

# MTBiz

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## OPEN BANKING API

Open Banking APIs - The Future Banking



# ছোট ছোট ধাপে বড় স্বপ্নের পথে

**MTB SME**  
BANKING



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## Open Banking APIs - The Future Banking

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# Open Banking APIs - The Future Banking

Open banking, an emerging trend in financial technology (fintech), is based on using application programming interfaces (APIs) that enable third party developers to build applications and services around a financial institution (FI). It facilitates greater financial transparency and helps FIs innovate and create new revenue models. Open banking has been gaining significant momentum across the globe, especially in the European banking industry, driven by changing regulatory mandates<sup>1</sup>.

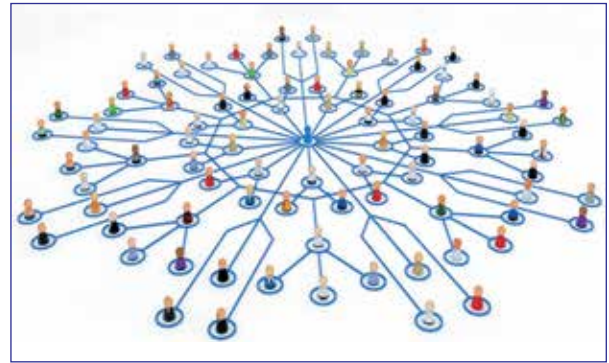
## The Concept



Open banking is a concept in financial services based on several principles that advocate the use of open application programming interfaces (APIs) allowing third party developers to build applications and services around financial institutions, increased financial transparency options for account holders, and the use of open source technology to achieve these principles. By using APIs, banking data will be available in real-time, providing consumers with better ways to conduct transactions, save, and invest their money. Consumers may also have access to better loan terms since lenders will be able to look at historical transactional data to determine a borrower's risk level. Open banking also aims to give consumers better and more personalized information for making sound financial decisions<sup>2</sup>.

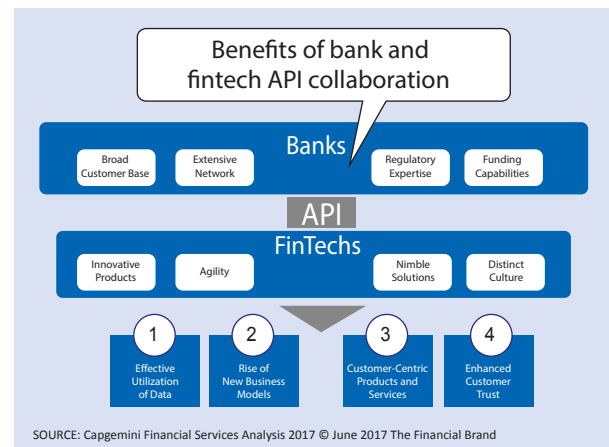
## How It Makes the Difference

Open banking is meant to improve customers' banking experience in several ways. It forces large, established banks to be more competitive with smaller and newer banks, ideally resulting in lower costs, better technology, and better customer service. Open banking regulations require banks to publish, both online and inside their branches, accurate and unbiased information that lets consumers evaluate their service quality, a move towards transparency designed to



motivate banks to provide the best possible customer experience. Banks also have to notify customers about unforeseen overdrafts and give them a grace period to correct the problem and avoid overdraft charges. Open banking is a major source of innovation in the banking industry. For example, open banking APIs can facilitate the sometimes onerous process of switching from using one bank's checking account service to another bank. The API can also look at consumers' transaction data to identify the best financial products and services for them, such as a new savings account that would earn a higher interest rate than the current savings account or a different credit card with a lower interest rate<sup>3</sup>.

## Ground for API



According to the World Retail Banking Report (WRBR), "Given the pressures of cost, regulation and fast evolving customer expectations that banks are already struggling with, there is only so much that can be focused on at the same time. This makes the option of partnering with a fintech highly attractive for banks." This realization has opened the door for the emergence of Application Programming Interfaces (APIs), which can bring together the power of customer insight and fintech innovations<sup>4</sup>.

## Paving the way for API banking

The revised Directive on Payment Services (PSD2) is one such regulatory mandate; one that aims to standardize, integrate and improve payment efficiency in the European Union (EU). PSD2, developed by the European Commission (EC), is a recent major policy development that is set to impact on Europe's payments industry. PSD2 seeks to standardize and make inter-operable card, internet, and mobile payments. The directive is expected to accelerate open banking because it requires banks to open up data and transactions to certain new payment market entrants. By January 2018, all financial institutions in the 28 EU member states need to be PSD2 compliant. Although this is a compliance obligation, it also paves the way for a new business opportunity – open banking or API banking – to be extended to banks' corporate customers<sup>5</sup>.

## Types of APIs

While APIs are not new to banking and are nothing more than a structure for how software applications should interact, they provide the gateway for innovative, contextual solutions that would be difficult to offer without Open Banking. As outlined by the WRBR, there are three types of APIs<sup>6</sup> :

**Private APIs:** These are APIs that are used within the traditional banking organization, reducing friction and enhancing operational efficiency. A vast majority (88%) of banks viewed private APIs as essential in 2015.

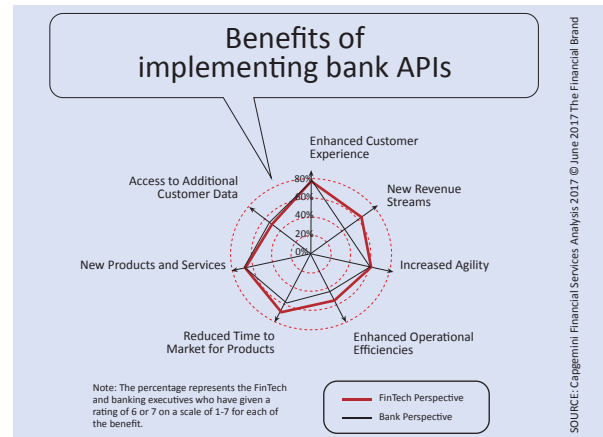
**Partner APIs:** These are usually between a bank and specific third-party partners, enabling the expansion of product lines, channels, etc.

**Open APIs:** In this scenario, business data is made available to third parties that many not have a formal relationship with the bank. Because of the structure of open APIs, many banks have a greater concern around security.

## Bank APIs

Most banks ease into the use of APIs, moving from private, to partner and sometimes to open APIs. It is believed that, over time, APIs will evolve to the more extensive options in response to the consumer desire for greater digital solutions not currently provided by legacy organizations. This will also occur as both fintechs and traditional banking organizations understand that they need each other's strengths. This collaboration will enable both banking organizations and fintech firms to offer more to customers than previously possible.

In addition, the product development process can occur more quickly, responding to rapid changes in digital technology and capabilities (voice banking, P2P, loan processing, risk management, etc.). According to



the WRBR, 78.3% of banks are counting on APIs to help them improve the customer experience, with fintech firms agreeing. They also agree that new revenue streams are possible<sup>7</sup>.

## Open APIs, Big Data and Machine Learning

Open APIs will enable banking organizations to gather actionable data from various internal and external sources, including buying habits, financial goals, risk tolerance and even social interactions. Insight derived from this data will enable more proactive (and accurate) multi-channel marketing, moving from reactive sales pitches to proactive solutions and advisory services. In other words, the difference between 'rear-view mirror' notifications and 'financial GPS' recommendations.

The ability to apply machine learning and artificial intelligence will respond to the customer desires of "Know me", "Look out for me" and "Reward me." This is expected to greatly improve the customer experience which currently lacks personalization and real-time engagement<sup>8</sup>.

## Applications of API in the banking space

### mobile apps development

General information or information not adapted to a specific customer using the app, but which provides data and news about what the institution offers (such as types of account, information on rates, cards and financial instruments etc.)

Personalized information and transactions through information tailored to the customer (which would require additional security measures in the access system), the API could provide details of account balances, make transfers, pay bills and receive account alerts, etc.

Mobile functionality: those using the mobile app can access functions on their device in conjunction with the bank's API, allowing them to use their camera (for example to deposit a cheque), near field communication (NFC) technology (to identify themselves at automated teller machines (ATMs), global positioning systems (GPS) to find the nearest branch etc.

## Identifying API Use Cases in the Banking Industry

Applying the API identification methodology to the banking industry includes:

### Internal developer (mobile app development)

#### General information

General information is information that is not tailored to the specific customer using the app. This could include information about the bank's offerings, such as:

- Account types and details
- ATM locations, branch locations and hours
- Business banking credit score checks, such as Beacon score lookups in Canada
- Business banking offerings, such as business overdraft, commercial banking Guaranteed Investment Certificates (GICs) and commercial mortgage
- Calculators and financial tools
- Forex
- Interest, loan, CD and mortgage rates
- Other services such as credit card offers, credit card selector, wealth management risk type and retirement fund types and classes-for example, ROTH or traditional IRAs in the US
- Routing numbers
- SEIFT and BIC codes

#### Mobile advantages

Customers using the app on a mobile device can benefit from using phone or tablet functions in conjunction with APIs provided by the bank. Here are a few samples:

**Camera:** Use to deposit a check by snapping a photo and submitting via a bank's app-something often done today.

**GPS services:** Use with APIs to find the nearest bank branch or ATM

**Near-field communication (NFC):** Use with other security mechanisms at an ATM to identify the customer and process pending transactions such as a cash withdrawal

**Digital wallet:** Opens up many business opportunities to provide payment services

## alliances

An API can allow a bank's partners to use its infrastructure to offer their services: shared-brand credit cards, gift cards, reward programs, etc. The API would also give partners real-time access to reports.

