

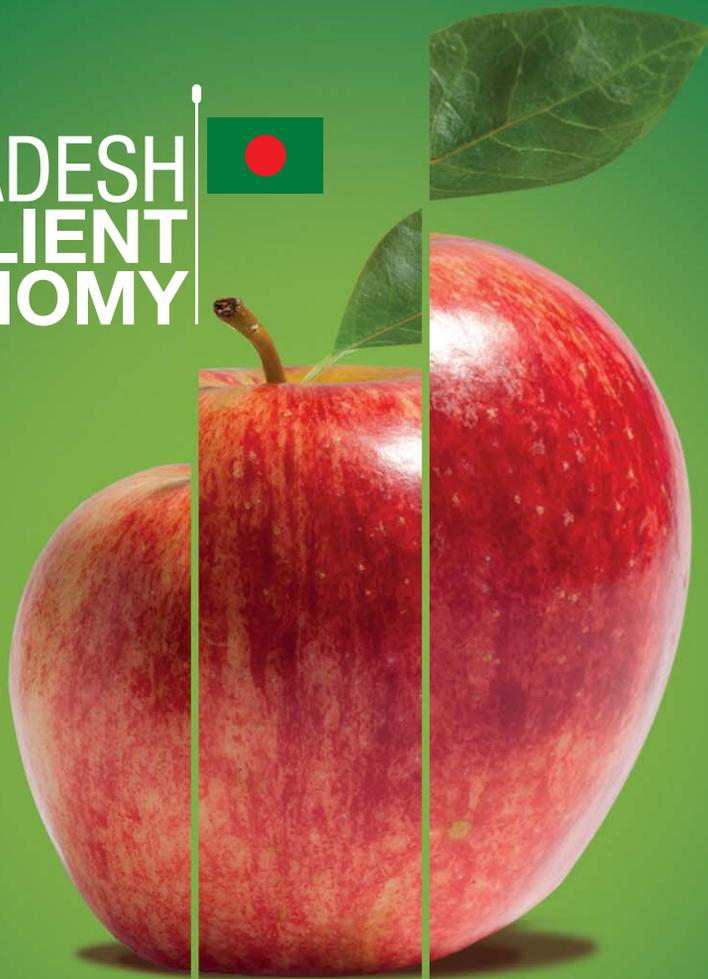
# MTBiz

MONTHLY BUSINESS REVIEW

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JULY-AUGUST 2015

BANGLADESH  
THE RESILIENT  
ECONOMY





## 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  
**Mutual Trust Bank Ltd.**

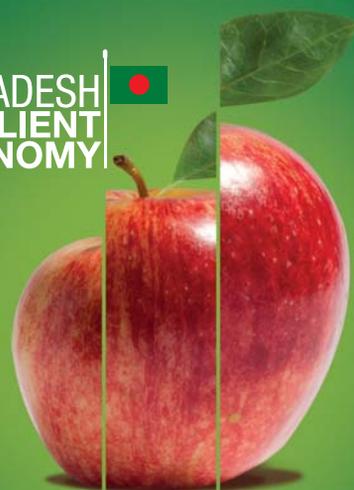
*you can bank on us*



## Contents

Article of the month	02
National News	
The Central Bank	05
Banking Industry	06
Business & Economy	08
MTB News & Events	11
Industry Appointments	16
International News	
Business & Economy	17
Economic Outlook	22
Wells Fargo Monthly Outlook	24

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ECONOMY



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# Bangladesh, the Resilient Economy

The recent elevation in categorization of Bangladesh to a lower middle income country (LMIC) by World Bank (WB) has added a feather to its long voyage towards economic development. The messages from loads of discussions on the traditional and social media reaffirm that, Bangladesh has changed; Bangladesh has transformed. Despite political volatility, infrastructural sandbags and global economic depression, it is now acclaimed that, Bangladesh is set to grow and it's a resilient economy. This is a powerful and impressive story to be told again and again.

For Bangladesh, joining the league of LMICs is merely the first step towards further economic growth. The country now envisages becoming an upper middle income country (UMIC).

According to the WB's latest estimates of Gross National Income per capita (GNI) released on July 1, 2015, Bangladesh continued to show improved economic performance and became lower-middle income country, with annual income range of USD 1,046 to USD 4,125.

## Experts' Review

WB Chief Economist and Senior Vice President Kaushik Basu said, "It is heartening to see that over the last one year itself four nations crossed over that critical line from the low-income to the lower-middle income category." The three other countries to improve their positions from low-income category to lower-middle income this year are Kenya, Myanmar, and Tajikistan. According to data released by Bangladesh Bureau of Statistics (BBS) on May 14, the per capita income in Bangladesh rose from USD 1,190 to USD 1,314. (bdnews24.com, July 02, 2015)

"This is a milestone in the progress on the journey towards reaching a comfortable middle income status," said Zahid Hussain, lead economist of World Bank in Dhaka. He said the country could be proud that it was no longer a low income nation. "But the journey on the road to middle income status has just begun. Moving into the LMIC category is a formal recognition of the start". (The Daily Star, July 02, 2015).

Center for Policy Dialogue (CPD) executive director Mustafizur Rahman said, "It is the recognition and reflection of continuous economic development of the country. It is obviously a great achievement for us and a landmark as well." He said the

## Bangladesh

\$173.8 billion GDP  
(Current US\$, 2014)

\$1,080 Per Capita GNI  
(Atlas Method, 2014)



## Global Status by world Bank

31 Low-income economies

\$1,045 or less per capita GNI

51 Lower-middle-income economies

\$1046 to \$4,125 per capita GNI

53 Upper-middle-income economies

\$4,126 to \$12,735 per capita GNI

80 High-income economies

\$12,736 or more per capita GNI

Country	GNI per capita (Current USD) in 2014
Bangladesh	1080
Pakistan	1410
India	1610
Vietnam	1890
Thailand	5410
China	7380
United States	55200

Source: World Bank

achievement will enrich reputation and uplift the status of Bangladesh to the world. A relatively advantageous position will be created for the country to get loans from the international money market, he pointed out. "Bangladesh now will be considered as a less risky country." (The Daily Prothom Alo En, July 02, 2015)

Professors Bazlul H. Khondker and M. Abu Eusuf of Dhaka University say, the country has realized economic growth rate of 6.51 percent in the current fiscal year (i.e. FY2014-15) and this is a remarkable achievement considering unprecedented disruption in economic activities for about 100 days between January and April of this year. (The Financial Express, July 09, 2015).

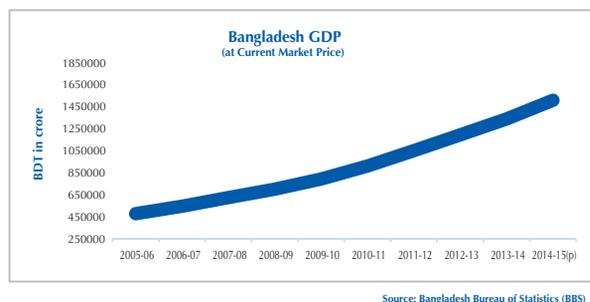
Johannes Zutt, Country Director of World Bank said at a summit in last quarter of 2014, the country has overtaken India "by a considerable margin" in many key development Indicators since 1971 despite the fact that its income level is significantly lower than India's. He particularly highlighted the pace of GDP growth in the past three decades, which is about 1 percentage point per decade. "It's something very few countries have managed – that's a remarkable achievement."

## On the way toward a Middle Income Country

Bangladesh is an attractive market with great potentials. It has a population of 160 million of which 93 million are under the age of 28 years. This demographic dividend at this time along with stable and growth momentum, the country attracts the investors. The growth of the economy is being driven by export industries. Current export figures are USD 31.2 billion worth of products (FY 2014-15, BB), which is targeted to cross USD 50 billion by 2021 or earlier. Provided the target of export is to be achieved, it is required to diversify the export portfolio, both in terms of products and export destinations.

"We have to work hard to come to a respectable position among the lower middle income nations and make sure that our institutions, such as governance, education, service delivery, infrastructure, etc. are all upgraded to meet the commensurate quality," said Dr. Binayak Sen, research director at Bangladesh Institute of Development Studies (BIDS).

"In 2014 we barely scraped through the USD 1045 mark with USD 1080," said Dr. Zahid Hussain, lead economist at the World Bank. "But the lower middle income bracket ranges from USD 1046 to USD 4125, including countries like India, Indonesia, Pakistan, etc."



The story of Bangladesh is not only in the direction of economic growth. The country has also shown its performance in reducing level of poverty and improving in the indicators of Millennium Development Goals (MDGs). By now, the country is self-sufficient in food and the agriculture sector

makes about 19% of the total GDP. Bangladesh's successes in population control, non-formal education, microfinance, health sector and women's rights are all commendable. Social progress of Bangladesh in the last forty-four years undoubtedly has improved at an extraordinary speed. The average life expectancy at birth in 1972 (Life expectancy at birth) was 43 years which is now increased to 65 years. Under-five child mortality per 1,000 live births is 41 which were 179 per thousand live births in 1972. In 1972, the population growth rate was around 3.4%; now it is around 1.2%. At present maternal mortality rate is 170 per 100 thousand. Women's reproductive trends declined to 2.1 from 5.1 in 1972 which is the lowest in South Asia. Moreover the literacy rate is over 60%. Primary school enrollment has almost reached the 98% of its goal. The dropout rate from school has declined to 30% in the last few years. Three million students are now studying in higher education, which is 1.9% of the total population. Out of six hundred thousand students studying at university level, four hundred thousand students are studying at the private universities. Nearly two third of the people have access to pure water. 89% of the people are getting healthy sanitation facilities. The mega project of separation of the sewage and water lines of Dhaka city is soon going to complete permanently. Poverty alleviation is a great achievement of Bangladesh in recent years. In 1972, 72% of the people were in below poverty line, ten years ago it was 42% and now it has declined to 24%. Women's participation in economic activities has increased to 40% which was only 3% in 1972.

