

# MTBiz

Monthly Business Review, Volume: 05, Issue: 08, September 2014

## STEPPING OUT OF THE SHADOW OF GREAT RECESSION Three transitions for world economy





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Article of the Month page 02

**STEPPING OUT OF THE SHADOW OF GREAT RECESSION**  
*Three transitions for world economy*



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

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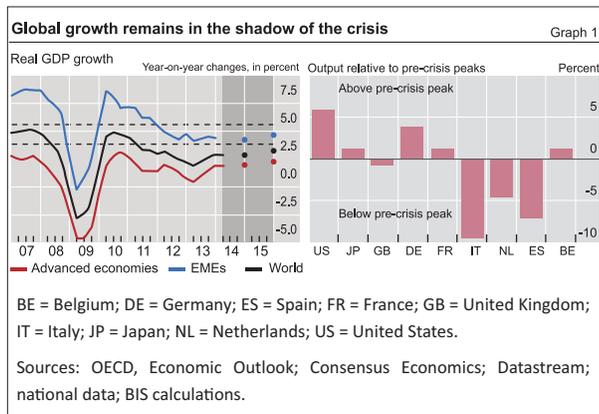
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## STEPPING OUT OF THE SHADOW OF GREAT RECESSION

### Three transitions for world economy

#### Global economic upswing and reformation

Seven years on, the Great Financial Crisis still casts long shadow on the world economy. The positive news is that the global economy is healing and global growth has picked up during the past year. Reforms have taken hold, if unevenly. The recovery in the advanced economies has broadened. The euro area has eventually emerged from recession, while the slowdown in emerging market economies (EMEs) seems to have abated. The consensus expectation is for global growth to gradually return to pre-crisis rates (Graph 1).



#### Financial boom and resource allocation

The less good news is that challenges continue to be serious and new risks are emerging. By historical standards, the upswing has disappointed, yet it should not be surprising. Consumers, firms and banks in crisis-hit economies are still repairing their balance sheets and grappling with an overburden of debt. Private sector deleveraging is most advanced in the United States; in other countries, including large tracts of the euro area, it is still very much work in progress. During the boom, resources were misallocated on a huge scale, and it takes time to move them to new and more productive uses. Meanwhile, a number of EMEs have moved into the late stage of their own financial booms. While these booms have helped to extricate the global economy from the Great Recession, they are now confronting the EMEs with a range of economic risks.

Yet the global economic upswing does provide us with the chance to step beyond the shadow of the crisis. Making full use of that opportunity involves three transitions for the global economy: towards patterns of growth that are less debt-driven, towards a more normal monetary policy and, towards a more reliable financial system.

#### First transition: towards a less debt-driven growth model

Over the past decades, growth has relied heavily on debt. Financial booms have led to severe resource misallocation in many economies. These booms have also masked an erosion of growth potential and, in the advanced economies, a trend decline in productivity growth that started decades ago. Since 2007, in the G20 economies, the ratio of total non-financial sector debt to GDP has risen by more than one fifth. This is the legacy of the massive fiscal stimulus during the Great Recession in the advanced economies and the significant new issuance of debt by corporates in EMEs. Since then, the advanced economies

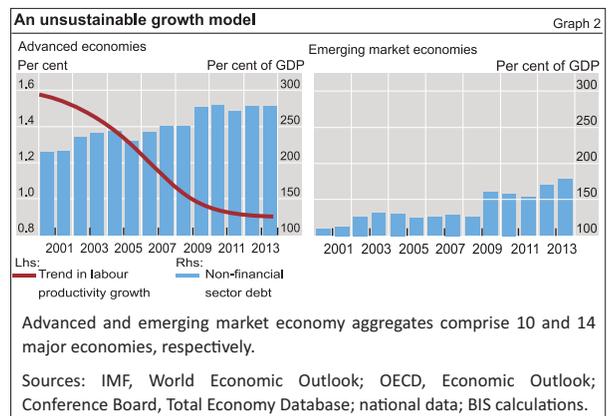
have made some progress in reducing their fiscal deficits. But the upshot is that aggregate debt levels continue to grow. Overall, debt-to-GDP ratios are now 275% in the advanced economies and 175% in EMEs.

#### Investment and GDP

A negative aspect of the debt-driven growth pattern is the relative weakness in investment in advanced economies. It is true that, at the global level, total fixed investment as a share of GDP has continued to rise thanks to rapid growth in the EMEs. It is also true that, in some countries, a correction of overinvestment in housing and construction was overdue. But other investment patterns do not bode well for future growth. Rising private and public debt has created a range of vulnerabilities. As debt increases, the ability of borrowers to repay becomes progressively more sensitive to drops in income and to interest rate rises.

#### Decline of productivity growth

Debt is not the only headwind to growth; there are also structural deficiencies. In the advanced economies, productivity growth has been on the decline since long before the crisis, a trend previously masked by the financial boom (Graph 2). And the drag from ageing populations is well known. In addition, there are country-specific factors, including a structural fall in participation rates, or a sectoral misallocation of credit and resources. All these are structural impediments to demand and growth.



#### Monetary and fiscal stimulus

It is hard to see how additional debt-driven demand can help. Monetary and fiscal stimulus has won some breathing space. But it cannot substitute for structural reform. Ever-rising public debt cannot shore up confidence. Nor can a prolonged extension of ultra-low interest rates. Low rates can certainly increase risk-taking, but it is not evident that this will turn into productive investment.

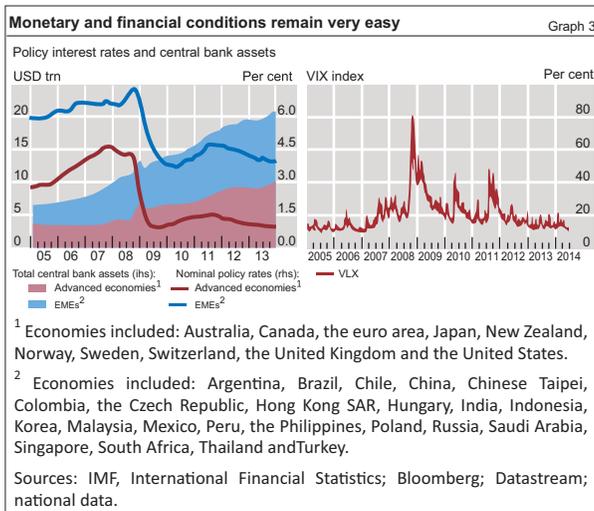
The right way to avoid this trap is to tackle the structural headwinds head-on. The priorities are to reverse the decline in productivity growth and to address structural deficiencies. Doing so will require supply side reforms that promote a more flexible and profitable use of resources and create confidence in employment and income prospects. Although such reforms need to be very country-specific, they are likely to include further liberalisation of product and labour markets, revised tax codes and more focused use of public spending.

# ARTICLE OF THE MONTH

## Second transition: towards a more normal monetary policy

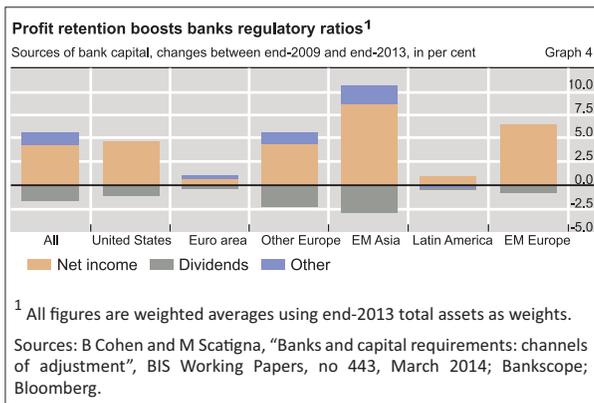
Monetary accommodation is testing its limits. Monetary policy loses a great deal of its effectiveness in the recovery phase of a balance sheet recession when households, corporates and banks are all struggling to repair their balance sheets, thus entrenching the weakness in aggregate demand. There is a threat to financial stability too, as ultra-low interest rates promote debt accumulation and risk-taking.

Policy normalisation has a long way to go. By tapering, the Federal Reserve is merely putting an end to its loosening. Central bank balance sheets – including the Fed’s – have continued to expand and now exceed USD 20 trillion in aggregate, worldwide. Policy rates sit at the zero lower bound in major currency areas, and are well below pre-crisis levels in EMEs (Graph 3).



## Third transition: towards a more reliable financial system

Appreciable progress has already been made in the transition towards a more resilient financial system. Banks have made progress in recouping their strength. They have, on average, rebuilt capital levels to meet more demanding regulatory standards. In particular, stronger profits have allowed banks to strengthen their capital base (Graph 4).



But pockets of weakness and uncertainty persist, especially in Europe. Despite an improvement in aggregate profitability, many institutions are still struggling with high levels of government and household debt. Standalone ratings remain weak. Investors continue to ask questions about asset quality. Elsewhere, in some economies that largely escaped the effects of the crisis, financial booms have created new vulnerabilities.

## Macro prudential frameworks

New prudential instruments and policies can reduce such risks. In Europe, the asset quality review, a rigorous stress test and the introduction of the single supervisor offer a unique opportunity to restore confidence in the banking system – and to remove one major roadblock to stronger growth, especially in crisis-hit countries. Macro prudential instruments are being used more actively.

A reliable financial system requires more than resilience. Resilience is the starting point, but there are some other key elements:

### Confidence in banks’ risk management

Confidence in banks’ risk management goes all the way from the overall risk culture to the risk models themselves. The large reported dispersion in risk-weighted asset calculations suggests that there is still plenty of scope for inconsistency, and perhaps even for gaming the rulebook. Stringent regulation can alleviate this problem. Constraints on modelling assumptions can improve comparability and curb arbitrage. If calibrated rigorously, the leverage ratio can create a credible backstop for the risk-weighted ratios.

### Public confidence

A reliable financial system depends on public confidence. That confidence has been repeatedly dented by allegations of manipulation in some financial markets. Trust needs to be rebuilt if the financial system is to function as it should.

### Changes in financial markets and the emergence of new risks

A reliable financial system needs to be alert to the continuous changes in financial markets and the emergence of new risks. I have already mentioned the additional work that is needed to analyse the nature of market-based financial booms, where the behaviour of traditionally less leveraged institutions such as asset managers may be capable of triggering financial strains. The incentives driving such investors could result in sudden, non-linear, leverage-like amplification of market dynamics.

### Time to step out of the shadow of the crisis

It is time that the world economy stepped out of the shadow of the crisis. Stronger growth provides an opportunity to push through structural reforms and set balance sheets on a firmer footing. The time is right because delaying any of the three transitions poses risks. A first risk is financial dominance: delaying policy action for fear of market volatility and financial fragility. A second threat is fiscal dominance: that is, pressure to pursue a policy of easy money so as to sustain high debt levels. And a third threat is expectations dominance: namely, unrealistic expectations of what central banks can do. Failure to ensure the success of any of these transitions would exact a high price in terms of growing risks to financial and macroeconomic stability.

### Basel III – a synonym for successful cooperation

The key to mastering the three transitions is close international cooperation. Post-crisis, Basel III has become a synonym for successful cooperation in the area of financial regulation. As a result, the case for closer cooperation in other areas has strengthened. The past year has served as a reminder that domestic policy actions are increasingly likely to have global repercussions. This much is obvious for the big advanced economies, but it has become increasingly true for policy decisions in large EMEs too. A better understanding of how policy actions will affect others in a highly integrated world is therefore more important than ever.

*(Adopted from the speech by Jaime Caruana, General Manager, Bank for International Settlements at Annual General Meeting in Basel on June 29, 2014.)*



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## BB seeks SWIFT cooperation in launching RTGS



Bangladesh Bank Governor Dr. Atiur Rahman recently sought SWIFT cooperation in launching RTGS (Real-time Gross Settlement) system in the country's financial sector. The BB Governor said while addressing the first ever SWIFT Business Forum held in Bangladesh that BB look forward to having SWIFT to play a vital role in the recent initiatives of RTGS in Bangladesh payment system. SWIFT may also consider exploring the inter-bank settlement system. Chief Executive (Asia Pacific and EMEA) of the SWIFT Alain Raes said Bangladesh is one of the emerging economies of the world and is on its path to growth and there are many more opportunities in the financial markets. Speaking on the occasion, SWIFT Bangladesh Chairperson and MTB MD & CEO Mr. Anis A. Khan said Bangladesh's economy has shown a strong momentum with GDP growth rate at 7-7% per annum over the last few years and the country also ranked as the 37<sup>th</sup> largest economy in the world in 2013 by International Monetary Fund (IMF). "The connectivity of all banks under one platform will undoubtedly bring more benefits for both customers and the financial industry players in the form of fast and cost-effective service deliveries," Mr. Khan Said.

