

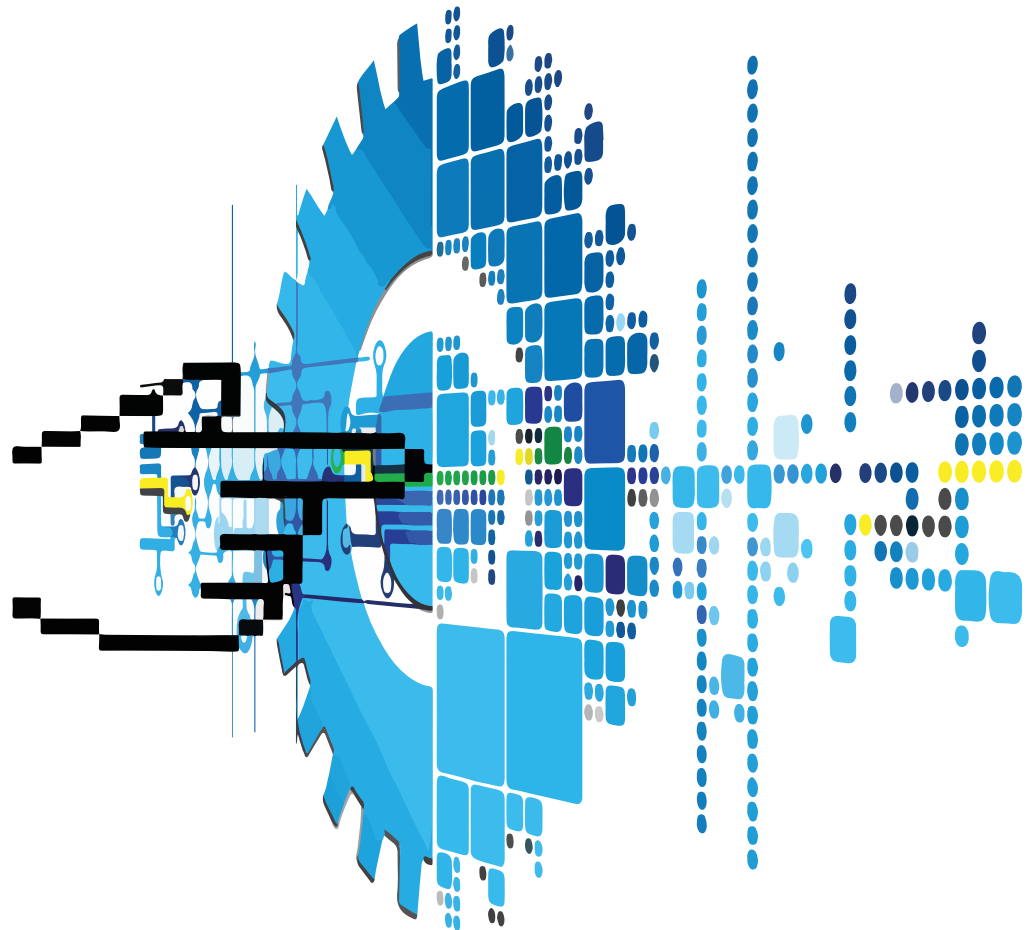
MTBiz

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Driving Digital during the COVID-19 Crisis: The Role of the CEO & CDO



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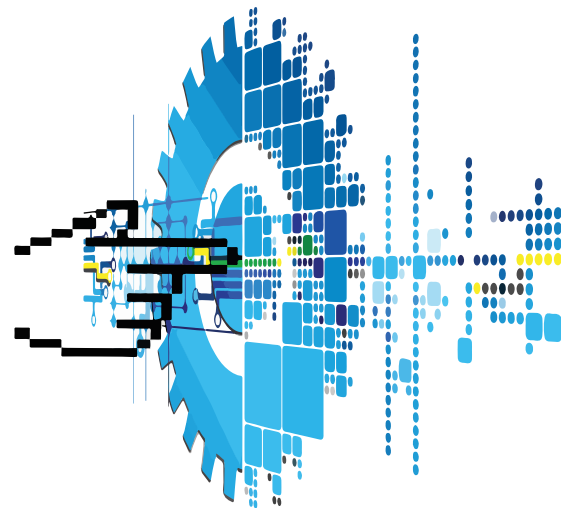


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Driving Digital during the COVID-19 Crisis: The Role of the CEO & CDO



With the COVID-19 crisis that has upset lives and has brought such uncertainty over the future, one thing has certainly become proven - we are living in a much more digital world than we have been practising. As we experienced in the last 3-4 months where Governments around the world have forced nationwide lockdowns, this has spiked the demand for digital needs for businesses and at the same time for both customers & employees stuck at home, considered to have record levels of hits.

Top survey companies show, how significantly online sales have increased across the globe, with new digital activities—from ordering groceries to telemedicine—becoming the ‘new normal’. At the same time, millions of employees are relying on remote collaboration tools and online processes to get work done from different geographical locations.

This new digital reality presents a unique challenge on leading a digital transformation for banks to meet the customers’ demand. It is critical to understand the propensity of the customer and help shape the business’ response to the crisis as expected by the customers. It is a true opportunity for banks to demonstrate resilience in a crisis by driving the digital changes for the different business verticals that need to survive.



Since the crisis began, relying on the experience of the CEOs of most of the banks in helping businesses navigate crises and driving digital transformations have been instrumental. With a view to further addressing the crisis, the CEOs along with the CDOs can lead their companies’ digital response across 3 dimensions:

- Resilient leadership;
- Re-designing the digital strategy and re-balancing the product road map; and
- Engaging with customers now and prepare for the next normal

Resilient Leadership

The coronavirus is a worldwide crisis that has created havoc on people’s lives and businesses. Amid the fear, confusion, and disruption, the CEOs have a leading role to play in supporting their people by reassuring them with empathy and clear action. The focus on connecting with people extends to the C-suite.

Given the cross-functional nature of digital transformations, the CEO needs to be in constant communication with key leaders to help them handle the crisis and prepare for the recovery. That could mean working with the other management members especially with the CFO and business leads to identify the digital initiatives that can help build up cash reserves, aligning with the CDO on technology priorities to support prioritized digital programs, working with the CHRO to determine talent needs given accelerated digital programs, and, of course, working with the COO & CDO to mobilize the organization around concepts such as digital elements of the operating model or digitally-driven business models.

Re-designing the Digital Strategy and Re-balancing the Product Road Map

To meet the shift in use of digital capabilities by employees and customers, CEOs along with CDOs need to focus both on short-term needs and on developing a clear perspective of the bank’s long-term digital future. Some of the recent research have made it clear that the best-performing banks have a digital strategy that is tightly aligned with the overall strategy of the business verticals. While the COVID-19 crisis has introduced significant uncertainty about what the future holds for a bank’s performance as a whole, CDOs can help to develop digital strategies along with the CEO & business/operational leads based on scenarios detailing customer behavior shifts, business-model opportunities, and their implications on omni-channel presence and platform choices. They can help



determine where potential sources of value might lie and determine which assets the business has—such as data, ecosystem collaborations, and platforms—and which business models to develop to help capture that value and meet customer demand that has been created by the ‘new normal’ scenario.

In parallel, the CDO should also work closely with all product leads as well as with the CMO and COO to shift product road map priorities so that resources are available to address the most pressing needs, such as the following:

- How to serve customers in a manner that safeguards their health, such as launching QR payments or building contactless product-delivery capabilities.
- How to digitize interactions that used to be handled in person, such as renewing debit cards or ensuring services.
- How to help transition of customers from offline to online channels, such as creating incentives and support infrastructure (for example, scaling up help desks).

- Identifying back-office tasks that can be digitized and automated to support employees working from home.
- How innovative solutions can be rapidly delivered as minimum viable products (MVPs) to meet immediate customer demands, such as apps for access banking needs, chatbots for automated queries, online account opening system for any banking need etc.
- How to work with regulators to help solve regular customer queries and issues. Banks have a natural role in bringing together relevant parties from different functions across the business to be prepared to act in the case of changes to regulations especially during COVID-19 through digital means as much as possible.
- What infrastructure needs to be in place to support the development of new digital channels and customer experiences, such as migrating particular capabilities to the local cloud or co-locations in case of capital expenditure is an issue, to enable rapid provisioning and seamless operational processes.

Besides, the CDO should work closely with teams to temporarily reallocate technology staff and use outsourcing options for temporary staff augmentation. In the case, where new people are needed, the CDO should work with the CHRO to create a plan for hiring people in the short term, including understanding how to find talent in previously unexplored geographies and use videoconferencing tools to conduct interviews remotely. Furthermore, given the paramount importance of talent, the CDO should develop a perspective on what sort of talent will be needed in the future when the recovery comes.

Engaging with customers now and prepare for the next normal

The bank needs to act as the voice of the customer and ensure that the customer is at the heart of all business decisions and processes. In the current environment, this means developing a clear view of how customer habits and behaviors are changing, which of them are likely to stick, and what the implications are for the business. This customer perspective should be communicated to both the C-suite and the entire organization on regular basis.

Since customer propensity is in the midst of a massive shift, what is crucial is putting in place, practices that allow a continuous re-evaluation of customers’ priorities through test-and-learn exercises, close monitoring, and data analysis.

A caring organization will also engage with customers for FGDs (Focus Group Discussions) beyond the usual way of communicating.

