

News Blaze of the Week

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Quotation Corner

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Govt Initiatives

Govt to use forex reserves for development projects

- The government has decided to use the country's ballooning foreign exchange reserves to implement development projects. The government would pick those projects for the foreign currency loans that would have a high rate of return so that it can repay the loans also in the foreign currencies, Kamal said. In September, the central bank submitted a concept paper to the finance ministry on using the foreign exchange reserve. As per Bangladesh Bank Order 1972, there is no scope to use the reserve in any projects, the central bank informed the ministry.
- The central bank gave out foreign currency loans to Biman Bangladesh Airlines through state lender Sonali Bank last year to procure aircraft. The government gave the guarantee to mitigate the financial risk for the lender. The guarantee means the government will pay back the loan to the state lender if the national flag carrier fails to return the amount on time. The outstanding loans given by the central bank to the national flag carrier now stand at \$580 million. In recent months, the reserve has reached a new high on the back of remittance, dwindling import payments and budgetary support and loans from the Asian Development Bank, the International Monetary Fund, the World Bank, the Asian Infrastructure Investment Bank and the Islamic Development Bank.
- The countries whose foreign exchange reserve is not sufficient have hardly invested the fund at home and abroad for long terms. Two years ago, the cabinet gave the go-ahead to establish a wealth fund with money from the reserves, which would be used as government investment in long-term projects. The funds to the tune of \$5 billion were supposed to be used for investments in seven sectors, including power, energy and infrastructure. But the initiative came to a halt due to fluctuations of the reserve at that time. In 1990, the Norwegian parliament passed legislation to support this, creating the fund and the first money was deposited there in 1996. The fund, whose market value stood at \$1,148 billion as of 2019, has been invested only abroad.
- The Abu Dhabi Investment Authority (ADIA) was established by the government of Abu Dhabi in 1976 to operate sovereign wealth fund. It manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories.

Source: <https://www.thedailystar.net/business/news/govt-use-forex-reserves-development-projects-1976561>

Banks and Financial Institutions

BKB seeks Tk 103b zero-coupon bond

- The Bangladesh Krishi Bank (BKB) has requested the government to issue redeemable zero-coupon bond worth Tk 103.18 billion to meet its capital shortfall. Officials said the state-owned BKB has sought the redeemable 10-series zero-coupon bond under re-capitalisation at a 4.0-per cent yield. The product's maturity period will be 10 years from the date of issuance. It will be paid in 10 equal instalments, Tk 12.72 billion, including yield annually.
- Zero-coupon bond is needed to meet the bank's existing capital shortfall to fulfill the extended farm credits and expedite the rural economy, added the letter. According to the Bangladesh Bank, the BKB had a capital shortfall of more than Tk 103.18 billion (provisional) as of June 2020. The disbursement of farm loans by the BKB has surpassed its target in the last fiscal year. It achieved 113 per cent of its target set by the central bank. The total target was fixed for the bank at Tk 55 billion for fiscal year (FY) 2019-20, according to the data available with the central bank.
- The regulator has set for the bank a Tk 60-billion agriculture credit target for FY 2020-21. The bank disbursed more than Tk 23.81 billion among 0.185-million families in FY 2019-20. It has disbursed over Tk 9.97-billion loans or 83.19 per cent against target under the central bank's 'special incentive re-financing scheme' for flower, fruit, grain, fish, poultry, dairy farm and livestock sectors until October 07, 2020.

Source: <https://today.thefinancialexpress.com.bd/trade-market/bkb-seeks-tk-103b-zero-coupon-bond-1602341302>

Southeast Bank launches "Tahqiq"

- Southeast Bank Ltd recently launched "Tahqiq", a risk-based internal audit system (RBIAS) in its ICC Division. Millennium Information Solution Limited (MISL) developed the system which will help the Bank achieving a competitive edge through a more efficient auditing process, automating the ICC department functions and branch-wise as well as department-wise risk grading, said a statement of MISL.
- The launching of "Tahqiq" (RBIAS) was held through a virtual "Go Live" ceremony on October 8 last. By implementing this system, SEBL will be able to bring significant efficiency in its Audit and ICC department. The other benefits include paperless and automated Audit Planning, Operation, and Compliance, comprehensive Risk Grading engine with easy integration with CBS and HRIS and installation of executive dashboards which will show real-time audit operations & compliance status.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/southeast-bank-launches-tahqiq-1602342444>

