

# News Blaze of the Week:

July 12, 2020

Issue 05



## Quotation Corner

### Editorial Panel

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- **Fahmida Chowdhury**  
EVP & Principal, DBTI  
In charge R&DU
- **Farzana Afroz**  
PO, R&DU

### Contact us:

[rnd@dhakabank.com.bd](mailto:rnd@dhakabank.com.bd)

**“More diversity means more choice and more possibilities”**

**-- Neil Schreiber**

**“Duty compels us to care about people that we will never meet”**

**-- Barack Obama**

**“Think of your mindsets as your foundation. With a solid foundation, you can build something amazing and strong”**

**-- Dave Perotta**

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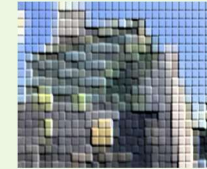
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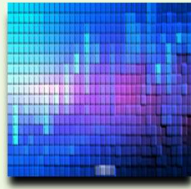
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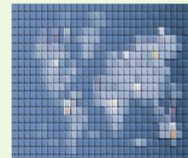
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## Government Initiatives

### Government looks to simplify rules as FDI plummets 13.8pc

- Gross inflow of foreign direct investment to Bangladesh fell 13.8 per cent to \$3.73 billion in the first 11 months of last fiscal year, largely owing to the coronavirus pandemic, which came as a shock to foreign investors.
- The drop would sound out a warning bell to Bangladesh as it would have to make its laws simple and incentives attractive to attract foreign investors as it seeks to draw FDI moving out of China in the wake of the epidemic. Gross FDI receipts were \$4.33 billion during the same period a year earlier, Bangladesh Bank data showed.
- Net FDI dropped 19.04 per cent year-on-year to \$1.97 billion in the 11 months. The fall in FDI was expected as the United Nations Conference on Trade and Development last month forecast that global FDI flows to decrease by up to 40 per cent in 2020, from their 2019 value of \$1.54 trillion, because of the pandemic.
- FDI surged 51 per cent last fiscal year to its highest on record, riding largely on Japan Tobacco Inc's acquisition of Akij Group's tobacco business for \$1.47 billion. In fiscal 2018-19, net FDI stood at \$3.88 billion in contrast to \$2.58 billion a year earlier, according to data from the central bank.
- Bangladesh expects a bigger inflow of FDI in the days to come as different nations plan to relocate their factories to countries like Bangladesh to bring down cost amid a cash crunch caused by the pandemic, said Commerce Minister TipuMunshi recently.
- The government plans to redesign the incentive package for post-pandemic FDI flow, Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority, told state-run news agency BSS last week.

Source: <https://www.thedailystar.net/business/news/govt-looks-simplify-rules-fdi-plummets-138pc-1925349>

### BD plans to revive jute sector under PPP

- The government's plans to revitalize the flagging jute sector through public-private partnerships have been met with skepticism from stakeholders in the industry, reports [bdnews24.com](http://bdnews24.com). It came after the government announced the decision to shut production at all state-owned jute mills and transition to the PPP model in a bid to modernize the sector.
- However, many exporters and traders believe the industry's fortunes could have been turned around without closing the mills down. Others said the plans to run the mills under PPPs are unlikely to be successful in the current climate.
- The government can modernise the state-owned jute mills without bringing them under the purview of PPP, according to Abdul Barik Khan, secretary-general of Bangladesh Jute Mills Association.

Source: <https://today.thefinancialexpress.com.bd/trade-market/bd-plans-to-revive-jute-sector-under-ppp-1593973971>

