

# MTBiz

MONTHLY BUSINESS REVIEW

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**BUDGET 2015-16**  
**FACTS & VIEWS**



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

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

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



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
**Mutual Trust Bank Ltd.**

*you can bank on us*



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Developed & Published by  
MTB Group R&D

Please send feedback to:  
[mtbiz@mutualtrustbank.com](mailto:mtbiz@mutualtrustbank.com)

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# Budget 2015-16: Facts & Views

Main objective in this fiscal year's budget is to break free of the 6 percent growth trap, and climb up to higher growth trajectory. Budget for the year 2015-16 is much more significant than the budget last year comparing its timing and expected momentum that it would ignite into the economy. The timing is important as we are headed to stepping into the 7th Five Year Plan from the 6th with a Perspective Plan (2010-2021) in order to implement the "Vision 2021". This fiscal year is the terminal year of the current Five Year Plan (2011-15).

Under the 7th Five-Year Plan (2016-2020), Bangladesh is contemplating to gradually accelerate GDP growth and raise it to 8 percent by 2019-20, with the dream to move onto a higher growth path to transform the country into a developed nation by 2041. This budget was declared at a time when the country was expecting to graduate from the least developed country status. Given all these in background Budget FY 2015-16 is too significant to the economy.

Expected recovery of the US and Euro economies and implementation of reform initiatives in the RMG sector are likely to boost exports in the near term. Volatility in Eurozone, however, foreshadows an ominous sign. Uptick in purchasing power across Eurozone is crucial for Bangladesh economy as it is one of the major export destinations. Based on these assumptions, GDP growth rate has been projected at 7.0 percent for FY2015-16. Industry and service sectors on the supply-side and, consumer spending and public and private investment, on the demand-side, will be the drivers of this growth. Moreover, efficient coordination between fiscal and monetary policies will help realize this goal. Inflation is expected to slide further down in FY2015-16 reflecting fall in international oil prices, favorable agricultural production, continuous improvement in domestic distribution system and impact of restrained monetary policy. Budget deficit will be contained within 5 percent of GDP as in the past. Taking all these into account, government sets inflation target at 6.2 percent for FY2015-16.

## The Revenue

The revenue receipts for FY2015-16 have been estimated at BDT 2 lakh 8 thousand and 443 crore which is 12.1 percent of GDP, of which NBR tax revenue is estimated at BDT 1 lakh 76 thousand 370 crore (10.3 percent of GDP). GOB (Government of Bangladesh) is confident to achieve this revenue target given the comprehensive reforms implemented in NBR tax collection potentials and

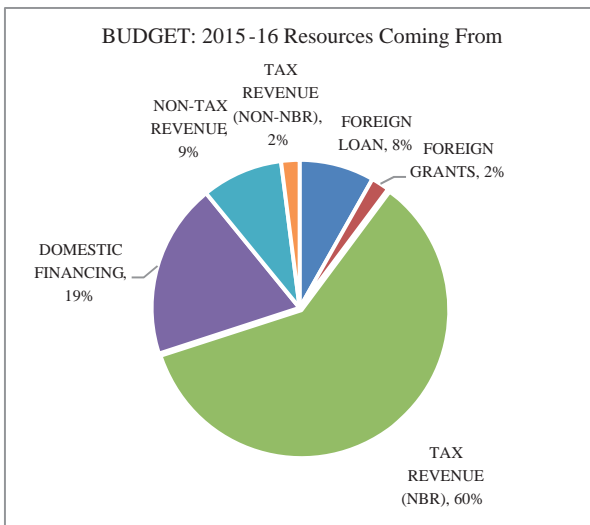
## Views on Budget 2015-16

Bangladesh has unveiled its 44th national budget in June 2015 with an aspiration to achieve its goal by 2021. Like previous years, think tanks, business communities, political parties and all other stakeholders expressed their views, analyses, advices and expectations regarding national budget in the media. As we see, the level of engagement of all stakeholders, on this issue, increased manifold compared to that of a decade back. Likewise, in this year (2015), we have plenty of analyses and comments on national budget and macro-economic figures of the country from different perspectives, from diversified stakeholders.

From a vantage point, all comments and analyses can be parted into two schools of thought: one is optimistic about the achievement of the budget and the other is critical to it. This article discusses some of the comments of the latter, who think, certain areas of the budget would be difficult to be achieved. Further, the article examines the trajectory of achievements of the government in previous budgets and would take an attempt to testify the comments and reviews of the latter group, who doubts the plausibility of the implementation of current budget FY 2015-16.

Bdnews24.com, country's first internet newspaper, on June 5, reported that, Economist Zaid Bakht, a former research director at (BIDS) Bangladesh Institute of Development Studies, thinks the implementation of the proposed 'expansionary' budget by meeting the revenue collection target will be a challenge in itself. Further he says, "*Budget has increased not only in size; it increased relatively and in terms of percentage of GDP too.... For the current FY, the budget was around 16 percent of GDP. Now it will be 17.2 percent. So it's an expansionary budget*". He thinks the budget has been formulated to stimulate the economy through enhancement of investment from both public and private sectors. On the same piece of article, Bdnews24.com mentioned that, "*the revenue collection target fixed in the budget is undoubtedly ambitious*", said, Ahsan H Mansur, Executive Director, Policy Research Institute.

stability in economic environment. Tax revenue from non-NBR sources has been estimated at BDT 5 thousand 874 crore (0.3 percent of GDP). Besides, BDT 26 thousand 199 crore (1.5 percent of GDP) is expected to be collected from non-tax sources.



**The Expenditure**

Total expenditure for FY 2015-16 has been estimated at BDT 2 lakh 95 thousand 100 crore (17.2 percent of GDP). Taking ADP allocation for autonomous bodies to the tune of BDT 3 thousand 996 crore into account, the size of the total budget will stand at almost BDT3 lakh crore. The allocation for non-development expenditure including other expenses has been estimated at BDT1 lakh 98 thousand 100 crore (11.5 percent of GDP). In addition, BDT 97 thousand crore has been estimated for ADP. Together with the allocation of BDT 3 thousand 996 crore for autonomous bodies, total development expenditure stands at BDT 1 lakh 996 crore (11.6 percent of GDP).

**The ADP**

In the ADP of FY 2015-16, 22.0 percent of development outlay to the human resource sector (education, health and other related sectors), 25.3 percent to overall agricultural sector (agriculture, rural development and rural institutions, water resources and related others), 19.1 percent to power and energy sector, 22.3 percent to communication (roads, railway, bridges and others related to communication) sector and 11.4 percent to other sectors are allocated.

**The Budget Deficit**

The overall, budget deficit will be BDT 86 thousand 657 crore which is 5.0 percent of GDP, of which, BDT 30 thousand 134 crore (1.8 percent of GDP) will be financed from the external sources and BDT 56 thousand 523 crore (3.3 percent of GDP) from the domestic sources. Of the domestic financing,

The Daily Prothom Alo reported on June 5, CPD (Centre for Policy Dialogue) organized a media briefing and the think-tank doubted that the lion part of the target of the revenue earnings projected in the proposed national budget for 2015-16 fiscal may not be achieved. At the same program, The Daily Financial Express (FE) reported, *"The biggest challenge of the budget is financing . . . revenue target is highly ambitious and the budget lacks measures to boost private investment which is essentially needed to spur growth,"* said CPD's distinguished fellow economist Debapriya Bhattachariya.

Zahid Hussain, lead economist of the World Bank Dhaka office, said, *"It is really ambitious for Bangladesh to take its tax buoyancy to 2.2 per cent within a year."* The Financial Express reports on June 17, former caretaker government adviser Dr Mirza Azizul Islam was speaking at a discussion on the proposed budget for fiscal year (FY) 2015-16, which he thinks is quite impossible to execute unless an investment-friendly environment is created with improved infrastructure and good governance.

From the above excerpts the economists and think-tanks have two things in their views and comments on the national budget 2015. Few are cautious about whether the government would be able to arrange targeted finance and on the other hand, few think it would be very difficult to execute the planned expenses. In particular, it is found that, the stakeholders emphasized on two specific figures, targets of revenue collection and ADP (annual development plan) expenditure, from a gross level view.

This analysis has explored the budgeted and achieved figures by the government in recent years to find the gap between the two in financing and its implication (expenditure). Data used at this analysis are obtained from budget speeches available on the website of Ministry of Finance, Government of the People's Republic of Bangladesh.

BDT 38 thousand 523 crore (2.2 percent of GDP) will come from the banking system and BDT 18 thousand crore (1.0 percent of GDP) from savings certificate and other non-banking sources.

## Rationale for the Budget from GOB perspective

One of the necessary conditions for achieving high growth is to increase capital stock through gradual increase in investment. Over the last ten years, the total investment in terms of GDP has increased to 28.9 percent from 25.8 percent. During this period, although public investment rose to 6.9 percent from 5.5 percent, private investment is hovering around 21 to 22 percent of GDP. In this setting, government's objective is to increase total investment by boosting private investment to 24.0 percent of GDP in the medium term (2016-18). At the same time, government will scale up public investment to 7.8 percent of GDP.

Initiatives are taken to establish economic zones in prospective regions with a view to encouraging industrialization, generating employment opportunities, enhancing production and ensuring export promotion and diversification.

In order to remove the barrier of scarcity of land for large projects financed by FDI, approval has been accorded to the establishment of 30 public and private economic zones in different parts of the country. Among them, Sirajgonj, Mongla, Mirsarai, Anwara and Srihatta economic zones received approval in the first phase and their implementation is progressing fast. Implementation of another 25 economic zones approved later has commenced. It mentionable here that two economic zones have been earmarked for Japanese and Chinese investors. Government is actively considering keeping another such zone earmarked for India. Besides, six economic zones are going to be established in the private sector. In order to facilitate the establishment of economic zones, the government will take necessary steps to provide land, gas, electricity and communication infrastructure facilities.