Banks and Financial Institutions

Dhaka Bank has signed an agreement recently for providing cash management and payroll services to Cross World Power

- Dhaka Bank has signed an agreement recently for providing cash management and payroll services to Cross World Power Limited at Dhaka Bank Corporate Office. Mr. Emranul Huq, Managing Director and CEO of Dhaka Bank Ltd, and Mr. Syed Raziur Rahman Chowdhury, Chief Executive Officer of Cross World Power Limited, signed and exchanged the agreement on behalf of their respective organisations.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bank-has-signed-an-agreement-recently-for-providing-cash-management-and-payroll-services-to-cross-world-power-1602430317>

BD Finance to launch innovative products

- Bangladesh Finance and Investment Company Ltd or BD Finance is planning to introduce innovative and customized lending and deposit options to pull together NBFI-designed funding and lending base, top executive of the non-bank financial institution said. To materialize the plan, the NBFI is planning to bring worth Tk 2.0 billion subordinate or zero coupon bond in the market for three to five years. BD Finance started its journey in 1999 with the prime objective of delivering financial services across the different segments of clientele and business as part of its humble endeavor to contribute meaningfully to the cause of socio-economic development of the country.
- The Company obtained permission from Bangladesh Bank to operate as financial institution under the Financial Institutions Act 1993 on December 22, 1999 and got listed in Dhaka Stock Exchange on September 06, 2007 and Chittagong Stock Exchange on August 28, 2007. The shareholding structure of BD Finance consists of reputed corporate houses, leading industrialists and general public. BD Finance is giving minimum 10 per cent dividend on year on year and it gave 12 per cent cash dividend in 2019 even in this difficult time.
- BD Finance has one of the lowest NPL which is close to 4 per cent and will decrease at the end of year 2020, according to official source. The consolidated operating income of the NBFI has increased by 39 per cent in H1 2020 where operating expenses decreased by 23 per cent compared to the same period of H1 2019 which indicates higher operational efficiency.

Source: <https://today.thefinancialexpress.com.bd/trade-market/bd-finance-to-launch-innovative-products-1602432226>

Banks and Financial Institutions

HSBC observes customer service week

- The Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh celebrated International Customer Service Week from October 5 to 8. To wrap up the week of celebrations and also discuss the changed landscape of customer service in presence of industry experts, the lender yesterday organised a webinar on "The transformed landscape of Customer Service to thrive in the New Normal".
- The bank's selected customers shared their experience of banking with HSBC at the event. The customer service week is an international celebration of the importance of customer service and of the people who serve and support customers on a daily basis. The bank is taking forward its customer experience initiative under the campaign "Exceeding Expectations Everyday" and has embedded it as a way of life for every element that the bank offers for its customers, the bank said in a statement. Customer experience is at the centre of what we offer at HSBC. Starting from designing our products and propositions to serving those to our customers, customer experience is an essential element that we consider.

Source: <https://today.thefinancialexpress.com.bd/trade-market/norway-interested-to-help-harness-blue-economy-1602432358>

Brac Bank wins award for female-focused lending

- Brac Bank has recently been named as the Access to Finance Champion by the Financial Alliance for Women. This is for the fourth consecutive time the bank won the award. The announcement came in a 2020 Alliance Summit held recently through a digital platform, according to statement. The Financial Alliance for Women is a leading network of financial organisations in 135 countries dedicated to championing the untapped female economy. Brac Bank was awarded for continuously evolving its products and services under "TARA" to expand its reach to female customers.

Source: <https://today.thefinancialexpress.com.bd/trade-market/norway-interested-to-help-harness-blue-economy-1602432358>

Banks and Financial Institutions

Dhaka Central Zone of Islami Bank Bangladesh Limited organised a webinar titled 'Compliance of Shari'ah in Banking Sector'

- Dhaka Central Zone of Islami Bank Bangladesh Limited organised a webinar titled 'Compliance of Shari'ah in Banking Sector' on Saturday. Syed Abu Asad, Director of the bank, addressed the programme as the chief guest while Muhammad Qaisar Ali, Additional Managing Director, was special guest.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-central-zone-of-islami-bank-bangladesh-limited-organised-a-webinar-titled-compliance-of-shariah-in-banking-sector-1602514619>

