

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

December 08, 2021

Govt Readies Rules to Pave way for Electric Vehicles

The government is set to remove all complexities for the registration and operation of electric vehicles in Bangladesh as the Road Transport and Bridges Ministry has prepared a guideline in this regard.

The draft "Electric Motor Vehicle Registration and Movement Guideline 2021" emphasises ensuring safety standards and an adequate economic lifetime for electric vehicles.

The development comes three years after a draft guideline was submitted to the division in November 2018. The division then sent a four-member delegation to India to gain experience. After a two-year pause, the move gained momentum in January this year. The registration and movement related guidelines for electric vehicles are being formulated as per clause-124 of the Road Transport Act 2018.

As such, electric vehicles will be registered just like conventional ones and the same rule is applicable for battery-run three wheelers.

Source: <https://www.thedailystar.net/business/economy/news/govt-readies-rules-pave-way-electric-vehicles-2912346>



Ecneec Approves 10 Projects

The Executive Committee of the National Economic Council (Ecneec) yesterday approved 10 development projects, half of which were revisions.

The cost and deadline of some of them have been extended twice or thrice despite repeated directives from government high ups for not allowing unusual delays.

Five of the project proposals were for time and cost revisions. One was taken up in 2015 involving Tk 87.67 crore to establish two regional training centres of Bangladesh Krira Shikkha Pro-tisthan in Chattogram and Rajshahi, to be implemented by 2017.

Another small project involving Tk 45.81 crore on the development of ICT infrastructure, human resources and technology skills of Jatiya Sangsad Secretariat was first approved in July 2017 for completion by June 2020.

Source: <https://www.thedailystar.net/business/economy/news/ecneec-approves-10-projects-2912331>





BSEC Allows Pubali Bank to Issue Tk500cr Perpetual Bond

The securities regulator has approved Pubali Bank Ltd to issue a perpetual bond worth Tk500 crore.

The listed commercial bank will strengthen its additional Tier -1 capital base with the money collected, according to the Bangladesh Securities and Exchange Commission (BSEC).

This would be an unsecured, contingent-convertible, fully paid-up, non-cumulative and Basel three compliant, the regulator said on Tuesday.

Local institutional investors and high-net-worth individuals can buy the bond units through a private placement. General investors can also buy units through a public offering.

Some Tk450 crore will be issued through private placement and the remaining Tk50 crore through a public offering.

The coupon rate will be 6% to 10% of the bond. The minimum subscription amount of the bond will be Tk5,000.

Source: <https://www.tbsnews.net/economy/stocks/bsec-allows-pubali-bank-issue-tk500cr-perpetual-bond-340177>



Alif Industries Wants to Raise Tk200cr through New Shares



Alif Industries Limited, a concern of Alif Group, wants to raise a capital of Tk200 crore by issuing new shares to the existing shareholders and investors at a price that will be determined by the latest annual audited net asset value and share price valuation.

The company disclosed the information on the Dhaka Stock Exchange (DSE) website on Tuesday.

The decision will be implemented after getting approval from the shareholders at the annual general meeting (AGM) and then from the Bangladesh Securities and Exchange Commission. However, the company did not disclose the usage of the fund.

Alif Industries, previously known as Sajib Knitwear and Garments Ltd, was listed on stock exchanges in December 1995. In 2007, the company was delisted from the main board of the bourses.

Source: <https://www.tbsnews.net/economy/stocks/alif-industries-wants-raise-tk200cr-through-new-shares-340174>

Stocks Cross the 7,000 Mark after Nine Days

The benchmark index, DSEX, of the Dhaka Stock Exchange (DSE) on Tuesday crossed the psychological threshold of the 7,000 mark after nine days as investors showed optimism over the meeting held between the central bank and the securities regulator at the finance ministry.

Besides, the new direction of the Bangladesh Securities and Exchange Commission (BSEC) regarding the compliance of listed firms with the minimum shareholding rule also helped to boost the indices on Tuesday.

DSEX rose 70 points or 1% to reach 7,048, while the blue-chip index, DS30, jumped 0.97% to 2,660 points.

Caspi, the main index of the port city bourse Chittagong Stock Exchange also jumped 207 points to close at 20,610.

Riding on the optimism, participation of investors increased by 50% on Tuesday, compared to the previous session, which caused the DSE turnover to increase and reach Tk1,331 crore.

Source: <https://www.tbsnews.net/economy/stocks/stocks-cross-7000-mark-after-nine-days-340162>



Rupali Bank may Offload 20pc more Shares

The largely state-owned Rupali Bank may offload more 20 per cent of its shares and the Bangladesh Development Bank Limited (BDBL), a public sector development financing institution (DFI) get listed on the bourses.

The capital market supervisory committee, formed by the finance ministry in 2019, discussed the issues at its third meeting held in Dhaka on Tuesday, according to meeting sources.