## Banks ready to intensify fight against poverty: BB Governor



Bangladesh Bank (BB) Governor Dr. Atiur Rahman said the banking sector, with its new phase of inclusive financial strategy, stepped up its efforts to remove poverty and turn the country into a developed nation. BB governor said that the financial inclusion

of the poorest, particularly their access to small-sized credit is a major tool in Bangladesh for combating poverty. According to BB Governor, banks and financial institutions are ready to intensify the war against the poverty to make the Bangladesh a middle income country by 2030. BB has already prepared growth engine making banks confident of financing the poor timely and effectively which earned them higher returns. Dr. Rahman said due to increased agricultural loans, per capita income of rural people has increased significantly in recent years. Now they are connected to the mainstream of the economy.

## BB sets FY15 farm loan target at BDT 15,550 crore

Bangladesh Bank (BB) has launched its agricultural and rural credit policy for the current fiscal year (FY15), setting a target for disbursing BDT 15,550 crore in farm loans. The amount is 6.54% higher than the target of the previous fiscal year.



Of the targeted amount for fiscal year 2014-2015, the central bank also set disbursement target of BDT 9,140 crore through the state-owned commercial banks and specialized banks while BDT 6,410 crore by the private and foreign banks. According to BB Governor, all banks including foreign banks should come forward to disburse the farm loans to bring financial stability by promoting cultivation. Announcing the policy, he urged the banks to enhance their involvement in disbursing loans from the fund of BDT 200 crore, which was introduced by the central bank under revolving refinance program for the farmers.

## BB asks banks to reduce interest rate

Bangladesh Bank (BB) recently asked scheduled banks to decrease their rate of interest on industrial loans to ensure GDP growth by increasing inflow of credit to the productive sector. The BB gave the direction at a 'bankers meeting' led by its governor Dr. Atiur Rahman at the central bank headquarters while Managing Directors and Chief Executive Officers of all banks attended the program. According to BB governor, the liquidity position in the banking sector is now satisfactory, so the higher interest rate on the industrial loan is not desirable. It is important to decrease the rate of interest on industrial loans to achieve the desired GDP growth.

## CSR to combat climate change



Bangladesh Bank (BB) has taken initiatives in respect of formalizing CSR in the banking sector. It has issued an elaborate directive to banks and financial institutions in this regard. It has defined the strategic

objectives for CSR engagement, provided some priority areas with a suggestion to foster CSR in their client businesses. The BB has suggested a first-time CSR program indicating some likely action plans. For instance, the central bank considers that CSR stimulates the financial sector's accountability to society while the Environmental Risk Management (ERM) requires inclusion of environmental risks in its main framework. The central bank has been monitoring CSR adoption and performance of banks and financial institutions as an additional dimension of their management performance.

## BB moves to double equity for ICT units under EEF

Bangladesh Bank plans to double the government's equity support for ICT related projects under the initiative of equity and entrepreneurship fund (EEF) to boost the promising sector of the country. The move of the central bank is



aimed at accelerating the potential ICT sector as software export in the just concluded financial year hit a record earning of USD 120 million, up from USD 101 million last year. The booming local software industry that employs nearly 50,000 skilled and semi-skilled manpower also contributed to the latest spike in the equity participation from the government. BB has amended the existing regulations on utilization of EEF fund for ICT sector and submitted the amended version to the finance ministry recently for approval.

## BB gives cues for remittance fall

DECLINE IN REMITTANCE FLOW IN FY '14 OVER FY '13		
Countries	Figures in million dollars	In percentage points
KSA	-710.57	-18.56%
Qatar	-29.36	-10.23%
UK	-90.36	-9.11%
U.A.E	-144.54	-5.11%

Source: Bangladesh Bank

The central bank has identified the spending of a substantial amount on the renewal of work permits by many Bangladeshis in Saudi Arabia, the job market squeeze in Qatar and the

closure of bank accounts of small money-transfer companies in the UK as the major reasons for a significant fall in the country's inward remittance flow. According to the latest analysis of the

Bangladesh Bank (BB), appreciation of the Bangladesh Taka (BDT) against the US dollar and the country's political turmoil preceding the January 5 general election also played their part in driving down the remittance inflow. The highest 18.56% fall was recorded in remittances from Saudi Arabia followed by Qatar with 10.23%, the UK with 9.11% and the UAE with 5.11%.

### Foundation training (First Batch) held at the Bangladesh Bank Training Academy



Bangladesh Bank Training Academy (BBTA) recently successfully completed the foundation training program (First Batch). Bangladesh Bank Governor Dr. Atiur Rahman, along with the newly-appointed Assistant Directors of the central bank, attended the concluding ceremony of a foundation training held at BBTA.

### BB to ask banks to submit monthly large loan status



Bangladesh Bank (BB) has asked all the schedule banks to submit monthly the large loan statement through the central bank's web portal. The statement will have to be submitted within 10<sup>th</sup> of next month. The banks will also have to submit hard copy of the statement and soft copy of CIB statement to the Department of Off-site Supervision (DOS) of Bangladesh

Bank until further notice. According to a senior executive of Bangladesh Bank, the central bank has no accurate information about the large loans. As a result, it could not monitor the large loan clients and identify who are holding loans violating the rules. He said the Credit Information Bureau (CIB) of central bank is supposed to preserve the loan statement, but most of the information is inappropriate as it maintains the data provided by the banks. Under the circumstance, the central bank has asked the banks to submit the large loan statement to the DOS.

### BB to launch start-up financing scheme for SME sector



Bangladesh Bank (BB) is going to launch a BDT 100 crore start-up financing scheme soon to encourage new entrepreneurs to get entry into trade and commerce with low-cost refinancing fund. The fund will be channeled through 29 banks and financial institutions that have so far showed their excellence and established track records in promoting small and medium enterprises. The highest interest rate the lenders could charge for start-up funds will be

10%, against 5% they will pay to BB. According to a BB official, BB is planning to launch a number of new financing tools at the end of this year (2014) to patronize the SME sector in view of the striking success it made in terms of contributions in business activities and employment generations. The future schemes include credit guarantee scheme for SMEs, finance for new entrepreneurs, venture capital financing and introduction of ratings for SMEs.

### Bangladesh Bank moves to check hundi system



Different estimates by the bankers suggest that hundi is being used to facilitate transactions of over USD 250 million annually. Officials of the financial intelligence unit (BFUI) under the central bank is likely to

visit Malaysia, Singapore, Canada and other developed countries where many politicians and businessmen send money illegally from Bangladesh through different informal channels, including hundi. Bangladesh Bank officials attending a recent meeting of the Parliamentary Standing Committee on the Finance Ministry said it was difficult to stop hundi, which is considered one of the ways of money laundering and money transfer from overseas, as the Anti-Money Laundering Act, 2012 and other related laws lack proper definition for hundi.

### Price fluctuation of commodities leads to a rise in default loans: BB study



According to 48% respondents of a Bangladesh Bank study, price fluctuation of commodities in local and global markets was the reason why loan against trust receipt (LTR) was turning defaulted in Chittagong. According to the study report, the total LTR was BDT 48,312 crore until September 2013, which was 32.82% of the total outstanding trade financing. Of the amount, BDT 9,352 crore turned into term loans or default loans as those were not paid timely. Bank officials said a major portion of the LTR was from Chittagong where commodity traders took the loans from different banks for a short period. But later they failed to pay the loans in time. In the study, 8.7% respondents blamed exchange rate fluctuation for the LTR turning into default loans, while 4.8% mentioned transfer of fund, and 16.3% stocking commodities for a long period as a reason. Besides, 22.1% cited various other reasons. The study said the possibility of recovering these term loans is apparently very low due to a lack of adequate mortgage, absence of goods in the banks' warehouses and fluctuation of prices of unsold goods. In many cases, importers/clients divert the fund to purchase lands, invest in the stock market and set up new business.

## Incorporating global standard technology in local market aimed at: Anis A. Khan



Country's leading bankers have moved to gear up awareness program on fool-proof financial transactions and contain financial frauds by incorporating global standard technology in the local market. Mr. Anis A. Khan, the first elected Chairperson of SWIFT Member and User Group Bangladesh said, "Our work is to first study the global

best practices in using SWIFT technology for secure financial transactions, then share the knowledge and create awareness among us and identify its apt products for our market and incorporate those."

Mr. Khan, also Managing Director and CEO of the Mutual Trust Bank Ltd (MTB) articulated, "We now need familiarization with those and then immediate, medium and long term plans are required in order to adopt suitable products here in phases."

The new chairperson also expected to get SWIFT products at cheaper price for the Bangladesh market having 56 banks. SWIFT provides network enabling the financial institutions worldwide to send and receive financial transaction-related information in a secure manner and also sells different products. As a new and elected chairperson of SWIFT Bangladesh, Mr. Khan shared his plan on taking the country's status in secure financial transaction to a respectable level among the Asian countries. He further said that they will open a bank account of the SWIFT Bangladesh, share their own contributions to the account and move forward with it to implement the program. Within the two-year term of the new committee, Mr. Khan also hoped to launch an interactive website of the SWIFT Bangladesh having links to the relevant international forums. Security regarding the financial transactions became more complicated because of introduction of the electronic payment systems in transfer of remittance and other local fund, he said.

## Exim Bank distributes Zakat among street children

Exim Bank Ltd. distributed Zakat among one thousand street children under the initiative of Bangladesh Bank (BB). Each of the children received BDT 1000. BB Governor Dr. Atiur Rahman



as the chief guest handed over the Zakat fund at a ceremony in the city. The poor and working children were selected through organisations like Pushpokoli, Karmojibi Shishu Kishore, Madaripur Social Service Club and Shapnobaj Community under the BB initiative. Most of these children have accounts with different banks under the recent BB initiative. The BB governor said that with the accounts with the banks, the street children would be habituated to deposit money; the initiative will also help them abstain from misusing money and simultaneously be confident to build and establish themselves in the society.

## EBL organizes Women Leadership Program

Deputy Governor of Bangladesh Bank Nazneen Sultana handing over certificate to one of the participants of EBL Women Leadership Programme organised by Eastern Bank



were present on the occasion.

## Sonali Bank key indices on the rise

State-owned Sonali Bank Limited has been making progress. The key indices of the largest public bank business started showing up rising trends in fiscal 2013 comparing to the previous year and the bank management remains optimistic to see further progress in near future. The bank's deposit marked a 14.45% jump in a year, rising from BDT 599.29 billion as on December 31, 2012 to BDT 685.89 billion as on December 31 in 2013. In the same period, total investment of the bank rose to BDT 272.25 billion in 2013 from BDT 148.91 billion in 2012, showing a whopping jump by 82.83%. Though the bank suffered a loss of BDT 31.53 billion in 2012, it managed to earn BDT 3.58 billion after-tax profit in 2013.



## Janata Bank Ltd. donates BDT 1.41 million for the tribal students



Janata Bank Ltd. donated USD 1.4 million tribal students of the Tanor of Rajshahi district recently. Janata Bank's CSR department donated USD 1.4 million for the deprived students from school of the Tanor tribe area. The Bank

handed over the USD 1.4 million to the volunteer organization, Brati, which will be organized the donation programme. Chief Executive of Brati, Sharmin Murshid received the USD 1.4 million from the Bank's MD, Iftikhar-uz-Zaman on the occasion. This donation will be utilized for the development of Bengali, English, and Computer side of the students.

## Pubali Bank lowers lending rate, launches SMS banking



Managing Director and Chief Executive Officer (CEO) of the bank Helal Ahmed Chowdhury formally announced the decision at a press conference at the bank's head office recently. Mr Chowdhury also launched 'SMS banking' at the press conference as part of the bank's commitment to rendering technology-driven services. The MD further disclosed that the bank launched real-time online banking in its all 427 branches across the country with its own software and manpower. The interest on loan for agriculture, women entrepreneurs, packing credit (PC) and spices-like agricultural produce remains open at the rate of 13%,

10%, 7% and 4% respectively. Under the 'SMS banking', the PBL customers will get notifications of different services, including debit and credit transactions, online transactions, loan approval and distribution, the opening of LC (letter of credit) and payments, monthly balance, renewal of FDR, ATM and POS transactions and internet banking.

### StanChart raises USD 190 million for Summit power plant



Standard Chartered Bank has raised USD 190 million from international lenders for a 335-megawatt electricity plant of Summit Meghnaghat Power Company Ltd. The lenders, which include international

development partners and banks, have already disbursed the long-term project financing for the dual fuel-fired power plant in Narayanganj, the largest one in the private sector. Summit has taken the loan to complete an existing project under which a single cycle power plant has been supplying about 217MW to the national grid since May. The investors include DEG of Germany, FMO of the Netherlands, OPEC Fund for Industrial Development of Austria, CDC Group of the UK, OeEB (Development Bank of Austria), Belgian Investment Company for Developing Countries, and Infra-structure Development Company Ltd. of Bangladesh.