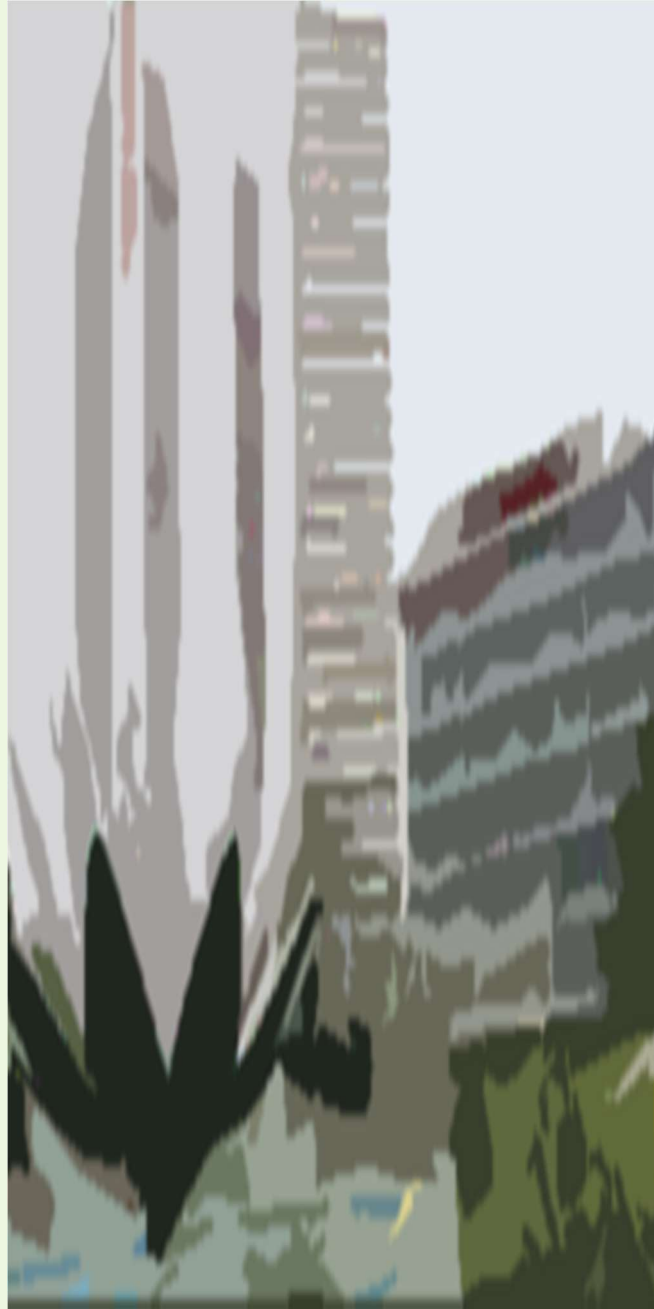


## One-page tax return form launched

- The revenue board has launched a single-page income tax return form for small taxpayers in an attempt to simplify submission. The form has recently been introduced by issuing a gazetteto make the return filing easier.
- Many people having income below the taxable range of Tk 0.3 million will have to submit tax returns from this fiscal year as the tax authority has made the return filing mandatory for all TIN holders in the budget. The number of TIN holders in Bangladesh is about 4.6 million, but less than half submit tax returns.
- Individual taxpayers having taxable income and gross wealth not exceeding Tk 0.4 million and Tk 4.0 million respectively are eligible to file tax return in one-page return form from in line with the income tax ordinance-1984.
- With the introduction of such a return form, the submission of assets and lifestyle statement with the income tax returns becomes optional for individual taxpayers with gross assets below Tk 4.0 million, officials said. Until FY2020, taxpayers having gross assets of Tk 2.5 million were exempted from filing the statement of assets, liabilities and lifestyle with the annual returns.

Source: <https://today.thefinancialexpress.com.bd/trade-market/one-page-tax-return-form-launched-1594139703>





## Central bank regulation

### BB extends loan rescheduling scope to rawhide traders

- The central bank yesterday relaxed the rules on loan rescheduling for rawhide traders in a bid to ensure availability of sufficient funds for the industry during Eid-ul-Azha. Traditionally, half of the country's rawhide supply is collected during the celebration of the Eid, which is about a month away.
- However, the majority of the rawhide traders have recently become loan defaulters, which may give rise to issues in the supply chain in the domestic market, according to a central bank notice. Besides, a major portion of rawhide collected during the sacrificial season will be exported as well.
- Under the backdrop, the BB yesterday said that traders will be allowed to reschedule their defaulted loans after paying only a 2 per cent down-payment on outstanding loans as of June 30. Clients who took term loans will be given a maximum of eight years, including the one-year grace period.
- Traders will have to send in their applications by July 30 to qualify for the relaxed facilities. Clients will have to pay back at least 15 per cent of their outstanding loans after rescheduling of their non-performing loans if they want to secure further funding.
- This year 1.19 crore cattle have been prepared for sacrifice, up from 1.18 crore last year, Abdul Jabbar Sikder, director general of the Department of Livestock Services, told The Daily Star. However, the demand for cattle would be 20 per cent less than that of the government estimate because of the pandemic, which ate away people's income significantly, according to the Bangladesh Dairy Farmers' Association.
- Leather is an export-oriented industry and is a potential sector when it comes to GDP growth, job creation, earning foreign currencies and value addition. Exports of leather brought in \$98.31 million in the just fiscal year, down 40.28 per cent year-on-year, data from the Export Promotion Bureau showed.

Source: <https://www.thedailystar.net/business/news/bb-extends-loan-rescheduling-scope-rawhide-traders-1925801>



## **BB asked to make wholesale changes to policies to pull in FDI**

- The finance ministry has directed the Bangladesh Bank to make wholesale changes to the policies that could be considered systematic faults or dissuade foreign direct investment (FDI) in the post-coronavirus era.
- In a letter to the central bank on June 23, the ministry asked it to take initiatives that would provide foreign investors with the scope to transfer profits back home or shift their operations to other countries without hassles.
- Vietnam, India and Indonesia are all amending rules and regulations in the financial sector to create investment-friendly environments that will attract more FDIs. It came as gross inflow of foreign direct investment to Bangladesh fell 13.8 per cent to \$3.73 billion in the first 11 months of the last fiscal year, BB data showed.
- Net FDI dropped 19.04 per cent year-on-year to \$1.97 billion. Bangladesh has rules and regulations to attract FDI but bureaucratic complexities sometimes cause delays for foreign investors. These complexities should be removed.
- The Beza plans to introduce a generous incentive package to perk up the country's investment climate and attract more foreign investors to economic zones in the post-coronavirus era when companies will search for new destinations to set up operations at reduced costs.

Source: <https://www.thedailystar.net/business/news/bb-asked-make-wholesale-changes-policies-pull-fdi-1927233>



