

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 19, 2021

Melamine Market Growing Steadily

Households in Bangladesh have historically tended to use earthenware, china, stainless steel and even pewter for dinnerware. But once its use came to be known, melamine products quickly gained popularity, especially in rural and semi-urban areas.

The market of melamine products, mostly tableware, has been growing steadily in Bangladesh for the past two decades thanks to their durability and cheaper prices compared to alternative products, according to industry insiders.

Sharif Melamine has simultaneously explored its export market so far in 14 countries, namely the US, Norway, Sweden, Russia, Finland, Kazakhstan, Saudi Arabia, Qatar, Oman, United Arab Emirates, India, Bhutan and Australia.

In Bangladesh, there are at least seven large-scale product manufacturers making use of melamine. They include Pran-RFL Group, Sharif Melamine, Diamond Melamine Industries (Pvt) Ltd, Bengal Melamine and Bangladesh Melamine Industries Ltd.

Source: <https://www.thedailystar.net/business/economy/industries/news/melamine-market-growing-steadily-2201811>

AT A GLANCE

TOTAL MARKET SIZE

Tk 1,000cr

GROWTH PER YEAR

10-15%

TOTAL JOBS CREATED

10,000

RAW MATERIALS

100% imported

NUMBER OF MANUFACTURERS

7

EXPORT MARKETS

US, Norway, Sweden, Russia, UAE, India, Bhutan

\$300m IDA Loan to Create High-skilled Labour Society

The International Development Association (IDA) will provide Bangladesh with a \$300 million low-cost concessional loan to create future employment opportunities for youth and workers including women and disadvantaged people.

The main objective of the loan is to create a high-skilled labour society by 2030.

The World Bank's arm that hands out loans and grants to the poorest developing countries will give the credit to implement the "Accelerating and Strengthening Skills for Economic Transformation (ASSET) Project"

The Directorate of Technical Education under the Technical and Madrasa Education Division will act as the lead implementing agency and the Ministry of Expatriates' Welfare and Employment, the Ministry of Industries, and the Medical Education and Family Welfare Division will act as partner implementing agencies of the project.

Source: <https://www.tbsnews.net/economy/govt-signs-300-mln-loan-agreement-ida-economic-project-317668>



BB Allows Receiving Remittances through Payment Gateways

The Bangladesh Bank (BB) has allowed receiving inward remittances through online payment gateway service providers.

According to the circular, from now on service providers can maintain notional accounts with only those Online Payment Gateway Service Providers which have arrangements with authorised dealer (AD) banks in Bangladesh.

In this context, the banks will obtain detailed information from their service provider customers regarding maintenance of merchant accounts with international marketplaces, and the notional accounts with eligible payment service operators abroad.

The circular instructed the relevant banks to credit the respective bank accounts of their customers on receipt of deposits in their "nostro accounts". Funds can be credited in local currency through digital wallets maintained with mobile financial service providers.

Source: <https://www.tbsnews.net/economy/banking/bb-allows-receiving-remittances-through-payment-gateways-317758>



Income Tax Receipts Tk. 8,000cr in Sept

Income tax revenue collection for the month of September stood at Tk. 8,000 crore against the monthly target of Tk. 8,500 crore, said a provisional data of the revenue board.

According to the provisional data, Tk. 4,800 was collected for source tax which was 60 per cent of the total income tax revenue collected in the previous month of the on-going fiscal year.

Year-on-year revenue growth was 13 per cent in September as the figure was Tk. 6,000 crore in the same month of the previous year.

However, the income tax revenue collection target for the first quarter of the current fiscal was Tk. 20,000 crore and the revenue board has managed to collect Tk. 18,000 against the target, according to the provisional data.

In the first quarter of 2020-2021, the NBR's field offices managed to collect Tk. 15,919 crore in income taxes against a target of TK 18,710 crore.

Source: <https://www.newagebd.net/article/152161/income-tax-receipts-tk-8000cr-in-sept>



Lovello Profit Soars Defying Pandemic Shock

Beating the pandemic shock, ice cream maker Taufika Foods and Lovello Ice-cream PLC has registered a 53% jump in net profit for the 2020-21 fiscal.

Despite the lower sales due to the pandemic as its profit rose, its board of directors has recommended 11% cash dividends for the shareholders.

The net profit for FY21 stood at Tk11.98 crore while the earnings per share (EPS) stood at Tk1.41 for FY21, which was Tk6.20 crore and EPS Tk1.31 respectively in the previous fiscal year.

Earlier, up to the first nine months of that fiscal, its revenue had declined but profit slightly rose for cost optimisation over the same time of the previous year.

Taufika Foods and Lovello Ice-cream is the newly listed company on the stock exchanges, which got listed in 2021.