In order to become a middle income country, experts think, the economy of Bangladesh needs to grow at 8% a year. Enhancement in investment can be a key to push the growth rate upward. A 5% increase in investment can translate into the productivity necessary for upgrading the economy to the middle income group. Many believe that Bangladesh has already become a prime overseas investment target. Not only for the three largest economies in Asia: India, China and Japan, but also South Korea, Singapore and Hong Kong are taking a keen interest in Bangladesh. This is a time when Bangladesh with the leverage of connectivity and regional economic integration will move forward. Bangladesh is not only a gateway to Nepal and Bhutan but also to the north east of India. It also has excellent opportunities to connect with China and the ASEAN region. Domestic demand is always a critical factor in attracting investments. Bangladesh presents tremendous opportunities for investors because it has a young population of 160 million with a rising per

capita income and it is poised to reap the demographic dividend. Not only does it have a large domestic market, Bangladesh also provides opportunities to thrive as a manufacturing hub.

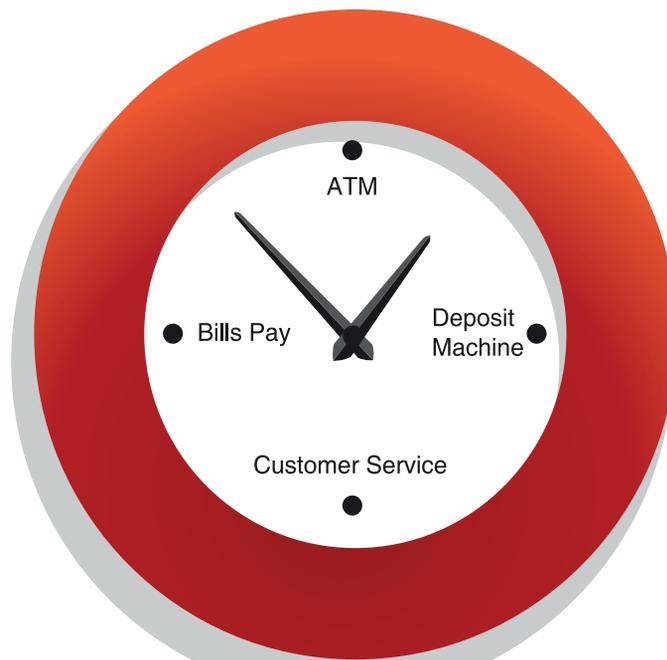
Recently HSBC, the England based bank upgrades Bangladesh's rating compared to its previous rating made on June 29, 2015. HSBC identified five factors that will determine the course of Bangladesh equities: macro economy, remittances and garment exports, domestic demand, banking sector and stock market. On macroeconomic stability, it said the growth looks on a surer footing. "Bangladesh is best placed as compared to Vietnam and Sri Lanka." Inward remittances are strong. Bangladesh received a record USD 15.3 billion in remittance from expatriates last fiscal year. Foreign currency reserves also climbed to an all-time high of USD 24 billion in April. At this level, the reserves can fund 7.1 months of import bills, up from 6.4 months at the same time last year. On the foreign exchange front, the taka should be the least-volatile frontier

market currency. Non-performing loans or NPLs declined to 9.7 percent as of December 2014, down from 11.6 percent in the third quarter of 2014, and stayed at the lowest level in the last two years. Lower interest rates will push up credit growth and improve the banks' LDR and the investment climate. Overall, the broader picture looks encouraging for the Bangladesh equity market. Peace has returned to the streets, market liquidity has jumped, valuations have come down, the investment climate has improved, the external sector outlook is balanced, the banking system is on the mend, and domestic demand looks set to improve.

This piece of article narrates the jubilant conversion story of Bangladesh and its journey from lower income country to lower middle income country club, while the upcoming articles of this series would explore the extent of possibility to push its growth rate, GDP and the required infrastructure.

## MTB Smart Banking

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## NATIONAL NEWS

### Bangladesh Bank to provide monetary support to 'green businesses'



Bangladesh Bank (BB) Governor Atiur Rahman has said financial institutions will give monetary assistance to

entrepreneurs doing 'green business'. He urged them to take advantage of this offer. Rahman inaugurated the Agrani Bank's Green Banking and Rooftop Garden activities at a Dhaka hotel. True development is possible if entrepreneurs come forward, because the private sector has a major role in the country's development. He promised to extend all help from the state bank towards this goal. City temperature is eight degrees Celsius higher compared to villages, he said adding, "But rooftop gardens can reduce the (city) temperature by 2-3 degrees. The governor said the Agrani Bank's credit disbursement for rooftop gardens and nurseries would be a milestone. At the programme, he distributed saplings of various fruit trees to the rooftop garden owners of Narayanganj. He also released a book on green banking and rooftop garden published by the Bangladesh Institute of Bank Management.

### Bangladesh Bank unveils BDT 164bn agricultural, rural credit policy

The banks will have to take necessary initiatives for achieving the agricultural loan-disbursement target by ensuring proper use of such loan through strengthening their monitoring across the country, Bangladesh Bank (BB) Governor Dr. Atiur Rahman said while announcing the policy at the central bank headquarters in the capital Dhaka recently. The central bank chief also asked the banks to bring qualitative and quantitative changes in agricultural credit through establishing a sustainable agricultural credit system for ensuring hassle free credit to farmers. The governor also asked the bankers to encourage cultivation of import-substitute crops. The central bank chief also reminded the bankers that the 10-taka bank accounts for farmers were not introduced to disburse subsidies only. These accounts must be run like any other bank accounts. Dr. Rahman sought cooperation from the CEOs and MDs of the commercial banks in expediting the ongoing 'financial inclusion' programmes alongside development of the agriculture sector for achieving sustainable economic growth.

### SME platform launched



Bangladesh Bank (BB) Governor Dr. Atiur Rahman expressed his hope that the

newly-launched 'iamSMEofBangladesh' will play a vibrant role in ensuring sustainable development of the country's micro, small and medium enterprises (MSMEs). While formally launching the SMEs' platform at a city hotel, Dr. Rahman also expected that it will bring meaningful changes in the lives of entrepreneurs in Bangladesh like those in India that happened due to the pro-active role of 'iamSMEofIndia'. The function was attended, among others, by Pierre Mayaudon, EU Ambassador to Bangladesh, Pankaj Sharan, High Commissioner of India to Bangladesh, Rabindranath, chairman of NSIC, India, S K Sur Chowdhury, deputy governor of BB, Hossain Khaled, president of Dhaka Chamber of Commerce and Industry (DCCI), Rajiv Chawla, chairman of 'iamSMEofIndia', high officials of different banks and non-banking financial institutions, representatives of the chamber-bodies and entrepreneurs. This launching will remain as yet another milestone in joint-campaign for developing SMEs in the region, the BB governor said.

### BB rewrites guideline for mobile banking

Banks will have to form a separate subsidiary if they want to provide mobile financial services (MFS) as per a proposal by the central bank. At present, banks run MFS as a wing of the company, but the proposed guideline stipulates that they set up a separate platform with a minimum paid-up capital of BDT 100 crore. It said the MFS platforms will be sponsored and led only by commercial banks, according to the Regulatory Guidelines for Mobile Financial Services in Bangladesh. The proposal also offers opportunities to mobile phone operators to be an active part in the system. The scheduled commercial bank-led MFS platforms may have both banks and non-bank entities, including mobile network operators, as equity holders. In that case, banks will hold the majority beneficial ownership in total equity. The beneficial ownership of telecom operators in an MFS platform should not exceed 30 percent of its total equity. Mobile operators have long sought to be part of the growing MFS but the banks were always opposed to the idea. Although the mobile operators have not been given the full permission to run the MFS, a chief executive officer of a mobile phone operator welcomed the proposal.

## NATIONAL NEWS

### BKB disburses BDT 73.22 cr loan in Narsingdi

Bangladesh Krishi Bank, Narsingdi region, disbursed BDT 73.22 crore as agricultural loan among 8,221 farmers through its 21 branches in the six upazila of the district during last fiscal year (2014-2015). Official sources said BKB earmarked BDT 70 crore for disbursement as agricultural loan in the district for last fiscal year. But the bank disbursed BDT 3.22 crore more than the target fixed by the bank for the region. The percentage of loan disbursement by the bank stands at 105 percent on June 30 in the region. Meanwhile, BKB Narsingdi region in the same fiscal year realized BDT 111.29 crore outstanding loan, including 48.56 classified loan, from 9,171 borrowers in the region. BKB has taken a plan for realizing BDT 109.25 crore outstanding loans including classified loan for the last fiscal year.

### NRB Global Bank Limited signed an agreement with Shahabuddin Medical College & Hospital



Recently NRB Global Bank Limited signed an agreement with Shahabuddin Medical College

& Hospital at the Head office of the Bank. Md. Abdul Quddus, Managing Director of NRB Global Bank Limited & Mohammed Shahabuddin, CIP, Chairman, Shahabuddin Medical College & Hospital signed the Agreement on behalf of their respective Organizations. Among other Additional Managing Director Mr. Md. Golam Sarwar, Deputy Managing Director Mr. R Q M Forkan & Mr. Kazi Mashiur Rahman Jayhad, Asst. Manager- Business Development of & Shahabuddin Medical College & Hospital Mr. Md. A. Khair & other high official of Both Organizations were also present on the occasion.

