

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.88%	▲ 0.69%	\$1,240.70	\$42.84	▼ 0.04%	▲ 0.81%	▼ 0.52%	▼ 0.13%	BUY TK	79.85	88.10	100.84	0.70
5,527.22	10,340.67	(per ounce)	(per barrel)	31,297.53	20,230.41	3,230.42	3,140.30	SELL TK	81.35	91.70	104.44	0.73

রোগ নির্ণয়ে সর্বাধুনিক যন্ত্রপাতি, সর্বোচ্চ মান।
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Star BUSINESS

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Tough days ahead for forex reserves

STAR BUSINESS REPORT
Bangladesh's healthy foreign exchange reserves is set to come under stress in the wake of the rising import bill and sliding remittance flow, bankers said.
"The foreign exchange market may see a huge pressure in the coming days as import is rising faster than export. Also, the inflow of remittance is on a negative territory," said a senior official of the Bangladesh Bank.
On June 14, foreign exchange reserve stood at \$32.73 billion, enough to cover the import expenditure for eight months. Earlier this month, the International Monetary Fund too raised questions about the adequacy of Bangladesh's foreign currency reserves and suggested the safe reserve limit of 9.6 months' import bill.
Remittance, which is a major source of foreign currency in Bangladesh, has declined more than 14 percent to \$11.55 billion in the first 11 months of the fiscal year.
Rice import after several years and rising oil prices globally are expected to eat up Bangladesh's foreign exchange in the days to come, bankers said.
In the first 11 months of the fiscal year, imports grew 14.11 percent and exports 3.67 percent, according to data from the BB.
Subsequently, current account deficit also widened to \$1.75 billion in the July-April period of fiscal 2016-17.

Capital machinery imports account for the mounting import bills: in the July-April period of the fiscal year, letters of credit settlement saw a 19 percent rise.
About one-tenth of the import payments were for capital machinery, which is a boon for an economy.
The import of capital machinery grew significantly due to the government's mega projects, said a senior official of a private bank.
Rising oil prices is posing another threat for Bangladesh's foreign currency reserves, he said.
The price of crude oil in the international market has increased to \$56 a barrel from \$30 between March 2016 and March 2017.
Major items that Bangladesh imports are machinery, cotton, iron and steel, mineral fuels including oil, plastic and plastic articles, vehicles and so on.
The central bank in its analysis for the January-March period commented that the strong growth in private sector credit and capital machinery import indicate a buoyant domestic demand.
However, it said the negative growth of remittance might dampen the domestic demand.
Private sector credit growth rose for five months in a row to stand at 16.2 percent at the end of April, which is close to the target set by the BB for the second half of the fiscal year.

National Bank fails to auction Citycell HQ Citycell requests bank to call off bidding

STAR BUSINESS REPORT
Citycell has requested National Bank to pull back its gambit to sell off the mobile operator's office space in the capital's Mohakhali area as part of the efforts to recover Tk 454.45 crore of unpaid loans.
Last month, the private commercial bank ran a newspaper advertisement requesting bids by June 15 to purchase the 38,800 square feet floor and 5.04 decimal of land that currently serves as the operator's head office.
"We found no interested bidder," said an official of the bank. The bank is yet to decide whether it will call for another round of bids.
"Citycell owners are out of the country now. They requested us to go for a payment arrangement," he added.

Banks tempt Eid shoppers with offers

JEBUN NESA ALO
Banks have tied up with clothing brands, supermarket chains and restaurants in the contest to get customers to splurge during Ramadan and the Eid-ul-Fitr festival.
Standard Chartered, Mutual Trust, Eastern, City, Brac and many other banks are offering discounts of up to

30 percent for purchases made with cards during the month of Ramadan.
bKash, a mobile financial service provider, is offering 10-20 percent cash back for payment made through the platform at a select few clothing stores.
"Bangladesh Bank asked us to make digital payment popular, so we are offering cash backs to get people to take to the platform," said Kamal

Quadir, CEO of bKash.
Standard Chartered, the pioneer in the card business in Bangladesh, is providing the highest offers for Ramadan and Eid shopping.
The bank is offering cash back of 2 to 7.5 percent for spending through card in grocery shop, dining, hotel and all other retail transaction.

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New VAT to boost economic growth, revenue: WB

STAR BUSINESS REPORT
The World Bank yesterday endorsed the new value-added tax law, saying the effective implementation of the legislation will boost economic growth and revenue generation.
The Washington-based lender said the new VAT law and the new income tax zones aimed at widening the tax base are the steps in the right direction.
"I do believe the introduction of VAT is investment-friendly," Qimiao Fan, country director of the WB, said at a media briefing on the upcoming budget at his office in Dhaka.
"It takes away much of the discretion and the non-transparent nature of some of the existing taxes."
The VAT and Supplementary Duty Act 2012 got passage in parliament in 2012. Since then the government has been discussing the law with stakeholders to implement it.
However, the government's decision to enforce the 15 percent VAT rate from July 1 has drawn huge criticisms from ruling party lawmakers, ministers, economists, and opposition politicians.
The uniform 15 percent VAT rate will replace the existing 15 percent



Left, Qimiao Fan, country director of the World Bank, speaks at a media briefing on the upcoming budget at his office in Dhaka yesterday. Zahid Hussain, lead economist, is also seen.

standard rate and a number of truncated rates in some cases.
Zahid Hussain, lead economist of the WB, said the law is not being implemented in the way it was envisaged five years ago.
Under the new law, supplementary duties are to be withdrawn com-

pletely. But the upcoming budget has not proposed the withdrawal.
"Supplementary duties have continued to protect domestic industries, which will increase pressure on consumers who buy imported items," said Hussain.

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State banks recover loans of Tk 3,000cr Muhith tells parliament

STAR BUSINESS REPORT
State-run commercial and specialised banks recovered Tk 3,152 crore of defaulted loans in the first nine months of fiscal 2016-17, Finance Minister AMA Muhith informed parliament yesterday.
Defaulted loans till March 31 amounted to Tk 41,401 crore while the number of defaulters, both individuals and organisations, stood at 202,623, he read out a scripted reply to lawmakers' queries.
The government earned Tk 44,449.28 crore from import of vehicles in the periods between fiscal 2009-10 and April this year, said Muhith.
There are 1513,253 income tax payers at present and they paid Tk 2,067 crore till May, he added.
BB HEIST MONEY
Bangladesh was yet to find \$66.37 million of \$101 million stolen from the Bangladesh Bank reserves, said Muhith.

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NRBC chair show-caused for providing false info

STAR BUSINESS REPORT
Bangladesh Bank has served a show-cause notice on the chairman of NRB Commercial Bank for furnishing it with false information in violation of court order and the Banking Companies Act.
In a letter sent on June 18 to Farasath Ali, chairman of the bank, the central bank asked him to explain reasons within seven working days for providing misleading information.
This is the second show-cause notice from Bangladesh Bank to Ali in the last three months. Earlier in March, the chairman was show-caused for 10 counts of grave irregularities at the bank.

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