

# MTBiz

Monthly Business Review, Volume: 06, Issue: 04, April 2015

## *An Account of International Trade of Bangladesh*



14



## SME Bank of the Year & Women Entrepreneurs' Friendly Bank of the Year

Mutual Trust Bank Ltd. (MTB) rejoices along with its customers, shareholders, stakeholders, regulators, patrons and well-wishers, on receiving the **SME Bank of the Year** and **Women Entrepreneurs' Friendly Bank of the Year** Awards.

The recognition was made at the '**SME Banking Award 2014**' ceremony jointly organized by Bangladesh Bank and the SME Foundation. With this achievement, MTB becomes the first-ever best SME bank of the year for its contribution to the development of small and medium enterprises (SMEs).



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
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*you can bank on us*



Article of the Month page 02

**An Account of International Trade of Bangladesh**



Developed and Published by  
**MTB Group R&D**

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## An Account of International Trade of Bangladesh

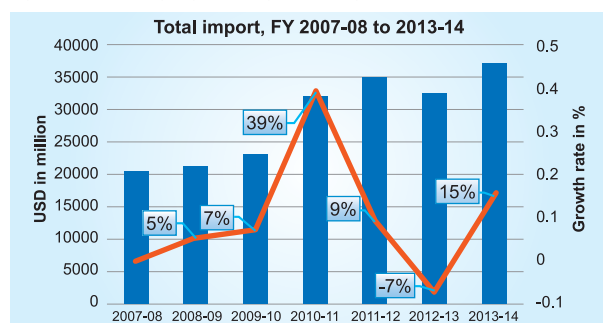
### Introduction

Bangladesh started its international trade since its independence and it has been showing improvement in its trade balance since then. Though growth was bit flat in its early decades, the improvement excelled since 1990s with the inception of trade liberalization. Bangladesh did very well in export, especially in RMG, Shrimp & Fish, Leather and Jute & Jute goods sectors. Rise in imports of capital machinery and industrial raw materials, instead of food and consumable items, is a visible trend in Bangladesh now. This article is an attempt to sketch the trajectory of Bangladesh in international trade. It depicts the trend of growth in major sectors of export and import. It progresses with a comparative view of foreign trade and elucidates the trade balance of the country. This article also depicts the globally leading countries of international trade and their trends. It ends up with a comparative analysis of Bangladesh in global and South Asian contexts.

Import data of Bangladesh has been obtained from weekly publication of the country's Central Bank. Foreign currency transaction in Bangladesh calls for approval from the Central Bank and thus opening of Letter of Credit or Import or settlement of the same is processed through Central Bank. Central Bank publishes amount of L/C opened and settled every week. This paper has used L/C settlement data for the analysis, instead of L/C opening data. Reasons behind using L/C settlement data is an assumption, that, importers know their shipment period and know installation and setup time (in case of industrial machinery), including their required lead time to obtain the imported goods in hand at usable form. Knowing total lead time, importers open L/C at an earlier time than they actually need. Another reason behind considering L/C settlement data is that, until goods are not paid, it is not a complete transaction and all transactions may not be complete due to unseen externalities.

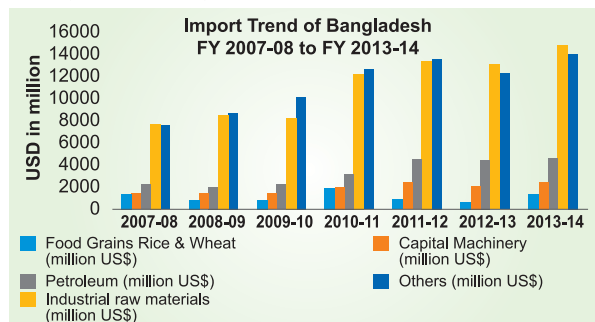
### Import of Bangladesh

As data showed, total import volume followed an upward trend from FY 2007-08 to 2013-14. From FY 2009-10, import volume got a pace and progressed sharply up to FY 2011-12. In large picture, from 2009-10 to 2013-14, the volume of import maintained a consistent positive trend and upward slope which is a very good sign for a developing country like Bangladesh.

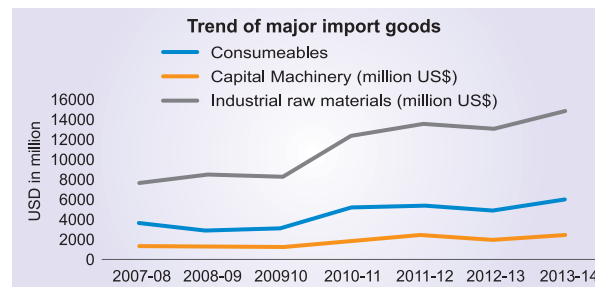


Average growth rate of import of Bangladesh is 11% from FY 2008-09 to 2013-14. Within this timeline, FY 2010-11 recorded a sharp growth (39%) compared to that of other financial years. After FY 2010-11, the growth rate came down towards the average rate.

Industrial raw materials leads the total import volume of the country. From 2007-08 to 2013-14, import of industrial raw materials has been following a positive trend and volume has been getting bigger and bigger, which is a positive sign in favor of development of the country. Petroleum and capital machinery also has been increasing over the years. These three sectors of import are very crucial for economic development and boosting the export in the long run.

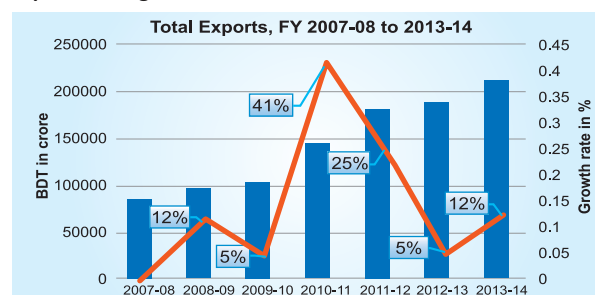


From 2007-08 to 2013-14, the average share of industrial raw materials was two times of the total of food grains, capital machinery and petroleum. More growth of import of capital machinery is needed for the development of the economy and support of industrial raw material essential for boosting the export of the country.



Among the major import goods, import of industrial raw material rose considerably compared to consumables (food grains & petroleum) and capital machinery which brings a good sign for country export. Import of capital machinery and consumable followed a consistent and more or less a flat trend over the years where consumable moves up above the capital machinery.

### Export of Bangladesh



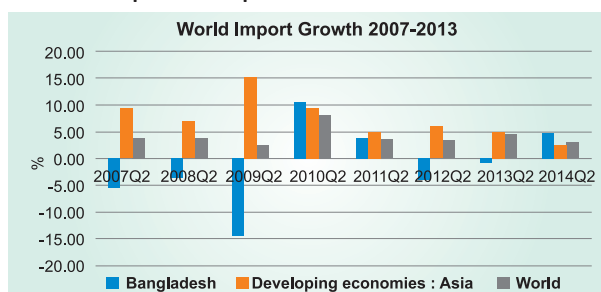
Export growth is often considered to be a principal determinant of production and employment growth in an economy. It is argued that foreign currency made available through export earnings

# ARTICLE OF THE MONTH

facilitates import of capital goods, which in turn increases production potential of an economy. The speed of economic development of a nation poses one of the most essential issues in economic debate. A nation could accelerate the rate of economic growth by promoting exports of goods and services. This analysis uses Economic Data collected from Bangladesh Bank. The total export volume of Bangladesh risen up since FY 1993 – 94 with a considerable growth rate. Since FY 2009-10, the growth rate climbed up sharply. This volume of export was a result of growth in investment and in increased business opportunities in Bangladesh with this time frame.

From 2004-05 to 2013-14, the average growth records 18.23%. Within this timeframe, 2010-11 records the highest growth (41.39%) and 2009-10 records the lowest growth (4.77%). Between 2010-11 and 2012-13, export fall in a higher rate.

## Growth of export and import: Global Context



In global context, according to UNCTAD, development economies of Asia and World as a whole followed an increasing trend from 2005 to 2014. This analysis considers June to June data of year (2005 Q2 to 2014 Q2). In the same ground, import growth was negative for Bangladesh. In 2009, it fall largely.



According to UNCTAD, export growth of Bangladesh was in better situation compared to developing countries of Asia and the World. In 2009, it fall sharply and then it has been recovering with a good growth. Developing economies of Asia was more consistent. In 2010, all these three rise with a comparatively sharp growth.

## Bangladesh vs South Asian Countries

Bangladesh's merchandise exports grew strongly by 15.9% in 2013. More notably, services exports grew by 43.5%. This was considerably higher than the Asia-Pacific average of 2.1% growth in merchandise exports and 4.9% growth in services exports. Merchandise and services imports grew by 6.4% and 18.6%, respectively. Despite the strong growth in exports, Bangladesh continues to run a trade deficit. The total trade deficit in 2013 was USD 7.26 billion (Asia-Pacific Trade and Investment Report 2014, UNESCAP).

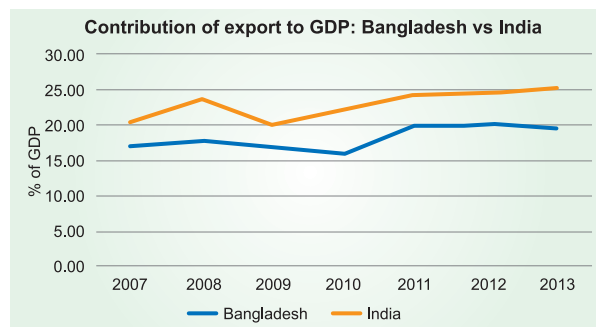


According to International Trade Statistics 2014, WTO, export merchandise growth, other than India, Bangladesh showed the most consistent and sharp growth from 1990 to 2012. It has done very well compared to its close competitor Sri Lanka and Pakistan. In 2012, Bangladesh leads the competition and put Pakistan behind with a better growth.

## Bangladesh vs India



Among SAARC countries, Bangladesh ranks second in export merchandise while India tops the rank of 2012. The volume of export merchandise of India is more than 11 times of the volume of export merchandise of Bangladesh. However, despite various political and environmental challenge Bangladesh has been doing very well over the years and keep the hope up for being optimistic.



Contribution of export of goods and services to national GDP of India remains consistently above 20% from 2007 to 2013. After 2009, it contributed even in larger share, near about 25% of National GDP. For Bangladesh, the contribution of export of goods and services to national GDP remains above 15% from 2007 to 2013. From 2007 to 2009, contribution of export to GDP followed a flat growth. From 2010, the share of this contribution increased with considerable pace.

Md Saiful Islam  
Group R&D, MTB



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## UK lauds BB Governor for role in women empowerment



British parliament members appreciated Bangladesh Bank (BB) governor Dr. Atiur Rahman for his role in the empowerment of women in Bangladesh. The Rt Hon Caroline Spelman, the Member of Parliament (MP) for

Meriden Constituency in the West Midlands, United Kingdom, mentioned the success of mobile banking for garment workers in Bangladesh during a debate in the British Parliament on March 5, 2015. As a testament to celebrate International Women's Day with the theme 'Make It Happen', Rt Hon Spelman said, "It is good to mention men who have advocated on behalf of women, so let me mention the well-deserved accolade that the central banker for Bangladesh, Dr. Atiur Rahman, received for his initiative to enable mobile phone banking for garment workers in Bangladeshi factories. Such practical initiatives make a big difference." It is to mention that mobile banking has gained much popularity and trust in remitting hard-earned money to home villages by the working women in the apparel and clothing sector.

## BB launches new scheme for women entrepreneurs

Bangladesh Bank (BB) Governor Dr. Atiur Rahman has announced a unique scheme especially for micro women entrepreneurs to expedite the ongoing financial inclusion programs in Bangladesh. Under the initiative, all commercial banks and non-banking financial institutions (NBFIs) will have to provide minimum BDT 50,000 as loan to at least a woman entrepreneur each year. A total of 9228 branches of all banks and NBFIs will provide the loans to the women entrepreneurs across the country. Nearly 10,000 women entrepreneurs can be created every year if the initiative continues, said Governor Dr. Rahman at a view exchange meeting between bankers' and SME women entrepreneurs in Cox's Bazaar recently.



The central bank governor also asked the banks and NBFIs to expedite the implementation of ongoing financial inclusion programs across the country through strengthening financing in SME entrepreneurs particularly the women. The central bank chief hoped that with the initiative, the small women entrepreneurs will turned into middle ones gradually. He also said the BB has not only created separate unit managed by women officials for women entrepreneurship development but also has directed all banks and NBFIs to have similar units.

## BB asked new banks to expedite credit flow to SMEs



The central bank has asked the new private commercial banks (PCBs) not to go for aggressive lending, for ensuing discipline in the country's banking sector. The instruction came from a review meeting of Managing

Directors and Chief Executive Officers of six new PCBs, held in the Bangladesh Bank (BB) headquarter recently with its Governor Dr. Atiur Rahman in the chair. The central bank also advised the

banks to operate in line with their business plans, previously submitted to BB before receiving licenses. BB asked the banks to expedite their credit flow to small and medium enterprises (SME) and agriculture sector. Nine new PCBs, including three NRB (non-resident Bangladeshis) banks, started their operations in 2013 to bring more un-banked people into the banking network. Banks have been instructed to take effective measures, so that regular loans do not turn into classified ones. BB also asked the banks to strictly abide by the existing core risk management guidelines for improving their efficiency.