## public APIs

The same APIs that banks use internally and to work alongside their partners can help them gain new customers, fostering additional business through their integration in comparison facilities or in services focused on sectors.

## integration in devices

The device most closely associated with the bank – the ATM – could be fitted with sensors for NFC communication and perform authentication. Potentially this could be taken a step further; with banks offering an API so that local companies can provide offers to customers in the area around the ATM.

## data analysis

Banks have access to data on certain aspects that are very valuable to companies in other sectors: its customers' financial information. Thus, they could make profitable the provision of access to aggregate data<sup>9</sup>.

## The Future of Open Banking API

The future of open banking and APIs does not need to be limited to simply a vertical enhancement of what already exists. In fact, the potential of open banking APIs extends far beyond traditional banking, to include all of the services a consumer may want in a digital world. As mentioned in the WRBR, "Banks that open up their APIs to a global community of web developers can tap into a stunning amount of innovation."

Open banking presents opportunities for creating and distributing a wide variety of both financial and non-financial products and services, with the banking retaining the customer relationship, but greatly expanding the number and variety of services to improve the customer's quality of life. In an open banking model, an unlimited number of partners could insert themselves into the relationship development process. Both fintech firms and banks see the traditional bank continuing to be the primary channel for banking services. The question is whether banks are the best to control innovation or even distribution.

WRBR quantified the robust appetite for closer partnerships between fintech firms and banks going forward. The vast majority of banks (91.3%) and most fintech firms (75.3%) say they expect to collaborate in the future, with banks providing access to their broad resources, experience and expertise, and fintech firms offering agility, speed to market and a fresh take on customer-centricity. By working together and taking advantage of APIs, banks and fintech firms can leverage their complementary strengths, enhancing the customer experience much more than each entity could do on its own<sup>10</sup>.

<sup>1</sup><https://www.gtnews.com/articles/api-banking-and-the-digital-transformation-of-business-part-1/>

<sup>2</sup><https://www.mulesoft.com/resources/api/what-is-open-banking>

<sup>3</sup><https://www.investopedia.com/terms/o/open-banking.asp>

<sup>4</sup><https://thefinancialbrand.com/65975/open-banking-api-fintech-partnerships/>

<sup>5</sup><https://www.gtnews.com/articles/api-banking-and-the-digital-transformation-of-business-part-1/>

<sup>6</sup><https://thefinancialbrand.com/65975/open-banking-api-fintech-partnerships/>

<sup>7</sup><https://thefinancialbrand.com/65975/open-banking-api-fintech-partnerships/>

<sup>8</sup><https://thefinancialbrand.com/65975/open-banking-api-fintech-partnerships/>

<sup>9</sup><https://www.gtnews.com/articles/api-banking-and-the-digital-transformation-of-business-part-1/>

<sup>10</sup><https://thefinancialbrand.com/65975/open-banking-api-fintech-partnerships/>



# NATIONAL NEWS

## BB issues guidelines for treasury bonds buyback



Bangladesh Bank (BB) has issued a 16-point guideline to undertake buy-back programme for the government treasury bonds or bills aiming to reduce the number of government securities. To keep pace with the other countries of the world, the government is going to take buy-back programme of the government securities for balancing the redemption profile and reducing the number of government securities, according to a BB circular issued recently. On behalf of the government, the central bank issued terms and conditions to implement the overall buy-back programme. As per auction calendar determined by the Finance Division, the buy-back programme will be operational through reverse auction or over the counter (OTC) transaction, the circular says. The buy-back of treasury bills or bonds will be accomplished in the face value of Taka one lakh or multiple of Taka one lakh and all banks and non-bank financial institutions (NBFIs), which maintain current accounts with Bangladesh Bank, can participate directly in the buy-back programme.

## Euro, yen also allowed for ACU transaction settlements



Asian Clearing Union has resumed accepting euro and allowed Japanese yen, along with US dollar, for settlements of current account transactions among ACU members that included Bangladesh. Bangladesh Bank issued a circular in this regard. The instruction of the circular will come into effect immediately, it said. In July 27, 2016, the authorized dealers of the ACU were advised to suspend operations in euro temporarily until further notice. Yen has been included for the first time. The member countries are now allowed to make payment for transactions like export and import in one of the three currencies. Bangladesh, Bhutan, India, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are members of the Tehran-headquartered ACU that was established in December 1974.

## BB relaxes receiving cash incentives for RMG exports

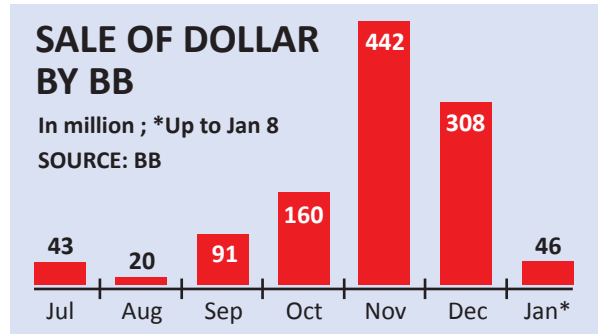


Bangladesh Bank recently issued a circular easing the provision for getting new market exploration assistance for the readymade garment exporters by allowing them to repatriate their export earnings from any country. According to the BB FE circular, exporters would get cash incentive against RMG exports to new markets whether the exporter repatriates earnings from the country to which goods were exported or from any other country. It provided that the importer who placed orders and the payer of export proceeds must have business relations between them. According to the sector leaders, RMG exporters had faced problem in receiving cash incentive against their exports to new markets as the section (D) of the FE Circular 22/2011 stipulates that the repatriation of export earnings should be from the country to which the products have been exported for getting the incentive. The problems of the exporters resolved through the latest circular, they said.

## Agent banking faring fine

Banks have started to reap benefit from agent banking just two years after the full-fledged rollout of the alternative financial service as it is increasingly getting popular among customers. Deposit collection rose 42 percent year-on-year to BDT 922 crore in the July-September quarter last year and it reached BDT 651 crore in the previous quarter, according to Bangladesh Bank data. Deposit collection totaled BDT 380.68 crore in the opening year of agent banking services in 2016. The central bank issued the agent banking guideline in 2013 but the licensees started full-fledged operations in 2016. Thirteen banks are running agent banking services: Dutch-Bangla, Bank Asia, Al-Arafah Islami, Social Islami, Modhumoti, Mutual Trust, NRB Commercial, Standard, Agrani, Midland, The City, Islami Bank Bangladesh and First Security Islami Bank. Bank Asia had 237,278 agent banking accounts as of September, accounting for 22.85 percent of the total accounts. The total deposit of Bank Asia under its agent banking operations stood at BDT 185.49 crore in the third quarter of 2017.

## Dollar rally continues



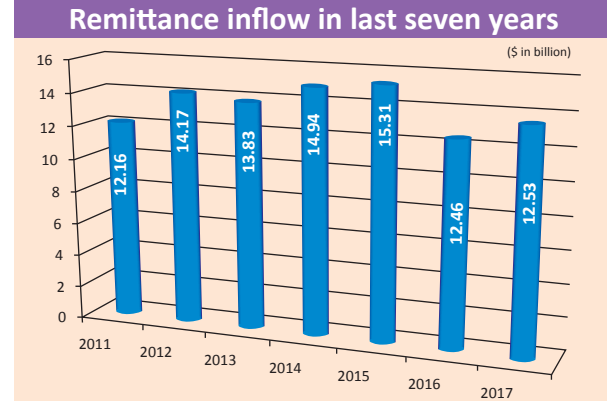
The US dollar continues to appreciate against the taka although the central bank injected more than USD 1.11 billion into the market so far in fiscal 2017-18 as it tries to keep the exchange rate stable. The BB sold USD 46 million to banks in the first eight days of January and USD 308 million in December. In total, it sold USD 1.11 billion to banks from July 1 to January 8 this fiscal year. The central bank sold USD 175 million and bought USD 1.93 billion in 2016-17. The taka has been depreciating against the dollar since the middle of October mainly due to a mismatch between the demand and supply of the greenback. Banks, however, reported to the central bank that their BC (Bill for Collection) selling rate, the rate at which banks make import payments, has been stable at BDT 83.20 for the last few days. The central bank has verbally instructed banks to fix the BC selling rate considering the actual demand and supply of the greenback.

## 19 per cent of remittance goes to real estate



Around 19 per cent of the remittances received by the beneficiaries are invested in real estate, to be precise, purchase of liveable land and flats. The latest report titled "Utilisation of Workers' Remittances in Bangladesh", conducted by the central bank, unveiled the information. It also showed that around 18 per cent of the investment from remittances goes to small and medium enterprises (SMEs). Of the remittance investment in SMEs, the bulk portion (63 per cent) goes to agricultural sector. This includes the purchase of arable land for fisheries, poultry, and dairy farms. Some 36 per cent investment on SMEs from remittance goes to business, according to the survey report. Financial investment accounts for 7.70 per cent and that includes deposits, saving instruments, capital market and insurance premium.

## Remittance grows in 2017



Inward remittance in the country increased slightly in the just concluded year as expatriate Bangladeshis sent 8.65 per cent more money in the year despite the fact that an additional 10 lakh Bangladeshi people got overseas jobs in 2017. Country's remittance inflow increased by USD 1.07 billion to USD 13.54 billion in the year of 2017 from USD 12.46 billion in the previous year, according to the Bangladesh Bank data released recently. The inward remittance decreased by 18.65 per cent to USD 12.46 billion in 2016 compared with that of USD 15.31 billion in 2015. The remittance inflow stood at USD 14.94 billion in 2014, USD 13.83 billion in 2013, USD 14.17 billion in 2012 and USD 12.16 billion in 2011. In December 2017, the private commercial banks received USD 857.05 million in inward remittance, while the state-run commercial banks got USD 286.77 million, foreign commercial banks USD 12.26 million, and specialised development banks got USD 11.10 million.

