

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 26, 2021

Q139.5 lakh Trading Firms Contribute 14pc to GDP

About 39.47 lakh establishments engaged in wholesale and retail trade, including motorcycle repair shops, contribute around 14 per cent to the country's gross domestic product (GDP), according to a survey of the Bangladesh Bureau of Statistics (BBS).

According to the survey revealed recently, 86.27 lakh people were reported to be working in the distributive trade sector comprising wholesale and retail trade as of December 2019.

Among them, 88.30 per cent have been working full time while the rest part time.

The number of workers in this sector was 84.14 lakh in the previous year with 87.79 per cent working full time.

The BBS conducted the survey for the first time in this distributive trade sector to assess the number of wholesale and retail trade establishments and the sector's contribution to the country's economy.

The survey report was compiled in September this year based on the information collected as of December 2019.

Source: <https://www.thedailystar.net/business/economy/industries/news/395-lakh-trading-firms-contribute-14pc-gdp-2206521>



IFC & BFIU to Develop eKYC Online Authentication System

International Finance Corporation (IFC) has signed a cooperation agreement with Bangladesh Financial Intelligence Unit (BFIU) for implementing and scaling up an Electronic Know Your Customer (eKYC) project in Bangladesh on Monday.

Officials of the central bank said that under the agreement, IFC and BFIU will work together to develop and adapt eKYC infrastructure, which is a foundational regulatory arrangement for conducting customer due diligence during new client on boarding process for collecting and verifying customer data electronically in opening of new accounts at banks, non-bank financial institutions, mobile financial service providers, insurance companies, and capital market intermediaries.

Along with establishing a regulatory infrastructure, the eKYC project will also deliver data analytics, case studies, knowledge creation and dissemination and awareness building in the financial market. IFC estimates that 500,000 people will be covered by the eKYC system by the end of the project implementation period in 2025.

Source: <https://www.tbsnews.net/economy/ifc-bfiu-develop-ekyc-online-authentication-system-320767>



New Investment Strategy Suiting Bangladesh's Business Bounceback on Anvil

A new investment strategy suiting business bounceback is in the making for Bangladesh for netting capital now afloat in post-Covid 'new normal'.

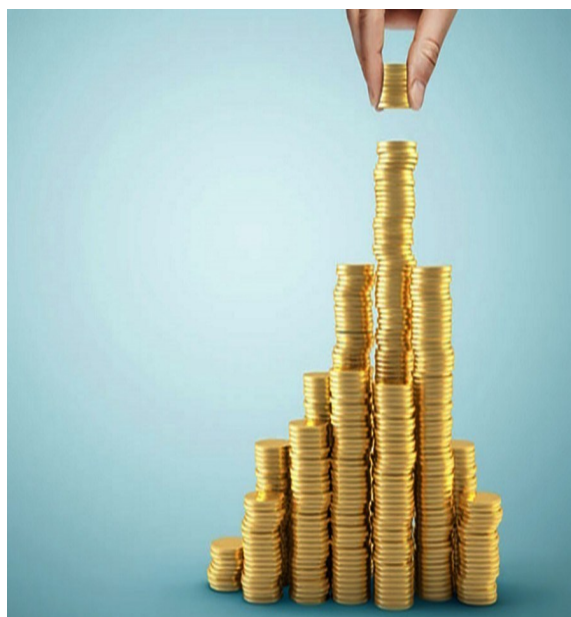
This was disclosed Monday at a meet in Dhaka under a move assisted by Japanese cooperation agency JICA.

Bangladesh Investment Development Authority executive chairman Md. Sirazul Islam told the function that BIDA needs to make new post-Covid investment strategy to grab more investment opportunities that are set to come in new-normal business climate.

The chief of the country's state-run investment-promotion agency said the pandemic badly affected the global investment scenario but things started changing in line with the improvement in the coronavirus situation across the globe.

JICA's chief representative in Bangladesh Yoho Hayakawa suggested that the country's policymakers take quick steps to overcome existing investment-related hurdles.