The bank should emphasize design-thinking principles in all employees, which is centered around building empathy with customers, to understand their motivations and expectations. Business Leads who are



reaching out to customers for one-on-one conversations, leading customer interviews, and compiling surveys to better understand the challenges that customers face, have practised the best designed products that actually meet the customers' expectations very closely. As banks come up with new offers, channels, and ways of communications during this crisis, which have been necessitated by the situation created due to COVID-19, the bank needs to have in place a sensitive tracking and analysis capability to understand what is working and what is not.

To institutionalize this capability, banks should consider creating a dedicated squad whose sole responsibility will be to develop a deep understanding of customers. Surveys, conversations, and detailed data analysis on channel behavior—in social media, online ads, and search engines— using updated algorithms that do not rely on outdated pattern recognition need to be part of a customer understanding.

Perhaps the most important task will be to ensure that a culture of experimentation is always practised and maintained. The best learning comes from doing and trying something new, inevitably results in failures. If people are afraid of being punished for failing, they will not experiment. This nervousness about failing is likely to be exacerbated during this time of uncertainty, so the CEO & Senior Members need to play a strong role in celebrating learnings based on failures, pointing out his/her own failures and learnings from them, and protecting people who are willing to experiment. Leading an organization in a time of crisis is one of the greatest challenges a CEO can face. But by demonstrating resilient leadership and a clear view of how to use digital banking to navigate the crisis, the CDO comes as a helping hand with the guidance of CEO to help the business, not just to do the usual but to practise innovations and be ready for the next normal.

Shyamol Boran Das
SEVP & Chief Digital Officer (CDO)
Mutual Trust Bank Limited (MTB)

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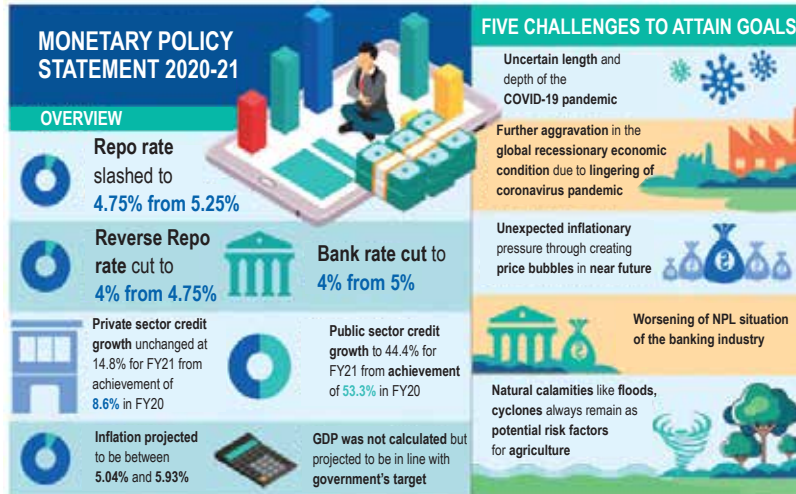
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THE CENTRAL BANK

BB goes all out to inject cheaper money into economy



The Bangladesh Bank (BB) recently announced an expansionary monetary policy for the fiscal year 2020-21 that aims at pumping cheaper money into the economy for the post-pandemic recovery. As part of that objective, the central bank went for a 50 basis-point cut in its overnight repo rate to make cheaper money available to the banks for lending. At the same time, it has cut the reverse repo rate by 75 basis points so that it can also take money from banks at a lower rate and thereby influence the market in a downward direction.

Highlights:

- BB monetary policy and policy stance remain expansionary for FY21 with all growth support without hampering inflation target of 5.4%
- BB proposes to cut in overnight Repo rate from 5.25 percent to 4.75 percent to make funds available to banks at cheap price
- Reverse Repo rate cut from 4.75 percent to 4 percent
- Bank Rate unchanged for 17 years reduced from 5 percent to 4 percent
- Monetary policy faces risk factors in terms of COVID-19, price volatility, global economic downturns, floods and cyclones
- Projected output growth is found to be on target if Covid situation improves and global and domestic economy recovers
- Significant inflationary pressure not expected. FY21 inflation range to be 5.04 percent to 5.93 percent.
- Deficit in current account balance is expected to slightly deteriorate
- Admits that remittance might not be sustainable
- If NPL cannot be reduced it would have long-term bad impact
- Taka remains slightly overvalued
- Expects stocks to rebound in view of supportive monetary policy
- Money velocity may fall further in FY21 for COVID-19
- Public sector credit to expand by 44.4 percent and private credit by 14.8 percent

The central bank has used its available monetary policy instruments – such as: cash reserve ratio (CRR), repo facility (interest rate and tenor), refinancing facility, and other monetary condition easing initiatives to inject necessary liquidity into the market. This includes the recent formation of a credit guarantee scheme to support cottage, micro and small enterprises that lack adequate assets to pledge for bank loans. All these policy measures are taken to help generate employment opportunities in the agriculture, industry and services sectors so that pandemic-related economic losses are rapidly recovered.

<https://tbsnews.net/economy/banking/bangladesh-bank-slashes-policy-rates-support-banks-113122>

THE CENTRAL BANK

Record USD 922m remittance inflow in first ten days of September



Inward remittance has registered a big jump in the first 10 days of September, as the country received USD 922 million through the banking channel during the time. The figure was 72.65% higher than USD 534 million during the same time in September last year, according to data from Central Bank. During the first two months of the current fiscal year, USD 4.56 billion in remittance arrived, which was 50% higher than the figure in the same period of the fiscal year 2019-20. In the last fiscal year, the country received USD 18.20 billion. Riding on remittances, the country's foreign exchange reserve has recently increased to USD 39 billion. Recently Fitch Ratings Inc, a US-based credit rating agency, forecasted that the annual remittance inflow for five Asian countries-Bangladesh, India, Pakistan, Sri Lanka and the Philippines may drop by 12% on an average due to the COVID-19 pandemic. Earlier, World Bank and Asian Development Bank projected a 20% fall. According to data from BB, during the January-August period this year, the country received USD 13.36 billion in remittance, while the total receipt in 2019 was USD 18.35 billion.

<https://tbsnews.net/economy/record-922m-remittance-inflow-first-ten-days-september-132424>

BB introduces payment webinar services in banking channels

BB has introduced Authorised Dealers (ADs) payment of fees for webinar solution services for conducting virtual meetings on basis of invoice documents as different public and corporate offices have become dependent on the virtual meetings to avoid the spread of coronavirus. The BB has issued a notification and sent it to head offices and ADs of all scheduled banks operating in Bangladesh adding that due to ongoing pandemic situation, many students are using online facility to complete courses of universities outside the country. The central bank has given this opportunity to pay their course fees legally. The notification also mentioned that a student can send money for maximum of two semesters. The central bank's Foreign Exchange Policy Department (FEPD) issued circular in this regard. The central bank instructed to execute the contents of the circular immediately which will be effective till March 31, 2021.

<https://www.daily-sun.com/post/501317/BB-introduces-payment-webinar-services-in-banking-channels>

Sanchayapatra customers to get tax certificates online



The Bangladesh Bank has developed a software to automate the sending of sanchayapatras (savings instrument) customers' tax certificates to their email addresses. At the time of filing the income tax return, a sanchayapatra customer will no longer have to go to the bank or the national savings directorate in person to get his tax certificate. The tax certificate will be sent to the e-mail address used in the customer form at the time of purchasing the sanchayapatra. To this end, the Information Systems Development and Support Department of the Bangladesh Bank has developed a software named BB Sanchayapatra Portal. The Financial Institutions Division (FID) has instructed the Bangladesh Bank to issue tax certificates online to alleviate the suffering of sanchayapatra buyers. The central bank developed this software in response to that. The central bank letter stated that the data on sanchayapatras sold until March 13 last year are stored in the Bangladesh Bank software. It will be possible to email the tax certificates of owners of sanchayapatras sold until that day, it added.

<https://tbsnews.net/bangladesh/sanchayapatra-customers-get-tax-certificates-online-130771>

BB to introduce deposit scheme in local banks for expatriates

The central bank is going to introduce a facility under which Bangladeshi expatriates will be able to open deposit accounts in any banks in Bangladesh. The deposit scheme will be in the form of savings for a period of one year or above with monthly or quarterly deposit options. Foreign currency will be converted into taka in the accounts. The initiative would help create a safety net for Non-Resident Bangladeshis (NRBs). Banks will be asked to provide competitive interest or profit on the deposits. Besides, the central bank will ask all the banks to encourage the expatriates with incentives. Non-Resident Bangladeshis (NRBs) will be able to open the accounts without any instalment for the persons proceeding abroad for employment. Banks will be allowed to give loans in taka to non-resident account-holders for meeting their personal requirements against the security of the deposit accounts following usual lending norms. On maturity, authorized dealers (branches of the banks concerned which deal with foreign currency) will pay the deposited money with interest to the beneficiaries or nominees of the accounts.