## Lanka Bangla Finance inks deal with BB



Langka Bangla Finance and Bangladesh Bank (BB) signed an agreement for Small and Medium-sized Enterprise (SME)

development project. Langka Bangla Finance Managing Director (current charge) AKM Kamruzzaman, FCMA and Bangladesh Bank Financial Inclusion department General Managing Md ABul Bashar signed the agreement on behalf of their respective organizations. SK Sur Chowdhury, deputy governor of Bangladesh Bank, was present as the chief guest at the program. Asian Development Bank Country Director Kylie, Langka Bangla Finance Ltd Head of SME division Kamruzzaman Khan were also present on the occasion.



# NATIONAL NEWS

## World Bank projects country's GDP growth at 6.4pc in FY '18



### WORLD BANK GROUP

The World Bank (WB) projected Bangladesh's economic growth at 6.4 per cent in the current fiscal, one-per cent down the government-set target for some risks. For the current financial year (FY), 2017-18, the government has taken a target to achieve 7.4 per cent Gross Domestic Product (GDP) growth on the back of socioeconomic-development recipe its has put in place. The WB, however, forecasts that activity in Bangladesh would grow at an average of 6.7 per cent a year over FY2018- FY2020, benefiting from strong domestic demand and strengthening export. In further prediction the WB says Bangladesh's economic growth could be 6.7 per cent in the next fiscal year, FY2019. The World Bank in its GEP report said: "Low interest rates and improved infrastructure are expected to lift investment. Remittances are expected to rebound as the growth firms in Gulf Cooperation Council (GCC) countries and support private consumption." In the last FY2017, Bangladesh's economy grew at a rate of 7.28 per cent by the Bank's count.

## Export earnings up by 7.15pc in 6 months



The country's export earnings experienced a 7.15 percent growth to USD 17.91 billion in the first half of the current fiscal year, 2017-18. The export earnings were USD 16.72 billion in the same period in the previous fiscal. The export income also achieved the strategic export target set for the period with 0.23 percent growth. The target for the July-December period was USD 17.87 billion, according to Export Promotion Bureau (EPB) data. During this period, the RMG sector, which contributes over 82 percent to total exports, fetched USD 14.77 billion, 7.75 percent up compared to USD 13.70 billion in the same period last year. Knitwear products earned USD 7.60 billion, registering an 11.47 percent rise, and woven garment products earned USD 7.18 billion, having a 4.08 percent rise, compared to USD 6.81 billion and USD 6.9 billion respectively in the corresponding period last year. The single month export earnings in December also rose by 8.42 percent to USD 3.35 billion, which was USD 3.09 billion in December 2016.

## Packaged imports to become dearer

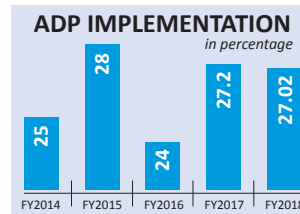


### National Board of Revenue, Bangladesh জাতীয় রাজস্ব বোর্ড, বাংলাদেশ

Consumers are likely to face higher prices of imported packaged goods such as cosmetics, perfumes, shampoos owing to a recent order by the

National Board of Revenue, said importers. The NBR asked customs offices to calculate the duty of the imported items by adding the duty for the containers if the cost of the packing materials such as perfume bottles, glass jars or containers is not included in the import prices. For ease of valuation, the revenue collectors said duty could be calculated by determining the prices of the packaging materials based on weight per kilogram. Importers said the sudden move by the customs authority will increase the duty of consumer goods imported in packaged form and thus lead to a spiral in prices of the commodities in the domestic market. The NBR said it took the step in line with the global best practice of calculating the duty of the packaging materials, the cost of which is not included in the import prices of the goods.

## ADP spending rises 32pc

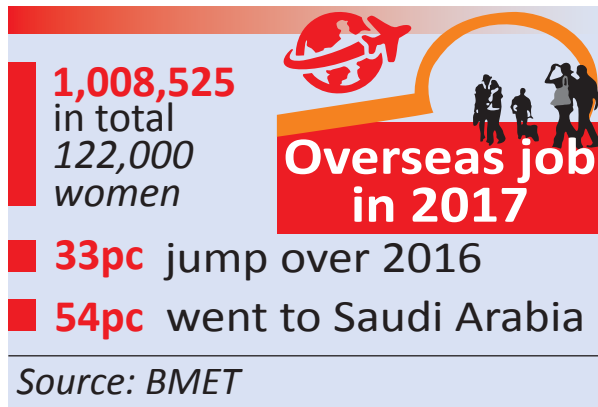


The government's development spending rose 32.11 percent year-on-year to BDT 44,331 crore in the first six months of 2017-18. Project aid utilisation

increased by more than 124 percent year-on-year to BDT 19,918 crore, according to the Implementation Monitoring and Evaluation Division (IMED). In comparison, use of the government's own funds rose by 2.79 percent. In the current fiscal year, the total size of the ADP was BDT 164,085 crore. Its implementation slightly declined due to decreased use of the own funds of the government and the state-owned enterprises. In six months to December 2017, the ministries and divisions spent 27.02 percent of the ADP allocation, down from 27.20 percent or BDT 33,554 crore spent in the same period previous year. Project aid utilisation in ADP stands at 32.97 percent of the allocation while it was 22.15 percent in the same period a year ago. Allocation from the government's own fund in the ADP was BDT 95,515 crore, of which 23.42 percent was spent. It was 30.77 percent in the corresponding period last fiscal year.



## Overseas employment hits record high



Over 1.0 million Bangladeshi workers got overseas jobs in 2017 which was the highest in the country's history, according to official statistics. Earlier, the highest number of 875,055 workers secured overseas jobs in 2008. The country started sending workers in 1976 with 6,087 jobs, it showed. Migration rights campaigners, however, said it is a great achievement for the country's job sector. Bureau of Manpower Employment and Training data showed that a total of 1,008,525 workers including 122,000 women went overseas with employment in 2017. The growth of employment increased about 33 per cent in 2017 compared to that of the previous year. Some 757,731 workers secured jobs abroad in 2016. The maximum number of workers totalling 551,308 went in Saudi Arabia, followed by 99,787 in Malaysia and 89,074 in Oman in the calendar year 2017, according to statistics.

## Govt to ink USD 60m deal with OFID



The government is set to sign two loan agreements with the OPEC Fund for International Development (OFID) for US USD 60 million aiming to

implement the 'Payra Bridge (Lebukhali Bridge) Project' and the 'South Asia Sub-Regional Economic Cooperation (SASEC) Road Connectivity Project'. Economic Relations Division (ERD) secretary Kazi Shofiquel Azam and OFID director general Suleiman J Al Herbish will sign the loan agreements on behalf of their respective sides after the inauguration of the 'Bangladesh Development Forum (BDF), 2018' in the capital. Under the agreements, he said, the money coming from the OFID will be apportioned into USD 30 million of loan as additional funding for the construction of Lebukhali Bridge over the Payra River and USD 30 million to be used to meet an extra cost of SASEC Road Connectivity Project.

## ADB 2017 operations reach USD 28.9 billion



Asian Development Bank (ADB) operations-comprising approvals of loans and grants, technical assistance (TA), and co-financing reached

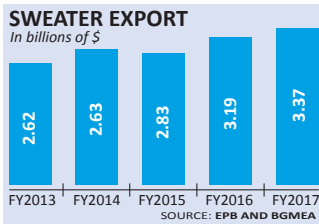
USD 28.9 billion in 2017 in its continued efforts to help meet Asia and the Pacific's development needs, according to preliminary figures. Approvals of loans and grants from ADB's own resources reached a record USD 19.1 billion, representing a 9 percent increase from the USD 17.5 billion seen in 2016. This puts ADB well on its way to meet its USD 20 billion target by 2020. Of the total, nonsovereign (primarily private sector) operations accounted for USD 3.2 billion, a 26 per cent increase from USD 2.5 billion in 2016. TA, meanwhile, increased by about 22 per cent to USD 205 million from USD 169 million in the previous year. Commitments (the amount of loans and grants signed)-ADB's new performance measure-reached USD 20.1 billion. This is a significant increase from USD 13.3 billion in 2016, reflecting the signing of large projects approved in 2016.

## Govt's tax collection from DSE surges by 61pc in H1

Government's revenue collection from the Dhaka Stock Exchange rose by 60.54 per cent or BDT 53.73 crore in the first half (July-December) of the current financial year of 2017-18 compared with that in the corresponding period of the FY 2016-17 mainly due to a surge in turnover at the country's premier bourse. The National Board of Revenue in July-December of FY18 collected BDT 142.48 crore in tax including tax on turnover and tax on sponsor-directors' share sales against BDT 88.75 crore in the first half of FY17, DSE data showed. The government in the period of FY18 got BDT 103.77 crore in tax on turnover, while it was BDT 38.72 crore in the same period of FY17. The NBR in FY17 received BDT 282 crore in tax from the DSE against its receipt of BDT 180.35 crore in FY16. Under the Income Tax Ordinance 1984, the DSE collects 0.05 per cent tax on turnover, while sponsor-directors and placement holders are bound to pay 5 per cent tax on their capital gain on shares sales. The NBR collected BDT 424.72 crore in tax from the DSE in FY12 and BDT 234.31 crore in FY13. The revenue board, however, received BDT 259.42 crore in tax in FY14 from the bourse.