Source: <https://thefinancialexpress.com.bd/economy/new-investment-strategy-suiting-bangladeshs-business-bounceback-on-anvil-1635216448>



BGMEA Seeks Cash Incentive on 20% Value Addition Condition

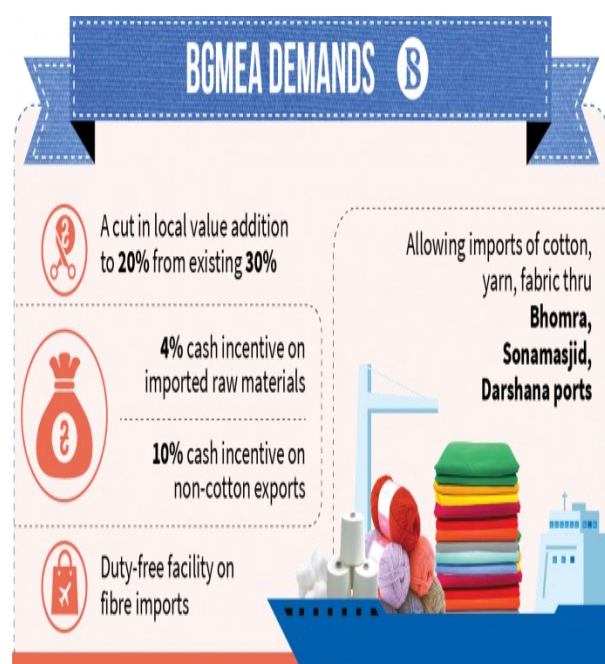
Apparel exporters have now demanded that the government relax the condition of at least 30% value addition for woven items to stay eligible for a 4% cash incentive as well as all subsidies.

At a time when the whole world is preparing for adding more value locally while manufacturing products on the eve of the fourth industrial revolution, Bangladesh's apparel entrepreneurs have demanded that the government relax value addition conditions to stay eligible for all subsidies, including cash incentives against exports.

The BGMEA has also sought a 4% cash incentive on export-oriented apparel items that are made from imported raw materials.

The government now provides such a reward on exports of ready-made garments manufactured with locally sourced yarns or fabrics.

Source: <https://www.tbsnews.net/economy/rmg/bgmea-seeks-cash-incentive-20-value-addition-condition-320821>





KDS Accessories Revenue Rose 15%

KDS Accessories Limited, a concern of Chattogram based KDS Group, reported a 15% growth in revenue to Tk221.79 crore in the fiscal year 2020-21 as the country's overall export increased.

In the last fiscal year, about \$38.75 billion were earned from exports, recording a 15% growth, compared to \$33.67 billion in FY2019-20.

It also declared a dividend at 15% cash to the shareholders for the last fiscal and posted 8% growth in net profit to Tk15.69 crore. Its earnings per share stood at Tk2.20. To approve the dividend and audited financial statement, the company is scheduled to hold its annual general meeting on 9 December 2021.

The company also announced that its new business expansion project has been completed and commercial production has started on 24 October this year.

The new project will contribute to an added production of 30 lakh pieces of carton box and the revenue is expected to increase by Tk25 crore.

Source: <https://www.tbsnews.net/economy/stocks/kds-accessories-revenue-rose-15-320779>



Stocks Slump Amid Panic Sales

The key index of the country's premier bourse yesterday dropped to its lowest point since August 31 due to panic sales among investors influenced by rumours and recent market trends.

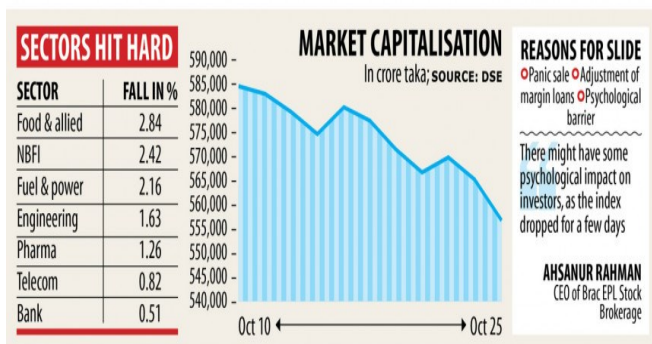
The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell by 482 points, or 6.54 per cent, over the past 11 trading days.

Some brokers needed to sell shares in order to adjust their margin loans and as a result, the index fell massively in the last few days.

