

## HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 13, 2021

### Govt Seeks 12-year Duty-Free Access to EU

Commerce Minister Tipu Munshi is hopeful that the European Union will continue its trade benefit for Bangladesh for 12 years after the country's graduation from the grouping of the least-developed countries (LDCs).

Bangladesh is set to leave the LDC group to become a developing nation in 2026.

EU assistance is needed to improve the trade negotiation capacity so that Bangladesh can be more competitive in the international markets and global supply chain.

Munshi described Bangladesh's position in the global apparel market as strong, saying the garment industry performed well with assistance from the government during the coronavirus pandemic.

The government supported the garment industry through stimulus packages, facilitating payment of salaries and wages to workers during the pandemic when the sector was severely affected, he said.

Source: <https://www.thedailystar.net/business/economy/news/govt-seeks-12-year-duty-free-access-eu-2174651>



### Bangladesh Acquires 1.0pc Stake of New Development Bank

Bangladesh finally attains 1.0- per cent share in the Shanghai-based New Development Bank (NDB) as the country has been offered one of three fortunate shareholders after the five founding BRICS nations.

Officials said Saturday -- close on the heels of the China-sponsored bloc's summit -- that Dhaka is now taking preparation to pay its subscription to the NDB, formerly known as BRICS Bank.

The MoF official said Bangladesh's effort to strengthen the South-South cooperation would also get a boost by joining the Shanghai-based lending agency.

In 2016, Bangladesh joined the China-led Asian Infrastructure Investment Bank (AIIB).

Source: <https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-acquires-10pc-stake-of-new-development-bank-1631419406>



## MetLife Expands Premium Pay Facilities with ONE Bank Agent Banking Centres

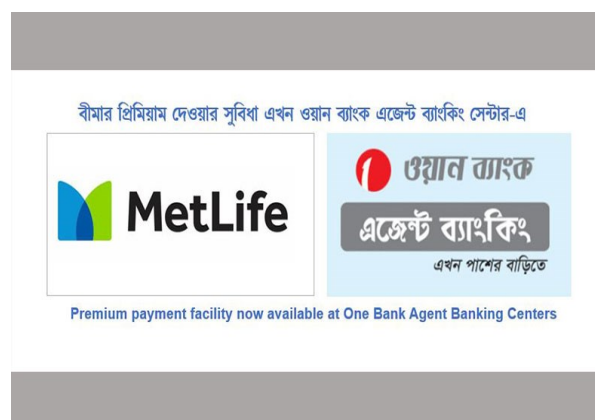
With an aim to increase insurance accessibility in the country, MetLife Bangladesh has signed an agreement with ONE Bank through which MetLife customers can pay their premiums at over 100 ONE Bank agent banking centres located throughout Bangladesh, said a press release.

MetLife customers have also been availing premium payment facilities at One Bank's more than 128 branches and sub-branches since 2015.

With the addition of agent banking centres, customers will now be able to get premium payment services at all ONE Bank service channels.

Alongside paying premiums at agent banking centres of ONE Bank, MetLife customers can also use a diverse range of convenient premium payment channels including EFT, online banking, MetLife web site and customer service centres, and ATM, branches and agent banking outlets of MetLife authorised banks, Rocket, bKash and Nagad.

Source: <https://www.newagebd.net/article/148881/metlife-expands-premium-pay-facilities-with-one-bank-agent-banking-centres>



## Industrial Policy on Cards to Increase GDP Contribution

The government is working towards formulating the National Industrial Policy 2021, aiming to increase the industrial sector's contribution to the GDP by 5% to take it to 40%.

To achieve this goal, the government is giving utmost importance to facilitating businesses in the private sector and attracting foreign investment in preparing the new industrial policy, said Md Salim Ullah, senior assistant secretary (Policy) of the Ministry of Industries, at a webinar on Sunday.

The new industrial policy is being created because 2016's National Industrial Policy's term will end this year.

Along with the focus on private enterprises, the new policy is also giving importance to increase the production of alternatives to the imported products and developing industries for export-oriented products.

Source: <https://www.tbsnews.net/economy/industrial-policy-cards-increase-gdp-contribution-301594>



## Stocks Snap Eight-day Gaining Streak

The stock market's eight-day gaining streak came to a halt yesterday as investors booked profits.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gave up 56 points, or 0.78 per cent, to close at 7,202.

"People took their profits as the index rose continuously, and this is a normal tendency in the stock market," said a stockbroker.

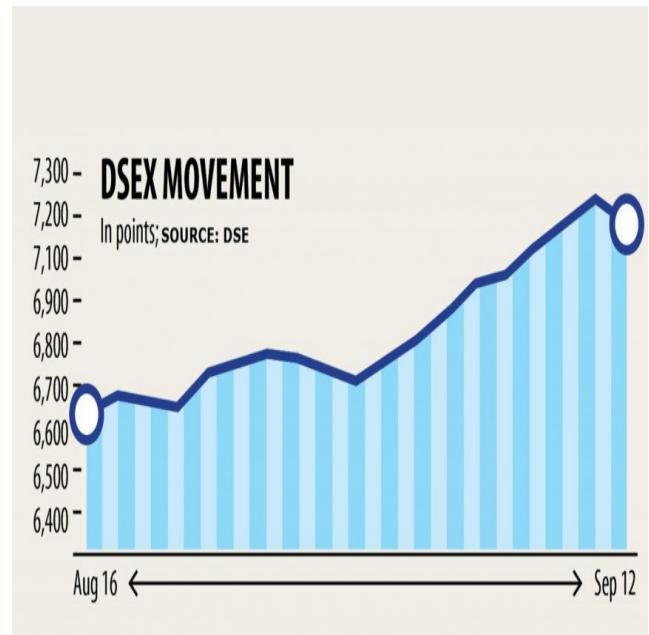
The prime index advanced 435 points, or 6.3 per cent, in the previous eight trading days, DSE data shows.

