

## Foreign Remittances in 2018





ASIA'S  
**BEST EMPLOYER BRAND**  
AWARDS  
27 July 2018 | La Meridien Singapore, Singapore

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**BEST EMPLOYER BRAND**  
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27 July 2018 | La Meridien Singapore, Singapore

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**AWARD FOR EXCELLENCE IN IMPROVING  
PERFORMANCE THROUGH LEADERSHIP**  
Presented to  
**Mutual Trust Bank Limited**

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## Contents

Article of the month	02
National News	
The Central Bank	06
Business & Economy	08
MTB News & Events	12
Industry Appointments	19
International	
Economic Forecast	21
Wells Fargo Monthly Outlook	23
Financial Glossary	24

## Foreign Remittances in 2018



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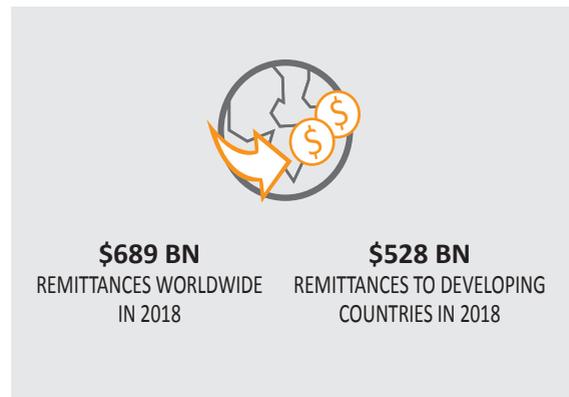
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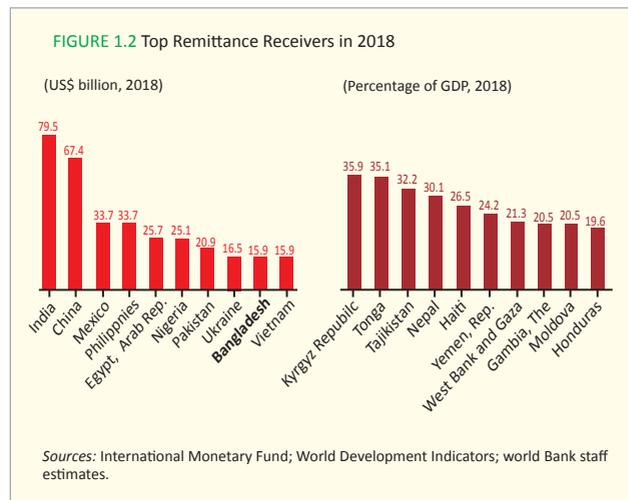
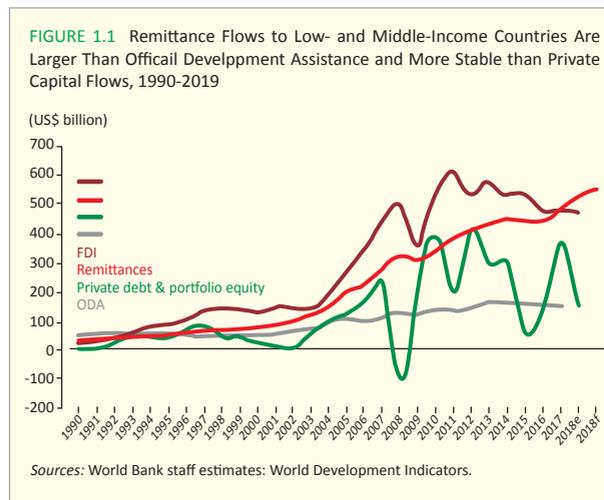
## Foreign Remittances in 2018

Remittance flows to low- and middle-income countries (LMICs) are projected to accelerate by 10.8 percent in 2018, to reach USD 528 billion, a new record. This follows robust growth of 7.8 percent in 2017. Remittances are a major source of foreign exchange earnings in many LMICs, and continue to be more than three times the size of official development assistance (ODA) (Figure 1.1). With new Organization for Economic Co-operation and Development (OECD) definitions including peace and security expenditures and in-donor refugee costs as ODA, the actual proportion of foreign currency ODA available to LMICs may decrease. Excluding China, remittance flows are also significantly larger than foreign direct investment (FDI) in LMICs.



The projected growth of remittance flows in 2018 is stronger than expectations set out seven months earlier in the Migration and Development Brief 29 (World Bank 2018a). This is driven by recent economic developments: higher growth in the United States and a rebound in remittances outflows from some Gulf Cooperation Council (GCC) countries and the Russian Federation.

Regionally, the Europe and Central Asia region is projected to have a remittance growth of 20 percent in 2018, owing to continued recovery in the Russian economy. Remittances to East Asia and the Pacific are projected to increase by 6.6 percent. Latin America and the Caribbean registered an estimated growth of 9.3 percent, led by Mexico and Central American countries. Remittances to South Asia will rise by an estimated 13.5 percent, with remittances to both India and Bangladesh rising by double digits. The growth rate of remittances to the Middle East and North Africa is estimated at 9.1 percent, led by Egypt. Remittances to Sub-Saharan Africa are expected to increase by 9.8 percent.



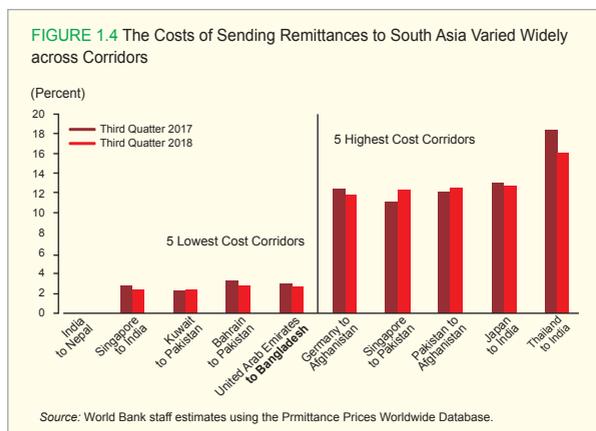
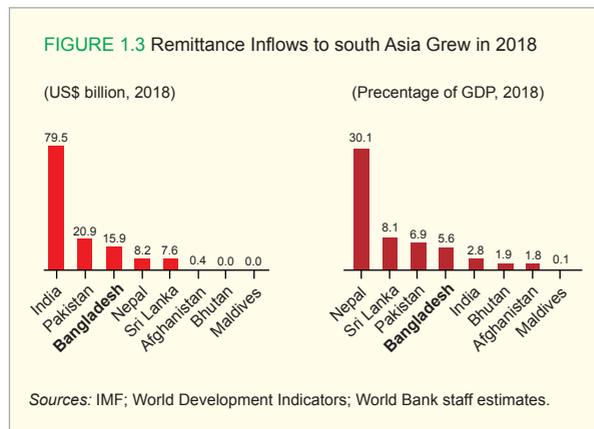
In 2018, the top remittance-receiving countries – in dollar terms – are projected to be India, China, the Philippines, Mexico, Egypt, and Nigeria (Figure 1.2). As a share of gross domestic product (GDP), the top recipients are smaller countries: the Kyrgyz Republic, Tonga, Tajikistan, Nepal, and Haiti. Remittance outflows from Russia are more correlated with oil prices than are those from Saudi Arabia. In the case of Saudi Arabia, while remittance outflows show a downward trend, surging oil prices up to October 2018 are likely to have moderated the pace of decline. Furthermore, overall outflows from the GCC would remain buoyant since the United Arab Emirates, the other major regional remittance source, reported a 13 percent growth in remittance outflows for the first half of 2018.

## Outlook for Remittances, 2019–20

Global growth is moderating as manufacturing activity and trade decelerate. Growth in high-income economies has been diverging: economic activity in the United States remains solid, but growth in the euro area has been weaker (IMF 2018; World Bank 2018b). Several low- and middle-income countries have experienced substantial financial stress amid a strengthening U.S. dollar. This has included sharp capital outflows and currency depreciations, notably in Argentina and Turkey. While oil prices rose up to October 2018, they have since declined. Amid this two-speed global growth pattern, remittances to LMICs are expected to grow at about 4 percent in 2019, to USD 549 billion. Downside risks dominate: risks of oil price declines, policy uncertainty and geopolitical risks, increased restrictions on trade, and a slowdown in global growth may retard remittances. Moreover, no solutions are yet in sight for the difficulties posed by the de-risking practices of correspondent banks.