## BB mulls introduction of e-taka to cut paper notes



**BANGLADESH BANK**  
Central Bank of Bangladesh

According to the officials of Bangladesh Bank (BB), BB is planning to introduce e-taka by reducing the paper currency in the market in a bid to make the country's payment system more vibrant. If introduced, the e-currency will play all types of role like the taka but it will have no physical existence. The central bank will preserve the serial number and other characteristics of the circulated e-taka in the market in its server, said the officials. Senior Management Team, a high-powered committee of the central bank, in its latest meeting that held in late February discussed the ways to introduce the e-taka. BB officials elaborated that e-currency is money that can be exchanged through mobile phone, prepaid card system and internet-based payment method. Using the e-currency, customers will be able to pay bills, transfer money from one account to another and pay for things such as food and household products they want to buy.

An Ireland-based company, E-Currency Mint Ltd, has recently demonstrated to the central bank the possibilities of issuing and circulating e-taka authorized by the BB and circulating within Bangladesh. The central bank will reduce the circulation of paper currency, when it starts issuing the e-taka. The BB is now counting a significant amount of printing and distributing cost of paper currency, but, an introduction of e-taka will reduce the cost, said the official.

## Banks to open foreign currency accounts from July 2015

Bangladesh has decided to open foreign currency accounts in July 2015. A circular to this effect has been sent to Chief Executives of all banks dealing in foreign currencies. The central bank, in January 2015, had given time to shipping companies, airlines, and freight forwarding agents until April to open such accounts. Authorities said the extension was because many of the freight forwarders were not able to open the accounts within the deadline. Related people said the shipping firms, airlines and forwarding agents used Bangladeshi currency to pay transporters after their payments for delivering goods came in as foreign currency. A central bank directive has required them to put their earnings into foreign currency accounts and pay local creditors through cheques.

## Credit flow to green projects on rise: BB

According to Bangladesh Bank (BB), the green and eco-friendly projects have become one of the major focuses of country's banking sector, with increasing credit flow. The latest data of the BB's green banking and CSR department showed that the banks in 2014 disbursed BDT 450.53 billion (BDT 45 thousand 53 crore) to finance various projects those have direct or indirect link to green initiatives. Of the amount, BDT 36.23 billion (BDT 3 thousand 623 crore) were disbursed to finance absolute green projects when the rest BDT 414.29 billion (BDT 41 thousand 429 crore) lent to finance the eco-friendly projects. The central bank attributed

the increased credit flow to the green and eco-friendly projects to its prudent policy support. The central bank strongly suggested banks increase their lending to green and eco-friendly projects. The major green and eco-friendly projects include effluent treatment plant (ETP), renewable energy, solar power and waste management.

### BB disburses USD 19.15 million to Midland Power

Bangladesh Bank (BB) disbursed a fund worth USD 19.15 million under its Investment Promotion and Financing Facility (IPFF) project recently to Midland Power Company Limited through three private commercial banks. The banks are Eastern Bank Limited (EBL), Mutual Trust Bank Limited (MTB) and Trust Bank Limited (TBL).

The central bank has been implementing the project on behalf of the Finance Ministry to finance PPP (public private partnership) based infrastructure development projects since 2007. The central bank earlier resumed its re-financing facility with USD 300 million disbursement target for infrastructure development in six key sectors including ports, power, environment, industrial estates and water supply. According to the BB officials, with government counterpart funding of USD 50 million, a total of USD 300 million will be financed under the second phase of IPFF.

### Banks asked not to open LCs of unlicensed traders



Bangladesh Bank (BB) has asked banks not to open letters of credit (LC) for duty-free import of industrial raw materials under bonded warehouse system in favor of the businesspeople who do not have license or renew

them from the Customs Bond Commissionerate. The BB recently issued a letter to Managing Directors and Chief Executive Officers of all banks in line with directions given by the Customs Bond Commissionerate asking them (banks) to take required measures in this regard to tackle duty dodging.

A BB official told that the Customs Bond Commissionerate had issued a letter to the central bank on March 25, requesting it to ensure the government revenue as some banks frequently opened LCs for the duty-free back-to-back imports in favor of some businesspeople who did not have license. The Customs Bond Commissionerate offered the license for duty-free raw material imports to the businesspeople who use the products to produce export-oriented goods.

### Lending rules for cold storage eased

Bangladesh Bank (BB) recently eased further the procedure of bank loan for the owners of cold storages affected by ongoing political violence, particularly those in the northern region. The central bank in a circular said the affected cold storages would not have to make fresh down payment in case of taking fresh loan for working capital. However, the goods of the cold storage should cover the loan amount. Earlier on January 29, 2015, the central bank eased the loan repayment for the owners of the cold storages, allowing them five to eight years for paying back their outstanding loans.

The cold storage owners, who borrowed money from banks as project loans, are now getting eight years for loan repayment in half-yearly installments. The repayment period is five years for the owners of the cold storages who borrowed for working capital. BB also allowed the owners of the cold storages, who rescheduled their loans earlier, get the fresh loan rescheduling facilities.

### Banks' idle money not too large: BB

According to Bangladesh Bank (BB), the banking sector is left with only BDT 3,364 crore of idle money. The banking regulator said the amount is not too big compared to the number of banks. Currently, there are 56 banks in the country and often media reports mentioned that the banking industry has BDT 90,000 crore to BDT 100,000 crore of idle money. According to BB, after meeting the statutory requirement, banks invest its funds in the government securities, which are safe and profitable. The BB also said the call money market remains quite stable with around 7% interest rate. The central bank data shows banks' capital adequacy ratio has also increased to 11.35%, significantly higher than the regulatory requirement under Basel II of 10.51%. Despite odds, loan disbursement by the banks also increased by 13.99% in 2014 compared to the same period a year ago.

### BB to put cap on debit card annual fee



Bangladesh Bank (BB) is going to put a cap on annual fee of debit cards offered by scheduled banks as some of them impose excess charge on their clients for using the product. A BB official

told recently that the central bank was likely to impose annual charge between BDT 300 and BDT 400 for all types of debit cards of the banks in a bid to popularize more the online-based transaction. The banks are now imposing annual charge on the debit cards between BDT 300 and BDT 2,000 which is impeding to expedite the card-based transaction through automated teller machine and point-of-sale. The central bank will also take an initiative to allow the clients to enjoy the debit card service without any annual fee if they make a certain amount of transaction through their cards. Besides, the BB will impose caps on card and PIN replacement fees for the banks as the charges are also high considering the existing rate, the official said. The central bank, however, is yet to set the limit, but the decision will be taken in the quickest possible time.

### Non-banks asked to depend less on call money

The central bank has recently asked non-bank financial institutions to reduce their dependence on call money, a short-term bank loan repayable on demand. The directive has forced many non-banks to



adjust their additional exposure, causing a fall in interest rate and a rise in transactions. A non-bank had a transaction ceiling of BDT 154 crore in the call money market, which came down to BDT 100 crore in February and went down further to BDT 50 crore in March, 2015. So, the financial institutions with higher exposure were forced to make the adjustments. The weighted average call money rate declined to 7.63% on March 12, down from 8.25% a month ago, according to Bangladesh Bank data.

Asad Khan, president of Bangladesh Leasing and Finance Companies' Association, said the BB directive was good for the industry as there are alternative products in the market. Call money is still an important source of money for the non-banks. Transactions in the call money market increase and get volatile ahead of Eid-ul-Fitr and Eid-ul-Azha, the two biggest festivals in Bangladesh.



## MRDI, City Bank step up CSR efforts



The first phase of the program, initiated by the Management and Resources Development Initiative (MRDI) with support of the City Bank, resulted in a successful women's livelihood program at Basatpur, Jessore as a CSR intervention. Under the second phase of the initiative, another 160 women of the village will be trained and the educational expenses of 105 children of the members of the association will be borne in the next five years. The bank's total financial commitment to the program is about BDT 1 crore and 25 lakh in two phases. Providing support to children's education is a positive step to ensure future impact of the initiative, Rokia Afzal Rahman, former adviser to a caretaker government, said at the program.

## Standard Chartered Bank Bangladesh partners with bKash



Standard Chartered Bank Bangladesh partners with bKash, a subsidiary of BRAC Bank to launch Straight2Bank Wallet in Bangladesh. MD & Head of Transaction Banking of Standard Chartered Bangladesh Hussain Shirazie and CEO of bKash Limited Kamal Quadir seen in the event.

## EXIM Bank launches two deposit products



EXIM Bank launched its two deposit products EXIM Krishi and EXIM Swapno along with internet banking service "Aiser" in a program held at EXIM Bank Head Office recently. Managing Director of the bank Dr. Mohammed Haider Ali Miah was present as chief guest. Adviser and the executives of the Head Office were also present.

## SIBL inks deal with Trans-Fast Remittance

Social Islami Bank Ltd. (SIBL) has signed an agreement with global money transfer company Trans-Fast Remittance LLC, USA to facilitate inward remittance of expatriates Bangladeshis residing abroad. Managing Director of Social Islami Bank Md. Shafiqur Rahman and CEO & President of Trans-Fast Remittance Samish Kumar signed the agreement at a ceremony held at a city hotel recently. Under the agreement, Trans-Fast customers can send money around the globe to their friends and families in Bangladesh through the branches of SIBL. Among others, Deputy Managing Director of SIBL A.M.M Farhad, Director of Trans-Fast Samir Vidhate, Country Head of Trans-Fast Bangladesh Mohammad Khairuzzaman and Senior Executives of both the organizations were also present.

## EBL, Citibank ink payroll banking deal



Eastern Bank Ltd. (EBL) has recently signed a payroll banking agreement with Citibank, NA, Bangladesh in the capital. EBL Managing Director and CEO, Ali Reza Iftekhar and Citibank MD and Country Officer (Bangladesh) Khondoker Rashed Maqsood signed the agreement on behalf of their respective banks. Senior management of both the banks also took part in the agreement signing ceremony.

## UBL, DHL Express ink business deal



Union Bank Ltd. (UBL) and DHL Express Bangladesh signed an agreement at the UBL head office in the city recently to provide international express delivery services. Union Bank Deputy Managing Director Syed Abdullah Mohammed Saleh and DHL Express Managing Director Desmond Quiar signed the agreement on behalf of their respective companies. UBL Managing Director Md Abdul Hamid Miah and Adviser SM Aminur Rahman, and DHL Express Commercial Director ASM Shakil were also present.

## Transfast, BRAC Bank launch instant bank deposit service

Transfast, LLC and BRAC Bank Ltd. of Bangladesh recently announced that they have partnered to enable Transfast customers to make instant bank transfers into accounts at BRAC



Bank - the first-ever instant bank deposit service to Bangladesh by a global money transfer company. Transfast, LLC and BRAC Bank Ltd. of Bangladesh recently announced that they have partnered to enable Transfast customers to make instant bank transfers into accounts at BRAC Bank - the first-ever instant bank deposit service to Bangladesh by a global money transfer company. Transfast CEO and President Mr Samish Kumar, Transfast Director, Asia and Africa Mr Samir Bidhate and Country Head in Bangladesh Mohammad Khairuzzaman launched the service.

## Jamuna Bank and Travel Shop Limited sign a MoU



Jamuna Bank Ltd., signed a MoU with Travel Shop Limited. A. K. M. Saifuddin Ahamed, Deputy Managing Director of Jamuna Bank and Mubin Mahammed Isha, Managing Director of Travel Shop, handed over MoU documents on behalf of respective organization. Shafiqul Alam, Managing Director, Jamuna Bank Ltd. and S M Mizanur Rahman, CEO of Travel Shop, were also present at the ceremony. Under this MoU, all employees & Credit Card holders of Jamuna Bank will enjoy the travel & holidays related corporate service/facilities from Travel Shop.

## Inflow of low-cost foreign fund for private sector up 17% in 2014

Borrowing of low-cost funds from overseas sources by private sector entities continued to rise in the year 2014. The inflow of foreign funds for the private sector increased by around 17% last year (2014) when the local banks sat on tonnes of idle money. Borrowers and business leaders have attributed such a steep rise in overseas borrowings to the higher lending rates being charged by local banks and other financial institutions. On the other hand, bankers and experts have blamed the government's policy on yield rates of its savings tools for the steep rise in the inflow of foreign funds for the private sector. According to the latest data of the central bank, outstanding external debt of private sector of the country stood at around USD 4.73 billion until December, 2014 which was USD 4.06 billion in the corresponding period of 2013.

## StanChart to honor agriculture heroes for second year

Standard Chartered Bangladesh (SCB) is set to hold the second edition of its AGROW Award in May to felicitate the country's agriculture heroes. This year's award will be bigger and cover more agriculture sub-sectors, said Bitopi Das Chowdhury, head of corporate affairs of SCB. In the inaugural edition, there were five categories. Introduced by SCB in association with Bangladesh Brand Forum (BBF), the award aims to spur innovation and modernization among farmers. The process of selecting winners will be more rigid and wide-ranged this time, said Shariful Islam, founder of BBF. Last year, the farmer of the year award in the male category went to Khan Asaduzzaman, a cultivator from Barisal for his diversified farming activities, which cover fisheries, dairy and fruits. Alia Begum from Faridpur got the award in the female category for her outstanding contribution to poultry, dairy and livestock farming.