# NATIONAL NEWS

## Sweater exports on the rise



Sweater shipment from Bangladesh is on the rise thanks to competitive pricing and longer winters in the Western world as a result of climate

change, exporters said. Bangladesh exported sweaters worth USD 3.37 billion in fiscal 2016-17, up 5.64 percent year-on-year, according to data from the Export Promotion Bureau. Even three years ago, the window for sweater sales was at most four months, from November to February. Now, the window opens in October and continues until March. The shift of work orders from China to Bangladesh is also another factor for the higher shipment, said Saif Ahmed, Deputy General Manager of Mohammadi Group, which exports nearly three million pieces of sweater in a year. In the long-term, Bangladesh's sweater business will increase, said a German buyer who purchases USD 1.3 billion worth of garment items from Bangladesh, 30 percent of which is knitwear. In recent times, Vietnam and Cambodia have become major competitors of Bangladesh due to their shorter lead time, he said. The lead time from Bangladesh is around 40 days, whereas it is 20 days from Vietnam and Cambodia.

## Bangladesh 7th nation to send technical interns to Japan



Bangladesh is set to become the seventh country to send technical interns to Japan. To this effect, Dhaka and Tokyo inked a Memorandum of

Cooperation (MoC) on Monday, said by Ministry of Expatriates' Welfare and Overseas Employment. Visiting Secretary in Charge to the ministry Nomita Halder and many high officials of Japan signed the MoC on behalf of their respective sides. The MoC will enhance the opportunity for technical interns to acquire Japanese skills and knowledge said Nomita Halder. After completing internship they will get jobs in Japan for three to five years in different sectors. They also can contribute to the development of the country to use their technical knowledge at home, she said. She also said Bangladesh can send skilled and semi-skilled workers to Japan as they have a shortage of work-force in different sectors beside the technical one.

## Investment proposal marks 18pc rise in three months



Investment proposals recorded 18.45 per cent rise during the period of October-December of 2017. Bangladesh Investment Development Authority (BIDA) received 483 proposals involving a total of BDT 826.40 billion during that period. During July-September period of 2017, BIDA got 391 investment proposals involving BDT 697.66 billion. Among the 483 proposals, 440 proposals involving a total of BDT 261.05 billion were from local investors. Besides, 22 fully foreign and 21 joint ventures submitted proposals involving a total of BDT 565.37 billion. The total amount is BDT 128.74 billion more than July-September period of the same year. According to BSS, the highest number of proposals came for the chemical industries, which was 64.58 per cent of the total proposed amount. Proposals for textile industrial sector were 11.73 per cent. Service sector came next with 9.32 per cent followed by engineering sector with 4.26 per cent, agricultural sector with 4.11 per cent and other industrial sector with 10.03 per cent. The investment proposals from local and foreign entrepreneurs are expected to create a total of 80,226 jobs in the country.

## Revenue rises 18pc in Jul-Nov

Revenue collection grew 18 percent year-on-year to BDT 75,308 crore in the July-November period of the current fiscal year driven by rising imports and increased domestic economic activities, official data showed. The collection grew at a faster pace in the current fiscal year compared to the previous, according to the National Board of Revenue. ADP spending rose 40 percent year-on-year to BDT 32,997 crore in July-November, according to the Implementation Monitoring and Evaluation Division under the planning ministry. In July-November, collections from imports and exports soared 22 percent year-on-year to BDT 24,609 crore. Earnings from VAT, the biggest source of revenue for the NBR, rose 16 percent year-on-year to BDT 29,054 crore in the five months to November. Income tax receipts grew 16 percent to BDT 21,645 crore in the period, up from BDT 18,724 crore in the same period a year ago.

# NATIONAL NEWS

## Bangladesh ahead of 40 countries in IMF's IDI index



Bangladesh showed stable and qualitative improvement in major economic indicators last year, with leading 40 countries in the Inclusive Development

Index (IDI) of the International Monetary Fund (IMF). Among 74 emerging economies, the country this year secured the 34th position in the IMF's annual index, which reflects quality of economic performance in a particular country. In the index, Bangladesh also performed far better than India (ranked 62), Pakistan (ranked 52) and Sri Lanka (ranked 40). The index also includes 29 developed economies, headed by Norway. Compared to last year, Bangladesh advanced two notches to the 34th from previous 36th position, with maintaining an overall score of around 4 based on a 1-7 scale where 1 indicates worst and 7 best. The IDI puts Bangladesh among top 20% performers for improving savings and wealth distribution while the country was placed in middle of the 103 nations for the other 10 indicators. According to Bangladesh Bureau of Statistics (BBS), Bangladesh attained 7.28% GDP growth last financial year when government raised the fiscal target to 7.4% for the current 2017-18 (FY18). The per capita income also rose to USD 1,610 in the FY 2016-17 when the inflation was stable around 5%.

## Policy on way to rev up bike manufacturing

The government is framing a policy to facilitate the development of motorcycle manufacturing industry in Bangladesh to meet the domestic demand for low-cost modes of transport as well as to expand the export basket. The draft policy has targeted to locally manufacture 5 lakh motorcycles a year by 2021 and double the number by 2027. "The mission is to achieve the capacity for meeting the domestic requirement by 2027 and develop a modern and competitive vendor (component maker) industry helpful for motorcycle industry," said the industries ministry's draft policy. The policy is being framed at a time when the demand for two-wheelers, which allows quick moving in both rural and urban areas, is spiralling. In 2017, 3.6 lakh units were sold, up 50 percent year-on-year, according to industry insiders. Bangladesh has 14 lakh registered motorcycles, said the draft. Manufacturers and assemblers said they have been demanding for a policy for long as they want a clear idea of the government's position before making the large investment.

## NBR to launch software for replacing manual selection of tax file



Many of the country's taxpayers often complain that their tax files are targeted on purpose for auditing just to harass them. However, officials working in the government's taxation department have their views and explanations in this regard. To put an end to this contention, National Board of Revenue, or NBR now plans to use software to replace current manual way of random tax file selection for audit purpose. With the introduction of software, NBR aims to remove any harassment that taxpayers face due to the existing manual selection process of tax files. Taxpayers are allowed to submit their income tax returns under the universal self-assessment system where the tax officials have nothing to do except accepting the returns. But after that if any tax official suspects of any anomalies in the submitted returns, the official can scrutinise the particular file/s and go for examining the same. This sort of move will boost the taxpayers' confidence on the revenue collection authority of the government. This will ultimately help NBR to get more taxes from taxpayers. Currently the income tax wing is contributing 37 per cent of the total revenue collection of the NBR.

## Foreign fund disbursement doubles in six months

Project aid release marked a sharp rise in the first half of the current fiscal year, thanks to the momentum in project implementation, official figures suggest. Fund commitment from development partners has maintained a bullish trend this year also after reaching a record high last year supported by USD 11.38 billion from Russian in loans for the Rooppur nuclear power plant project. Total fund disbursement doubled to USD 2,617.28 million during the July-December period from USD 1,324.17 million a year ago, suggest the latest data released by Economic Relations Division (ERD). Aid commitments already surpassed the yearly target of USD 6 billion in the first five months and it increased further to USD 6,873.94 million in December. With the upward trend in fund release scenario, ERD now hopes to touch a milestone of USD 7 billion fund disbursement in the current fiscal year in line with the budgetary expectation.

MTB, BKASH JOINTLY OFFER INSTANT REMITTANCE SERVICE



Mutual Trust Bank Limited (MTB) and bKash Limited (bKash), the leading mobile financial service (MFS) provider of the country, jointly launched a service enabling foreign remittance to be sent directly to the mobile wallets of the bKash customers through MTB channels. The launching ceremony took place at The Westin Dhaka, Dhaka 1212 on Monday, January 15, 2018. Starting off with eight countries, including Saudi Arabia, the United Arab Emirates, Qatar and Kuwait, the service will be made available in other countries gradually.

State Minister for ICT, Zunaid Ahmed Palak inaugurated and addressed the launching of the remittance service. Lila Rashid, General Manager, Payment Systems Department, Bangladesh Bank, Kamal Quadir, CEO, bKash and Anis A. Khan, Managing Director & CEO, MTB also attended the event.

The State Minister said that it would expedite digitalization in the country and help remittance figures surpass previous records and he laid importance on reducing transfer costs. Lila Rashid termed the service an innovation which would help bringing foreign currency through legal channels. She focused on remaining vigilant on security and transparency in the process. Kamal Quadir said the service would boost formal remittance inflow, particularly in the rural and remote areas where the presence of bank branches is limited. Anis A. Khan said, the partnership will help us deliver low-cost remittance service at the doorsteps of our customers. This digital transaction will bring more efficiency in remittance delivery system by cutting costs and travelling time.

## MTB LAUNCHES CO-BRANDED CREDIT CARD FOR CTG CLUB



MTB and Chittagong Club Limited (CCL) recently launched an exclusive co-branded MasterCard World Credit Card for the members of Chittagong Club. The MoU signing ceremony was held on Thursday, December 14, 2017 at Chittagong Club Limited, Empress Road, Chittagong 4100.

Meah Mohammed Abdur Rahim, Chairman, CCL, Syed Mohammad Kamal, Country Manager & Lead-Remittance, South Asia, Mastercard and M. A. Rouf, JP, Chairman, Anis A. Khan, Managing Director & CEO, MTB along with senior officials from the concerned organizations were present at the ceremony.

MTB will offer top category MasterCard Credit Card to the CCL members with exclusive perks and benefits including reduced fees and charges, complimentary access to MTB Air Lounge at Hazrat Shahajalal International Airport, Dhaka (HSIA), Priority Pass, free insurance benefits and many more.