Meanwhile, Private Economic Zone Policy, 2014 has been formulated. Revision of Economic Zone Act, 2010 and Economic Zone Rules, 2014 is underway. It is stated that as many as 100 economic zones will be established across the country in the next 15 years. That will increase export earnings by US\$40 billion and generate about one crore additional employments.

## Shortfalls Acknowledged

GDP growth during the 6th Five Year Plan period was less than expected because of the sluggish global economy, political impasse and violence and investment-deficit in private sector. Tax

## Findings

Reading different views and analyses on Budget 2015 from the stakeholders on the mainstream media, a curiosity popped up whether the budget of last year or that of previous year met their targets in terms of planned expenditure and revenue generation. In response to this question, it was observed that, since 2009-10, each year the primary budget has been followed by a revised budget (or supplementary budget) that reduced the targeted revenue and expenditure. Following is a table that shows the primary budget and the revised budget during the time in scope.

Table 1: Primary Budget vs. Revised Budget (Expenditure)

(In crore BDT)					
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Primary Budget	163,589	191,738	222,491	250,506	295,100
Revised Budget	161,213	189,326	216,222	239,668	N/A
Adjustment	-1.45%	-1.26%	-2.82%	-4.33%	

Table 2: Primary Budget vs. Revised Budget (Financing)

(In crore BDT)					
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Primary Budget	182,546	214,738	248,484	281,727	333,623
Revised Budget	190,328	217,826	246,204	271,382	N/A
Adjustment	4.26%	1.44%	-0.92%	-3.67%	

As a revised budget is observed almost every year, this discussion of budget comparison would be based on the figures of revised budget instead of the primary budget.

The above tables clarify that, in last five years, government has reduced the expenditure and the financing and also reduced the budget deficit. However, the discussion would take a deeper look at this point, by taking into account of the actual budget accomplished during these years.

Table 3: Revised vs. Actual Budget (Expenditure)

(In crore BDT)					
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revised Budget	161,213	189,326	216,222	239,668	N/A
Actual Budget	152,428	174,013	188,208	N/A	N/A
Difference	-5.45%	-8.09%	-12.96%		

modernization plan and public- private partnership initiatives were introduced but that could not gather expected momentum. On the other hand, although tax-GDP ratio improved, it fell short of the target. In spite of the implementation of a number of projects in the transport sector, complexities associated with land acquisition have delayed the implementation of a few projects. The export performance and market diversification remained lackluster.

## Contexts of the Budget 2015-16

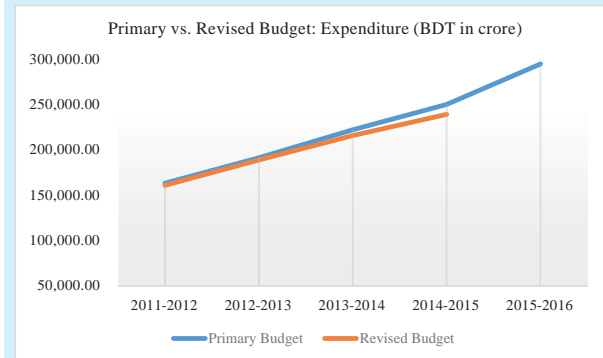
### Budget 2014-15 – Year that Passed

The first budget for FY 2014-15 was placed with the goal of unlocking the endless potentials of Bangladesh. GDP growth target for FY 2014-15 was set at 7.3 percent. Bangladesh Bureau of Statistics (BBS) has released the preliminary estimate of GDP for FY 2014-15 which stands at 6.51 percent.

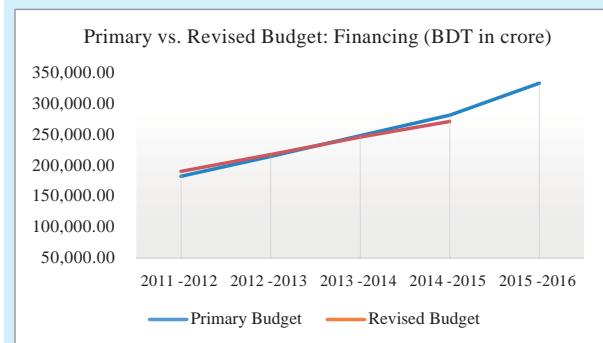
Expected export growth could not be achieved due to sluggish growth in the Euro zone, appreciation of Taka against Euro, and the ongoing process of improving working conditions as well as of protecting labour rights in the apparel industry. On the other hand, due to buoyant domestic demand, import growth has increased. In particular, import of capital machinery has substantially increased indicating acceleration of production capacity in the near term. Government believes that with prospects of positive growth in the trading partner countries and ongoing reforms in the garment industry, export will soon gather momentum. Remittance flows have registered 7.1 percent growth in the first ten months of the current fiscal year compared to the same period of the previous fiscal year. In recent months, the US dollar has become stronger against almost all of the leading currencies. On the other hand, BDT has remained stable against the US dollar. As a result, it has experienced slight appreciation against almost all these currencies.

Table 4: Revised vs. Actual Budget (Financing Side)

	(In crore BDT)				
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revised Budget	190,328	217,826	246,204	271,382	N/A
Actual Budget	179,620	201,476	206,385	N/A	N/A
Difference	-5.63%	-7.51%	-16.17%		



In comparison to actual budget accomplished, in most cases, it is observed, target set at the revised budget is not attained.



Thus the bottom line is, primary budget is reduced to a revised budget, usually by 2 to 2.5%. Again, there is a gap of 5% to 10% between the revised budget and actual achievement.

# MTB

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- Attractive rate of interest
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## NATIONAL NEWS

### BB governor becomes ACU chairman



Bangladesh Bank Governor Atiur Rahman took over the charge as the chairman of the Asian Clearing Union (ACU)

yesterday for the year 2015-216. He replaced ValiollahSeif, governor of the Central Bank of the Islamic Republic of Iran at the 44th ACU board meeting held at a city hotel recently. BB governor will hold the key position at the Asian Clearing Union for one-year term. The Asian Clearing Union, established in 1974 under the auspices of UNESCAP, began its operation in November 1975. Than Swe, governor Central Bank of Myanmar has also been elected for the year 2016-2017 at the meeting and the next governors' symposium will be held at the Myanmar as per board meeting decision. Currently, nine central banks – Bangladesh, Bhutan, Iran, India, Maldives, Nepal, Pakistan, Sri Lanka and Myanmar – are the members of the ACU.

### BB seeks tax exemption for banks, FIs, insurance



The central bank has advised the tax authorities to make the revenue earned from investment in the zero-coupon bonds by banks, financial institutions (FIs) and insurance companies tax-free. The BB governor Dr Atiur Rahman made the

suggestion in a recently-sent Demy Official (DO) letter to the National Board of Revenue (NBR) Chairman Nojibur Rahman. He requested the NBR chief to consider reintroduction of the tax exemption provision in the income tax ordinance. The government in 2007 had scrapped the provision that allowed the banks, FIs and insurers to enjoy the tax exemption facility on account of their earning from investments in the zero-coupon bonds.

### BB buys US\$20m directly from 2 commercial banks

The central bank has expedited purchase of the US dollar from the banks recently to help keep the inter-bank foreign exchange (forex) market stable, officials said. As part of the move, the Bangladesh

Bank (BB) bought US\$20 million directly from two commercial banks Tuesday to protect the interests of both exporters and migrant workers by keeping the exchange rate of Bangladesh Taka (BDT) against the greenback stable. On Monday last, the central bank similarly purchased \$55million from four commercial banks on the same ground.

### BFID to be renamed FID

The government has taken decision to change the name of Bank and Financial Institutions Division (BFID) aiming to ensure equal representation of all entities under the division, officials said. BFID under the ministry of finance (MoF) is to be renamed "Financial Institutions Division (FID)" which will come into effect immediately, they added. The decision came from an inter-ministerial meeting held last month with BFID Secretary Dr M Aslam Alam in the chair, according to meeting sources. The country's insurance association and different agencies were demanding to change the name of the existing division. BFID deals with the law and policy issues related to the banks, non-bank financial institutions, capital market, insurance sector and micro-credit sector.

### BB issues dispute management rules for card-based transactions

Bangladesh Bank has issued dispute management rules for inter-bank card-based transactions under National Payment Switch mentioning that they (banks) would have to settle the clients' claim by six months. The BB issued separate circular and guidelines to managing directors and chief executive officers of all banks asking them to apply to the central bank for settling the dispute if they failed to resolve the problem. The clients usually face harassment in ATM and PoS transactions when they fail to receive the amount in line with their requirement. Sometimes, the ATM machines do not provide the required cash although the fund is deducted from the clients' account with the banks. The BB guidelines said that the clients would have to submit applications before their account holders' banks within 60 days after having failed to get their required cash from the ATM or PoS terminal. The banks will have to resolve the dispute within a few days after submitting the clients' claim, it said. The banks, which acquire the debit or credit card of the clients, will have to submit the claim by maximum 25 days to the ATM or PoS terminal holder banks. After getting the claim, the ATM and PoS machine holder banks will have to resolve the claim by maximum 30 days.