### Discount Partnership Agreement between MBL & Grand Sultan Tea Resort & Golf



Mercantile Bank Limited (MBL) has recently signed a Discount Partnership Agreement with Grand Sultan Tea Resort Golf. Mr. Mati-UI-Hasan, Deputy Managing Director of Mercantile Bank Limited and Md. Sayedul Islam Bhuiyan (Romel),

Head of Sales and Marketing of Grand Sultan Tea Resort & Golf signed the agreement on behalf of their respective Organization. Besides, Mr. Md. Abu Sakin, Vice President & Head of Cards of Mercantile Bank Limited and Mr. Mohammad Zahirul Islam, Manager, Sale & Marketing of Grand Sultan Tea Resort & Golf and other officials of both the organizations were present on the occasion. According to the agreement Grand Sultan Tea Resort & Golf shall provide 55% discount from Sunday to Wednesday & 50% discount from Thursday to Saturday on Room rent excluding festival days and 10% discount on food to Platinum & Gold (local, Int'l, Dual) Credit Cardholders of Mercantile Bank Limited and all the employees of Mercantile Bank Limited.

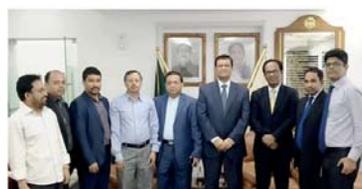
### BRAC Bank signs remittance deal with South Africa's Hello Paisa



BRAC Bank Limited signed an agreement with Hello Paisa (PTY) LTD in Pretoria, South Africa. The partnership will enable Hello Paisa customers to make instant

bank transfers into accounts at BRAC Bank. Mr. Mamur Ahmed Head of Retail Sales, Remittance & Payroll and Ahmed Cassim, Chief Commercial Officer, of Hello Paisa (PTY) LTD signed the agreement on behalf of their respective organizations. Mr. Rezaul Hossain, Chief Commercial Officer of bKash Limited, and senior officials from both the organizations were also present on this occasion. Through this agreement customers can send money online, via mobile to their friends & families in Bangladesh. Friends & families can receive money direct to their bank accounts or pick up the cash from any of the BRAC Bank's 166 branches, 50 SME unit Offices & more than 100,000 bKash agents.

### MDB and Nitol-Niloy Group has exchanged views



Recently, exchange of views between Midland Bank Limited (MDB) and Nitol-Niloy Group was held at

FBCCI office in Dhaka. Mr. Abdul Matlub Ahmad, President of FBCCI and Chairman of Nitol-Niloy Group and Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank Ltd, were present

on the occasion. Both exchanged views on business matters. Mr. Mahbubul Alam, President of CCCI, Md. Zahid Hossain, SEVP & Head of Corporate Banking Division of MDB and officials of the respective organisations, were present.

## City Bank wins Euromoney's Best Bank Award



City Bank has recently been adjudged the best bank in Bangladesh for the year 2015 by Euromoney for the second time. The Euromoney's prestigious

Asia Awards are considered the benchmark for the leading firms in financial services in the region, and are fiercely contested across numerous markets and categories. The award was announced at an award ceremony in Hong Kong recently. Leading figures from banking and capital markets across Asia attended the programme. City Bank's DMD and COO Mashrur Arefin along with Head of Brand Nazmul Karim received the award on behalf of the bank.

## Signing Ceremony between Standard Bank Limited and Apan Jewellers



Standard Bank Limited recently signed an agreement with Apan Jewellers, a leading jewellery fashion house. Under this agreement Standard Bank VISA cardholders and employees

will avail 30 percent discount on all Diamond Jewellerys at Apan Jewellers. In presence of Mr. Gulzar Ahmed, Managing Partner of Apan Jewellers; Mr. Sharif Zahirul Islam, Head of Card Division of SBL and Mr. Bappi Das, Manager of Apan Jewellers signed the agreement on behalf of their respective organizations.

## BRAC Bank, MBL ink business deal



BRAC Bank Limited has recently signed an agreement with Meghna Bank Limited (MBL) in the capital for facilitating

business. BRAC Bank Managing Director and Chief Executive Officer (CEO) Syed Mahbubur Rahman and Meghna Bank Managing Director and CEO Mohammed Nurul Amin signed the agreement on behalf of the respective organisations, said. BRAC Bank Deputy Managing Director Mohammad

Mamdudur Rashid and other senior officials from both the organisations were also present in the signing ceremony.

## Al-Arafah Islami Bank Limited inaugurates 'Tree Plantation Campaign 2015'



Al-Arafah Islami Bank Ltd inaugurates 'Tree Plantation Campaign 2015' under its Green Banking program in Noyabazar Degree College, Keranigonj,

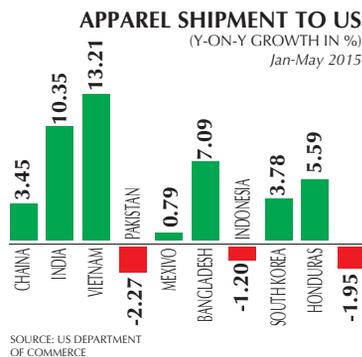
Dhaka on July 29, 2015. Managing Director of the Bank Md. Habibur Rahman was present as Chief Guest in the opening ceremony of the campaign organized by AIBL Ati Bazaar Branch. Principal of the College Abdul Malek Mia presided over the ceremony while Director of the Bank Alhaji Abdul Malek Mollah and Deputy Managing Director Kazi Towhidul Alam were present as special guest. Among others Freedom Fighter Shahabuddin Ahmed, Founder Member of Noyabazaar Degree College Haji Mizanul Hoque Mizan, Senior Vice President & Head of AIBL Dhaka South Zone Md Majibar Rahman, Assistant Vice Presidents Jalal Ahmed and Md. Zahurul Hoque were present in the inauguration.

## Ansar-VDP Unnayan Bank plays vital role for members' betterment

Ansar-VDP Unnayan Bank, a government-owned non-schedule specialised bank, has been playing vital role in changing the socio-economic condition of the members of Ansar and VDP here since 2009. According to sources, the bank was established in 1995 and started its banking operation in Dhaka from November 18 in 1996. Later, a branch of the bank was opened at Gaibandha in 2009. Since then, the bank has been operating its banking activities for the welfare of the members of Ansar and VDP. Till June, 2015 a total of BDT 60 million (BDT 6 crore) had been distributed to 601 VDP members of the district for cow and duck rearing, and establishing stationary and sweetmeat shops as micro-credit. Each of the beneficiaries received micro-credit ranging from BDT 30,000 to BDT 50,000 from the bank, said an official of the bank. Under small and medium enterprise scheme, BDT 1.9 million were also disbursed to 21 VDP members and the beneficiaries got BDT 75,000-3,00,000, he also said. Under this project, a loan of BDT 4.5 million was disbursed to 21 officials and staff of the department working in the district to establish nursery and rear cow side by side with performing their professional duty.

# NATIONAL NEWS

## Garment exports to US on the rise



Garment exports to the US, the country's single largest export destination, rose 7.09 percent year-on-year in the January-May period on the back of a rebound in the American economy.

Bangladesh exported USD 2.32 billion worth of garment products to the US in the first five months of the year, according to data from the US Department of Commerce. Garment exports to the US declined 3.17 percent year-on-year to USD 4.64 billion during the January-November period of last year. But from March this year, it started picking up due to the retailers' reinstatement of confidence in Bangladeshi garment. The rise in garment imports from Bangladesh is part of a greater trend: the US imported garment items worth USD 42.6 billion, up 4.02 percent year-on-year. Bangladesh ranked sixth among the top 10 garment exporters to the US during the period, with China coming first. India came in the second position, Vietnam third, Pakistan fourth and Mexico fifth, according to the data. Indonesia came in seventh, followed by Korea and Honduras and Cambodia. Bangladesh exports about USD 5.6 billion worth of goods to the US a year, 95 percent of which are garment items.

## WB forecasts 6.7pc GDP growth for FY16



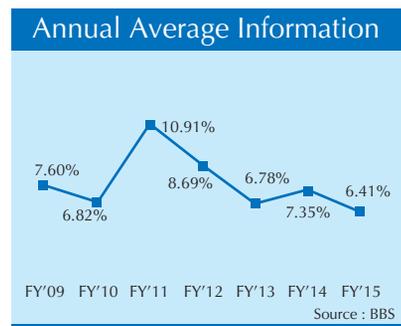
**The World Bank**

Bangladesh economy would grow by 6.7 per cent in 2015-16 financial year (FY16), according to a new report of the World Bank (WB), reports BSS. The forecast is close to the GDP (gross domestic

product) growth target, set in the national budget for FY16. Finance Minister Abul Maal Abdul Muhith has set 7 per cent GDP growth for the current fiscal year. The economy grew by 6.51 per cent in the immediate past 2014-15 fiscal year (FY15). The World Bank earlier revised down the growth forecast at 5.6 per cent for FY15, but the country dispelled the prediction, with attaining higher

growth. The new report of Bank, however, saw higher growth prospect in the coming days against the backdrop of improved political and microeconomic situation. While observing that the global economy is in transition, the report was upbeat about the Bangladesh economic prospect: With the economy running at capacity, growth is expected to remain at close to potential over the forecast period. About the global economy, the report said the world economy is expected to grow 2.8 per cent in 2015, slightly less than the forecast in January, before strengthening moderately to 3.2 per cent in 2016-17.

## Inflation drops to 6.41pc in FY 15



The country's year-on-year inflation in the just-concluded financial year 2014-15 dropped to 6.41 per cent as prices of essential items at home and

fuel oil in external markets were maintaining a downward trend. The Bangladesh Bureau of Statistics (BBS) recorded the 12-month average inflation in the previous FY2014 at 7.35 per cent. However, the point-to-point inflation last month increased to 6.25 per cent following rise in prices of some food items in the local markets on the occasion of holy month of Ramadan, the BBS data showed recently. The rate of inflation on point-to-point basis was recorded at 6.19 per cent in the previous month May and it was recorded at 6.97 per cent in June (of the previous FY2014) a year ago. Inflation rate in the rural areas in June marked a slight increase to 5.90 per cent from 5.84 per cent in May. The point-to-point inflation in urban areas also rose slightly to 6.91 per cent in June from 6.87 per cent in May. Meanwhile, the BBS unveiled the national wage index rate witnessing a rise of 9.49 per cent growth in June from 9.44 per cent in May.

