

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 22, 2021

South Korean Investors ahead of Others in EPZs

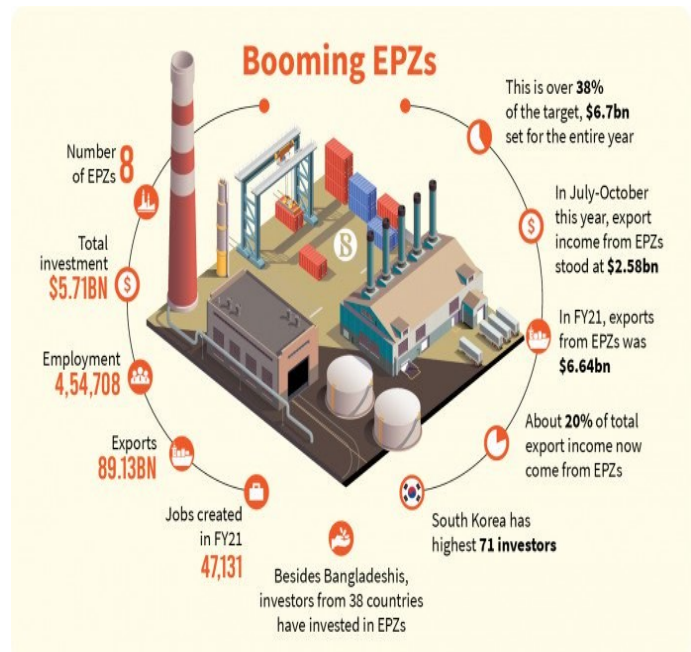
South Korea currently has the highest number of investors – 71, who have put their money in export processing zones (EPZs) in Bangladesh.

Besides, 56 investors from China, 28 from Hong Kong, 31 from Japan, 25 from Taiwan, and 20 investors from India have invested in the EPZs, which are contributing hugely to the country's export earnings, foreign investment and employment.

A favourable investment atmosphere is drawing more foreign companies to EPZs. Kido Industrial Company, a renowned apparel manufacturer based in South Korea, is one of them.

The company has announced to invest \$36.17 million in the Adamjee EPZ to establish a new company and renovate an existing firm that it recently acquired.

Source: <https://www.tbsnews.net/economy/south-korean-investors-ahead-others-epzs-332413>



3,000 Women Entrepreneurs to Get Digital, Financial Literacy Training

KEY POINTS

- » 40-day workshop from Nov 21
- » 3,000 women entrepreneurs selected from 40 districts
- » Will be trained on basic digital, financial literacy
- » BWCCI will implement the project funded by UNDP
- » Bangladesh has 7m SMEs involving 25m people

A workshop on basic digital and financial literacy was launched yesterday to enable 3,000 female entrepreneurs of a UNDP marketplace to efficiently operate and expand their business online.

Anondomela, the online marketplace of United Nations Development Programme (UNDP) for entrepreneurs, launched the 40-day event encompassing the participants from 40 districts. Women entrepreneurs will get space in high-tech parks to establish business incubation centres and those who become successful can also avail a one-time grant of Tk 50,000, Palak added.

Anondomela was formed amidst the pandemic and successful completion of the pilot phase will be a good start to cover more areas, said Sudipto Kumar Mukherjee, country representative of UNDP Bangladesh..

Source: <https://www.thedailystar.net/business/economy/news/3000-women-entrepreneurs-get-digital-financial-literacy-training-2235666>

ICB's Quarterly Profit Grows 87% on Capital Gain

The Investment Corporation of Bangladesh (ICB) witnessed an 87% increase in profit in the first quarter of the current fiscal year riding on the back of capital gain – a major income segment for the state-owned investment bank.

According to its financials, ICB's consolidated profit rose to Tk56.79 crore, and earnings per share (EPS) stood at Tk0.70 in the July- September period.

At the same time a year ago, the profit was Tk30.39 crore and EPS Tk0.38.

A decrease in interest payment against deposits and borrowing also helped ICB make a good profit, the company said in a disclosure on its website.

In the 2020-21 fiscal year, the profit of the corporation rose by 103% to Tk115.33 crore, from Tk56.68 crore in the previous fiscal year, on capital gain from the stock market and a decrease in interest payment against deposits and borrowing.