# Banks and Financial Institutions

## Banks in Bangladesh have the lowest capital base in South Asia

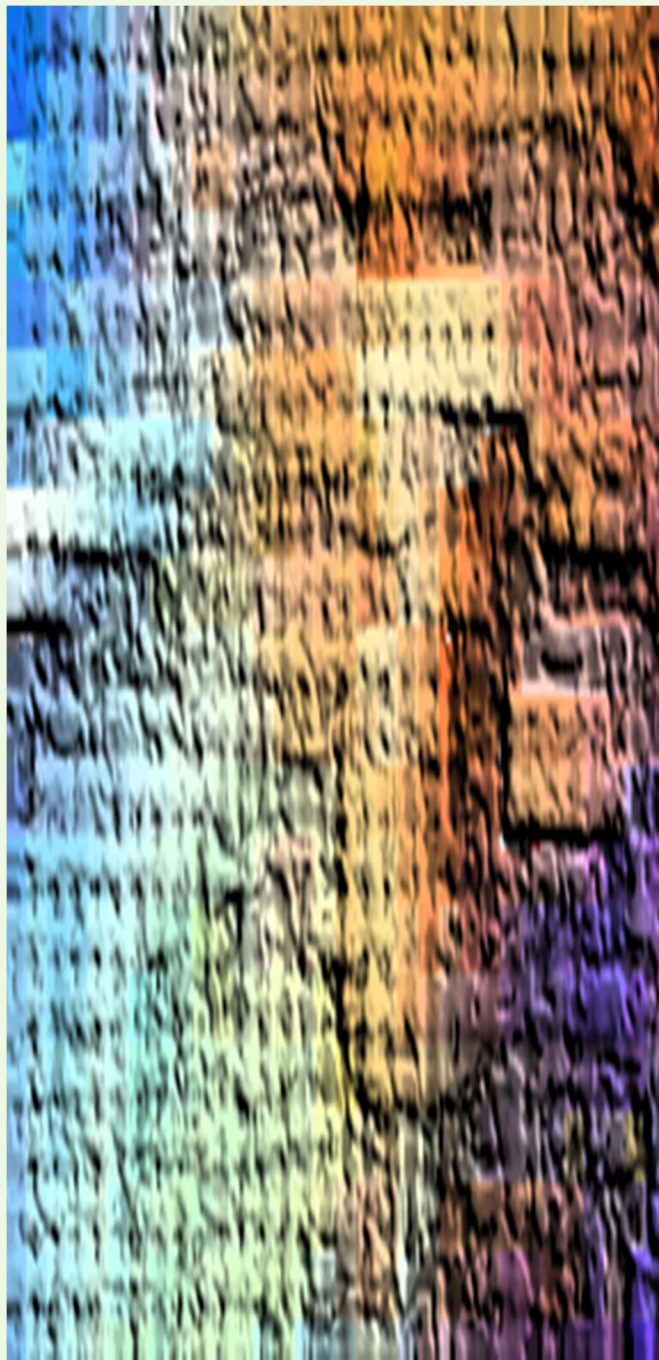
- The capital base of Bangladesh's banking sector is much weaker than in peer countries -- a situation that not only highlights its frailty but also the heightened vulnerability amid the coronavirus pandemic.
- Capital adequacy ratio (CAR) is the reflection of all financial indicators of banks, including the ratio of defaulted loans, the capability of keeping provisioning against regular and classified loans and the actual situation of corporate governance.
- The CAR is a measurement of a bank's available capital expressed as a percentage of risk-weighted credit exposures. Banks in Bangladesh maintained the CAR at 11.60 per cent last year, way less than 17 per cent in Pakistan, 16.5 per cent in Sri Lanka and 15.1 per cent in India. The BB took initiatives to implement the Basel III guidelines by 2019 as part of its effort to bolster the banks' capital base.
- **Basel III is an internationally agreed set of measures developed by the Basel** Committee on Banking Supervision in response to the global financial crisis of 2007-09 to improve regulations, supervisions and risk management within the banking sector.
- As per a roadmap unveiled by the BB in 2014, banks were supposed to push up the minimum CAR to 12.5 per cent by December 2019 from 10 per cent then. Of the 58 banks, 43 met the standard by the deadline.
- As of December, the CAR of foreign banks was 24.45 per cent, private banks' 13.62 per cent and state banks' 4.99 per cent, data from the central bank showed. The central bank also allowed banks to reschedule a large amount of defaulted loans by granting special permissions on a case-to-case basis.
- Last year, a record Tk 52,770 crore was rescheduled. Of them, Tk 13,284 crore has turned sour again, BB data showed. This means nearly one-fourth of the rescheduled loans slipped into the bad category again. Defaulted loans stood at Tk 94,313 crore at the end of 2019, up 0.42 per cent year-on-year.

Source: <https://www.thedailystar.net/business/news/banks-bangladesh-have-the-lowest-capital-base-south-asia-1925365>

## BRAC Bank introduces digital healthcare campaign for women

- BRAC Bank has introduced a special campaign on digital healthcare for its TARA customers. TARA is BRAC Bank's women banking solution. Under this campaign, a TARA customer can avail TARA digital healthcare package free of cost for 12 months upon opening a TARA Flexi DPS.
- To avail free package, the customer's monthly installment for the Flexi DPS has to be more than BDT 3,500 with a tenure of 3 years and above. The package will be activated within 10 working days after the TARA Flexi DPS is opened.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-introduces-digital-healthcare-campaign-for-women-1594073880>



## **Dhaka Bank shape shifting with pandemic**

- When the majority of banks are struggling to survive from the ongoing financial meltdown brought on by the coronavirus pandemic, Dhaka Bank has introduced a novel banking product that will help clients open their account from home.
- The lender rolled out the product named "Account from Home" in mid-May to help clients open accounts by way of maintaining social distance, Emranul Huq, managing director of the bank, told The Daily Star in an interview recently. The agents of the lender now deliver welcome pack at customers' doorstep (maintaining health and safety standard) including free debit card and cheque book and collect documents with their signature.
- The banks' accounts are increasing at a faster pace after the product's launch, Huq said. The lender, which marked its 25th anniversary on July 5, invested nearly \$7 million last year to upgrade its online platform as part of its effort to make both the digital and virtual banking vibrant. The move is allowing clients to submit all export and import-related documents digitally.
- The businesses are being allowed to carry out trade-related procedures just by turning up at a branch once. The bank, which commenced its commercial operation in 1995, is one of the leading players in trade-based financing in Bangladesh. It accounts for more than 3 per cent of the country's total trade volume.
- Dhaka Bank initially started its journey with only one corresponding bank to do its foreign exchange related banking, but the number now stands at 450, in what can be viewed as the lender's growing acceptance across the globe. "We are maintaining a credit line with 30 global banks and two multilateral organisations – International Finance Corporation and the Asian Development Bank.
- They have provided a remarkable amount of guarantee and funded loans due to Dhaka Bank's strong brand image, said Huq, who was promoted to the post of MD in February from the previous position of additional managing director. He has been with Dhaka Bank for 23 years now.
- The lender is now campaigning to popularising its online product namely "Dhaka Bank Go" such that clients do their banking smoothly including inter-bank fund transfer, utility bill payment, mobile phone recharge and pay tuition fee for educational purpose.

