

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 15, 2021

Italian Company Wants to Recycle Savar Tannery Waste

An Italian company has proposed being authorised to manage Savar Tannery Industrial Estate's (STIE) solid waste so that it could recycle it into biogas and fertilisers.

Ilsa SPA in its website says it produces and markets biostimulants and products with a specific action, organic and organo-mineral fertilizers, solids and liquids.

The proposal alongside a draft memorandum of understanding for conducting a feasibility study is now with the Ministry of Industries, forwarded by the Bangladesh Small and Cottage Industries Corporation (BSCIC).

Italy will work to transfer green technology in a joint venture between Bangladesh and Italy and increase Italian investment in Bangladesh, said Italian Ambassador to Bangladesh Enrico Nunziata paying a courtesy call on the BSCIC chairman at his office yesterday.

Source: <https://www.thedailystar.net/business/economy/news/italian-company-wants-recycle-savar-tannery-waste-2230251>

SAVAR TANNERY ESTATE

132 out of **155** tanneries in operation

Generating **50** tonnes to **60** tonnes of solid waste daily

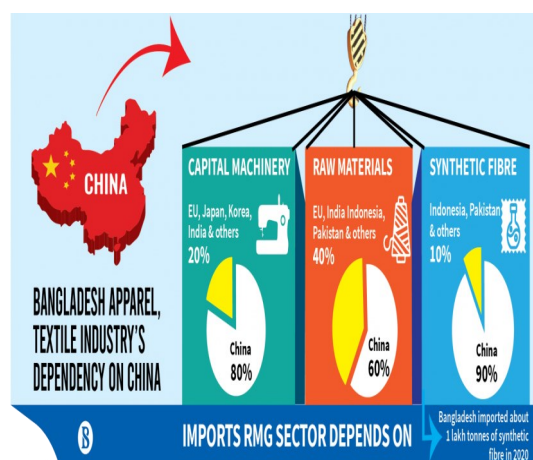
Waste includes fleshings, trimmings, and shavings

All being stored in a nearby vacant space under the open sky

Italian company seeks to manage it through recycling

Will make biogas and fertilisers

Exporters now Brace for Continued Spike in Chinese Raw Material Prices



Bangladesh's exporters now brace for a bigger blow to its raw material sourcing from China as the ongoing gas and electricity crisis in the world's second largest economy is expected to continue for at least four more months with the advent of winter when consumption peaks.

Domestic cost pressures, fuelled by energy shortages, have already halved factory outputs in China, eventually forcing its suppliers to hike product prices by up to a 100%.

Bangladesh, which depends on China for about 60% of its raw materials required for export sectors, is not shielded from the impacts.

The country's export industries have started feeling the heat as they are having to import industrial inputs from China even at high costs to meet increasing demand for products flowing in from buyers.

Source: <https://www.tbsnews.net/economy/exporters-now-brace-continued-spike-chinese-raw-material-prices-329692>

National Polymer to Issue Tk300cr Zero-coupon Bond

National Polymer Industries Ltd has decided to collect Tk300 crore through issuing zero-coupon bonds.

The plan is subject to regulatory approval and the money would be used for the company's business expansion, alongside financing its operations.

Unlike the coupon bearing bonds from which investors get interest on a periodical basis over the tenure of the bonds, zero-coupon bonds are sold at a lower price than their face value where the discount is the present value of all the future interest.

For the 2020-21 fiscal year, the company announced a 10% cash dividend for its shareholders as its annual earnings per share (EPS) grew to Tk2.82 from Tk2.5 a year ago.

According to local rating agency National Credit Ratings Limited, National Polymer's long term credit rating is "A+" and the short term credit rating is "ST-2".

Source: <https://www.tbsnews.net/economy/stocks/national-polymer-issue-tk300cr-zero-coupon-bond-329716>



Mir Akhter to Issue Tk250cr Zero-coupon Bonds

Construction company Mir Akhter Hossain Ltd has announced to issue zero-coupon bonds having a total face value of Tk250 crore.