Source: <https://www.tbsnews.net/economy/stocks/icbs-quarterly-profit-grows-87-capital-gain-332779>



83 Local Firms Declare Higher Dividends as Pandemic Eases

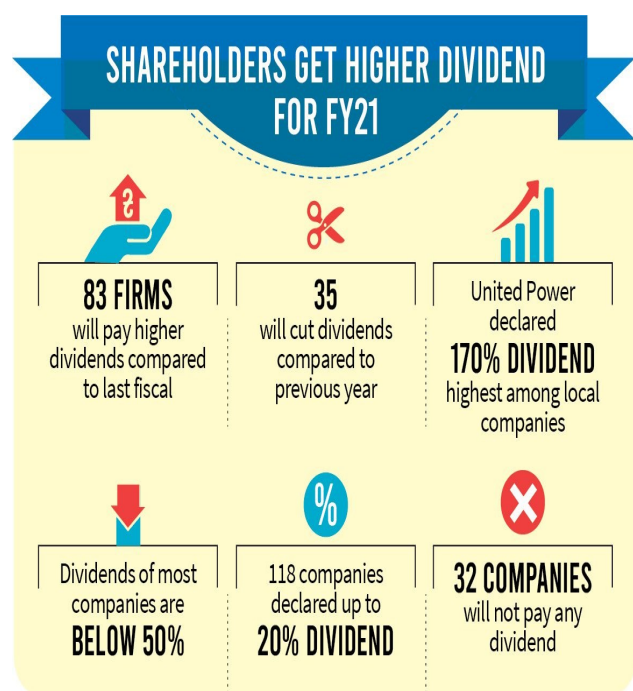
Bangladesh Lamps Limited, an electric bulb manufacturer, declared 10% cash dividend for FY20 as it suffered losses due to the raging pandemic, but the company declared 20% cash dividend for FY21 as it returned to profit.

Like Bangladesh Lamps, 83 local companies listed on stock exchanges from the manufacturing and service sectors have declared higher dividends for FY21 compared to the previous fiscal year.

According to the Dhaka Stock Exchange (DSE), 180 of the local companies that maintain the July-June fiscal year have published financial statements for FY21 till mid-November.

Thirty-five of these companies have declared lower dividends as they posted less profit compared to the previous fiscal year, while 32 declared zero dividend due to their weak financial position. The remaining companies declared a similar amount of dividend as they did in the last fiscal year.

Source: <https://www.tbsnews.net/economy/stocks/83-local-firms-declare-higher-dividends-pandemic-eases-332776>



Dhaka Stocks Decline but Banks Keep Surging

Dhaka stocks decreased on Sunday after a gain in the previous four sessions as investors went for profit booking but a section of other investors kept buying shares of bank scrips.

DSEX, the key index of the Dhaka Stock Exchange, shed 0.08 per cent, or 6.14 points, to close at 7,085.67 points on Sunday after gaining 162 points in the previous four sessions.

The market surged at the beginning of Sunday's session, but lost the momentum and moved downwards to close the session in the negative trajectory as investors went for profit booking, market operators said.

Despite a fall in share prices of around two-thirds of companies, the market finished with a slight loss due mainly to a surge in the prices of bank scrips.

Out of the 32 banks traded on Sunday, 27 advanced, four declined and one remained unchanged.

Source: <https://www.newagebd.net/article/155330/dhaka-stocks-decline-but-banks-keep-surging>



Sales Decline Drags down Wata Chemical's Profit

Wata Chemical Limited, a producer and seller of a variety of acids, witnessed a 24% profit decline in the 2020-21 fiscal year.

During FY21, the company had revenue of Tk56.98 crore, a 26% fall from Tk77.05 crore in the previous year.

Consequently, its net profit dropped to Tk9.10 crore compared to the previous year.

The sales of the company's three major products decreased during the pandemic and it has managed to continue with 70% of production as per the demand of buyers.

Wata Chemical produces aluminium and zinc sulphate, magnesium sulphate, sulphuric acid, basic chrome powder, and linear alkyl benzene sulphonate acid.

In the 2020-21 fiscal year, sales of sulphuric acid increased but that of aluminium sulphate, zinc sulphate, and magnesium sulphate decreased.

The company also declared a 30% cash dividend for its shareholders in the last fiscal.