### Remittances to South Asia Grew in 2018

Remittances to South Asia are projected to increase by 13.5 percent in 2018, a faster pace than the 5.7 percent growth seen in 2017. The upsurge is driven by stronger economic conditions in high-income economies (particularly the United States) and an increase in oil prices up to October 2018, which had a positive impact on remittance outflows from some GCC countries (such as the United Arab Emirates, which reported 13 percent growth in outflows in the first half of 2018). In India, remittances are projected to grow by 15.2 percent in 2018 to USD 79.5 billion. A flooding disaster in the southern Indian state of Kerala is likely to have boosted remittances, as migrants sent financial help to families back home. In Pakistan, remittance growth is projected to remain moderate in 2018 (6.2 percent) due to significant declines in inflows from Saudi Arabia (the largest remittance source). In Bangladesh, remittances are showing a brisk uptick in 2018 (17.9 percent), and Sri Lanka



is likely to witness remittance growth of 5.4 percent in 2018. For 2019, it is projected that remittances to the region will slow to 4.3 percent due to a moderation of growth in high-income economies and slower migration to the GCC countries.

**Remittance costs:** South Asia had the lowest average remittance costs of any world region (at 5.4 percent) in the third quarter of 2018. But this is somewhat higher than the 5.2 percent costs seen in the previous quarter and a reversal of the steady declines seen since the second quarter of 2017. Clearly there is no room for complacency in attempts to achieve the SDGs’ targets for reducing remittance costs. Some of the lowest-cost corridors, originating in the GCC

and Singapore, had costs below the SDG target of 3 percent owing to high volumes, competitive markets, and deployment of technology. But costs are well over 10 percent in the highest-cost corridors due to lower competition and regulatory concerns. Banking regulations (related to AML/CFT) raise the risk profile of remittance service providers and thereby increase costs for countries such as Afghanistan.

**Migration trends.** The region saw a fall in migrant worker deployments due to lower demand from the GCC, especially Saudi Arabia. In India, the number of low-skilled emigrants seeking mandatory clearance for emigration dropped by 12 percent in the first three quarters of 2018 (0.25 million) compared with the same period in 2017 (0.29 million).<sup>39</sup> In Pakistan also, the number of workers registered for overseas employment dropped by 41 percent (0.83 million in 2016 to 0.5 million in 2017). The pace of migrant worker deployments from Bangladesh for the first three quarters of 2018 slowed by 25 percent (0.55 million, compared with 0.73 million in the same period in the previous year). In Nepal, migrant labor permits dropped from 0.40 million in FY 2015/16 to 0.38 million in FY 2016/17.

## Bangladesh Remittance inflow

Bangladesh is the ninth highest recipient of remittances this year with USD 15.9 billion and in South Asia it ranks third after India (USD 79.5b) and Pakistan (USD 20.9b), the World Bank said in its latest Migration and Development Brief. Bangladesh experienced strong upticks of 17.9 percent in 2018, the bank said.

The World Bank said Bangladesh, after a steep decline in 2016 (-11.5 percent), remittances were flat in 2017, but remittances are showing a brisk uptick in 2018 (17.9 percent). In 2018, the top remittance-receiving countries are projected to be India (USD 79.5 billion), followed by China (USD 67 billion), Mexico and the Philippines (USD 34 billion each) and Egypt (USD 26 billion), according to the global lender.

The Bank estimates that officially-recorded remittances to developing countries will increase by 10.8 percent to reach USD 528 billion in 2018. This new record level follows a robust growth of 7.8 percent in 2017.

Global remittances, which include flows to high-income countries, are projected to grow by 10.3 percent to USD 689 billion, it said. The reports also projected that remittances to South Asia will increase by 13.5 percent to USD 132 billion in 2018, a stronger pace than the 5.7 percent growth seen in 2017.

Bangladeshi expatriates living in the Kingdom of Saudi Arabia (KSA) sent over 17 per cent, or USD 2,591.58 million of the total inflow of remittance USD 14,978.86 million in the outgoing fiscal 2017-18 (FY18), according to BSS.

According to available data of the central bank, Bangladesh received USD 3,345.23 million remittance



**Remittance inflow  
\$15.9bn this yr**

**It experienced strong  
upticks of 17.9pc**

from the KSA in 2014-15 fiscal, USD 2,955.55 million in 2015-16 fiscal and USD 2,267.22 million in 2016-17 fiscal.

In FY18, Saudi Arabia is followed by the United Arab Emirates (UAE) as NRBs residing in the gulf country remitted USD 2.428.06 million.

Both the countries in the Middle-East constantly maintain their highest position in sending remittance by Bangladesh expatriates. As per the central bank data, Bangladesh received USD 2093.54 million from the UAE in the FY17 and USD 2429.96 million in FY18.

The data showed, Bangladesh received USD 1,997.49 million remittance from the USA in FY18 while USD 1,199.70 million from Kuwait.

In the same period, Bangladesh received remittances of USD 1,107.21 million from Malaysia, USD 1,105.55 million from the UK, USD 958.19 million from Oman, USD 844.06 million from Qatar, USD 662.22 million from Italy, USD 541.62 million from Bahrain, USD 330.16 million from Singapore, USD 153.15 million from South Africa and USD 134.40 million from France.

## Wage Earners' Remittance Inflows: Top 30 Countries Received

(USD in million)

S1. No.	Country	2016-2017	S1. No.	Country	2016-2017	2016-2017				
						July	August	September	October	November
1	K.S.A.	2267.22	1	K.S.A.	2591.58	242.83	268.71	215.28	244.21	220.79
2	U.A.E.	2093.54	2	U.A.E.	2429.96	231.65	212.58	162.69	193.53	183.53
3	U.S.A.	1688.86	3	U.S.A.	1997.95	157.21	164.35	124.76	140.38	125.65
4	Malaysia	1103.62	4	Kuwait	1199.70	107.26	113.52	96.35	103.70	108.44
5	Kuwait	1033.31	5	Malaysia	1107.21	93.56	110.79	89.61	93.10	88.54
6	Oman	897.71	6	U.K.	1106.01	87.42	86.76	77.21	80.67	74.52
7	U.K.	808.16	7	Oman	958.19	77.83	97.26	79.83	82.60	81.91
8	Qatar	576.02	8	Qatar	844.06	76.21	111.83	73.44	75.65	73.15
9	Italy	510.78	9	Italy	662.22	59.89	61.54	67.38	62.63	60.43
10	Bahrain	437.14	10	Bahrain	541.62	44.91	44.83	33.21	35.36	33.97
11	Singapore	300.99	11	Singapore	330.16	29.83	31.26	28.10	25.34	25.60
12	France	104.80	12	South Africa	153.15	13.85	10.97	6.60	10.94	11.38
13	Lebanon	103.86	13	France	134.40	12.27	13.38	12.79	12.22	12.52
14	Jordan	91.02	14	Lebanon	115.72	10.36	11.44	9.72	10.58	10.07
15	South Africa	85.12	15	Jordan	111.16	9.28	10.92	9.34	9.61	9.67
16	S. Korea	80.65	16	S. Korea	96.29	7.40	7.33	7.58	7.52	8.28
17	Spain	75.83	17	Canada	57.56	5.38	4.76	3.93	4.79	4.48
18	Iraq	68.90	18	Australia	56.56	4.43	0.23	0.15	0.30	0.27
19	Australia	52.03	19	Iraq	52.21	4.38	3.54	3.83	3.69	4.54
20	Canada	49.54	20	Mauritius	46.73	4.29	5.29	3.23	3.69	4.18
21	Mauritius	42.21	21	Germany	40.20	4.05	4.35	4.19	3.83	3.68
22	Maldives	40.30	22	Spain	39.94	4.03	3.96	3.71	3.35	2.85
23	Germany	31.75	23	Greece	39.43	3.55	4.08	3.43	5.38	3.71
24	Japan	22.92	24	Japan	31.44	3.46	3.84	2.88	3.20	3.11
25	Greece	22.53	25	Maldives	25.46	2.67	3.22	2.63	2.85	3.46
26	Hong kong SAR of China	18.98	26	Brunei	22.54	2.26	2.60	1.87	2.07	1.97
27	Brunei	18.28	27	Hong kong SAR of China	21.25	1.76	1.82	1.56	1.62	1.36
28	China	12.82	28	Sweden	11.94	1.53	1.36	1.26	1.33	1.18
29	Sweden	9.25	29	Cyprus	10.43	1.35	1.27	0.95	1.45	1.67
30	Cyprus	7.43	30	China People's Republic	9.37	1.03	1.09	0.85	1.02	1.08
31	Other countries	113.88	31	Other countries	137.25	12.25	12.17	11.30	12.50	12.29
	<b>Total</b>	<b>12769.45</b>		<b>Total</b>	<b>14981.69</b>	<b>1318.18</b>	<b>1411.05</b>	<b>113966</b>	<b>123911</b>	<b>1178.28</b>