<https://tbsnews.net/economy/banking/bangladesh-bank-introduce-deposit-scheme-local-banks-expatriates-117229>

THE CENTRAL BANK

BB forms BDT 2,000 crore Credit Guarantee Scheme (CGS) for small businesses



The Bangladesh Bank has approved formation of a BDT 2,000 crore credit guarantee scheme to support cottage, micro and small enterprises that lack adequate assets to pledge for bank loans. The BB Governor, Fazle Kabir presided over the meeting where the Board of the bank approved the Credit Guarantee Scheme (CGS) Manual that allows launching the scheme. This scheme will be adequate to issue guarantee against working capital loans amounting to BDT 8,320 crore, according to the Central Bank Executive Director and Spokesperson, Md. Serajul Islam. However, banks with more than 10 percent or above Non-Performing Loans (NPLs) will not be considered for the scheme. Those with less than 10 percent NPLs will be eligible to avail the guarantee from the Central Bank against the loans. However, there will be no condition for state-owned banks to avail the guarantee facility.

<https://tbsnews.net/economy/banking/bangladesh-bank-forms-tk2000cr-credit-guarantee-scheme-small-businesses-110737>

Banks asked to reinforce agri loan release in Chittagong Hill Tracts (CHT)



The BB asked the country's scheduled banks to facilitate the Tk 10-bank account opening by farmers in Rangamati, Khagrachhari and Bandarban with a view to strengthening loan disbursement among the farmers in the Chittagong Hill Tracts districts from the stimulus packages. A Central Bank circular issued in this regard said that strengthening farm loan disbursement among the farmers including the jhum cultivators under the stimulus package had become vital for the economic development of people in the Chittagong Hill Tracts. The BB asked the banks to take measures so that the jhum farmers get loans at the rate of 4 percent interest for the cultivation of ginger, turmeric, chilli, pepper and bay leaves. Along with the regular farm loan programmes, the government has launched a special stimulus loan package worth BDT 5,000 crore for the farmers after the outbreak of coronavirus in the country.

<https://www.newagebd.net/article/112421/banks-asked-to-reinforce-agri-loan-release-in-cht>

NRBs and foreigners allowed to invest in open-end mutual funds



BB has allowed Non-Resident Bangladeshis (NRBs) and foreigners to invest in open-end Mutual Funds (MFs) from the balances in their non-resident taka accounts. The central bank has made the decision in a bid to widen investment scope for NRBs and foreign investors subject to a number of conditions. A Central Bank circular issued in this regard said, "The balances held in Non-Resident Investor's Taka Accounts (NITA) can be used to purchase units of open-end Mutual Funds (MFs) as Over The Counter (OTC) products." The investments would be allowed only in the open-end MFs which would be operated under the authorization of the Bangladesh Securities and Exchange Commission (BSEC). According to the circular, the asset managers of the MFs have to contact the Central Bank's Foreign Exchange Investment Department within 14 days of issuing units of the mutual funds. The central bank has allowed the authorised dealers of banks to credit the NITAs with the dividend income from the MFs after deduction and payment of applicable taxes.

<https://tbsnews.net/economy/banking/nrbs-foreigners-allowed-invest-open-end-mutual-funds-122200>

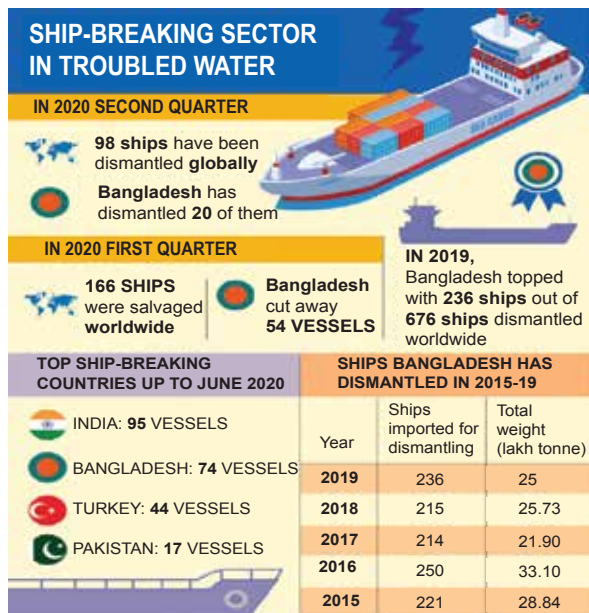
Forex reserves cross \$39bn mark for the first time

The country's foreign exchange reserves exceeded the USD 39-billion mark for the first time on September 01, 2020 as the inflow of remittance remained upward in the first two months of the fiscal year along with gradual improvement in export earnings. The inflow of remittance posted a 35.93 percent growth Year-on-Year in August 2020. Remittance inflow reached USD 1.96 billion in August while the figure was USD 1.44 billion in the same month last year. In July-August of the current fiscal year 2020-2021, the inflow of remittance increased by 50 percent to USD 4.56 billion against USD 3.04 billion in the same period last year. In FY20, the inflow of remittance reached record USD 18.21 billion. With the increased remittance inflow, the country's foreign exchange reserve reached USD 39.04 billion on September 01 after hitting the USD 38-billion mark on August 18. The country's foreign exchange reserve has soared by USD 6 billion since June this year. The country's reserve reached the USD 34-billion, USD 35-billion and USD 36-billion marks in June and stood at USD 37-billion mark on July 27.

<https://tbsnews.net/economy/forex-reserves-cross-37bn-first-time-112801>
<https://tbsnews.net/economy/banking/forex-reserves-cross-38b-mark-first-time-121261>

BUSINESS & ECONOMY

Ship-breaking sector feels the chill



Uncertainty in business has been set in motion for the ship dismantling sector based in the port city Chattogram owing to the coronavirus pandemic and additional import duty on rundown ships. Only 74 ships were imported in the first six months of this year, a record low in the last six years, while ship-breaking yards at Sitakunda upazila in Chattogram cut away more than 200 ships on an average per year. In the first six months of 2019, around 150 ships were brought to Sitakunda for scrapping. Bangladesh topped in dismantling old ships last year, but lost the position to India in the first three months of 2020. Mohammad Zahirul Islam, Managing Director of PHP Ship Breaking and Recycling Industry Ltd, says that imposing 5 percent Advance Tax (AT) and raising Value Added Tax (VAT) to BDT 1,000 from BDT 300 on scrap sale in the 2019-20 fiscal year budget has brought the slump to the sector.

<https://tbsnews.net/economy/industry/ship-breaking-sector-feels-chill-107899>

Digital loan: Bangladesh enters a new era

The COVID-19 pandemic has ironically brought about a revolution in digital banking as banks are quickly adopting technology-based products, thereby allowing customers to access banking services remotely. Digital loan is one such product that will give customers a first-time experience in the country of processing loans through their bKash app, reflecting how technology has been taking over the banking industry. City Bank has launched "Digital Loan" product on a pilot basis, collaborating with bKash, the largest Mobile Financial Services (MFS) provider in the country. It is a collateral-free digital loan product, whereby users can

request and receive loans of up to BDT 10,000 instantly through bKash. City Bank has launched this pilot initiative with the approval of Bangladesh Bank and aims to expand the access to finance to an unbanked population and, thereby contributing to the country's journey of financial inclusion. Ant Group, the world's leading financial services technology provider, will provide its management technology to support the process of credit assessment on potential borrowers for this project. Ant Group is a related company of Alibaba Group.


<https://tbsnews.net/economy/technology-takes-over-banking-industry-109753>

Bangladesh's denim overtakes Mexico, China in the US


Bangladesh outperformed Mexico and China to become the largest denim exporter to the United States in the first half of this year though export proceeds dropped from a year-ago period owing to the COVID-19 pandemic. Mexico and China have lost more than half of their exports to the US market during the period, which helped Bangladesh reach the first place. It is expected that Bangladesh will keep its top position in the US as the two major suppliers have been facing some challenges. Bangladesh has been the prime denim exporter to European Union markets for the last few years. According to the data from Commerce Department's Office of Textiles and Apparel (OTEXA) in the United States, Bangladesh's denim exports to the US market fell by 23.03 percent to USD 190.14 million in the first half of 2020 – from USD 247.82 million in the corresponding period of 2019. The US total imports of denim items have also fallen by 37.82 percent to USD 1,083 million during the first six months of this year from USD 1,741.82 million in the same period last year.

<https://tbsnews.net/economy/rmg/bangladeshs-denim-overtakes-mexico-china-us-118252>


DIGITAL LOAN THROUGH bKash APP




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The amount will be instantly disbursed in **bKash account**



Loan can be **repaid in 3 EMIs** automatically deducted from **bKash account on fixed due date**



One can initially get a **loan of up to BDT 10,000** through the app



BUSINESS & ECONOMY

Vietnam overtakes Bangladesh in RMG export

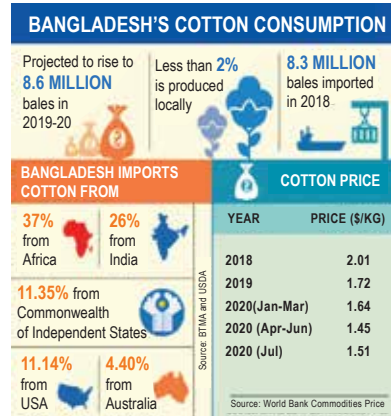


Vietnam has overtaken Bangladesh to become the second-largest apparel exporter in the fiscal year 2019-2020.