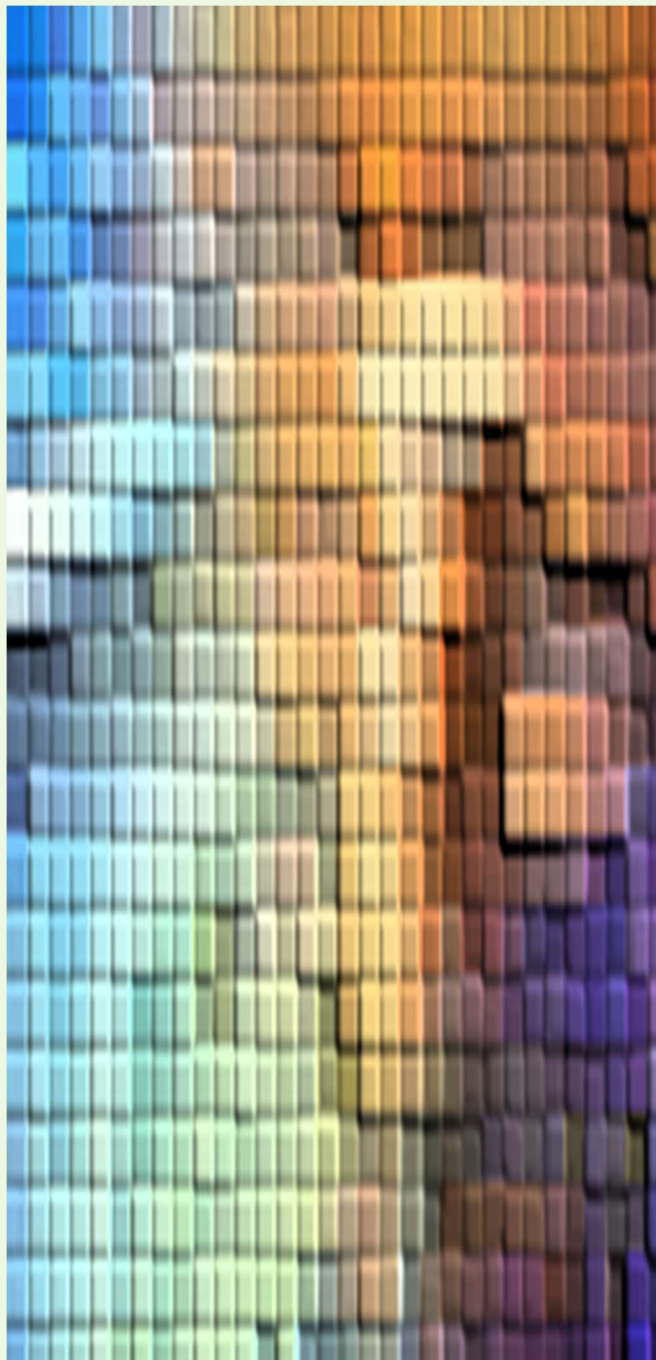
Source: <https://www.thedailystar.net/business/banking/news/dhaka-bank-shapeshifting-pandemic-1926381>

## **SIBL offers instant cash back for opening new account**

- Social Islami Bank Limited offers Tk.100.00 (taka one hundred) instant cash back for opening any new Savings, Current, Notice Deposit account. A campaign named "100 for 1" will continue up to 30 September 2020.
- Moreover, the clients will instantly get Debit Card and Internet Banking facilities. SIBL has taken this initiative to raise the tendency of savings and reduce cost among people amid Corona pandemic.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/sibl-offers-instant-cash-back-for-opening-new-account-1593877809>





### **City Bank donates ambulance to Ctg Metropolitan Police**

- City Bank donated an ambulance to Chattogram Metropolitan Police (CMP) to facilitate the emergency healthcare support and transportation of the frontline fighters against Corona Virus.
- Following an initiative taken by Chairman Aziz Al Kaiser, the ambulance has been donated as a part of bank's CSR activities.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-donates-ambulance-to-ctg-metropolitan-police-1593877888>

### **BRAC Bank celebrates 19 years**

- BRAC Bank Limited, a member of the BRAC family, observed its 19th founding anniversary on Saturday. Founded by Sir FazleHasan Abed KCMG in 2001, the bank commenced its operations on the 4th of July that year.
- Due to the COVID-19 situation, the bank refrained from any celebration for its 19th founding anniversary this year.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-celebrates-19-years-1593877605>