SIBL started the operation of opening e-Account through its mobile app "SIBL NOW"

- SIBL started the operation of opening e-Account through its mobile app "SIBL NOW". Managing Director & CEO Quazi Osman Ali inaugurated the launching programme as the chief guest through virtual platform on Wednesday at the head office in the city. MISL is the vendor of the mobile app.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/sibl-started-the-operation-of-opening-e-account-through-its-mobile-app-sibl-now-managing-director-ceo-quazi-osman-ali-1602691315>

EBL launches Inward Remittance Services for cardholders

- Eastern Bank Limited (EBL) launched Inward Remittance Services for EBL Visa Cardholders through a zoom conference on Tuesday. This new service will enable EBL Visa Cardholders to receive foreign remittances almost instantly. At the moment, EBL customers will require EBL Visa Debit Travel Quota Card to receive foreign remittances. Soon other EBL card products will be enabled to receive inward remittances.
- Remitters will be able to send \$2500 per transaction using one card, up to five transactions a month per card, and 30 transactions a year per card. Launching the service, Managing Director and CEO of EBL, Ali Reza Iftekhar said, "Bangladesh received over \$18.32B in remittances in 2019 with Malaysia and Singapore together accounting for over \$1.6B dollars."

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/ebL-launches-inward-remittance-services-for-cardholders-1602691671>



Stock Market Update

Mutual funds to play bigger role in stock market

- The Bangladesh Securities and Exchange Commission (BSEC) is anticipating mutual funds' contribution in stock market capitalisation to balloon from some 3 per cent at present to 20 per cent. The sector should hold strong to help the stock market gain strength and also meet higher demands of private investment in coming years.
- The private sectors needs the investment-GDP ratio to rise by 10 per cent to meet the government's targeted economic development and the capital market could mobilise a large part of the massive investment demand, Rahman said. They did so despite having the scope to invest up to 40 per cent of their funds into risk-free money market instruments and 30 per cent into fixed income investment grade corporate bonds. Some chose to pay dividends for years while incurring losses, which ultimately eroded their capital, he added. Titled "Importance of Mutual Fund Industry in the Capital Market as well as in the Economy of Bangladesh", the webinar was organised by the Association of Asset Management Companies and Mutual Funds in observance of World Investors Week 2020.

Source: <https://www.thedailystar.net/business/news/mutual-funds-play-bigger-role-stock-market-1975929>

DSE turnover at two-month low

- Stocks extended the losing streak on Monday with turnover hitting two months low on Dhaka Stock Exchange (DSE), as shaky investors continued their sell-offs on major sector-wise issues. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 48.65 points or 1.0 per cent to settle at seven-week low at 4,809. The benchmark barometer lost more than 125 points in the past three consecutive sessions.
- Turnover, a crucial indicator of the market, also fell to two-month low to Tk 6.94 billion, which was 21 per cent lower than the previous day's turnover of Tk 8.75 billion. World Bank's forecasts at a lower GDP growth (1.6 per cent in the current fiscal year) for Bangladesh added further woes to the market performance, said a leading broker. According to International Leasing Securities, the risk-averse investors continued their heavy sell offs on major sectors as experts cautioned about the second wave of Covid-19 which may hit Bangladesh in winter.
- The Chittagong Stock Exchange also ended lower with its All Shares Price Index (CASPI)-losing 133 points to close at 13,747 while the Selective Categories Index - CSCX shedding 77 points to close at 8,259. Of the issues traded, 184 declined, 48 advanced and 39 remained unchanged on the CSE. The port city bourse traded 12.13 million shares and 10 fund units with turnover value of more than Tk 260 million.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dse-turnover-at-two-month-low-1602514297>