## MTB SPONSORS WHEELCHAIR RAMP AT CTG CLUB

MTB has sponsored a wheelchair ramp at Chittagong Club Limited (CCL). M. A. Rouf, JP, Chairman, MTB and Meah Mohammed Abdur Rahim, Chairman, CCL inaugurated the ramp on Thursday, December 14, 2017, at the club premises, Chittagong Club, Chittagong 4100.

Anis A. Khan, Managing Director & CEO, MTB, Syed Mohammad Kamal, Country Manager & Lead-Remittance, South Asia, MasterCard, M. N. Azad Chowdhury & Rabi Sankar Das, Member-In-Charge, CCL, Md. Khurshed Ul Alam, Head of MTB Chittagong Division Branches, along with other senior officials from the concerned organizations were present at the inauguration ceremony.



## FOREIGN DELEGATES VISIT MTB AGENT BANKING CENTRE



A thirty two (32) member delegation from 22 countries visited MTB Bauniabadh Agent Banking Centre at Bauniabadh, Kalshi, Mirpur, Dhaka 1216 on Wednesday December 6, 2017 under the programme, named "AFI-BB Joint Learning Program (JLP) on Digital Financial Services 2017", jointly organized by Bangladesh Bank (BB) and Alliance for Financial Inclusion (AFI) of Malaysia.

Norbert Mumba, Deputy Executive Director, AFI, Md. Anwarul Islam, Deputy General Manager, Financial Inclusion Department, BB, Muhammad Shahidul Islam, Deputy Director, Microcredit Regulatory

Authority (MRA), Ministry of Finance and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO), Azam Khan, Group Chief Communications Officer, Madan Mahan Karmoker, Head of Agent Banking Department, MTB along with other senior officials from the concerned organizations were also present at the event.

## MTB BOARD OF DIRECTORS CELEBRATES THE INAUGURATION OF 50TH MTB AGENT BANKING CENTRE



MTB Chairman, M. A. Rouf, JP, Vice Chairman, Md. Hedayetullah along with other members of the board of directors and senior management has celebrated the inauguration of 50th MTB Agent Banking Centre by cutting a cake at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on Wednesday, December 27, 2017.

MTB Founding Chairman and Director, Syed Manzur Elahi along with other MTB Directors, Rashed A. Chowdhury, Md. Abdul Malek, Md. Wakiluddin, Anjan Chowdhury, Q. A. F. M. Serajul Islam, Khwaja Nargis Hossain, Independent Director, Dr. Sultan Hafeez Rahman and MTB Managing Director & CEO, Anis A. Khan, Additional Managing Director & Chief Operating Officer, Md. Hashem Chowdhury were present at the ceremony.

Since opening of its first Agent Banking Centre at Jahapur Bazar, Muradnagar, Comilla 3540 on June 06, 2016, with a view to providing banking services to hitherto unbanked citizens of the country, MTB has till date opened 50 Centres spread over 43 rural and remote areas of 23 districts across the country.

## MTB PRESENTS AMBULANCE TO DR. ZAHED MEMORIAL CHILD HOSPITAL, FARIDPUR



MTB, as part of its Corporate Social Responsibility (CSR) program, has recently presented an ambulance to Dr. Zahed Memorial Child Hospital, Faridpur. MTB Chairman, M. A. Rouf, JP, handed over the key of the ambulance to the President, Dr. Zahed Memorial Child Hospital, Shahidul Hasan at a simple ceremony held at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on Thursday, December 07, 2017. The hospital has been established with a view to providing treatment to the ailing poor children in 1980.

Vice President, Professor M A Samad, General Secretary, Md. Salahuddin Farid, Dr. Zahed Memorial Child Hospital and MTB Director, Q. A. F. M. Serajul Islam, Managing Director & CEO, Anis A. Khan, Additional Managing Director & Chief Operating Officer, Md. Hashem Chowdhury with senior officials from both the organizations were also present at the ceremony.

### MTB HANDS OVER BLANKETS TO CADET COLLEGE CLUB



MTB, as part of its Corporate Social Responsibility (CSR) initiatives, has recently donated blankets for distribution amongst the cold-affected people of different regions of the country through the Cadet College Club Limited (CCCL).

Gp Capt Muhammad Alamgir, acsc (Retd), President, CCCL received a token of blankets from MTB officials at a simple ceremony held at CCCL, Gulshan 1, Dhaka 1212 on Monday, January 14, 2018.

Rashed A. Chowdhury, MTB Director & former President, TM Shahidul Islam, Secretary General, CCCL, Azad Shamsi, Project Director, CBS Transformation Project, Amitav Kaiser, Head of Infrastructure Division, Azam Khan, Group Chief Communications Officer, MTB along with senior officials of both the organizations were also present at the occasion.

### MTB DISTRIBUTES BLANKETS TO THE COLD-AFFECTED PEOPLE AT THAKURGAON



As part of its Corporate Social Responsibility (CSR) Program, MTB has distributed blankets amongst the cold-affected people at Thakurgaon recently.

Md. Abdul Awal, Deputy Commissioner, Thakurgaon handed over the blankets at a simple ceremony held at Jathivanga S. C. School, Sukhanpukhuri Union Parishad, Thakurgaon Sadar, Thakurgaon 5100.

Among others, Upazila Nirbahi Officer (UNO), Thakurgaon Sadar, Mohammed Aslam Mollah, Chairman, Union Parishad, Sukhanpukhuri

Union, Md. Anisur Rahman, Manager of MTB Thakurgaon Branch, Md. Enamul Hoque, local elite, leaders of local business associations, people from different strata and other senior officials of the bank were also present.



## MTB INKS DEAL WITH AKTER PROPERTIES LIMITED



MTB has signed an agreement with Akter Properties Limited at a simple ceremony held at the office premises of the latter, located at Banani, Dhaka 1213 on Tuesday, October 31, 2017.

Under this agreement, the customers of Akter Properties Limited will enjoy special benefits on MTB Home Loan. Nasreen Khan, Chairman & CEO, Akter Properties Limited and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO), MTB signed the agreement on behalf of their respective organizations, in the presence of Mohammed Akter Biswas, Managing Director, Akter Properties Limited.

Tarek Reaz Khan, Head of Retail & SME Banking, Azam Khan, Group Chief Communications Officer, MTB along with other senior officials of both the organizations were also present at the ceremony.

## MTB INKS DEAL WITH LINNEX ELECTRONICS BANGLADESH LIMITED



MTB has signed an agreement with Linnex Electronics Bangladesh Limited (Linnex) at a simple ceremony held at its Corporate Head Office, MTB Centre, Gulshan 1, Dhaka 1212 on Thursday, September 21, 2017.

Under this agreement, Privilege and Payroll Customers, Employees, and Card holders of MTB will get 20% discount on all home appliances and mobile phone sets of Linnex.

Golam Shahriar Kabir, Chief Operating Officer, Linnex and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB signed the agreement on behalf of their respective organizations. Aftab Mahmud Khurshid, Chief Marketing Officer, Bengal Group of Industries, Mohammad Anwar Hossain, Head of Cards, MTB along with other senior officials of the concerned organizations were also present at the ceremony.



## MTB DISTRIBUTES SCHOLARSHIPS AMONGST STUDENTS IN KUSHTIA THROUGH MEDHA



MTB recently distributed scholarships of BDT 200,000 among the underprivileged meritorious students in Kushtia through MEDHA, under Corporate Social Responsibility (CSR) program. Haji Md. Robiul Islam, Chairman, Kushtia Zilla Parishad & President, Kushtia Chamber of Commerce & Industry was the Chief Guest at the scholarship distribution ceremony held at a local hotel at Kushtia 7000 on Monday, August 07, 2017. MEDHA is a kushtia based non-profit organization working in improving education in the area.

Engineer Khondker Salauddin, President, MEDHA, Md. Abul Bayes Mia, Chief Executive Officer, Kushtia Zilla Parishad, Mohammad Atiar Rahman, Manager, MTB

Kushtia Branch along with other senior officials, MTB Kushtia Branch along with other senior officials, local elite, people from different strata, teachers, students and their guardians were also present at the occasion.

## NATIONAL NEWS

### IPDC reappoints CEO



IPDC Finance has recently reappointed Mominul Islam as its Managing Director and CEO for the third term. Mominul Islam was the Deputy Managing Director of IPDC Finance Limited from July 2008 to December 2011 before joining as MD and CEO. He had joined IPDC in 2006 as Head of Operations. He had worked in American Express Bank (AEB) and Standard Chartered Bank (SCB) for more than 7 years in different crucial positions.

### New top brass for Shahjalal Islami Bank



Akkas Uddin Mollah has recently been elected Chairman of Shahjalal Islami Bank Limited. Mollah is the Chairman of Osman Memorial Hospital and Chairman and Managing Director of Russel Spinning Mills Ltd, Russel Garments Ltd, Ekram Sweaters Ltd, Russel Knitting Ltd, Russel Washing Plant, Shahan Colours Ltd, Tania Cotton Mills Ltd and PNR Fastener Co Ltd.

### BKB gets new MD



Mohammad Helal Uddin has been promoted as Managing Director (MD) of Bangladesh Krishi Bank (BKB). Prior to this promotion, Mohammad served as Deputy Managing Director (DMD) of Janata Bank Limited. He started his banking career in Janata Bank Ltd as a senior officer in 1985.

### Tabarak Hossain made AMD of Prime Bank



Tabarak Hossain has been promoted to the post of Additional Managing Director of Prime Bank Limited. Prior to his promotion, Tabarak served as Deputy Managing Director of the bank. He started his career in the Bangladesh Air Force.