### **Dhaka Bank observes 25th anniversary**

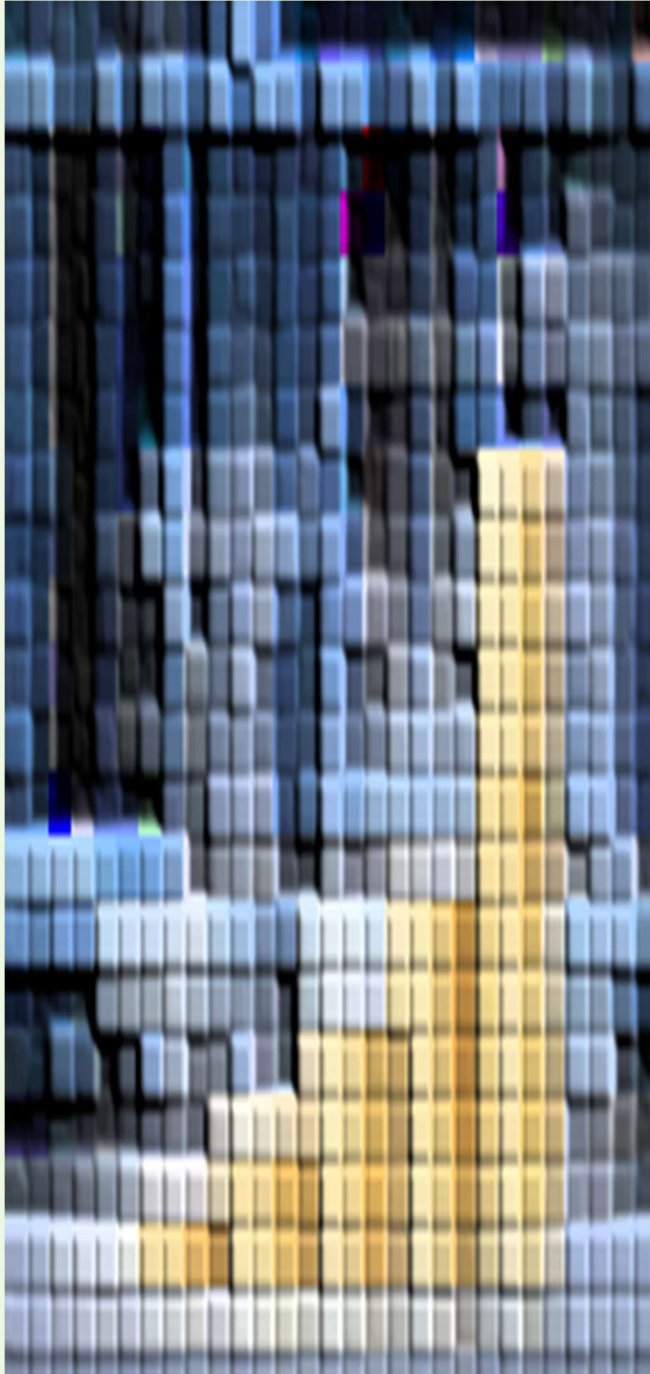
- Dhaka Bank Limited on Sunday observed its 25 years of banking excellence in a simple way considering the current ongoing pandemic COVID-19 situation in Bangladesh.
- A DoaMahfil was arranged by maintaining social distance and safe hygiene rules at proposed Head Office, Gulshan. Dhaka Bank Gulshan Corporate Branch was also inaugurated on the occasion.
- Apart from them, former directors Mr. Khandaker Mohammad Shahjahan; Mr. EmranulHuq, Managing Director & CEO of the Bank with minimum number of employees were also present at the program. The Chairman of the Bank in his speech conveyed homage to the Father of the Nation Bangabondhu Sheikh Mujibur Rahman in his Centenary Birthday. He also discussed on different issues of Bangladesh economy and the Bank.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bank-observes-25th-anniversary-1593973182>

### **Pubali Bank holds countrywide online conference**

- Pubali Bank Limited recently held an online conference with the participation of 482 branch managers', all regional managers and all division heads and executives across the country with a view to keeping the banking system smooth and dynamic during and after the current crisis, said a statement.
- Md. Abdul Halim Chowdhury, Managing Director and Chief Executive Officer of Pubali Bank Ltd called upon all the officers to provide safe banking services in compliance with the health rules in the current situation.
- He emphasized the need to work together to protect the post-corona banking sector as well as to prevent corona and provide credit facilities to productive industries for economic development. He also urged the implementation of incentive package adopted by the government.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/pubali-bank-holds-countrywide-online-conference-1594138867>



### **Prime Bank, BACCO launch alliance**

- Prime Bank Limited and Bangladesh Association of Call Center and Outsourcing (BACCO) have joined hands together to facilitate financing for the entrepreneurs in the field of call center and outsourcing.
- Managing Director and CEO of Prime Bank Rahel Ahmed and President of BACCO Wahidur Rahman Sharif formally launched the alliance through a virtual press meet on Wednesday.
- The partnership titled "Prime Bank-BACCO Alliance for MSME Financing Solutions" will enable easy access to finance to BPO/Outsourcing companies as they strive for market expansion locally and globally. It will be a big boost for the country's BPO/Outsourcing sector as eligible BACCO members can now avail collateral-free loan up to BDT 5.0 million and other tailor-made financing solutions. The entrepreneurs can make more contribution to the country's economy.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/prime-bank-bacco-launch-alliance-1594224865>

### **Dutch-Bangla Bank approves 25pc dividend**

- The 24th Annual General Meeting (AGM) of Dutch-Bangla Bank Limited was held on Wednesday through virtual platform under the Chairmanship of Sayem Ahmed, Chairman of the board of directors of the bank, said a statement.
- In the AGM, shareholders approved 25 per cent dividend (15 per cent cash dividend and 10 per cent stock dividend per share) for the year 2019. Despite of Covid-19, a large number of shareholders virtually participated in the AGM of the bank. The chairman welcomed the shareholders in the AGM.
- The audited financial statements for the bank for the year ended December 31, 2019 were placed before the AGM and a number of shareholders discussed the performance of the bank. The shareholders made various observations and suggestions on performance of the Bank for the year 2019.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dutch-bangla-bank-approves-25pc-dividend-1594224913>



## Stock Market Update

### DSE/CSE News in Brief (05-07-2020)

- Rahima Food Corporation Ltd: A board meeting of the company will be held on July 06, 2020 at 4:30 PM to consider, among others, un-audited financial statements of the company for the third quarter period ended on March 31, 2020. However, the scrip is suspended in CSE.
- MJL Bangladesh Ltd: A board meeting of the company will be held on July 06, 2020 at 3:00 PM to consider, among others, un-audited financial statements of the company for the third quarter period ended on March 31, 2020.
- Bata Shoe Company (Bangladesh) Limited: A board meeting of the company will be held on July 08, 2020 at 2:00 PM to consider, among others, un-audited financial statements of the company for the first quarter period ended on March 31, 2020. Another board meeting of the company will be held on July 08, 2020 at 2:00 PM to consider, among others, audited financial statements of the company for the year ended on December 31, 2019.
- Queen South Textile Mills Ltd: A board meeting of the company will now be held on July 05, 2020 at 4:00 PM to consider, among others, un-audited financial statements of the company for the third quarter period ended on March 31, 2020. Bangladesh General Insurance Company Ltd: The 35th AGM will now be held on July 15, 2020 at 11:30 AM. The AGM will be held virtually by using digital platform.