## Meghna Bank signs deal with COAST Trust



Rezaul Karim Chowdhury, Executive Director of COAST Trust and A F Shabbir Ahmad, SEVP and head of operations of Meghna Bank Ltd. signed a remittance payment agreement at a simple ceremony in the city recently. Mohammed Nurul Amin, Managing Director and CEO of Meghna Bank Ltd. also attended the event.

## Master Card launches campaign to boost debit card use

MasterCard has recently launched a unique nationwide campaign, Card-Start-Go!, for debit cardholders. According MasterCard Prizes include air tickets to Malaysia for a three-day stay, mobile phones and other gift vouchers under the campaign that ends May 31. The company's debit card users can qualify for the scheme by making at least four personal consumption purchases of minimum Tk 1,000 each. Each transaction accumulates points, with top point scorers becoming eligible for different prizes. Brac Bank, Dutch-Bangla Bank, Premier Bank, Prime Bank, Pubali Bank and City Bank are participating in the campaign. The campaign aims to encourage debit cardholders to use their cards for payments rather than just cash withdrawals at ATMs. Cardholders now have the opportunity to get rewarded for their regular expenses while continuing to enjoy a safe, secure and convenient shopping experience, said Syed Mohammad Kamal, Country Manager of MasterCard in Bangladesh.

## UCB gets Brand Excellence award

United Commercial Bank Ltd. (UCBL) received Brand Excellence Award in banking and financial services category in the Golden Globe Tigers' Award 2015 held in Kuala Lumpur in Malaysia recently. Muhammed Ali, Managing Director of UCBL received the award while Mirza Mahmud Rafiqur Rahman, Additional Managing Director of UCB was present. The award was given for excellence and leadership in branding and marketing. Professionals of different sectors like FMCG, banking and financial services, media, and business were present at the award giving ceremony.

## Mercantile Bank signs deal with NCC Bank



Mercantile Bank Ltd. signed an agreement with NCC Bank Ltd. on introducing IME remittance service at all branches of Mercantile Bank. Golam Hafiz Ahmed, Managing Director and CEO of NCC Bank Ltd., and M Ehsanul Haque, Managing Director and CEO of Mercantile Bank Ltd., signed the agreement on behalf of their respective banks in Dhaka recently. Md Abdul Jalil Chowdhury, Additional Managing Director, Md Quamrul Islam Chowdhury, Mohammad Masoom and Mati Ul Hasan, Deputy Managing Directors of Mercantile Bank Ltd., and AKM Nazmul Hossain, Country Manager of IME (M) Sdn. Bhd., and high officials of both the organizations were present on the occasion. IME (M) Sdn. Bhd. is one of the most reputed exchange houses in Malaysia which operates their business in about 32 countries across the globe.

## AB Bank and DPDC sign an agreement



AB Bank Ltd. and Dhaka Power Distribution Company (DPDC) Ltd. signed an agreement to collect bills online from DPDC customers from any AB Bank branches and through the Bank's alternative delivery channels i.e. Internet Banking, SMS Banking etc. President & Managing Director of AB Bank Ltd. Shamim Ahmed Chaudhury and General Manager (F & A) Md. Aminul Islam, FCMA signed the agreement on behalf of their respective organizations.

## Public Relations Association of State-owned Banks (PRASB) launched

A 13-member working committee of Public Relations Association of State-owned Banks (PRASB) was formed in the city recently. Mohammad Mofazzal Hossain, Deputy General Manager of Sonali Bank Ltd. and Assistant General Manager of Rupali Bank Ltd. Khairul Hossain Raju were elected president and general secretary respectively of the newly-formed association of the state-owned bank officials for next two years.

## Participation Agreement between Bangladesh Bank & NRB Global Bank



A Signing Ceremony of Participation Agreement of Bangladesh Bank fund for Refinancing in Small Enterprise Sector between Bangladesh Bank & NRB Global Bank Limited was held on March 22, 2015 at the Mini Conference Room of Bangladesh Bank. Md. Abdul Quddus, Managing Director of NRB Global Bank Ltd. & Sopan Kumar Roy, General Manager, SME & Special Programs Department, Bangladesh Bank signed the Agreement on behalf of their respective banks. Abul Kashem, Deputy Governor of Bangladesh Bank was present in the occasion as Chief Guest, Nirmal Chandra Bhakta, Executive Director, Abul Basar, Deputy General Manager, SME & Special Programs Department of Bangladesh Bank, Mohammed Morshedur Quader Khalili, Head of Retail Banking Division, Shamsun Nahar, AVP, Small & Medium Entrepreneur Division, Md. Safiqul Islam, In-charge, Communication & Branding Division & other Senior Executives of Bangladesh Bank and NRB Global Bank Limited were also present on the occasion.

## NCC Bank, SEL ink business deal



NCC Bank Ltd. has recently signed a business agreement with Speed Express Ltd. (SEL) in the city to accelerate the foreign remittance distribution support. NCC Bank Managing Director and Chief Executive Officer (CEO) Golam Hafiz Ahmed and SEL Managing Director Dr Anower Hossain Farazy signed the agreement on behalf of their respective organizations. NCC Bank Deputy Managing Director Akhtar Hamid Khan, Senior Executive Vice-presidents Md Fazlur Rahman, AZM Saleh and M Wahedur Rahman and Chairman of Speed Express Ikram Farazy were also present in the signing ceremony. The company will provide service for NEC Money Transfer, Spain and National Exchange Company, Italy in collaboration with NCC Bank Limited. The agreement will enhance the foreign remittance service at the route level to the beneficiaries.

## Mercantile Bank inks deal with NEC Money, Spain



Mercantile Bank Ltd. has recently signed an agreement with NEC Money, Spain, one of the most reputed money transfer

companies in Europe. An agreement has been signed in this regard between NEC Money, Spain and Mercantile Bank Limited. NEC Money operates remittance business in Spain covering whole Europe where a large number of Bangladeshi expatriates have been living and working around. With this agreement, new window has been opened for the Bangladeshi expatriates from different countries in Europe to remit their hard-earned money to their relatives and family members in Bangladesh safely, quickly and conveniently through any branch of Mercantile Bank Ltd. M Ehsanul Haque, Managing Director & CEO of Mercantile Bank Ltd. and Ikram Farazy, Managing Director & CEO of NEC Money, Spain signed the agreement on behalf of their respective organizations.

## City Bank and Long Beach Hotel sign an agreement



Deputy Managing Director and COO of City Bank Mashrur Arefin and Managing Director of Long Beach Hotel, Cox's Bazar Abul Kalam Azad signed an agreement on behalf of their respective organizations in the city recently. Under the deal, the City Bank American Express Card members (Platinum and Gold) will be able to avail three nights stay at the hotel by paying only for two nights.

## Dhaka Bank observes International Women's Day 2015



Women officials of Dhaka Bank Ltd. gathered at the head office of the bank to observe International Women's Day 2015 recently. In a short-time function, the bank's Managing Director Niaz Habib congratulated female members of his bank for their continuous efforts towards achieving excellence and presented writing pens to all female members of the bank as the symbol of Women Empowerment. Deputy Managing Directors Emranul Huq and Khan Shahadat Hossain, Company Secretary Md. Arham Masudul Huq, Head of Human Resources Ms. Tahniyat Ahmed Karim along with other senior officials of the Bank delivered separate speeches to address the special moment.

## Prime Bank, Meenabazar ink deal

Habibur Rahman, Deputy Managing Director & COEM of Prime Bank Ltd. and Shaheen Khan, COO of Meenabazar signed an agreement recently on introducing 'Cash Back Service' at Meenabazar on behalf of their respective organizations. "Cash Back Service" which is completely a new concept in banking to its debit card customer. Customers can simultaneously use his/her debit card for purchase and cash withdrawal from the selective merchants. Mohd. Jamil Hossain, Head of Retail Banking Division of Prime Bank Ltd. and Firoz Alam, GM, Finance, Ahmed Shoyeb Iqbal, Sr. Manager, Brand & Communication of Meenabazar and other high officials of both organizations were also present during the ceremony.

## UCB arranges BDT 250 crore for Imperial Hospital



United Commercial Bank has arranged a syndicated term loan of BDT 250 crore for Imperial Hospital (IHL). IHL will use the loan to set up a 353-bed tertiary care and referral hospital in the port city of Chittagong. Muhammed Ali, Chairman

of UCB, and Amjadul Ferdous Chowdhury, Chairman of Imperial Hospital, signed an agreement on loans recently. UCB is the lead arranger of the fund with Dutch-Bangla Bank, Shahjalal Islami Bank, Standard Bank, NRB Global Bank, Bangladesh Commerce Bank, and Fareast Finance and Investment, involved in the lending syndicate.

## Modhumoti Bank celebrates “International Women’s Day 2015”



Modhumoti Bank Ltd. celebrated ‘International Women’s Day 2015’ recently on the Head Office premises. Managing Director & CEO of the Bank Md. Mizanur Rahman along with women employees of the bank were present in the program.

## Janata Bank, NEC Money Transfer ink deal



Janata Bank Ltd. has inked an Electronic Funds Transfer (EFT) agreement with NEC Money Transfer Entidad De Pago, SA, Spain, at a ceremony held in the city recently. Under this agreement,

Bangladeshi expatriates from various countries of Europe will now be able to send their hard-earned money to Bangladesh. Md Abdus Salam, CEO & Managing Director of Janata Bank Ltd., handed over the signed agreement to Ikram Farazy, Managing Director of NEC Money Transfer. The program was conducted by Hussain Yeahyea Chowdhury, Deputy General Manager, Overseas Banking Department.

## SIBL launches Family Empowerment Islamic Micro-finance Program



Deputy Governor of Bangladesh Bank Md Abul Quasem as the chief guest launched the Social Islami Bank-introduced a financial service namely Family Empowerment Islamic Micro-finance

Program at a city hotel recently. Chairman of Social Islami Bank Major Dr. Md Rezaul Haque (retd) was present at the function as the special guest, while Managing Director of the bank Md Shafiqur Rahman presided over.

## NRB Bank and SSL Wireless sign an agreement



Managing Director & CEO of NRB Bank Muklesur Rahman and Managing Director of SSL Wireless Sayeeful Islam signed an agreement on behalf of their respective organizations. Under this agreement, NRB Bank customers will be able to get the mobile recharge and bill payment service from SSL Wireless through NRB Bank internet banking.

## Midland Bank, Dhaka WASA ink deal



Managing Director & CEO of Midland Bank Ltd. Md. Ahsan-uz Zaman and his counterpart of Dhaka WASA Engr. Taqsem A Khan signed the agreement on behalf of their respective organizations. A contract signing ceremony for collection of bill between Dhaka Water Supply & Sewerage Authority (WASA) and Midland Bank Ltd. (MDB) was held recently on the premises of WASA Bhaban, Karwan Bazar in the city. Under the agreement, Midland Bank will collect water and sewerage bill of WASA from the customers through its branches. Mr. Sayed Golam Ahammad, DMD (Finance) and Mr. Md. Ataur Rahman DMD (Admin) of Dhaka WASA along with other high officials of both the organizations were also present.

## ICB signs loan agreement with NBL Securities



A loan agreement was signed between Investment Corporation of Bangladesh (ICB) and NBL Securities Ltd. under the ‘Special Scheme for Affected Small Investors of Stock Market’ in the city recently. Shamsul Huda Khan, Managing Director and CEO, Abdul Hamid Mia, DMD of National Bank Ltd., Mahmud Al Hasan, CEO of NBL Securities Ltd., Kamrun Naher, SPO of NBL, and Md Iftikhar-Uz-Zaman, Deputy Managing Director, Nasir Uddin Ahmed, General Manager, Tarek Nizamuddin Ahmed, DGM of ICB, and other officials of the organizations were also present on the occasion.

## Bank Asia approves 15% dividend



With 10% stock dividend, the paid-up capital of the Bank would increase to BDT 8.39 billion.

Bank Asia has declared 15% dividend (10% bonus share and 5% cash dividend) for the year 2014 at the 16th Annual General Meeting of the Bank held recently at Lady's Club in the capital city. A. Rouf Chowdhury, Chairman of the Bank presided over the meeting.

## Southeast Bank declares 15% cash dividend

The 20th Annual General Meeting (AGM) of Southeast Bank Ltd. was held at Bashundhara Convention Centre-2 at Bashundhara in Dhaka recently. Bank's directors, sponsors and a large number of shareholders attended the meeting. Alamgir Kabir, FCA, Chairman of the Bank, presided over the meeting. Shahid Hossain, Managing Director of the bank highlighted the bank's operational performance in 2014 and outlined the future plans and programs undertaken by the bank to enhance operational efficiency and profitability of the bank.



## Al-Arafah Islami Bank approves 14% cash dividend



Chairman, Board of Directors of the Bank. Managing Director Md. Habibur Rahman seen, among others.

Al-Arafah Islami Bank Ltd. approved 14% cash dividend for the year ended 31st December, 2014 in its 20th Annual General Meeting (AGM) held recently at Al-Arafah Islami Bank Bhaban at Purana Paltan in the city. The meeting was presided over by Badiur Rahman,

## Standard Bank to give 15% stock dividend



## Standard Bank Limited

The board of directors of Standard Bank Ltd. (SBL) has recommended 15% stock dividend for its shareholders for the year that ended on December 31, 2014. The annual general meeting (AGM) of the bank will be held at 10:30am on May 14, 2015 at Police Convention Hall in the city's Ramna area. The company's record date is on 16, 2015.

