

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 23, 2021

Bangladesh Continues Strong Recovery from Pandemic: ADB

Bangladesh's gross domestic product (GDP) is expected to grow by 6.8 per cent in fiscal year 2022, according to the latest Asian Development Outlook 2021 released today by the Asian Development Bank (ADB).

The growth projection reflects a strong recovery supported by strengthening manufacturing, continued expansion in the global economy and effective government recovery policies.

Inflation is expected to slightly edge up to 5.8 per cent and current account deficit to narrow to 0.6 per cent of GDP in fiscal year 2022. However, FY22's growth is expected to remain below pre-pandemic levels, the ADB said.

The main risk is re-escalation of coronavirus infection rates in Bangladesh or major advanced economies, clipping domestic and external demand.

Source: <https://www.thedailystar.net/business/news/bangladesh-continues-strong-recovery-pandemic-adb-2181601>



NBR Gets Record Tk. 50.22cr in Tax from DSE in Aug

The tax collection by the National Board of Revenue from the Dhaka Stock Exchange in August hit a record high of Tk. 50.22 crore as the trading volume on the bourse has been on the rise in recent months.

The revenue collection increased by 51 per cent year-on-year in August 2021 as the collection was Tk 24.62 crore in the same month of the previous year.

The NBR collected tax worth Tk 45.12 crore from the members of the DSE and tax worth Tk 5.1 crore from the transfer of securities or mutual fund units by sponsor shareholders in July.

The government's revenue earnings from the DSE turnover registered a 10-year high to Tk 266 crore in the FY 2020-21. The amount was Tk 103.5 crore in FY20.

Source: <https://www.newagebd.net/article/149849/nbr-gets-record-tk-5022cr-in-tax-from-dse-in-aug>



Pathao Tops Govt Ranking for Complaint Resolution

Pathao Limited has topped the list of national and international e-commerce companies operating in the country in terms of consumer complaint resolution rates.

The e-commerce company has a customer complaint resolution rate of 99.25%, according to a recent report published by the Directorate of National Consumer Rights Protection (DNCRP).

Pathao President Fahim Ahmed said, "Pathao is committed to building Bangladesh's digital ecosystem through our relentless focus on delivering best-in-class customer satisfaction and user experience."

During the above mentioned period, the number of customer complaints regarding the services of Pathao Limited was 267 out of which the company has settled 265 complaints.

Source: <https://www.tbsnews.net/economy/corporates/pathao-tops-govt-ranking-complaint-resolution-306205>



Import Duty on Capital Machinery Waived to Promote Local Automobile Manufacture



The government has waived import duty on capital machinery and the necessary equipment to encourage the manufacturing of automobile locally. Besides, commercial vehicle manufacturers will get duty free access to import auto parts for four years.

The industries ministry formulated a policy titled "Automobile Industry Development Policy 2021" recently and issued a gazette notification to this effect on Tuesday.

According to the policy, the investors will get a concessional loan to strengthen the supply chain for marketing the locally manufactured commercial vehicle. The country's automobile industry has been considered as a potentially major industrial sector for the last two decades as it has registered impressive annual compound growth and contributes greatly to the national economy, it said.

Source: <https://www.thedailystar.net/business/economy/industries/news/import-duty-capital-machinery-waived-promote-local-automobile-manufacture-2181786>

IBN SINA Pharma Recommends Highest Cash Dividends in 12 years

The IBN SINA Pharmaceutical Industry—an enterprise of IBN SINA Trust has recommended a 47% cash dividend for the 2020-21 fiscal as it maintained an upward trend in business.

The cash dividend is the highest in the past twelve years of the company since 2009.

On Wednesday, the company published the financial information for FY21 as price-sensitive information on the stock exchanges.

Earlier, in the 2019-20 fiscal, the IBN SINA Pharmaceuticals—a manufacturer of drugs – had paid 38.5% cash dividends.

In the first nine months of 2020-21, its sales were worth Tk539.93 crore, a 17.24% growth compared to the same time of the previous year.

The net profit stood at Tk34.14 crore in the July-March period, which was Tk30.07 crore at the same time as the previous year.

Source: <https://www.tbsnews.net/economy/stocks/ibn-sina-pharma-recommends-highest-cash-dividends-12-years-306184>



After Two Days, DSEX down Again

Equity indices of both Dhaka and Chittagong stock exchanges went down on Wednesday after a two-day rally.

The indices firmly gained on Tuesday, as the market got a shot in the arm after the Ministry of Finance announced the rate cuts of the national savings certificates and postal savings schemes now yielding double digit annual returns, says analysts.

DSEX, the benchmark index of the DSE, declined by 16.7 points or 0.23% and closed at 7,241.84 points as against 7,258.57 points on Tuesday.

The total turnover has advanced by 12.60% and stood at Tk2150 crore as against Tk1910 crore in the last session.