## Banks asked to disburse loan to women from all branches



Bangladesh Bank (BB) Governor Dr Atiur Rahman asked the chief executives of all banks to take necessary steps to all of their branches across the country disburse loans to illegible women entrepreneurs. The governor was addressing the inauguration of SME banking seminar on "Credit Access for Women Entrepreneurs: Challenges and the Way Forward" at a hotel in Sylhet recently. The seminar was organised under the INSPiRED Project of the government, supported by the European Commission and Sylhet Chamber of Commerce and Industry (SCCI). Dr Rahman said that the economic development would not sustain without empowering women with involving them more in productive and income generating activities. He said the central bank, therefore, attached priority to lead the women to the main economic stream so they could use their innovation, entrepreneurship and dream to help the country achieve sustainable development. Ambassador and Head of delegation of the EU in Bangladesh Pierre Mayaudon chaired seminar. Around five hundred women entrepreneurs participated in the seminar and an exhibition of the produces by the women entrepreneurs, organised at the hotel on the sideline of the event.

## Bangladesh working towards credit upgrade: BB Governor



Bangladesh's central bank governor said the economy remained stable despite months of political unrest

and it was working towards a credit upgrade from Standard & Poor's. Talking to Reuters on the sidelines of an international conference on the economy, Atiur Rahman said the bank's proactive approach to promote economic stability during three months of turmoil helped Bangladesh to keep its stable credit outlook. "Despite more than three months long political unrest the outlook of country's economy is stable, and this has been confirmed by

Standard & Poor's," Atiur said. Standard & Poor's reaffirmed Bangladesh's BB-/B foreign and local currency sovereign credit ratings, saying the stable outlook balanced healthy growth prospects and an improving external profile against fiscal weaknesses and development needs. Atiur said S&P could upgrade Bangladesh's ratings if measures to expand the revenue base and boost collection efficiency materially improved fiscal performance. He added that the central bank measures to promote stability included financial inclusion, modernizing the payment system and improving transparency in the financial sector.

## Banks asked not to force female staff to stay at office after 6pm



The central bank asked the scheduled banks to improve working conditions for their female staff, ensuring that

they are not held back at the office after 6pm, and if, for any emergency, they are detained beyond the usual office hours they must be paid overtime allowance. The BB asked the banks not to force the female staff to stay after closing the daily work of the branches at 6pm under any circumstances, considering their security. The banks have to issue internal circular in this regard as soon as possible, according to the central bank directives. A BB official told that the central bank had taken the decisions at a quarterly meeting of the bankers held on April 30 at the BB headquarters in the capital. The BB sent the minutes of the bankers' meeting to managing directors and chief executive officers of all banks attaching the directives about the female staff to ensure their security and protect them against gender harassment, he said.

## Provide SME loans to transgender, disabled people: BB

Bangladesh Bank directed recently all the banks and financial institutions to provide SME loans to transgender community, disabled people, underprivileged female entrepreneurs and Rakhaine community members. The main objective of the step is to take the loan facility to the grassroots level by involving the underprivileged communities in SME loan activities. A Bangladesh Bank circular, issued by SME and Special Programme Department, said the directives would similarly be applicable to all kinds of facilities being provided under the Bangladesh Bank Fund, New Entrepreneur Fund and Islamic Re-financing Fund.



## আপনার ব্যাংকিং আপনার মোবাইলেই!

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নিজস্ব ব্যাংক একাউন্ট পরিচালনা করে নিজেই উপভোগ করুন  
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- নিজস্ব এবং বেনিফিশিয়ারি হিসাবে অর্থ স্থানান্তর
- চেক বই-এর আবেদন
- ক্রেডিট কার্ড-এর বিল প্রদান এবং লেনদেন-এর সংক্ষিপ্ত বিবরণী
- ইন্টারনেট-এর বিল প্রদান
- মোবাইল রিচার্জ
- পার্শ্ববর্তী এমটিবি শাখা এবং এটিএম-এর অবস্থান নির্দেশনা

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## NATIONAL NEWS

### Midland bank's financial assistance to PROTINA H M FOOD.



Midland Bank Limited provided financial assistance to PROTINA H M FOOD, an organization,

represented by a women entrepreneur, working for Diabetic and Functional Food Processing for better health, as a part of the Bank's commitment towards social wellbeing (CSR). Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank handed over a cheque to Ms. Masuda Islam, Proprietor of Protina H M Food at a simple ceremony held on 6th May 2015 at Bank's Head Office, Dhaka. Khodoker Nayeemul Kabir, Deputy Managing Director, Muhammad H. Kafi, Chief Information Officer and Mohammad Iqbal, Head of Emerging Credit and Special Program of Midland Bank also present on the occasion.

### ASA awarded by NBL & Western Union for outstanding performance in delivering remittance services



National Bank Ltd recently organized a Celebration Ceremony of outstanding performance by ASA on delivering Western Union Services in association with National Bank Ltd on May 06, 2015 at The Westin, Dhaka. Shamsul Huda Khan, Managing Director & CEO of National Bank Ltd and Md Shafiqul Haque Choudhury, President of ASA were present as the special guests of the ceremony. Among others, Md. Badiul Alam, Additional Managing Director and Syed Mohammad Bariqullah, Deputy Managing Director of National Bank Ltd and M Abdul Aziz, Senior Deputy President of ASA along with other Senior Officials of all the three organizations attended the ceremony.

### Jet Airways offers special discount for EBL card users



Jet Airways (JA) has recently offered special discount for Eastern Bank Limited (EBL) cardholders. In this connection, a

customer benefit agreement was signed between Eastern Bank and Jet Airways at a function in Dhaka, said a press release. EBL Head of Consumer Banking M Nazeem A. Choudhury and Country Manager of Jet Airways Rajkumar Bhattacharya signed the agreement on behalf of their respective organisations. Senior officials from both the organisations were present in the signing ceremony. Under the agreement, EBL cardholders will enjoy 10 per cent discount on Business and Economy class air fare to all destinations except Gulf and Middle-East of Jet Airways' global network.

### SCB signs MoU with Samsung Mobile



Standard Chartered Bank (SCB), the leading international bank in Bangladesh, signed a Memorandum of Understanding (MoU) with Samsung Mobile Bangladesh at the bank's head office in Dhaka recently. Under the MoU, Standard Chartered Bank VISA, MasterCard credit card holders will enjoy InstaBuys at zero percent interest for 12 EMI and get 10 percent cash back when they purchase Samsung Galaxy S6. Shafquat Hossain, Head of Retail Products and Segments, Standard Chartered Bank Limited, and Choon Soo Moon, Country Manager, Samsung India Pvt Ltd. – Bangladesh Branch Office, signed an agreement on behalf of their respective organisations. Mohammad Razimul Haque Razim, Sr. Manager, Alliances, and official of Standard Chartered Bank, and Young Woo Lee, General Manager, Hasan Mehdi Head, Mobile business and official of Samsung Mobile Bangladesh, were present at the signing ceremony held at Standard Chartered Bank Head Office.

## Signing of MoU between National Bank & Grand Sultan Tea Resort & Golf



National Bank Limited (NBL) signing of MoU with Grand Sultan Tea Resort & Golf, Srimongal recently. Under this arrangement, bank's Platinum & Gold Cardholders will enjoy special discounts on rooms and dining at the hotel. Md. Mahfuzur Rahman, Executive Vice President & Head of Card Division, National Bank Limited & Mr. Sayedul Islam Bhuiyan (Romel), Head of Sales & Marketing of Grand Sultan Tea Resort & Golf, exchange Memorandum of Understanding at NBL Card Division premises in Dhaka on May 12, 2015.

## 4,100 students receive DBBL awards



Dutch-Bangla Bank Ltd (DBBL) recently awarded scholarships to 4,100 more meritorious but poor students to help flourish their talents

breaking the barrier of poverty. With this 10th phase of the bank's scholarship, taken as part of its social cause programme, around 20,495 students are enjoying the DBBL scholarship at present. Finance Minister Abul Maal A Muhith as the chief guest handed over the scholarships to the students, who are studying at the graduation level in different universities and colleges after passing the HSC or equivalent examinations last year, at a ceremony held in the city.

## Awarding Ceremony of Mercantile Bank Abdul Jalil Education Scholarship -2013 in Chandpur



Mr. Md. Abdul Hannan, Chairman of 'Mercantile Bank Foundation' distributed Cheques and Certificates of "Mercantile Bank Abdul Jalil Education Scholarship-2013" as Chief Guest among the meritorious students in Chandpur District. Senior executives of the Bank and nominated and students with guardians were present on the program.

## Research grant and stipends from IFIC Bank Trust Fund for teachers-students of Dhaka University



Teachers and students of Dhaka University received research grants and stipends from IFIC Bank Trust Fund during a simple function at Nabab Nawab Ali Chowdhury Senate Hall of the varsity. Presided over by Vice Chancellor of Dhaka University Professor Dr. A A M S Arefin Siddiqui, the function was attended by Governor of Bangladesh Bank Dr. Atiur Rahman as the Chief Guest. Treasurer of Dhaka University and Chariman of the Board of Trustee of IFIC Bank Trust Fund Professor Dr. Mizanur Rahman, Managing Director & CEO of IFIC Bank Mr. Shah A Sarwar, deans of different faculties, chairmen of departments and other dignitaries also attended the program, which was conducted by acting-registrar of the university Mr. Syed Rezaur Rahman.

## MoU signed between Midland Bank Ltd and Fish & Co.



Midland Bank Limited (MDB) has recently signed a Memorandum of Understanding (MoU) with Fish & Co. restaurant, a sister concern of Orion Group. Md. Ridwanul Hoque, SVP & Head of Retail Distribution of Midland Bank Limited and Choudhury Khaled Masood, Manager, Supply Chain Management of Orion Group sign the MoU on behalf of their respective organizations. As a result of this MoU,

MDB Visa cardholders will get 10% discount on bill amount for every purchase from all outlets of Fish & Co. The restaurant has agreed to be the discount partner of Midland Bank first time amongst the local banks in the country.