## Apparel exports hit USD 25.49b in FY 15

Bangladesh fetched USD 25491.40 million from apparel exports in the immediate-past 2014-15 financial year, which is 8.13 percent higher than the income in the previous FY. Total income from apparel exports was USD 24491.88 million in FY 2013-14. The country has set a target of taking the apparel export up to USD 50 billion by the next five

years (calendar year 2020). Meanwhile, the country's annual export income grew by 3.35 percent in FY 15 over the FY 14. According to Export Promotion Bureau (EPB), export income in FY 15 stood at USD 31198.45 million, up from USD 30186.62 million in FY 14. Since last couple of years, two major platforms of buyers – Accord and Alliance-are working to improve factory standards by upgrading the compliance standards. With these endeavors, the country is hoping boost apparel export further. In the FY 15, income from Knitwear export stood USD 12426.79 million while that of woven items stood at USD 13064.61 million. EPB data shows that the growths in knit and woven exports were 3.13 percent and 5 percent higher respectively than FY 14. In the FY 14, the income from knitwear and woven was USD 12049.81 million and USD 12442.07 million respectively. Home textile, which is excluded of apparel exports, fetched USD 804.34 million in FY 15, posting a growth of 1.49 percent over the previous FY. The minor sector's annual export income in FY 14 was USD 792.53 million. Meanwhile, export of jute and jute goods surpassed the fiscal target. The sector fetched USD 868.53 million against the target of USD 835.35 million. In FY 14, income from this sector was USD 824.49 million.

### No bank borrowing by govt last fiscal year

The government did not borrow from the banking system last fiscal year; rather it repaid a big portion of debts. This was due to a rise in sales of savings instruments and slow implementation of development projects. The government paid back BDT 6,869 crore to banks in fiscal 2014-15, according to provisional data from the central bank, in contrast to BDT 6,428 crore it borrowed in the previous year. Initially the bank-borrowing target was set at BDT 31,221 crore, but the amount was later revised up to BDT 31,714 crore. The government has two domestic sources to borrow -- from banks and through savings instruments. Sales of savings instruments have been on the rise as they offer higher interest than banks do. As a result, the government's borrowing through savings instruments rose every month last fiscal year and stood at BDT 26,562 crore in the first eleven months, though the initial target was BDT 9,056 crore and the revised target BDT 21,000 crore. The earnings of the National Board of Revenue were higher than the revised collection target, which the official said is another reason why the government did not borrow from banks. Fiscal 2009-10 was another year when the government did not borrow from the banking system.

### ACI profit jumps by 1,415pc on brand sales



The half-yearly earnings of ACI Limited this year skyrocketed by 1,414.72 per cent to BDT 239.78 crore compared with that of the same period in the previous year as the entity earned an additional BDT 252 crore by selling its brands to

US-based S.C Johnson & Son during the period. The half-yearly report of the company for the period of January to July this year disclosed recently showed that the profit of the company was BDT 15.83 crore during the same period in the previous year. The earning per share of ACI Limited, one of the major consumer and chemical manufacturers in the country, during the January-June period increased to BDT 60.28 compared with that of BDT 4.01 in the same period of the previous year. However, excluding the one-off gain (BDT 252 crore) realised during the period, EPS of the company would be BDT 7.04. Market operators and investors said there was a rumour at the market that the price of ACI shares would increase further. Due to the rise in the share prices, the price earning ratio of the company increased to 44.38 considering last year's EPS, while considering half-yearly EPS, BDT 60.28, PE ratio of ACI declined to just 5.30.

### USD 3b FDI needed each year for mid-income status

Bangladesh needs USD 3 billion Foreign Direct Investment (FDI) annually to go with the pace for earning middle-income status by the year 2021 though at present the amount is USD 1.52 billion. Along with cheap labour costs and other social and economic facilities, a number of challenges, including land and power crisis and infrastructural facilities, also prevail in bringing local and foreign direct investment in a larger volume. Nabhash Chandra Mandal, Executive Member of Board of Investment (BoI), told. The country's actual FDI in the year 2014 was USD 1.52 billion while this year we are expecting the amount will be USD 2.5 billion, the BoI member said adding that within a short time the country's FDI would be 3 billion. Terming crisis of lands, power and poor infrastructure facilities as challenges to investment as well as an opportunity to bring foreign and local investment, the BoI member said the government is working hard and uncovered a number of mega-plans to face the challenges. Poor infrastructure, crisis of land and power are an opportunity as foreign investors are pouring millions of dollars here to develop these establishments which is expanding the country's investment volume and generating employment, Nabhash opined.



## আপনার ব্যাংকিং আপনার মোবাইলেই!

ইন্টারনেট ব্যাংকিং মোবাইল অ্যাপ্লিকেশন

সহজেই খুঁজে নিতে ভিজিট করুন



## এমটিবি ইন্টারনেট ব্যাংকিং সেবা এখন আপনার আই-ফোনেও

নিজস্ব ব্যাংক একাউন্ট পরিচালনা করে নিজেই উপভোগ করুন  
নিম্নোক্ত সেবাসমূহ:

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- নিজস্ব এবং বেনিফিশিয়ারি হিসাবে অর্থ স্থানান্তর
- চেক বই-এর আবেদন
- ক্রেডিট কার্ড-এর বিল প্রদান এবং লেনদেন-এর সংক্ষিপ্ত বিবরণী
- ইন্টারনেট-এর বিল প্রদান
- মোবাইল রিচার্জ
- পার্শ্ববর্তী এমটিবি শাখা এবং এটিএম-এর অবস্থান নির্দেশনা

২৪/৭ এমটিবি কর্পোরেট সেন্টার  
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## FAREWELL TO DMD QUAMRUL ISLAM CHOWDHURY



Quamrul Islam Chowdhury, a veteran of fifty years in banking including more than 15 (fifteen) years at Mutual Trust Bank Ltd. (MTB) retired on June 30, 2015 as MTB Deputy Managing Director and Group Company Secretary. His 50 (fifty) years of uninterrupted services is possibly a first in the Bangladeshi banking arena, and, a record which could be difficult to emulate in the future.

To say adieu to its eldest member, MTB arranged a farewell function for Chowdhury, which was attended by a large number of his colleagues. Speakers at the event recalled his dedicated and sincere services to the banking industry and conveyed their good wishes to him. Chowdhury is a founding member of MTB, which started its journey on October 24, 1999. He has made remarkable contributions towards setting up the bank and been an integral part of its development, over the past 15 years, into today's MTB. Starting his banking career as a Trainee Officer in the erstwhile State Bank of Pakistan in February 1965, he worked for 34 years with Habib Bank/Agrani Bank in various capacities. Before joining MTB as Senior Vice President & Company Secretary in 1999, he was Deputy General Manager and Board Secretary of Agrani Bank.



Date : June 22, 29 & 30, 2015

Venue : MTB Corporate Head Office, Gulshan 1, Dhaka 1212

## MTB HONOURING SUCCESSFUL SSC EXAMINEES OF ASSISTANCE FOR BLIND CHILDREN (ABC)

Mutual Trust Bank Limited (MTB) recently handed over gift cheques to five (5) residential students of Assistance for Blind Children (ABC) for obtaining excellent grades in the SSC examination. Anis A. Khan, Managing Director and CEO, MTB, handed over the Gift Cheques.

Former ABC President Habibullah Khan, Treasurer Munira Khan, Assistant General Secretary Data Magfur, MTB Additional Managing Director Md. Hashem Chowdhury along with other senior officials of both the organizations were also present at the occasion.

Date : June 14, 2015

Venue : MTB Corporate Head Office, Gulshan 1, Dhaka 1212



## MTB WISHES 16TH ANNIVERSARY OF *PHP* GROUP



On the eve of 16th Anniversary of PHP Group, Md. Khurshed UI Alam, MTB Head of Chittagong Division Branches (HoCtg) with his team, visited the office of PHP Group to convey wishes on behalf of MTB. Alhaj Sufi Mizanur Rahman, Chairman of PHP Group was very delighted and expressed his profound gratitude to the MTB Team for honoring PHP on the occasion.

At the end, MTB team took leave after exchanging pleasantries.

Date : July 22, 2015

Venue : PHP Group, PHP House, 31, Agrabad C/A, Chittagong 4100

## WORKSHOP ON MONEY LAUNDERING PREVENTION & COMBATING THE FINANCING OF TERRORISM



Mutual Trust Bank Limited (MTB) organized a daylong workshop on Money Laundering Prevention (MLP) & Combating the Financing of Terrorism (CFT) recently.

Additional Managing Director, MTB, Mr. Md. Hashem Chowdhury inaugurated the workshop as the Chief Guest. Senior Executive Vice President & Chief Anti Money Laundering Compliance Officer (CAMLCO), MTB, Mr. Swapan Kumar Biswas, and other senior officials of the bank were also present at the workshop.

Date : June 16, 2015

Venue : MTB Training Institute (MTBTI), Dhaka 1208

## SCHOOL BANKING CAMPAIGNS AT CHITTAGONG



Date : May 25, 2015

Venue : Sunshine School and College, Muradpur, Chittagong 4000



Date : June 18, 2015

Venue : Government National Primary School Nandonkanon Chittagong 4000

## TRAINING PROGRAM ON FIRE FIGHTING & FIRST AID



Date : June 10, 2015

Venue : MTB Training Institute (MTBTI), Dhaka 1208

## MTB SIGNS MOU IN THE LAUNCHING PROGRAM OF lamSMEofBangladesh IN COLLABORATION WITH lamSMEofIndia



Mutual Trust Bank Ltd. (MTB) recently signed a memorandum of understanding (MoU) with Integrated Association of Micro, Small and Medium Enterprises (IamSME) of Bangladesh to render financial services for the development of the SME sector in Bangladesh.