During this period, the South-east Asian country fetched USD 2.11 billion more than that of Bangladesh. However, in the last calendar year, Bangladesh was marginally ahead of Vietnam in the overall apparel and textile export. Between January and December last year, Bangladesh's apparels earned USD 1.17 billion more than that of Vietnam, enabling Bangladesh to retain its second position. During this period, between July 2019 and June 2020, Vietnamese apparels earned USD 30.94 billion, whereas Bangladesh ranked in USD 28.82 billion, according to the General Statistics Office of Vietnam and the Export Promotion Bureau (EPB). Bangladesh's earnings from apparel exports have decreased by 18.12 percent from the previous year, whereas Vietnam's export income fell by 3.09 percent year-on-year. Vietnam and the European Union (EU) signed the Free Trade Agreement (FTA) in June last year and it will come into effect from the summer of 2020 as soon as Vietnam ratifies the pact.

<https://tbsnews.net/economy/record-922m-remittance-inflow-first-ten-days-september-132424>

India wants to export surplus cotton to Bangladesh



India has planned to export 1.5-2 million bales of surplus cotton to Bangladesh to clear their stock before harvesting of the new crop which begins in October, a move industry people fear may dump low-quality fibre

to Bangladesh. Sources said the Indian government intends to export it on the government-to-government (G2G) basis, instead of the business-to-business (B2B), an unprecedented approach in this regard that may go against the interest of Bangladeshi textile industries. Usually, Bangladesh imports cotton from different countries on the B2B contract to ensure quality of the fibre. Textile leaders said the world's biggest cotton buyer, China, has already stopped import of the item from India due to political tensions over the border issue. Besides, India's domestic consumption has fallen by about 20 percent due to the COVID-19 pandemic, according to Bloomberg. Furthermore, the country has additionally cultivated cotton in about 0.5 million acres of land compared to the total last year, according to the Indian Ministry of Agriculture & Farmers' Welfare.

<https://tbsnews.net/economy/trade/india-wants-export-surplus-cotton-bangladesh-121849>

Bangladesh to get its first blockchain remittance service

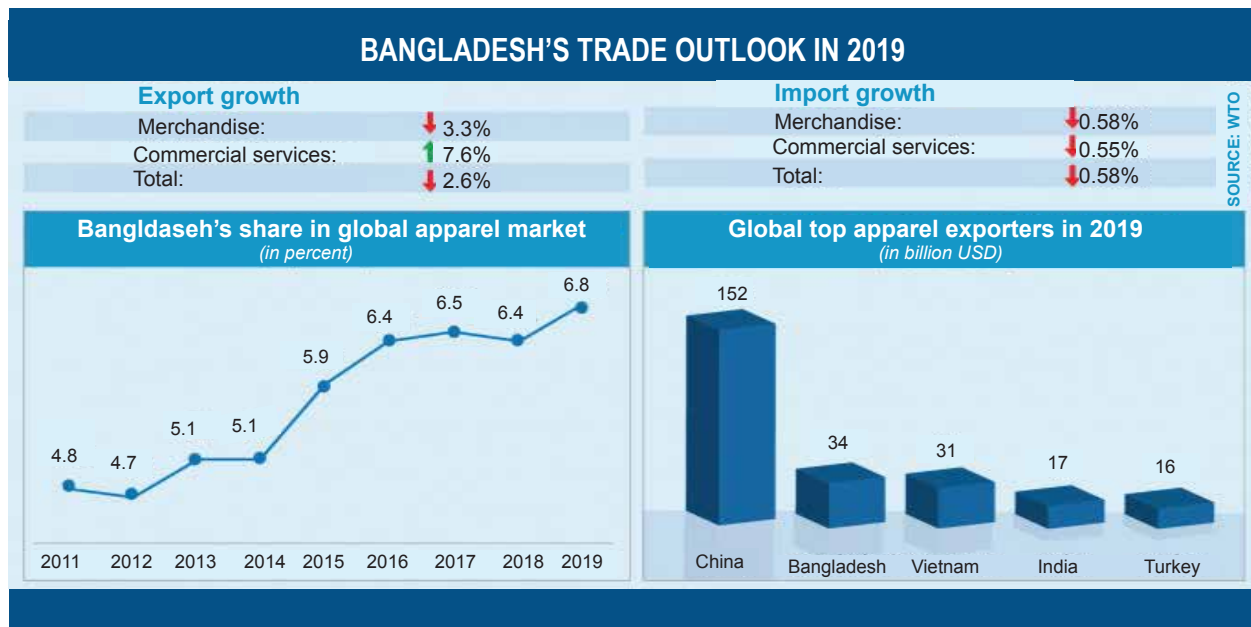


Standard Chartered Bank, in partnership with bKash, the largest Mobile Financial Services (MFS) provider in Bangladesh, and Valyou, Malaysia's leading digital remittance provider, recently announced the launch of the first blockchain-based cross-border remittance service in Bangladesh, facilitating instant transfers from Malaysia. The service is powered by innovative blockchain technology from Ant Group Co., Ltd. ("Ant Group"). Standard Chartered Bank is the fund settlement bank and regulatory approval holder for the service, which is a collaboration among Standard Chartered, Ant Group, bKash and Valyou to cater to the Bangladeshi diaspora based in Malaysia. Ant Group's applied blockchain technology helps streamline the remittance process, radically improving the speed of delivery, improving information security and enhancing transparency of the process. Through this service, the Bangladeshi diaspora in Malaysia can send wage remittance via Valyou to a beneficiary in Bangladesh who is a bKash wallet user. Wage earner remittance by Bangladeshi nationals working abroad is one of the key pillars of the Bangladesh economy and a major contributor to the nation's foreign currency reserve. Malaysia is an important part of this remittance ecosystem.

<https://tbsnews.net/economy/standard-chartered-bank-bkash-and-valyou-launch-bangladeshes-first-blockchain-based-cross>

BUSINESS & ECONOMY

Bangladesh's export shrank in 2019: WTO



Bangladesh's earnings from merchandise exports in 2019 fell by 3.3 percent year-on-year to USD 37.94 billion. Export receipts were USD 39.25 billion in 2018, according to the World Trade Statistical Review 2020, published by the World Trade Organisation (WTO) on July 31. However, the country exported USD 3.2 billion worth of commercial services in 2019, which is 7.6 percent higher than that in 2018. As a result, the total export amounted to USD 41.15 billion in 2019, which accounted for 2.6 percent negative growth.

Additionally, the country shared 0.4 percent of global merchandise exports. Bangladesh earned a lion share of export from apparel. In 2019, the clothing sector contributed USD 34 billion, accounting for a 6.8 percent share of the global market. Despite all the odds, Bangladesh remained the second-largest apparel exporter in the world in terms of export values in 2019. The third-largest apparel exporter, Vietnam, exported USD 31 billion worth of clothing in 2019, with its 6.2 percent market share globally.

Vietnam still could not knock off Bangladesh from the second position in 2019 as the latter exported apparels worth around USD 3 billion more than Vietnam over the whole year, while in 2018, both the countries exported the same amount of clothing to the tune of USD 32 billion. With 30.8 percent of the global apparel

market share, China continued to maintain its top position with exporting apparel worth USD 152 billion in 2019.

However, Bangladesh has been importing a large share of intermediate goods of clothing. In 2019, the country imported USD 10 billion worth of textiles. Bangladesh's merchandise import concentrated on intermediate goods. In 2018, 60 percent of merchandise import was from intermediate goods.

Meanwhile, the country's imports also shrank by 0.58 percent. In 2019, the merchandise import was USD 60 billion and commercial service import was USD 9.52 billion. Currently, the country is the 48th highest merchandise importer in the world, with a 0.3 percent import share. In 2019, the country's trade deficit grew by 2.43 percent.

The COVID-19 outbreak is taking a heavy toll on world trade, but even before the pandemic in 2019, global merchandise export decreased by 3 percent and import contracted by 2.9 percent. The apparel sector is one of the worst victims of the pandemic. In April 2020, clothing demand fell by 37 percent. As a result, Bangladesh faced cancellation of orders amounting to USD 3.18 billion, according to the report. However, like Bangladesh, global services export also grew by 2.1 percent in 2019.

<https://tbsnews.net/economy/trade/bangladeshs-export-shrank-2019-wto-115396>

BUSINESS & ECONOMY

Current account deficit shrinks despite pandemic



Despite a massive fall in export earnings during the COVID-19 pandemic, the country's current account balance painted

a rosy picture in the last fiscal year, thanks to a strong remittance inflow and a slowdown in import spending. The current account deficit narrowed by 3.05 percent to USD 4.84 billion in the fiscal year 2019-20 from that in the previous fiscal year, according to the Bangladesh Bank data. The current account deficit is a measurement of a country's trade where the value of the goods and services it imports exceeds the value of the products it exports. According to the Bangladesh Bank data, at the end of June, the country faced a USD 17.86 billion deficit in the international trade due to a drop in exports. The trade deficit is 12.79 percent wider than that in June last year. In the FY 2018-19, the country's trade deficit was USD 15.83 billion. In the FY 2019-20, the country's export earnings fell by 17.10 percent to USD 32.83 billion.