### Rafiqul Alam joins RAKUB as MD



The Financial Institutions Division of the Ministry of Finance has appointed Md Rafiqul Alam as Managing Director (MD) of Rajshahi Krishi Unnyan Bank (RAKUB). Before his new appointment, Md Rafiqul Alam was Deputy Managing Director (DMD) of Agrani Bank Limited where he joined as a senior officer in 1983. He also worked in Bangladesh Development Bank Limited as Deputy Managing Director.

### Premier Bank gets new AMD



Golam Awlia has recently been appointed as Additional Managing Director of Premier Bank Limited. Prior to the appointment, he was Deputy Managing Director of United Commercial Bank Limited. With over 33 years banking experience, Awlia started his banking career with United Commercial Bank as a probationary officer in 1983.

### Standard Bank's new Additional Managing Director



Md Tariqul Azam has recently joined Standard Bank Ltd. as Additional Managing Director. Prior to joining Standard Bank, he was Additional Managing Director of United Commercial Bank Ltd. He started his banking career with Sonali Bank in 1980.

### New DMD for SIBL



Abu Naser Chowdhury has recently been appointed as Deputy Managing Director of Social Islami Bank Ltd. Prior to the appointment, he was Deputy Managing Director of Rupali Bank. Chowdhury started his banking career as a senior officer at Janata Bank in 1986. He also served Janata Bank as general manager for its Chittagong division.



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
Mutual Trust Bank Ltd.  
you can bank on us



## আমার প্রথম EASY PAYMENT CARD

ডিজিটাল পেমেন্ট এখন সবার জন্য



আজীবন ফ্রি কার্ড

যেকোনো অনলাইন  
কেনাকাটার জন্য  
ইন্সট্যান্টলি রেডি

কোনো বাড়তি ঝামেলা  
ছাড়াই কার্ড ইস্যু

দেশজুড়ে ১,৭০০+  
আউটলেটে থাকছে  
বিশেষ ডিসকাউন্ট ও  
প্রিভিলেজ

বাংলালিংক  
ওয়েব/অ্যাপ থেকে  
ক্রয়ের উপর থাকছে  
ইন্টারনেট বোনাস

৩০,০০০+ মাস্টার কার্ড  
সেলস পেমেন্ট এবং  
৭,০০০+ এটিএম-এ  
ব্যবহার করা যাবে

\* নির্দিষ্ট বাংলালিংক গ্রাহকের জন্য প্রযোজ্য

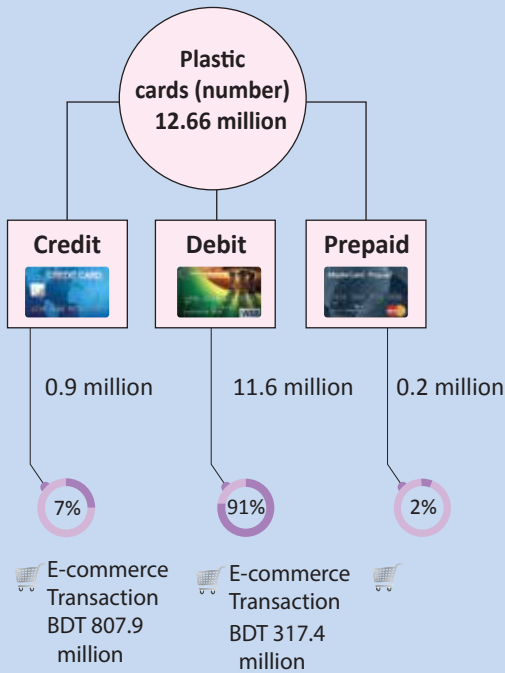
বিস্তারিত জানতে ভিজিট:

<https://www.banglalink.net/en/personal/digital-services/mobile-financial-services/easy-payment-card>

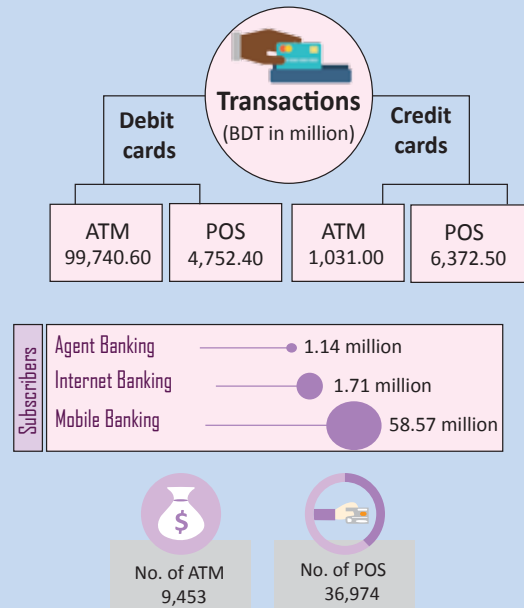
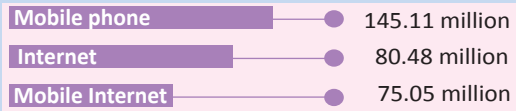
ওয়েলকাম প্যাকে থাকছে দেশের সেরা ৩টি ই-কমার্স সাইটে  
৳১,৫০০++ মূল্যের ডিসকাউন্ট ভাউচার



## Digital Payments

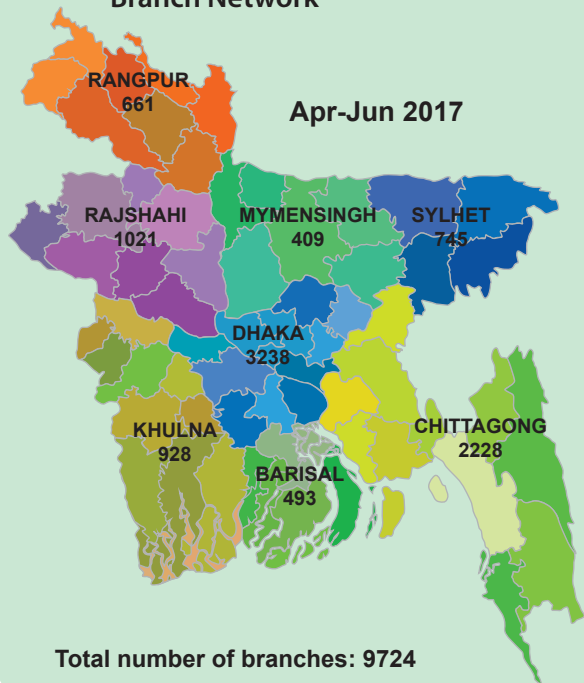


## Number of Subscribers



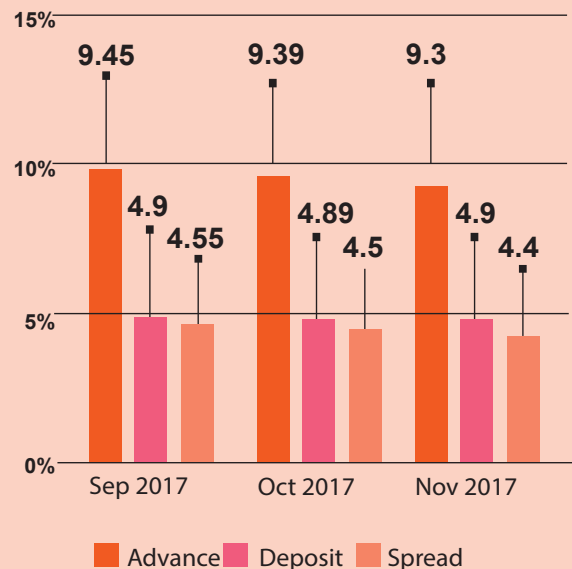
Source: Bangladesh Bank, Nov 2017; BTRC, Dec 2017

## Scheduled Banks Branch Network



## Industry Rates

Deposit - Advance - Spread



Source: Bangladesh Bank

## Global



**Rice**  
USD 442.00 / metric ton  
January 2018



**Palm Oil**  
USD 679.25 metric ton  
January 2018



**Sugar**  
USD 586.21 / metric ton  
January 2018



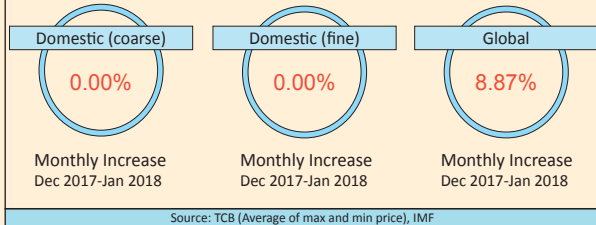
**Soybean Oil**  
USD 865.25 / metric ton  
January 2018

Source: The World Bank

### Weekly Rice BDT/KG

Year 2017	Jan 30	Jan 31	Feb 01	Feb 02	Feb 03	Feb 04	Feb 05
Rate (Avg.)	45.00	45.00	45.00	45.00	45.00	45.00	45.00

### Monthly Price Change (%)



### Import L/C (in million) Bangladesh



Source: Bangladesh Bank

## Domestic



**Rice (fine)**  
BDT 63.00 per kg  
January 2018



**Palm Oil**  
BDT 71.00 per kg  
January 2018



**Sugar**  
BDT 55.23 per kg  
January 2018



**Rice (coarse)**  
BDT 45.00 per kg  
January 2018



**Soybean Oil**  
BDT 86.50 per kg  
January 2018

Source: TCB (Average of max and min price)

### Monetary Policy 2017-18 H2 Growth Target

15.8%

Domestic Credit

16.8%

Private Sector Credit

8.3%

Public Sector Credit

13.3%

Broad Money

### Monetary Policy 2017-18 H1

92.35%

Domestic Credit

93.85%

Private Sector Credit

81.12%

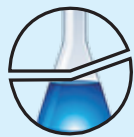
Public Sector Credit

91.25%

Broad Money

\* Figures projected for June 2017 & achieved up to Dec 2017

## POWER SECTOR OF BANGLADESH AT A GLANCE (Aug 2017)



Generation Capacity  
Public Sector **56%**  
Private Sector **44%**



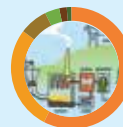
Distribution Loss  
**9.98%**  
(June 2017)