Source: <https://www.tbsnews.net/economy/stocks/sales-decline-drags-down-wata-chemicals-profit-332785>



UK Inflation Could be Elevated for Longer: BoE

Bank of England Governor Andrew Bailey said his concern on the inflation outlook is that it could be "elevated for longer" but there is also a chance that inflation does not prove as persistent as feared.

Earlier this month the BoE forecast inflation would reach around 5 per cent in the second quarter of next year, more than double its official target, due to surging energy prices and supply bottlenecks as the world emerges from the Covid-19 pandemic.

The BoE wrong-footed many investors when it did not lift interest rates from their record low 0.1 per cent, following comments from Bailey in late October which markets interpreted as a signal that a rate rise was very near.

Since then, inflation has risen to a 10-year high of 4.2 per cent and jobless data has not pointed towards higher unemployment after the end of the furlough scheme - a key concern that stayed the BoE's hand at the start of this month.



Source: <https://www.thedailystar.net/business/global-economy/news/uk-inflation-could-be-elevated-longer-boe-2235636>

Rivian, Ford Cancel Plans to Collaborate on Electric Vehicle

Electric truck maker Rivian and Detroit auto giant Ford on Friday announced they have canceled plans to jointly develop an electric vehicle, a week after Rivian made a blistering entry onto Wall Street.

Ford will maintain its stake in the start-up, after investing \$500 million in 2019 when it announced plans to collaborate.

"As Ford has scaled its own EV strategy and demand for Rivian vehicles has grown, we've mutually decided to focus on our own projects and deliveries," Rivian spokeswoman Miranda Jimenez said.

"Our relationship with Ford is an important part of our journey, and Ford remains an investor and ally on our shared path to an electrified future."

Demand has surged for Rivian's R1T pickup trucks, which it began making in September.

The company is loss-making and had delivered less than 200 vehicles as of the end of last month, but its value nonetheless soared at its November 10 stock market debut, topping those of traditional automakers General Motors and Ford.

Rivian also has been helped by the buzz around electric vehicles among Wall Street traders who have watched the ascent of Elon Musk's firm Tesla in recent years. Ford however has stepped up its own electric vehicle plans, announcing it would invest \$30 billion by 2025 in the cars.

Source: <https://www.thedailystar.net/business/global-economy/news/rivian-ford-cancel-plans-collaborate-electric-vehicle-2235601>

Abu Dhabi's ADNOC Weighs IPO of Logistics and Services unit Next Year

State oil firm Abu Dhabi National Oil Company (ADNOC) is weighing an initial public offering (IPO) of its marine services, logistics and shipping arm next year, two sources familiar with the matter told Reuters.

ADNOC Logistics & Services has been selected for a potential float in Abu Dhabi in 2022, said the sources, declining to be named as the matter is not public.

ADNOC, which supplies nearly 3% of global oil demand, is seeking to extract value from businesses it owns and divest assets seen as non-core businesses.

It is also taking advantage of a rally on the Abu Dhabi equities index, which is up about 65% this year, the best-performing market in the Gulf region.

ADNOC in September offered an 11% stake in its drilling business, which raised more than \$1.1 billion from investors. ADNOC and chemicals firm OCI raised \$795 million in October through the public share sale of its fertiliser venture Fertiglabe.

Source: <https://www.tbsnews.net/world/global-economy/abu-dhabis-adnoc-weighs-ipo-logistics-and-services-unit-next-year-332626>



Telenor and CP Group Discuss \$7.5b Thailand Telecom Mer- ger

Norway's Telenor and Thailand's Charoen Pokphand Group (CP Group) are exploring a merger of their telecom units in Thailand that could form a new market leader in the Southeast Asian country.

A deal, if completed, would merge the telecom operations of Telenor's Total Access Communication (Dtac) and CP Group's True Corporation (True), Oslo-based Telenor said in a statement on Friday.

Dtac is currently valued at around \$3 billion, according to Refinitiv Eikon data, while True has a value of \$4.5 billion. CP Group did not immediately respond to a request for comment.

It would be the Norwegian firm's second tie-up in Southeast Asia this year, following a June deal with Axiata Group Bhd to merge mobile operations in Malaysia in a \$15 billion transaction, creating a new market leader there.

Source: <https://www.thedailystar.net/business/global-economy/news/telenor-and-cp-group-discuss-75b-thailand-telecom-merger-2234876>



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