Yet, this year ICB's overall net profit after tax deduction stood at BDT377.14 crore—which was BDT368.17 crore in FY17—showing an increase of 2.44%. Last year, the total turnover of ICB in the secondary market was BDT5,608.11 crore—31.65% lower than the previous fiscal year's turnover of BDT8,205.02 crore. At the same time, capital gains of ICB's own portfolio was BDT742.58 crore—which is 4.31% less than the capital gain of BDT776.05 crore in FY17.
- The annual report also revealed that BDT2,695.25 crore was invested in ICB's own portfolio in FY18. Out of this, BDT2,640.25 crore was invested in securities of various listed companies through the secondary market—which is 44.44% less than last year's BDT4,752.02 crore.
- The market price of marketable securities of ICB's investment portfolio stood at BDT10,070.85 crore, against the cost price of BDT10,569.63 crore as of June 30 this year.

<https://www.dhakatribune.com/business/stock/2018/12/24/icb-trading-falls-in-stock-market-by-26-39-profit-up-by-2-44>

## **Economy**

### **Power generation rises by 2200MW in one year**

The Financial Express, December 26, 2018

- The country's available power generation increased by about 2,200MW in the last one year while installed production capacity saw a rise by around 4,000MW, according to statistics of state-owned Power Development Board (PDB). The PDB data placed in its website's generation archive show that the country's installed capacity reached 17,685MW in December 2018 from 13,846MW in the corresponding period in 2017.
- The derated or actual capacity was increased by 3,995MW to 17,142MW from 13,147 during the same period. However, the overall power generation is now 10,000-10,800MW against 8,600-9,200MW in 2017. The statistics show that the country witnessed highest generation of 11,623MW at 7:30am on September 19 last while highest 9507MW was recorded at 7:30am on October in 2017, showing a rise by 2,116MW in the highest production benchmark.

- Officials said if the non-grid captive power generation of about 3,000 MW and 250 MW of renewable energy are included in statistics, the total generation will go up to 20,343MW of which 11,057MW came from private sector producers while 9,286MW from public entities, reports UNB. They said the generation was 5000-7000MW less from their actual capacity because of various reasons.
- The power generation normally drops in the winter because due to lesser demand. The country witnessed the evening peak generation at 8296MW on December 22 while it was 7064MW on the same day in 2017. The statistics also show that the country's total number of power generation plants in public and private sectors has increased by 17 to 127 in December 2018 from 110 in same month of last year. Of this, only six plants came into operation in the public sector while the remaining 11 came in the private sector.

<http://thefinancialexpress.com.bd/national/power-generation-rises-by-2200mw-in-one-year-1545749081>

## **Foreign handset brands barred from manufacturing in local cos' plants**

New Age, December 26, 2018

- Bangladesh Telecommunication Regulatory Commission has barred foreign mobile handset brands from manufacturing their products in the factories of local handset manufacturing companies. Previously, the guidelines that came into effect in August 2017 allowed foreign handset brands to manufacture their handsets in any local handset manufacturing or assembling factories.
- The telecom regulator imposed the embargo on the foreign brands which are eligible to import handsets in Bangladesh with a view to prompting them to set up their own manufacturing plants in the country if the brands desire to get tax benefits offered by the government for the sector.
- Such policy barrier might prompt the foreign mobile handset brands to set up their own plants in Bangladesh to remain competitive in the local market, BTRC officials said. Besides, it would also help the country attract foreign investments in the country's mobile handset manufacturing sector.
- So far, none of the foreign handset brands manufacture their products in the factories of local handset manufacturing companies. The local handset brands which have BTRC approval to import handsets in Bangladesh would be allowed to manufacture or assemble handsets of their own brands from any local handset manufacturers, the officials said.
- To encourage local handset assembling industry, the government in the budget for the fiscal year of 2017-2018 reduced customs duty on mobile parts by 24 %age points to 1 % and doubled the tax on handset imports to 10 %.
- Then again in the fiscal year of 2018-2019, the government imposed 2 % surcharge on imports of mobile handsets and reduced import duty on raw materials for handset manufacturing. Five entities have so far got approval from the government for setting up mobile handset assembling plants in Bangladesh. The latest one is Al Amin Brothers, a local mobile handset importer. Four other companies are: local handset manufacturers Walton, Symphony and I-Tel and global tech leader Samsung.
- A number of other companies are in the pipeline for receiving approval from the government. As per data available, mobile importers bring 2.50-3 crore mobile handsets to the country in a year through legal channel to meet a growing demand for the handsets from the country's 15.41 crore mobile phone users. Besides, another 50 lakh mobile phones enter in the country annually through illegal channel.

<http://www.newagebd.net/article/59853/foreign-handset-brands-barred-from-manufacturing-in-local-cos-plants>



## 25pc foreign aid used in 5 months

The Daily Star, December 26, 2018

- Utilisation of foreign aid rose 9.36 % year-on-year to \$1.87 bn in the first five months of 2018-19, the amount being one fourth of the whole year's target of \$7.5 bn. The utilisation is yet to get momentum, as it usually remains slow at the start of a fiscal year, according to an official of the Economic Relations Division (ERD).
- The utilisation is expected to reach close to this year's target in the second half of the current fiscal year when a new government will take the helm. On the other hand, the ERD has started collecting data for the revised foreign aid utilisation target for this fiscal year. The ministries and divisions have been asked to inform the ERD if they are unable to meet their utilisation target for this year.
- The ministries and divisions last fiscal year utilised a record amount, \$6.1 bn, which was double the amount they managed each year between the fiscal years of 2012-13 and 2016-17. However, foreign aid commitment from development partners slumped by almost half in the first five months of the current fiscal year compared to the same period previous year. This time the foreign aid commitment was \$3.82 bn, down from \$6.71 bn in the previous year.