Since zero-coupon bonds are sold at a discounted price, the company's real receipt would be lower than the face value.

In zero-coupon bonds the issuer discounts the present value of all the interest payable until maturity, while coupon bearing bonds are issued at the face value and the investors get interest against the coupons from time to time.

The company was listed on the stock market earlier this year.

In the 2020-21 fiscal year, Mir Akhter Hossain's earnings per share (EPS) increased to Tk4.21 from the previous year's Tk3.43. Its board of directors recommended 12.5% cash dividends, which is subject to the approval of its shareholders in the upcoming general meeting.

Source: <https://www.tbsnews.net/economy/stocks/mir-akhter-issue-tk250cr-zero-coupon-bonds-329704>



Square Pharmaceuticals' Quarterly Profit Grows 27%

Square Pharmaceuticals posted Tk5.64 in quarterly earnings per share (EPS) for the July to September period this year, which was Tk4.44 in the same quarter of 2020.

The consolidated earning includes all the profits of its subsidiary companies.

At the end of September, the company's consolidated net asset value against each share stood at Tk108.71.

Earlier in late October, the pharmaceuticals industry leader disclosed nearly 20% growth in its annual profits, posting an EPS of Tk17.99 for the 2020-21 fiscal year.

Square Pharma shares closed at Tk216.3 each in the Dhaka Stock Exchange on Sunday.

Source: <https://www.tbsnews.net/economy/stocks/square-pharmaceuticals-quarterly-profit-grows-27-329713>



Most Spinning Mills Enjoy Profitability Improvement

Leaving behind the years of squeezing profit margin amid low prices against increasing costs, spinning mills nowadays are enjoying high profits since the global economic reopening a year ago.

The top-tier spinning mills listed on both Dhaka and Chattogram bourses are posting stellar growth in their profits as the price they are enjoying has outgrown their costs amid an increase in sales, especially for the spinners who produce comparatively higher value yarns.

Matin Spinning Mills, a concern of DBL Group, posted 212% year-on-year growth in its quarterly profits for the July-September quarter this year.

The profitability cycle began a year ago when Bangladeshi apparel exporters began to receive abundant orders from global buyers amid a disrupted supply chain worldwide.

Maksons Spinning Mills, which had been struggling to maintain a less than decent bottom line before the pandemic, is now flying high as its sales and profit margins have improved.

Source: <https://www.tbsnews.net/economy/stocks/most-spinning-mills-enjoy-profitability-improvement-329698>



China Regulator Proposes Cybersecurity Review for Some Companies

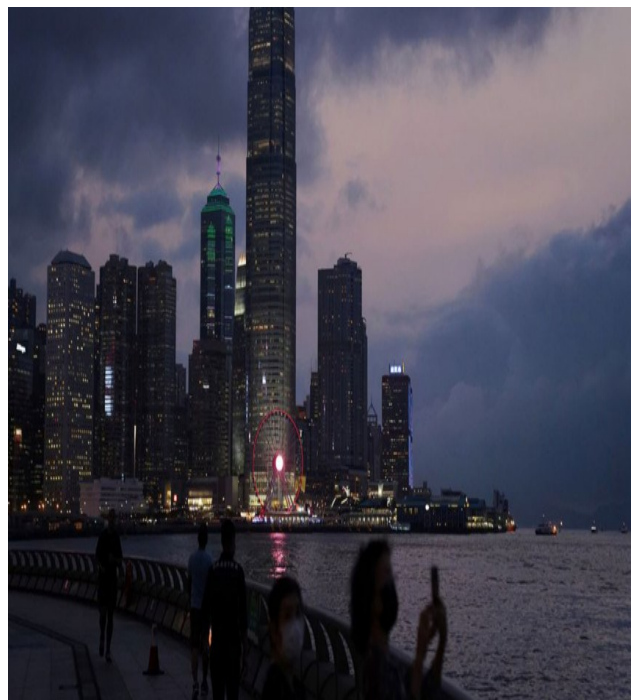
China's cyberspace regulator on Sunday proposed requiring companies pursuing share listings in Hong Kong to apply for cybersecurity inspections if they handle data that concerns national security.

