

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 09, 2022

GDP Growth Rate 6.94% in FY 2020-21, per Capita Income \$2,591: BBS

The gross domestic product (GDP) growth rate of Bangladesh reached 6.94% in fiscal year 2020-2021 while the per capita income increased to \$2,591, according to the final report of Bangladesh Bureau of Statistics (BBS).

However, the provisional growth estimation was 5.43% for the fiscal year.

The information was disclosed at the meeting of the Executive Committee of the National Economic Council (ECNEC) on Tuesday.

"The provisional growth estimation was 5.43 percent, however by the end, it increased by 1.51 percentage points," Planning Minister MA Mannan told media after the ECNEC meeting.

The GDP growth edged down to 30-year-low 3.51% in the fiscal year 2019-20 due to Covid fallout, said BBS final report on 5 August last year. The government's initial estimation was attaining 5.2% growth in that fiscal.

Source: <https://www.tbsnews.net/economy/gdp-growth-rate-694-fy-2020-21-capita-income-2591-bbs-368017>



Pacts on Cards to Boost Canadian Investment in Bangladesh

Dhaka and Ottawa are likely to ink two key pacts to increase Canadian trade and investment in Bangladesh.

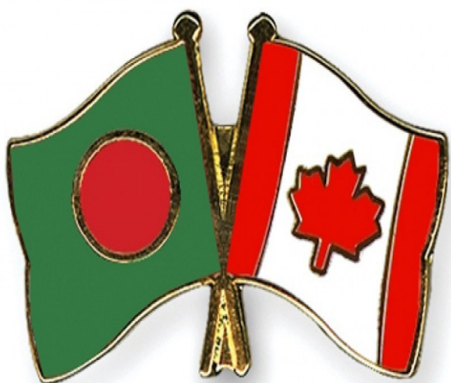
"The free trade pact and the foreign investment promotion and protection agreement between the two countries are on the table," Bangladesh's High Commissioner to Canada, Dr Khalil Rahman said, reports UNB.

The veteran diplomat was addressing a virtual meeting of the Canada-Bangladesh Joint Working Group on Strengthening Commercial Relations on Monday night.

Citing the complexity of Canadian visa process as a major obstacle to bilateral trade, the High Commissioner said that "discussions are also underway to set up a visa office at the Canadian High Commission in Dhaka".

Mentioning the Business Council of Canada's (BCC) interest in Bangladesh, the High Commissioner said the organisation sought sector-based information from the Bangladesh High Commission in Canada.

Source: <https://thefinancialexpress.com.bd/economy/pacts-on-cards-to-boost-canadian-investment-in-bangladesh-1644313671>



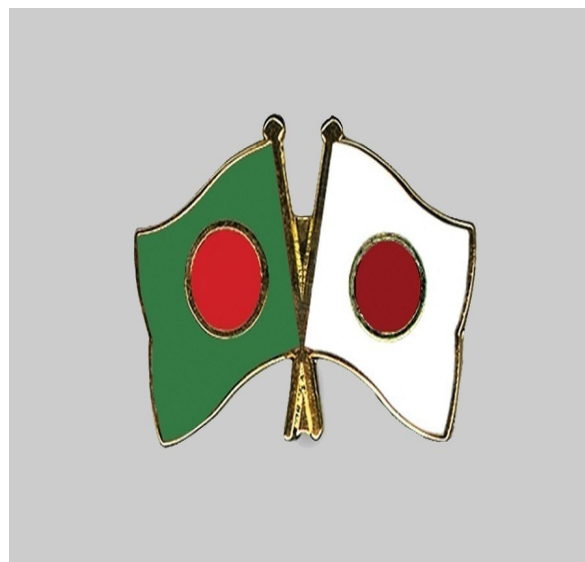
Japan to Provide \$9.0m to Reinforce WFP, IOM Operations in Bangladesh

Japan will provide US\$9.0 million to support the operations of World Food Programme (WFP) and International Organization for Migration (IOM) in Bangladesh, reports UNB.

This support contributes approximately \$4.55 million to WFP to develop agricultural infrastructure, strengthen market linkage with rural farmers, and improve the food value chain in Cox's Bazar, Ishwardi, and Patuakahali District, the Embassy of Japan in Dhaka said in a press release on Tuesday.