## IDLC declares 25% stock dividend, 10% cash dividend

The 30th Annual General Meeting (AGM) of IDLC Finance Ltd. was held at the Radisson Blu Water Garden Hotel in the capital recently. In line with the proposal by the Board of Directors, the AGM approved 25% Stock Dividend (1 Bonus share for every 4 Ordinary shares held) and 10% Cash Dividend (BDT 1.00 per share) for the company's shareholders for the year 2014. The AGM also approved the proposal of issuing One Right share for every 2 Ordinary shares held (1R:2) at an issue price of BDT 20 each (including a premium of BDT 10 per share) subject to the approval from regulatory authorities.



## Green Delta Insurance declares dividends



December 31, 2014. The announcement came at the 29th Annual General Meeting (AGM) of the company, held at Spectra

Green Delta Insurance Company Ltd. declared 10% stock dividend and 15% cash dividend for its shareholders for the year ended on

Convention Center in the capital on recently. A large number of shareholders, sponsors and directors attended the AGM. AQM Nurul Absar, Chairman of the company presided over the meeting.

## Prime Insurance approves 15% dividend

The 19th Annual General Meeting (AGM) of Prime Insurance Company Ltd. was held at BIAM Auditorium in the city recently. Md Zakiullah Shahid, Chairman of the company presided over the meeting. The AGM approved 10% cash and 5% stock dividend for the shareholders for the year ended on 31 December, 2014.



## GPH Ispat plans to issue rights



## GPH Ispat Ltd.

GPH Ispat Ltd., an engineering sector listed company, decided to issue rights shares subject to approval of regulatory authorities. The board of directors of the company has recommended rights shares at 1R:1 (one rights share for every one ordinary share held) at an issue price of BDT 20, including a premium of BDT 10 each subject to approval of EGM & the regulatory authorities.

sector listed company, decided to issue rights shares subject to approval of

## PFIL to give 20% cash dividend

The board of directors of Phoenix Finance and Investments Ltd. (PFIL) has recommended 20% cash dividend for its shareholders for the year that ended on December 31, 2014. The annual general meeting (AGM) of the company will be held on May 21, 2015 at Muktijuddho Smrity Milonayaton at Institution of Diploma Engineers, Bangladesh in the capital. Record date is on April 13, 2015. The company has also reported EPS of BDT 1.64, NAV per share of BDT 20.59 and NOCFPS of BDT 3.81 for the year that ended on December 31, 2014.



## New platform to boost capital market

Six associations related to the equity and money markets will form a new platform, Bangladesh Financial Market Forum, for the development of the economy. The forum will primarily work for the stabilization, expansion and vibrancy of the ailing capital market. It will work for creating a mutual understanding between the money market and equity market. According to Sheikh Kabir Hossain, president of Bangladesh Insurance Association (BIA), more related associations will be the members of the forum later, so it can also work for the growth of the economy. Initiated by the Brokers Association of Bangladesh, the six associations sat on the Dhaka Stock Exchange premises recently to discuss the remedies for the stock market. Along with the BIA, five other members of the forum will be the Association of Bankers, Bangladesh, Brokers Association of Bangladesh, Bangladesh Merchant Bankers Association, Bangladesh Leasing and Finance Companies Association, and Association of Asset Management Companies.

## CSE launches facebook page



## Chittagong Stock Exchange Ltd.

The country's port city bourse has formally launched its official facebook page as part of their continuous move to disseminate right information quickly to investors. Chairman of the Chittagong Stock Exchange (CSE) Dr. Muhammad Abdul Mazid recently launched the facebook page at a press briefing held at the CSE's Dhaka office. The facebook ID of the port city bourse is [www.facebook.com/bangladeshcse](http://www.facebook.com/bangladeshcse). CSE Managing Director Wali-ul Maroof Matin and other senior executives were present at the launching program.

The country's port city bourse has formally launched its official facebook page as part of

# MTB NEWS & EVENTS

## 16TH ANNUAL GENERAL MEETING AND 15TH EXTRA ORDINARY GENERAL MEETING OF MTB HELD



The 16th Annual General Meeting (AGM) and 15th Extra Ordinary General Meeting (EGM) of Mutual Trust Bank Limited (MTB) were held on March 30, 2015 at the International Convention City, Bashundhara, at the capital.



MTB Chairman Rashed A. Chowdhury presided over both the meetings. MTB Vice Chairman M. A. Rouf, JP, MTB Directors Dr. Arif Dowla, Md. Abdul Malek, Md. Wakiluddin, Khwaja Nargis Hossain, Q. A. F. M. Serajul Islam, Independent Directors, Anwarul Amin, Dr. Sultan Hafeez Rahman, Managing Director, & CEO Anis A. Khan, Additional Managing Director, Md. Hashem Chowdhury and a large number of shareholders attended the meetings.

The shareholders attending the MTB AGM, approved 20% stock dividend for 2014. At the EGM, a special resolution was adopted on issuance of BDT 3,000 million coupon bearing non-convertible redeemable Subordinated Bond eligible as Bank's Tier II capital.

Date : March 30, 2015  
 Venue : International Convention City, Bashundhara, Dhaka 1229

## MTB SIGNS AGREEMENT WITH SQUARE HOSPITALS LTD

Mutual Trust Bank Ltd. (MTB) has signed an agreement with Square Hospitals Ltd. recently. Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB and Dr. Saiful Islam, Director, Square Hospitals Ltd. signed the agreement on behalf of their respective organizations at Square Hospital's head office at Panthapath.

Under this agreement, MTB Privilege Banking customers will enjoy specially designed Health Care packages and facilities from Square Hospitals Ltd.

Date : February 25, 2015  
 Venue : Square Hospitals Ltd., Panthapath, Dhaka 1205



# MTB NEWS & EVENTS

## SME WOMEN ENTREPRENEUR - BANKERS' MEETING & LOAN DISBURSEMENTS CEREMONY AT COX'S BAZAR



SME & Special Programmes Department of Bangladesh Bank (BB) organized "SME Women Entrepreneur-Bankers' Meeting & Loan Disbursement Ceremony" recently.

Chief Guest : Dr. Atiur Rahman, Governor, Bangladesh Bank

Special Guests : Begum Khorshed Ara Haque, MP, Cox's Bazar  
Mustaq Ahmed Chowdhury, Deputy Commissioner of Cox's Bazar  
Anis A. Khan, MTB Managing Director & CEO and Vice Chairman, Association of Bankers, Bangladesh (ABB)

Presided over by : Nirmal Chandra Bhakta, Executive Director, Bangladesh Bank

Dr. Rahman emphasized all the commercial banks and NBFIs to facilitate SME loan for women entrepreneur to expedite financial inclusion. M. Mahfuzur Rahman and Mizanur Rahman Jodder, Executive Directors, Bangladesh Bank, Swapan Kumar Roy, General Manager, SME & Special Programmes Department, Bangladesh Bank; Sukamal Sinha Choudhury, SME Faculty Consultant, BIBM spoke on the occasion. Nearly 1,000 women entrepreneurs, senior government officials and executives of all commercial banks took part at the conference.

Date : March 27, 2015

Venue : Seagull Hotel, Cox's Bazar, 4700

## MTB CELEBRATED INTERNATIONAL WOMEN'S DAY

Mutual Trust Bank Ltd. (MTB) celebrated International Women's Day on March 8, 2015 organizing a day-long SME fair for its women entrepreneurs at MTB Square, Tejgaon, Dhaka.

Anis A. Khan, MTB Managing Director & CEO, S.M. Mohsin Hossain, Deputy General Manager, SME Special Programs Division of Bangladesh Bank, Suman Chandra Saha, Program Manager, SME Foundation, Mousumi Islam, President of Association of Grassroots Women Entrepreneurs Bangladesh, along with senior MTB officials, women entrepreneurs and female employees of MTB made the event a grand success with their gracious presence.

Date : March 16, 2015

Venue : MTB Centre, Gulshan 1, Dhaka 1212



## MTB TIES-UP WITH MASTERCARD AS PRINCIPAL MEMBER IN BANGLADESH



Mutual Trust Bank Ltd. (MTB) has tied-up with MasterCard and become its Principal Member in Bangladesh. Syed Mohammad Kamal, Country Manager, MasterCard Bangladesh, handed over the Principal Member License to Anis A. Khan, MTB Managing Director & CEO at MTB Centre.

This initiative would enable MTB provide best-in-class products and extend enhanced shopping experiences for its customers with world-class offerings and innovative payment solutions.

Date : March 16, 2015

Venue : MTB Centre, Gulshan 1, Dhaka 1212

## Rokia A Rahman reelected chair of MIDAS Financing

Rokia A Rahman has been reelected chairperson of MIDAS Financing Ltd. Ms. Rahman, the former adviser to the caretaker government of Bangladesh was reelected chairman of the board of the company unanimously for a period of another two years. Ms. Rahman is a leading woman entrepreneur and is the chair and Managing Director (MD) of RR Group of Companies. She is also the chair and Managing Director of Arlinks Group of Companies. She is also a member of the Board of Directors of Grameenphone Ltd. and MIDAS Investment Ltd. She is currently the president of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka.



## Bank Asia Chair re-elected



A Rouf Chowdhury was re-elected Chairman of Bank Asia at a meeting of the Board of Directors of the Bank held recently. Mr. Rouf is a graduate in Business Management from the Massachusetts Institute of Technology, USA. He has a wide range of experience in several industries including Automobile, Telecom, Pharmaceuticals and Petroleum. He was the Resident Manager of two American

Pharmaceutical companies in Bangladesh. Being in the senior management position in Jamuna Oil Company, he contributed for 15 years in the market development of Petroleum products in Bangladesh. Both RANGS and Sea Resources Groups comprised of 32 companies were formed under his dynamic leadership.

## Bank Asia re-elected two Vice Chairmen

Mohd Safwan Choudhury and A.M. Nurul Islam Anu have been re-elected Vice Chairmen of Bank Asia at the meeting of the Board of Directors of the Bank. Vice Chairman Mohd Safwan Choudhury is an eminent industrialist of the country. Former President of Sylhet Chamber of Commerce & Industries, Choudhury is the Managing Director of M. Ahmed Tea & Lands Co. Ltd, Phulbaria Tea Estates Ltd., M Ahmed Cold Storage Ltd., Premier Dyeing & Calendering Ltd. and M. Ahmed Food & Spices Ltd. He is the Chairman of Bangladesh Tea Association and President of Friends in Village Development Bangladesh (FIVDB), an NGO providing education to the under-privileged children.



Vice Chairman A.M. Nurul Islam Anu is also Chairman of Board Risk Management Committee. He started his career as lecturer of the University of Dhaka in 1961. Then he joined Civil Services of Pakistan (CSP). He worked at different capacity with the then Pakistan Government and after liberation with Bangladesh Government he acted as Private Secretary of the Prime

Minister Bangabandhu Sheikh Mujibur Rahman. He worked as a Diplomat of Bangladesh Embassy in Washington DC and worked in mobilization of development fund from the World Bank, International Monetary Fund, USAID managing the projects worth hundreds of millions of dollars.

## MTB MD & CEO Anis A. Khan's contract renewed until 2019



The Board of Directors of Mutual Trust Bank Ltd. (MTB) has, with the approval of Bangladesh Bank, renewed the contract of service of Anis A. Khan, as its Managing Director and Chief Executive Officer (MD & CEO), from April 15, 2015 until November 30, 2019.

Anis commenced his banking career with the then Grindlays Bank plc (GB), as a Management Trainee in December 1982. He served with GB and its successor banks – ANZ Grindlays Bank and Standard Chartered Bank in a multitude of roles, both at home and abroad, for 21 years, before joining IDLC Finance Ltd. (IDLC) as its CEO & Managing Director in April 2003. After serving IDLC for 6 years, Anis joined MTB as its Managing Director & CEO on April 15, 2009.

Anis, a Fellow Member of the Institute of Bankers Bangladesh (IBB), also serves as the Chairman of Primary Dealers Bangladesh Ltd. (PDBL), Chairperson of the SWIFT Member & User Group of Bangladesh, Vice Chairman, Board of Governors of the Association of Bankers, Bangladesh (ABB), Vice President of the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI), Trustee Treasurer of the CSR Centre and member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA).

## New DMD for Prime Bank



Touhidul Alam Khan has recently been appointed as the Deputy Managing Director (DMD) of Prime Bank Ltd. Prior to the appointment, he was the Deputy Managing Director and Head of business at Modhumoti Bank Ltd. Khan began his banking career with Agrani Bank in 1993 and has experience in development of next generation business solutions with particular expertise in corporate

and investment banking, branch banking, green banking, micro-credit, Islamic banking and asset risk management. Khan is an associate member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), an associate fellow member of the Institute of Islamic Banking and Insurance of the United Kingdom and a first certified sustainability reporting assessor. Khan is a finance major from Dhaka University.