MTB Managing Director & CEO, Anis A. Khan and lamSMEofBangladesh President, Syed Ahmad Kiron signed the MoU on behalf of their respective sides at the launching ceremony of lamSMEofBangladesh. Deputy Governor of Bangladesh Bank, S.K. Sur Chowdhury and Head of MTB SME Banking Division, Ahmed Rashid were present among others.

Date : July 29, 2015

Venue : Radisson Blu, Airport Road, Dhaka 1206

## MTB INKS DEAL WITH ITCL FOR UPGRADING CARD MANAGEMENT SOFTWARE

Mutual Trust Bank Limited (MTB) has recently signed an agreement with IT Consultants Limited (ITCL) for upgrading the bank's Card Management Software.

MTB Managing Director & CEO, Anis A. Khan and ITCL Managing Director & CEO, Kazi Saifuddin Munir, PhD signed the agreement on behalf of their respective organizations, at a simple ceremony held at the bank's corporate head office at MTB Centre, Gulshan, Dhaka.

MTB Additional Managing Director, Md. Hashem Chowdhury, Deputy Managing Director & Chief Business Officer, Syed Rafiqul Haq and other senior officials of both the organizations were also present on the occasion.



Date : July 16, 2015

Venue : MTB Corporate Head Office, Gulshan 1, Dhaka 1212

## WORKSHOP ON MONEY LAUNDERING PREVENTION & COMBATING THE FINANCING OF TERRORISM



Date : July 04, 2015

Venue : MTB Training Institute (MTBTI), Dhaka 1208



Date : July 24, 2015

Venue : Hotel Silverspoon, Agrabad, Chittagong 4100

Mutual Trust Bank Ltd. (MTB) recently organized workshops on Money Laundering Prevention (MLP) and Combating the Financing of Terrorism (CFT) at Dhaka and Chittagong.

MTB Additional Managing Director, Md. Hashem Chowdhury inaugurated the workshops as the chief guest. Swapan Kumar Biswas, Senior Executive Vice President & Chief Anti-Money Laundering Compliance Officer (CAMLCO), Md. Baker Hossain, Senior Assistant Vice President & AMLCO and Syed Towhid Hossain Assistant Vice President, Banking Operations Division conducted the sessions as resource persons.

## PAYROLL BANKING SIGNING CEREMONY BETWEEN MUTUAL TRUST BANK LTD. & BENGAL HURRICANE GROUP



Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer of Mutual Trust Bank Ltd. (MTB) is seen exchanging documents with Md. Golam Saroar, Managing Director of Bengal Hurricane Group after signing an agreement for payroll banking solutions for the employees of Bengal Hurricane Group. Abu Sayed Masum Haider and Md. Asadullah Al Mamun, Directors of Bengal Hurricane Group, Sultana Shikder Ahona, Head of MTB Payroll Banking and other senior officials of both the organizations are also seen in the photo.

Date : August 03, 2015

Venue : MTB Corporate Head Office, Gulshan 1, Dhaka 1212

## AGREEMENT SIGNING CEREMONY BETWEEN MUTUAL TRUST BANK LTD. (MTB) & GRAND SULTAN TEA RESORT & GOLF



Mutual Trust Bank Limited (MTB) has recently signed an agreement with Grand Sultan Tea Resort & Golf, located at Sreemangal, Moulvibazar, at a simple ceremony at the corporate head office of the bank in Gulshan.

Under this agreement MTB privilege customers & Gold Credit Card holders will enjoy exclusive lifestyle privileges including 55% discount on room rents. Md. Sayedul Islam Bhuiyan (Romel), Head of Sales & Marketing of Grand Sultan Tea Resort & Golf and Mohammed Sami Al Hafiz, Group Chief Communications officer of MTB signed the agreement on behalf of their respective organizations.

Date : July 27, 2015

Venue : MTB Corporate Head Office, Gulshan 1, Dhaka 1212

## RELIEF DISTRIBUTION PROGRAM AT CHOKORIA POURASHAVA



MTB Chokoria Branch organized a relief distribution program at flood affected area of the upazilla.

Date : July 30, 2015

Venue : Chokoria Pourashava, Cox's Bazar 4700

**MTBSME**  
BANKING



বার্ষিক ইন্টারেস্ট রেট মাত্র **৯%**

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এমটিবি কন্ট্যাক্ট সেন্টার ১৬২১৯ অথবা ০৯৬০৪০ ১৬২১৯

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## NATIONAL NEWS

### Dowla elected chairman of Pioneer Insurance



Mr. M. Anis Ud Dowla has been elected as the Chairman of Pioneer Insurance Company Limited. The Board of Directors of the company in its 186th meeting held on 17 June 2015 unanimously elected him for the year 2015-2016. He is one of the sponsor shareholders of Pioneer Insurance Company Limited. Mr. Dowla is the Chairman of ACI Group. He served as President of MCCI, Dhaka and Bangladesh Employers Federation in several terms. He is the President of Bangladesh Seed Association and a member of the Trustee Board of Independent University of Bangladesh.

### BB gets new executive director



Bishnu Pada Saha has recently been promoted as executive director of Bangladesh Bank, the central bank said. He has been serving the debt management department as general manager before the promotion, the banking regulator said. Saha joined Bangladesh Bank in 1984 and has since worked with several departments, including banking inspection and monetary policy. He received his masters in chemistry from Jahangirnagar University and also holds an MBA.

### Proshanta Kumar Halder New Managing Director of NRB Global Bank



Proshanta Kumar Halder joined NRB Global Bank Limited as Managing Director recently, prior; he was Managing Director of Reliance Finance Ltd. Proshanta K Halder is a prominent and professional Banker with more than 15 years of rewarding multi-dimensional experience in finance and other fields of management. Mr. P. K. Halder, a CFA Charter holder, graduated from Bangladesh University of Engineering & Technology (BUET) & completed Masters of Business Administration (MBA) from the Institute of Business Administration, University of Dhaka.

### Asia Ins chairman re-elected



Mr. Yussuf Abdullah Harun FCA, Member of Parliament is unanimously re-elected Chairman of the Board of Directors of Asia Insurance Limited recently. Mr. Harun was born in Comilla on November 15, 1947. He obtained B.com. (Hons.) Degree from University of Dhaka in the year 1967 and qualified as a Chartered Accountant (FCA) from the Institute of Chartered Accountants in England & Wales. He was Chairman, Board of Directors of Southeast Bank Ltd., former President of FBCCI and Director of Infrastructure Development Company Limited. He is a member of the Board of Governors of North South University. He is also a member of the Board of Directors of Policy Research Institute (PRI). He is associated with a number of companies in the field of shipping, Real Estate, Hotel etc. Mr. Harun is actively associated with a number of Socio-Cultural organisations as donor and life member.

### EXIM Bank MD re-appointed



Managing Director of EXIM Bank Dr. Mohammed Haider Ali Miah was re-appointed for the second term from July 25, 2015 after completing his first phase of 3 years. Dr Miah started his banking career in 1984 as a Probationary Officer. Afterwards, he joined EXIM Bank in 2000 as Vice President. Subsequently he acted as Branch Manager and Head of different Division in Head Office of EXIM Bank. He was promoted as Deputy Managing Director in 2008 and Additional Managing Director in 2011. Later he became the Managing Director of EXIM Bank on July 25, 2012.

### Purnendu Kumar Roy new GM of Janata Bank



Purnendu Kumar Roy has been promoted as General Manager of Janata Bank Limited recently. Purnendu Kumar Roy joined Janata Bank Ltd. as a Senior Officer in 1984. He obtained MSS in Philosophy from Dhaka University. He hails from Birampur village of Brahmanbaria Sadar in 1956.

# INTERNATIONAL NEWS

## New Google CEO made ascent with low-key style



A low-key style and an unusually firm handle on diplomacy propelled new Google

chief executive Sundar Pichai to the top of the search engine giant, former colleagues said, cementing his successes such as creating the Chrome browser. As part of a major overhaul of its operating structure, Google said it was creating a new holding company called Alphabet. Google co-founder Larry Page will step down as Google's chief and Pichai was appointed as head of a "slimmed-down" version of the company. Pichai joined Google just before its 2004 initial public offering and several colleagues who worked with him in the years following said he never seemed anointed for the top job. Instead names that came up as potential future Google chiefs included longtime product executives Salar Kamangar, Merissa Mayer and Susan Wojcicki. Chrome's rise since its 2008 launch to become the world's dominant browser made Pichai's reputation, and he started overseeing apps like Gmail. He later became head of Android, Google's mobile-phone operating system. Pichai aided his ascent by never trying to steal the limelight and advancing his agenda through quiet advocacy, according to former colleague Keval Desai.

## Huawei gets licence to manufacture in India



Chinese telecoms giant Huawei Technologies has won security clearance to manufacture telecoms equipment in

India, paving the way for it to become the first major Chinese brand to supply locally made products for one of the world's biggest markets for mobile phones. The green light from the Ministry of Home Affairs, confirmed by an official, comes 19 months after Huawei first applied for a manufacturing licence, amid wrangling over national security concerns. It also marks a significant boost for India's

Prime Minister Narendra Modi's 'Make in India' campaign. "India is an important overseas market for Huawei," Allen Wang, president of Huawei's consumer business group in India, said. Huawei's clearance to manufacture telecoms gear comes as a number of China's largest phone makers, including Huawei itself, have indicated they are keen to supply locally made products to India's fast-growing mobile market, which has more than 975 million mobile phone subscriptions. Close to 150 million subscribers use Internet-friendly smartphones, a number that's forecast to grow about 26 percent annually until 2019, according to a recent HSBC report.