Source: Statistics Department, Bangladesh Bank

## Yearly data of Wage earner's remittance

Year/Month	Remittances	
	In million US dollar	In billion Taka
2018-2019*	6286.28	526.71
2017-2018	14981.69	1231.56
2016-2017	12769.45	1010.99
2015-2016	14931.18	1168.57
2014-2015	15316.91	1189.93
2013-2014	14228.26	1105.84
2012-2013	14461.14	1156.47
2011-2012	12843.43	1018.82
2010-2011	11650.32	829.91
2009-2010	10987.40	760.11
2008-2009	9689.26	666.77
2007-2008	7914.78	542.96
2006-2007	5998.47	413.01
2005-2006	4802.41	322.76
2004-2005	3848.29	236.48
2003-2004	3371.97	198.70
2002-2003	3061.97	177.29
2001-2002	2501.13	143.77
2000-2001	1882.10	101.70
1999-2000	1949.32	98.07
1998-1999	1705.74	81.98
1997-1998	1525.43	69.35
1996-1997	1475.42	63.00
1995-1996	1217.06	49.70
1994-1995	1197.63	48.14
1993-1994	1088.72	43.55
1992-1993	944.57	36.97
1991-1992	849.66	32.41
1990-1991	763.91	27.26

The total inflow of remittance has also increased by USD 2,209.41 million or 17.30 percent in FY18. The country received USD 12,769.45 million remittance in 2016-17 fiscal. In 2015-16 fiscal, the amount was USD 14,931.18 million while the Bangladeshi expatriates sent USD 15,316.91 million in 2014-15 fiscal.

According to the BB data, the country received USD 1,381.55 million in June, USD 1,504.98 million in May, USD 1,331.33 million in April, USD 1,299.77 million in March, USD 1,149.08 million in February, USD 1,379.79 million in January, USD 1,163.82 million in December, USD 1,214.75 million in November, USD 1162.77 million in October, USD 856.87 million in September, USD 1,418.58 million in August and USD 1,115.57 million in July in the outgoing 2017-18 fiscal.

The flow of remittance indicates that it is gradually increasing and this trend is likely to continue in the 2018-19 fiscal.

The inflow of wage earners remittances crossed USD 5.0 billion in the first four months of the current fiscal year (FY) due to depreciating mode of the local currency against the US dollar in the recent months. The inward remittances rose by 12.17 per cent to USD 5.11 billion during the July-October period of FY 2018-19 from USD 4.55 billion in the same period of the previous fiscal.

The money sent home by Bangladeshis working abroad amounted to USD 1.24 billion in October 2018, up by USD 99.45 million from the previous month's level, according to the central bank's latest statistics.

In September last, the remittances stood at USD 1.14 billion. It was USD 1.16 billion in October 2017. Currently, 29 exchange houses are operating across the globe, setting up 1,215 drawing arrangements abroad, to expedite the remittance inflow.



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## NATIONAL NEWS

### BB approves one more bank



The central bank recently gave the final approval for one more bank despite opposition from different corners. The approval for "Community Bank Bangladesh," owned by Bangladesh Police, came at the Board meeting of the central bank held at its headquarters in Dhaka with Governor Fazle Kabir in chair. Bangladesh Police Welfare Trust, a concern of Bangladesh Police, earlier applied to Bangladesh Bank on May 23 for a licence to set up the new bank. The Board of Bangladesh Bank gave approval of the new bank. With this new one, the number of scheduled banks in the country will stand at 59.

### BB issues new guidelines for credit risk management



Bangladesh Bank has issued a set of guidelines for credit risk management for the country's scheduled banks with an aim to make the system more effective and time-befitting. The Banking Regulations and Policy Department (BRPD) of the central bank informed about the newly-adopted "Guidelines on Internal Credit Risk Rating System for Banks". The new model and guidelines will remain effective until June 30, 2019, said the BB circular. The central bank said once the new guidelines are followed properly, proper persons and organisation will get loans easily and the volume of the default loans of banks would be reduced. The restructured guidelines on credit risk management were issued at a time when the country's economists are concerned over the rising trend of the default and non-performing loans in the banking sector. The circular said the new model of guidelines has 20 sub-sectors under four main sectors.

### BB relaxes rules on forex forward buy-sale



The central bank has relaxed regulations on forward sale and purchase of foreign exchange (forex) to bring dynamism in hedging transactions. Following the relaxations, non-deliverable forward (NDF) contracts will be facilitated to minimise exchange rate risk in the market. Besides, customers are allowed to receive their exchange gains after closing forward deals. Earlier, exchange gains, if any, on cancellation were not passed on to customers. Such relaxations will help foreign contractors or service providers to get an additional tool for hedging long-term forex risk exposures. Under the flexibility, forward contracts may be renewed/rolled over/extended for new delivery period at the prevailing market rate, provided the authorized dealers (ADs) are satisfied with documentary evidences that the customers are unable to carry out the contracts due to changes in the actual requirements or other valid exigencies.

### Dairy farmers to get loan at 4.0pc interest

Dairy farmers will now get loan at 4.0 per cent interest rate instead of 5.0 per cent from Bangladesh Bank's BDT 2.0 billion refinancing scheme. The central bank announced to lower the interest rate to 4.0 per cent from 5.0 per cent with effect from November 01, 2018. In the circular, the BB asked banks and non-bank financial institutions to disburse loans from the refinancing fund to raise milk production and artificial insemination. BB created the fund in 2015. Now the dairy farmers, individually or jointly, will be able to take loan worth BDT 40,000 to buy a young female cow (heifer) and BDT 10,000 to rear it. A dairy farmer will be able to take maximum BDT 200,000 for buying four young female calves.

## Agent banking expands fast

GROWTH IN AGENT BANKING		
	APR-JUN 2018	JUL-SEP 2018
Deposit (BDT)	2,012cr	2,577cr
Credit (BDT)	137cr	150cr
Remittance (BDT)	3,514cr	4,463cr
Account	1,777,400	2,028,864
Outlet	5,351	5,791
Agent	3,588	3,902

Agent banking, which takes banking services to the unbanked people, is going from strength to strength, with both deposit collection and loan disbursement on the rise. Lenders earlier kept their core focus on collecting deposits from clients through the new banking wing but they have recently given the same importance to loan disbursement. As of September, loan disbursement through the agent banking channel was BDT 150 crore, up 9.80 percent from a quarter earlier. At the same time, deposit collection went up 28 percent to BDT 2,577 crore, according to data from the central bank. In fiscal 2017-18, farm loan disbursement stood at BDT 21,394 crore, 37.19 percent of which was given out through the NGO channel. The central bank issued the agent banking guideline in 2013 but the licensees did not start full-fledged operations until 2016. As of September, 18 banks combined have 20.28 lakh accounts, up from 14 percent three months earlier.

## Deposits in school banking accounts rise to Tk 1,428cr



Total deposit in the school banking accounts increased to BDT 1,428.14 crore as of September 30 this year from BDT 1,254.23 crore as of September 30 last year. The number of bank accounts opened by schoolchildren rose to 16.10 lakh as of September 30 this year from 13.87 lakh as of September 30 last year, according to the recent Bangladesh Bank data released. As of September 30, 2018, the amount of schoolchildren's deposits in the private commercial banks stood at Tk 1,196.65 crore, which is 83.79 per cent of the total deposit amount. The bank accounts of schoolchildren in the private commercial banks totalled 10.31 lakh, which is 64.04 per cent of the total accounts, the data showed. A total of 4.46 lakh accounts were opened in the state-run commercial banks and BDT 191.15 crore were deposited in the accounts. The amount is 13.38 per cent of the total deposit. The BB data showed that 34.60 per cent of schoolchildren's accounts were opened with the bank branches in rural areas while 61.40 per cent in the branches in urban areas.