<https://tbsnews.net/economy/trade/current-account-deficit-shrinks-despite-pandemic-112855>

Bangladesh export earnings rebound to record USD 3.91b in July

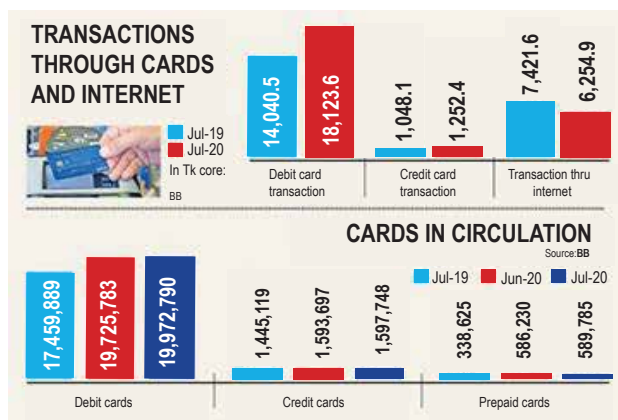


Bangladesh's exports in July this year fetched USD 3.91 billion, the highest-ever earnings in a single month in the country's

history, due to an increased shipment of readymade garment products as global buyers reinstated their orders in view of improving situation of coronavirus pandemic. The export earnings in the first month of the current financial year of 2020-21 grew by 0.59 per cent or USD 23.06 million year-on-year from USD 3.88 billion in the same month of last fiscal year, according to the Export Promotion Bureau data. The earnings achieved in July of FY19 were the previous monthly highest export income. The data showed that the country's export earnings rebounded in July this year after a six-month negative growth in a row since January this year. Of the six months, export earnings experienced a drastic fall in last three months of FY20 as the coronavirus pandemic hit the sales of manufacturing goods and the global buyers cancelled or suspended import orders.

<https://www.newagebd.net/article/112653/bangladesh-export-earnings-rebound-to-record-391b-in-july>

Cards triumph amid pandemic



Debit Card users transacted a record BDT 18,123.6 crore in July as they opted for the digital money over cash to keep the coronavirus at bay. The transaction is the highest at least since December 2018, Bangladesh Bank data showed. July's figure is 29.08 percent higher than BDT 14,040.5 crore transacted in the same month a year ago and 44.66 percent up from BDT 12,528.1 crore in June this year. In the first month of the fiscal year, credit cardholders spent BDT 1,252.4 crore, which was the highest in six months and up 19.49 percent Year-on-Year. Banks issued a total of 19,972,790 debit cards as of July, which is up 14.39 percent from 17,459,889 in the same month a year ago and 1.25 percent from 19,725,783 in

June this year. The number of credit cards in circulation stood at 1,597,748 in July, up 10.56 percent compared to 1,445,119 in the same month last year. The number stood at 1,593,697 in June this year. Due to an increase in online shopping, local transaction by cards rose 29.35 percent Year-on-Year to BDT 19,625 crore from BDT 15,172.3 crore in the same month a year ago. It is up from BDT 13,603 crore in June this year. The number of prepaid cards rose a staggering 74.17 percent Year-on-Year to 589,785 in July. It was 586,230 in June.

<https://www.thedailystar.net/business/news/cards-triumph-amid-pandemic-1962681>

BUSINESS & ECONOMY

E-payment of import duty to be made mandatory



The Customs authority is set to make e-payment of duties and taxes mandatory for import of capital machinery and raw materials.

The customs wing under the National Board of Revenue (NBR) has planned to make the digital payment compulsory as it moves to battle faking invoices while popularising the modern payment. Initially, it would introduce the e-payment for the import of products involving higher amount of revenue and later payments would be made mandatory in phases by December 2021. Through e-payment, the importers or clearing and forwarding agents can pay directly from their bank accounts to government treasury through Bangladesh Bank's RTGS (Real-Time Gross Settlement). The e-payment for importers was introduced in 2017 but it was optional then. According to customs data, importers paid duties and taxes worth BDT 41.10 billion through e-payment during July-March of the Fiscal Year (FY) 2019-2020. It is a small portion out of the total customs duties collected worth BDT 605.52 billion for the last financial year. Importers paid BDT 6.30 billion duties online in FY2017, which went up to BDT 14.50 billion in FY2018. Currently, a total of 41 banks are connected with the e-payment system.

<https://thefinancialexpress.com.bd/trade/e-payment-of-import-duty-to-be-made-mandatory-1598930917>

10 more economic zones get the nod

Bangladesh Economic Zones Authority (BEZA) has approved setting up 10 more economic zones, taking the tally of such areas to 101, out of which work on 28 are currently underway. The approval came at a virtual meeting of the BEZA Governing Board recently with its



Chairperson, Prime Minister Sheikh Hasina, in the chair

through videoconferencing from her Gono Bhaban residence. The new zones are Nawabganj Economic Zone, Nawabganj; Tangail Economic Zone, Bhuapur;

Sapahar Economic Zone,

Sapahar, Naogaon; Dinajpur Economic Zone, Dinajpur Sadar; Noakhali Economic Zone, Companiganj; Sandwip Economic Zone, Chattogram; Sunamganj Economic Zone, Chhatak, Sunamganj; Pabna Economic Zone, Bera, Pabna; Charmegha Economic Zone, Hijla, Barisal; and Manikganj Economic Zone, Shibalaya, Manikganj. Prime Minister, Sheikh Hasina urged BEZA to promote small entrepreneurs, particularly the young generation, alongside attracting foreign investment. The PM said the government was setting up special economic zones across the country to attract investment, create jobs and protect arable and forest lands.

<https://www.thedailystar.net/business/news/10-more-economic-zones-get-the-nod-1948461>

Tea exports double



Bangladesh exported tea double its target for the month of July this fiscal year amid a bumper production of the item. Tea exports increased by 100 percent in July, the first month of the current FY, reaching a milestone of USD 0.68 million against the target of USD 0.34 million, according to Export Promotion Bureau (EPB). The government had fixed full-year exports of tea at USD 3.1 million in 2019-20 FY. According to EPB information, the total income from exports of tea was USD 2.82 million in 2018-19 FY. Bangladesh's tea has found good market in different countries of the world, including the United States, Pakistan and Middle East countries. Tea ranks 8th among 16 products that have maintained

positive export trend amid the coronavirus pandemic. Country's tea production also scored a record last year. Breaking the record of its 165 years, about 9.5 crore kgs of tea has been produced in the country in 2019. The production target was 8 crore kgs in 2019. According to a report by the London-based International Tea Committee, Bangladesh's position in the world in tea production has notched up one step last year and now it has obtained the 9th place while China's position is the first and India is the second. In terms of production, Kenya, Sri Lanka, Turkey, Vietnam, Indonesia and Argentina are still above Bangladesh while countries like Iran, Myanmar and Japan are behind Bangladesh.

<https://bangladeshpost.net/posts/tea-exports-double-41211>

INDUSTRY APPOINTMENTS

A Rouf Chowdhury re-elected Bank Asia Chairman



A Rouf Chowdhury has been re-elected the Chairman of Bank Asia Limited at a meeting of the Board of Directors of the bank. He is the main sponsor of Bank Asia. Chowdhury is an eminent businessperson and industrialist of the country.

He is also the Chairman of Rangs Group and Sea Resources Group. Chowdhury is a Director of the Daily Star. He has established reputed organisations in transport, medicine, real estate, IT, banking, deep sea fishing and other sectors of the country that are contributing immensely to employment generation and economic development of the country.

M Amanullah elected Mercantile Bank Vice Chairman



M Amanullah has been elected Vice Chairman of Mercantile Bank Limited at the bank's 367th board meeting. He is a Sponsor Director of the bank. He was also Chairman of the bank and contributed heavily towards the efficiency and optimisation of the bank during his tenure. M

Amanullah, founder of the Aman Group of Companies, is a very respected and distinguished businessperson in the country. He is one of the Directors of the daily Amader Shomoy, a leading newspaper in Bangladesh.

Azizur joins Meghna Bank as DMD, CIO



Kazi Azizur Rahman has joined Meghna Bank Limited as Deputy Managing Director and Chief Information Officer. Before joining Meghna Bank, he was Deputy Managing Director of Southeast Bank Limited. With over 29 years of banking experience, Azizur

has worked in different industries at home and abroad, including the banking sector of Bangladesh. He started his banking career with Eastern Bank Limited. He also served The City Bank Limited.

Abdul Hai Sarker elected Dhaka Bank Chairman



Abdul Hai Sarker has been elected as the Chairman of Dhaka Bank Limited. Sarker is also the Founder Chairman of the same bank. His sincere effort and dynamic leadership culminated in a large business conglomerate in the name of Purbani

Group. Sarker is the present Chairman of Education, Science, Technology and Cultural Development Trust (ESTCDT) of Independent University, Bangladesh (IUB), Dhaka.

Ahsan reappointed Midland Bank MD & CEO



Md. Ahsan-uz Zaman has been re-appointed as the Managing Director and CEO of Midland Bank Limited (MDB). Ahsan joined MDB in July 2014. Prior to joining Midland, Ahsan worked at Mutual Trust Bank Limited as Additional Managing

Director. Prior to that, he worked at Bank of America in New York, at its Global Wealth and Investment Management Division. He has diversified banking experience, having worked at home and abroad, having served JP Morgan Chase Bank, Morgan Stanley, BNP Paribas and ANZ Grindlays Bank where he joined as a Management Trainee in Dhaka in 1982.