## IFC Plans More Investment in Turkish Power, IT, Infrastructure



International Finance Corp., the World Bank's private sector

investment arm, plans more equity investments in Turkey on expectations that the country restores investor confidence amid concerns of political stability. In the year to the end of June 2016, IFC will at least match the USD 400 million in equity investments it made in the 2015 fiscal year, said Aisha Williams, country manager for IFC Turkey, in an interview in Istanbul. IFC raised its total commitment to Turkey to USD 1.8 billion, including USD 1.3 billion in loans to projects and USD 530 million in short-term trade finance, from USD 1.24 billion a year ago, she said. Political parties in Turkey are struggling to form a government after June elections ended more than a decade of single-party rule by the Justice and Development Party, founded by President Recep Tayyip Erdogan. As uncertainty clouds domestic politics, Turkey is also striking at Kurdish rebels and Islamic State militants in its Syrian and Iraqi neighbors. IFC is "bullish and optimistic" about power generation from gas and renewables such as wind and hydro, infrastructure, information technology and financial industries in Turkey, the third largest recipient of its funds after India and China, Williams said. Investments last year included a 27 percent stake in Gama Enerji AS, an Ankara-based renewable energy producer, for an undisclosed price. It also invested USD 25 million for an undisclosed stake in data center operator Zenium.

## Maruti Unveils S-Cross to Tap Fast-Growing India Segment



**MARUTI SUZUKI**

Maruti Suzuki India Ltd. introduced its first compact crossover, joining a race to attract Indians in a fast-growing segment dominated by Ford Motor Co. and Renault SA. The S-Cross is priced from 834,000 rupees (USD 13,066) to 1.37 million rupees in New Delhi, Maruti said in a presentation at a press conference in the national capital. The carmaker expects to sell as many as 4,000 units a month of the model that goes on sale, Chief Executive Officer Kenichi Ayukawa said. Maruti last month unveiled a network of showrooms called NEXA as part of new initiatives it's taking to woo new segments of customers emerging in a market that the carmaker says is changing. The company, which has so far been known for its cheap and fuel efficient vehicles, has set itself a goal to almost double sales in the next five years with plans to add 20 new models including facelifts and more expensive vehicles. The introduction of S-Cross comes weeks after Hyundai Motor Co. introduced its compact sport utility vehicle Creta, with a starting price of 859,558 rupees. The two models will compete with Renault's Duster and Ford's EcoSport in a segment where deliveries increased 5.3 percent, outpacing the 5 percent pace for car sales in the year ended March.

## Elon Musk says Tesla's new SUV is the 'hardest car to build in the world'



Tesla reported second-quarter earnings and beat expectations but trimmed its production outlook. On a conference call with analysts after the

numbers hit, CEO Elon Musk fielded questions. Some of the big ones related to the launch of the Model X crossover SUV, later in the third quarter. In the shareholder letter that Tesla published, the company said that in the coming months they are growing from a single product to a multi-product company, calling it a "milestone in the maturation of Tesla." Tesla has been selling only one car, the Model S sedan. It appears from Musk's comments that Model X production has been tricky. The vehicle is currently undergoing testing on the road, and Tesla is preparing to ramp up production to begin fulfilling pre-orders this year. Both the Model X and the Model S will be built on the same

assembly line. Most of the kinks have been worked out on building the Model S. It may be the hardest car to build in the world, Musk said. But it's also just a crossover, albeit one with a exotic "falcon wing" door design. The world's car makers are cranking this type of vehicle out in impressive numbers right now, given how popular crossover SUVs are with customers these days. Musk indicated that a sticking point with the vehicle has been the rear seats, which he has on more than one occasion described as sculptural.

## Fed Doesn't See Bond Liquidity Problems, Sees Moderate Risks



The Federal Reserve doesn't see signs of liquidity problems in U.S. bond markets, despite warnings from investors to the contrary. While market commentary increasingly pointed to a possible deterioration in liquidity in these markets, a variety of liquidity metrics -- including bid-asked spreads and bid sizes -- have displayed no notable signs of liquidity pressures over the past half-year, the Fed board said in the U.S. central bank's semi-annual monetary policy report to Congress. U.S. regulators said in a report Monday that sharp swings in the Treasury market on Oct. 15 were in part caused by the abrupt withdrawal of buy offers by banks, exacerbated by multiple orders from high-frequency traders that canceled each other out. Treasury yields plunged and then rose, covering a 37-basis-point range during a 12-minute period starting at 9:33 a.m., an intraday change that has only been exceeded three times since 1998. Those occasions, unlike the Oct. 15 move, were driven by significant policy announcements. Financial firms have complained that a series of rules implemented under the 2010 Dodd-Frank Act have reduced liquidity in the bond market and exacerbated price swings. All told, while the current level of liquidity in the on-the-run interdealer market seems healthy, some aspects of price movements and liquidity metrics in this market warrant careful monitoring, the Fed board said in its report.

## 'BRICS' bank launches in Shanghai, to work with AIIB



Officials from the world's largest emerging nations launched the New Development Bank (NDB) on Tuesday, the second of two new policy banks

heavily backed by Beijing that are being pitched as alternatives to existing

institutions such as the World Bank. Also known as the BRICS bank, it follows soon after the establishment of the China-led Asian Infrastructure Bank (AIIB). NDB President Kundapur Vaman Kamath said that after a meeting with the AIIB in Beijing, the NDB had decided to set up a "hotline" with the AIIB to discuss issues, and to forge closer ties between new institutions coming together with a completely different approach. The bank is considering raising funds by issuing a "substantial" amount of bonds in member markets to help mitigate costs arising from exchange rate fluctuations, he said. Chinese Finance Minister Lou Jiwei said the NDB's support of infrastructure projects will help "ease long-running bottlenecks faced by emerging and developing countries, and help them speed up, adjust and upgrade economic development." The ceremony, held in Shanghai where the NDB's headquarters are located, was relatively low-key in comparison to a June signing of the articles of agreement for the AIIB in Beijing, which was attended by delegates from 57 countries and President Xi Jinping.

### Australia's ANZ expands in Northern India



Australia and New Zealand Banking Group (ANZ.AX) is expanding its presence in Northern India with the opening of a branch in Gurgaon to take advantage of growing trade and investment flows within the region. Australia's No. 3 lender, which is already present in Mumbai and Bengaluru, plans to open another site in outer Bengaluru, it said in a press release. India's annual trade with Asia Pacific is worth around \$250 billion and it is the fourth largest destination for Australian exports, said ANZ Chief Executive Officer Mike Smith.

### Hyundai to export India-made Creta to cash in on SUV demand



South Korea's Hyundai Motor Co (005380.KS) will export its India-made Creta sport-utility vehicle (SUV) to markets

elsewhere in Asia and beyond, aiming to tap booming demand for all-terrain cars and boost global sales, a top executive said. Launching its first SUV in India, Hyundai said it would export the car

to markets including Latin America, the Middle East and Africa starting this year, according to Byungkwon Rhim, senior vice president at Hyundai's international sales division. Hyundai and affiliate Kia Motors Corp (000270.KS), together the world's fifth largest automaker by sales, expect to sell 8.2 million vehicles in 2015, a 2.5 percent increase from a year ago, its lowest growth since 2003. While rival automakers have made the most of the SUV boom, spurred in part by cheaper fuel. Hyundai has said it is considering boosting production capacity in the United States and is building its fifth plant in China to keep up with demand for SUVs. Hyundai, India's second-largest carmaker by sales and largest exporter, plans to ship up to 13,000 compact Creta SUVs outside India in 2015. It did not commit to a future target, but executives said it would also need to meet Indian demand.

### Overall customer satisfaction on Apple Watch tops 97%



Apple CEO Tim Cook's favorite measure of his company's success is customer satisfaction. The iPhone and iPad frequently score as

high as 99% on customer satisfaction surveys, something Cook and other Apple executives like to mention during earnings calls. However, it's been three since the Apple Watch launched, and we haven't seen any significant surveys on how buyers feel about their new wrist computers. Apple Watch research platform Wristly and research and analysis site Techpinions teamed up, it seems that for (a relatively small number of) people who have actually bought an Apple Watch, it's a lovely device. Some 97% of Apple Watch owners surveyed were very (66%) or somewhat (31%) satisfied, with only 3% expressing neutral or negative feelings. Research from the first year after the iPhone and iPad launched saw customer satisfaction rates of 92% and 91% respectively. This puts the Apple Watch a fair bit higher than those other two product categories—both of which, if we're honest, had a lot of faults when they first launched. They've gotten much better over the years, but it's a good reminder that early-generation Apple products are probably best left to early adopters—and that the Apple Watch will probably be significantly better in about three years.

## China simplifying rules for foreign direct investment

China is simplifying currency rules for foreign direct investors, the country's currency regulator said on Wednesday, making another move to cut red-tape and spur private investment. Reducing bureaucracy across the board is one of the changes pursued by Chinese authorities to allow market forces to play a bigger role in the world's second-largest economy. In future, there will be no requirement to register or verify foreign currency brought into the country to fund direct investment, China's currency regulator, the State Administration of Foreign Exchange, said in an online statement on Wednesday. Registration of foreign direct investors will be simplified also, and Chinese firms will not be required to file papers before moving foreign exchange out of China for overseas investment, the regulator said. At the same time, oversight of banks will be increased to ensure they comply with existing laws, the regulator said. The amount of cash that firms and individuals can move across Chinese borders is a sensitive issue for China as the authorities are slowly opening the capital account, and promoting international use of the yuan.