The supervisory committee also discussed the issues relating to bringing more good shares to the bourses, strengthening the Investment Corporation of Bangladesh (ICB), redesigning the tax measures for development of the country's stock market.

It reviewed the present situation in the stock market, which has been experiencing severe ups and downs during the last couple of months over the alleged discord between two regulators -- the Bangladesh Bank (BB) and the Bangladesh Securities and Exchange Commission (BSEC).

Source: <https://thefinancialexpress.com.bd/stock/rupali-bank-may-offload-20pc-more-shares-1638932921>



S Africa Economy Shrinks for First Time in a Year

South Africa's economy shrank for the first time in a year in the third quarter as the country was hit by riots and tighter Covid restrictions, official statistics showed Tuesday.

After four consecutive quarters of growth, the economy of Africa's most industrialised country contracted by 1.5 per cent between July and September compared to the previous three-month period, the Stats SA agency said. The contraction eroded "some of the economic gains the country has made since the severe impact of Covid-19 in the second quarter of 2020," Stats SA said in a statement.

The economy underperformed "under the twin pressures of tighter Covid-19 lockdown restrictions and a spate of civil disorder in July, as well as several other headwinds", the agency said. A spree of arson and looting rocked parts of South Africa in July following the jailing of ex-president Jacob Zuma for contempt after he refused to appear before graft investigators.



Source: <https://www.thedailystar.net/business/global-economy/news/s-africa-economy-shrinks-first-time-year-2912271>

Chinese Developer Misses Repayment of \$179m

Another Chinese property developer said Monday it had defaulted on a major bond repayment, citing liquidity problems amid a government crackdown on the debt-laden sector.

China's real estate industry -- a key growth driver in the world's second-largest economy -- has cooled in recent months after Beijing tightened home buying rules and launched a regulatory assault on speculation.

The moves have created headaches for several major developers, notably China Evergrande, the country's second-largest by volume that is weighed down by billions of dollars in debt.

On Monday, Hong Kong-listed Sunshine 100 China Holdings said it had missed a Sunday deadline to make \$179 million in principal and interest payments on a 10.5 per cent bond.

The default was due to "liquidity issues arising from the adverse impact of a number of factors including the macroeconomic environment and the real estate industry", the company said in an exchange filing.

Sunshine 100 has repeatedly struggled to meet its debt obligations this year and also defaulted on a bond repayment in August. The company now has \$385 million of outstanding dollar notes, according to data compiled by Bloomberg.

Evergrande -- which is drowning in \$300 billion of debt -- has so far managed to avoid default, but it has dollar bond coupons worth \$82.5 million in total due Monday, when a 30-day grace period ends, according to Bloomberg.

Source: <https://www.thedailystar.net/business/global-economy/news/chinese-developer-misses-repayment-179m-2911386>

Saudi Aramco, BlackRock Sign \$15.5b Gas Pipeline Deal

Saudi Aramco said it has signed a \$15.5 billion lease and lease-back deal for its gas pipeline network with a consortium led by BlackRock Real Assets and Hassana Investment Company in its second major infrastructure deal this year.

The deal signed on Monday underscores how Aramco -- the kingdom's cash cow -- is seeking to monetise its once-untouchable assets to generate revenue for the Saudi government as it accelerates efforts to diversify the oil-reliant economy. In June, Aramco sold a 49 per cent stake in its oil pipeline business to a consortium led by US-based EIG Global Energy Partners for \$12.4 billion.

Under the new deal, a newly formed subsidiary, Aramco Gas Pipelines Company, will lease usage rights in Aramco's gas pipeline network and lease them back to Aramco for a 20-year period, the Saudi oil firm said in a statement.

In return, Aramco Gas Pipelines Company will receive a tariff payable by Aramco for the gas products that flow through the network, backed by minimum commitments on throughput.

Source: <https://www.thedailystar.net/business/global-economy/news/saudi-aramco-blackrock-sign-155b-gas-pipeline-deal-2912281>



China's Export Growth Loses Steam in Nov

Export growth in China lost some steam in November as holiday demand from abroad faded, official data showed Tuesday, but demand for overseas fuel pushed up imports to spike above expectations.

Strong exports have helped to boost growth in the world's second-largest economy since mid-2020, with China containing domestic outbreaks through tough lockdowns and mass testing -- after the coronavirus was first detected in the central city of Wuhan.

Despite recent power outages caused by emissions-reduction targets, the surging price of coal, and supply shortages, factories kept the goods flowing and the power crisis has been winding down.

But experts have warned that the export boom is likely to fade as the world gradually returns to normalcy.

Source: <https://www.thedailystar.net/business/global-economy/news/chinas-export-growth-loses-steam-nov-2912306>



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Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com