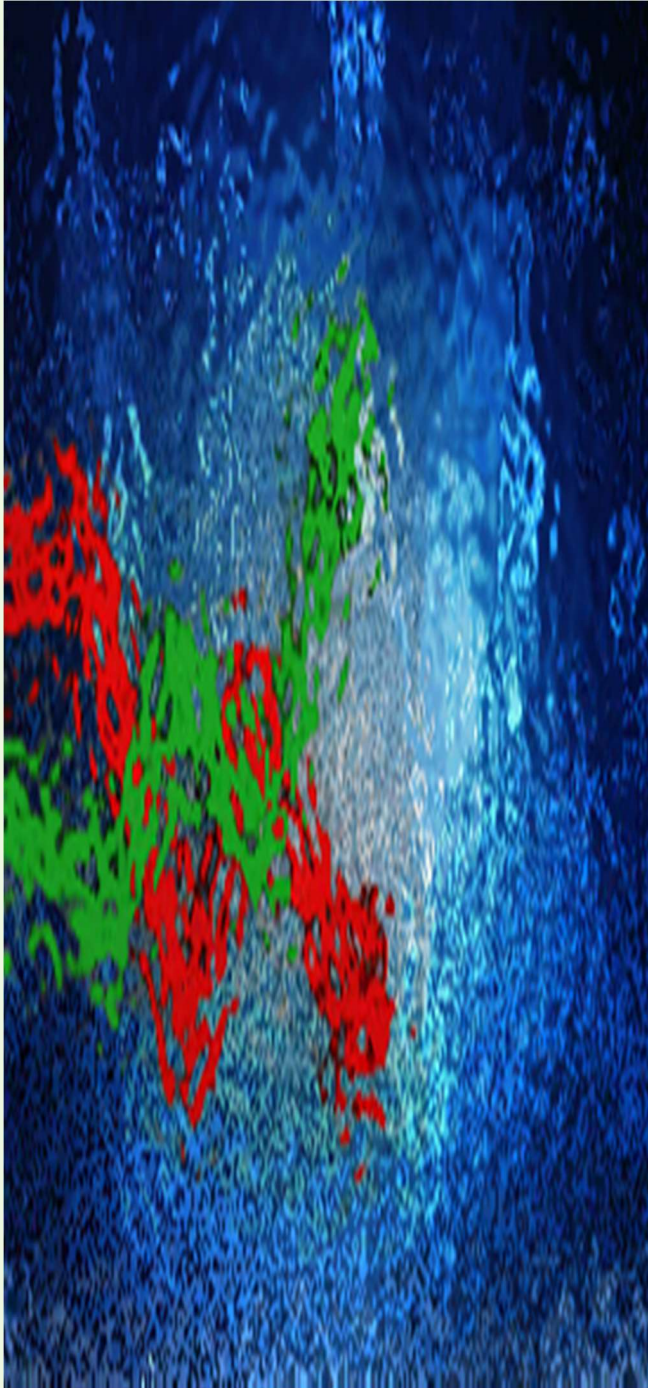
Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dsecse-news-in-brief-05-07-2020-1593877753>

### DSEX exceeds 4,000-mark after five weeks

- The core index of the prime bourse crossed the 'psychological' threshold of 4,000-mark after five weeks Tuesday as buoyant investors showed their appetite following the ultimatum by the regulator on complying with minimum shareholding by directors of the listed companies.
- DSEX, the key index of the Dhaka Stock Exchange, went up by 7.15 points or 0.17 per cent to settle at more than one month high at 4,001, since May 31. Market operators said the securities regulator's ultimatum to non-complaint directors of listed firms to ensure holding of minimum 2.0 per cent shares within 45 days propelled the buy pressure in the market.
- The stock market regulator has recently asked 61 directors of 22 listed companies to ensure a minimum 2.0 per cent shares in their own companies within 45 days to continue their directorship. If any director fails to comply with the 2.0 per cent shareholding rules within stipulated time, his/her position would be automatically vacated. To comply with the rules, many directors will have to buy shares within the 45-day time frame which boost the investors' confidence, said a leading broker.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dsex-exceeds-4000-mark-after-five-weeks-1594138942>