## Mustafizur new MD of Premier Leasing and Finance

Mustafizur Rahman joined Premier Leasing and Finance Ltd. as Managing Director (MD) recently. Prior to this appointment, he was the Managing Director of International Leasing and Financial Services Ltd. from June 2006 to February 2015. He completed his graduation in Economics from Dhaka University and MBA in Finance from IBA of Dhaka University in 1983 and 1987 respectively. He started his career in Financial Institutions through joining in IDLC Finance Ltd. as an officer in 1988 and has more than 26 years of experience with Lanka Bangla Finance Ltd., Union Capital Ltd. and International Leasing and Financial Services Ltd.





## PM for tapping potentials of fisheries sector



Prime Minister (PM) Sheikh Hasina recently said Bangladesh's victory over maritime boundary has created a vast prospect for country's Blue Economy which should be tapped quickly and effectively for country's development. In this regard, she asked for creating competent manpower for overall development of the fishery sector and taking rapid and effective steps for harvesting fishery resources in the deep sea. PM said this in the third meeting of the National Committee on Fisheries and Shrimp at her office in the capital recently. Briefing reporters after the meeting PM's Press Secretary AKM Shameem Chowdhuri said the Prime Minister, also the chairperson of the committee, laid importance on development of necessary infrastructure for preservation and growth of the fisheries sector. She asked the officials to take measures for protection of the sanctuary of the gravid fishes of 'Ruhi' species at Halda River. She also called for sustainable production of shrimp through introducing environment friendly and improved cultivation system.

## Cabinet approves USD 50 million vehicle-equipment import from Belarus

The Cabinet Purchase Committee recently approved a Local Government Division's proposal to import different types of motor vehicles and equipment worth USD 50 million from Belarus under Export Commodity Credit (ECC) for different city corporations and municipalities. The Cabinet body gave the approval at a meeting with Finance Minister AMA Muhith in the chair. As per the proposal, the Development Bank of Belarus will provide the money as loan at 1% interest with 11 years' repayment schedule having first three years' grace. Belarus will provide the vehicles under a deal signed between Minsk and Dhaka during Prime Minister Sheikh Hasina's visit to the Eastern Europe country in 2012. The vehicles and equipment include 11 wheel loaders, 330 excavator equipment, 11 combination asphalt rollers, 10 long grapple with kickouts, 11 long grapples 208-46, 11 hydraulic hammers, 329 twin drum vibratory rollers, 11 bulldozer blades, 330 drill machines, 11 backhoe loaders and 330 skid steer loaders.

## Apex Footwear honors longest-serving employees



Apex Footwear Ltd. (AFL) has honored its employees who have served with the company for more than two decades. The recognition coincided with the celebration of the company's silver jubilee at the factory premises in Gazipur on March 16. More than 9,000 workers, staff and stakeholders of Apex attended the day-long festivities arranged to commemorate this important milestone.

Syed Manzur Elahi, Chairman of Apex Footwear Ltd., Syed Nasim Manzur, Managing Director, Munize Manzur, Director and Golam Mainuddin, Independent Director of the company, among others, attends the program marking the 25th anniversary of the leading shoemaker at the company's factory premises recently in Gazipur. Apex Footwear Limited is the pioneer of leather footwear export from Bangladesh and is currently the largest manufacturer and

exporter of leather footwear in the country. The company exports to major shoe retailers in Western Europe, North America and Japan. It also has a strong presence in the domestic footwear market with the fastest growing shoe retail network in the country trading under the brand name Apex.

## Dhaka, Muscat sign MoU to hold bilateral consultation



Bangladesh and Oman recently signed a memorandum of understanding (MoU) to hold regular bilateral foreign office consultation (FOC), with the first one set to be held here soon. Oman also assured Bangladesh of helping to rescue its stranded expatriates from Yemen. State Minister for Foreign Affairs of Bangladesh M Shahriar Alam and State Minister for Foreign Affairs of the Sultanate of Oman Sayyid Badr bin Hamad bin Hamoud Al Busaidi signed the MoU in Muscat. The two countries agreed to go for a new drive to strengthen and consolidate further the existing relations in the field of political, economic, agricultural, technological, cultural, scientific and education, ICT, and a number of other areas.

## Size of next budget may be BDT 3 trillion: Muhith



Finance Minister AMA Muhith recently hinted that the size of the coming budget would be nearly BDT 3 lakh crore (BDT 3 trillion). "But we are yet to fix the figure. The size of the current fiscal's budget is BDT 2.50 trillion," he said. The

minister said it at a pre-budget discussion with economists at the NEC Conference Room in the city's Sher-e-Banglanagar recently. The finance ministry hosted the discussion to know the views of the country's leading economists to formulate the national budget for the fiscal year 2015-16. Finance Minister Abul Maal Abdul Muhith presided over the function. The finance minister indicated that human resource development along with education, health and sanitation will be priorities in the next budget.

## Separate project to build railway track on Padma Bridge



According to officials, government will set up a railway track on the Padma Bridge as the Bangladesh Railway (BR) has taken up BDT 170.41 billion separate project for installing the new railway line between Dhaka and Bhanga. BR official said the Padma Bridge is likely to be ready for use in FY 2019-20. The plan is to complete the proposed railway track construction by December, 2020. The ministry of railway recently sent the railway track setting up project proposal to the Planning Commission seeking its approval. The 82-kilometre proposed railway line will be set up through 6.15 kilometre Padma Bridge, now under construction, in a bid to connect southwestern Bangladesh with the capital.

## Investment, revenue should get priority: economists



The government should put utmost importance on investment and revenue earnings when formulating fiscal 2015-16's budget so that the country can come out of the 6-percent GDP growth trend, leading economists

said. The suggestion came at the first pre-budget discussion meeting, which was held recently at the National Economic Council auditorium with Finance Minister AMA Muhith in chair.

Zaidi Sattar, Chairman of Policy Research Institute, said the country has huge growth potential but is trapped in the 6-percent trajectory. Subsequently, the aim of the next budget would be to climb up to the 7-percent growth path. To achieve this, the main emphasis has to be placed on the manufacturing sector and trade policy. The economists of Bangladesh Institute of Development Studies (BIDS), Bangladesh Economic Association (BEA), PRI and Economic Research Group (ERG) also highlighted the infrastructure deficiency and banking issues. For raising growth, investment has to be attracted and the major infrastructure projects completed at the earliest, they said. They also called for increasing the government's earnings.

## Asia becomes the hub for global economic activities



The Bangladesh International Arbitration Centre (BIAC) and the Rajah & Tann Singapore LLP jointly organized a seminar titled 'The Rise of International Arbitration in Asia' where prominent lawyers of the country were present. Speakers at a seminar observed that Asia is becoming the hub for global economic activities as in terms of foreign direct investment as well as trade, the region is leading the world. Considering this, arbitration will gain importance for growing activities in investment and business among the countries in Asia, they said at a seminar at a hotel in the capital recently. Francis Xavier, SC and V Bala while Sameer Sattar, representatives from Rajah and Tann Singapore LLP spoke at the seminar. Mahbubur Rahman, Chairman, BIAC Council moderated the function.

## Particle board production soars on rising furniture demand

The domestic market for particle boards is thriving on the back of increasing demand for timber-substitute furniture, which is sustainable and cheaper, industry leaders said. The furniture sector has a growth rate of 19% a year, which demonstrates the enormous promise, according to a study jointly conducted in 2013 by the Export Promotion Bureau, Katalyst, a multi-donor funded development entity, and Centre for Industrial Studies, an international research centre. Local furniture sales were BDT 6,665 crore in fiscal 2011-12, which rose to nearly BDT 10,000 crore in fiscal 2013-14. The study also found that about 70,000 SMEs make furniture, employing 18 lakh people.



The rising demand for office and home furniture has encouraged entrepreneurs to set up mills to produce particle boards. Akij Group is setting up its second particle board mill, which will be the largest in South Asia, to meet the growing demand for boards by architects, interior designers and furniture makers. The capacity of the new unit will be 1,000 cubic metres a day, up from the existing unit's 300 cubic metres. The factory is being built at Trishal in Mymensingh, at a cost of around BDT 500 crore.

## Govt plans refinances for shipbuilding industry



According to a senior trade official, the government has initiated a move to provide a refinance of BDT 2.0 billion to the shipbuilding industry, considering its potential to emerge as a major export earner. To push the move forward the Export Promotion

Bureau (EPB) has requested the ministry of commerce (MoC) to take necessary measure for the refinances. An expert of Naval Architecture and Marine Engineering department of Bangladesh University of Engineering and Technology (BUET) said the 'made in Bangladesh' ships are 15% cheaper compared with Chinese ships and are of the same quality. Bangladesh's labour cost is still cheaper than Chinese, Korean and Japanese since shipbuilding is a labor intensive industry. China, Korea and Japan are leading exporters of ships. Shipbuilding industry needs huge capital, a major source of competitive disadvantage for Bangladeshi builders. An official of a private shipbuilding firm said the country's shipbuilders need to secure loan at as high as 16% interest rate, while their Chinese counterparts can get loan at 6.0%.

## Global motorbike makers in a race to grab BD market

The local motorbike market has recorded a substantial growth in recent years with global bike-manufacturers battling for their share in it, industry-insiders said. Nowadays, motorbike has become first attraction for office-goers and professionals because



of its size and affordable price in the country. The bikers include businesspeople, doctors, journalists, lawyers and teachers, students and NGO activists. According to the market players, motorcycles manufactured by India's Bajaj Group attained the top position on the market over here with 53% share as some 69,747 bikes of the brand had been sold in the first seven months (till January, 2015) of the current 2014-2015 fiscal year (FY). Another Indian company, TVS Auto, took the second position with 12% (15,529 bikes) market share followed by Hero Honda 9% (11,493), Chinese brand Dayang supplied by Runner Group nearly 8% (10,442) and Walton 6% (6,524) and the remaining 12% shared by Japanese brands Honda and Yamaha, Indian Mahindra, Chinese Haojue and some other bikes.

## Agro-processing has 'potential' to emulate RMG success

The agro-processing sector in the country has the potential to create a large market like that of readymade garments (RMG) at home and abroad if necessary help from the government is ensured. Speakers made the observation at the inaugural session of a day-long training on improvement of production in small and medium agro-processing industries of the members of Bangladesh Agro-Processors' Association (BAPA) in the city recently. The BAPA and the Agro-Products Business Promotion Council (APBPC) jointly organized the training. About 40 members of BAPA, who are agro-SME entrepreneurs based in Dhaka, took part in the training program.

## Dhaka WASA signs contract with RFL, CRFG

Dhaka Water Supply and Sewerage Authority (WASA) signed a contract with RFL Plastic Ltd. and China Railway First Group (CRFG) Ltd. at WASA board room recently. These farms will rehabilitate a total of 376 kilometres water pipelines of the areas under MODS Zone-6 by three years starting from April, 2015. The areas of work are Fakirapool, Malibagh, Moghbazar, Mouchak, Rampura and adjacent areas. WASA Managing Director Engineer Taqsem A Khan, Deputy Managing Director (Admin) Md Ataur Rahman, Deputy Managing Director (Operations and Maintenance) SDM Quamrul Alam Chowdhury, Deputy Managing Director (Finance) Syed Golam Ahmmed were present on the occasion. RFL Managing Director Ahsan Khan Chowdhury and CRFG's Bangladesh Director Mr. Liu Yadong were present on the occasion.

## IDCOL gets fund to combat climate change

State-owned non-bank institution Infrastructure Development Company Ltd. (IDCOL) has received the first ever CDM fund in Bangladesh under the United Nations Framework Convention on Climate Change (UNFCCC). UNFCCC has issued 18,373 Certified Emission Reductions (CER) for IDCOL. Solar Home System (SHS) Program under an Emission Reduction Purchase Agreement signed by IDCOL with the World Bank, the company said in a statement. The reduction has been issued for the reporting period July 1, 2012 to December 31, 2012. The total CER contracted under the agreement is 444,922 at euro 9.0 per CER. The remaining CERs are expected to be issued in subsequent phases. IDCOL will receive an amount of euro 165,357 for the CERs already issued, which will be shared between IDCOL and its partner organizations at a ratio of 25:75. Earlier, the IDCOL's project has been designed to reduce atmospheric carbon emissions by overcoming market barriers for solar energy development, including high implementation costs.

## More companies allowed to export shrimp to Russia



According to official, two more companies have got approval from the Russian authority to export shrimp to the European market. Sea Fresh Ltd. and SAR & Co secured export approval from Russia. With the latest approval, the total number of local farms

eligible for exporting frozen food to the Russian market has reached eight. The Russian go-ahead came four months after the Fisheries Department sent recommendation to the Russian federal agency for the two companies in light of Russian buyers' request. According to the Memorandum of Understanding (MoU) between Bangladesh and Russia, the Fisheries Department requires recommending names of fish processing plants for exports. At present, Bagerhat Sea Food Ltd, Fresh Foods Ltd, Apex Food Ltd, ARK Sea Food Ltd, Gemini Sea Foods Ltd and Rupsha Sea Foods are exporting frozen foods to Russia.

Bangladesh Frozen Foods Exporters Association (BFFEA) president SM Amzad Hossain said Bangladesh exports about 7% of total frozen food exports to Russia. The annual exports to Russia are now worth BDT 3.0 billion to BDT 3.5 billion.