### NBL Money Transfer Inc. launches a subsidiary program in New York

NBL Money Transfer Inc. USA, a wholly owned subsidiary of National Bank Limited has launched its operations on 2<sup>nd</sup> July, 2014 in USA through an official ceremony inaugurated by the director of NBL Money Transfer Inc., Dipu Haque. Dipu Haque urged Bangladeshi expatriates to remit their hard earned money through "NBL Quick Pay", a web based money transfer solution developed by National Bank Limited. Mr. Jonas Khan Sikder, Director of National Bank Limited emphasized on sending money in legal and secured way & requested the attending Bangladeshi expatriates to avail "NBL Quick Pay" service from the counter of NBL Money Transfer Inc., USA. He also indicated the lower competitive charges & lucrative exchange rates of the service offered by NBL Money Transfer Inc., USA.



### Pubali aims for paperless, faster banking



Pubali Bank aims to expand its online banking and introduce new products to meet growing demand and become more competitive. The largest private bank is also set to launch its mobile banking service, Pubali Cash, in a couple of months

to serve unbanked people. The bank that has already automated its 425 branches is also working on introducing its first credit card very soon. According to Deputy Managing Director of the bank, Pubali plans to double the number of ATM booths to 200 this year (2014) and take the figure to 1,000 in next eight years to establish its own network across the country.

The bank has also introduced an SMS-based banking service to provide information to its customers round the clock. The SMS service includes transaction notifications, loan sanctions and disbursements, L/C openings and payments, card activations/

deactivations, monthly balance notifications, ATM transaction and internet banking access. Pubali Cash will provide mobile financial services similar to other operators. It includes cash in and out and payments to multiple recipients. According to Bangladesh Bank data, average daily transactions by mobile rose 117% year-on-year to BDT 263 crore in March.

### NRBC and DESCO sign an agreement



Managing Director and CEO of NRB Commercial (NRBC) Bank Dewan Mujibur Rahman and company secretary of DESCO Engr. Md Shofiqul Islam exchanged documents after signing an agreement on behalf of their respective sides in the city recently. Under the deal, NRBC Bank will receive electric bills of DESCO consumers at its Gulshan and Uttara branches. Managing Director of DESCO Engr. Md Arjad Hossain and executive director (Finance and Accounts) Md Rofi Uddin and SEVP of NRBC Bank Arif Md Shahedul Haque were present on the occasion, among others.

### BRAC Bank wins brand award from CMO Asia

BRAC Bank has been awarded with 'Sustainable Marketing Excellence Award' from CMO Asia, as part of Global Brand Excellence Awards at a programme in Singapore. Zeeshan Kingshuk Huq, head of communication and service quality of BRAC Bank, received the award at the annual conference of brand gurus. The World Brand Congress is the single largest meeting of the brains behind some of the most successful and sought-after-brands in the world. This year's theme was Brands that Last: Role of Sustainability in Innovative Branding.



### Muhammed Ali awarded 'CEO of the Year'



Muhammed Ali, Managing Director of United Commercial Bank (UCB), has been awarded 'CEO of the Year' at the Global Brand Excellence Awards hosted by World Brand Congress recently at Pan Pacific Singapore. Moreover, UCash, the mobile financial service of UCB has also been awarded in the category of "Effective Use of Marketing Communication Award". The theme of the congress was "Brands that last: Role of sustainability in innovative branding".

### Al-Arafah Bank to provide 5 thousand SIM cards to pilgrims

Al-Arafah Islami Bank distributes free SIM cards among five thousand pilgrims during the Hajj this year. In this connection the Bank signed a memorandum of understanding (MoU) with Intraco Limited recently. Managing Director of the Al-Arafah Bank, Habibur Rahman, was present at the signing ceremony

while Deputy Managing Director of the bank, Golam Rabbani, and Deputy Managing Director of Intraco Limited, Irad Ali, signed the MoU. According to the newly signed MoU, Intraco will provide the bank five thousand SIM cards with balance of 10 Saudi Real, which is usable in Saudi Arabia.

### EBL awarded for brand revitalization



EBL was awarded for brand revitalization at the Global Brand Excellence Awards in Singapore. EBL won for the second time. The award recognized EBL's sustainability in innovative branding. Ali Reza Iftekhar, Managing Director and Chief Executive of the bank, received the award at a ceremony held during the World Brand Congress. Iftekhar said that this award is recognition of consistency in delivery of brand excellence. Brand is a commitment and they try their best to keep every commitment however small they may be.

### Bank Asia inaugurates an agent banking booth at Munshiganj

Bank Asia has launched Agent Banking in Dhalagaon Bazar of Munshiganj in a bid to bring country's non-banking population under the banking network and ensure financial inclusion.



AM Nurul Islam, Vice Chairman of Bank Asia inaugurated an agent banking booth of the bank at Dhalagaon Bazar of Munshiganj recently. Rumeel A Hossain, Chairman of the Executive Committee and Md Arfan Ali, Deputy Managing Director of the bank were present.

### First Security Islami Bank Ltd. donated to Raj Textile secondary school



First Security Islami Bank Limited donated BDT 1 million for constructing class rooms for Raj Textile Secondary School, Jessore on 04 August 2014. Mr. A.A.M. Zakaria, Managing Director of First Security Islami Bank Limited handed over the Cheque to Md. Shamsul Alam, Chairman, Support Foundation of Trusty Board of Raj Textile Secondary School.

### Banks' H1 profit shines

Net profit of nearly 80% of the listed private banks have increased in the first half of this year (2014) due mainly to higher income from treasury bonds and improved import situation. Bankers said loan rescheduling against Non-Performing Loans (NPL) have also helped increasing the net profit, but NPL is still a headache as it will have to be adjusted at the end of the year. They, however, hoped the earnings would be better in the days to come if the political situation remains in favor of investment. According to Dhaka Stock Exchange (DSE) data, of the 30 listed banks, the net

### BANKS' PROFITS AFTER TAX (IN CRORE TAKA)

		H1 2013	H1 2014	Change
1	NBL	-186.75	119.38	306.13
2	Premier	-204	34	238.00
3	Prime	-65	101.2	166.20
4	UCBL	105.9	194	88.10
5	Pubali	112.6	163.6	51.00
6	AL-Arafah	68.83	117.94	49.11
7	AB Bank	39.47	80.95	41.48
8	SIBL	24	61.7	37.70
9	South East Bank	118.8	154.3	35.50
10	City Bank	40	74.2	34.20
11	MTB	3.6	36.94	33.34
12	Exim	35	65.93	30.93
13	Mercantile	22.78	43	20.22
14	Uttara	52.3	72	19.70
15	IFIC	45	64.55	19.55
16	Jamuna Bank	9.33	28	18.67
17	Standard Bank	47.4	64.5	17.10
18	Bank Asia	49	66	17.00
19	Dutch Bangla	81.44	92.85	11.41
20	Dhaka Bank	40	50	10.00
21	NCC	28	35	7.00
22	First Security	24.61	30.38	5.77
23	Trust	36.6	38.7	2.10
24	BRAC Bank	97	95.92	(1.08)
25	EBL	97.57	94.74	(2.83)
26	One	47.96	43.67	(4.29)
27	ICBI Bank	-8.6	-26.29	(17.69)
28	Rupali	74.6	28.8	(45.80)
29	Islami Bank	153.8	97.4	(56.40)
30	Shahjalal	20.7	-49.5	(70.20)

profit of 23 marked rise, five saw a fall and two incurred losses in the January to June period.

MTB Managing Director Mr. Anis A. Khan said mainly expansion, diversification and restructure of planning has helped bringing good results. "Banks' investment in Treasury bonds with high call rate has helped recovering well in the recent times from last year's dismal earnings." The banker said the impact of loan defaults, which shot up last year following a series of banking scams and political unrest, might improve this year too, if political field remains calm.

The banks registered increased earnings by more than 100% are Mutual Trust Bank Ltd., Jamuna Bank Ltd., Social Islami Bank Ltd. (SIBL), National Bank Ltd. and AB Bank Ltd. The banks with increased earnings by more than 50% are UCBL, Mercantile Bank Ltd., Exim Bank Ltd., City Bank Ltd., and Al-Arafah Bank Ltd.

### Term deposits flowing out of banks to govt savings tools



A substantial volume of term deposits with scheduled banks is being diverted to the government savings schemes mainly because of the continuous decline in rates of interest offered by banks. Such diversion may leave a number of adverse consequences on the economy, economists and senior bankers have expressed the fear. Only in the last fiscal year, the net sale of national saving schemes stood at over BDT 117 billion against the target of BDT 49.71 billion. However, according to the revised budget for the fiscal 2013-14, the net sale of the same had stood at BDT 80 billion. The commercial banks, however, do not mind the diversion of deposits as they are now awash with surplus funds. However, senior bankers feel that the rate of interest of the national savings tools should be market-based ones to help create a level-playing field for all in the financial markets.

## Dhaka bourse to resume IPO scrutiny after a two-year pause



The Bangladesh Securities and Exchange Commission (BSEC) asked the premier bourse to restart scrutinizing the draft IPO prospectuses and send recommendations to the regulator. The move comes following a controversial listing of a chemical manufacturing company, which masked market-sensitive information

about its directors in the IPO prospectus. The DSE had a listing committee until November 2011 that was responsible for analyzing the draft initial public offering prospectuses in brief and making recommendations to the regulator. The body was abolished upon a verbal instruction from the regulator following a conflict between the DSE and BSEC on the listing of a company. Recently, the DSE at a board meeting also raised their concern over the controversial listing of a company.

## CSE to brief newsmen twice every month



## Chittagong Stock Exchange Ltd.

Chittagong Stock Exchange (CSE) has taken initiatives to brief the journalists twice every month on the capital market. The officials of the port city bourse have said the regular press briefing will be held at the CSE's Dhaka office on the first and third Monday. At the press briefing the CSE Chairman Dr. Muhammad Abdul Mazid and the members of the board will exchange their views about the capital market. The objective of the CSE's press briefing is also to enhance investors' idea and focus the activities of the demutualized exchange.

## Hamid Fabrics gets approval for IPO



The Bangladesh Securities and Exchange Commission (BSEC) recently gave a go-ahead to Hamid Fabrics to raise BDT 105 crore from public. Using the fixed price method, the textile company is set to float 3 crore ordinary shares of BDT 10 each at an offer price of BDT 35, including BDT 25 as premium. ICB Capital Management would manage the initial public offering (IPO), the proceedings from which would be used to service Hamid Fabrics' existing bank loans and fund business expansion. The company's five-year weighted average earnings per share, as of June 2013, stood at BDT 2.97 and the net asset value per share BDT 41.14 after revaluation. The approval came at a meeting presided over by BSEC Chairman Khairul Hossain.

## DSE intensifies search for strategic partner

Dhaka Stock Exchange (DSE) will hold a big event by the end of this year (2014) part of its plan to sell a quarter of its stakes to an international strategic partner. The DSE event is also intended



to find out an international strategic partner, which will sit on the 13-member board of the nation's prime bourse. Such a partner is required since the bourse became demutualized earlier of the year. The officials said that local institutional investors and individuals will be invited along with foreign potential strategic partners to the planned program in Dhaka. As per the demutualization scheme approved by the Bangladesh Securities and Exchange Commission (BSEC) on September 26, 2013, the board of the exchange will comprise 13 members. The DSE board will consist of seven independent directors, five shareholder-directors, including one foreign strategic investor, and the chief executive officer, who will have voting rights.

## Appointment of BSEC consultant approved



The Ministry of Finance (MoF) has approved the appointment of a consultant in the post of chief accountant who will assist the securities regulator in revising existing rules and regulations along with supervising corporate governance. As per the ministry's approval, Md. Monoar Hossain FCA will join the

Bangladesh Securities and Exchange Commission (BSEC) soon. The BSEC officials said the MoF recently approved the temporary appointment of Mr. Hossain for three months and the tenure of his job may be extended if it becomes necessary. The status of the BSEC consultant will be equivalent to an executive director of the securities regulator. The officials said the BSEC consultant mainly will work as the chief of the corporate governance department.

## New products to help increase turnover of stock market

The premier bourse will introduce new products to help increase turnover of the capital market. The new products, exchange traded fund (ETF), derivatives and options-will also bring diversifications in the capital market. Dr.



Swapan Kumar Bala, the Managing Director of the Dhaka Stock Exchange (DSE) said that DSE will introduce the new products to successfully face new challenges so that we can make profits for the shareholders of the demutualized exchange. To set new goals, DSE's prime focus is to introduce new products that will increase more turnovers for the capital market. He also said that DSE must ensure the efficient corporate governance and attract foreign investments through coordinated efforts.