Turnover, an important indicator of the market, fell to Tk. 1,470 crore yesterday, down from Tk. 1,471 a day earlier.

At the DSE, 47 stocks advanced, 307 dropped and 22 remained unchanged. The Chittagong Stock Exchange (CSE) also fell yesterday as the CASPI, the prime index of the port city bourse nosedived by 400 points, or 1.94 per cent, to 20,169.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-slump-amid-panic-sales-2206546>



China Aims to Cut Fossil Energy Use to below 20pc by 2060

China is targeting an ambitious clean energy goal of reducing fossil fuel use to under 20 per cent by 2060, according to an official plan published by state media on Sunday.

The cabinet document follows a pledge by President Xi Jinping to wean the world's biggest polluter off coal, with a target of peaking carbon emissions by 2030 and achieving carbon neutrality 30 years later.

Among them was the proportion of non-fossil fuel consumption reaching around 25 per cent of total energy use by 2030 -- when the nation targets peak emissions.

By then, carbon dioxide emissions per unit of GDP would have dropped by more than 65 per cent from 2005 levels, while the total installed capacity of wind and solar power is targeted to reach more than 1,200 gigawatts, Xinhua said.

Source: <https://www.thedailystar.net/business/global-economy/news/china-aims-cut-fossil-energy-use-below-20pc-2060-2206511>



Asian markets swing

Asian markets were mixed Monday following last week's gains, with investors keeping a worried eye on a fresh Covid outbreak in China that could drag on the already stuttering economy.

Long-running worries about inflation continued to cast a shadow over trading floors, though a healthy batch of earnings has tempered those concerns in the past couple of weeks. Reports by tech titans including Amazon, Apple, Samsung and Microsoft are on the agenda this week, and will be closely followed for an idea about what impact supply chain snarls and rising prices are having on their bottom lines.

Their forward guidance will also be of interest as they contemplate tighter central bank monetary policies and a possible hike in interest rates next year. Tech firms are usually more susceptible to higher borrowing costs.

News that troubled China Evergrande had paid interest due on a bond before Saturday's deadline provided a much-needed boost to confidence, though it remains to be seen whether the property developer can meet obligations on other notes due before the end of the year.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-markets-swing-2206481>

Vietnam Calls for Domestic Coal Production Boost

Against a backdrop of global calls to phase out fossil fuels to help reduce global greenhouse emissions, Vietnam wants to boost domestic coal production as it grows more reliant on imports.

Vietnam may double the amount of coal-fired electric generation it installs by 2030 under a draft plan submitted to the prime minister for approval earlier this month.

Vietnam's coal imports rose by a quarter last year to 54.8 million tonnes, while its domestic coal output rose 5.1 per cent to 48.6 million tonnes, government data shows.

During his visit to the country's largest coal miner, Vinacomin, over the weekend, Thanh said the company, along with relevant authorities, need to "work out measures to produce enough coal for electricity generation".

Source: <https://www.thedailystar.net/business/global-economy/news/vietnam-calls-domestic-coal-production-boost-2206491>



Hertz Orders to Buy 100,000 Tesla Electric Autos

Hertz announced on Monday an order to buy 1,00,000 autos from Tesla by the end of 2022 in the latest embrace of electric car technology by the auto industry.

The car rental giant, which emerged from a bankruptcy reorganization earlier this year, said the electric vehicles would be available 'in US major markets and select cities in Europe' beginning in early November, according to a Hertz press release.

Hertz exited the US Chapter 11 bankruptcy process in June, a little more than a year after filing to reorganize its finances as the coronavirus pandemic devastated the travel industry.

However, with the global economy reopening in the wake of Covid-19 vaccines, the car rental market has revived and rental companies are renewing their fleets.

Led by Elon Musk, Tesla has been ramping up production rapidly by increasing output at existing factories and building new plants in Germany and the US state of Texas.

With the current order, EVs will comprise 20 percent of Hertz's global fleet. The company will have EV chargers in around 65 markets by the end of 2022 and more than 100 markets by the end of 2023, Hertz said.

Source: <https://www.newagebd.net/article/152725/hertz-orders-to-buy-100000-tesla-electric-autos>

Disclaimer

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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