Usman Rashed Muyeen joins MTB



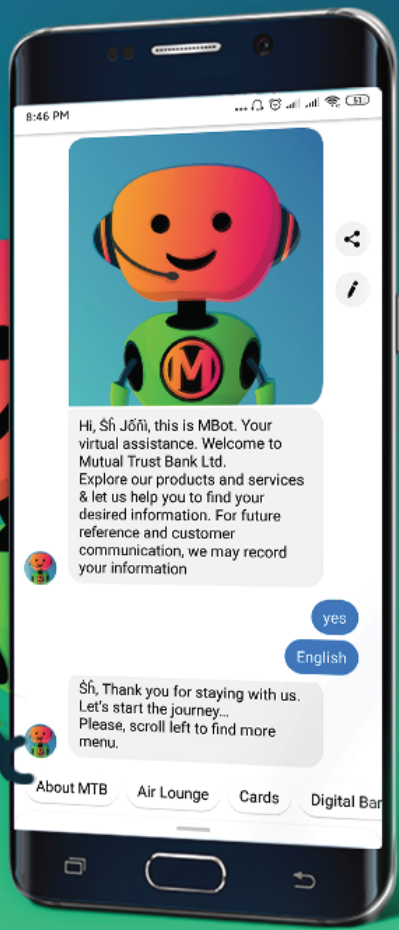
Usman Rashed Muyeen has been appointed as the Head of Credit Risk Management & Senior Executive Vice President (SEVP) at Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was the Head of Credit Risk Management of Eastern Bank

Limited (EBL). Muyeen is an Omega (UK) Certified Credit professional who brings with him more than 23 years in banking in different capacities. He started his career with Southeast Bank Limited as a Probationary Officer in 1996 and served the bank till 2003. He also served Dhaka Bank Limited.

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21st MTB ANNUAL GENERAL MEETING (AGM 2020) HELD



The 21st Annual General Meeting (AGM) of Mutual Trust Bank Limited (MTB) was held on August 27, 2020 through digital platform. MTB Chairman, Md. Hedayetullah, presided over the meeting. MTB Directors, Syed Manzur Elahi, Dr. Arif Dowla, Rashed Ahmed Chowdhury, M. A. Rouf, JP, Md. Wakiluddin, Md. Abdul Malek, Anika Chowdhury, Herbert Ludwig Jaeger, Independent Director, Nasreen Sattar, Managing Director & CEO, Syed Mahbubur Rahman, CFO, Sayed Abul Hashem, Company Secretary, Malik Muntasir Reza and a large number of shareholders also attended the meeting.

In 2019, MTB earned a consolidated net profit after tax of BDT 1,338 million. Earnings Per Share (EPS) stood at BDT 2.03. The bank's balance-sheet footing increased by 15.49%, as at the end of 2019, compared to the previous year. Deposits grew by 14.92%, Loans and Advances rose by 14.20%. The Capital Adequacy Ratio (CAR) stood at 12.91%. MTB has also expanded its network to 118 branches & 18 Sub-branches, 310 ATMs including 6 Cash Recycler Booths, 18 Kiosks, 146 Agent Banking Centres, 3,305 Point of Sale (POS) devices including SMS, Internet Banking and 24/7 Contact Centre and 3 Airport Lounges.

MTB INAUGURATES MTB DIGITAL LIFESTYLE FAIR 2020

MTB has launched MTB Digital Lifestyle Fair 2020, the country's first ever virtual fair. MTB Managing Director & CEO, Syed Mahbubur Rahman announced the inauguration of the digital fair through a virtual launching ceremony while Apu Mahfuz, Special Correspondent, Channel I was the Moderator of the event. The fair went live from July 16, 2020 to July 22, 2020.

MTB Digital Lifestyle Fair helped customers meet an array of needs and desires at one place, digitally where people were able to find product and services from 8 Furniture Partners, 12 Home Appliances, 9 Automobiles, 7 Home Builders and 4 Cattle Partners for Eid-ul-Azha.

Syed Rafiqul Haq, Additional Managing Director and Chief Business Officer, Md. Towfiqul Alam Chowdhury, Head of Business, Retail Banking Division and Azam Khan, Head of MTB Communications Department of Mutual Trust Bank Limited along with other senior officials were also present virtually at the launching ceremony.



MTB DISTRIBUTES EMERGENCY RELIEF AMONGST THE FLOOD-AFFECTED PEOPLE



As part of its Corporate Social Responsibility (CSR) initiatives, Mutual Trust Bank Ltd. (MTB) has recently distributed emergency relief items amongst the flood-affected people of Beraid, Badda, Dhaka. Md. Hedayetullah, Chairman, Mutual Trust Bank Ltd. (MTB) distributed the food items and cash amongst 1,000 (approx.) distressed families. Ayub Ansar Mintu, Councillor, Ward # 42, Dhaka North City Corporation (DNCC) organized the event.

MTB SIGNS PARTICIPATING AGREEMENT WITH BANGLADESH BANK FOR GREEN TRANSFORMATION FUND OF €200 MILLION

MTB has signed a Participating Agreement with Bangladesh Bank (BB) for Green Transformation Fund (GTF) of €200 million. Khondkar Morshed Millat, General Manager, Sustainable Finance Department, Bangladesh Bank and Syed Mahbubur Rahman, Managing Director & CEO, Mutual Trust Bank Limited (MTB) signed the agreement on behalf of their respective organizations.

Bangladesh Bank (BB) has introduced €200 million Green Transformation Fund (GTF) along with the existing US\$200 million to set up environment-friendly initiatives. The GTF in Euro will be admissible to all manufacturing industrial enterprises for importing of environment-friendly & energy efficient (including solar energy and renewable energy under power sector) or green capital machinery and accessories (including Buyer's Credit).

The GTF highlights the importance of long-term financing in foreign currency for accelerating sustainable growth in manufacturing sectors conducive to transformation of green economy in the country.

MTB INAUGURATES ITS AGENT BANKING CENTRE AT FULBARIA, MYMENSINGH

MTB has recently opened its Agent Banking Centre at Fulbaria, Mymensingh. Md. Anwarul Islam, General Manager, Financial Inclusion Department, Bangladesh Bank inaugurated the centre as the chief guest through a simple inauguration ceremony while Syed Rafiqul Haq, Additional Managing Director and Chief Business Officer of MTB attended the event as the special guest.

Alhajj Nur Md. Sarkar, Founding Member & Former President, Kahalgaon Dulma High School, Mowlana Md. Abdul Monnaf, Super, Kaladoh Dakhil Madraha & President, Kahalgaon Dulma High School and Madan Mahan Karmoker, Head of Agent Banking & Azam Khan, Head of MTB Communications Department of MTB along with local elite, leaders of local business associations, people from different strata and other senior officials of the bank also attended the programme.

Later on, as part of bank's CSR programme "Swapno Sarathi", MTB distributed 20 bicycles amongst underprivileged meritorious students of local schools and colleges.



MTB AND TRADEWIND SIGNS AGREEMENT TO OFFER EXPORT FACTORING SOLUTIONS IN BANGLADESH



MTB and German-based factoring company Tradewind GmbH (Tradewind) have inked a bi-lateral “Agreement for Business Collaboration” on July 06, 2020, to offer a first-of-its-kind factoring solution for Bangladesh exporters. MTB Managing Director & CEO, Syed Mahbubur Rahman and Tradewind Managing Director & CEO, Ansgar Huetten signed the agreement on behalf of their respective organizations. According to a research by the Bangladesh Institute of Bank Management (BIBM), exports under Sales Contract constitute 30-40% of Bangladesh trade over the last seven years. But the inherent fact is that globally reputed buyers have made a significant paradigm shift over to contract-based imports from the previously widely used yet costlier documentary credits.

In light of this, exports against Sales Contract is a fast-growing development for Bangladesh exporters. In adherence to the recently introduced Bangladesh Bank circular, the alliance between MTB and Tradewind will support the Bangladesh export community by providing non-recourse finance facilities that will allow the acceleration of payments from international Buyers which would have otherwise been affected on deferred basis. Syed Mahbubur Rahman, Managing Director and CEO of MTB stated, “We strongly believe this guaranteed financing arrangement will provide our exporters better cash flow management and provide them with a competitive edge for expansion of export business in many folds”.

The Managing Director & CEO of Tradewind GmbH, Ansgar Huetten opined that “Given international trade advances involving increased trade on open credit, recent directives from the Central Bank of Bangladesh on the allowance of exports on open-account terms, is both timely and befitting. Exports conducted under open-account credit terms against payment risk coverage, with the option for early payment arrangements on non-recourse basis, will not only allow Bangladeshi exporters easy access to finance, but will also assist with minimizing credit

MTB JOINS FACTOR CHAIN INTERNATIONAL (FCI) AS AN ASSOCIATE MEMBER



The Factor Chain International (FCI), in a recent Executive Committee meeting, has approved Mutual Trust Bank Limited (MTB) as an “Associate Member”. With this approval, MTB has become the first Bangladeshi Bank with the credential of “associate membership” under the FCI umbrella.

Peter MULROY, the Secretary General of Factor Chain International (FCI), from its Head Quarter at The Netherlands, sent a letter to MTB, stating, “I have great pleasure in officially welcoming Mutual Trust Bank Limited to the FCI network. I am confident that MTB will contribute to the growth of international factoring under the FCI umbrella”. FCI is the Global Representative Body for Factoring and Financing of Open Account Domestic and International Trade Receivables. Established in 1968 as a non-profit global association, FCI is currently an association of around 400 member companies with the coverage of more than 90 countries, FCI offers a unique network for cooperation in cross-border factoring. Member transactions represent nearly 60% of the world’s international correspondent factoring volume. With the ever increasing demand for export under open account terms and enabling to meet that demand for financing it, Bangladesh Bank has recently issued a game changing circular. This circular has permitted banks to facilitate export on an open account basis with proper risk mitigation.