## China's FDI up 8% in Jan-June on M&A: govt



Foreign investment into China rose eight per cent in the first half of this year as mergers and acquisitions by overseas companies more

than quadrupled in value, the commerce ministry said recently. Foreign direct investment (FDI), which excludes financial sectors, totalled US\$68.41 billion during the January-June period, the ministry said. It gave the value of M&A activity at US\$13.19 billion, a gain of 336.5 per cent from the same period last year, while its proportion of total FDI ballooned from 4.8 per cent to 19.3 percent. In June alone, FDI growth slowed sharply to 1.1 per cent, after a 7.8 per cent year-on-year rise in May. The ministry also said that overseas direct investment (ODI) from China rose 29.2 per cent to US\$56 billion in January to June. China drew a total of US\$119.6 billion of FDI in 2014.

## OPEC raises oil demand forecast



The Organization of the Petroleum Exporting Countries (OPEC) has raised its forecast for global oil

demand in the remaining part of this year, despite the existing turbulence in the market caused by financial crises in Greece and China. The organization said in its August monthly report that global consumption of crude oil will remain at record levels next year as well. OPEC expects world oil demand to grow by 1.38 million barrels per day (bpd) for the rest of the year, which is about 90,000 bpd higher than the figure announced by the organization in its July estimate. OPEC also repeated its last month's prognosis that demand growth for crude oil will reach 1.34 million barrels per day in 2016 due to increase in global gross domestic product (GDP), which is to increase from this year's figure of 3.2 percent to 3.5 percent next year. Oil prices fell by 60 percent between last June and January, hitting as low as USD 45 a barrel, partly because of a supply glut resulting from the boom in US shale oil production. Despite the oil price slump and a glutted market, OPEC, however, decided to leave its output ceiling intact during a meeting last November. The organization has so far stuck to this strategy, keeping its total production level at 30 million barrels per day.

## Adidas reports higher sales, modest profit rise



German sportswear and equipment maker Adidas recently reported higher sales and a slight profit rise for the second quarter, despite falling revenues in its golf division. Net profit in

the April through June period was up 1.4 percent compared to the second quarter last year to 146 million euros (USD 159 million), the company said, in line with expectations. Overall sales, driven by the Adidas and Reebok brands, rose 15 percent to 3.91 billion euros. Adidas, the main European rival of US sportswear giant Nike, welcomed the rise in revenues, as it was compared to a year earlier when the company benefited from its sponsorship of the Brazil football World Cup.

## India's multi-billion dollar e-commerce battle heats up

The battle for supremacy in India's bulging e-commerce market between Amazon, Flipkart and Snapdeal is rapidly heating up with multi-billion-dollar investments, trolling on Twitter and squabbling over exclusive selling rights. Gaining ground after entering India in 2013, Amazon has been embroiled in rounds of one-upmanship with its local counterparts as competition intensifies for a greater slice of the lucrative market. In such a crowded marketplace it is difficult to distinguish between the firms based

solely on the products they sell or the customer service provided, industry analyst Shriram Subramanian told. It's brutally competitive so there's a strong itch to take a dig at the opposition in an attempt to stand out to customers, added Subramanian, head of Indian corporate advisory firm InGovern. Flipkart, India's largest e-commerce firm and US behemoth Amazon exchanged barbed comments on Twitter recently when portal Redditi India tweeted a photo showing an Amazon delivery box sitting at Flipkart's reception. The tweet suggested Flipkart staff preferred to order from Amazon.

## RBC GAM hires head of Asia-Pacific region



The asset management arm of the Royal Bank of Canada (RBC), RBC Global Asset Management (RBC GAM), has appointed Ken Tam as managing

director and head of Asia for RBC Investment Management (Asia) Limited. Based in the firm's Hong Kong office, he will report to Clive Brown, CEO and managing director, RBC GAM International, and direct the company's operations in the Asia-Pacific region, excluding those of BlueBay Asset Management. Mr. Tam has over 25 years' experience in the financial services industry. His most recent role was as managing director and head of global client group, Asia Pacific ex-Japan at Deutsche Asset & Wealth Management. Before that he spent 19 years at JP Morgan Asset Management, including a stint as managing director, head of North Asia. He began his career in 1988 at Price Waterhouse and is a member of the Hong Kong Institute of Certified Public Accountants. Commenting on Mr. Tam's appointment, Mr. Brown said, "The Asia-Pacific region is an important component of RBC Global Asset Management's international growth plans. Mr. Tam's extensive experience in the Asian asset management industry will help RBC GAM continue to grow and enhance our service to clients in the region."

## Coca-Cola Says It's Close to Water Replenishment Goal



The Coca-Cola Company is years ahead of schedule in its efforts to replace the water that it uses around the world to make its beverages, it announced recently.

Coca-Cola said that by the end of the year, it and its bottlers would reach its goal of returning water to

the environment and to communities around the world. Coca-Cola uses roughly 300 billion liters each year to produce about 160 billion liters of "finished beverages" Coke, Sprite, Fanta and hundreds of other brands. The company announced this goal in 2007, promising to replenish the amount of water equivalent to its sales volume the 160-billion-liter figure by 2020. Coca-Cola has tackled water issues on several fronts — including making more efficient use of water in its plants and putting into effect wastewater treatment standards for its manufacturing facilities, as well as developing community water projects around the world that focus on, among other things, providing safe water and sanitation, supporting water conservation and protecting watersheds. The company kicked off 209 community water projects in 61 countries. It has worked with environmental, development and health organizations — including the United Nations Development Programme, the United States Agency for International Development, Water & Sanitation for the Urban Poor, the Nature Conservancy and Water for People.

## Alibaba hires former Goldman banker Evans as president



Alibaba Group Holding Ltd (BABA.N) has hired former Goldman Sachs Group Inc (GS.N) partner Michael Evans to oversee the e-commerce company's international expansion, a top priority as the firm looks beyond China

to sustain its heady growth rates. Evans, who spent two decades at the investment bank in positions including vice chairman and head of Asia, has occupied a board seat at Alibaba since mid-2014, before the company held a record-setting public listing in New York. Alibaba, by far the largest e-commerce player in China, said hiring Evans signaled its intention to ramp up cross-border commerce in earnest after it spent years focusing on securing its domestic market position. Top executives have long touted the idea that connecting increasingly wealthy Chinese consumers with, say, South American meat producers or European toy makers would generate billions in additional revenue for the firm. Evans, who once headed Goldman's equity underwriting arm, has no direct experience in e-commerce but is trusted by Alibaba's management, having known founder Jack Ma and Vice Chairman Joseph Tsai for years. He will continue as a management director and lead Alibaba's growth strategy outside of China, reporting directly to Chief Executive Daniel Zhang, the company said. His position is newly created.

# INTERNATIONAL NEWS

## GLOBAL ECONOMIC PROSPECTS

Global growth is expected to be 2.8 percent in 2015, lower than anticipated in January. Growth is expected to pick up to 3.2 percent in 2016-17, broadly in line with previous forecasts. Developing economies are facing two transitions. First, the widely expected tightening of monetary conditions in the United States, along with monetary expansion by other major central banks, has contributed to broad-based appreciation in the U.S. dollar and is exerting downward pressure on capital flows to developing countries. Many developing-country currencies have weakened against the U.S. dollar, particularly those of countries with weak growth prospects or elevated vulnerabilities. In some countries, this trend has raised concerns about balance sheet exposures in the presence of sizeable dollar-denominated liabilities. Second, despite some pickup in the first quarter of 2015, lower oil prices are having an increasingly pronounced impact. In oil-importing countries, the benefits to activity have so far been limited, although they are helping to reduce vulnerabilities. In oil-exporting countries, lower prices are sharply reducing activity and increasing fiscal, exchange rate, or inflationary pressures. Risks remain tilted to the downside, with some pre-existing risks receding but new ones emerging.

**Table-1**

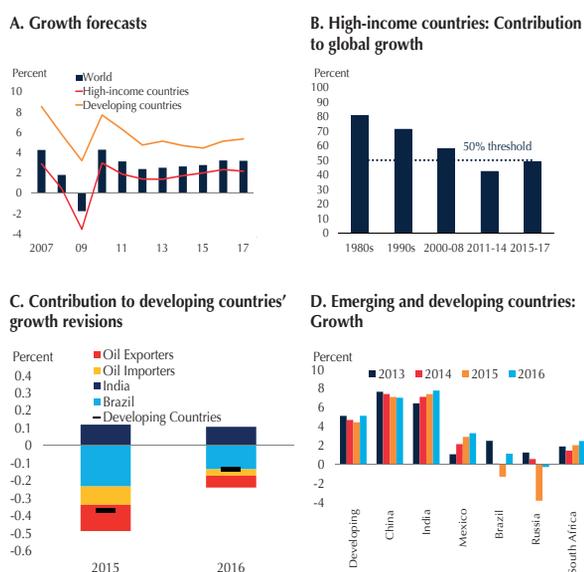
REAL GDP	(percent change from previous year, except interest rates)						(percent point change from January 2015 GEP)		
	2012	2013	2014e	2015f	2016f	2017f	2015f	2016f	2017f
World	2.4	2.5	2.6	2.8	3.3	3.2	-0.2	0.0	0.0
High income	1.4	1.4	1.8	2.0	2.4	2.2	-0.2	0.0	0.0
United States	2.3	2.2	2.4	2.7	2.8	2.4	-0.5	-0.2	0.0
Euro Area	-0.7	-0.4	0.9	1.5	1.8	1.6	0.4	0.2	0.0
Japan	1.7	1.6	0.0	1.1	1.7	1.2	-0.1	0.1	0.0
United Kingdom	0.7	1.7	2.8	2.6	2.6	2.2	-0.3	0.0	0.0
Russia	3.4	1.3	0.6	-2.7	0.7	2.5	0.2	0.6	1.4

Global growth hit a soft patch at the start of the year, but remains broadly on track to reach about 2.8 percent in 2015, somewhat below earlier forecasts, with a modest pickup in 2016-17 (Table 1). However, important shifts are emerging. The recovery in high-income countries is expected to gather momentum, while a broad-based slowdown appears to be underway in developing countries this year (Figure 1.1). Looking forward, global activity should be supported by continued low commodity prices and generally still-benign financing conditions, notwithstanding the expected modest

tightening in U.S. monetary policy. Among major economies, growth in the Euro Area and Japan is picking up, and the United States should continue to expand at a robust pace despite recent setbacks, while the slowdown in China is proceeding as anticipated in January.