Source: <https://www.tbsnews.net/economy/stocks/lovello-profit-soars-defying-pandemic-shock-317824>



New Insurance Products Coming for Recompense Stock Investors' Losses

A move gets underway to recompense stock investors' losses through insurance products if and when their brokerage firms fail or default on restoring their interests, sources said.

Bangladesh's premier bourse-Dhaka Stock Exchange (DSE)-already met with the insurance regulator on the matter recently. A committee headed by Harunur Rashid, a director of the Insurance Development and Regulatory Authority or IDRA, has also been formed to prepare such new insurance tools.

The CSE, in collaboration with its TREC-holder companies, established CSE Investors' Protection Fund in 2000 to compensate within defined limits the claims of the client against defaulting broker.

Another source said that DSE had already asked SBC to design a product within December.

Currently, DSE and Chittagong Stock Exchange (CSE) have investor-protection fund. It is applied if the broker becomes insolvent or goes for winding up. But the fund is small in sizes.

Source: <https://thefinancialexpress.com.bd/stock/new-insurance-products-coming-for-recompense-stock-investors-losses-1634525892>



Facebook Eyes 10,000 EU Jobs to Build ‘Metaverse’

Facebook on Monday announced plans to hire 10,000 people in the European Union to build the ‘metaverse’, a virtual reality version of the internet that the tech giant sees as the future.

Facebook CEO Mark Zuckerberg has been a leading voice in Silicon Valley hype around the idea of the metaverse, which would blur the lines between the physical world and the digital one.

The technology might, for example, allow someone to don virtual reality glasses that make it feel as if they’re face-to-face with a friend — when in fact they are thousands of miles apart and connected via the internet.

‘The metaverse has the potential to help unlock access to new creative, social, and economic opportunities. And Europeans will be shaping it right from the start,’ Facebook said in a blog post. The European Union hires, spread over the next five years, will include ‘highly specialised engineers’, but the company otherwise gave few details of its plans for the new metaverse team.

Source: <https://www.newagebd.net/article/152158/facebook-eyes-10000-eu-jobs-to-build-metaverse>



China’s GDP Growth Hits 1-year Low

China's economy grew at the slowest pace in a year in the third quarter, hurt by power shortages, supply bottlenecks and sporadic Covid-19 outbreaks and raising heat on policymakers amid rising jitters over the property sector.

Data released on Monday showed gross domestic product (GDP) grew 4.9 per cent in July-September from a earlier, the weakest pace since the third quarter of 2020 and slowing from 7.9 per cent in the second quarter.

That marked a further deceleration from the 18.3 per cent expansion in the first quarter, when the year-on-year growth rate was heavily flattered by the very low comparison seen during the Covid-induced slump of early 2020.

The world's second-largest economy has rebounded from the pandemic but the recovery is losing steam, weighed by faltering factory activity, persistently soft consumption and a slowing property sector as policy curbs bite.

Source: <https://www.thedailystar.net/business/global-economy/news/chinas-gdp-growth-hits-1-year-low-2201771>



Tight US Job Market Triggers Strikes for More Pay

Thousands of workers remain on strike across the United States demanding higher pay and better conditions despite Hollywood make-up artists and camera operators reaching a deal over the weekend to avoid a walkout, and the tight jobs market has only emboldened them.

Kevin Bradshaw is an employee at Kellogg Co's cereal plant in Memphis, Tennessee, where most of North America's Frosted Flakes are made.

Some 60,000 behind-the-scenes workers on movies and TV shows on Saturday avoided joining the Kellogg strikers, but the near-walkout was the latest demonstration of force by union members who say they are fed up with meager or no raises and other givebacks.

Despite some setbacks, including a failed organizing drive earlier this year at an Amazon.com facility outside Birmingham, Alabama, union leaders feel the stars are aligned for them to make gains.

Source: <https://www.thedailystar.net/business/global-economy/news/tight-us-job-market-triggers-strikes-more-pay-2201766>



China Could Widen Property Tax Trial

China could expand pilot testing of a property tax to Zhejiang province, a former government expert was quoted as saying in an official media outlet on Sunday, the latest sign that the country is moving closer to adopting the long-discussed levy.

China launched a pilot property tax programme in Shanghai and Chongqing in 2011, and experts have in the past suggested that the pilot testing be broadened to include Shenzhen city and Hainan province, according to state media.

China has mulled introducing a property tax for over a decade but has faced resistance from stakeholders including local governments, which rely on revenue from land sales and worry it would erode property values or trigger a market sell-off.

However, such a tax could help curb rampant speculation in the housing market, which has come under intense global scrutiny as massive developer China Evergrande Group struggles with a debt and liquidity crisis.

Source: <https://www.thedailystar.net/news/asia/china/news/china-could-widen-property-tax-trial-2200756>



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