## FSIBL Signs Corporate Health Care Agreement with Al-Helal Specialized Hospital Ltd.



On the presence of Mr. Quazi Osman Ali, Deputy Managing Director of First Security Islami Bank Limited; Mr. Azam Khan, Head of Marketing & Development of the bank is seen exchanging Corporate Health Care agreement for FSIBL Employees, Debit Card Holders & Relatives with Prof. Dr. Md. Abu Shamim, Director, Medical Services, Al-Helal Specialized Hospital Limited for medical services on 19 May, 2015. Among others, Mr. A.K.M. Abu Sagir Chowdhury, Head of General Services Division, Officers of Marketing & Development Division of First Security Islami Bank Limited, Mr. Md. Tarik Hossain, Business Consultant, Mr. Md. Shafiqul Islam Talukder, Business Development Manager of Al-Helal Specialized Hospital Limited were also present on the occasion.

## Bakhteyer & Nesar from MTB selected for DOCDEX Experts List



Md. Bakhteyer Hossain, Executive Vice President and A.T.M. Nesarul Hoque, Senior Assistant Vice

President of Mutual Trust Bank Ltd. (MTB) have been selected as members of the experts list of ICC DOCDEX Services. International Chamber of Commerce(ICC), The world business organization, headquartered in Paris, France has recently made a full revision of experts list for Documentary Credit Dispute Resolution Expertise (DOCDEX), an ICC service for alternative dispute resolution in

documentary instruments (e.g. Letter of Credit, International Bank Guarantee, Standby Letter of Credit, etc.) used in international trade. This may be mentioned that only two representatives from Bangladesh have been selected in such a highly professional forum and both of them are from MTB.

Bakhteyer is the first Certified Documentary Credit Specialist (DOCDEX) in this country and also a selected expert member on ICC DOCDEX since 2005. He contributed to two (2) DOCDEX cases as member expert, duly appointed by ICC. This time his expert membership has been re-validated in the said revised expert list. He is also the Head of International Trade Services and Financial Institutions Services of MTB. Nesar has completed CDCS and CITF in 2009 and 2011 respectively. He is a contributing Editor of "Trade Services Update (TSU)", a reputed online LC magazine and freelance writer extensively on matters pertaining to LC practice and the UCP rules in world authoritative magazine like LC Views, Trade Services Updates (TSU), DCInsight and Documentary Credit World (DCW).

## LOGO UNVEILING OF FIRST SECURITY ISLAMI BANK SHOBUJ UPOKUL-2015



Logo of First Security Islami Bank Shobuj Upokul-2015 is unveiled on 02 June, 2015. The main purpose of the event is to create awareness regarding Environment, Saving of Environment and Changes of calamity among the people of coastal areas. This program will be held at 19 districts of costal area. On the logo unveiling program Mr. Syed Waseque Md. Ali, Managing Director, First Security Islami Bank Limited, Dr. Mahfuzur Rahman, Chairman of ATN Bangla & ATN News, Mr. Ajoy Das Gupta, Associate Editor, Daily Samakal, Mr. Md. Mizanul Islam, FAVP, MIS Division & Green Banking Unit, First Security Islami Bank Limited were given speech. Among others, Divisional Head(s), Branch Managers of Dhaka City Corporation, First Security Islami Bank Limited, Advisors of ATN Bangla and other officials were also present on the logo unveiling program.

## MTB HOSTS SWIFT BANGLADESH COMMUNITY TRAINING 2015 AT MTB TRAINING INSTITUTE



MTB hosted a two day training program at MTB Training Institute (MTBTI) where Raj Kar, Consultant, SWIFT Consulting and Training Asia Pacific, was the trainer.

Anis A. Khan, Managing Director and CEO of MTB and Chairman of Swift Bangladesh User Group inaugurated the program.

Date : May 23-24, 2015

Venue : MTB Training Institute (MTBTI), Dhaka 1208

## PAYROLL BANKING SIGNING CEREMONY BETWEEN MUTUAL TRUST BANK LTD. & ANWAR GROUP OF INDUSTRIES



Anis A. Khan, Managing Director & CEO of Mutual Trust Bank Ltd is seen exchanging documents with Hossain Khaled, Managing Director, Anwar Group of Industries Ltd. after signing an agreement for payroll banking solution for the employees of Anwar Group of Industries Ltd. in the presence of the MTB Chairman Rashed Ahmed Chowdhury. Md. Hashem Chowdhury, MTB Additional Managing Director, Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, Md. Khirkil Nowaz, Head of MTB Retail Banking, Sultana Shikder Ahona, Head of Payroll Banking. Gopal Chandra Ghosh, FCA, FCMA, Group CFO and Tauhidul Islam, ACS, Company Secretary of Anwar Group of Industries and other senior officials of both the organizations are also seen in the photo.

Date : May 12, 2015

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

## MTB EXTENDS SUPPORT TO NEPAL EARTHQUAKE VICTIMS

Mutual Trust Bank Ltd. (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, recently handed over blankets and tarpaulins to Bangladesh Bank to help aid the Nepal Earthquake victims.

Deputy General Managers, Department of Banking Inspection, Bangladesh Bank, Md. Mofazzal Hossain and Md. Shakhwat Hossain received the relief materials from the Manager of MTB Rangpur Branch, Md. Ifthakhar Hasan at a simple ceremony held in Rangpur.

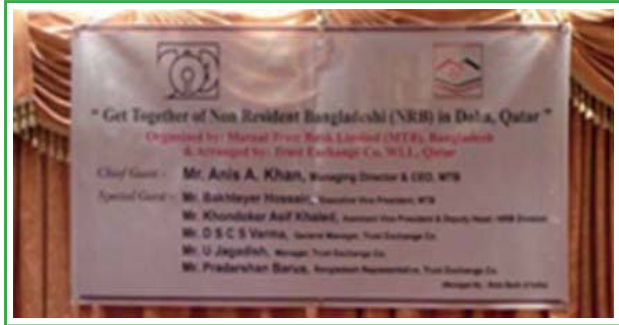
Deputy Directors and Assistant Directors of Bangladesh Bank, Rangpur Branch and senior official of MTB Rangpur Branch were also present at the program.



Date : May 07, 2015

Venue : Bangladesh Bank, Rangpur office, Rangpur 5400

## MD & CEO MEETS NRBs AT DOHA, QATAR



Date : May 03, 2015

Venue : Doha, Qatar

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



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

Additional Managing Director, MTB Mr. Md. Hashem Chowdhury inaugurated the workshop which was also attended by Senior Executive Vice President & Chief Anti Money Laundering Compliance Officer (CAMLCO), MTB, Mr. Swapan Kumar Biswas, and other senior officials.

Date : May 11, 2015

Venue : MTB Training Institute (MTBTI), Dhaka 1208

## Q1 MTB CHITTAGONG DIVISION BRANCHES BUSINESS REVIEW 2015



Date : May 08, 2015

Venue : Chittagong Boat Club, Chittagong 4204

## NATIONAL NEWS

### Sonali Bank MD's tenure extended by another year



The government has extended the tenure of Sonali Bank's Managing Director Pradip Kumar Dutta by one more year. It is the second time he has been given an extension. Recently Bangladesh Bank cleared his extension.

Sonali, the largest state-owned commercial bank, had often made headlines in the past after being hit by a multi-billion taka loan scam, cheque theft and a series of robberies. Earlier, the bank's board nodded Dutta's extension and wrote to the finance ministry to take necessary measures. The Bangladesh Bank sent a no-objection letter in response to the ministry's inquiry about if it had any reservation about the move. Dutta joined Sonali Bank as its MD for two years on June 17, 2012. His tenure was extended for another year in 2014.

### Shakir Amin Chowdhury New DMD of Dhaka Bank



Dhaka Bank Limited has recently promoted Mr. Md. Shakir Amin Chowdhury as Deputy Managing Director of the Bank. Mr. Shakir has been with the bank since last 16 years and worked in major branches in Dhaka and Sylhet as Head of Branch as well as in the

head office. Mr. Shakir has profound experience in corporate banking, credit Management, Foreign trade & branch operations. Prior to joining in Dhaka Bank, he was with Arab Bangladesh Bank and served 14 years. He also attended several seminars and training at home and abroad. Mr. Shakir is a Certified Corporate Banker and a Fellow of American Academy of Financial Management.

### Rashedul becomes ILFSL MD



Rashedul Haque has recently joined as managing director of International Leasing and Financial Services Limited. Prior to the appointment, he was working as deputy managing director of Reliance Finance Limited.

Rashedul started his career with ILFSL and also worked with Standard Chartered Bank, IIDFC and LankaBangla Finance. Rashedul is a business graduate from International Islamic University, Kuala Lumpur, Malaysia and an MBA in finance from IBA, University of Dhaka.

### NCC Bank gets two DMDs



Abu Zafore Md Saleh and Md Fazlur Rahman have recently been promoted to deputy managing directors of NCC Bank Ltd. Prior

to this; Saleh was serving NCC Bank as senior executive vice president and head of corporate & Business Banking Division. Mr. Saleh, a post graduate in Economics under the University of Dhaka, started his banking career in February, 1986 with Agrani Bank as probationary Officer. And, Fazlur Rahman was working in the same bank as senior executive vice president. He began his career with Pubali Bank and also worked with National Bank and Exim Bank in the last three decades. Rahman holds a master degree in economics.