Stock Market Update

DSE daily turnover dips below Tk 6.0b-mark

- Stocks rebounded on Tuesday, snapping a three-day losing streak, as optimistic investors showed their buying appetite on sector-specific issues. The market index witnessed volatility in the early hours of trading but gained momentum afterward ignited by investors' bargain hunting as many stocks came to lucrative price level after three-day major corrections.
- DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 30.15 points or 0.62 per cent to settle at 4,839, after losing 125 points in the past three sessions. Most of the major sectors showed positive movement with cement posted the highest gain of 1.90 per cent, followed by telecom with 0.90 per cent, banking 0.70 per cent, financial institutions 0.70 per cent and food 0.70 per cent. Engineering sector tumbled 3.60 per cent as the sector's heavyweight Walton Hi-Tech Industries continued to loss. The newly listed Walton's shares plunged 6.35 per cent to close at Tk 767.40 on Tuesday.
- Gainers took a strong lead over the losers as out of 356 issues traded, 185 ended higher, 98 closed lower while 73 issues remained unchanged on the DSE trading floor. A total number of 139,729 trades were executed in the day's trading session with a trading volume of 251.12 million shares and mutual fund units. The Chittagong Stock Exchange also rebounded with its All Shares Price Index (CASPI)-gaining 90 points to close at 13,837 while the Selective Categories Index - CSCX rising 50 points to close at 8,310. Of the issues traded, 130 advanced, 88 declined and 46 remained unchanged on the CSE.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dse-daily-turnover-dips-below-tk-60b-mark-1602602709>

ICMAB team meets DSE Chairman

- A delegation of The Institute of Cost and Management Accountants of (Bangladesh) ICMAB led by its President Mr. Md. Jasim Uddin Akond FCMA met Dhaka Stock Exchange (DSE). The delegation discussed matters relating to professional interest with DSE Chairman. Issues related with implementing cost audit in all limited companies were highlighted in the discussion. DSE Chairman ensured ICMAB delegation that he will take necessary steps to implement this as it seems to play a vital role for the economic development and clarity of our country.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/icmab-team-meets-dse-chairman-1602602908>

Corporate Market Update

ICB AMCL approves 50pc cash dividend in AGM

- The 20th Annual General Meeting of ICB Asset Management Company Limited (a subsidiary of ICB) was held on a digital platform Saturday. The meeting was presided over by Dr. Mojib Uddin Ahmed, Chairman of the Board of Directors of the company. Chief Executive Officer A. T. M. Ahmedur Rahman and other directors/shareholders of the company were also present in the meeting.
- Directors' Report to the shareholders and annual accounts of the Company for 2019-2020 were approved in the meeting. During 2019-2020, the company earned a net profit of Tk 435.2 billion (43.52 crore). Earnings per share of Tk. 100.00 stood at Tk. 110.53. The shareholders approved 50 per cent cash dividend (including 40% interim) per share for 2019-2020.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/icb-amcl-approves-50pc-cash-dividend-in-agm-1602342957>

26 awarded for Walton Digital Campaign branding

- Walton, the leading multinational electronics company in Bangladesh, has awarded 26 individuals and organisations for their outstanding branding activities under its ongoing Digital Campaign Season-8 across the country, said a press release. Walton is conducting the campaign to boost its digital registration initiative in order to provide online-based swift and best after-sales service.
- Under the Digital Campaign Season-8, customers of Walton fridge, washing machine and microwave oven are getting up to 500 per cent sure cash vouchers or lots of free products like fridge, television, air conditioner, blender etc. On the occasion, the 'Best Branding Award and Best Area Manager Award-2020' ceremony was held at the Walton corporate office in the city recently.

Source: <https://today.thefinancialexpress.com.bd/trade-market/26-awarded-for-walton-digital-campaign-branding-1602432311>

Olympic Industries to import brand new machinery worth Tk 49.26m

- The board of directors of Olympic Industries has decided to import brand new complete set of machinery, equipment and spare parts from China at an estimated total cost of US\$ 579,600 equivalent around Tk 49.26 million. The specifications of item are: PET Co-Extrusion Sheet Extrusion Line complete with Extruder, Preheating system, Master Batch, Dousing unit, Glass heater, Encoder motor, Inverter, Touch screen etc. at an estimated cost of US\$ 433,070 equivalent around Tk 36.81 million. Capacity: 480-500 Kgs of final PET Sheet of 0.33 thicknesses per hour.
- There will be fully automatic three station Thermoforming machine complete with Mould, Electric lifter, Clamping cylinder, Main Servo motor with drive sheet feeding, forming and cutting, Stacking, Vacuum unit for forming etc. at an estimated cost US\$ 146,530 equivalent around Tk 12.45 million. Each share of the Olympic Industries, which was listed on the Dhaka Stock Exchange (DSE) in 1989, closed at Tk 166.20 on Monday, gaining 1.40 per cent over the previous day following the news.
- The company's paid-up capital is Tk 1.99 billion and authorised capital is Tk 2.0 billion, while the total number of securities is 199.93 million. The sponsor-directors own 27.73 per cent stake in the company, institutional investors 16.97 per cent, foreign 39.73 per cent and the general public 15.57 per cent as on September 30, 2020, the DSE data shows.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/olympic-industries-to-import-brand-new-machinery-worth-tk-4926m-1602514521>