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# NATIONAL NEWS

## Export earnings grow 17.24pc in first five months of FY19



Export earnings from the country's merchandise shipments during the first five months of the current fiscal year (FY) stood at USD 17.07 billion,

marking a 17.24 per cent growth over the corresponding period of the last fiscal, according to official data. The exports fetched USD 14.56 billion during the July-November period of the FY 2017-18. The export performance was 12.07 per cent higher than the target set for this period, data showed. The single month earnings in November last grew by 11.94 per cent to USD 3.42 billion from USD 3.05 billion in 2017, according to the recent Export Promotion Bureau (EPB). The November performance also surpassed the target set for the month by 10.10 per cent. Earnings from export of readymade garments (RMG) during the July-November of the current fiscal grew by 18.59 per cent to USD 14.18 billion from USD 11.96 billion in the corresponding period of last fiscal. The earnings also surpassed the target by 11.09 per cent.

## Remittance inflow rises by 12pc in first four months of FY'19



The inflow of wage earners remittances crossed USD 5.0 billion in the first four months of the current fiscal year (FY) due to depreciating mode

of the local currency against the US dollar in the recent months. The inward remittances rose by 12.17 per cent to USD 5.11 billion during the July-October period of FY 2018-19 from USD 4.55 billion in the same period of the previous fiscal. He expected that the existing upward trend of remittances would continue in the coming months. "The inflow of remittances normally increases ahead of the general elections," the central banker explained. The money sent home by Bangladeshis working abroad amounted to USD 1.24 billion in October 2018, up by USD 99.45 million from the previous month's level, according to the central bank's latest statistics. In September last, the remittances stood at USD 1.14 billion. It was USD 1.16 billion in October 2017.

## Bank Asia opens digital banking booth for RMG workers in Gazipur



Bangladesh's efforts to deepen financial inclusion took a step forward as Bank Asia launched the country's first-ever complete banking

services on the premises of a garment factory. The "RMG Digital Banking Booth" was set up at Echotex Ltd in Gazipur where garment workers will receive full-fledged banking services. Echotex is a top enterprise with facilities for knitting, dyeing, digital and screen printing, laundry and garmenting. Rumea A Hossain, chairman of the executive committee of the board of the private commercial bank, inaugurated the booth. The service is the first of its kind in the country. This is a complete banking booth and a branch. Workers will receive credible and complete service. The bank said the goal of the banking service is simple: every garment worker will open a bank account and get easy and effortless services. The bank said the RMG digital banking booth will work as a key enabler for achieving the financial inclusion goals of the government.

## Western Marine bags BDT 6.06 billion ship export orders



Western Marine Shipyard Limited has received ship export orders worth BDT 6.06 billion from a broad. The Chattogram-based leading ship-maker

is building 10 ocean-going vessels and boats for exporting to three different countries. "Norway, United Arab Emirates (UAE) and India have given orders to our company for building 10 ships," Sakhawat Hossain, Managing Director (MD) of Western Marine. Western Marine is one of the country's largest shipbuilding companies, which started export of ocean-going vessels in 2008 after bagging orders from Germany. The Western Marine MD said they are now building six ocean-going cargo-ships for Indian Jindal Group, each with the capacity of 8,000 dead-weight tonnage (DWT). The price of the six vessels of Indian company is BDT 3.60 billion, the fishing trawler of Norway is BDT 1.60 billion, and the three ships and tankers for UAE is BDT 860 million.

# NATIONAL NEWS

## Unilever to buy 82pc stake of GlaxoSmithKline BD



GSK will sell its 82 per cent stake in GlaxoSmithKline Bangladesh Limited to Unilever for £566 million. The remaining stakes of

GSK Bangladesh, which is listed on Dhaka Stock Exchange, are held by institutes, foreigners and local individuals. The company in a statement said following the completion of its previously announced strategic review, GlaxoSmithKline plc (LSE/NYSE: GSK) announced the divestment of Horlicks and other consumer healthcare nutrition brands to Unilever plc ("Unilever") and the merger of GSK Consumer Healthcare Limited ("GSK India") with Hindustan Unilever Limited ("HUL"). The total consideration is valued at approximately £3.1 billion based on the 15-day volume weighted average price (VWAP) ended of HUL shares of INR 1,717. Net proceeds are estimated to be approximately £2.4 billion on the same basis. In India, Horlicks and other nutrition products are sold by GSK India, a public company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), in which GSK holds a 72.5 per cent stake.

## RMG exporters to enjoy full VAT waiver on four types of services



The country's apparel exporters will enjoy full waiver of Value Added Tax (VAT) on four types of services including

expenditure on workers' welfare and entertainment, laboratory test fees, IT-enabled services and rent-a-car facility. The National Board of Revenue (NBR) has offered the Value Added Tax exemption for export-oriented apparel makers by issuing a Statutory Regulatory Order (SRO) on November 29, 2018. Value Added Tax ranging from 5.0 per cent to 15 per cent was applicable to those services. It was a long-cherished demand of the country's apparel exporters associations including Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). Apparel exporters said they face complexities in record-keeping as the sector enjoys VAT exemption on most of the services.

## Deloitte starts operation in Bangladesh



Multinational financial advisory firm Deloitte has formally launched its operations in Bangladesh to help local business and the economy grow

further. With footprints in over 150 countries, the firm provides wide range of consultancy services to its client-organisations like financial institutions, energy companies, telcos and government agencies. Deloitte representatives in Bangladesh made the announcement at a press conference at a city hotel. Managing Partner of Deloitte Bangladesh Nurul Haque and its board member Joydeep Datta Gupta briefed newsmen about the firm. Mr. Nurul Haque said the vibrant economy of Bangladesh is set to grow much faster in coming days, when domestic corporations will need more financial advisory services. This is a very exciting time for Bangladesh to welcome the world's largest professional services firm, he said. Deloitte Bangladesh is preparing to help those businesses reach their goal, he said. Founded in 1845 in the UK, Deloitte provides the private and government organisations with various services, including audit, tax, legal, financial advisory, risk advisory, and consultancy.

## BD third among remittance-receiving countries in South Asia

Bangladesh has been ranked third among remittance-receiving countries in South Asia with a cash inflow of USD 15.9 billion this year, according to a World Bank report. Moreover, the country became the ninth highest remittance earner in the world in 2018. Bangladesh experienced strong upticks of 17.9 per cent in 2018, the bank said. In its latest Migration and Development Brief, the World Bank said Bangladesh, after a steep decline in 2016 (-11.5 per cent), remittances were flat in 2017, but remittances are showing a brisk uptick in 2018 (17.9 per cent). In 2018, the top remittance-receiving countries in the world are projected to be India (USD 79.5 billion), followed by China (USD 67 billion), Mexico and the Philippines (USD 34 billion each) and Egypt (USD 26 billion), according to the global lender. The Bank estimates that officially-recorded remittances to developing countries will increase by 10.8 per cent to reach USD 528 billion in 2018. This new record level follows a robust growth of 7.8 per cent in 2017.

# NATIONAL NEWS

## WB approves \$500m to boost livestock, dairy production



The World Bank (WB) has approved \$500 million to improve livestock and dairy production in Bangladesh under the project titled 'The

Livestock and Dairy Development Project'. The lender granted the loan so that the country can meet growing demand for egg, meat and milk to improve the nutritional intake of its citizens. The WB said that the project will improve agricultural productivity and market access of 2.0 million smallholder household farmers and small and medium-scale agro-entrepreneurs. By stimulating growth and improving livestock production systems, livestock farmers in Bangladesh will have better access to livestock services and practices, said the Washington-based lending agency. The livestock sector employs 14 per cent of the total labour force, but more than 70 per cent of rural households are engaged in livestock production.

## Apparel industry building sustainable businesses



Markets earlier used to solely depend on supply and demand, and the prices and profit were

contingent upon these forces. However, the emerging trends of the global economy are disrupting the economy in ways where businesses need to adapt to the increasingly informed consumers, agile digital competitors, and new customer segments brought by the connectivity of information technology. The first industrial revolution used water and steam power to mechanise production. The second used electric power to create mass production. The third used electronics and information technology to automate the production process. Now the fourth industrial revolution is building on the third and it is a digital revolution that synthesises its preceding revolutions. As Bangladesh aims to progress to a middle-income country, its stakeholders need to align with the above trend to sustain its development in the long-term. Bangladeshi apparel industry is a quintessential part of the national economy, constituting more than 10 percent of the GDP, 80 percent of earnings from exports, and well over one-third of the employment.