With this membership, MTB will have access to more than 400 members in 90 countries under the FCI umbrella, can act as an “export factor” under the two factor chain model and get the advantage of their uniform rules and unique system or platform. Syed Mahbubur Rahman, Managing Director & CEO of MTB expressed his reaction to the news saying, “I am really happy to receive the news, which will excel our dream to become one of the best innovative trade finance solution providers for our clients in the country”.

MTB INTRODUCES DIGITIZED ACCOUNT OPENING SERVICE 'MEasy'



MTB in partnership with i-exceed technology solutions, a leading global FinTech company for rapid digital banking transformation, has recently launched 'MEasy' service, a fully-digitized banking service that provides a cutting-edge, advanced, and hassle-free digital banking experience. MTB Managing Director & CEO, Syed Mahbubur Rahman announced the launch of the new MTB digital account opening service through a virtual launching ceremony while Sundararajan S, Founder & CEO, i-exceed technology solutions joined the event.

Appzillon, a low-code omni-channel application development platform built by i-exceed, has helped the bank in developing the Fully Digital On-Boarding Solutions. Customers, from now onwards, will be able to open their account at their convenience from anywhere using MEasy through MTB Website.

Syed Rafiqul Haq, Additional Managing Director and Chief Business Officer, Md. Shafquat Hossain, Head of SME & Retail Banking, Shyamol Boran Das, Chief Digital Officer and Azam Khan, Head of Communications Department of MTB along with other senior officials were also present virtually at the launching ceremony.

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MTB SIGNS MOU WITH UNITED PROPERTY SOLUTIONS LIMITED (UPSL)



MTB has signed a Memorandum of Understanding (MoU) with United Property Solutions Limited (UPSL) at a simple ceremony held at United House, Madani Avenue, United City, Dhaka 1212. Under this agreement, the clients of United Property Solutions Limited (UPSL) will be able to avail Home Loan with 50% waiver on the loan processing fee and MTB clients, likewise, will be entitled to buy apartments with special discounted offer from United Property Solutions Limited (UPSL).

Sheikh Mohammad Faruk Hossain, Director, Sales & Marketing, United Property Solutions Limited and Md. Towfiqul Alam Chowdhury, Head of Business, Retail Banking Division, Mutual Trust Bank Limited (MTB) signed the agreement on behalf of their respective organizations. Nizamuddin Hasan Rashid, Associate Director, United Group, Najmul Hasan, CEO, United Property Solutions Limited and Azam Khan, Head of Communications Department from MTB along with other senior officials from both the organizations were also present during the signing ceremony.

MTB SIGNS MOU WITH ASSURE GROUP



MTB has recently signed a Memorandum of Understanding (MoU) with Assure Group at a simple ceremony held at the corporate head office of Assure Group, in Dhaka. Under this agreement, the clients of Assure Group will be able to avail Home Loan with 50% waiver on the loan processing fee and attractive interest rate and MTB clients, likewise, will be entitled to purchase apartments with special discounted offer from Assure Group.



M. Arifur Rahman Shazal, CEO, Assure Group and Md. Towfiqul Alam Chowdhury, Head of Business, Retail Banking Division, Mutual Trust Bank Limited (MTB) signed the agreement on behalf of their respective organizations. Sayed Md. Shahan Shah, Senior Executive Director & Head of HR, Planning & Public Relation, Md. Arifuzzaman, Company Secretary & DGM, Ashish Kumer Sarker, DGM & Head of Marketing & Sales and Mohammad Saiful Islam Sarker, AGM, Marketing & Sales from Assure Group along with other senior officials from both the organizations were also present during the signing ceremony.

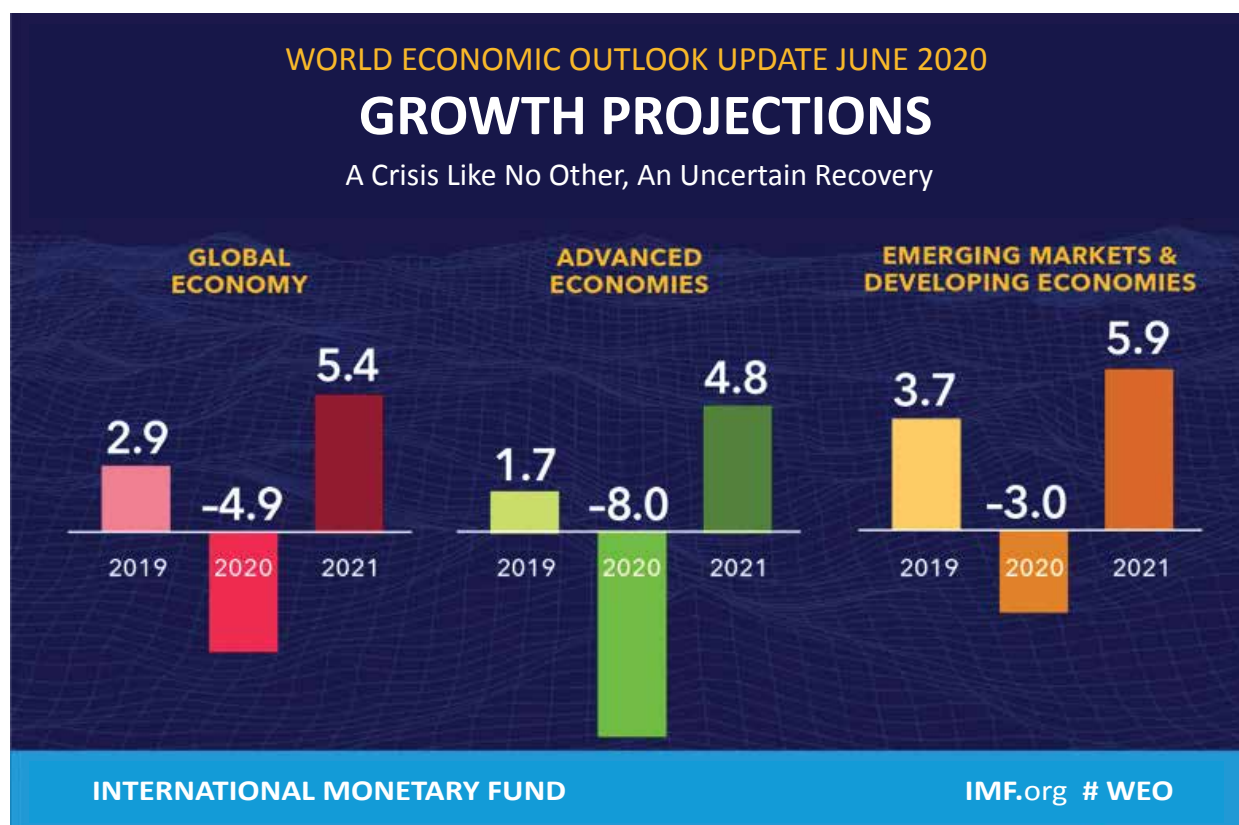
ECONOMIC FORECAST

A Crisis Like No Other, An Uncertain Recovery:

WORLD ECONOMIC OUTLOOK UPDATE, IMF June 2020

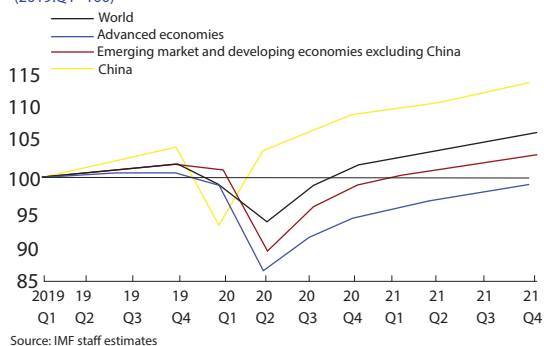
As with the April 2020 WEO projections, there is a higher-than-usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. The forecast assumes that financial conditions—which have eased following the release of the April 2020 WEO—will remain broadly at current levels. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving. The extent of the recent rebound in financial market sentiment appears disconnected from shifts in underlying economic prospects—as the June 2020 Global Financial Stability Report (GFSR) Update discusses—raising the possibility that financial conditions may tighten more than assumed in the baseline.

Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021, global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.



Growth in the advanced economy group is projected at –8.0 percent in 2020, 1.9 percentage points lower than in the April 2020 WEO. There appears to have been a deeper hit to activity in the first half of the year than anticipated, with signs of voluntary distancing even before lockdowns were imposed. This also suggests a more gradual recovery in the second half as fear of contagion is likely to continue. Synchronized deep downturns are foreseen in the United States (–8.0 percent); Japan (–5.8 percent); the United Kingdom (–10.2 percent); Germany (–7.8 percent); France (–12.5 percent); Italy and Spain (–12.8 percent). In 2021, the advanced economy growth rate is projected to strengthen to 4.8 percent, leaving 2021 GDP for the group about 4 percent below its 2019 level. Among emerging market and developing economies, the hit to activity from domestic disruptions is projected closer to the downside scenario envisaged in April, more than offsetting the improvement in financial market sentiment. The downgrade also reflects larger spillovers from weaker external demand. The downward revision to growth prospects for emerging market and developing economies over 2020–21 (2.8 percentage points) exceeds the revision for advanced economies (1.8 percentage points). Excluding China, the downward revision for emerging market and developing economies over 2020–21 is 3.6 percentage points.