It will also provide approximately \$4.47 million to IOM for construction and maintenance of shelters, disaster risk reduction activities, maintenance of medical facilities and latrines, and the construction of deep tube well in the "Rohingya" refugee camps and host communities in Cox's Bazar district.

Source: <https://thefinancialexpress.com.bd/economy/japan-to-provide-90m-to-reinforce-wfp-iom-operations-in-bangladesh-1644313354>



Mobile Phone Connection Growth 3-year High in 2021

The number of mobile phone connections increased by above one crore in the past calendar year 2021, the highest in three years, as people's dependency on mobile phone and internet connectivity grew sharply after the Covid outbreak.

Bangladesh Telecommunication Regulatory Commission data showed that the number of active mobile phone connections increased to 18.1 crore at the end of December 2021 from 17.01 crore a year ago.

In 2021, the number of active mobile phone connections of the four mobile phone operators increased by 1.09 crore.

The increase was highest after the connections of the telecom operators grew by 1.19 crore in 2018.

Mobile phone operators said that people's adoption of mobile phone devices and internet-enabled services reached a new dimension following the outbreak of coronavirus.

From making phone calls to participating in meetings, mobile phone connections enable tech-savvy users to do everything of their day-to-day activities based on mobile phone connections.

Source: <https://www.newagebd.net/article/162209/mobile-phone-connection-growth-3-year-high-in-2021>



Premier Cement Allowed Issuance of Tk310cr Preference Shares

The Bangladesh Securities and Exchange Commission (BSEC) has approved the plan of Premier Cement Mills to raise Tk310.75 crore through issuing preference shares.

The top tier cement maker will use the fund – that would reduce financial costs, boost profits, and help improve financial indicators – to restructure its balance sheet, according to a BSEC statement.

Paying off high-cost debts out of the preference share proceeds will save some interest expense for the company as the average cost of bank loans is higher than the preference share dividends.

Sponsor shareholders and directors of the company will buy preference shares worth Tk75 crore, the tenure of which will be 12 years, and they will take no dividends.

Source: <https://www.tbsnews.net/economy/stocks/premier-cement-allowed-issuance-tk310cr-preference-shares-368257>



Summit Power Allowed Reopening its Two Plants

The Bangladesh Rural Electrification Board (BREB) has allowed Summit Power to restart its two power plants from 7 February – that were shut down because of the expiry of the Power Purchase Agreement (PPA).

The Chandina Power Plant (Unit-2) with a capacity of 13.5 MW has remained closed since 15 November, and the Madhabdi Power Plant (Unit-2) with a capacity of 24.3 MW since 16 December 2021.

According to a disclosure by the company on the Dhaka Stock Exchange (DSE) website on Tuesday, Summit is now in the process of negotiating tariffs, and other terms and conditions with the BREB regarding PPA renewal.

The PPA of its Narayanganj Power Plant (Unit-1) with a capacity of 102 MW expired on 31 March last year.

Sources said the company had applied to the power division for extension of all its expired agreements but is yet to get permission.

Source: <https://www.tbsnews.net/economy/stocks/summit-power-allowed-reopening-its-two-plants-368296>

EU Joins Chips Race with Asia

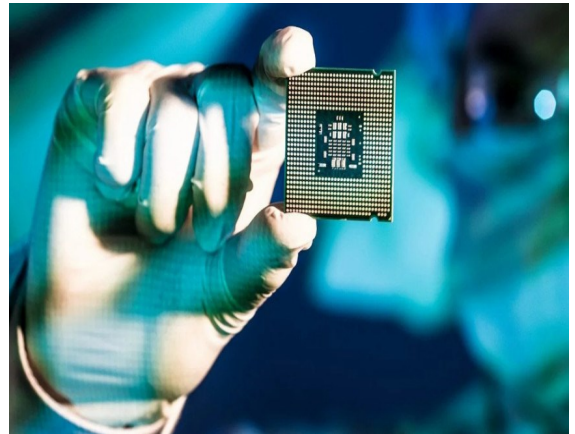
The EU launches a plan Tuesday to raise tens of billions of euros to boost semiconductor production in Europe and end the bloc's digital dependence on Asia.

The production of semiconductors, also known as chips, has become a strategic priority in Europe as well as the United States, after the shock of the pandemic choked off supply, bringing factories to a standstill and emptying stores of products.

The manufacturing of chips overwhelmingly takes place in Taiwan, China and South Korea and the European Union's 27 member states want factories and companies inside the bloc to take on a bigger role.