## Regulatory move for ensuring mandatory shareholding rules

- Stocks rebounded on Monday with key index hitting one-month high as optimistic investors went on buying binge at the lowest possible prices riding on the regulatory move for ensuring mandatory shareholding rules.
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- DSEX, the key index of the Dhaka Stock Exchange, went up by 13.13 points or 0.32 per cent to settle at more than one month high at 3,994, since June 1. The stock market regulator has asked 61 directors of 22 listed companies to ensure a minimum 2.0 per cent shares in their own companies within 45 days to continue their directorship.
- According to the rules, if any director fails to comply with the 2.0 per cent shareholding rules, his/her position would be automatically vacated. Buy pressure on general insurance, banking and pharma stocks propped the index up, commented UCB Capital, in its regular market analysis.
- The stock market regulator's ultimatum to 61 directors of 22 listed firms to ensure holding of minimum 2.0 per cent shares led the buy pressure, particularly on general insurance sector, as most of the directors that fell under radar from this sector, said the UCB analysis. According to media reports, of the 22 companies, 14 are from the insurance sector, which have 49 non-compliant directors. Two other indices also edged higher.
- The DS30 index, comprising blue chips, rose 6.60 points to finish at 1,342 and the DSE Shariah Index advanced 0.91 points to close at 921. Turnover, another important indicator of the market, stood at Tk 1.50 billion on the country's prime bourse, climbing by 104 per cent over the previous day's turnover of Tk 734 million.
- According to International Leasing Securities, many investors went for buying shares riding on the regulatory move to ensure holding of a minimum 2.0 per cent share in their own companies within 45 days. The stockbroker noted that some optimistic investors showed their buying appetite based on latest quarterly earnings declarations and to gain some dividend yield.
- Market analysts, however, said the most of investors remained worried about the adverse impact of worsening pandemic situation with looming uncertainty about economic growth and the regulator-enforced floor price system. Of the issues traded, 216 remained unchanged while 57 issues advanced and 23 declined on the DSE floor.
- Among the major sectors, insurance posted the highest gain of 1.30 per cent, followed by banking with 0.70 per cent, pharma 0.30 per cent and ceramic 0.10 per cent. A total number of 25,022 trades were executed in the day's trading session with a trading volume of 47.69 million shares and mutual fund units.
- The market-cap on the premier bourse also rose to Tk 3,120 billion on Monday, from Tk 3,115 billion in the previous session. Beximco Pharma topped the turnover chart with shares worth Tk 104 million changing hands, followed by Square Pharma, Indo-Bangla Pharma, Bangladesh Submarine Cable and WataChemicals. Pubali Bank was the day's best performer, posting a gain of 10 per cent while Beximco Synthetics was the worst loser, losing 6.25 per cent.
- The Chittagong Stock Exchange also ended higher with its All Shares Price Index (CASPI)-advancing 32 points to close at 11,338 and the Selective Categories Index - CSCX -gaining 21 points to finish at 6,866. Of the issues traded, 36 gained, 16 declined and 67 remained unchanged on the CSE. The port city bourse traded 2.35 million shares and mutual fund units with turnover value of Tk 891 million.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/regulatory-move-for-ensuring-mandatory-shareholding-rules-1594073678>



## Trade Market Update

### Trade resumes through Benapole port

- India finally agreed to accept Bangladeshi export goods and as a result the import-export trade resumed through Benapole port at 7 pm on Sunday. After a fruitful meeting of the customs, ports and trade associations of the two countries in the afternoon, the import-export trade started in full swing.
- Five truckloads of goods have been exported from Bangladesh to India and another five truckloads of goods have been imported from India to Bangladesh. As a result, the port returned to normal as before.
- Five organizations using Benapole port had been blocking the entry of Indian imported goods into Bangladesh since last Wednesday in protest against not allowing Bangladeshi export goods to enter India.

Source: <https://today.thefinancialexpress.com.bd/trade-market/trade-resumes-through-benapole-port-1593973995>



## **International business**

### **Ukraine central bank departure sparks global outcry**

- The IMF and the international business community expressed deep concern Thursday after the governor of Ukraine's central bank resigned citing political pressure. The bank chief Yakiv Smoliy stood down Wednesday, saying "systematic political pressure" made it "impossible" for him to fulfil his duties.
- The International Monetary Fund praised Smoliy's leadership of the National Bank of Ukraine (NBU) in a statement, stressing the need to preserve its independence. The bank leadership had come under attack from a group of lawmakers, mainly MPs from the ruling party of President Volodymyr Zelensky who are considered close to oligarch Igor Kolomoisky.
- In a draft resolution, the lawmakers accused the bank of overseeing policies that were "dangerous for the country" and worsened its economic crisis. In June the IMF unblocked \$2.1 billion worth of aid under a new \$5 billion plan to help Ukraine. Zelensky's office said in a statement that ensuring the NBU's independence remains its "unconditional priority". Zelensky has accepted Smoliy's resignation which now needs approval from parliament, which is expected on Friday.

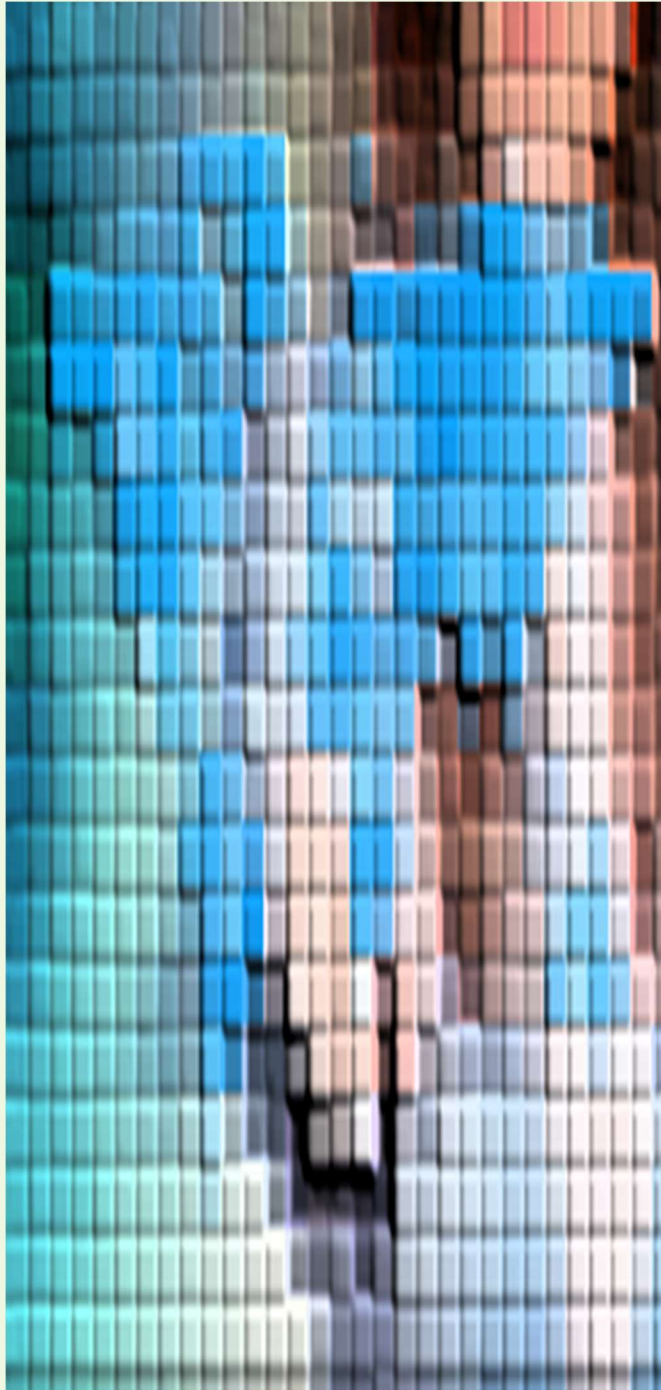
Source: <https://www.thedailystar.net/business/news/ukraine-central-bank-departure-sparks-global-outcry-1925793>