### Mr. Abdul Aziz Promoted as Deputy Managing Director of FSIBL

Mr. Abdul Aziz has been promoted as Deputy Managing Director of First Security Islami Bank Ltd. Prior to promote as Deputy Managing Director he was serving as Senior Executive Vice President (SEVP) of the Bank. Mr. Abdul Aziz joined First Security Islami Bank Ltd. as Senior Assistant Vice President

(SAVP) in 1999. He started his Banking Career at National Bank Ltd. in 1983. He has got nearly 32 years of banking experience and developed a wide range of expertise in banking. Mr. Abdul Aziz served as Head of Human Resources Division, Head Office & Manager at Dilkusha Branch, Dhanmondi Branch of First Security Islami Bank Ltd. in his wide banking Career. Mr. Abdul Aziz attended various local and international banking related seminars & workshops in home and abroad.

### BHBFC gets 3 new GMs



Three new General Manager has recently joined Bangladesh House Building Finance Corporation (BHBFC) on 8 June 2015. They are Dr. Daulatunnahar Khanam, A. F. M. Zahirul Islam and Md. Amin Uddin. Dr. Nahar and Zahirul Islam. They had been working as



Deputy General Manager in the same organization. Md. Amin Uddin had been the Deputy General Manager of Central Accounts & Finance Management Department in Karmosangstan Bank head office. They got promotion as General Manager along with other 20 DGM's of different banks and financial institutions recently.

## A. K. Azad reelected as Chairman of Shahjalal Islami Bank



Mr. A. K. Azad has been unanimously reelected as Chairman of the Board of Directors of Shahjalal Islami Bank Limited in its 217th meeting of the Board of Directors held on 10th June 2015 at the Boardroom of the Bank. In the same meeting, Alhaj Mohammad Yunus and Alhaj Md. Abdul Berek reelected unanimously as the Vice Chairmen of the Board of Directors of the bank.

Reelected Chairman Mr. A. K. Azad is the Managing Director of Ha-Meem Group of industries, a renowned and largest industrial Group in the country. Mr. Azad also the Managing Director of Channel 24 and the Daily Samakal. Mr. A. K. Azad is involved in social and public welfare institute for a long time. One of the most important entrepreneur and successful businessman Mr. A. K. Azad was born in 1959 in a respectable Muslim Family in Faridpur.

## Engr. Mustafa Anwar has been elected chairman while Yousif Abdullah Al-Rajhi and Professor NRM Borhan Uddin were made vice chairmen of Islami Bank Bangladesh Limited.



Engr. Mustafa Anwar has been elected chairman while Yousif Abdullah Al-Rajhi and Professor NRM Borhan Uddin were made vice chairmen of Islami Bank Bangladesh Limited. The election was held in a meeting of

Board of Directors of the Bank on June 13, 2015. Local and foreign directors including Mohammad Abdul Mannan, Managing Director of the Bank were present in the meeting. Engr. Mustafa Anwar, one of the sponsors of the bank, is the Chairman &

Managing Director of Birds Group, a large business conglomerate in the RMG sector of Bangladesh. He was also the Chairman & Advisor of several standing committees of BGMEA. Mustafa Anwar completed his graduation in Civil Engineering from Bangladesh University of Engineering & Technology (BUET) in 1964 and started his career as an engineer of Bangladesh Water Development Board (BWDB). Yousif Abdullah Al-Rajhi is the General Manager-cum CEO of Al-Rajhi Company for Industry and Trade, KSA. He completed his graduation in Business Administration majoring in Economics & Political Science from King Saud University, KSA in 1986 and also obtained MA degree in Development Administration from Western Michigan University, USA in 1991. Professor NRM Borhan Uddin, Vice Chancellor of City University secured Ph.D. in Management from Stevens Institute of Technology, New Jersey, USA. Earlier, he taught and worked at several reputed universities including Livingstone College, USA at different rank and position. He is the Chairman of Audit Committee of the Bank.

## Alhaj Akkas Uddin Mollah re-elected as Chairman of Executive Committee (EC) of SJIBL and Alhaj Md. Sanaullah Shahid re-elected Vice-Chairman of EC



Alhaj Akkas Uddin Mollah has been unanimously re-elected as Chairman of Executive Committee (EC) and

Alhaj Md. Sanaullah Shahid was re-elected as Vice-Chairman of EC of Shahjalal Islami Bank Limited in the 217th Meeting of the Board of Directors held recently. Re-elected Chairman Alhaj Akkas Uddin Mollah is a renowned Industrialist and Businessman. He was born in a respectable Muslim family of Nababgonj under Dhaka District. After completing education, he started export business of readymade garments and established a number of Garments Industries.

Re-elected Vice-Chairman of EC Alhaj Md. Sanaullah Shahid was born in a noble Muslim family in Dhaka City in 1963. Mr. Shahid engaged in Electronics business after completion of his honours degree in Commerce. He is a Sponsor Shareholder and Director of Shahjalal Islami Bank Limited. Mr. Shahid is the Chairman of Electra International Ltd., a Sole Distributor of Samsung Brand Electronics Goods and Sponsor Shareholder of Shahjalal Islami Bank Securities Limited.

# NATIONAL NEWS

## ICT a boon for women's employment in BD: WB



**THE WORLD BANK**  
Working for a World  
Free of Poverty

Innovation and use of Information Communication Technology (ICT) can

play a catalytic role in promoting the country's economic development and help end poverty and boost prosperity, the World Bank (WB) said recently. Bangladesh has made strong strides in accelerating growth over the last decades. However, the country needs to grow around 8 per cent yearly to reach middle income status, it said in a report published recently. The WB, in partnership with Microsoft, organised a two-day 'Innovation for Impact' workshop to support local Non-Government Organizations (NGOs) in integrating ICT into their work, which in turn would help these NGOs create jobs, especially for women. A paradigm shift towards social enterprise can generate income, reduce donor dependency and make an organization self-sustainable. Many good examples already exist in Bangladesh; the report quoted Dr. Anannya Raihan, Chief Executive of DNet, and local partner of the workshop, as saying. The 'Innovation for Impact' workshop was designed for NGOs to better understand the market, explore free and low-cost IT resources, adopt ICT in monitoring and evaluation system, and use IT to facilitate job creation, skills development, and entrepreneurship.

## Pran Dairy farmers to get collateral-free loans



Pran Dairy's contract farmers will get collateral-free low interest loans from Karmasangsthan Bank, a move intended to help boost the dairy

sector and milk production. The farmers will be eligible for loans between BDT 1-5 lakh at an 11 percent interest rate. Once the farmers start earning from milk sales, Pran Dairy will collect the loans' repayment installments from the earnings and deposit those with Karmasangsthan Bank, a state-owned specialised bank. For example, a farmer borrowing BDT 1 lakh for two years will have to pay BDT 4,836 in monthly installments. The leading dairy processor and the bank signed an agreement in Dhaka. It is undoubtedly an innovative and praiseworthy initiative. Such a partnership will benefit the three parties involved,

as well as the national economy, Atiur Rahman, governor of Bangladesh Bank, said at the signing ceremony at Hotel Purbani. Karmasangsthan Bank will finance the dairy scheme out of a BDT 100 crore fund it borrowed from the central bank at 5 percent interest. The farmers can use the loans to buy cows, prepare sheds, buy cattle feed and carry out other farm-related development activities, said Uzma Chowdhury, director of corporate finance at Pran-RFL Group.

## First ever mango export to UK supermarket begins



As a mark of attaining a rare milestone, Bangladesh started exporting mangoes for the first time to United Kingdom's supermarkets creating a huge commercial prospect for growers to get higher prices of their best quality mangoes, reports BSS. First shipment of mango export in the current season will enter the Walmart Chain Shop in UK, which is the first export of Bangladesh's mangoes to mainstream international supermarket; this was revealed at the opening ceremony of the mango export in the Giasuddin Milky Conference room of Department of Agriculture Extension (DAE) here.

## Bangladesh ranked 99th in global Human Capital Index 2015



Bangladesh has been ranked 99th among 124 countries in the global Human Capital Index 2015 based on development and

deployment of human capital, which is higher compared to its neighboring country India, Nepal, Myanmar and Pakistan. Finland topped the ranking of the Human Capital Index in 2015, scoring 86% of its human capital, followed by Norway, Switzerland, Canada and Japan. Sweden, Denmark, the Netherlands, New Zealand and Belgium also seized the places in the top 10 list. Bangladesh scored 57.62 out of 100. The World Economic Forum (WEF) released the Human Capital Report 2015 in Geneva, Switzerland.



## Japan keen to establish economic zone in Matarbari

Japan has expressed interest to establish an economic zone at Matarbari in Moheshkhali seeing the future prospects of Japanese investment there. Besides, China has also sought 50-year land lease agreements and uninterrupted utility supplies to the economic zones they seek to establish in Bangladesh. Sources at the Bangladesh Economic Zones Authority (BEZA) said a Japanese delegation comprising JICA officials and Japanese investors expressed their interest to establish an economic zone in Matarbari during a meeting with the BEZA authority. The government has already taken initiatives to establish a 1,200 MW coal-fired power plant at Matarbari in Moheshkhali and signed agreements with Japan, Germany and Australia to implement the mega project.

## Canada to transfer tech in Bangladesh SME

Canada has agreed to transfer modern technology to the Small and Medium (SME) industries in Bangladesh. Canadian High Commissioner to Bangladesh Benoit Pierre Laramée told his country's decision to Industries Minister Amir Hossain Amu during a meeting at Industry Ministry. Amu after the meeting briefed the newsmen. Nearly 90 per cent factoring of Canada is under the SME sector and the high technology has injected value addition vastly to the SME sector, and the Bangladeshi entrepreneurs will be benefited for the transfer of Canadian technology, added the high commissioner. Describing the flexible investment policy taken by the government, Industries Minister said a congenial and business friendly environment is now prevailing in Bangladesh. He said the government will consider utmost if Canadian entrepreneurs are showed interest to invest in Bangladesh. SME Foundation Chair-person K M Habib Ullah, additional secretaries Sushen Chandra Das and Begum Afroza Khan were present during the meeting.