Per Capita  
Generation  
**433 kWh**



Distribution Line  
**4,20,000 km**



Generation Capacity  
**16,046 MW**



Access to  
Electricity  
**83%**



Transmission Line  
**10,622**  
Circuit Kilometer



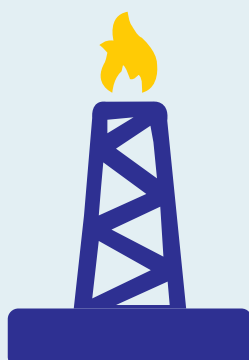
## LPG

Liquefied petroleum gas (LPG)	2015	2014	
LPG Production (BPC)	18000	18000	Metric Ton

Import (in million BDT)	2016-17	2015-16	Growth
Petroleum gases & other gaseous hydrocarbons	14,053	6,755	108%

Source: United Nations; Bangladesh Bank

## Natural Gas Reserve & Production at a glance, October 2017



Bcf (Billion cubic feet)

Gas Initially in Place (GIIP) **35,796.19**

Recoverable (2P) **28,523.40**

Cumulative Production as of October 2017 **15,331.45**

Remaining Reserve upto October 2017 **13,191.95**

Gas Production in October 2017 **83.28 Bcf**

National Oil Company (NOC's) production **39.05%**

International Oil Company (IOC's) production **60.95%**

Source: Ministry of Energy and Mineral Resources



# INTERNATIONAL NEWS

## Global Economic Prospects 2018: World Bank

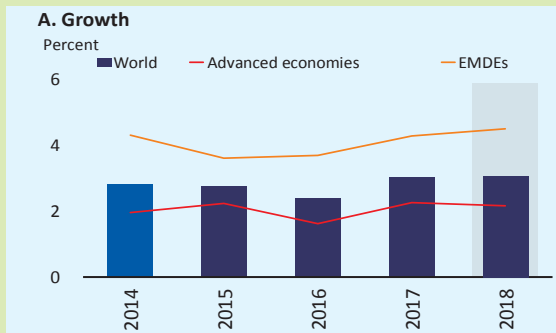
The global economy is experiencing a broad-based cyclical upturn, which is expected to be sustained over the next couple of years, although with downside risks. In contrast, growth in potential output (full-employment output) is flagging, languishing below its longer-term and pre-crisis average both globally and among emerging market and developing economies (EMDEs). The forces depressing potential output growth will continue unless countered by structural policies. In oil-exporting economies, the 2014-16 oil price collapse has already prompted some reforms. Nevertheless, across all EMDEs, room for policy improvements remains. Policy initiatives to lift physical and human capital, encourage labor force participation, and improve institutions could help raise potential growth and reduce inequality.

**Global Outlook:** A broad-based cyclical global recovery is underway, aided by a rebound in investment and trade, against the backdrop of benign financing conditions, generally accommodative policies, improved confidence, and the dissipating impact of the earlier commodity price collapse. Global growth is expected to be sustained over the next couple of years—and even accelerate somewhat in emerging market and developing economies (EMDEs) thanks to a rebound in commodity exporters. Although near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. Particularly worrying are longer-term risks and challenges associated with subdued productivity and potential growth. With output gaps closing or already closed in many countries, supporting aggregate demand with the use of cyclical policies is becoming less of a priority. Focus should now turn to the structural policies needed to boost potential growth and living standards.

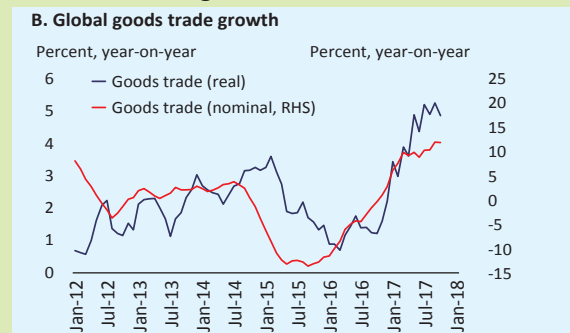
**Regional Perspectives:** Growth in most EMDE regions with large numbers of commodity exporters recovered in 2017, with the notable exception of the Middle East and North Africa, mainly due to oil production cuts. These regions are generally expected to see faster growth during the forecast horizon, as commodity prices rise and the impact of the earlier terms of trade shock diminishes. This robust pace of expansion in EMDE regions with a substantial number of commodity importers is expected to continue. Risks to the outlook have become more balanced in some regions, but continue to tilt down in all of them.

### Global Economic Prospects\_2018: Global growth in 2018 will be strong and why there is still cause for concern- In 10 charts

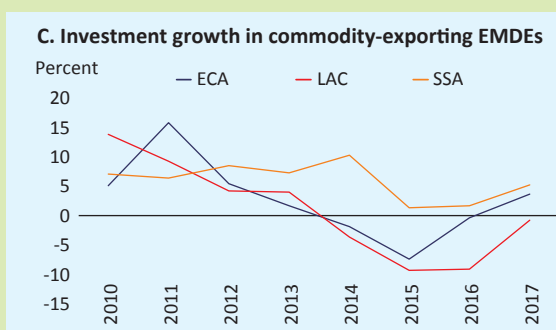
Figure 1. A Broad-Based Recovery



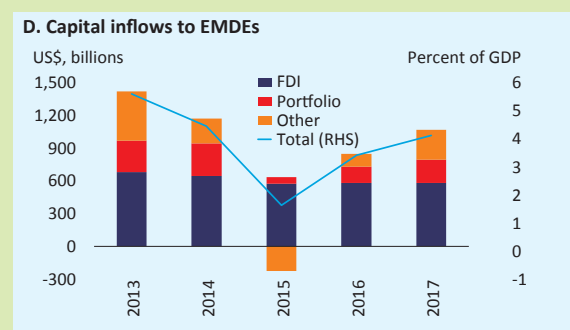
Global trade has gained momentum.



Headwinds in commodity-exporting EMDEs have eased.



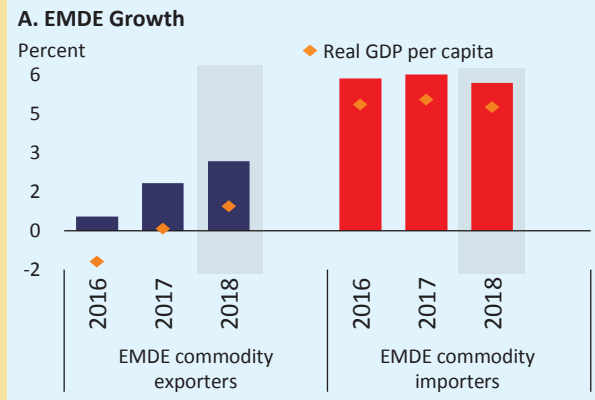
Global financing conditions remain benign.



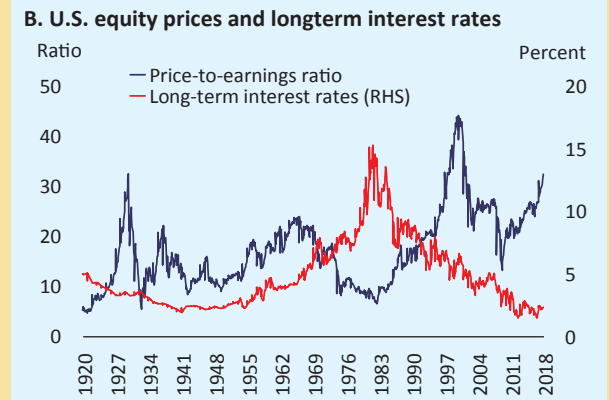
Sources: World Bank; CPB Netherlands Bureau for Economic Policy Analysis; Bank for International Settlements, International Monetary Fund, World Bank.

**Figure 2. Outlook and Short-Term Risks**

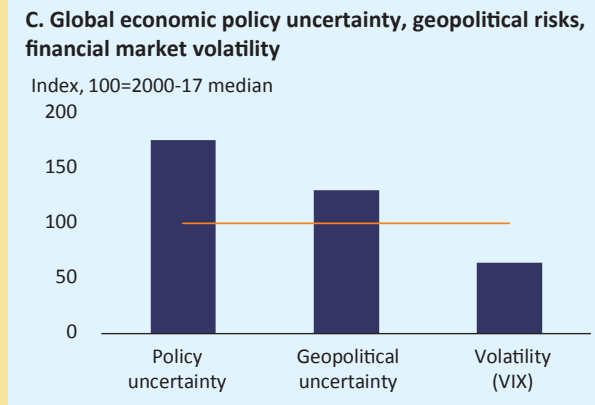
The near-term EMDE outlook is solid.



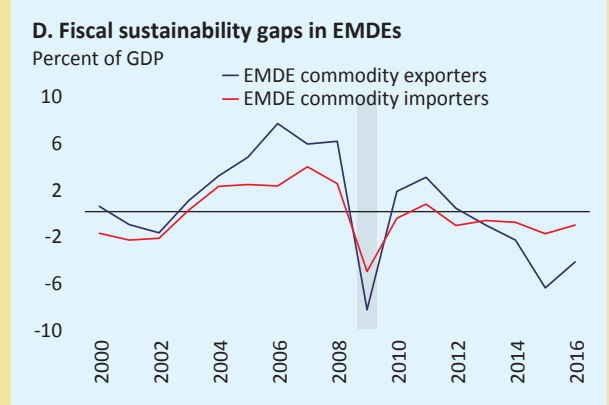
However, the outlook is subject to various downside risks, such as disorderly financial market movements..