## Govt continues to invest in social sectors: Muhith

Finance minister AMA Muhith said recently that the government has continued to invest in social sectors like education, health and skills development. This helped the country move forward during the global financial crisis. He also said there will be no poverty in the country by 2018 except for 10 to 14% of population. The policy of the government is to have confidence on people, trying

to do good for them, improve their skills and quality which automatically will result in change in their quality of life, he said adding that this policy will be continued in the years to come. The minister was speaking as the chief guest at the launching of training activity under Skills for Employment Investment Program (SEIP) at the MAWTS Institute of Technology at the city's Mirpur area.

## Walton wins int'l mkt leadership award

Walton Hi-Tech Industries Ltd. has been awarded with the prestigious Market Leadership Award in Malaysia recently. This award has been given considering the predominance of products in the world market from fifty countries. Asian Confederation of Businesses has recognized Walton with this Market Leadership Award. This award was handed over to the representatives of the company in a gorgeous ceremony hosted at luxurious Prince Hotel & Residence in Kuala Lumpur in the "The Golden Globe Tigers Summit-2015" program.



## Inward remittances help promote education of migrants' children

According to a Refugee and Migratory Movements Research Unit (RMMRU) report, inward remittances help promote education opportunities for migrants' children in Bangladesh. The findings also showed that migrant workers - both female and male - prefer government jobs for their children instead of sending them abroad with employment. The preliminary study on 'Impact of Remittance on Gender and Youth Aspirations' was launched recently at a view exchange meeting with media stakeholders in the city. The study carried out on 24 households in Tangail district and it is expected to complete at the end of December, said lead researcher Rozana Rashid. The study was conducted by RMMRU in collaboration with RPC, University of Sussex. With the usages of remittance, migrants' children are getting opportunities to have education at least from primary to secondary level, the report said. It also showed that female migrants remit main part of their wages and use it as like as male migrant workers for family maintenance and other purposes.

## Businessmen expect high growth of bicycle exports



Businessmen in the country see a huge export potential for bicycles because of their growing popularity in developed nations as an environment-friendly mode of transport. They expect a sharp rise in bike exports to the European market

following its economic recovery. Bangladesh follows Taiwan, Thailand, Sri Lanka and Indonesia in cycle exports to Europe.

According to the Export Promotion Bureau (EPB), Bangladesh exported bicycles worth USD 84.7 million in the first eight months of the current fiscal year (FY 2014-15), beginning on July 1, against the year's target of USD 121.5 million. The July-February export figure was 30.23% higher than of the previous corresponding period. Bicycle exports began in 2000 and picked up speed in 2008. EPB Vice-Chairman Shubhashish Bose said, 'An increase in bicycle exports shows a diversification of our export basket.' Exporters expect Bangladesh-made bikes will grab the 'entire European market', just as readymade garments (RMG) have done, in another 10 years.

### Fed to temporarily lift cap on reverse-repo program when Liftoff arrives



Federal Reserve officials in March decided to expand the boundaries of a program they intend to use to control short-term interest rates once they start raising them, likely later this year. The overnight reverse repurchase agreement program is one of several tools the U.S. central bank will use to raise rates that have been pinned near zero since December 2008. Rather than cap the total activity at USD 300 billion per day, as previously planned, officials decided they might allow a higher limit, at least in early stages of rate increases, according to minutes of the March 17-18 Fed meeting, released recently. In normal times, the Fed increases or reduces small amounts of reserves in the banking system to manage interest rates. Because it has flooded the system with trillions of dollars in reserves, it is using new instruments to manage rates. When it comes time to lift borrowing costs through the economy, Fed officials will raise the target range for their benchmark short-term interest rate, the federal funds rate, which is now set at zero to 0.25%. The Fed will use two other interest rates to set the ceiling and floor of that range. The top will be the interest rate the Fed pays to banks on reserves, the money they park at the central bank. The bottom will be the interest rate paid through the overnight reverse repo program. Through this program, the Fed pays interest to money market funds and other firms on money they temporarily exchange for central bank-owned securities.

### Shell, with USD 70 billion deal for BG group, becomes world LNG giant

Royal Dutch Shell is making a smart move in its USD 70 billion acquisition of BG Group. The deal will gain Shell access to the most exciting deep-water oil projects in the world, in Brazil. While adding in BG Group's fast-growing liquefied natural gas business will soon make Shell the undisputed world leader in LNG. The combination will set Shell on the path to unseat Exxon Mobil as the world's biggest oil company — at least until the next big acquisition is revealed. Shell is arguably the most global of the global oil supermajors, its strengths best utilized in managing large scale megaprojects. This deal for BG's collection of far-flung assets in Australia, East Africa, Brazil, Egypt and Tanzania reemphasizes that.



### Bank of Canada should boost monitoring of Shadow Banks: Wilson

According to Michael Wilson, chairman of Barclays Capital Canada Inc, the Bank of Canada should take the lead on monitoring the country's mortgage brokerages, private-equity pools, and other parts of the shadow-banking industry. The central bank should collect information from the country's non-federally regulated financial companies, analyze it to identify risks such as leverage build-up and credit deterioration and publish it quarterly, said Wilson, a former federal finance minister. Canada's shadow-banking industry was equal to about 40% of the country's gross domestic product at the end of 2012 compared with about 95% in the U.S. in 2011, according to a 2013 speech by Tim Lane, deputy governor at the Bank of Canada. The industry has grown in recent years amid tightened regulations to cool a housing boom that's also made regulated banks more conservative.

### German industry fueled by investment signals firm growth

German industrial production rose in February amid a jump in investment-goods output that signaled growth in Europe's largest economy is gaining strength. Output, adjusted for seasonal swings, was up 0.2% in February after a revised 0.4% drop in January, a report from the Economy Ministry in Berlin showed recently. The increase in the typically volatile figures compares with a median estimate of a 0.1% gain in a Bloomberg News survey. Exports climbed 1.5% in February, and imports were up 1.8% on the month, the Federal Statistics Office said in a separate release. While factory orders unexpectedly dropped in February, business confidence rose for a fifth month in March and unemployment dropped to a record low, underscoring optimism that the economy is gaining momentum. More stimulus from the European Central Bank's bond-buying plan as well as from cheap energy is also in the pipeline.

### JPMorgan must be ready for Greek exit from euro area: Dimon



JPMorgan Chase & Co., the largest U.S. bank by assets, needs to be ready for Greece to depart from the euro currency union, Chief Executive Officer Jamie Dimon said. Greece is negotiating a package of measures to repair the nation's economy, a condition for the release of more bailout funds from euro-area countries and the International Monetary Fund. German Chancellor Angela Merkel has repeatedly said that she wants Greece to stay in the currency union and, along with French President Francois Hollande, recently expressed concern that time is running short. Dimon highlighted what he said could be the eventual positive side of a Greek departure, following a period of "initial turmoil." He wrote that it is possible that an exit would prompt greater structural reform efforts by countries that remain.

### Clunky apps hold back apple watch in early reviews



As the Apple Watch reviews flooded the internet, there's one consistent area of disappointment: lackluster apps. Apple is positioning the watch to be the next major step in how people interact with technology. Instead of having to pull out your phone every five minutes and getting lost in it, wouldn't it be great to take a quick glance at your wrist and move on with your day? For now, that doesn't seem to be happening. The Verge points out that apps take too long to load or sometimes fail to load at all. "Committing to technology that's a little slow to respond to you is dicey at best, especially when it's supposed to step in for your phone," Nilay Patel wrote. "If the Watch is slow, I'm going to pull out my phone." Third-party app integration are the biggest issue here. Pulling data from the phone results in long loading screens. And apps that require location data from the phone take ever longer to load—such as the Uber app.

### Canada's Oliver announces balanced budget legislation plan

The legislation, announced by Oliver in a speech recently in Toronto, fulfills a promise Prime Minister Stephen Harper made in 2013. Oliver recently said the legislation would obligate governments to produce concrete time lines for returning to balance. The measure aims at shoring up the government's fiscal credibility as Canada emerges from a seven-year run of deficits totaling almost CAD 150 billion (USD 120 billion), with a balanced budget due April 21. Harper, headed to elections this October, has pledged to balance the budget this year even as falling oil prices curb revenue, arguing running deficits in times of growth only foments demands for more spending. The proposed legislation would allow exceptions in times of recession or in an "extraordinary circumstance" such as natural disaster or war that boost expenses by at least CAD 3 billion annually. A finance minister, in a time of deficit, would be required to testify to a parliamentary committee within 30 days to lay out a plan to return to balance. Deficits incurred in normal times would trigger an automatic freeze in operating spending, Oliver said.

### Money in an Instant: BBVA teams up with Dwolla



In a world where photographs are shared in a split second and a simple click can buy a car online, the U.S. banking industry often still operates in slow motion. The U.S. unit of Spanish bank Banco Bilbao Vizcaya Argentaria (BBVA) is

trying to speed things up by introducing a new service recently that allows its customers to send and receive money instantly. BBVA Compass is providing the service through Dwolla, one of a growing number of financial-technology start-ups that circumvent the national payments infrastructure that has been in place for decades. That system, called Automated Clearing House (ACH), is a fund-transfer network that is an alternative to paper checks and credit cards. ACH is widely used by banks for the transfer of funds between institutions, as well as online payment providers such as PayPal, a unit of eBay Inc. But it can take days for an ACH payment to clear when the funds are being transferred between two banks. The group that oversees the ACH network said last month that it is taking "initial steps" toward same-day settlement. "Real-time isn't something that customers just want, but it is something they expect," said Chad Ballard, director of mobility and new digital business technology at BBVA Compass. The regional bank operates nearly 700 branches in Texas, Alabama, California, Florida and other states.

### Gold jumps most in two months as U.S. payrolls trail estimates

Gold jumped the most in two months to top USD 1,200 an ounce after a private report showed U.S. companies added fewer workers than forecast in March, boosting speculation that the Federal Reserve will postpone raising interest rates. The metal ended a three-session slump. Employment climbed 189,000, the smallest gain since January 2014 and below the 225,000 median estimate in a Bloomberg survey of economists, figures from the ADP Research Institute in Roseland, New Jersey, showed recently. Gold dropped for three straight quarters amid concern that faster U.S. economic growth will spur the Fed to raise borrowing costs. Higher rates cut the allure of the metal, which generally offers returns only through price gains. Government data is recently projected to show employers added almost a quarter million workers to payrolls in March. Gold futures for June delivery rose 2.1% to settle at USD 1,208.20 an ounce at 1:43 p.m. on the Comex in New York, the biggest gain for a most-active contract since Jan. 15.

### Iran nuclear accord hailed as landmark after marathon talks

Iran and world powers took their biggest step toward ending a decade-old nuclear standoff, saying they agreed on the main outlines of an accord after more than a week of talks. The deal announced in Lausanne, Switzerland recently doesn't commit either side to immediate action, and leaves three more months for diplomats to fill in details. But by outlining areas of consensus, from a timetable for lifting sanctions to the repurposing of Iranian nuclear facilities, it brings the Islamic Republic closer than at any time since the 1979 revolution to international normalcy. President Barack Obama called it an "historic understanding," and the International Atomic Energy Agency said it was ready to verify Iran's actions. There were early signs, though, that the next steps won't be easy. Iranian conservatives and Israeli leaders condemned the accord, Obama's Republican opponents demanded a say on it, and Iranian Foreign Minister Mohammad Javad Zarif denounced a State Department description of its terms as "spin."

### Obamacare helps U.S. economy grow: White house



Obamacare is a boon to the U.S. economy, President Barack Obama's top economic adviser said in a speech. By expanding insurance coverage, providing subsidies for premiums and helping slow the growth of health-care

costs, the president's signature legislative achievement has put money in Americans' pockets, Jason Furman said recently. Liberals should make an aggressive argument for the law's economic benefits, said Furman, the chairman of Obama's Council of Economic Advisers, speaking at the Center for American Progress.

### With Galaxy S6 and S6 edge, Samsung tries to regain its footing

Samsung's internal code name for its latest top-of-the-line smartphones, the Galaxy S6 and S6 Edge, is "Project Zero," signaling what Samsung calls "a return to fundamentals." The code name also suggests that Samsung finally seems to understand the many criticisms that have long been leveled at its phones: the plastic hardware looked cheap, the most promoted features were mostly useless and the software was too complicated. Samsung, according to Samsung, has realized the errors of its ways. The realization was born out of necessity. Samsung's market share and profits in the smartphone business have plummeted over the last year. The company, which is based in South Korea, is in the unenviable position of getting squeezed from the bottom by the affordable phones made by Chinese upstarts like Xiaomi and at the top by Apple's powerhouse line of iPhones. The elegant new Galaxy phones, which went on sale in the United States recently, are aiming to pull Samsung out of that pickle. But while the phones are magnificent to look at, they are most likely not quite enough to fix what ails the company.