## SIBL chairman re-elected



The Board of Directors of Social Islami Bank Limited in its 314<sup>th</sup> meeting has unanimously extended the tenure of Chairman Major (Retd.) Dr. Md. Rezaul Haque in recognition of his 'dynamic and pragmatic leadership towards visible growth of the Bank'. Major (Retd) Dr. Md. Rezaul Haque, a veteran and valiant Freedom Fighter of Bangladesh Liberation War had actively participated in the war as

Medical Officer under sector headquarters number-1 at Harina Army Camp at Subroom, India. Mr. Reza is one of the visionary founders of the Bank. He is the 2<sup>nd</sup> Founding Sponsor Director of SIBL. He is also Sponsor Director of United Hospital Limited and Director of SIBL Securities Ltd. He is also the Chairman of Little House (Pvt.) Limited, Active Builders Limited, Probashi Forum Co-operative Limited and SIBL Investment Limited.

## Midland Bank gets new MD

Md. Ahsan-uz Zaman has joined Midland Bank Limited as its Managing Director (MD) & CEO. Prior to joining the bank, he served Mutual Trust Bank Ltd. as Additional Managing Director. Ahsan-uz Zaman worked for Bank of America in New York at its Global Wealth and Investment Management Division with responsibility for business across a wide assigned territory.



He has diversified banking experience, having worked at home and abroad, serving JPMorgan Chase Bank, Morgan Stanley, BNP Paribas and ANZ Grindlays Bank where he joined as a management trainee in Dhaka in 1982. Mr. Zaman completed his MBA from the Institute of Business Administration of University of Dhaka and is an accredited mediator. He attended seminars on Risk Management and Capital Markets conducted by BNP Paribas in New York and received credit training conducted by ANZ Grindlays Bank in London, Melbourne and Mumbai including training courses on deposits, operations management, foreign trade, foreign exchange and presentation skills.

## Mercantile Bank gets new Chairman of Executive Committee



Eminent Freedom Fighter Alhaj Akram Hussain (Humayun) was born in a respectable Muslim family of Dagonbhuiyan, Feni. He is the Sponsor Director of Mercantile Bank Limited. Mr. Akram established himself as a successful businessman in his professional life. He is the Chairman and Managing Director of Fars Group of Companies. He is the Founder President of

Bangladesh Paper Importers' Association and Greater Noakhali Paper Merchant Multipurpose Samabay Samity Ltd., Director of Mercantile Bank Securities Limited and Honorable Member of FBCCI. Besides the business activities, Alhaj Akram Hussain is

also involved with different social and educational development works. He is the Founder Chairman of Alhaj Shamsul Haque Miah Adarsha Academy, Ruda Miah Complex (school, madrasah, orphanage), Khaja Ahmed Biddya Niketon, Rajapur High School and College. He is a member of Trustee Board of Feni University and Life Member of Feni Heart Foundation and Feni Diabetic Samity.

## South Bangla Bank appoints DMD

Md Dilwar Hossain Bhuiyan has joined South Bangla Agriculture and Commerce Bank as Deputy Managing Director (DMD). He worked as DMD of Sonali Bank prior to the new appointment. Bhuiyan has worked with four other banks in his career. Hossain did his MA in English with Honors from Dhaka University and holds an MBA. He has a number of publications on banking and finance.



## NCC Bank re-elects chairman



NCC Bank has extended the tenure of its chairman, Md Nurun Newaz Salim, by reelecting him for the next term. Salim is an industrialist and entrepreneur and serves Chittagong Chamber of Commerce and Industry as Senior Vice President. He is a former chairman of Central Insurance Co Ltd., trustee of Feni University, chairman of Electro Mart Ltd. and

Trade International Ltd.

## Nepal Bangladesh Bank chairman re-elected

Mr. Mohammad Lutfar Rahman recently was re-elected as the Chairman of Nepal Bangladesh Bank Ltd. (NBBL), a joint venture operation of IFIC Bank Ltd. in Nepal, following its 19<sup>th</sup> AGM in Kathmandu. Mr. Rahman is also the Executive Committee (EC) Chairman of IFIC Bank Limited, a leading private commercial bank of Bangladesh.



## Jamuna Bank gets new DMD



Md Habibur Rahman was recently promoted as Deputy Managing Director of Jamuna Bank Ltd. Prior his promotion, he was a senior executive vice-president and head of Credit Risk Management Division of Jamuna Bank Ltd. He started his career as a probationary officer in Islami Bank Bangladesh Ltd. in 1989. He worked in Prime Bank, Mercantile Bank and Shahjalal

Islami Bank Ltd. in various important positions in head office and different branches.

## INAUGURATION OF MTB's 95TH BRANCH AT DUMNI, KHILKHET, DHAKA

MTB Vice Chairman, M.A. Rouf, JP, inaugurated the branch as the Chief Guest at a grand ceremony recently.

Chairman, NRB Bank, Iqbal Ahmed, OBE, MTB Directors, Md. Abdul Malek, Md. Wakiluddin, Independent Director, Anwarul Amin, Ideal Group Chairman, Nur Mohammad Mamun, MTB Managing Director & CEO, Anis A. Khan, Deputy Managing Directors, local elite, leaders of the business associations, people from different strata, managers of nearby MTB branches and senior officials of MTB also attended the program.

Date : August 27, 2014  
 Venue : Top Super Market, 12 Ananda Bazaar, Dumni, Khilkhet, Dhaka 1229



## MTB SCHOOL BANKING CAMPAIGN AT THAKURGAON GOVT. TECHNICAL SCHOOL & COLLEGE, THAKURGAON



Date : August 11, 2014  
 Venue : Thakurgaon 5100

## INAUGURATION OF MTB 24/7 ATM AT DAGONBHUIYAN, FENI



Date : July 31, 2014  
 Venue : Dagonbhuiyan, Feni 3920

# MTB NEWS & EVENTS

## TRAINING PROGRAM ON FOREIGN EXCHANGE FINANCE OF FOREIGN TRADE (FOFT)



Date : August 11, 2014  
Venue : Mutual Trust Bank Training Institute (MTBTI), Dhaka 1208

## MTB CLUB [CHITTAGONG CHAPTER] ORGANIZES MEZBAN & EID RE-UNION



Date : August 09, 2014  
Venue : Paragon Convention Centre, Chittagong 4000

## NEW PRODUCT LAUNCH: 'MTB GREEN CAP' A COMPLETE INVESTMENT SOLUTION

MTB Capital Limited (MTBCL) has recently unveiled '**MTB Green Cap**' at an event held at its Corporate Head Office.

MTB Green Cap is an investment solution by investors' equity. Clients of MTB Green Cap are free from "Management Fee" or similar charges by MTB Capital. The major appeal of the product is that it does not require any mandatory deposit or initial deposit.

Date : July 17, 2014  
Venue : Motijheel C/A, Dhaka 1000



## SWIFT celebrates 20<sup>th</sup> anniversary of collaboration with Bangladesh



SWIFT celebrated its 20<sup>th</sup> anniversary of its operation in Bangladesh on August, 13, 2014 at a signature event held at a local hotel in Dhaka. The event was attended by Bangladesh Bank Governor Dr. Atiur Rahman, Deputy

Governor Nazneen Sultana and Executive Director Asim Kumar Dasgupta along with CEOs and other senior officials from all the banks in the country. Dr. Rahman expressed his gratitude to SWIFT for arranging the event to mark its 20 years presence in Bangladesh, contribution towards creating an efficient and secure payment and trade system, which ultimately leaves its impact on the development of the country's economy. Alain Raes, Chief Executive, Asia Pacific and EMEA for SWIFT while emphasizing on his organization's and the user community's role said that they are supporting the growth of a resilient financial industry, for which a very solid financial infrastructure needs to be built. This is where SWIFT can bring most of its values.

Mr. Anis A. Khan, Chairperson, SWIFT User Group Bangladesh and MD & CEO of Mutual Trust Bank Ltd., made a keynote presentation on transformation of payment and settlement systems in Bangladesh and the subcontinent. Khan said that a robust environment of interoperability in payments systems will significantly benefit all participants in Bangladesh. The key takeaway of the event was that the SWIFT platform has the potential to play a significant role in modernizing the financial infrastructure of the country. The representatives of the banking industry requested the SWIFT Asia Pacific and South Asia officials for their active help and support in this regard.



## JICA brings retrofit technology in Dhaka



Local engineers, with the support of Japanese experts have started working to retrofit the fire station to turn the important public building into an earthquake resistant structure within few months. Public Works Department (PWD) has started the systematic retrofitting construction work at Tejgaon Fire Station building for the first time in the country. The initiative was taken under "The project for Capacity Development on Natural Disaster Resistant Techniques of Construction and Retrofitting for Public Buildings (CNCRP)", implemented by Public Works Department (PWD) with the technical support of Japan International Cooperation Agency (JICA). In the context of Dhaka where many of the buildings are vulnerable to earthquake, the retrofitting technology is the way to make the capital earthquake resistant.

## New shrimp farming system to boost yields

A growing number of shrimp farmers and processors are giving up traditional farming practices and turning to improved aquaculture to boost yields and exports. Acreage of shrimp under a modern farming technology, semi-intensive shrimp farming, rose to 1,100 hectares this year from 800 hectares a year ago. According to a district fisheries officer of Khulna, the improved farming practices were seen only on 10 hectares of land in 2002, a hub for shrimp farming and pioneer in modern practices. Farmers are showing renewed interest in improved shrimp cultivation years after a



section of entrepreneurs had suffered losses for disease attacks on their semi-intensive farms established during the 1990s. The modern technique requires BDT 2.0-2.2 million of initial investment per hectare that yields 5-6 tonnes of shrimp. But in the traditional or extensive method, on average 300 kilograms can be produced with an investment of BDT 0.1 million each hectare.

## FBCCI, IOM sign deal for migrant workers' skill dev

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the International Organization for Migration (IOM) Bangladesh signed an agreement in the



city recently for cooperation in skill development of the migrant workers. FBCCI Secretary General Mir Shahabuddin Mohammad and IOM Bangladesh Chief of Mission Sarat Dash signed the deal on behalf of their respective side. This agreement will create opportunity to work together and undertake various joint projects in the areas relating to IOM's competence, such as - labor migration, counter-trafficking activities, technical assistance, post-conflict demobilization and rehabilitation, poverty reduction, promotion of economic growth and support for human development.

## Frozen foods cross export target



The country's frozen foods sector has created a new record crossing the export target boosted by price hike for shrimp in global market following scarcity of vennamee shrimp in last fiscal year (FY). According to the Export Promotion Bureau (EPB) data, the exporters exported frozen foods worth USD 638.19 million during July to June in FY 2013-14 against the target of USD 578.77 million. According to EPB, Belgium imported shrimp worth USD 107.84 million from Bangladesh, United Kingdom USD 105.53 million, Netherlands USD 84.3 million, Germany USD 67.80 million, USA USD 55.0 million, Switzerland USD 44.0 million, France USD 32.5 million, Russia USD 19.30 million, Japan USD 19.2 million and KSA USD 10.0 million.

## Non-tax revenue earnings from export, import exceed target



Ministry of Commerce  
BANGLADESH

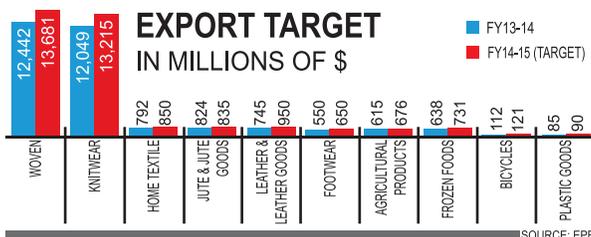
The government's earnings from imports, exports and indenting registration and renewal fees exceeded its target under the head 'non-tax revenue' in the just concluded fiscal year (FY) 2013-2014. According to the state entity data, the revenue collection increased by BDT 1.7 million to BDT 902.2 million during the period against the target of BDT 900.05 million by the office of the Chief Controller of Imports & Exports (CCI&E). The revenue collection in the FY 2012-2013 was BDT 815.6 million. The CCI&E under the ministry of commerce (MoC) is going to set a target for collecting about BDT 1.0 billion as 'non-tax revenue' in the form of imports, exports and indenting registrations and renewal fees for the current FY soon. The rise in non-tax revenue earnings was due to increase in registration and renewal fees in the last fiscal (FY 2012-2013).

## LR Global wins World Finance award

LR Global Bangladesh Asset Management Company Limited has recently been awarded the Best Investment Management Company among five finalists in Bangladesh and received the "Investment Management Award, 2014" second year in a row by World Finance, a leading financial publication of United Kingdom. This is the second year of World Finance's extending the award in the category on Investment Management Company in Bangladesh.



## Export target for FY '15 set at USD 33.20 billion



The government has set the export target for the current fiscal year (FY), 2014-15, at USD 33.20 billion, giving more emphasis on expansion of markets and diversification of products. The amount is 10.02% or USD 2.70 billion more than last fiscal's export earnings. The ministry of commerce (MoC) set the export target at a meeting recently at the Export Promotion Bureau (EPB) with Commerce Minister Tofail Ahmed. In the just-ended fiscal year, the country's total merchandise export stood at USD 30.17 billion, which the commerce minister said could be much higher if there had been no political unrest in last fiscal. The export earnings fell short of the target by 1.06% in last fiscal.