## Bangladesh flower market reaches BDT 1,200cr, expanding at 10% rate



The growing middle class, equipped with disposable income, along with the rise of corporate businesses and widespread use of

flowers in various programs - have expanded the flowers and cut foliage business in Bangladesh. However, cultural changes among the young generation in celebrating western festivals such as Valentine's Day, Friendship Day, Mother's Day and iconic cultural events like Pohela Boishakh, Pohela Falgun have expedited the growth of flower business in the country. In addition, the celebration of National Days such as Ekushey February, Independence Day and Victory Day has reached to rural level more than ever before, which also helped boost the business. According to a recent Dhaka Chamber of Commerce and Industry (DCCI) statistics, the local market of flower and cut foliage has reached at BDT 1,200 crore per annum and is witnessing a 10% yearly growth. According to Export Promotion Bureau (EPB) data, in 2016-17 fiscal year, Bangladesh exported cut flowers, leaves, trees, plants, bulbs, roots of USD 86,000, up 10.26%, which was USD 78,000 in the previous year.

## RMG exporters bring new hope for rural economy



Garment exporters are increasingly becoming interested in setting up factories in rural areas, giving a new life to the rural economy

and creating employment prospects for youths. Factories in rural areas are also helping change the course of the rural economy by creating new markets for small businesses and backward linkage sub-sectors. Entrepreneurs and experts said the expansion of garment units to rural areas is helping the country decentralise the creation of new employment as jobs in the apparel sector are mainly based in a handful of industrial belts in urban areas. According to industry insiders, around 100 export-oriented apparel factories have already been established in rural areas of different districts. The factory has created jobs for around 1,500 people, and the number of workers will reach 2,500 soon. Some 60 per cent of the workers are female, said the factory authorities, adding that the manufacturing unit has the capacity to 3.5 lakh woven items per month.

## Coir rope making, a growing industry



Coir rope making is now a flourishing industry at Bangladesh Small and Cottage Industries Corporation (BSCIC) estate at Swarupkathi under Nesarabad upazila of the district. Strong and thick ropes, made with coir mixed with different kinds of materials like cotton, cloth, jute, plastic and nylon, are sent to different places of the country including Dhaka. Visiting the BSCIC industrial estate at Miarhat in Swarupkathi a few days ago, this correspondent found workers busy making different kinds of coir ropes at 14 factories in the area. "This industry flourished here during the last three or four years. Every week around 100 tonnes of coir is produced in this area and we sell it for BDT 60 to BDT 120 per kg, depending on category of ropes," said Rubel Mia, owner of Sonar Bangla Rope Industry. Coir rope making has created employment opportunity for around 1200 youths in the area, said Abdul Mazid, owner of Sonar Bangla Coir Industry.

## Auto parts market swells on rising demand



The automotive component market in Bangladesh has more than doubled in a space of a decade driven by rising car users, said industry people. Importers bring in engine, alternator, radiator, air conditioner, suspension, brake pads, spoiler, rim, tyre, trim package, body components, among other spare parts needed to serve the booming automotive market. The market size of automotive components was about BDT 1,300 crore to BDT 1,400 crore last year with an annual growth rate of 10 to 12 percent in the last one decade, said Mosharraf Hossain Manik, one of the major importers. The market size was not more than BDT 500 crore 10 years ago, he said. At least 200 traders import auto spare parts and most of them have workshops, said Farhad Hossain, another importer. More than 2,500 traders are involved in the component business. Hossain, the owner of The Implementers, said although the sector is growing, no trader has the capacity to set up plants to make spare parts.

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## 16TH MTB EXTRAORDINARY GENERAL MEETING (EGM 2018) HELD



The 16th Extraordinary General Meeting (EGM) of Mutual Trust Bank Limited (MTB) was held on November 01, 2018 at the Samson H. Chowdhury Auditorium, MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000.

MTB Chairman, Md. Hedayetullah presided over the meeting. MTB Vice Chairman, Khwaja Nargis Hossain, Founding Chairman, Syed Manzur Elahi, Directors, Rashed A. Chowdhury, Md. Abdul Malek, Md. Manirul Islam, Independent Director, Anwarul Amin, Managing Director & CEO, Anis A. Khan, Company Secretary, Malik Muntasir Reza and a large number of shareholders attended the meeting.

The shareholders of the bank have unanimously approved to issue fresh capital (Equity Shares) in favor of Norfund and change some of the clauses of the Articles of Association of the bank, in order to cope with the technological progression, changes in the provisions of laws and to create scope for issuing shares in favor of strategic investor(s).

**MTB AIR LOUNGE INAUGURATED AT  
SHAH AMANAT INTERNATIONAL AIRPORT (SAIA), CHATTOGRAM**



MTB inaugurated its 2nd Air Lounge at Shah Amanat International Airport (SAIA), Domestic Terminal, Chattogram, with a view to providing its customers with greater comfort and convenience when travelling in and out of the port city. Md. Hedayetullah, Chairman, of the bank inaugurated the Air Lounge on November 17, 2018 at a simple ceremony held at premises of MTB Air Lounge, SAIA.

Wing Commander ABM Sarwar-E-Zaman, Airport Manager, SAIA, M. A. Rouf, JP, Former Chairman and Director, Md. Manirul Islam, Director and Anis A. Khan, Managing Director & CEO, MTB, Mahfuz Ahmed, Managing Partner, Falcon Agency Consortium and other senior Government and bank officials were also present at the inauguration ceremony.

In his address, Wing Commander ABM Sarwar-E-Zaman, Airport Manager, SAIA congratulated MTB on launching this value-added service, and expressed his satisfaction with the bank's joining the Government's efforts to improve customer service at SAIA, Dhaka. MTB Chairman, Md. Hedayetullah, in his speech, acknowledged the importance of delivering high quality service in alignment with MTB's vision (MTB 3V!) to become a world class bank.

## MTB INKS DEAL WITH NITOL MOTORS LIMITED (NML)



NITOL-NILOY



MTB and Nitol Motors Limited (NML) have recently signed an agreement at a simple ceremony held on November 18, 2018 at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212.

Under the agreement, the clients of Nitol Motors Limited will be able to avail MTB Auto Loans at a low processing fee to procure brand new passenger vehicles of TATA Motors.

Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO), MTB and Md. Tanbir Shahid Ratan, CBO, Passenger Car Business Unit, Nitol Motors Limited (NML) signed the agreement on behalf of their respective

organizations. Anis A. Khan, Managing Director & CEO, Tarek Reaz Khan, Head of SME & Retail Banking, Samia Chowdhury, Deputy Head, Group Communications, MTB, Mahbub Alam, Head of Sales, Passenger Car Business Unit of Nitol Motors Ltd. and Sujan Roy, Head, Passenger Vehicle, International Business, Sandeep Chatterjee, Head-Asia, Passenger Vehicle International Business, Sumanta Bhattacharjee, Country Manager-Bangladesh, Passenger Vehicle International Business of TATA Motors Ltd., India along with other senior officials from both the organizations were present at the signing ceremony.

## MTB INKS DEAL WITH BKASH



MTB and bKash Limited, the largest mobile financial service provider in the country, recently signed an agreement allowing fund transfer by customers from MTB accounts to bKash accounts and vice versa. The deal also facilitates bKash customers to withdraw cash from any of the MTB ATMs across the country as well as MTB credit cardholders to pay their credit card bills using bKash account.

Kamal Quadir, Chief Executive Officer, bKash Limited and Anis A. Khan, Managing Director & CEO, MTB signed the agreement on behalf of their respective organizations at a simple ceremony held on November 22, 2018 at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212.



Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO), Tarek Reaz Khan, Head of SME & Retail Banking, Mohammad Anwar Hossain, Head of Cards, MTB and Mizanur Rashid, Chief Commercial Officer, Moinuddin Mohammed Rahgir, Chief Financial Officer and Md. Zafrul Hasan, Head of Enterprise Project Management, bKash Limited were also present at the event.



## MTB LED SCHOOL BANKING CONFERENCE 2018 AT HABIGANJ



MTB has recently organized “School Banking Conference 2018” at Habiganj as the lead bank on October 27, 2018. Advocate Md. Abu Jahir, Member of Parliament, Habiganj attended the program as the Chief Guest while Syed Tariquzzaman, Executive Director, Bangladesh Bank, Sylhet, Rabiul Alam, Additional Police Super, Habiganj, Abdul Hasib, Deputy General Manager, Financial Inclusion, Bangladesh Bank graced the event as special guests. The main objective of the conference was to build awareness among the students about the importance of savings and its contribution to the country’s economy.