... as well as rising policy uncertainty and geopolitical tensions.



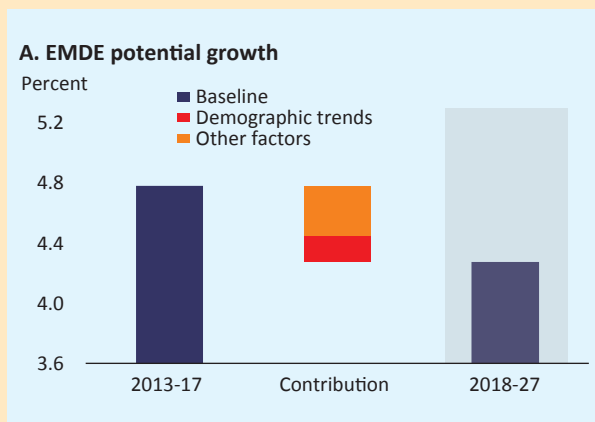
EMDEs have limited policy space to counter negative shocks.



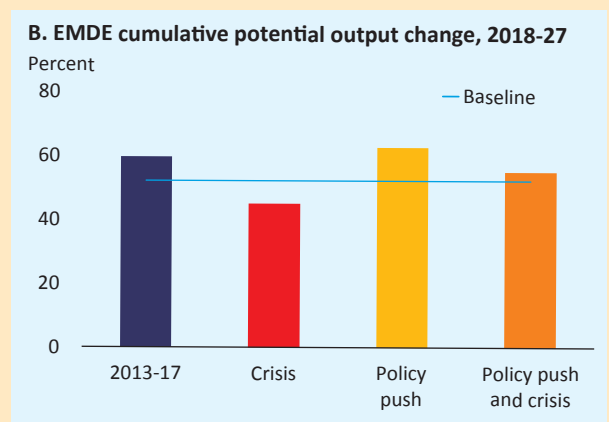
Source: World Bank; Shiller (2015); Baker, Bloom, and Davis (2015); Caldara and Iacoviello (2017).

**Figure 3. Medium-Term Outlook and Risks**

Slowing potential growth among EMDEs is a major concern.



Absent reforms, a crisis could exert substantial costs.



Source: World Bank.



# INTERNATIONAL NEWS



## U.S. Overview

### The New Year Is Off to a Strong Start

The United States appears to have completed 2017 on a solid note, with holiday retail sales easily topping consensus expectations. Capital spending also finished the year on a solid note, although the most recent factory orders and shipments data pulled back a bit from their recent torrid pace. Home sales and housing starts also perked back up following some earlier distortions tied to the late summer hurricanes. Wells Fargo expect that real GDP grew at a 2.2 percent pace during the fourth quarter and 2.2 percent for 2017 as a whole. The coming year should see stronger growth, with real GDP rising 2.8 percent.

The recently enacted tax reform creates some potential upside risks for the economy in the near term. Lower tax rates will provide a much needed boost to take-home pay, which has lagged behind consumer spending in recent months. Business fixed investment may also be touch stronger. Wells Fargo had expected tax reform in Wells Fargo forecast, however, so Wells Fargo only need to adjust for the time and some of the latest specifics.

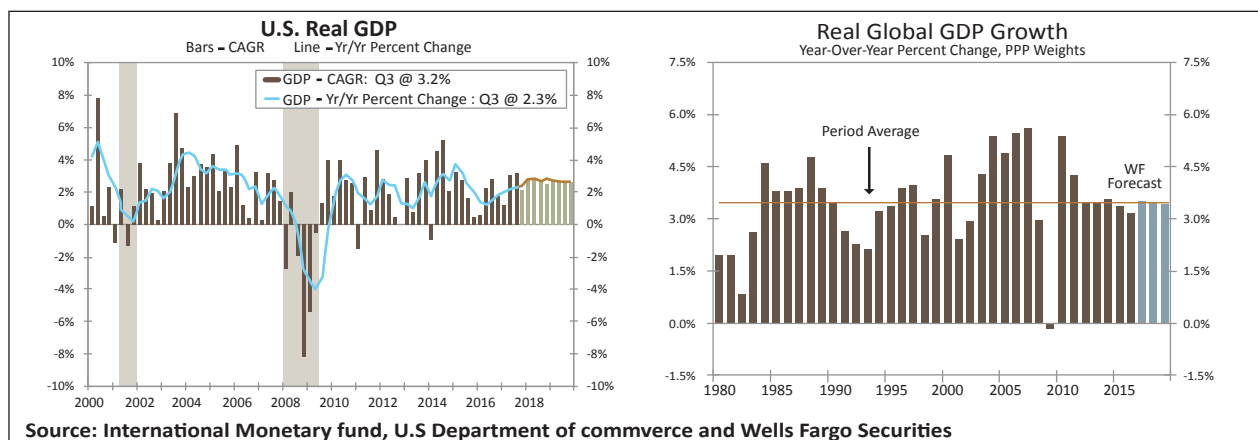
The new tax law is taking effect at a time when the economy, by most traditional measures, is at full employment. This is raising concerns that the Fed may need to hike interest rates a bit more aggressively than the three quarter-point hikes implied by its most recent Summary of Economic Projections. Wells Fargo do not share this concern. Improvement is only now reaching many areas, including large parts of the South and Midwest. There is scant evidence that inflation is about to break out to the upside. Overheating may yet be an issue but most likely not in 2018.

## International Overview

### Global Economic Expansion to Continue in 2018

The global economy is expected to continue its expansion in 2018, even as historically expansive monetary measures taken across the globe since the Great Recession are slowly being undone by the major central banks. Still, today, it is only the U.S. Federal Reserve, and to a lesser degree the Bank of Canada that seem to be charging ahead, with other large central banks starting to revise their views on their own policies to accommodate for higher economic growth and even the potential of higher inflation.

Perhaps one of the caveats that would probably make economic growth in the United States stronger than in some other developed countries is the stance of fiscal policy in that country. This is what seems to be driving some of the emphasis on interest rates in the United States as the U.S. Congress passed a fiscal package that could add several decimal points to economic growth in the U.S. economy in the coming years. Wells Fargo also remain concerned with several risks that are political in nature and as Wells Fargo argued in Wells Fargo recent report, The Global Economic Expansion: Mind the Risks, available on Wells Fargo website, are difficult to quantify. However, for now, Wells Fargo remains positive for the global economy as Wells Fargo enters 2018, even if Wells Fargo agrees that upward surprises in economic growth as well as inflation could make central bankers in the large developed countries pull the levers of monetary policy across the world faster than what Wells Fargo currently foresee.



Together we'll go far



## G L O S S A R Y

**All paper deal:** An all paper deal is an acquisition where a listed company acquires another company (listed or private) and the shareholders of the target company only receives shares in the acquiring company as payment for their shares in the target company. In some parts of the world, doing an All Paper Deal instead of a deal that involves cash can be beneficial from a tax point of view. In the United States, swapping shares in an All Paper Deal will not trigger immediate capital gains tax liabilities.

**Back end load:** The Back End Load is a charge imposed when investors sell (redeem) shares in mutual funds. Back End Loads discourage withdrawals from mutual funds. Many mutual funds decrease the size of the back end load one step for each year you hold on to your shares in the fund. It is common for the back end load to be removed completely once shares have been held for five years.

**Covered call fund:** A covered call fund is a pooled investment vehicle that combines stock investments with the sale (issuing) of call options based on stocks owned by the fund. If the owner of an option decides to exercise it, the fund owns the stock that it is obligated to sell. This means that the fund won't be forced to purchase stocks on the open market to honor their obligations. A covered call fund will typically outperform the underlying stock portfolio in a bear market.

**Binary Options:** Binary options are a type of high risk financial instrument used to speculate on future market movement. A binary option is tied to an underlying asset such as a stock, an index, a currency pair or a commodity. It is the market movements of the underlying financial asset that dictates whether a binary option matures in the money or not. A binary option has two possible outcomes. You lose your entire investment or you make a large profit.

**Bed and breakfast:** In the United Kingdom, "bread and breakfast" is slang for selling shares one day and buying them back the following day in order to realize a gain or a loss. Before the anti-avoidance provisions of the 1998 Budget came into force, Bed and Breakfasting was commonly done for tax purposes – a realized loss could be offset against a gain realized in the same tax year and vice versa, even for shares that were sold and then purchased back again the very next day.

**Churning:** Churning is the unjustified overtrading by a stockbroker or fund manager. A broker or manager that earns a commission whenever a trade is carried out has an incentive to carry out as many trades as possible, hence the risk of churning.





## বাড়ি থেকে বাড়তি আয়

নিজের জমিতে আধাপাকা বাড়ি  
বানানোর জন্য ঋণ সুবিধা

- ঋণের পরিমাণ: আকর্ষণীয় সুদে সর্বনিম্ন ৩ লাখ থেকে সর্বোচ্চ ৪০ লাখ টাকা পর্যন্ত
- ঋণের সময়সীমা: সর্বনিম্ন ২ বছর থেকে সর্বোচ্চ ১৫ বছর

\*শর্ত প্রযোজ্য

**এমটিবি নিডি** নিজের জমি থাকলেই আধাপাকা বাড়ি তৈরি, বাড়ির সংস্কার ও বর্ধনের জন্য এই ঋণ সুবিধা। নিজের বাড়ি তৈরির পাশাপাশি এখন ঋণ দেখতে পাবেন বাড়ি থেকে বাড়তি আয়েরও।

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