## Bangladesh may join BRICS bank

According to the Ministry of Finance (MoF) officials, Bangladesh is likely to join the USD 50 billion development bank launched by the BRICS nations as the government is actively weighing the possibility of becoming a part of the new initiative. The Ministry of Finance (MoF) officials said the government had already directed the relevant agency to know details about the framework and operation procedures of the new development bank of the BRICS grouping that comprises Brazil, Russia, India, China and South Africa. The heads of government of the five BRICS nations agreed on July 16 in Brazil on the structure of a USD 50 billion development bank by granting China its headquarters and India its first rotating presidency. The MoF additional secretary said Finance Minister AMA Muhith had directed them to collect information about the operation, framework of the proposed bank and how best the bank could secure for the low-income countries. The officials also said that since Bangladesh needs huge sums of investment for developing its infrastructure and poverty alleviation, they would welcome the BRICS's initiative for the upcoming strong footprint on the global financial market.

## DSCC starts database to increase revenue

Dhaka South City Corporation (DSCC) recently started working on a database containing holding numbers of houses in its territory to increase its revenue collection. A house owner will have to pay a charge of BDT 362 once a number plate is attached. According to official estimate of DSCC, around 1,32,000 houses have holding numbers in its area at present. The new move will bring all houses to a database system, which will help the corporation earn more revenue.

## Govt to create e-commerce entrepreneurs in upazilas

The government is planning to create entrepreneurs in the upazilas to expand e-commerce and create employment for the computer and IT literate youths. They said the entrepreneurs now being developed under the Freelancers to Entrepreneurs Development Programme (FEDP) in 64 districts will provide training for creating entrepreneurs in the country's 480 upazilas. The upazila level entrepreneurs development training will be launched soon after completion of the district level training by this year. ICT Secretary said Freelancers to Entrepreneurs Development Programme of ICT Division is the third of the four- step action plan chalked out to create IT professionals and IT industrialists across the country.

## BB purchased USD 5.15 billion last fiscal

The Bangladesh Bank (BB) has purchased USD 5.15 billion from the market in the last financial year to keep the exchange rate stable, report agencies. The figure was 7.7% higher than USD 4.79 billion that the central bank brought in the previous financial year. Bangladesh Bank Governor Dr. Atiur Rahman disclosed the information at a meeting with top officials of scheduled banks recently. He mentioned that import earnings and remittances were higher than the import payment last FY. Rahman said the greenback was purchased to ensure stability in US Dollar-Bangladesh Taka exchange rates.

## IDLC's half-yearly profits rise 52%



*Financing happiness*

The net profit of IDLC Finance rose 52.84% year-on-year to BDT 31 crore in the January-June period on the back of growth in deposit and lending. Deposits grew by 25% and loans by 21% in the first six months of 2014. As on June 30, 2014, deposits accounted for 78% of IDLC's funding portfolio. IDLC has regularly been utilizing Bangladesh Bank's various refinancing schemes and has also begun tapping into overseas funding through multi-lateral agencies. IDLC's earnings per shares stood at BDT 1.52 in the last six months.

## Bhutan to import Bangladeshi medicines



Bhutan's Ambassador in Bangladesh, recently expressed his country's interest to import drugs from Bangladesh through government channel. Bhutan showed interest to import Bangladeshi medicines. The Bhutanese envoy recently discussed the matter with the Health and Family Welfare Minister Mohammad Nasim at the health ministry. Appreciating the progress of drug industry in Bangladesh and the quality of products the ambassador said that Bhutan wants to import drugs from the country with the help of the government. He sought cooperation of the minister to continue facilities to Bhutan students studying MBBS and BDS in Bangladesh.

## Local footwear brands on a roll

The footwear market is brimming with high-quality local brands as a number of exporters entered the scene to capitalize on the growing demand from domestic consumers. Furthermore, a number of companies opened stores in recent days in a bid to grab their own share of the country's biggest spending season Eid. While the exact statistics on retail footwear sales are hard to

come by, one estimate puts the annual sales figure at BDT 2,400 crore on the basis of per capita shoe consumption of nearly one pair. According to the Chairman of Bangladesh Finished Leather, Leather Goods & Footwear Exporters Association, the local sales will total BDT 7,000 crore a year.

### NBR to remind TIN holders by SMS to pay tax



## National Board of Revenue, Bangladesh জাতীয় রাজস্ব বোর্ড, বাংলাদেশ

The National Board of Revenue (NBR) has decided to send text message through mobile phone to all taxpayer identification number holders, asking them to submit income tax returns and pay tax in the current financial year. They said the online TIN project would send the messages to all taxpayers registered under e-TIN system of the NBR reminding them the schedule of submitting returns and paying income tax. In another move, the revenue board has decided to establish a call center to provide the taxpayers with tax-related information, advice and other services. The revenue board will also accept income tax returns of taxpayers having traditional 10-digit TINs under universal self-assessment system if they submit filled-up registration forms for taking e-TIN certificates.

### Boro boosts food grain production



According to the food ministry, food grain production may increase more than 1% to 3.55 crore tonnes at final count for fiscal 2013-14 from 3.51 tonnes a year earlier. The

food ministry, citing the Department of Agricultural Extension (DAE), linked the growth in overall cereal output mainly to increased boro rice production. Boro cultivation area slightly exceeded the target, reaching 4.8 million hectares, the food ministry said in its June issue of the food situation report. The DAE set a target for production of 1.89 crore tonnes of boro rice for fiscal 2013-14, up from 1.87 crore tonnes of actual production the previous year.

### Walton gets Brand Excellence award for gaining customers' confidence

Walton, the country's leading electric, electronics, automobile and home appliance manufacturing and marketing company, has been awarded the 'Brand Excellence' award for gaining customers' confidence. World Brand Congress, who researched over worldwide brands, selected Walton for 23<sup>rd</sup> global brand excellence this year. Virginia Sharma, marketing director for Asia Pacific region of LinkedIn, and Ned Mody, country head of Berkadia, handed over the award to Humayun Kabir, executive director of Public Relations and Media Department of Walton, and Firoj Alam, deputy director of Walton, at a gala event held at Pan Pacific in Singapore on July 31.

### BCIM corridor to top agenda as leaders meet in October

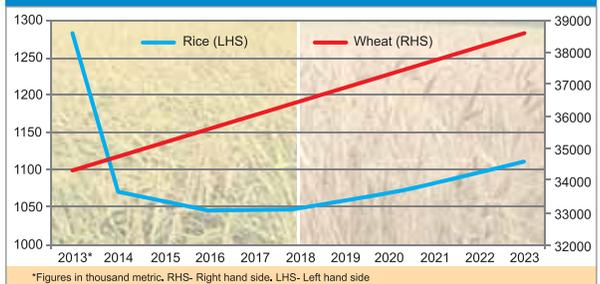
According to the officials, business leaders of BCIM countries will push for finalising the establishment of economic corridor as they meet in Dhaka in October to boost regional trade and investment. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will organise the business council meeting of Bangladesh, China, India and Myanmar (BCIM) in October next. Businessmen of BCIM and high government officials and researchers will participate in the event. The businessmen in the country think that the establishing BCIM corridor will help gear up trade, investment and regional economic growth.

### Bangladesh may see record breaking rice output in 10 years: FAO



According to Food and Agriculture Organization (FAO) latest forecast, Bangladesh may continue to break record in rice crop production in the next 10 years. Production of rice was estimated at 34.8 million metric tonnes in 2014, up from 34.4 million metric tonnes in the previous year, according to the Agricultural Outlook 2014-2023 released recently. The FAO of the United Nations and the Organization for Economic Cooperation and Development (OECD) in the joint report said rice output may reach to 38.6 million metric tonnes by 2023. The report provides a 10-year forward looking assessment of trends and prospects in the major temperate-zone agricultural commodity markets of cereals, cotton, oilseeds, sugar, meat, fish and dairy products.

### PRODUCTION FORECAST OF WHEAT AND RICE BY FAO



### Remittance accelerates to record USD 1.48 billion in July

Migrant workers sent home USD 1.48 billion in July, the highest inflow of remittance in a single month in Bangladesh's history. The record flow of remittance could be attributed to celebrations of Eid-ul-Fitr in July, the country's biggest festival. According to the central bank, the amount is 15.19% higher than in the previous month and 19.67% from July last year (2013). July's receipts surpassed October 2012's USD 1.45 billion, the highest for a single month previously.



### ECNEC Okays projects worth BDT 7.20 billion



The government's top economic policy making panel approved four development projects with a combined outlay of BDT 7.20 billion recently. The approval came at the Executive Committee of the National Economic Council (ECNEC) meeting held in the city with Prime Minister Sheikh Hasina in the chair. According to Planning Minister A H M Mustafa Kamal, of the total project cost, the government will provide BDT 5.64 billion from the national exchequer while BDT 1.56 billion will come as project assistance. ECNEC endorsed Rural Electrification Expansion Activities in Barisal Division-I (1<sup>st</sup> Revised) project involving BDT 3.31 billion.

## NBR expects to fetch BDT 8.0 billion additional revenue from petroleum imports



The customs wing of the National Board of Revenue (NBR) expects to earn the major part of its revenue from petroleum imports in the current fiscal year (FY) in view of the upward revision

of tariff structure for the same. Official said that the customs department has projected BDT 8.0 billion additional revenue earning from the import of the petroleum products in FY 2014-15. It is projected in a roadmap of revenue collection at import stage. The customs wing of the NBR placed the roadmap with the government high-ups to show how the department plans to achieve its higher revenue-collection target. On its part, the NBR has estimated some BDT 10.50 billion net additional taxes from import of different products due to increased taxes. Of the amount, major portion of the taxes would come from petroleum products. The NBR increased import tariffs of different petroleum products, ranging from 20 to 25%, this fiscal year. The second-largest sector of revenue collection would be the mobile phones. The NBR expects some BDT 4.0 billion in taxes on imports of mobile handset. The NBR has imposed 15% VAT on imports of mobile-phone handset in addition to the existing 10% customs duty (CD) on the device.

## SME Foundation suggests low interest for loans



SME Foundation has sought cooperation from the central bank to provide single-digit interest loans to all small and medium-sized entrepreneurs. A delegation led by the foundation's Chairperson KM Habib Ullah made the suggestion to Bangladesh Bank Governor Dr. Atiur Rahman during a meeting at the central bank recently. Inadequate access to affordable credit has become a key barrier to the growth of the grass-root SMEs spread out across the country. They cannot advance due to high bank interest. BB Governor Atiur Rahman, himself a strong supporter of SMEs, said the central bank would actively consider the foundation's proposal to help it support SMEs in getting loans from the central bank's funds at low interest rates.

## 12-digit e-TIN mandatory for taxpayers

Taxpayers will have to get a 12 digit e-TIN number this year (2014) for taking any kind of service from the National Board of Revenue (NBR) including submission of income tax return under universal self-assessment system. The government introduced the 12-digit e-TIN number in July last year (2013), but it was not then mandatory for submitting the income tax return. If the taxpayers now submit income tax return without a 12-digit e-TIN number, they will be considered as general taxpayers and their tax files will further be assessed or audited by the taxmen on mandatory basis. The taxpayers who will submit their income tax return by September 30 will have to get the 12-digit e-TIN number. This year the NBR is determined to ensure compulsory use of e-TIN number as one year has already passed

## Western Marine to build USD 20 million vessel for Kenya

Western Marine, the leading shipbuilder of Bangladesh will build a specialized third generation offshore patrol vessel worth USD 20 million for the Kenyan government. The ship will ensure security at the maritime boundary of the African country. It will



start building the vessel, as Shipping Minister Shahjahan Khan is scheduled to inaugurate the work with a keel laying ceremony at

the shipyard on the bank of river Karnaphuli in Patiya. Western Marine received the order through Danish firm JGH Marine A/S on January 23 and is supposed to deliver it to the Kenyan Ministry of Fisheries, Livestock and Agriculture in 2016. The 54-metre long vessel will operate over a range of more than 1,500 nautical miles in the Indian Ocean off the East African coast. The vessel marks an upgrade in production capabilities for the local industry. Bangladesh has so far mainly made first and second generation cargo and passenger ships.