## FY16 export target set at \$33.56bn



Export Promotion Bureau (EPB) initially has set \$33.56bn as export target for the financial year 2015-16. In the outgoing fiscal year, the target was \$33.2bn. The primary decision was made at a meeting with the stakeholders recently. The meeting was attended by

representatives from Bangladesh Garment Manufacturers and Exporters Association,

Bangladesh Knitwear Manufacturers and Exporters Association, Bangladesh Textile Mills Association, jute goods and leather goods manufacturers and exporters. The EPB will send the export target proposal to the Ministry of Commerce. After a review, commerce minister will formally announce the target. The target will be finalised reviewing the export growth of the current fiscal year, he added.

## IDLC's full-fledged solution for women entrepreneurs



Bangladesh Bank Governor Atiur Rahman poses with board members and senior management of IDLC Finance at the launch of a new financial solution for women entrepreneurs at Radisson Hotel in Dhaka recently. BB Deputy Governor Md Abul Quasem, IDLC Chairman Anwarul Huq and IDLC CEO Selim RF Hussain were also present. IDLC Finance unveiled a new financial solution for women entrepreneurs that will not only meet their capital needs but also take care of non-financial support they need to start or grow a business. Called the IDLC Purnota, which means completeness, it offers special interest rates on loan and deposit products. It also offers an opportunity to network with fellow entrepreneurs, health insurance coverage, training, e-commerce platform, helpline, legal documentation support and special discount cards for shopping.

## Bangladesh economy ranked 44th globally



Bangladesh economy is ranked 44th globally as per the GDP based on current prices of 2015, Planning Minister AHM

Mustafa Kamal said, citing World Bank and IMF reports. After the ECNEC meeting, the planning minister at a press briefing also said Bangladesh's GDP size now stands at \$205.3 billion on the basis of current prices. Prime Minister Sheikh Hasina chaired the meeting held at NEC conference room. Although Bangladesh is at 44th place, it is still ahead of the countries like Vietnam, Kazakhstan, Portugal, Qatar, New Zealand and Peru as per GDP based on the current prices. However, as per GDP

based on purchasing power parity (PPP), Bangladesh has upgraded its position at 33 with a GDP size of \$ 572.4 billion ahead of Algeria, Vietnam, Iraq, Venezuela, Belgium and Switzerland.

## **BD earns \$28b from exports in 11 months**

Bangladesh is ending the 2014-15 financial year on a high in terms of export earnings. According to Export Promotion Bureau statistics released recently, the country earned \$28. 14 billion from exports in the first 11 months of the current fiscal that began July 1 last year. The figure is around 3 percent higher than export earnings of the same previous period but 6 percent lower than the target. Exports in terms of value grew by 4.5 percent in May year-on-year. EPB Vice Chairman Shubhashish Bose expects the earnings to grow in June, the last month of the FY. Economist Zaid Bakht said three percent growth in exports earnings despite the three month's political turmoil, fall of Euro and other negatives was 'positive'. According to EPB statistics, the year began amid a negative trend in exports with earnings falling by 1.37 percent in July year-on-year.

## **ECNEC approves eight projects worth BDT 1576.32 crore**

The executive committee of the National Economic Council recently approved eight development projects involving BDT 1576.32 crore, including one to develop some 1,557 km district roads under 10 zones to ensure safe road communication across the country. The approval came from the 30th ECNEC meeting of the current fiscal year held at the NEC conference room in the city's Sher-e-Bangla Nagar area with ECNEC chairperson and Prime Minister Sheikh Hasina in the chair. Briefing newsmen after the meeting, planning minister AHM Mustafa Kamal said, 'a total of eight projects were approved with a total outlay of BDT 1576.32 crore. Of the total project cost, BDT 1,560.82 crore will come from the government exchequer while BDT 15.50 crore from the organisation's own fund'. Of the eight projects, six are new while two are revised projects. The project aims to protect some 3.72 km right side embankment of the River Padma to protect the 'Kuthibari' as well as Shilaidah Union Parishad and the surrounding agricultural lands, many government and private properties and establishments.

## **Bangladesh's cabinet approves 4-nation motor vehicle agreement**

The Cabinet Division approved the draft motor vehicle agreement between four South Asian countries that would allow trans-border movement

of vehicles like in the European Union. The approval came a week ahead of a meeting between the transport ministers of four countries at the Bhutanese capital of Thimphu to ink the deal. As per the deal titled "Motor Vehicles Agreement for the Regulation of Passenger, Personal, and Cargo Vehicular Traffic with Bangladesh, Bhutan, India and Nepal (BBIN)", passenger, personal and cargo vehicles can run on designated routes in the four countries. Once implemented, the agreement would enhance cross-border trade and people-to-people contact in the four nations. Briefing reporters after the meeting, Cabinet Secretary M Musharraf Hossain Bhuiyan said an agreement and a protocol would have to be signed after signing of the framework agreement for the deal to come into effect. According to the agreement, which contains 17 articles, four forms and three annexure, valid travel documents would be required for such vehicular movement. Fees and charges would be determined by the destination country and collected at its entry points.

## **MoUs for e-GP payments signed**

The Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division (IMED) recently signed separate memorandum of understandings (MoUs) with Eastern Bank Ltd and NRB Commercial Bank Ltd to involve the banks in the electronic government procurement (e-GP) system to collect fees and securities for e-tendering. With the signing of new MoUs, the total number of banks involved in the e-GP system now stands at 37. Managing Director and CEO of NRBC Dewan Mujibur Rahman and Deputy Managing Director of EBL Hasan O Rashid and the DG of CPTU Md Faruque Hossain, signed the MoUs on behalf of their respective sides.

## **India's LIC gets clearance to operate in Bangladesh**

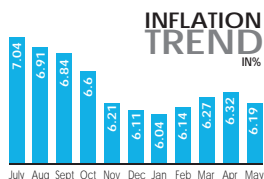


The Life Insurance Corporation of India (LIC) has been cleared by the regulators to do business in

Bangladesh. The move, according to insurers, will intensify the competition in the local market, but benefit clients. The Indian state-owned insurance giant will start operations as the joint venture entity LIC Bangladesh Ltd. Its paid up capital will be BDT 1 billion and LIC will hold half of it. The rest will be owned by their Bangladeshi partners, which will be raised from the capital market and local entrepreneurs. On May 31 this year, IDRA cleared the LIC proposal. LIC, the market leader in India,

has been in the insurance business for six decades and is worth over 15,000 billion Indian rupees.

## Inflation eases in May, helped by falling food prices



Inflation slowed to 6.19 percent in May, which is close to the government's annualised target for the fiscal year, due to a decline in food prices. The trend in prices reversed after accelerating to 6.32 percent, a six-month high, in April from 6.27 percent in the previous month. Food inflation stood at 6.23 percent last month, down from April's 6.48 percent. The low inflation in India as well as in the international markets and the stable exchange rate contributed to the fall. Non-food inflation however went up a bit: it was 6.14 percent in May from 6.08 percent in April. Non-food inflation goes up and down because luxury items are part of non-food items said Kaniz Fatema, secretary of the Statistics and Information Division. The government is very close to reaching its inflation target of 6.5 percent in the current fiscal year. Average annualised inflation stood at 6.42 percent by the end of May. Supported by lower fuel prices in the international market, supportive fiscal and monetary policies, satisfactory agricultural production and improved distribution system, food and non-food inflation will likely remain within the target by the end of the fiscal year, he said. The government has set the inflation target of 6.2 percent for the next fiscal year.

## IDLC Home Loan' campaign wins award



MEC, a media investment management company under the partnership between Group M & Asiatic 360, has recently been awarded as one of the top 40 world's best Integrated Campaigns for IDLC Finance's Home Loan Campaign by R3, a global consulting firm. This is the first ever recognition for nonbank financial institution- NBF from

Bangladesh in a global platform. To celebrate this occasion IDLC arranged a dinner party to honour Asiatic Three Sixty which includes MEC and Asiatic Talking point. In this occasion Asiatic Three sixty Chairman Aly Zaker, Executive Director (Brand Communication) Asiatic JWT Nevil Ferdouse Hasan, Executive Director (Creative) Asiatic JWT Irish Zaker, Executive Director Group M Morshed Alam, Associate Director (MEC) Tusnuva Ahmed and Head of Talking Point Taimur Ali were present among others. Intel, Adidas, Visa, Singtel, Tata, Samsung, Coca-cola and many other global renowned brands' campaigns are among the winners. Asiatic Talking Point, a renowned creative agency, contributed as a creative partner for IDLC's Home Loan Campaign.

## BPDB, Indian companies sign MoU for 4,600MW power



The government has signed a memorandum of understanding (MoU) with two Indian companies for generating 4,600 megawatt (MW) electricity for meeting the power requirement and ensuring the energy security of the country. Bangladesh Power Development Board (BPDB) has signed the MoU with Indian Reliance Power Limited and Adani Power Limited to generate 4,600MW electricity by setting up separate power plants at the country's suitable location. State Minister for Power, Energy and Mineral Resources Nasrul Hamid witnessed the MoU signing ceremony as the chief guest while chairman of parliamentary standing committee of the concerned ministry M Tazul Islam, Energy and Mineral Resources Division Secretary M Abubakar Siddique and Power Division Secretary Monowar Islam were present. According to the MoU, Reliance Power Limited, a sister concern of Reliance Group, India, would set up a 3,000MW re-gasified liquefied natural gas based combined cycle power plant at any suitable location in the country, while Adani Power Limited, a sister concern of Adani Group, India, will install a 1,600MW ultra super critical coal based power plant at Moheshkhali or any other suitable location in the country.