The conference was attended by about 500 students along with teachers of 23 schools of the district. Tarek Reaz Khan, Head of SME & Retail Banking, MTB presided over the program. Among others, Habibul Bashir Sumon, Former Captain, Bangladesh National Cricket Team, Khandoker Rahimuzzaman, Senior Executive Vice President, Md. Towfiqul Alam Chowdhury, Head of Retail Business Development, Azam Khan, Group Chief Communications Officer, MTB along with senior officials from Bangladesh Bank Head Office and MTB, as well as all scheduled banks operating in Habiganj, dignitaries and leaders of local business associations, representatives from different strata attended the event.

## MTB SCHOOL BANKING CAMPAIGNS



School Name : Rajshahi Bohumukhi Girls' High School  
Venue : Hetem khan (Begum Rokeya Road),  
Rajshahi, 6000  
Organizer : MTB Rajshahi Branch, 419, Parents  
Plaza, Alupatty, Ghoramara, Rajshahi  
6100  
Date : November 04, 2018



School Name : Tejeaon Sorkari Prathomik Biddaloy  
Venue : Tejeaon Industrial Area  
Organizer : MTB Tejeaon Branch, MTB Square,  
210/A/1, Tejeaon I/A, Tejeaon, Dhaka  
1208  
Date : October 29, 2018



School Name : Mohakhali Model High School  
Venue : Mohakhali Bazar Road, Dhaka 1212  
Organizer : MTB Banani Branch, Lintoo Centre,  
House- 82, Rd-11 Block-D, Banani,  
Dhaka 1213  
Date : October 30, 2018



School Name : Kakoli High School and College,  
Dhanmondi, Dhaka  
Venue : House no. 84, Road no. 11/A, Dhaka  
1209  
Organizer : MTB Dhanmondi Branch, Plot # 81,  
Road # 8/A (New), Green Taj Center,  
Dhanmondi, Dhaka 1209  
Date : October 29, 2018

**MTB SCHOOL BANKING CAMPAIGNS**



School Name : Central Women’s College  
 Venue : 13/2, Avoy Das Lane, Tikatuli, Dhaka 1203  
 Organizer : MTB Dilkusha Branch, Hotel Purbani International Building, 1 Dilkusha C/A, Dhaka 1000  
 Date : October 28, 2018



School Name : KPB School & College  
 Venue : Kadamtala, 28/3, Kadamtala School Rd, Dhaka 1214  
 Organizer : MTB Fulbaria Branch, Annexco Tower, 8, Phonix Road, Dhaka 1000  
 Date : November 05, 2018

# MTB

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# NATIONAL NEWS

## Nihad Kabir reelected MCCI President



Nihad Kabir has been reelected as President of the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka for 2019. Nihad Kabir is an advocate of the Supreme Court and a director and shareholder of Kedarpur Tea Co. Ltd. and the daily Sangbad. She is a

Director of BRAC Bank, Infrastructure Development Company Bangladesh Ltd., Palli Karma-Sahayak Foundation, bKash, and Independent Director of Square Pharmaceuticals and Apex Footwear. She is Chairperson of BRAC-EPL Investments and BRAC-EPL Stock Brokerage. She is also a fellow of BIDS.

## Dhaka Bank CEO reappointed



Dhaka Bank Limited has recently witnessed the reappointment of Syed Mahbubur Rahman as Managing Director and CEO. Rahman joined the bank as Managing Director on November 08, 2015. He will now stay in office till November 7, 2021.

Rahman has 30 years' experience in banking services and credit. Prior to joining Dhaka Bank, he was serving in the same capacity at BRAC Bank Limited.

## New director of Bank Asia



Dilwar H Choudhury has been elected as an Independent Director of Bank Asia Limited. He is a recognized professional banker having 35 (thirty five) years of work experience, in eight different countries of Asia, Europe and Africa continents. He had also

worked as a Banking Associate of KPMG, Dhaka, under World Bank's Financial Sector Reform Program, during 2004-2005.

## DCCI elects top brass



Osama Taseer has been elected President of the Dhaka Chamber of Commerce & Industry (DCCI) for 2019. Osama is the Chairman of Four Wings Ltd, an RMG manufacturing company engaged in the sector since 1992. He also served as DCCI's Senior Vice

President in 2014. He was also a Director of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in 2007-08, Secretary General of Dutch Bangladesh Chamber of Commerce and Industry in 2009-10 and a lifetime member of The Institution of Engineers, Bangladesh (IEB).

## Paintmakers' body gets new top brass



Rupali Chowdhury, Managing Director of Berger Paints Bangladesh Limited, has recently been elected President of Bangladesh Paint Manufacturer's Association (BPMA) for 2019-2020. Rupali H. Chowdhury is also Managing Director at

Jenson & Nicholson Bangladesh Limited. She is also on the board of Bata Shoe Co. (Bangladesh) Ltd., Berger Becker Bangladesh and SMC Enterprise Ltd. and President for Foreign Investors Chamber of Commerce & Industry.

## StanChart gets new country CFO



Standard Chartered Bangladesh has recently appointed its country Chief Financial Officer (CFO). Md Abdul Kader Joaddar will be a member of the bank's country management team in Bangladesh. Prior to joining Standard

Chartered, Joaddar was working as Deputy Managing Director and CFO of BRAC Bank Limited.

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## Global Growth Outlook

Global growth is projected at 3.7 percent in 2018 and 2019, 0.2 percentage point below the April 2018 WEO, even though well above its level during 2012–16. Differences in the outlook across countries and regions are notable (Table 1.1). Global growth is expected to remain steady at 3.7 percent in 2020, as the decline in advanced economy growth with the unwinding of the US fiscal stimulus and the fading of the favorable spillovers from US demand to trading partners is offset by a pickup in emerging market and developing economy growth. Thereafter, global growth is projected to slow to 3.6 percent by 2022–23, largely reflecting a moderation in advanced economy growth toward the potential of that group.

**Table 1.1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	2016	2017	Projections		Difference from July 2018 WEO Update <sup>1</sup>		Difference from April 2018 WEO <sup>1</sup>	
			2018	2019	2018	2019	2018	2019
<b>World Output</b>		<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Advanced Economies</b>		<b>2.3</b>	<b>2.4</b>	<b>2.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
United States		2.2	2.9	2.5	0.0	-0.2	0.0	-0.2
Euro Area		2.4	2.0	1.9	-0.2	0.0	-0.4	-0.1
Germany		2.5	1.9	1.9	-0.3	-0.2	-0.6	-0.1
France		2.3	1.6	1.6	-0.2	-0.1	-0.5	-0.4
Italy		1.5	1.2	1.0	0.0	0.0	-0.3	-0.1
Spain		3.0	2.7	2.2	-0.1	0.0	-0.1	0.0
Japan		1.7	1.1	0.9	0.0	0.0	-0.1	0.0
United Kingdom		1.7	1.4	1.5	0.0	0.0	-0.2	0.0
Canada		3.0	2.1	2.0	0.0	0.0	0.0	0.0
Other Advanced Economies <sup>2</sup>		2.8	2.8	2.5	0.0	-0.2	0.1	-0.1
<b>Emerging Market and Developing Economies</b>		<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.4</b>
<b>World Trade Volume (goods and services)</b>		<b>5.2</b>	<b>4.2</b>	<b>4.0</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-0.7</b>
<b>Commodity Prices (US dollars)</b>								
Oil <sup>5</sup>		23.3	31.4	-0.9	-1.6	0.9	13.4	5.6
<b>Consumer Prices</b>								
Advanced Economies		1.7	2.0	1.9	-0.2	-0.3	0.0	0.0
Emerging Market and Developing Economies <sup>6</sup>		4.3	5.0	5.2	0.3	0.7	0.2	0.7
<b>World Output</b>	<b>3.3</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>3.2</b>	<b>4.0</b>	<b>3.5</b>	<b>3.8</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>2.3</b>	<b>2.4</b>	<b>2.1</b>	<b>2.0</b>	<b>2.5</b>	<b>2.3</b>	<b>1.9</b>
United States	1.6	2.2	2.9	2.5	1.9	2.5	3.1	2.3
Euro Area	1.9	2.4	2.0	1.9	2.0	2.7	1.7	1.9
Germany	2.2	2.5	1.9	1.9	1.9	2.8	1.9	1.6
France	1.1	2.3	1.6	1.6	1.2	2.8	1.3	1.7
Italy	0.9	1.5	1.2	1.0	1.0	1.6	0.8	1.3
Spain	3.2	3.0	2.7	2.2	2.9	3.0	2.5	2.1
Japan	1.0	1.7	1.1	0.9	1.5	2.0	1.0	-0.3
United Kingdom	1.8	1.7	1.4	1.5	1.7	1.3	1.5	1.4
Canada	1.4	3.0	2.1	2.0	2.0	3.0	2.1	1.9
Other Advanced Economies <sup>2</sup>	2.3	2.8	2.8	2.5	2.6	2.9	2.8	2.4
<b>Emerging Market and Developing Economies</b>	<b>4.4</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.4</b>	<b>5.2</b>	<b>4.6</b>	<b>5.3</b>
<b>World Trade Volume (goods and services)</b>	<b>2.2</b>	<b>5.2</b>	<b>4.2</b>	<b>4.0</b>	...	...	...	...
<b>Commodity Prices (US dollars)</b>								
Oil <sup>5</sup>	-15.7	23.3	31.4	-0.9	16.2	19.6	19.6	-3.6
<b>Consumer Prices</b>								
Advanced Economies	0.8	1.7	2.0	1.9	1.2	1.7	2.1	1.9
Emerging Market and Developing Economies <sup>6</sup>	4.2	4.3	5.0	5.2	4.2	3.7	4.6	4.1