Apparel Market Update

Country's first digital trade week begins tomorrow

- To promote digital trade in Bangladesh and initiate digitisation of trade in readymade garments sector "Digital Trade Week" is going to start for the first time in Bangladesh from tomorrow (October 15). Digital Trade Week organised by Merchant Bay Ltd., an online B2B trading platform focusing on expanding Bangladesh's export sector.
- This trade week will start from tomorrow and will continue till October 21. During this week, Merchant Bay will facilitate the opportunity to more than one thousand suppliers from different parts of Bangladesh to meet with buyers from 50+ countries around the world. Suppliers will be able to promote their products and factory facilities to the buyers around the year.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/countrys-first-digital-trade-week-begins-tomorrow-1602602970>

Envoy Textile's earning per share slumps 51pc

- The earnings per share (EPS) of Envoy Textiles Ltd plunged nearly 51 per cent year-on-year for the year ended on June 30, 2020 as export declined due to pandemic. The board of directors of the company has recommended a 5.0 per cent cash dividend for the year ended on June 30, 2020, according to an official disclosure on Tuesday. The final approval of dividend will come during the annual general meeting (AGM) scheduled to be held on December 28 at 11:00am through digital platform.
- The textile company's earnings per share (EPS) plunged 51 per cent year-on-year to Tk 1.63 for the year ended on June 30, 2020. The company's EPS was Tk 3.31 for the year ended on June 30, 2019. The company's paid-up capital is Tk 1.67 billion and authorised capital is Tk 4.0 billion while total number of securities is 167.73 million. The sponsor-directors own 45.58 per cent stake in the company, institutional investors own 41.90 per cent, foreign investors 0.07 per cent and the general public 12.45 per cent as on August 31, 2020, the DSE data shows.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/envoy-textiles-earning-per-share-slumps-51pc-1602602809>

10 Bird Game winners get iPhones from bKash

- Some 10 participants have been selected as winners who achieved the highest points by playing 'Bird Game' from July 21 to July 31, 2020. bKash, the leading mobile financial service provider, has handed over 10 iPhone SEs to the winners of Bird Game. With great response of the customers, bKash is going to launch the Bird Game competition again on October 15, 2020 and it will be open for customers until October 31, 2020. This time, the game modality and prize will be different. Details of the new campaign will be available for customers on bKash Facebook page.

Source: <https://today.thefinancialexpress.com.bd/trade-market/10-bird-game-winners-get-iphones-from-bkash-1602515807>

Gold, silver prices rise

- Gold and silver prices edged higher in Indian markets on Monday. On MCX, December gold futures edged up 0.4 per cent to 51,016 per 10 gram, rising for the third day, while silver jumped 1.4 per cent to 63,769 per kg. Gold and silver had finished the previous session on a strong note, rising 1.2 per cent and 4 per cent respectively. In global markets, gold prices edged lower on the day, falling from three-week highs hit earlier in the session. A stronger US dollar and uncertainty over US stimulus package put pressure on gold. Spot gold fell 0.2 per cent to \$1,925.29 per ounce, after hitting \$1,932.96 earlier in the session.
- The dollar index was up 0.07 per cent against rivals, making gold more expensive for holders of other currencies. The uncertainty over US stimulus saga continued, with President Donald Trump and House Speaker Nancy Pelosi blaming each other for a lack of progress on a deal. Among other precious metals, silver eased 0.4 per cent to \$25.02 per ounce, platinum fell 1 per cent to \$876.80, and palladium was down 0.2 per cent to \$2,435.35. Analysts say that hopes of a bigger stimulus package if Democrats come to power in the US and uncertainty over global economic recovery will lend support to the precious metal at lower levels.
- In August, gold futures in India had hit record highs of 56,200 per 10 gram. Meanwhile, dealers sold physical gold was sold at a premium in India last week for the first time in two months as jewellers stocked up ahead of the festive season. In India, gold prices include 12.5 per cent import duty and 3.0 per cent.