## Product varieties raise demand for plastic goods

Demand for plastic goods, especially from households, has boomed in recent years, as manufacturers continue to expand their product range amid fierce competition. The plastic industry has grown enough to handle the rising demand from local and foreign markets, said Md Jashim Uddin, president

BY THE NUMBER	
	Annual sales of plastic products stand at Tk <b>15,000 cr</b> in local market
	Household items account for around Tk <b>2,000 cr</b> of the total domestic sales
	New investments worth Tk <b>100-Tk 150 cr</b> come every year
	Around <b>12</b> lakh people employed in <b>5,000</b> manufacturing units
	Export earnings stood at <b>\$85.70 m</b> in fiscal 2013-14

of the Bangladesh Plastic Goods Manufacturers and Exporters Association. The annual sales of plastic products are estimated to be around BDT 15,000 crore in the local market, which grew 15% a year over the last several years and households' items account for around BDT 2,000 crore of total domestic sales. The plastic sector is also witnessing BDT 100-BDT 150 crore in new investments each year.

## Japan to invest in Comilla EPZ



Fully Japanese-owned M/s. JB Networks Company Limited will invest USD 1.78 million to establish a leather products plant in the Comilla EPZ. A 2350-square metre factory building has been allotted by the BEPZA for this company

in accordance with a memorandum of understanding signed between the BEPZA and the JETRO in presence of Prime Minister Sheikh Hasina in Tokyo. At least 1078 Bangladeshi nationals will produce annually 1 million pieces of different types of leather products in this factory.

## Dhaka, Beijing agree to expand mutual activities in socio-economic fields



Bangladesh and China have agreed to expand mutual engagements in various economic and social fields for further improvement of the existing relations. Foreign Minister AH Mahmood Ali and his Chinese

counterpart Wang Yi reached the agreement at a meeting held on the sidelines of the 21<sup>st</sup> ASEAN Regional Forum (ARF) meeting in Nay Pyi Taw, Myanmar recently. Both ministers discussed Bangladesh China India Myanmar-Economic Cooperation (BCIM-EC) and agreed to work together to take beneficial projects that suit all the countries in the bloc.

### More Turmoil May Be Coming: R. Rajan, Governor of the Reserve Bank of India



Back in 2005, Raghuram Rajan, then economic counselor at the International Monetary Fund and a Global Financial Guru, had predicted the crisis of 2008 which prominent economists and bankers hardly expected. He articulated that increasingly complex markets, which

spewed out complicated instruments like credit-default swaps and mortgage-backed securities in ever greater quantities, had made the global financial system a riskier place, not less so as many believed. Today, Rajan, governor of the Reserve Bank of India (RBI), the country's central bank, is worried again about the impact of the superloose monetary policies pursued by the U.S. Federal Reserve and other central banks to combat the financial crisis and resulting recession. He argued that long-term low interest rates and unorthodox programs to stimulate economies — like quantitative easing, or QE — could be laying the groundwork for more turmoil in financial markets.

According to Rajan, monetary policy can only do so much and beyond a certain point if you try to use monetary policy it does more damage than good. A number of years over which they (central bankers) have convinced markets that they continuously come to their rescue and that they will keep rates really low for long has created markets that tend to push asset prices probably significantly beyond fundamentals, in some cases, and make markets much more vulnerable to adverse news. His worry is that, with inflation not being strong, this can continue for some time until things are so stretched that any signs of inflation, and a rise in interest rates, could precipitate a fairly strong market reaction. Certainly that volatility hurts across the world.

### Goldman Sachs, Deutsche Bank near deal for NBG's buyout arm: Bloomberg

The private-equity arms of Goldman Sachs Group Inc (GS.N) and Deutsche Bank AG (DBKGn.DE) were close to sealing a deal to purchase the buyout unit of National Bank of Greece SA (NBGr.AT) (NBG), Bloomberg reported on recently. Goldman Sachs Asset Management and DB Private Equity were in talks with one of Greece's big four banks to buy NBGI Private Equity Ltd for about 300 million pounds (USD 506 million), two people with knowledge of the matter told the news agency. Although no final decision had been taken, the unit's management, led by Chairman and Chief Executive Officer Pavlos Stellakis, were negotiation terms that would allow the buyout business to remain London-based after the deal was inked, the sources told Bloomberg.



### Two new banks on global horizon

Two new international banks are emerging in not-too-distant future. One is the New Development Bank (NDB) and the other the Asian Infrastructure Development Bank (AIDB). China is giving leadership in setting up of both the banks. The NDB, mooted by the BRICS (Brazil, Russia, India, China and South Africa), is still in the embryonic stage. The five BRICS member countries are now in intensive consultations among themselves. The bank, as all indications have it, will be specialized in infrastructure

investment. The proposed bank, having USD 100 billion paid-up capital, is scheduled to start its functioning from 2016. China will contribute the largest share of the capital-USD 41 billion; Brazil, India and Russia will provide USD 18 billion each, and South Africa USD 5 billion. Unlike the IMF and the World Bank, the BRICS bank will be 'quite democratic' as all the five sponsors will have equal voting rights.

### StanChart H1 net profit up 8.4%



Standard Chartered said recently its year-on-year profit for the first half of 2014 was up slightly at 8.4%, but confirmed it faces fresh US fines over alleged

breaches of money-laundering regulations. Net profit stood at USD 2.31 billion for the six months ending June 30, up from USD 2.13 billion in the same period last year, though the London-based and Asia-focused bank saw increasing losses on loans and a weak financial market affect its operations. The bank's profit before tax was down 20 per cent at USD 3.27 billion from USD 4.09 billion last year, with impairment losses on loans seeing a loss of USD 846 million increased from last year's loss of USD 730 million in the same period. Operating income fell almost five percent to USD 9.27 billion from USD 9.75 billion in the previous year.

### Thai central bank holds rates

Thailand's central bank held its key interest rate recently as the kingdom's economy showed signs of revival after an army coup ended months of political protest which rattled consumers, tourists and investors.



The Bank of Thailand kept its policy rate at 2.00%, a level set in March in an effort to boost an economy which shrank 2.1% quarter-on-quarter in the first three months of 2014. According to Paiboon Kittisrikangwan, Secretary of the Monetary Policy Committee (MPC), the economy had since shown "signs of improvements... from private spending following the political resolution. Explaining the decision, he said the bank expected stronger domestic demand in the second half of the year as "fiscal policy, particularly public investment, should lend further growth recovery" while exports including tourism are also expected to recover, albeit slowly.

### U.S. businesses seek to expand their presence in Africa



When officials representing about 200 U.S. and African companies and business organizations gathered in the District recently for a historic business forum, leaders in the extractive sectors — the mining, oil and gas industries for which African

economies are best known — were all there. But so, too, were private equity fund Carlyle, retail giant Wal-Mart, the Wal-Mart-owned South African retailer Massmart and upstart Nigerian telecommunications company Solo Phone — all signs of the dramatic expansion of the continent's consumer economies in recent years. Hoping in part to expand U.S. business presence in African markets, the Obama administration is hosting a three-day summit recently attended by nearly 50 African heads of state, the first gathering of its kind.

## Gannett to split into two companies



McLean-based Gannett recently said that it plans to split into two publicly traded companies, an action that follows similar shake-ups at other major media companies as they grapple with a changing landscape

in the news business. The separation is to create one company dedicated to digital and broadcasting businesses and a second company that focuses on publishing and includes its flagship newspaper, USA Today. Martore is to become chief executive of the not-yet-named digital and broadcasting company, which includes 46 television stations and digital destinations such as CareerBuilder. This company would also include Cars.com, a Web site that Gannett plans to fully acquire.

## China July data to give clues on recovery strength, more stimulus

A raft of China data over the coming week will give the first indications of the economy's third-quarter performance, after conflicting signals suggested that more stimulus measures may be needed to ensure a sustained recovery. While manufacturing appears to have picked up, thanks largely to government support measures and a modest resurgence in exports, data recently showed sudden and unexpected weakness in the services sector. The decline appeared linked to the cooling property market, which may be facing a prolonged slump that could hurt related businesses and dampen consumer confidence. A Reuters poll of 30 economists shows factory output likely held steady in July while overall investment growth ticked higher, chiming with expectations that a flurry of pro-growth steps from Beijing earlier this year is paying dividends.



## Russian bond market finds pulse as Alfa-Bank mulls new deal



The Russian bond market could see further debt issuance this year (2014) despite the restrictions of US and EU sanctions after Alfa-Bank said it was considering issuing a subordinated dollar bond by the end of October.

The private lender which has mandated Bank of America Merrill Lynch, Goldman Sachs and JP Morgan to arrange the deal, is hoping to carry out its plans after successful meetings with investors last month. No Russian bank or corporate has sold a new bond in the international markets since mid-tier private lender Promsvyazbank (PSB) issued a small USD 300 million 2021 Tier 2 note on July 15. According to Thomson Reuters data, Russian bond volumes have plunged in 2014 compared to last year. Russian issuers have printed bonds totaling USD 6.97 billion so far this year, down from USD 48.75 billion for all of 2013.

## Novartis and Google to develop 'smart' contact lens

Swiss drugmaker Novartis has struck an agreement with Google to develop "smart" contact lenses that would help diabetics track their blood glucose levels or restore the eye's ability to focus. The device for diabetics would measure glucose in tear fluid and send the data wirelessly to a mobile device. According to research firm



GlobalData, success would allow Novartis to compete in a global blood-sugar tracking market that is expected to be worth over USD 12 billion by 2017. Diabetes afflicts an estimated 382 million people worldwide. The second

approach is for presbyopia, in which aging eyes have trouble focusing on close objects. Under the deal with Google, Novartis's Alcon eyecare unit will further develop and commercialize the lens technologies designed by Google.

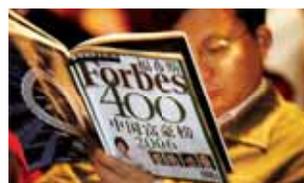
## ADB raises 2014 growth forecast of South Asia to 5.4%

The Asian Development Bank (ADB) said that the region is now expected to grow 5.4% this year (2014), compared to its forecast in April of 5%. Growth in 2015 in South Asia is expected to be around 6.1%. ADB has upgraded its growth forecast for South Asia this year, as its largest economy, India's



prospect seen improving. In its 2014 outlook supplement, the ADB said recently that the region is now expected to grow 5.4% this year, compared to its forecast in April of 5%. Growth in 2015 in South Asia is expected to be around 6.1%. South Asia comprises Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. Improving prospects in India have buoyed South Asia's growth outlook somewhat. The new government—the first to hold a single-party majority in the lower house since 1984—outlined a 10-point plan to revive the Indian economy prioritizing infrastructure and investment reforms, faster resolution of inter-ministerial issues, efficient policy execution, and policy stability. For developing Asia as a whole, the 2014 and 2015 expectations for GDP growth were maintained at 6.2% and 6.4% respectively. Inflation in the region in 2014 is now forecast to be a touch lower at 3.5%, compared to the 3.6% seen in April.

## Forbes publisher sold to Asian investors



The publisher of the US business magazine Forbes said recently a controlling stake in the group had been sold to a Hong Kong-based investment consortium. Forbes Media will remain

privately held and US-based, but a majority stake is being sold to the newly formed Integrated Whale Media Investments, based in Hong Kong. The Forbes family will retain 'a significant ownership stake' in the company under the plan and will continue to participate in its operations. Steve Forbes, grandson of the company's founder, will maintain his role as chairman and editor-in-chief under the plan, which brings new capital into the publishing group. The group is led by Integrated Asset Management (Asia) Limited founded by Tak Cheung Yam. Another investor, Wayne Hsieh, is the co-founder of ASUSTeK Computer Inc, which makes the Asus brand of personal computers and electronics. He is based in Singapore. The amount of the investment was not disclosed by Forbes, but the New York Times said it would be some USD 475 million. Under the deal, Elevation Partners, which includes U2 singer Bono and which has had a minority stake in Forbes since 2006, will divest from the group.

## Panasonic starts selling vegetable in Singapore



Japan's Panasonic Corp, best known for its television sets and home theatre systems, wants to feed Singaporeans its radishes and lettuce. A unit of the electronics conglomerate recently started selling to a chain of

Japanese restaurants in Singapore fresh produce grown in what it says is the first licensed indoor vegetable farm in the island state. The move ties Panasonic's deeper push into farming technology with land-scarce Singapore's ambition to reduce its near-total reliance on food imports. The facility, which presently has a small production capacity of 3.6 tonnes annually, produces 10 types of vegetables such as mini red radishes and baby spinach.

## Toyota dreams of green car future

Toyota Motor Corp is hitching its future to green cars, investing billions of dollars in gasoline-electric hybrids and fuel-cell vehicles, but for now its record profit performance is being powered largely by a gas-guzzling US market.



In the United States, relatively cheap gasoline prices helped to spur brisk 9% growth in industry-wide light truck sales in the first half of the year, making that one of the fastest-growing major global market segments - accounting for about one-tenth of global vehicle sales. Toyota outperformed the overall US market, moreover, with its fresh model line-up - the Highlander SUV was redesigned in February and the Tundra pick-up got a facelift last September - powering a 10% rise in its January-June US light truck sales to nearly half a million vehicles. That success is feeding the nearly USD 40 billion cash pile that Toyota will tap for future green car investments.