Figure 1. Quarterly World GDP
(2019:Q1=100)



Overall, growth in the group of emerging market and developing economies is forecast at –3.0 percent in 2020, 2 percentage points below the April 2020 WEO forecast. Growth among low-income developing countries is projected at –1.0 percent in 2020, some 1.4 percentage points below the April 2020 WEO forecast, although with differences across individual countries. Excluding a few large frontier economies, the remaining group of low-income developing countries is projected to contract by –2.2 percent in 2020.

For the first time, all regions are projected to experience negative growth in 2020. There are, however, substantial differences across individual economies, reflecting the evolution of the pandemic and the effectiveness of containment strategies; variation in economic structure (for example, dependence on severely affected sectors, such as tourism and oil); reliance on external financial flows, including remittances; and precrisis growth trends. In China, where the recovery from the sharp contraction in the first quarter is underway, growth is projected at 1.0 percent in 2020, supported in part by policy stimulus. India's economy is projected to contract by 4.5 percent following a longer period of lockdown and slower recovery than anticipated in April. In Latin America, where most countries are still struggling to contain infections, the two largest economies, Brazil and Mexico, are projected to contract by 9.1 and 10.5 percent, respectively, in 2020. The disruptions due to the pandemic, as well as significantly lower disposable income for oil exporters after the dramatic fuel price decline, imply sharp recessions in Russia (–6.6 percent), Saudi Arabia (–6.8 percent), and Nigeria (–5.4 percent), while South Africa's performance (–8.0 percent) will be severely affected by the health crisis.

In 2021, the growth rate for emerging market and developing economies is projected to strengthen to 5.9 percent, largely reflecting the rebound forecast for China (8.2 percent). The growth rate for the group, excluding China, is expected to be –5.0 percent in 2020 and 4.7 percent in 2021, leaving 2021 GDP for this subset of emerging market and developing economies slightly below its 2019 level.

Global trade will suffer a deep contraction this year of –11.9 percent, reflecting considerably weaker demand for goods and services, including tourism. Consistent with the gradual pickup in domestic demand next year, trade growth is expected to increase to 8 percent. Inflation projections have generally been revised downward, with larger cuts typically in 2020 and for advanced economies. This generally reflects a combination of weaker activity and lower commodity prices, although in some cases partially offset by the effect of exchange rate depreciation on import prices. Inflation is expected to rise gradually in 2021, consistent with the projected pickup in activity. Nonetheless, the inflation outlook remains muted, reflecting expectations of persistently weak aggregate demand.

<https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

TytoHome Remote Exam Kit



True to its name, TytoHome is a remote exam kit that allows everyone to conduct a basic medical exam at home. A must-have during the coronavirus pandemic, this groundbreaking health gadget then pairs with a teleconferencing app that connects the user with a certified healthcare provider for a remote consultation, as well as diagnosis, treatment plan, and a prescription, if needed. Besides the Tyto device itself, which comes equipped with a digital camera and thermometer, the at-home diagnostic kit also includes accessories like a tongue depressor for examining your throat, an otoscope for ears, and a stethoscope for heart, lungs, and abdomens.

Personal EKG



This nifty, FDA-cleared mobile EKG monitor from AliveCor allows you to track your heart health anytime, anywhere. When coupled with its dedicated app, Kardia Mobile delivers a medical-grade electrocardiogram (ECG) to your smartphone in just 30 seconds.

Advanced fitness watch hybrid



Designed by French company Withings, ScanWatch is the most advanced fitness watch hybrid to date. Thanks to the state-of-the-art medical technology incorporated into its design, it does novel things like tracking heartbeat irregularities and measuring blood oxygen saturation during sleep, all the while retaining the previous Withings health and fitness tracking capabilities. Fitted out with premium sapphire glass and an improved PMOLED screen, the analog smartwatch has a stylish, timeless look and is extremely comfortable to wear. Available in two sizes (38mm and 42mm), it boasts a 30-day battery life and is water-resistant up to 50 meters. When connected to your smartphone via Bluetooth, the timepiece sends all activity information to the accompanying Health Mate iOS/Android app.

Wireless Smart Glucometer



Made by iHealth Lab Inc, the Wireless Smart Gluco-Monitoring System is a state-of-the-art, FDA-approved glucometer that measures glucose levels in the blood and then displays them on your smartphone. This innovative health gadget features a sleek, portable design and is compatible with Apple devices. The accompanying iHealth Smart-Gluco app allows you to keep a history of all your measurements and share them with your doctor. In addition to the glucometer itself, the kit includes 10 testing strips, 10 lancets, control solution, a lancing device and a carry bag.

Brain Sensing Headband



Complete with 7 electroencephalography (EEG) sensors, Muse monitors your brain activity during meditation and transmits the information to your computer, smartphone, or tablet via Bluetooth. Designed to help you manage and reduce stress, the unique tool gives real-time feedback on what's happening in your brain and teaches you how to achieve peace and calm. It also offers a series of motivational challenges and rewards in order to encourage you to make meditation a part of your routine.

Compact Air Quality Monitor



Traveling with asthma or allergies? The compact size and USB connectivity make Atmotube Pro easy to use anytime, anywhere. Thanks to its accurate sensors and free mobile app, the sleek device alerts you in real-time about the presence of harmful gases (CO), volatile organic compounds (VOCs), and PM1, PM2.5, and PM10 pollutants like dust, pollen, soot, and mold, while also measuring air temperature, atmospheric pressure, and humidity in the environment around you.

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 receive 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.

Buy on rumor, sell on the fact: This is a saying that highlights a commonly seen stock market behavior. When positive rumors begin to circulate about a company, this tends to increase the share price, but we cannot trust this high price to remain for long because when the actual facts are revealed, the stock market will often react negatively to them – even if they aren't bad. In many cases, it is simply difficult for the actual facts – such as the launch of a new product – to live up to the hype preceding the announcement. Of course, if enough people believe in the axiom of buying on rumor and selling on fact, it will become a fulfilling prophecy.

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.

Accounts Payable: Amount of money owed to suppliers and other short term debt to creditors. Accounts payable is a source of cash on the cash flow statement and related to the COGS on the income statement, but not necessarily the same if the company still owes money.

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.

Chinese wall: In finance, a Chinese Wall is the practice of separating two departments within the same financial institution in order to prevent information from moving between the two departments. A bank may for instance have one department specializing in advice concerning takeovers and mergers, and another department that specializes in giving stock investment advice to clients. Both departments handle sensitive financial information, and conflicts of interest could easily appear if they weren't properly separated from each other. If confidential information about an impending merger were to reach the investment advice department, there is a risk of illegal insider trading. Chinese Walls are also utilized by law firms to prevent conflicts of interest.

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.

Terminology List

Minimum Viable Product (MVP):

A Minimum Viable Product (MVP) is a concept from Lean Startup that stresses the impact of learning in new product development. Eric Ries, defined an MVP as that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort. This validated learning comes in the form of whether your customers will actually purchase your product.

C-Suite:

C-Suite, or C-level, is widely-used vernacular describing a cluster of a corporation's most important senior executives. C-suite gets its name from the titles of top senior executives, which tend to start with the letter C, for "chief," as in chief executive officer (CEO), chief financial officer (CFO), chief operating officer (COO), and chief information officer (CIO).

Cash Reserve Ratio (CRR):

Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves either in cash or as deposits with the central bank. CRR is set according to the guidelines of the central bank of a country.

Omni-Channel:

It is a multichannel approach to sales that seeks to provide customers with a seamless shopping experience - online or from a desktop / mobile device, by telephone or in a brick-and-mortar store. An omni-channel approach refers to the integration between the distribution, promotion and communication channels on the back end. Under an omni-channel model, a customer service representative interacting with a customer in a store can immediately find a reference of the customer's previous purchases and preferences making it easy for the representative to help the customer purchase his/her desired product / service.

Blockchain:

Based on a peer-to-peer (P2P) topology, blockchain is a distributed ledger technology (DLT) that allows data to be stored globally on thousands of servers – while letting anyone on the network see everyone else's entries in near real-time. That makes it difficult for one user to gain control of, or game, the network. For businesses, however, blockchain holds the promise of transactional transparency – the ability to create secure, real-time communication networks with partners around the globe to support everything from supply chains to payment networks to real estate deals and healthcare data sharing.

Cross-border factoring:

The process by which an institution in one geographic jurisdiction has the right to collect account receivables in another jurisdiction. The collecting institution pays the seller a portion of the outstanding amount due. Typically occurs with international trade entities such as exporters. In other words, concluding an international transaction by using a more than factor; that is, an institution that buys others institutions' accounts receivable. In this situation, an exporter sells its accounts receivable to a factor, which then contacts other factoring institutions in order to collect what was owed to the exporter. This helps the exporting business because it may divest itself of credit risk (and perhaps currency risk as well).

Over-The-Counter (OTC):

Over-The-Counter (OTC) refers to the process of how securities are traded for companies that are not listed on a formal exchange such as the New York Stock Exchange (NYSE). Securities that are traded over-the-counter are traded via a dealer network as opposed to on a centralized exchange. These securities do not meet the requirements to have a listing on a standard market exchange.

NITA:

NITA (Non Resident Investors Taka Account) is a facility that is provided to non-resident individuals/institutions including non-resident Bangladeshi nationals who are interested in trading Bangladeshi securities against foreign exchange remitted from abroad.

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