Source: <https://today.thefinancialexpress.com.bd/trade-market/gold-silver-prices-rise-1602515690>

EU can slap tariffs on U.S. goods over Boeing aid: WTO

- The World Trade Organization (WTO) on Tuesday ruled that the European Union (EU) can impose tariffs on U.S. products worth around 4 billion U.S. dollars, in retaliation for government subsidies given to the aircraft manufacturer Boeing. The WTO said in an arbitration decision that the level of countermeasures, amounting to 3.99 billion dollars, is commensurate with the adverse effects suffered by Boeing's European rival Airbus in terms of lost sales and impeded imports and exports of its aircraft.
- The long-standing issue between the EU and the U.S. began in 2004, when the U.S. accused France, Spain and Germany-also known as the "Airbus member states"-of providing illegal subsidies and grants to support the production of a range of Airbus products. Following prolonged legal proceedings, the WTO allowed the U.S. to take countermeasures against European exports worth up to 7.5 billion dollars in October 2019. The basis for this was a 2018 decision that found that the EU and the "Airbus member states" had not fully complied with previous WTO rulings with regard to Repayable Launch Investment for the A350 and A380 programs.

Source: <https://today.thefinancialexpress.com.bd/trade-market/eu-can-slap-tariffs-on-us-goods-over-boeing-aid-wto-1602689455>

Britain's banks turn cyber sleuths to crack \$100b mortgage mystery

- Does a cancelled gym membership spell financial disaster? That is the type of question British banks are asking as they try to work out whether borrowers owing some 75 billion pounds (\$96 billion) in home loans will be good for it when a payment holiday, introduced when the coronavirus crisis first hit, ends. Some 300 billion pounds in payment breaks were granted on British mortgages, part of a series of measures aimed at propping up households hit by the virus, and around 70-80 per cent of those have resumed payments, bankers and analysts told Reuters.
- That leaves nearly \$100 billion outstanding at a time when banks also face wider defaults on their corporate loans and plunging income due to near-zero interest rates. That is a small proportion of the £1.5 trillion in mortgages outstanding in Britain, but a big default on that stock of home loans coupled with an expected rise in defaults on corporate loans could see bad debts rise from 1.4 per cent of their books to 4.1 per cent by 2022, analysts at ratings agency Moody's said. That would be higher than the peak rate recorded after the 2008 crisis, of 3.96 per cent in 2011.

Source: <https://www.thedailystar.net/business/news/britains-banks-turn-cyber-sleuths-crack-100b-mortgage-mystery-1975917>

IMF lowers GDP growth forecast to 4.4pc

- The IMF came up with the projection in its latest World Economic Outlook published on its website yesterday. The lender's projection is much lower than the government's target of 8.2 per cent for the current fiscal year of 2020-21. The IMF usually forecasts Bangladesh's GDP growth based on a calendar year. But it projected the economic output for the first time on the basis of the fiscal year.
- The country's GDP growth may stand at 7.3 per cent in fiscal 2024-25, the IMF said. World Bank said Bangladesh's economic growth would weaken to 1.6 per cent in the current fiscal year. Earlier in April, the Washington-based global lender had forecast that the growth would be between 2 and 3 per cent in the current fiscal year.

Source: <https://www.thedailystar.net/business/news/imf-lowers-gdp-growth-forecast-44pc-1977661>

Collapse of global tax talks could cost \$100b, OECD says

- The global economy could shed more than 1 per cent of output if international talks to rewrite cross-border tax rules break down and trigger a trade war, the OECD said on Monday, after countries agreed to keep up negotiating to mid-2021. Nearly 140 countries agreed on Friday to extend talks after the pandemic outbreak and US hesitation before the presidential election squashed hopes of reaching a deal this year.
- Inversely, new rules for digital taxation and a proposed global minimum tax would increase global corporate income tax worldwide 1.9 per cent to 3.2 per cent, or about \$50 billion to \$80 billion per year. That could reach \$100 billion when including an existing US minimum tax on overseas profits, amounting to 4 per cent of global corporate income tax, the OECD said.

Source: <https://www.thedailystar.net/business/news/collapse-global-tax-talks-could-cost-100b-oecd-says-1977061>

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