## Microsoft hires Qualcomm exec to make more deals



Microsoft CEO Satya Nadella has lured away an executive from smartphone chip maker Qualcomm to hammer out more deals that will expand the software maker's presence in the mobile device market. Margaret

"Peggy" Johnson will serve as Microsoft Corp.'s executive vice president of business development after spending the past 24 years at Qualcomm Corp. She will report directly to Nadella in her new job. Since succeeding Steve Ballmer as Microsoft's CEO six months ago, Nadella has been focused on ways to make Microsoft's software and other services more appealing to use on smartphones and tablets as people increasingly rely on those devices instead of desktop and laptop computers.

## Global tablet sales grow 11%

According to the research firm International Data, Corp Global tablet sales are up 11% in the second quarter, compared to the same quarter in 2013. According to the IDC, The worldwide tablet market shipped about 49.3 million units. Despite



the year-over-year increase, shipments declined sequentially by 1.5% from the previous quarter. Still, commercial demand for tablets could grow in the next two quarters; sales may be boosted by partnerships such as Apple's and IBM's, for instance. Apple continued to lead, shipping 13.3 million units in the second quarter — about 27% of market share. This is down from 14.6 million units and 33% of market share in the same quarter one year ago. Samsung's market share fell to 17.2 % from 18.8% the previous year, shipping 8.5 million units. Lenovo's sales grew 64.7% compared to the same quarter one year ago, shipping 2.4 million units this quarter.

## At new GE factory, consumers design their own appliances



General Electric is trying out a new production process that would let consumers customize, build and test new appliances. The company has opened a "MicroFactory" in Louisville, Ky., where

engineers and designers can use tools for woodworking, welding, 3D printing, and computer-aided milling, for instance. Some products developed at the MicroFactory will be sold on-site and online; these include a "smart pitcher", which communicates to water dispensers when it's filled to prevent spills, or the "Line Cook," a barcode system on prepared foods that could automatically set oven temperature, for instance. Online, contributors are work-shopping ideas such as an inventory management system, which could be used to suggest recipes based on the contents of one's fridge.

## Cisco ramps up investments in smart-cities

Cisco is growing its stake in the Internet of Things — the connected network of devices and objects that its chief executive, John Chambers, projects to be



a USD 19 trillion business opportunity by 2022. The San Jose-based company recently announced plans to open a new center dedicated to Internet of Things research in Barcelona, through a partnership with the city's government. Cisco plans to invest about USD 30 million in the center between 2015 and 2020, especially in IT equipment, hiring talent, and maintaining the facility. The new center, slated to open in the summer of 2016, is one of five planned Cisco facilities dedicated to the Internet of Things. Cisco already operates similar centers in Brazil and South Korea and is developing two more in Germany and Canada.

## IBM's vision for accessibility



In an attempt to make its products easier-to-use for a wider range of consumers — including the elderly, or hearing- or seeing-impaired, for instance — IBM has appointed its first "chief accessibility officer." The

move places IBM alongside other tech giants, such as Microsoft, who already have executives dedicated to accessibility. The title could help IBM better influence policy and industry standards. West previously led IBM's Human Ability and Accessibility research center based in Cambridge, Mass. West's team is developing software that adapts to a user's individual behavior in real-time, she explained. The ubiquity of mobile devices — and the ability to import user preference information to those devices from the Internet cloud — make it easier to customize technology.

## Siemens sells hospital IT business to Cerner for USD 1.3 billion



German engineering group Siemens plans to sell its hospital IT business to Cerner Corp, a U.S. provider of healthcare IT services, for USD 1.3 billion in cash, the two companies said late

recently. The deal comes as Siemens Chief Executive Joe Kaeser seeks to focus the group, Germany's second-biggest company by market value, on its most promising businesses to close a gap with more profitable competitors such as Switzerland's ABB and U.S.-based General Electric. Siemens said it was selling its hospital information system business, which has about \$1.2 billion of annual sales and around 5,000 client facilities in over 40 countries, because it failed to consistently keep up with competitors.

## Singapore economy expands 3.5% in first half

Singapore's trade-sensitive economy grew 3.5% in the first half and was on track for 2.5-3.5% expansion this year, Prime Minister Lee Hsien Loong said recently. The economy grew 3.5% in the first half of 2014, and it is forecasted to grow 2.5-3.5% for the year (2014). The forecast is within previous official estimates of 2.0-4.0% growth this year even as the city-state grapples with increasing uncertainties around the world.



## Lenovo first-quarter net profit climbs 23% as smartphone sales surge



China's Lenovo Group, the world's biggest maker of personal computers, said net income jumped 23% in the first fiscal quarter, beating estimates, as it consolidated its position in the PC market while boosting smartphone shipments. According to a Thomson Reuters SmartEstimate poll of analysts, Net income rose to USD 214 million (£128.34 million) in the three months through June from USD 174 million in the same period a year earlier. That was ahead of estimates of USD 202 million. The ambitious Beijing-based hardware company has agreed acquisitions worth over \$5 billion this year alone, buying server and handset businesses in what it calls its "PC Plus" strategy to diversify away from the shrinking PC market. Over the past year it has displaced South Korean giant Samsung Electronics Co Ltd to become the No. 1 smartphone seller in China, according to recent estimates by IDC. For the first quarter, Lenovo reported 39 percent growth in worldwide handset shipments, helped by strong sales in China. Revenue for the quarter rose 18 percent to USD 10.4 billion, with significant gains coming in Europe.

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## U.S. EIA Short-Term Energy Outlook 2014



Independent Statistics & Analysis

## U.S. Energy Information Administration

The market's perception of reduced risk to Iraqi oil exports and news regarding increasing Libyan oil exports contributed to a drop in the Brent crude oil spot price to an average of USD 107 per barrel (bbl) in July, USD 5/bbl lower than the June average. Energy Information Administration (EIA) projects Brent crude oil prices to average USD 107/bbl over the second half of 2014 and USD 105/bbl in 2015. West Texas Intermediate (WTI) crude oil prices fell from an average of USD 106/bbl in June to USD 104/bbl in July, despite record levels of U.S. demand for crude oil. The WTI discount to Brent, which averaged USD 11/bbl in 2013, is expected to average USD 8/bbl and USD 9/bbl in 2014 and 2015, respectively, both USD 1/bbl lower than projected in last month's STEO.

Regular gasoline retail prices fell to an average of USD 3.61 per gallon (gal) in July, 8 cents/gal below the June average. Regular gasoline retail prices are projected to continue to decline to an average of USD 3.30/gal in December. EIA expects regular gasoline retail prices to average USD 3.50/gal in 2014 and USD 3.46/gal in 2015, compared with USD 3.51/gal in 2013.

U.S. total crude oil production averaged an estimated 8.5 million barrels per day (bbl/d) in July, the highest monthly level of production since April 1987. U.S. total crude oil production, which averaged 7.5 million bbl/d in 2013, is expected to average 8.5 million bbl/d in 2014 and 9.3 million bbl/d in 2015. The 2015 forecast represents the highest annual average level of oil production since 1972. Natural gas plant liquids production increases from an average of 2.6 million bbl/d in 2013 to 3.1 million bbl/d in 2015. The growth in domestic production has contributed to a significant decline in petroleum imports. The share of total U.S. petroleum and other liquids consumption met by net imports fell from 60% in 2005 to an average of 33% in 2013. EIA expects the net import share to decline to 22% in 2015, which would be the lowest level since 1970.

Natural gas spot prices fell from USD 4.47/million British thermal units (MMBtu) at the beginning of July to USD 3.78/MMBtu at the end of the month as natural gas stock builds continued to outpace historical norms. Natural gas working inventories on August 1 totaled 2.39 trillion cubic feet (Tcf), 0.54 Tcf (18%) below the level at the same time a year ago and 0.61 Tcf (20%) below the previous five-year average (2009-13). Projected natural gas working inventories reach 3.46 Tcf at the end of October, 0.35 Tcf below the level at the same time last year. EIA expects that the Henry Hub natural gas spot price, which averaged USD 3.73 per MMBtu in 2013, will average USD 4.46/MMBtu in 2014 and USD 4.00/MMBtu in 2015, USD 0.31/MMBtu and USD 0.51/MMBtu lower than in last month's STEO, respectively.

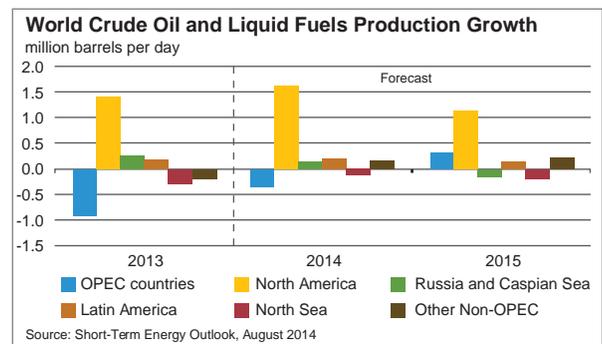
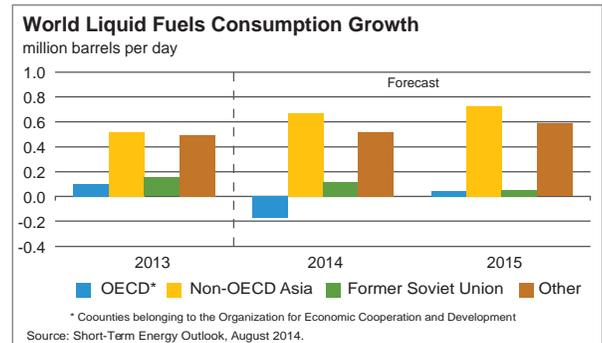
### Global Petroleum and Other Liquids Consumption

EIA estimates that global consumption grew by 1.3 million bbl/d (1.4%) in 2013, averaging 90.4 million bbl/d for the year. EIA expects global consumption to grow by 1.1 million bbl/d in 2014 and 1.4 million bbl/d in 2015. Projected global oil-consumption-weighted real GDP, which increased by an estimated 2.6% in 2013, grows by 2.7% and 3.4% in 2014 and 2015, respectively.

### Non-OPEC Supply

EIA estimates that non-OPEC liquids production grew by 1.3 million bbl/d in 2013, averaging 54.0 million bbl/d for the year. EIA expects non-OPEC liquids production to grow by 1.8 million bbl/d in 2014 and 1.1 million bbl/d in 2015. EIA forecasts production from the United States and Canada to grow by a combined annual average of 1.6 million bbl/d in 2014 and 1.1 million bbl/d in 2015. EIA estimates that Eurasia's production will rise by an annual average

of 0.05 million bbl/d in 2014, led by Russia. However, production in the region declines by 0.09 million bbl/d in 2015. This forecast assumes the current economic sanctions on Russia do not affect Russian oil production in the short term.



### OPEC Supply

EIA estimates that OPEC crude oil production averaged 29.9 million bbl/d in 2013, a decline of 1.0 million bbl/d from the previous year, primarily reflecting increased outages in Libya, Nigeria, and Iraq, along with strong non-OPEC supply growth. EIA expects OPEC crude oil production to fall by 0.3 million bbl/d in 2014 and by less than 0.1 million bbl/d in 2015 to accommodate growing production in non-OPEC countries.

### OECD Petroleum Inventories

EIA estimates that OECD commercial oil inventories totaled 2.55 billion barrels at the end of 2013, equivalent to roughly 55 days of consumption. Projected OECD oil inventories rise to 2.57 billion barrels at the end of 2014.

### U.S. Petroleum and Other Liquids

Total U.S. liquid fuels consumption rose by 400,000 bbl/d (2.1%) in 2013. Consumption of hydrocarbon gas liquids (HGL) registered the largest gain in 2013, increasing by 150,000 bbl/d (6.4%). Total consumption is expected to be flat in 2014, with declines in the consumption of hydrocarbon gas liquids, residual fuel oil, and unfinished oils offsetting increases in distillate fuel, gasoline, and jet fuel. Total consumption grows by 90,000 bbl/d in 2015, with HGL consumption increasing by 100,000 bbl/d.

### Petroleum Product Prices

EIA expects that the monthly average regular gasoline retail price will fall from the recent peak of USD 3.69/gal in June to USD 3.50/gal in September, before falling to USD 3.30/gal in December. The U.S. annual average regular gasoline retail price, which averaged USD 3.51/gal in 2013, is projected to average USD 3.50/gal and USD 3.46/gal in 2014 and 2015, respectively. Diesel fuel prices, which averaged USD 3.92/gal in 2013, are projected to fall to an average of USD 3.89/gal in 2014, 4 cents lower than projected in last month's STEO, and USD 3.87/gal in 2015.