# INTERNATIONAL NEWS

## Deutsche Bank Surprise CEO Pick Brings Turnaround Record



Deutsche Bank AG is turning to a British takeover specialist who helped reshape two of the world's biggest banks as it seeks to end years of missed targets and

underperformance. John Cryan, a supervisory board member since 2013 who hasn't run any of the firm's operations, was named the next chief executive officer of Europe's largest bank by assets in a surprise announcement. He'll replace Deutsche Bank co-CEO Anshu Jain at the end of the month and become sole CEO when Juergen Fitschen steps down next May.

## Facebook earns 51pc of ad revenue overseas



Overseas markets bring in more advertising revenue than the United States for Facebook Inc, amounting to 51 percent of global ad sales in the first quarter, with growth in Asia the fastest in the world at 57 percent, company executives told

Reuters. While Facebook has reported regional growth in percentage terms, this is the first time it has detailed ad sales outside the United States and Canada as a percent of worldwide sales. Like the advertisers it courts, the world's largest social media platform looks at international markets for growth. The next 1 billion consumers are going to come from these countries, said Carolyn Everson, vice president, global marketing solutions at Facebook. Total advertising revenue for the quarter increased 46 percent to \$3.3 billion, the vast majority of Facebook's \$3.5 billion in quarterly revenue. Fifty-one percent of total ad revenue would be about \$1.7 billion for international markets. International advertising revenue rose 36 percent from a year earlier, Facebook said.

## BMW's New 7-Series Debuts Hand-Signal Technology to Regain Edge



To fully appreciate all the features in BMW AG's revamped 7-Series sedan, drivers will need to be good with their hands. BMW's

top-of-the-line model, which was shown to the public for the first time will be the first series production car capable of responding to hand

gestures such as waving to reject an incoming phone call. The high-margin model can also be controlled with a finger on a touchpad. The techie gimmicks, which are options in the 81,900-euro (\$92,600) luxury sedan, aim to counter increasing pressure from Daimler AG's Mercedes-Benz and Volkswagen AG's Audi, which have eroded the sales lead of the world's largest luxury-car brand in recent months. BMW, up until about a year ago, were the technology leader, said Stuart Pearson, a London-based analyst with Exane BNP Paribas.

## China Industrial Output Gains in Sign Economy May Stabilize

China's industrial production gained momentum in May while growth in retail sales kept pace with the previous month, showing signs of stabilization in the world's second-biggest economy. Industrial output rose 6.1 last month from a year earlier, the statistics bureau said recently, accelerating from 5.9 percent in April and beating the median estimate of 6.0 percent in a Bloomberg survey. Retail sales added 10.1 percent in May, while fixed-asset investment excluding rural households climbed 11.4 percent in the first five months. Stabilization in production, or a modest acceleration, shows that the Chinese economic performance won't be bad in the coming months, said Li Wei, China economist for Commonwealth Bank of Australia in Sydney. Both industrial production and consumer spending are likely to turn better in the second half of this year.

## Mulberry Says Bagmaker's Sales Have Improved Since November



Mulberry Group Plc said sales have improved since November as a new management

team tries to restore the fortunes of the struggling U.K. handbag maker. Total retail sales rose 17 percent in the 10 weeks through June 6, the Somerset; England-based Company said recently as it reported a 74 percent slump in full-year earnings. Mulberry raised expectations that the worst was behind it after saying in April that annual earnings were better than estimated. Chairman Godfrey Davis and a new management team have introduced bags priced between 500 pounds (\$775) and 1,000 pounds as the leather-goods maker seeks to win back customers who were put off by a move upmarket. Thierry Andretta became chief executive officer in April after a slew of profit warnings. Celine

accessories designer Johnny Coca will join as creative director next month. Pretax profit before exceptional items fell to 4.5 million pounds, Mulberry said.

## Kaisa Names CEO in First Executive Change Since Kwok Returns



Kaisa Group Holdings Ltd. appointed a new chief executive officer in the first major management change since the return of the Chinese developer's chairman. Zheng Yi, 34, who was an executive director, takes over immediately, the company said recently in a statement to the Hong Kong stock exchange. The developer has been without a CEO since Feb. 1 when Jin Zhigang stepped down, the third top manager to leave the company in two months. Kaisa, the first Chinese developer to default on U.S.-dollar bonds, has been reshuffling management as it tries to negotiate a restructuring of \$10.5 billion of debt. That was thrown into doubt when rival Sunac China Holdings Ltd. abandoned a proposed acquisition in May after failing to make progress with Kaisa bondholders over terms of a rescue after months of negotiations.

## Some Financial Heavyweights Just Invested in a Trading Platform Linked to Bitcoin



Symbiont, which plans to use bitcoin's underlying technology to make it quicker and cheaper to transfer assets between buyers and sellers, has won the backing of several financial industry heavyweights. The

company, according to a recent statement, has raised \$1.25 million from a group including former New York Stock Exchange chief Duncan Niederauer, former Citadel LLC executive Matt Andresen, and two co-founders of high-frequency trading firm Getco LLC, Dan Tierney and Stephen Schuler. Symbiont wants to sharply reduce the time it takes for most trades to settle, thereby reducing the need for a bank or investor to have its own money tied up in back-office operations. This use of blockchain, a ledger-like technology that underpins the digital currency called bitcoin, could give buyers and sellers almost instant confirmation their trades went through while also creating an indefinite and immutable record of the transaction.

## Barra Says GM Board Vetted, Passed on Marchionne Merger Call

General Motors Co.'s board viewed and vetted an



e-mail from Fiat Chrysler Automobiles NV's Sergio Marchionne offering to discuss a merger and decided to pass,

Chief Executive Officer Mary Barra said. For the past few years, we've been merging with ourselves," Barra said recently before GM's annual shareholders meeting in Detroit. "We have scale and we're leveraging that. We're focused on that and not the other. Marchionne, who has been publicly pressing for further auto-industry consolidation to increase investor returns, e-mailed GM in recent months, Barra said. GM's board and management have decided that their own plans for cost efficiencies and sales growth can generate more value than a merger, she said.

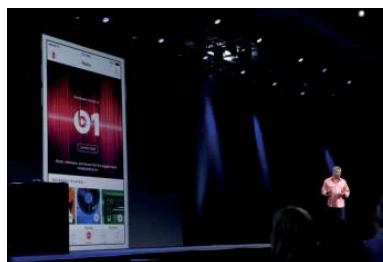
## Stifel Agrees to Buy Barclays's U.S. Wealth-Management Unit



Stifel Financial Corp., the Missouri-based investment bank known for snapping up regional rivals and Wall Street castoffs, agreed to buy Barclays Plc's

U.S. wealth-management business. Barclays had about 180 financial advisers in the U.S. managing \$56 billion in total client assets as of May 31, St. Louis-based Stifel said that didn't include terms. Barclays had bought the unit with other Lehman Brothers Holdings Inc. operations in 2008 and was faulted by regulators last year for inadequate internal controls there. Stifel Chief Executive Officer Ron Kruszewski has made more than two dozen acquisitions since taking the helm in 1997, boosting net revenue every year to build one of the largest U.S. securities firms based outside of New York. To complete the Barclays deal, he'll have to convince the financial advisers that they shouldn't leave for other firms, which generally offer bonuses for brokers who can bring their clients.

## Apple Music cautiously embraced by record industry



A decade ago, Apple Inc. helped revitalize a music industry hit hard by online piracy with its iTunes

Store. Now, amid a steady slump in digital downloads, the industry is hopeful that the tech giant's new streaming service will give record companies another desperately needed boost. Apple Music, unveiled recently and scheduled to launch at the end of the month, will offer subscribers access to a vast library of songs for \$10 a month, but has no free on-demand tier unlike industry leader Spotify and others. Officials in the recording industry are pleased to see Apple throwing its deep pockets and strong brand behind paid streaming, which generally provides more revenue for labels than the free services, which are supported by ads, said Cary Sherman, chairman and chief executive officer of the Recording Industry Association of America.

## Qualcomm names old-hand as new China chairman; former head joins Xiaomi



U.S. chipmaker Qualcomm Inc (QCOM.O) said it has appointed old-hand Frank Meng as its chairman for China, a market which

accounts for half of the company's overall revenues but where it has hit rough patches in recent times. Qualcomm also said Wang Xiang would leave his role as president of Greater China. Wang will head for Chinese smartphone maker Xiaomi Inc [XTC.UL], the Beijing-based five-year-old upstart, which was valued at \$45 billion in December, announced in a separate statement. Qualcomm's shakeup comes after a long stretch of turbulence in China, the world's biggest smartphone market. After a 14-month Chinese government investigation into anti-competitive practices, the company agreed to pay a fine of \$975 million, the largest in China's corporate history. That settlement also had Qualcomm lower its royalty rates on patents used in China. Meng's appointment is effective June 15, the company said recently. Meng has 30 years of experience in the telecommunications industry and was previously Qualcomm's president of Greater China from 2008 to 2010, it said. Before Meng's return, he was president of Chinese Internet data center provider 21Vianet Group Inc (VNET.O).

## Alibaba's Ma sees \$1 trillion in transactions in five years



Chinese e-commerce Company Alibaba Group Holding Ltd is aiming to more than double its transaction volumes

to more than \$1 trillion in five years, Executive Chairman Jack Ma told a conference in Chicago. Ma said the group would achieve \$1 trillion in "sales" in five years. A spokesman for the group said he was referring to "gross merchandise volume," a measure of the transactions across its various platforms, which came to roughly \$390 billion in the past fiscal year.