Source: <https://www.tbsnews.net/economy/stocks/after-two-days-dsex-down-again-306172>



EU Plans 120 billion Euro Economic Boost by Easing Insurance Rules

The European Union proposed changing the bloc's capital rules for insurers on Wednesday to release 120 billion euros (\$141 billion) for repairing an economy hit by Covid and to meet climate goals without eroding policyholder protection.

Britain, which is home to the world's biggest commercial insurance market and left the EU last December, has also begun reviewing the capital rules known as Solvency II. It will scrutinise how changes by Brussels could affect London's competitiveness.

The EU also proposed a framework for the swift and orderly closure of insurers in trouble to avoid destabilising the financial system, mirroring a similar move with banks following the global financial crisis that led to taxpayer bailouts.

The persistence of very low interest rates undermining the business models of insurers also needed addressing, along with the need to better tailor Solvency II rules to smaller, less risky insurers.

Source: <https://www.tbsnews.net/world/global-economy/eu-plans-120-billion-euro-economic-boost-easing-insurance-rules-306139>



German Auto Giants Place their Bets on Hydrogen Cars

Battery power may be the frontrunner to become the car technology of the future, but don't rule out the underdog hydrogen.

That's the view of some major automakers, including BMW and Audi, which are developing hydrogen fuel-cell passenger vehicle prototypes alongside their fleets of battery cars as part of preparations to abandon fossil fuels.

Global auto hub Germany is in sharp focus. It is already betting billions on hydrogen fuel in sectors like steel and chemicals to meet climate targets, and closely-fought elections this month could see the Greens enter the coalition government and further push the technology.

Source: <https://www.thedailystar.net/business/global-economy/news/german-auto-giants-place-their-bets-hydrogen-cars-2182106>

Global Stocks Sink on Evergrande Contagion Fears

World stocks sank Monday as trading floors were gripped by contagion fears from the expected collapse of debt-plagued Chinese property giant Evergrande, with investors also on red alert over spiking wholesale gas costs.

Sentiment is being dented by strong inflation, the Federal Reserve's plans to taper monetary policy, surging infections with the Delta variant of coronavirus, and signs of weakness in the global recovery.

European markets mostly closed lower, with London losing 0.9 per cent and Paris 1.7 per cent.

In Germany, the first day of the DAX blue-chip index's expansion to 40 firms from its previous 30 was marred by the Evergrande woes, shedding 2.3 per cent.

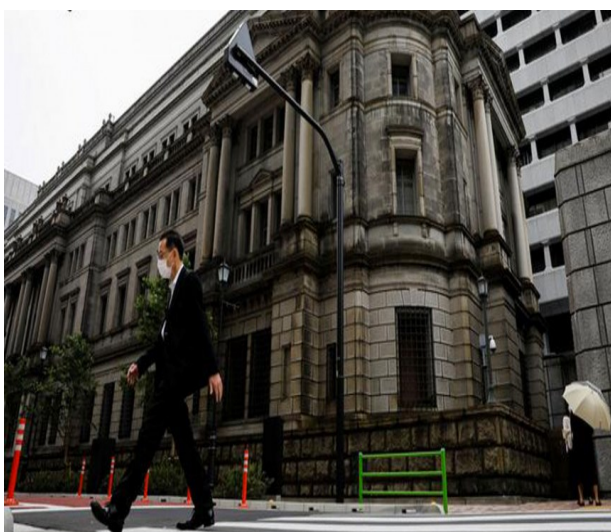
On Wall Street the Dow Jones Industrial Average fell 2.0 percent and the tech-heavy Nasdaq 2.5 per cent in morning trading.

"Contagion concerns are ramping up amid intensifying uncertainty regarding a potential default of China's second-largest property developer Evergrande," Charles Schwab analysts said.

Meanwhile, "uncertainty regarding whether the US debt ceiling will be raised is also fostering market skittishness," they added.

Source: <https://www.thedailystar.net/business/global-economy/news/global-stocks-sink-evergrande-contagion-fears-2181286>

BOJ to Keep Stimulus as Deflation Risks Cloud Outlook



The Bank of Japan was expected to keep monetary policy steady on Wednesday as weak growth and deflation risks remain primary concerns, in contrast to major counterparts eyeing a withdrawal of crisis-mode support for their economies.

The rate review comes ahead of a ruling party leadership race on September 29 that may shift the administration's focus away from the current stance based on former premier Shinzo Abe's "Abenomics" reflationist policies, analysts say.

While the candidates agree on the need to maintain massive monetary support for now, they vary on the preferred long-term policy path, an area Governor Haruhiko Kuroda may be grilled on at his post-meeting briefing.

Japan's economy emerged from last year's doldrums thanks to robust global demand, though extended state of emergency curbs to combat the Covid-19 pandemic have weighed on consumption.

Source: <https://www.thedailystar.net/business/global-economy/news/boj-keep-stimulus-deflation-risks-cloud-outlook-2182036>

Disclaimer

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