High-income countries are expected to grow at 2.0 percent in 2015 (compared with 1.8 percent in 2014) and 2.3 percent, on average, in 2016-17. The expected growth pickup reflects the recovery in the Euro Area, continued robust activity in the United States, and increased traction from Japan's monetary, fiscal, and structural policy efforts.

**Figure: 1.1 Global Activity**



Developing countries are facing two transitions, as they adjust to prospects of low commodity prices over the medium-term and tighter financial conditions ahead. Oil prices appear to have found some support, upon evidence of a sharp decrease in unconventional oil production capacity in the United States, but are likely to remain low. Other commodity prices continue to be soft, on weak demand as well as ample supplies. As a result, in commodity exporting countries, especially those with limited reserve and fiscal buffers, activity has slowed more than anticipated, currencies have weakened, and domestic and external vulnerabilities have grown.

Shrinking current account surpluses among oil exporting countries have narrowed global current account imbalances. In contrast, commodity importing countries have benefited from declining

vulnerabilities, as current account and fiscal balances have strengthened and inflation has fallen. Compared with 2014, growth in developing countries is expected to slow to 4.4 percent in 2015, 0.4 percentage point less than anticipated in January, before rising to 5.3 percent in 2016-17. Growth prospects for low-income countries (LICs) remain robust, above 6 percent in 2015-17.

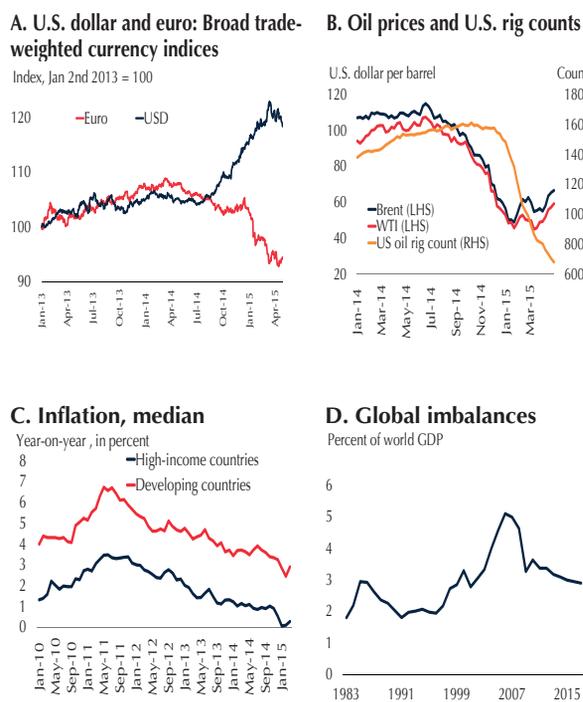
In a second transition, developing countries will be at heightened risk of depreciation amid a gradual tightening of financial conditions, albeit from very accommodative levels, and moderating capital flows. The announcement of quantitative easing by the European Central Bank (ECB) in January, continued monetary easing in Japan, and the prospect of an interest rate increase in the United States have been associated with a broad-based appreciation of the U.S. dollar and some financial market volatility (Figure 1.2). Currency depreciations have been largest in developing countries with deteriorating growth prospects most notably commodity exporters—and elevated external vulnerabilities.

oil-exporting countries with fixed exchange rates, headline inflation has generally slowed on falling energy and transport prices, although core inflation has remained broadly stable (Figure 1.2). This disinflationary effect will be transitory as commodity prices settle around lower equilibrium levels. It will dissipate in 2016 unless lower inflation expectations become entrenched after several months of negative or below-target inflation. Falling inflation expectations would cause challenges in countries where inflation is already very low, especially where this would heighten the risk of deflation. In contrast, in many oil-exporting countries with flexible exchange rates, the pass-through of exchange rate depreciation has lifted inflation.

Global risks to growth remain tilted to the down side. Deflation risks in the Euro Area remain but have receded as inflation expectations have picked up. The beneficial effects of lower commodity prices on activity may yet materialize more strongly than currently expected. However, new risks have arisen. The likelihood of disruptive exchange rate adjustments in developing countries may have increased, as market expectations have continued to differ from those of U.S. Federal Reserve policy makers. In addition, U.S. growth may turn out to be more fragile than anticipated and slower than expected as a result of the broad-based dollar appreciation.

Overall, policy in the United States is expected to remain accommodative. The fiscal stance should be broadly neutral. As the economy closes in towards the employment and inflation objectives of the Federal Reserve's dual mandate later in 2015, a very gradual monetary tightening cycle is expected to begin. Long-term interest rates, however, would remain low. Falling oil prices and a strengthening U.S. dollar have pushed headline inflation temporarily below zero in the first quarter of 2015. Core inflation is projected to stay below the Fed's 2 percent target until the end of the year, but gradually increase towards it during 2016. The current account deficit is expected to widen modestly as the real dollar appreciation increasingly encourages imports and discourages exports.

**Figure 1.2: Global trends and policy challenges**



The transitions to lower commodity prices and weaker currencies are having diverging inflationary consequences. In oil-importing countries and

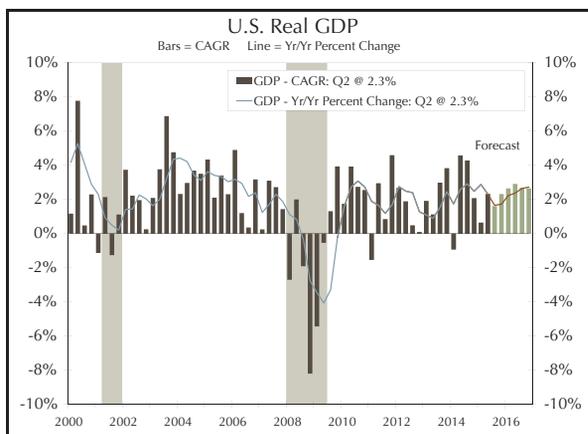
## INTERNATIONAL NEWS



### WELLS FARGO SECURITIES ECONOMICS GROUP REPORT

#### U.S. Overview

Is Weak the New Strong? Revisions to previously published real GDP data show that economic growth was slightly slower over the past three years than first reported. The revised data reveal an all too familiar pattern that show consensus expectations and the expectations of policymakers have been far too strong for far too long. The new reality appears to be that 2 percent economic growth, a pace that used to be thought of as weak, is now strong enough to cut into the excess slack in the labor market and pave the way for higher short-term interest rates. Real GDP is now expected to rise 2.1 percent this year and 2.5 percent in 2016. This represents a modest downgrade to previous forecast, which was already well below consensus. The primary drivers of more cautious view are slower global economic growth, particularly in China, which is further depressing activity in the U.S. energy and mining sectors and will also cut into exports over the next

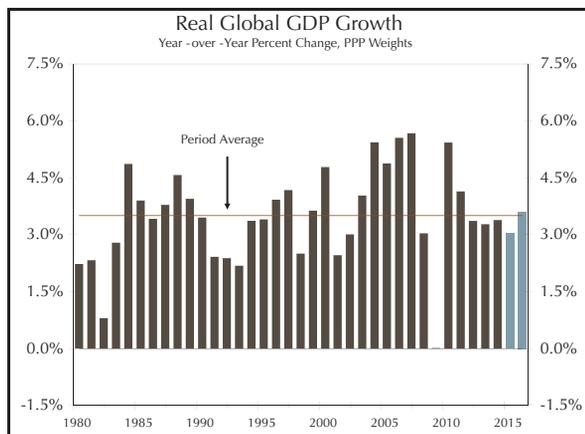


Source: U.S. Department of Commerce, IMF and Wells Fargo Securities, LLC

few quarters. Domestic demand is holding up relatively well. Real private final domestic demand has risen 3.2 percent over the past year and is expected to rise 3.4 percent over the coming year. Consumer spending and homebuilding are two notable bright spots and stand to post their strongest sustained gains of this cycle. Business fixed investment should also improve but further cuts in energy exploration will limit any improvement. Wells Fargo still expects the Fed to begin to hike rates in September but it remains a close call. Wells Fargo have scaled back the extent of future rate hikes and look for the yield curve to flatten, as Fed rate hikes face off against a slower growing U.S. economy.

#### International Overview

Developing Economies Weigh on Global GDP Growth Wells Fargo projects that global GDP will grow about 3 percent in 2015, which is slower than the 3.4 percent rate that the global economy achieved in 2014. The U.S. economy continues to grow at a solid rate, and real GDP in the Eurozone has picked up somewhat this year. Slower global growth largely reflects economic deceleration in the developing world. Real GDP growth in China has slowed over the past few years, as authorities have attempted to rebalance the economy away from over-reliance on investment spending toward more consumers spending. Slower economic growth in China has contributed to the current recession in Brazil, but some of the economic woes in Latin America's largest economy are self-inflicted as well. In Russia, the combination of significantly lower oil prices and sanctions related to the conflict with Ukraine have dealt a one-two punch to the economy, which is in a deep recession at present.



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

Among the so-called "BRIC" economies, India is the only country to have experienced stronger economic growth in recent quarters. Indeed, real GDP is currently growing faster in India than in China. Looking into 2016, Wells Fargo expects that GDP growth in the developing world will strengthen somewhat as the recessions in Brazil and Russia come to an end. That said, the 4.6 percent aggregate growth rate that Wells Fargo projects for the developing world in 2016 is noticeably slower than the 5.7 percent per annum aggregate growth rate that these economies were able to achieve in 2010-2014.

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