**IMF World Economic Outlook 2014**

Global growth moderated more than expected in the first quarter of 2014, from an annual rate of 3¼% in the second half of 2013 to 2¾%—some ½%age point lower than the forecast in the April 2014 World Economic Outlook (WEO). Although there were upside surprises to activity—in Japan, and also in Germany, Spain, and the United Kingdom—four negative surprises dominated.

In the United States, the inventory overhang at the end of 2013 turned out to be larger than expected, leading to a stronger correction. A harsh winter further dampened demand, exports declined sharply after a strong fourth quarter, and output contracted in the first quarter of 2014. In China, domestic demand moderated more than expected, reflecting the authorities' effort to rein in credit growth and a correction to real estate activity. Activity in Russia decelerated sharply as geopolitical tensions further weakened demand. In other emerging market economies, weaker-than-projected growth resulted both from weaker external demand, notably from the United States and China, and, in a number of cases, softer domestic demand with weaker investment growth.

Financial conditions have eased since the April 2014 WEO was released. Long-term interest rates in advanced economies have declined further, in part reflecting expectations of a lower neutral policy rate over the medium term; indicators of expected price volatility have declined as well, and equity prices have strengthened. With euro area inflation in April below expectations, the European Central Bank cut its policy rate and deployed other easing measures at its June meeting. In this

environment, capital flows to emerging market economies have recovered despite generally weaker activity, bond spreads for emerging market sovereigns have declined, and exchange rates and equity prices have stabilized or even strengthened in some of these economies.

In emerging market and developing economies, growth is now projected to decrease to 4.6% in 2014 and then strengthen to 5.2% in 2015. In China, the authorities have resorted to limited and targeted policy measures to support activity in the second half of the year, including tax relief for small and medium enterprises, accelerated fiscal and infrastructure spending, and targeted cuts in required reserve ratios. As a result, growth in 2014 is projected to be 7.4%. For next year, although the outlook remains to an important extent a function of the government's target, growth is projected to moderate to 7.1% as the economy transitions to a more sustainable growth path. In India, growth appears to have bottomed out, and activity is projected to pick up gradually after the postelection recovery in business sentiment, offsetting the effect of an unfavorable monsoon on agricultural growth. In a number of major emerging market economies, growth projections for 2014–15 have been marked down. In Brazil, tighter financial conditions and continued weakness in business and consumer confidence are holding back investment and dampening consumption growth. In Mexico, weaker construction and a slower U.S. recovery are projected to result in slower growth in 2014 relative to the previous forecast. In Russia, investment is expected to remain weaker for longer, given geopolitical tensions. Growth in South Africa is expected to stay sluggish as a result of electricity constraints and labor conflicts.

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

	Year Over Year			
	Projections			
	2012	2013	2014	2015
World Output	3.5	3.2	3.4	4.0
Advanced Economies	1.4	1.3	1.8	2.4
United States	2.8	1.9	1.7	3.0
Euro Area	-0.7	-0.4	1.1	1.5
Germany	0.9	0.5	1.9	1.7
France	0.3	0.3	0.7	1.4
Italy	-2.4	-1.9	0.3	1.1
Spain	-1.6	-1.2	1.2	1.6
Japan	1.4	1.5	1.6	1.1
United Kingdom	0.3	1.7	3.2	2.7
Canada	1.7	2.0	2.2	2.4
Other Advanced Economies	2.0	2.3	3.0	3.2
Emerging Market and Developing Economies	5.1	4.7	4.6	5.2
Commonwealth of Independent states	3.4	2.2	0.9	2.1
Russia	3.4	1.3	0.2	1.0
Excluding Russia	3.6	4.2	2.4	4.4
Emerging and Developing Asia	6.7	6.6	6.4	6.7
China	7.7	7.7	7.4	7.1
India 3/	4.7	5.0	5.4	6.4
ASEAN-5 4/	6.2	5.2	4.6	5.6
Emerging and Developing Europe	1.4	2.8	2.8	2.9
Latin America and the Caribbean	2.9	2.6	2.0	2.6
Brazil	1.0	2.5	1.3	2.0
Mexico	4.0	1.1	2.4	3.5
Middle East, North Africa, Afghanistan, and Pakistan	4.9	2.5	3.1	4.8
Sub-Saharan Africa	5.1	5.4	5.4	5.8
South Africa	2.5	1.9	1.7	2.7

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 5–June 2, 2014. Economies are listed on the basis of economic size.

## WELLS FARGO SECURITIES ECONOMICS GROUP REPORT



### U.S. Overview

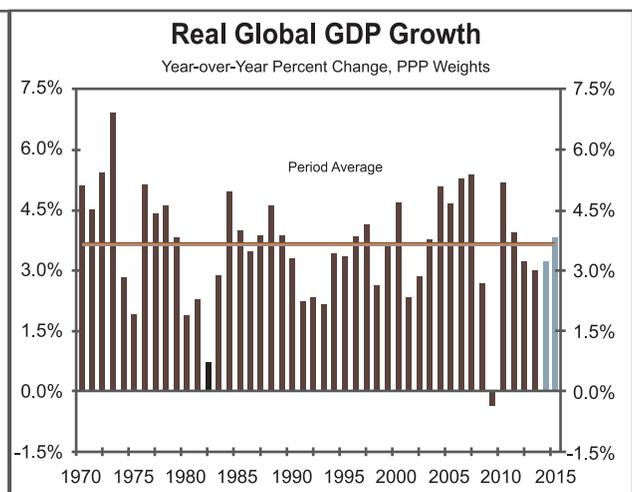
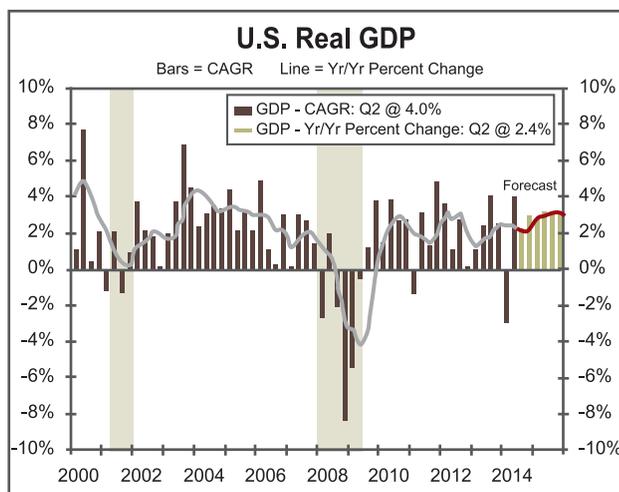
#### Separating Signal from Noise

For decision makers, separating the signal from the noise is a constant challenge. Over the past three quarters, a lot of noise in the quarterly GDP estimates from the Bureau of Economic Analysis (BEA) has been heard, which are compounded by significant subsequent revisions each month. Yet, once Wells Fargo pursues the signal underneath the noise, it finds the U.S. economy continues to evidence stronger and broader growth—with a clear uptrend for inflation as well. For the past two years, real final sales have averaged 2.2%, and Wells Fargo expects a repeat of a similar number in 2014. Consumer spending accelerated in 2013 over 2012, and Wells Fargo expects similar growth this year. Employment gains are expected to average above 220,000 this year (2014) and have risen each year since 2011. Housing starts have risen each year since 2011. The focus on quarter-to-quarter volatility in GDP noise obscures the gains in the economic signal. Meanwhile, inflation, measured both by the PCE deflator and the CPI index, has increased since the fourth quarter of 2013, and both are expected to hit 2% year-over-year gains by the end of this year. Consistent with the rise in inflation has been a rise in the yield on two-year Treasury notes as markets are discounting the approach of the Fed decision to raise the funds rate. Wells Fargo's view remains that the Fed will announce a change at the June 2015 meeting—in contrast to the volatility of views by others. Finally, Wells Fargo expects pre-tax profit growth to continue its typical pattern of slower growth as it moves further into the expansion.

### International Overview

#### Global Economy Continues to Grow at Modest Pace

GDP data for Q2 2014 are starting to roll in, and it appears that the global economy continued to expand at a modest pace in the second quarter. Moreover, Wells Fargo looks for the global expansion to remain intact through, at least, the end of next year. On a global basis, Wells Fargo forecasts that economic growth will strengthen from 3.2% in 2014 to 3.8% next year, a bit above the long-term average of 3.6%. There are some downside risks to keep in mind. First, a cycle of sanctions and counter-sanctions between the West and Russia could eventually lead the latter to temporarily curtail its energy exports, which would have adverse effects on economic growth, especially in Western Europe. Renewed financial market tension due to a re-emergence of the European sovereign debt crisis, would also slow global economic growth. Although Wells Fargo does not look for a debt crisis to play out in China in the near term, Chinese economic growth could slow sharply if debt problems in that country are greater than what we believe they are. The time is drawing closer when monetary policy will cease to be as accommodative as it is currently, at least in some countries. Wells Fargo looks for the Federal Reserve to begin hiking rates in mid-2015, and the Bank of England probably will commence a rate-hiking cycle next year as well. That said, both the European Central Bank and the Bank of Japan probably will maintain a highly accommodative policy stance through at least the end of 2015.



Source: U.S. Department of Commerce, International Monetary Fund and Wells Fargo Securities, LLC

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# এমটিবি ব্রিক বাই ব্রিক

একটি মাসিক সঞ্চয় প্রকল্প

## এমটিবি ব্রিক বাই ব্রিক

এটি একটি মাসিক সঞ্চয় প্রকল্প। যে কেউ এ প্রকল্পের আওতায় নির্ধারিত মাসিক কিস্তি জমা করে মেয়াদান্তে লোভনীয় হারে মুনাফাসহ সম্পূর্ণ টাকা একসাথে উঠাতে পারেন।

### নিয়মাবলী :

- সুস্থ ও প্রাপ্তবয়স্ক যেকোন বাংলাদেশী একক বা যৌথভাবে এ হিসাব খুলতে পারেন।
- এর মাসিক কিস্তি ২৫০ টাকা, ৫০০ টাকা, ১,০০০ টাকা, ২,০০০ টাকা, ৫,০০০ টাকা এবং ৫০০ টাকা টাকার গুণিতক।
- একই ব্যক্তি একই শাখায় একাধিক হিসাব খুলতে পারবেন।
- প্রতি মাসের ২০ তারিখের মধ্যে নগদ / চেকে বা শাখার অন্য আমানত হিসাব হতে স্থায়ী নির্দেশের মাধ্যমে কিস্তি জমা করা যাবে।
- খেলাপি কিস্তির ক্ষেত্রে মাসিক ২% টাকা হারে বিলম্ব ফি প্রদান করতে হবে।
- দুটি নির্দিষ্ট মেয়াদের মধ্যবর্তী কোন সময়ে হিসাব বন্ধ করে টাকা তুলতে চাইলে তাকে পূর্ববর্তী মেয়াদের জন্য নির্ধারিত সম্পূর্ণ অর্থ এবং খণ্ডকালীন সময়ের জন্য সঞ্চয়ী হারে সরল সুদ প্রদান করা হবে।
- গ্রাহকের মৃত্যু হলে হিসাব বন্ধ হয়ে যাবে এবং জমাকৃত টাকা নিয়মানুযায়ী প্রযোজ্য মুনাফাসহ গ্রাহকের মনোনীত ব্যক্তিকে প্রদান করা হবে।
- প্রদেয় মোট টাকা থেকে সরকারী নিয়ম অনুযায়ী ট্যাক্স / উৎসে কর কর্তন করা হবে।
- ব্যাংক এই নিয়মাবলী সংশোধন ও পরিবর্তন করার অধিকার সংরক্ষণ করে।

### ঋণ সুবিধা :

- আমানতকারী প্রয়োজনবোধে তার প্রাপ্য টাকার উপর সর্বোচ্চ ৯০% পর্যন্ত ঋণ নিতে পারবেন।
- সর্বনিম্ন ঋণের পরিমাণ ২৫,০০০ টাকা।

### মাসিক কিস্তি এবং সঞ্চয় :

মাসিক কিস্তি	৩ বছর	৫ বছর	৮ বছর	১০ বছর
২৫০.০০	১০,৬৬৪.০০	১৯,৯৩৩.০০	৩৮,১৪৮.০০	৫৩,৯৮১.০০
৫০০.০০	২১,৩২৭.০০	৩৯,৮৬৫.০০	৭৬,২৯৫.০০	১০৭,৯৬১.০০
১,০০০.০০	৪২,৬৫৪.০০	৭৯,৭৩০.০০	১৫২,৫৯০.০০	২১৫,৯২২.০০
২,০০০.০০	৮৫,৩০৮.০০	১৫৯,৪৬০.০০	৩০৫,১৮০.০০	৪৩১,৮৪৪.০০
৫,০০০.০০	২১৩,২৭০.০০	৩৯৮,৩৬৫.০০	৭৬২,৯৫০.০০	১,০৭৯,৬১০.০০



১৬২২৯ বা ৮৮ ০৯৬০৪০ ১৬২২৯



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