## Spotify raises \$115 million from TeliaSonera in share sale



Swedish telecom operator TeliaSonera is buying into music streamer Spotify for a slice of the fast growth and rapid innovation typical of online

companies, investing as competition heats up in Spotify's industry. TeliaSonera said recently that it would pay \$115 million for a batch of newly issued shares, valuing Spotify at \$8.2 billion, as it expands its partnership with the Stockholm-based business that provides free on-demand music or an advertisement-free service for paying customers. The deal for a 1.4 percent stake in Spotify comes just two days after Apple, the world's most valuable company, launched a music streaming service at a price similar to Spotify's, muscling into a market already teeming with competition. The Wall Street Journal reported TeliaSonera's investment was part of a larger round of funding by unlisted Spotify which had closed recently, raising a total of \$526 million. There was no immediate comment from Spotify. Apart from purely financial considerations, TeliaSonera Chief Executive Johan Dannelind said his company could learn from one of the world's most innovative companies. Dannelind said the investment was part of a strategy to solve what he called "the industry puzzle", seeking new ways to grow in the face of stalling growth for telecom operators in their core business.

## British Government Begins Sale of Remaining Royal Mail Stake



The British government said recently that it had begun the process of selling its remaining stake in the Royal Mail, which went public less than two

years ago. The Department for Business, Innovation and Skills will sell 150 million shares, or about a 15 percent stake, to institutional investors in a secondary offering that is expected to price.



# INTERNATIONAL NEWS

## Economic Outlook 2015

Global growth remains moderate, with uneven prospects across the main countries and regions. It is projected to be 3.5 percent in 2015, in line with forecasts in the January 2015 World Economic Outlook (WEO) Update by IMF. Relative to last year, the outlook for advanced economies is improving, while growth in emerging market and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries. A number of complex forces are shaping the outlook. These include medium- and long-term trends, global shocks, and many country or region-specific factors.

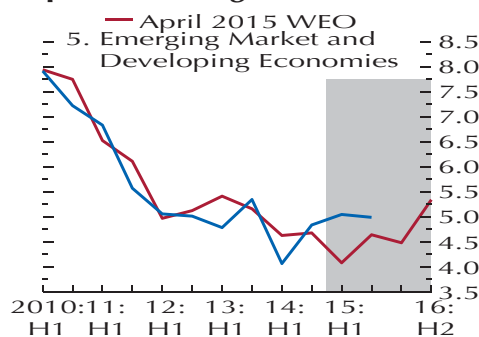
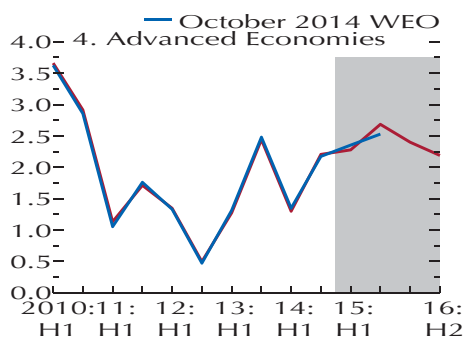
In emerging markets, negative growth surprises for the past four years have led to diminished expectations regarding medium-term growth prospects. In advanced economies, prospects for potential output are clouded by aging populations, weak investment, and lackluster total factor

The net effect of these forces can be seen in higher projected growth this year in advanced economies relative to 2014, but slower projected growth in emerging markets. Nevertheless, emerging markets and developing economies still account for more than 70 percent of global growth in 2015.

This growth outlook for emerging markets primarily reflects more subdued prospects for some large emerging market economies as well as weaker activity in some major oil exporters because of the sharp drop in oil prices. Growth in emerging markets is expected to pick up in 2016, driving an increase in global growth to 3.8 percent, mostly reflecting some waning of downward pressures on activity in countries and regions with weak growth in 2015, such as Russia, Brazil, and the rest of Latin America.

The distribution of risks to global growth is now more balanced relative to the October 2014 WEO, but still tilted to the downside. A greater lift to demand from oil prices is a significant upside risk.

**GDP Growth**  
(Annualized semiannual percent change)



productivity growth. Expectations of lower potential growth weaken investment. Several advanced economies and some emerging markets are still dealing with crisis legacies, including persistent negative output gaps and high private or public debt or both.

Inflation and inflation expectations in most advanced economies are below target and are in some cases still declining—a particular concern for countries with crisis legacies of high debt and low growth, and little or no room to ease monetary policy. Lower oil prices—which reflect to a significant extent supply factors—provide a boost to growth globally and in many oil importers but will weigh on activity in oil exporters. Exchange rates across major currencies have changed substantially in recent months, reflecting variations in country growth rates, monetary policies, and the lower price of oil.

The most salient downside risks identified in the October 2014 WEO remain relevant, however. Geopolitical tensions could intensify, affecting major economies. Disruptive asset price shifts in financial markets remain a concern. Term and other risk premiums in bond markets are still low in historical terms, and the context underlying this asset price configuration—very accommodative monetary policies in the major advanced economies—is expected to start changing in 2015. Triggers for turmoil include changing expectations about these elements as well as unexpected portfolio shifts more broadly. A further sharp dollar appreciation could trigger financial tensions elsewhere, particularly in emerging markets. Risks of stagnation and low inflation in advanced economies are still present, notwithstanding the recent upgrade to the near-term growth forecasts for some of these economies.

## INTERNATIONAL NEWS

### U.S. Overview

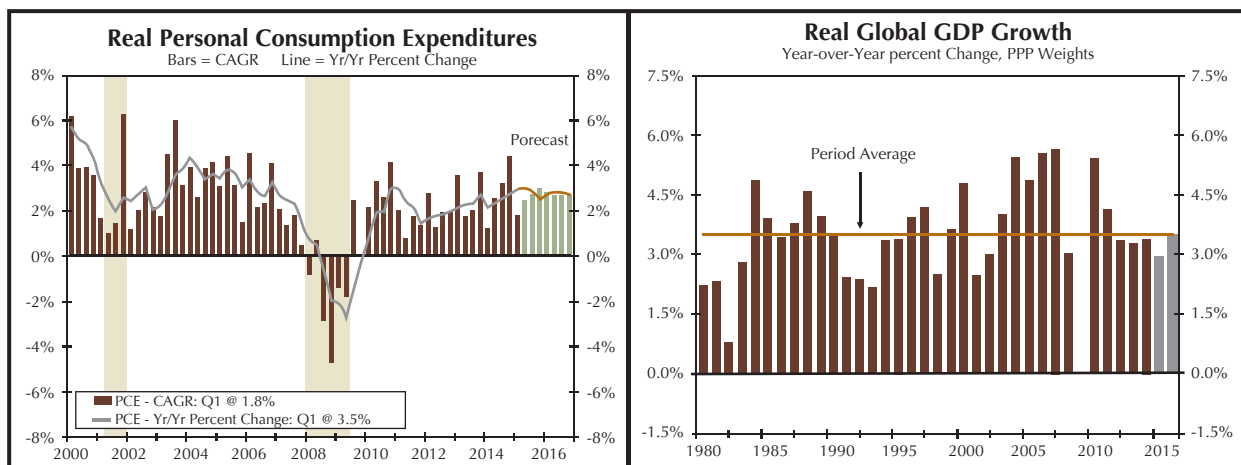
#### The Split-Level Economy

As expected, U.S. economic growth in the first half of this year is turning out to be below trend. However, in 2015, the behavior of the economy appears to be on two different levels. At the higher level, the domestic economy, led by consumer spending, (graph below) light vehicle sales and housing, has grown at a faster pace. At the lower level has been the pace of investment spending and the larger shortfall in net exports. Both of these latter results reflect the greater-than-anticipated effect of the dollar and lower energy prices. Meanwhile, inflation is following the expected path, with persistent low readings. For the consumer, the low inflation readings have translated into gains in real disposable income. However, inflation readings are not uniform, as prices for services have steadily grown, while commodity prices are well below year-ago levels. Slower economic growth and inflation have provided time for the Fed to delay any increase in the funds rate to September. Yet, long-term bonds have recorded higher yields despite continued policy easing as other market fundamentals have turned. Profit growth remains modest—certainly better than 2014—and more in line with the pace of 2013. However, rising unit labor costs and limited pricing power in many sectors will probably limit any gain. Note that the federal Bureau of Economic Analysis will issue a major revision of the seasonal adjustments and that quarterly GDP in prior years and going forward will change.

### International Overview

#### No Do-Overs for the Global Economy

Expectation about the themes and the drivers for the global economy remains unchanged, but the contraction in U.S. GDP growth in Q1 sets back the expectations somewhat for full-year 2015 growth. One of the problems in the U.S. economy has been weakness in business fixed investment spending, particularly spending related to mining and extraction or transport of crude oil. The same problem was a factor in Canada's negative print for Q1 GDP. While we are on the subject of bad news, Wells Fargo expects Chinese economic growth to keep grinding gradually lower, which has negative knock-on effects for economies tied to commodities and raw materials exports, particularly in Latin America. The Eurozone economy has been a trouble spot for the global economy in recent years, but thus far in 2015, it has been a relative bright spot. The weaker (on balance) euro helps the affordability of European exports for foreigners, and as a net oil importer, the lower crude prices are a net positive for the region. The U.K. economy has also shown some firming in recent weeks, as industrial production and retail sales figures have bested consensus expectations. Back in the United States, April and May data confirm our initial assessment that Q1 weakness was temporary. As U.S. growth improves, so do prospects for the global economy.



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

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