Thierry Breton, the EU's industry commissioner, on Tuesday will press Europeans to be as ambitious as possible and match similar plans in the United States, where the Biden administration is asking Congress to approve \$52 billion.

Source: <https://www.thedailystar.net/business/global-economy/news/eu-joins-chips-race-asia-2957711>



US, Japan Reach Deal to Cut Tariffs on Japanese Steel

The United States and Japan on Monday announced a deal to remove Trump-era tariffs from about 1.25 million metric tons of Japanese steel imports annually after Washington granted similar access for European Union steelmakers last year.

The new deal, which excludes aluminum, will take effect on April 1 and requires Japan to take "concrete steps" to fight global excess steel manufacturing capacity, largely centered in China, US officials said.

A joint US-Japan statement said Japan would start to implement within six months "appropriate domestic measures, such as antidumping, countervailing duty, and safeguard measures or other measures of at least equivalent effect," to establish more market-oriented conditions for steel.

Source: <https://www.thedailystar.net/business/global-economy/news/us-japan-reach-deal-cut-tariffs-japanese-steel-2957771>



Oil Slips from Seven-year High

Oil slipped to about \$91 a barrel on Tuesday before a resumption of indirect talks between the United States and Iran, which could revive an international nuclear agreement and allow more oil exports from the OPEC producer.

A deal could return more than 1 million barrels per day (bpd) of Iranian oil, equating to more than 1 per cent of global supply, to the market. The nuclear talks are due to resume in Vienna on Tuesday.

Brent crude was down \$1.45, or 1.6 per cent, at \$91.24 a barrel by 1430 GMT after hitting a seven-year high of \$94 on Monday. US West Texas Intermediate crude fell by \$1.09, or 1.2 per cent, to \$90.23.

"If sanctions against Iran are lifted, global crude oil supply may receive much-needed support," said Naeem Aslam, chief market analyst at Avatrade.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/oil-slips-seven-year-high-2957746>



Sri Lanka Signs \$500m Credit Line for Fuel with India

Sri Lanka signed a \$500 million credit line with India to import fuel on Wednesday, officials said, as the island nation seeks to stave off rolling power cuts amid a foreign exchange crisis that has hampered purchases of diesel for power plants, Reuters reports.

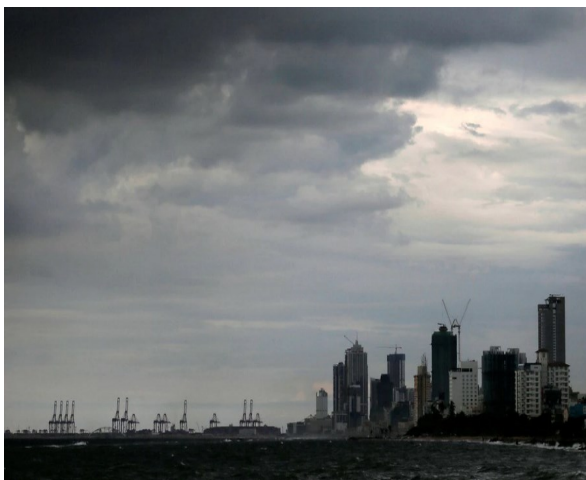
The Export-Import Bank of India (EXIM) will provide the credit line for purchasing petroleum products, India's High Commission in Sri Lanka's main city Colombo said on Twitter.

Sri Lanka is struggling with its worst financial crisis in years with reserves hitting \$3.1 billion in December. The country has to repay about \$4 billion in debt repayments this year. [read more](#)

It expects to receive another \$1 billion credit line from India to purchase essential goods, including food and medicine, by the end of February or early March, Finance Minister Basil Rajapaksa said.

"Our priority is to get external debt on track this year. This fuel credit line will support our efforts," Rajapaksa told reporters. "We expect the second credit line of \$1 billion to come through by end of February or first week of March."

Source: <https://thefinancialexpress.com.bd/economy/sri-lanka-signs-500m-credit-line-for-fuel-with-india-1643862823>



Disclaimer

The above is a summary of important business news published in the leading daily newspapers of Bangladesh. Please note that the news summary doesn't reflect the opinion of Alliance Capital Asset Management Limited (ACAML). Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. This report is intended for distribution in only those jurisdictions in which Alliance Capital Asset Management Ltd. is liable and any distribution outside those jurisdictions is strictly prohibited.

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