If people take profits, the market gets the strength to soar further, the broker said, adding that a continuous rise was not a sustainable way to maintain an upward trend.

The investors' cheery mood reversed later in the day as evidenced by the index's trajectory after the session's first hour when it started to decline gradually, it added.

Almost all the sectors posted losses except life insurance and miscellaneous.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-snap-eight-day-gaining-streak-2174661>



## Walton, Berger & ICB Ordered to Ensure 10% Free-float Shares Within a Year

The Bangladesh Securities and Exchange Commission (BSEC) has ordered three large-cap companies to ensure 10% free-float shares within the next year.

The companies are electronics giant Walton Hi-Tech Industries, state-owned investment firm Investment Corporation of Bangladesh (ICB), and Berger Paints Bangladesh, confirmed BSEC spokesperson and also its Executive Director Rezaul Karim.

According to the Dhaka Stock Exchange, Berger Paints Bangladesh has only 5% free-float shares held by outsiders which can be traded without prior declaration and the company's sponsor-directors will have to offload 5% more shares.

Only 3.19% of ICB are free-float shares and the sponsor-directors are to offload 6.81% shares in the next 12 months.

Source: <https://www.tbsnews.net/economy/stocks/walton-berger-icb-ordered-ensure-10-free-float-shares-within-year-301609>



## Investors Eye Wobbling Energy Sector as Gauge for Delta Fears

Energy stocks are becoming a popular bellwether for concerns over how deeply the Delta variant of the coronavirus is expected to impact the US economy, as the so-called reopening trade that boosted some parts of the market earlier this year continues to stumble.

The S&P 500 energy sector is down 12.3 per cent for the quarter-to-date compared with a 3.7 per cent gain for the S&P 500, which stands near record highs. That contrasts with the sector's performance in the first quarter of the year, when it zoomed 29.3 per cent on expectations that a vaccine-fueled economic rebound will boost energy demand.

The declines have also made some energy stocks much cheaper relative to their values earlier in the year. Exxon, for instance, now trades at a forward-price-to-earnings ratio of 12.6, compared to 30.9 in early March. The S&P 500, by comparison trades at a ratio of 22.

Source: <https://www.thedailystar.net/business/global-economy/america/news/investors-eye-wobbling-energy-sector-gauge-delta-fears-2174636>



## US Treasury, Financial Industry Discuss Cryptocurrency 'Stablecoins'

The US Treasury Department met with a number of industry participants this week to quiz them about the risks and benefits posed by stablecoins -- a rapidly growing type of cryptocurrencies, the value of which is pegged to traditional currencies, according to three people with direct knowledge of the meetings.

Washington policymakers are alarmed at the rapidly expanding cryptocurrency market which exceeded a record \$2 trillion in April. As of Friday, the market cap of stablecoins stood at roughly \$125 billion, according to industry data site CoinMarketCap.

US financial regulators are working to understand the risks and opportunities posed by cryptocurrencies to the traditional US financial system and plan to issue a number of reports on the subject in coming months, they have said.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-treasury-financial-industry-discuss-cryptocurrency-stablecoins-2173676>



## US Lifts Ban on Malaysian Glove Maker

The United States on Friday allowed imports from Malaysia's Top Glove Corp, after customs authorities lifted a year-long ban imposed for alleged forced labour found at the world's largest medical glove maker.

The US Customs and Border Protection (CBP) had banned gloves made by Top Glove in July 2020, saying it had found abuses of migrant workers.

In a statement, the CBP said it will now allow imports after a thorough review of evidence that showed Top Glove has addressed all indicators of forced labour.

Top Glove had said earlier its disposable gloves would be admissible at all US ports as of September 10.

Its shares, which have plunged about 40 per cent since the ban, jumped as much as 10 per cent on Friday.

Its glove production in Malaysia has dropped and a plan for a \$1 billion Hong Kong listing has been delayed since the ban.

The North American market accounts for 22 per cent of Top Glove's total sales volume, according to most recent data.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-lifts-ban-malaysian-glove-maker-2174611>

## Toyota, Honda Oppose US House Electric Vehicle Tax Plan



Toyota Motor Corp and Honda Motor Co on Saturday sharply criticized a proposal by Democrats in the US House of Representatives to give union-made electric vehicles in the United States an additional \$4,500 tax incentive.

Toyota said in a statement that the plan unveiled late Friday discriminates "against American autoworkers based on their choice not to unionize."

The bill, set to be voted on Tuesday by the Democratic-led House Ways and Means Committee as part of a proposed \$3.5 trillion spending bill, would benefit Detroit's Big Three automakers, which have union-represented auto plants.

The proposal, estimated to cost \$33 billion to \$34 billion over 10 years, would boost to up to \$12,500 the maximum tax credit for electric vehicles, up from the current \$7,500. The \$12,500 figure includes a \$500 credit for using US-produced batteries.

The proposal is a key part of Democratic President Joe Biden's goal to ensure EVs comprise at least 50% of US vehicle sales by 2030 and boost American union jobs.

Source: <https://www.dhakatribune.com/business/2021/09/12/toyota-honda-oppose-us-house-electric-vehicle-tax-plan>

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