**Waiting on the Elio, a three-wheeled dream car of the future**

Last year (2014), Sean Donahue, a 37-year-old marketing director at a branding firm near San Diego, attended the Consumer Electronics Show in Las Vegas, where, amid virtual reality goggles and 4K televisions, he saw a design that struck him as truly futuristic. The invention was a prototype of a two-seat three-wheeled car built by Elio Motors, a Phoenix-based start-up founded by Paul Elio in 2008 with the mission to create an inexpensive, American-made, fuel-efficient vehicle. The USD 6,800 Elio uses the relatively ancient technology of a gas-powered engine. What makes the car seem advanced is the slender, rocketlike body made possible by its tandem seating design. Aerodynamically curved, it can travel 84 highway miles on a gallon of gas, according to its maker. Perhaps in a gambling mood, given that he was in Las Vegas, Mr. Donahue plunked down USD 500 to get his name on the Elio waiting list. That list now numbers some 40,000 people, said Jerome Vassallo, vice president for sales at Elio Motors. It is likely to grow when the Creamsicle-orange prototype appears at the New York International Auto Show, which runs through April 12 at the Jacob K. Javits Convention Center in Manhattan.

**Gold will drop another 9% this year**

Gold will probably drop another 9% this year before reaching the end of its bear market, according to researcher Metals Focus. The outlook for higher U.S. interest rates and a stronger dollar will push bullion down to USD 1,080 an ounce, the London-based company said in a report recently. Muted inflation, weak commodity prices and high equity prices will also curb demand for a protection of wealth, it said. Federal Reserve Chair Janet Yellen said recently that she expects rates to be raised this year (2015). Higher borrowing costs cut gold's allure because it generally offers returns through price gains. Still, the worst may nearly be over as U.S. and European investors reduce gold sales, while demand from Asia helps stabilize the market, the researcher said. Gold for immediate delivery traded at USD 1,183.94 an ounce in London recently, down almost 40% from its 2011 record. Metals Focus sees prices averaging USD 1,190 in 2015. The Bloomberg Dollar Spot Index rose 6.3% this year. Bullion typically moves counter to the greenback. Investors bought about 22 metric tons through gold-backed funds so far this year, after selling 164.4 tons in 2014, data compiled by Bloomberg show. Sales this year will total 50 tons, Metals Focus estimates. Jewelry demand is expected to rise 4% to 2,576 tons.

**HSBC to improve compliance: U.S.**

HSBC Holdings Plc is making progress toward cleaning up its operations, after reaching a USD 1.92 billion settlement of charges related to money laundering, but has not done enough, the U.S. Department of Justice said recently. The government made its criticisms after reviewing findings of an independent monitor, Michael Cherkasky, who was appointed in connection with HSBC's so-called deferred prosecution agreement with U.S. authorities. That accord let HSBC avoid criminal charges for having, as federal prosecutors put it, devolved into a "preferred financial institution" for money launderers and Mexican and Colombian

drug cartels, and handled transactions for customers in Burma, Cuba, Iran, Libya and Sudan, which were all subject to U.S. sanctions. According to a letter from U.S. Attorney Loretta Lynch in Brooklyn, New York, the government agreed with Cherkasky that HSBC has acted in "good faith" and "made material progress toward meeting the most stringent compliance standards imposed to date upon a global financial institution."

**Stanchart committed to Islamic banking**

Standard Chartered remains committed to Islamic banking and expects growth in its core markets, a spokesman for the lender said recently, after the head of its Islamic arm departed. Afaq Khan left Standard Chartered Saadiq, the lender's global Islamic banking business, after 12 years with the Asia-focused bank to take a career break, the spokesman said. A successor will be announced in due course, he added. His departure follows the naming of the group's new chief executive, Bill Winters, who is expected to oversee a shakeup when he takes over in June in a bid to reverse a two-year slump. The core markets include Bahrain, Malaysia, Bangladesh, Pakistan, Indonesia and the United Arab Emirates, where Standard Chartered offers personal banking services, the spokesman said. The bank also offers structured finance for businesses in Bahrain, Jordan, Qatar, Turkey, the United States, Brunei, Malaysia, Saudi Arabia, the UAE, Indonesia, Pakistan, Singapore and the United Kingdom, according to the Standard Chartered Saadiq website. The bank arranged USD 20 billion in Islamic financing for its customers in 2013, a rise of USD 3 billion from 2012, according to its 2013 annual report, the latest available.

**Bank of England outlines parameters of 2015 stress test**

The Bank of England said recently that it would test major British banks on their potential performance against financial shocks including a global slowdown, a sharp drop in inflation and a reduction in worldwide appetite for risk. This year's test is intended to better reflect the global risks and how those would filter through the system, affecting banks' capital. It will not include a default by Greece, a Greek exit from the eurozone or Britain's potentially leaving the European Union. The contagion effects that a Greek default might cause, like a liquidity crisis in emerging markets, are taken into account, Bank of England officials said. The purpose of the test is to measure the soundness of Britain's banks against severe economic and financial market upheavals, as occurred in 2008. The first such stress test by the British central bank, in 2014, focused more on British risks, including the level of indebtedness of British households. Important differences this year include adding an international focus and taking into account what happens to banks' illiquid or untradable positions under such stresses. Releasing the parameters of its 2015 test, the British central bank said that under certain situations, banks would have to maintain a 4.5% common equity Tier 1 capital ratio, and a 3% Tier 1 leverage ratio. Both ratios are measures of a bank's capital.



### Toyota to end expansion freeze, invest USD 1.3 billion in two new Mexico, China plants



Japan's Toyota Motor Corp will spend about 150 billion yen (USD 1.3 billion) to build two new car plants in Mexico and China, two people familiar with plans said, ending a three-year freeze imposed after unchecked growth

lumbered the world's biggest auto maker with too many idle production lines. Reuters reported in January that plans were in place for new plants in the two countries, awaiting a green light from top management that has now been given. President Akio Toyoda had been cautious about expanding after Toyota was hit by a capacity glut following the global financial crisis. The new plants will raise Toyota's annual production capacity by nearly 300,000 cars, the two people said - 200,000 in Mexico and up to 100,000 in China. They declined to be identified because they are not authorized to speak to the media, and said the expansion may be announced formally as early as this month. The renewed expansion drive by Toyota will put more pressure on rivals such as General Motors Co and Volkswagen AG, in a global automotive industry still burdened by being able to make more cars than it can sell. The increase in global production capacity of up to 300,000 compares with sales of just over 10 million in 2014.

### FinanceAsia's guide to Asia in 2015



Asian companies will need to be nimble in 2015 and time volatile markets well, in order to help them raise capital in the run up to a likely US interest rate hike by the summer. There are reasons to be optimistic. Asian loan markets remain liquid and debt capital markets are poised to expand further. After being shut for the last couple of years, the US market for initial public offerings has re-opened for Chinese technology companies. Many Asian companies also still have large piles of cash and, assuming no major economic tailwinds, are expected to continue deploying that money. As the Chinese government looks to root out corporate malfeasance and make its lumbering state-owned giants more efficient, this is expected to generate deals. Privately owned Chinese companies too are stepping up their global ambitions, encouraged by recent regulatory changes to seek out more mergers and acquisitions. A key threat to this rosy outlook is the possibility of a sudden economic slowdown in China. Growth in China is gradually slowing as the economy matures but also because of measures taken to rein in a debt-fuelled housing binge. HSBC data shows manufacturing activity slipped in November to its lowest level in six months and the People's Bank of China, keen to avoid too sharp a slowdown, cut benchmark interest rates last month for the first since July 2012.

### China acts to stem slide in home prices

China recently courted home buyers with a bigger tax break as it cut down-payment requirements for the second time in six

months, stepping up a fight against sliding house prices that is imperiling the Chinese economy. The People's Bank of China, the central bank, said on its website that commercial banks could now lower their minimum down-payment requirement for buyers of second homes, and with outstanding mortgages, to 40% from 60%. The Ministry of Finance, in a separate statement, said that individuals selling houses were exempt from business taxes if they had owned the house for more than two years. Analysts said sellers were previously exempted from taxes only if they owned the houses for at least five years.

The policy sweeteners, which were more generous than what the market had expected, confirmed rumors swirling in China recently that the authorities were increasing support for the flagging real estate sector. Real estate share indexes rallied sharply in Shanghai on rumors of the change. The Shanghai composite's property index closed up more than 7%, its best day since 2009, while the broader index closed 2.6% higher. That China is now trying to lift its property market is an about-face in policy. As recently as early 2014, the authorities were waging a four-year campaign to tame an exuberant market, which pushed home prices to records.

### Banks regroup as Malaysian mega-merger collapses

CIMB Group, RHB Capital and Malaysia Building Society (MBSB) are mulling their options recently after their USD 20 billion mega-merger has collapsed, according to well-placed sources. Confirmation of the three-way merger's collapse may come as soon as this week, people familiar with the matter told FinanceAsia.

RHB, which has been an acquisition target several times before in 1998 and 2011, wants to bulk up to preserve its independence and may try to pursue a two-way merger with smaller MBSB once the dust settles, people familiar with the bank's thinking said. MBSB is pursuing its own banking license. Malaysia's Employees Provident Fund (EPF), which owns 65% of MBSB, 41% of RHB and 15% of CIMB, may need to lower its ownership in RHB and MBSB. If CIMB is going to go it alone then it will need to inspire stock market analysts with a new strategy.

### Asia punches its weight for Citi once again

Citi missed analyst estimates for group fourth-quarter earnings recently and, like the rest of Wall Street, endured a difficult 2014 but Asia continues to pull its weight for the US bank. In an internal memo to staff, seen by FinanceAsia, Citi underlined the importance of the region to its global business over 2014, with Asia-Pacific ex-Japan accounting for 19% of global earnings before interest and tax (EBIT), making it Citi's largest regional contributor outside North America. For the fourth quarter, Citi Asia-Pacific ex-Japan contributed USD 1.3 billion of EBIT, up 10% year-on-year. Meanwhile, revenues rose 3% year-on-year to USD 3.2 billion. Institutional Clients Group (ICG) revenues rose 4%, led by a strong performance in markets, which jumped 8%. Consumer banking revenues for the quarter rose 1% year-on-year. For the full year, EBIT in the region rose 4% to USD 5.6 billion on revenues of USD 13.7 billion, an increase of 2%. ICG revenues rose 2%, with banking revenues up 7% after a strong year for M&A, which Citi called "one of our strongest on record." Full-year consumer banking revenues increased 2%, underpinned by strong China and India franchises, which posted 18% and 8% revenue growth respectively.



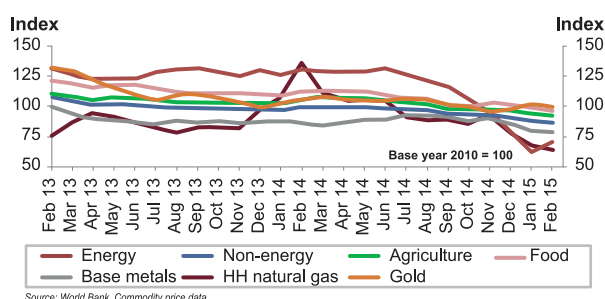
## Trends in Commodity Markets

During the month of February, the US dollar further strengthened – maintaining a source of weakness to commodity prices, albeit at a lower pace than in January, mainly due to incoming implementation of the quantitative easing program announced by the European Central Bank (ECB). Meanwhile, improvement in the labor market was ongoing in the US, suggesting that the Federal Reserve could potentially lift rates around mid-year, weakening the appeal for investment in precious metals.

Agricultural prices declined, due to a drop in food and beverage prices, while the cost of raw materials increased. In February, the US Department of Agriculture made small upgrades to its expectations for global ending stocks of wheat, corn and cotton, while also making small downgrades to soybeans and rice. Sugar prices declined on improving weather conditions in Brazil, weakening of the Brazilian real, which supports exports, and additional stimulus for sugarcane production by India's government. Prices in the soy complex declined on the expectation of strong exports from Argentina and Brazil. Energy prices reversed the downward trend started in August 2014, as crude oil prices recovered on the expectation of slower supply growth. Natural gas prices decreased in both Europe and the US. Withdrawals from inventories in the US have been in line with expectations over the month, in spite of colder-than-normal temperatures, while in Europe inventories declined to 35.9% of capacity at the end of February, versus 48.75% the previous year, however average import prices have fallen on the lagging effect of crude oil price declines.

Metal prices were under pressure due to continuing softness in manufacturing activity and excess supply. Purchasing Managers' Index (PMI) figures increased for China to 50.7 vs 49.7 in January, were stable in the Eurozone at 51, and slightly down in Japan at 51.6 vs 52.2, while the Institute for Supply Management PMI declined for the US, moving to 52.9 from 53.3 in January, mainly due to the impact of the strike that affected ports in the West Coast. Copper prices were down on renewed pressure from rising inventories in the London Metal Exchange (LME) and continuing softness in the Chinese property market, in which home prices declined in January, according to the National Statistics Bureau. Iron ore declined sharply, as major producing companies' capacities continued to expand, while January Chinese imports were down 9.5% from the same month a year earlier. In the short term, the impact of the ECB's quantitative easing could potentially drive a further appreciation of the US dollar, adding more weakness to commodity prices. The impact of the recently announced reduction in China's GDP target, on the growth in demand for commodities in general, will also require close tracking.

Major commodity price indices, 2013-2015



Source: World Bank, Commodity price data.

## Energy prices

Average energy prices in February increased by 11.7% m-o-m due to a 16.3% m-o-m increase in crude oil, after a continuing decrease in rig counts suggested slower growth in US oil production. Natural gas prices declined during the month in the US by 4.3% m-o-m while average import prices decreased in Europe by 10.6%.