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 17–August 14, 2018. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook. <sup>1</sup>Difference based on rounded figures for the current, July 2018 World Economic Outlook Update, and April 2018 World Economic Outlook forecasts. The differences are also adjusted to include Argentina's consumer prices since the July 2018 Update. <sup>2</sup>Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries. <sup>3</sup>For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year. <sup>4</sup>Indonesia, Malaysia, Philippines, Thailand, Vietnam. <sup>5</sup>Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$52.81 in 2017; the assumed price, based on futures markets, is \$69.38 in 2018 and \$68.76 in 2019. <sup>6</sup>Excludes Venezuela but includes Argentina starting from 2017 onward.

Growth in advanced economies will remain well above trend at 2.4 percent in 2018, before softening to 2.1 percent in 2019. The forecast for both years is 0.1 percentage point weaker than in the April 2018 WEO. In 2018, weaker-than-expected outturns in the first half of the year have led to downward revisions for the euro area and the United Kingdom. In 2019, recent trade measures are expected to weigh on economic activity, especially in the United States, where the 2019 growth forecast was revised down by 0.2 percentage point. Growth is expected to decline to 1.8 percent in 2020 as the US fiscal stimulus begins to unwind and euro area growth moderates toward its medium-term potential. Growth is projected to fall to 1.4 percent later on as working-age population growth continues to slow and productivity growth remains moderate.

With emerging Asia continuing to expand at a strong pace—despite a 0.3 percentage point downward revision to the 2019 growth forecast mostly driven by recently announced trade measures—and activity in commodity exporters firming, growth in the emerging market and developing economy group is set to remain steady at 4.7 percent in 2018–19. Over the medium term, growth is projected to rise to slightly less than 5 percent. Beyond 2019, the aggregate growth rate for the group reflects offsetting developments as growth moderates to a sustainable pace in China, while it improves in India (owing to structural reforms and a still-favorable demographic dividend), commodity exporters (though to rates below the average of recent decades), and some economies experiencing macroeconomic stress in 2018–19. In comparison with the April 2018 WEO, the growth forecast for emerging market and developing economies was marked down for 2018 and 2019 by 0.2 percentage point and 0.4 percentage point, respectively, and for 2020–23 by about 0.2 percentage point. For 2018–19, the main sources of the downward revision are the negative expected impact of the trade measures implemented since the April 2018 WEO on activity in China and other economies in emerging Asia, much weaker activity in Iran following the reimposition of US sanctions, a sharp projected slowdown in Turkey following the ongoing market turmoil, and a more subdued outlook for large economies in Latin America (Argentina, Brazil, Mexico). Over 2020–23, the revisions primarily reflect a downward reassessment of the still-strong growth prospects for India and a lower growth forecast for Pakistan and Turkey, in addition to continued weaker growth in Iran.

## Inflation Outlook

Largely reflecting recent increases in commodity prices, inflation is expected to rise this year across both advanced and emerging market and developing economies. In advanced economies, it is projected to pick up to 2 percent in 2018, from 1.7 percent in 2017. Inflation in emerging market and developing economies excluding Venezuela is expected to increase to 5.0 percent this year from 4.3 percent in 2017 (Box 1.4 provides details of the inflation outlook for individual countries).

Among advanced economies, core inflation will rise over the forecast horizon, with differentiation across countries mostly based on cyclical positions. In the United States, for example, core personal consumption expenditure price inflation, the Federal Reserve's preferred measure, is expected to rise to 2.1 percent in 2018 and 2.3 percent in 2019 (from 1.6 percent in 2017), as the sizable, procyclical fiscal stimulus lifts output above potential. Core inflation is assumed to gradually decline to 2 percent thereafter, with a monetary policy response that ensures expectations remain well anchored. In the euro area, core harmonized index of consumer prices inflation is projected to increase slowly to 2 percent by 2022, reflecting the influence of backward-looking elements in the inflation processes.

Within the group of emerging market and developing economies, core inflation rates are expected to be more dispersed than among advanced economies. To a large extent, the dispersion reflects variation in cyclical positions, anchoring of inflation expectations, and inflation targets.

## Risks

The balance of risks to the short-term global growth forecast has now shifted to the downside. The potential for upside surprises has receded, given the tightening of financial conditions in some parts of the world, the rise in trade costs, slow implementation of reforms recommended in the past, and waning growth momentum, reflected in worse-than-anticipated outturns in several large economies, weakening growth of industrial production, and a softening of some high-frequency indicators.

The limited policy space to counteract downturns in advanced and emerging market economies further exacerbates concerns about these undesirable possibilities.

# INTERNATIONAL NEWS



## U.S. Overview

### All Good Things in Moderation

While the recent run of good economic tidings has helped deliver the benefits of stronger economic growth to more industries, regions and individuals, it is important to remember that the key to a long life and long economic expansion is to enjoy all things in moderation. In keeping with that spirit the Federal Reserve continues to gradually remove the policy accommodation put in place in the aftermath of the Financial Crisis and is nearly at what Wells Fargo believe is the neutral level of the federal funds rate, which should lead to progressively more modest gains in economic growth over the forecast period.

The economy clearly has strong momentum headed into the final quarter of 2018. Real GDP grew at a 3.5% annual rate during the third quarter and the most recent employment data show nonfarm payrolls adding an average of 218,000 jobs per month for the past three months. The unemployment rate has dipped down to 3.7% and wages are now up 3.1% year-to-year. Despite the recent string of strong economic reports, there are few signs the economy is on the verge of overheating. Inflation remains close to the Fed's target and slowing global growth appears to be weighing on commodity prices. With inflation running close to the Fed's target, the Fed should be able to stick to its plan to modestly nudge interest rates higher.

Wells Fargo continue to see economic growth gradually moderating back toward its long-term trend. The benefits from tax reform will continue to propel growth in 2019, but should fade over the course of the year, as interest rates rise further.