### **Big Oil confronts possibility of terminal demand decline**

- Although crude prices have rebounded from coronavirus crisis lows, oil execs and experts are starting to ask if the industry has crossed the Rubicon of peak demand. The plunge in the price of crude oil during the first wave of coronavirus lockdowns -- futures prices briefly turned negative -- was due to the drop in global demand as planes were parked on tarmacs and cars in garages.
- The International Energy Agency (IEA) forecast that average daily oil demand will drop by eight million barrels per day this year, a decline of around eight percent from last year. While the agency expects an unprecedented rebound of 5.7 million barrels per day next year, it still forecasts overall demand will be lower than in 2019 owing to ongoing uncertainty in the airline sector.
- The COVID-19 pandemic was in full swing then with most planes grounded and white-collar workers giving up the commute to work from home. "Could it be peak oil? Possibly. I would not write that off," Looney told the Financial Times.
- The concept of peak oil has long generated speculation. Mostly, it has been focused on peak production, with experts forecasting that prices would reach astronomical levels as recoverable oil in the ground runs out.
- But in recent months, the concept of peak demand has come into vogue, with the coronavirus landing an uppercut into fuel demand for the transportation sector followed by a knock-out punch from the transition to cleaner fuels.

Source: <https://www.thedailystar.net/business/news/big-oil-confronts-possibility-terminal-demand-decline-1925777>





## Indonesia says trade, investment deal with Australia takes effect

- An Indonesia-Australia deal that eliminates most trade tariffs between the two nations and aims to open up investment, took effect on Sunday, Indonesia's Trade Ministry said.
- The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), signed last year and ratified by the Indonesia's parliament in February, aims to boost bilateral trade that was worth \$7.8 billion in 2019. "COVID-19 has resulted in economic slowdown in nearly all countries," Trade Minister AgusSuparmanto said in a statement.
- "IA-CEPA momentum can be used to maintaining Indonesian trade and improve competitiveness."In a signing ceremony last year, the two countries said the pact would eliminate all Australian tariffs on imports from Indonesia, while 94% of Indonesian tariffs would be gradually removed.
- Australia aims to boost exports including wheat, iron ore and dairy, while Indonesia hopes to increase automotive exports, textile and electronics. The deal opens up investment, including for Australian universities in Indonesia.

Source: <https://www.thedailystar.net/business/news/indonesia-says-trade-investment-deal-australia-takes-effect-1925773>

## Canada's biggest banks join boycott of Facebook platforms

- Canada's biggest lenders confirmed on Friday they had joined a widespread boycott of Facebook Inc begun by U.S. civil rights groups seeking to pressure the world's largest social media platform to take concrete steps to block hate speech.
- More than 400 brands have pulled advertising on Facebook in response to the "Stop Hate for Profit" campaign, begun after the death of George Floyd, a Black man who died in police custody in Minneapolis on May 25. Canadian lenders Royal Bank of Canada, Toronto-Dominion Bank, Bank of Nova Scotia, Bank of Montreal, National Bank of Canada and Canadian Imperial Bank of Commerce all said they will pause advertising on Facebook platforms in July.
- Desjardins Group, Canada's largest federation of credit unions, also said on its website on Thursday it will pause advertising on Facebook and Instagram for the month "barring any exceptional situations where we need to communicate with our members or clients.
- "Facebook has opened itself up to a civil rights audit and has banned 250 white supremacist organizations from Facebook and Instagram, a spokesman said by email. Its investments in artificial intelligence mean it finds nearly 90% of hate speech it takes action on before users report it, he added.

Source: <https://www.thedailystar.net/business/news/canadas-biggest-banks-join-boycott-facebook-platforms-1925781>



## Trustworthy financial reporting brings investors' confidence

- High quality financial reporting supports well-informed investment decisions, thereby facilitating the efficient formation and deployment of capital, said Muhammad Farooq, president of the Institute of Chartered Accountants of Bangladesh (ICAB).
- He made the comments at a time when financial experts have been blaming the volatility of the stock market as well as the economy on the publication of fabricated financial statements. The members of ICAB took part in the conference on 'Bringing improvement in the financial reporting and quality of auditing' through virtual conferencing platform Zoom.
- The purpose of the conference was to discuss the challenges and way forward to improve the financial reporting and quality of auditing. Considering the high level of cost to engage audit personnel with sufficient skill, expertise, and the use of information technology like computer assisted audit techniques, the existing audit fees are not sufficient.
- Regulators involvement in selection of audit firm and fixing of audit fee may be an option to think about. In this connection, the Financial Reporting Council (FRC) and Bangladesh Securities and Exchange Commission (BSEC) could jointly work in formation of a joint committee or task force to develop a strategic plan to improve the quality of financial reporting and auditing.

Source: <https://www.thedailystar.net/business/news/trustworthy-financial-reporting-brings-investors-confidence-1925277>





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Fahmida Chowdhury  
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57 Purana Paltan Lane, VIP Road, Dhaka 1000  
Email: [rnd@dhakabank.com.bd](mailto:rnd@dhakabank.com.bd)