## Agricultural prices

Agricultural prices decreased by 1.5% due to a 2.3% decrease in food, a 1.7% decrease in beverages and a 1.2% drop in raw materials. Soy complex prices dropped with soybeans, soybean oil and soy meal declining by 4.0%, 3.7% and 3.1%, respectively, on record crops in the US and South America. Wheat continued its declining trend on a strong dollar and high global production. Sugar declined by 4.9% on improving prospects for Brazilian production and government support in India.

## Base metals

Base metals decreased by 1.2% m-o-m mainly due to a decline in copper by 1.7% on an additional increase in LME inventories. Nickel declined by 1.9% on increasing inventories, reversing the gains achieved the previous year due to Indonesia's ore export ban. Iron ore declined sharply by 7.4% m-o-m on continuing increases in production capacity by major producing companies and decreased demand from China before the Lunar New Year holiday.

## Precious metals

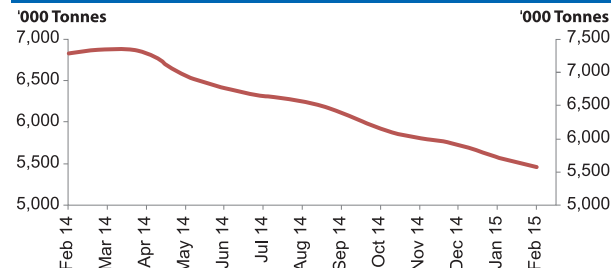
Precious metals decreased by 2.1% in January. Average gold prices decreased by 1.9% m-o-m in response to increasing bond yields in the US after further strengthening in the labour market. Silver prices decreased by 2.6% m-o-m.

## Natural gas

In February, the Henry Hub natural gas price decreased after smaller-than-average withdrawals from inventories. The average price decreased by 12¢, or 4.3%, to USD 2.85 per million British thermal units (mmbtu) after trading at an average of USD 3.97/mmbtu the previous month.

The US Energy Information Administration (EIA) said utilities withdrew 228 billion cubic feet (Bcf) of gas from storage during the week ending 27 February. This was slightly above market expectations of a 222 Bcf decrease. Total gas in storage stood at 1,710 Bcf, which is 40.4% higher than the previous year and 7.7% below the previous five-year average. One month ago it was 1.2% below that average. The EIA noted that temperatures were significantly colder than normal during the week, which increased gas consumption.

Inventories at the LME



Sources: London Metal Exchange and Haver Analytics.



**Global Forecasting Service April 2015: The Economist**

Emerging-market central banks are facing a tricky period. As the US dollar soars and the Federal Reserve (the Fed, the US central bank) prepares to raise interest rates, developing-country central banks might have been expected to fall in line to protect their currencies and attract investment. Instead, declining oil prices and low inflation have encouraged many of these central banks to cut rates, even as the relentless rise of the dollar threatens to turn the depreciation of some emerging-market currencies into a rout. The risk is greatest for those economies that have borrowed heavily in US dollars—and which need to service those debts with weaker local currencies. For many emerging-market central banks the easing cycle that began in 2014 is now over and interest rates will have to rise again, with important consequences for economic growth.

The Economist Intelligence Unit (EIU) has long argued that the risks associated with rising interest rates in the US should not be ignored, given the plunge in emerging-market stocks, bonds and currencies when the Fed announced its intention in mid-2013 to begin to taper its quantitative easing program. Pressure on emerging markets eased in 2014 as lower inflation in the US pushed down bond yields, and, when oil prices started to decline, some central banks saw an opportunity to reduce rates as a means of stimulating growth or battling disinflation.

But a new phase of intense pressure has returned against the backdrop of a soaring US dollar. Since July 2014 the dollar has climbed by 15% on a trade-weighted basis against the currencies of 26 of the US's major trading partners, and by more against some important emerging-market currencies. Countries that need to finance large current-account deficits, such as Brazil and Turkey, will be particularly vulnerable to weaker currencies and capital outflows.

In March, EIU has raised our forecast for the US dollar against the euro in 2015 to an annual average of USD 1.04: €1, from USD 1.08: €1 previously; EIU expects the dollar to rise further to USD 0.99: €1 in 2016 as the Fed accelerates its cycle of rate increases. The inevitable result of an appreciating US dollar will be higher interest rates in many developing economies. From a global perspective, this could dampen some of the momentum from the continuing strength of the US economy and the latest signs of a recovery in the euro zone. EIU's forecast for global growth in 2015 at market exchange rates has therefore moved down to 2.7%, from 2.8% previously.

**Exchange rates**

The start of sovereign bond buying in the euro zone set off a renewed depreciation in the euro, which fell to USD 1.04: €1 in early March. EIU remains of the view that diverging monetary policy between the US and the EU and Japan will keep the dollar strong in the next two years. Indeed, EIU has revised its forecast and now expects the US dollar to remain above parity with the euro on an annual average basis in 2016. Oil will continue to exert an influence over emerging-market currencies: those of large producers such as Russia have suffered significant depreciations, while those of importers such as India have shown much more resilience.

**Commodities**

Brent is fulfilling EIU's forecast by displaying a high degree of volatility so far in 2015. Prices have traded between USD 46/barrel and USD 62/b in the past quarter, and at the time of writing were heading down again. Despite a falling rig count in the US, the oil market remains extremely well supplied, and although EIU expects growth in North American production to slow sharply as the year progresses, there is a risk that production in Libya or Iran could rise considerably, if politics permits. EIU has made a modest upward revision to our forecast for the average Brent price in 2015, from USD 54.4/b to USD 58/b.

World economy: Forecast summary										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Real GDP growth (%)</b>										
<b>World (PPP* exchange rates)</b>	<b>5.0</b>	<b>3.8</b>	<b>2.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.6</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>	<b>3.7</b>
<b>World (market exchange rates)</b>	<b>3.9</b>	<b>2.6</b>	<b>2.1</b>	<b>2.1</b>	<b>2.3</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>	<b>2.9</b>	<b>2.6</b>
US	2.5	1.6	2.3	2.2	2.4	3.2	2.5	2.4	2.6	1.4
Japan	4.7	-0.4	1.7	1.6	0.0	1.3	2.0	1.3	1.7	1.6
Euro area	2.0	1.7	-0.7	-0.4	0.9	1.4	1.5	1.6	1.6	1.7
China	10.4	9.3	7.7	7.7	7.4	7.1	6.8	6.4	6.0	5.6
Eastern Europe	3.2	3.7	2.1	1.6	1.4	-0.3	2.0	2.9	2.6	2.7
Asia and Australasia (excl Japan)	8.5	6.5	5.5	5.5	5.7	5.9	5.8	5.5	5.5	5.5
Latin America	6.0	4.4	2.9	2.7	1.4	1.2	2.4	3.1	3.5	3.6
Middle East & Africa	4.9	3.2	3.5	2.3	3.0	2.5	3.5	3.9	4.1	4.2
Sub-Saharan Africa	5.1	4.0	3.3	3.6	3.6	3.5	4.4	5.1	5.2	5.2
<b>World inflation %; av)</b>	<b>3.1</b>	<b>4.3</b>	<b>3.5</b>	<b>3.2</b>	<b>3.0</b>	<b>2.3</b>	<b>3.1</b>	<b>3.3</b>	<b>3.5</b>	<b>3.3</b>
<b>World trade growth (%)</b>	<b>14.0</b>	<b>6.8</b>	<b>2.7</b>	<b>2.7</b>	<b>3.4</b>	<b>5.1</b>	<b>5.3</b>	<b>5.4</b>	<b>5.5</b>	<b>5.6</b>
<b>Commodities</b>										
Oil (US\$/barrel; Brent)	79.6	110.9	112.0	108.0	98.9	58.0	71.4	86.1	93.8	92.4
Industrial raw materials (US\$; % change)	44.8	21.7	-20.3	-5.9	-5.5	-2.6	10.8	3.0	3.1	3.2
Food, feedstuffs & beverages (US\$; % change)	10.7	30.1	-3.4	-7.4	-5.3	-13.5	4.0	8.8	3.9	3.0
<b>Exchange rates (av)</b>										
¥:US\$	87.8	79.8	79.8	97.6	105.9	121.9	125.0	124.0	122.0	120.0
US\$:€	1.33	1.39	1.29	1.33	1.33	1.04	0.99	1.07	1.15	1.20
*PPP=purchasing power parity										
Source: The Economist Intelligence Unit.										

WELLS FARGO SECURITIES ECONOMICS GROUP REPORT



U.S. Overview

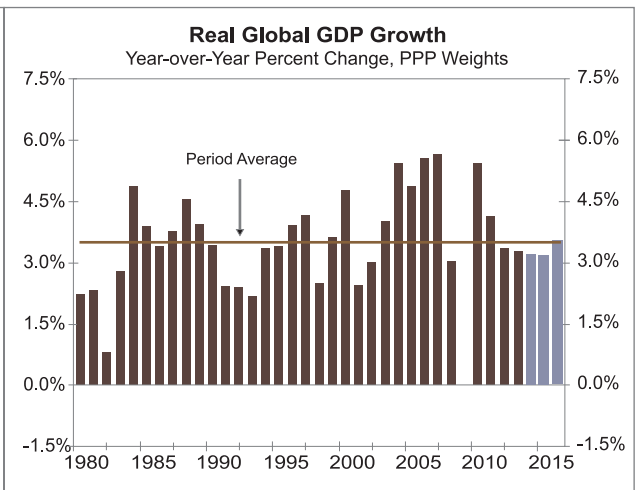
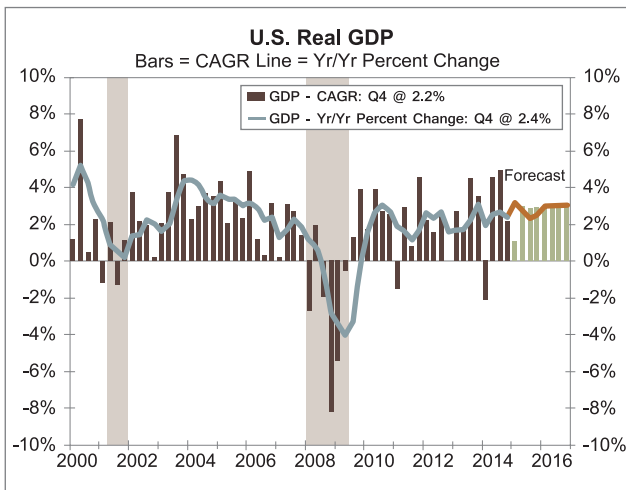
Slow Start to Economic Growth in 2015

Output and employment growth are starting the year in two entirely different ways. Expectations for real GDP growth have been continuously scaled back due to the abrupt slowdown in the energy sector, harsh winter weather in the Northeast and the effects of the West Coast port slowdown. Wells Fargo now looks for real GDP to rise at just a 1.1% annualized rate in the first quarter, which is at the low end of consensus estimates. Job growth, however, seems to have been little affected by these events. Nonfarm payrolls rose by 295,000 jobs in February, following a 239,000-job gain the prior month. The unemployment rate fell to 5.5% in February. The slower pace for first quarter real GDP growth is a bit deceiving. Much of the deceleration results from a further widening in the trade deficit and less inventory building. A drop in government spending also produces a slight drag during the quarter. Private final domestic demand is much healthier and is expected to rise at a 2.0% pace during the quarter and climb 2.8% for the year. Real GDP growth is also expected to be much stronger for the year, climbing 2.7%. Final demand remains solid outside of the oil patch and the positive effects of lower energy prices should build over the course of the year. Government spending should also perk up a bit. The split between GDP growth and employment conditions will further complicate the Fed's decision as to when to begin to raise the federal funds rate. With final demand strong, Wells Fargo still expects the initial move to come in June and look for interest rates to rise modestly across the curve from current levels over the course of 2015.

International Overview

Global Economy Finds a Lower Gear

Since our prior monthly forecast, Wells Fargo have dialed back our global GDP growth estimate for 2015 by a tenth of a percentage point to 3.2% and for 2016 by two-tenths to 3.5%. Wells Fargo is not revising lower as a result of any major shift in the drivers of global growth, but rather it is just truing up our estimates after a run of economic data that have been disappointing on balance. One of the top global economic worries is what happens next in Europe. While the Greek situation remains touch-and-go, the outlook for the Eurozone is brightening. The combination of quantitative easing by the European Central Bank (ECB), a weaker euro and lower oil prices play to Europe's benefit. There was a time not long ago when the Bank of England (BoE) was expected to beat the Federal Reserve to the punch in raising rates. The U.K. economy continues to hum along but, in the absence of wage inflation, a rate hike from the BoE does not appear to be in the cards anytime soon. In Asia, economic growth continued with Japanese real GDP growth bouncing back in the fourth quarter after consecutive declines in prior quarters. China's GDP growth target was reduced but this may make economic reform easier. The Russian economy is likely in recession at present, as it struggles to get its oil-centric, export-oriented economy back on its feet. Some of Latin America's hobbled economies are on the mend, the recession in Brazil will likely be mild when compared to Russia, and Wells Fargo is forecasting better growth in 2016 for both Brazil and Mexico.



Source: U.S. Department of Commerce, IMF and Wells Fargo Securities, LLC

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