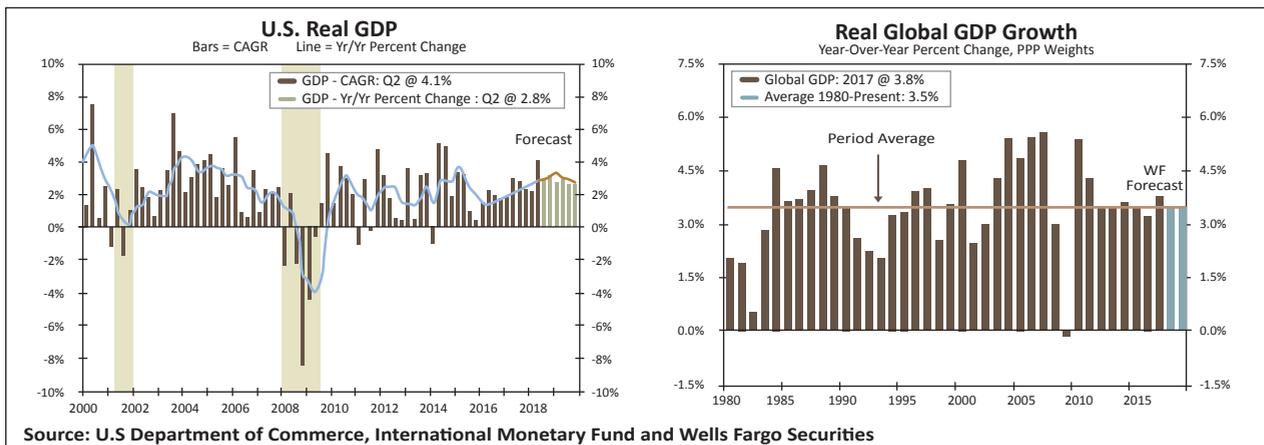
## International Overview

### Global Growth May Be Starting to Slow

Wells Fargolls Fargo outlook for the global economy is little changed from Wells Fargo last update, although Wells Fargo now see a further deceleration in global GDP growth in 2019. To reflect this, Wells Fargo have slightly lowered Wells Fargo global GDP forecast for 2019 to 3.6% from 3.7%, while leaving Wells Fargo forecast for 2020 unchanged at 3.4%. With that said, G20 economies have continued to grow at a reasonable pace throughout 2018, while global economic activity remains resilient evidenced by solid global export volumes, increasing at 3.9% year-over-year in August, slightly below the 2017 average, but sturdy nonetheless.

One of Wells Fargo primary concerns is a sharper-than-expected growth slowdown in China. Wells Fargo believe this will result in a material slowdown to developing economies, which may also may weigh on global growth in 2019. Wells Fargo have also lowered Wells Fargo 2018, as well as 2019, growth forecasts for the Eurozone. GDP, sentiment and economic activity data have been softer than expected, leading Wells Fargo to revise Wells Fargo 2018 GDP growth forecast to under 2%, the lowest since 2016.

Risks to the outlook seem tilted to the downside, which may result in slower global economic growth than Wells Fargo are currently forecasting. The primary concern being a further escalation in trade tensions between the U.S. and China. There is also some possibility of faster monetary tightening, especially in the U.S. and Canada, if labor markets improve and wage pressures continue to increase. This may lead to central banks removing accommodative policy conditions at a quicker pace than currently expected.



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## G L O S S A R Y

**Fixed income securities:** A fixed-income security is an investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Unlike a variable-income security, where payments change based on some underlying measure such as short-term interest rates, the payments of a fixed-income security are known in advance.

**Blue Chip:** A blue chip is a nationally recognized, well-established and financially sound company. Blue chips generally sell high-quality, widely accepted products and services. Blue chip companies are known to weather downturns and operate profitably in the face of adverse economic conditions, which help to contribute to their long record of stable and reliable growth.

**Futures contract:** A standardized, transferable, exchange-traded contract that requires delivery of a commodity, bond, currency, or stock index, at a specified price, on a specified future date. Unlike options, futures convey an obligation to buy. The risk to the holder is unlimited, and because the payoff pattern is symmetrical, the risk to the seller is unlimited as well. Dollars lost and gained by each party on a futures contract are equal and opposite. In other words, futures trading are a zero-sum game. Futures contracts are forward contracts, meaning they represent a pledge to make a certain transaction at a future date.

**Dutch auction:** Dutch auction, also known as descending price auction, uses a bidding process to find an optimal market price for the stock, the highest price at which an issuing company can sell all the available shares. An alternative to the traditional negotiated pricing process used by underwriters to set IPO prices, it was most recently employed by Google and is used for US Treasury auctions. Named after the famous auctions of Dutch tulip bulbs in the 17th century, it is based on a pricing system devised by Nobel prize winning economist William Vickrey.

**Paid in Capital:** Paid-in capital is the amount of capital "paid in" by investors during common or preferred stock issuances, including the par value of the shares themselves. Paid-in capital represents the funds raised by the business from equity, and not from ongoing operations.

**Due Diligence (DD):** Due diligence (DD) is an investigation or audit of a potential investment to confirm all material facts in regards to a sale, such as reviewing all financial records plus anything else deemed material to the sale. Generally, due diligence refers to the care a reasonable person should take before entering into an agreement or a transaction with another party. When sellers perform a due diligence analysis on buyers, items that may be considered are the buyer's ability to purchase, as well as other items that would affect the purchased entity or the seller after the sale has been completed.





## বাড়ি থেকে বাড়তি আয়

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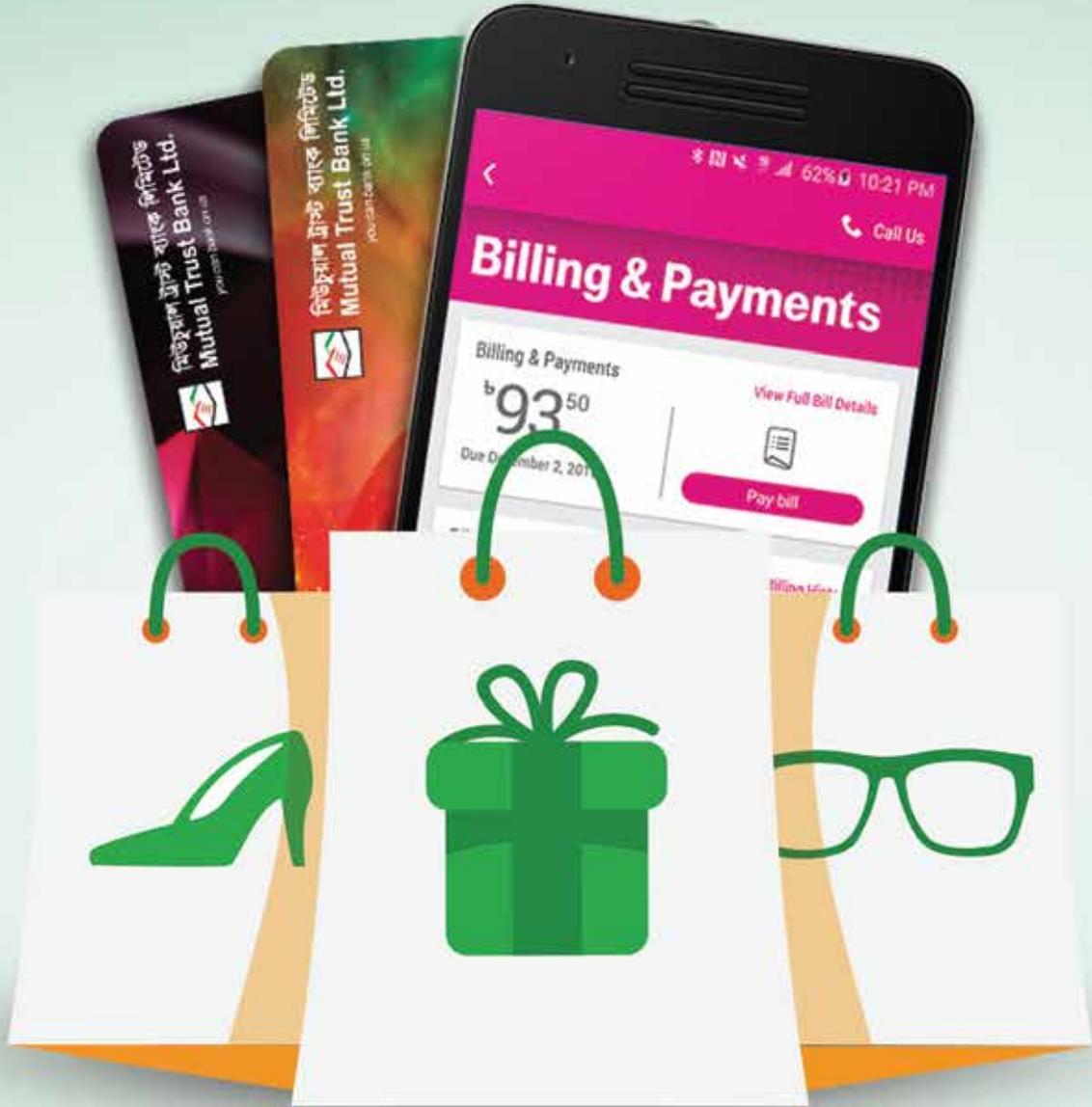
\*শর্ত প্রযোজ্য

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