Large internet platforms planning to set up headquarters, operating or research centres abroad should also submit a report to regulators, the Cyberspace Administration of China said in the draft rules.

The document, published on the regulator's WeChat account website, calls for requiring public comment on internet platforms formulating privacy policies or making amending rules that could significantly affect user rights and interests.

Firms with more than 100 million daily active users would need to have changes reviewed by third-party agencies and obtain government approval.

Source: <https://www.thedailystar.net/business/global-economy/news/china-regulator-proposes-cybersecurity-review-some-companies-2230221>



Software Firms Connecting People with Global Value Chain

The country's software companies are connecting people in Bangladesh with the global value chain, especially through microfinance clients, analysts said at a seminar yesterday.

The seminar, styled "Bangladesh Going Global", was held on the concluding day of the four-day World Congress on Information Technology 2021 at the Bangabandhu International Conference Centre in Dhaka.

Addressing the seminar, Syeda Wedad Quader, director of Southtech, said software companies are linked to the network that is creating a channel of solutions, enabling them to reach out to their users with the help of mobile technology and data centres.

Software houses are connecting a large number of individuals across Bangladesh and the global value chain, especially through microfinance clients. "The unique motto -- Friendship towards all, malice towards none -- is the reason why the world can knock at our doors of opportunity to create greater value, a better environment, and greater wellbeing," she added.

Within a journey of only six years, eight high-tech parks have started operations in Bangladesh and two to three more parks will start operations within a couple of months, said Bikarna Kumar Ghosh, managing director of the Bangladesh Hi-tech Park Authority.

Source: <https://www.thedailystar.net/business/global-economy/news/software-firms-connecting-people-global-value-chain-2230191>

Japan's Economy Shrinks more than Expected as Supply Shortages Hit

Japan's economy contracted much faster than expected in the third quarter as global supply disruptions and fresh Covid-19 cases hit business and consumer spending, raising challenges for the new government's growth plans.

While many analysts expect the world's third-largest economy to rebound in the current quarter, worsening global production bottlenecks pose increasing risks to the outlook.

"The contraction was far bigger than expected due to supply-chain constraints, which hit output and capital spending hard," said Takeshi Minami, chief economist at Norinchukin Research Institute.

"We expect the economy to stage a rebound this quarter but the pace of recovery will be slow as consumption did not get off to a good start even after Covid-19 curbs were eased late in September."

The economy shrank an annualised 3.0% in July-September after a revised 1.5% gain in the first quarter, preliminary gross domestic product (GDP) data showed on Monday, compared with a median market forecast for a 0.8% contraction.

Source: <https://www.tbsnews.net/world/global-economy/japans-economy-shrinks-more-expected-supply-shortages-hit-329731>



OilMusk says Stock Sale Impact 'Closer to Tax Maximisation'

Tesla CEO Elon Musk said Saturday the result of his sale of nearly \$7 billion worth of Tesla shares this week was "closer to tax maximization than minimization."

"A careful observer would note that my (low basis) share sale rate significantly exceeds my 10b (high basis) option exercise rate, thus closer to tax maximization than minimization," the world's richest person and Tesla's top shareholder said in a tweet.

Musk had previously said he would have to exercise a large number of stock options this year, which would create a big tax bill. Selling some of his stock could potentially free up funds to pay the taxes. A week ago, Musk tweeted that he would sell 10% of his shares if users of the social media platform endorsed the move.

Source: <https://www.thedailystar.net/business/global-economy/news/musk-says-stock-sale-impact-closer-tax-maximisation-2230176>

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