<https://www.thedailystar.net/business/news/25pc-foreign-aid-used-5-months-1678969>

## Falling global oil prices help BPC reach break-even stage

The Financial Express, December 26, 2018

- The state-run Bangladesh Petroleum Corporation (BPC) has now reached the break-even point as far as marketing of oil products is concerned owing to a sharp fall in oil prices in the international market. It is a big sigh of relief for the BPC as it was incurring a loss of around BDT 270 mn every day only three months back due to substantial rise in international oil price, a senior BPC official said.
- The BPC was then suffering a loss of around BDT 17 on account of marketing a litre of diesel and BDT 15 a litre of furnace oil. But the loss is not significant one as BPC imports a small quantity of furnace oil, about 500,000 tonnes, while it imports around 5.0 mn tonnes of diesel every year to meet local demands, the official added.
- The price of Brent crude, the benchmark in international oil price, ranged around \$ 55 per barrel as on December 21 which was \$ 84.88 per barrel on October 02, 2018, \$ 47 in June 2017 and below \$ 30 in early 2016. The BPC had estimated an annual loss of around BDT 97 bn in oil trading, considering October oil prices in the international market.
- The state-run oil corporation had sought BDT 85 bn as subsidy from the finance ministry to foot oil import bills for the fiscal year (FY) 2019. But if the current downtrend in oil price in the international market continues, the BPC would not require any subsidy from the government, BPC officials said.
- The current price of furnace oil at the retail level is BDT 42 per litre, that of diesel and kerosene BDT 65 per litre. Octane and petrol are being sold at BDT 89 and BDT 86 per litre respectively. The government through an executive order on April 24, 2016 fixed the price and since then, the price remained unchanged. After bagging hefty profits over the past three years since late 2014, officials said, the BPC started incurring loss since November, 2017.
- The BPC booked a profit of BDT 42.12 bn in fiscal year 2014-15 (FY 2015) while BDT 63.42 bn in FY 2016 and BDT 43.99 bn in FY 2017, according to BPC statistics. It also paid BDT 22 bn to the government exchequer in FY 2016 and FY 2017 as dividend. The corporation also paid dues worth BDT 30.90 bn to state-owned Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank, BDT 17.58 bn to Petrobangla and BDT 6.03 bn as overdue value-added tax (VAT) to the National Board of Revenue (NBR) over the past several years from its profits.

<http://thefinancialexpress.com.bd/trade/falling-global-oil-prices-help-bpc-reach-break-even-stage-1545797635>

## **BD allowed to import power from neighbours via India**

The Financial Express, December 26, 2018

- Bangladesh will be able to import power from the neighbouring countries via India as the Indian government has approved the 'Guidelines for Import/Export (Cross Border) of Electricity- 2018' which was published on December 18. According to section 3.1 of the guideline of 'Cross-border Trade of Electricity', the cross-border transaction between India and the neighbouring countries will be approved by the Indian entity through an agreement.
- The Indian government has recently amended the 'Guidelines for Import/Export (Cross Border) of Electricity- 2018' where it said that two separate countries can trade electricity where India will take part through a tripartite agreement or giving approval.
- At the joint steering committee meetings, the issue of electricity import from Nepal and Bhutan via India was discussed on December 3 and December 4 in Kathmandu, Nepal, reports UNB. Already, a Memorandum of Understanding (MoU) was signed between Bangladesh and Nepal for the electricity import.

<http://thefinancialexpress.com.bd/national/bd-allowed-to-import-power-from-neighbours-via-india-1545748534>

## **International**

### **China issues nationwide 'negative' investment list**

New Age, December 26, 2018

- China issued on Tuesday a so-called 'negative' list that specifies industries where investors, domestic or foreign, are either restricted or prohibited, as part of efforts to standardise market entry rules for all players.
- Of the 151 sectors on the list, four are prohibited and the rest requires government approval, according to an 83-page document released by the National Development and Reform Commission (NDRC) at a news conference.
- Industries not on the list are open for investment to all and require no approval.
- The prohibited areas include 'illegal financing' and 'unlawful internet activities', according to the document. Areas that require approval include mining, agriculture and manufacturing. The list, long anticipated by the market, applies to all parts of the country and to all kinds of investors - foreign or domestic.
- The first version of the list was issued in 2016 on a trial basis in four provincial regions with free trade zones. It was extended to another 11 provinces and cities last year. China's trading partners have repeatedly called on Beijing to take concrete steps to further open its market to foreign firms and provide a level playing field.
- The new list is different from the negative list for foreign investment issued by the commerce ministry in June, according to Xu Shanchang, director of Economics System Reform at NDRC.

<http://www.newagebd.net/article/59860/china-issues-nationwide-negative-investment-list>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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