

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 02, 2021

Foreign Firms Show Interest to Invest \$1.16b

Foreign companies that took part in the Bangladesh Trade and Investment Summit 2021 have shown interest to invest \$1.16 billion in the country, according to the organisers of the event, which concluded on Sunday.

Addressing the press conference, Tapan Kanti Ghosh, commerce secretary, said that the potential of commerce and investment in the post-Covid-19 was highlighted in the summit.

The government is working to ease doing businesses and has announced benefits such as the exemption of import duties and tax holiday to attract investors.

Land registration and mutation are being digitalised, the secretary said, adding that companies could already secure registration online.

Twenty companies from 13 countries showed interest to form joint ventures, and 26 products were identified as having export potential, said Rahman.

Five countries are keen to make direct investment in a number of sectors such as infrastructure, pharmaceuticals, agro and food processing, and information technology.

Source: <https://www.thedailystar.net/business/economy/news/foreign-firms-show-interest-invest-116b-2211811>



Manipuri Weavers on Road to Recovery



Both the international and domestic demand for Manipuri cloth, a style of handwoven fabric native to Sylhet that come in block, stripe and flat colour print, has recovered in line with the receding coronavirus pandemic.

Local and foreign tourists alike began flocking to Sylhet after the government eased all restrictions on public movement amid the declining Covid-19 infection rate.

The travellers never forget to pick up a few Manipuri items during their travels, particularly before the winter season.

But as the Covid-19 pandemic forced economies across the globe into repeated lockdowns, the demand for such products was practically nonexistent for the past 19 months.

Source: <https://www.thedailystar.net/business/economy/industries/news/manipuri-weavers-road-recovery-2211776>

AIIB Lends \$260m for Mymensingh Bridge

The government has signed a loan agreement of \$260 million with the Asian Infrastructure Investment Bank (AIIB) to construct the Kewatkhali bridge in Mymensingh.

Under the project, a 320-metre steel arch bridge, 780-metre approach bridge, 551-metre road overpass, 240-metre railway overpass, 6.20-kilometre highway with four lanes, including slow-moving vehicular traffic (SMVT) lanes and one toll plaza, will be constructed.

The loan will be received in standard terms and conditions of AIIB.

The payable front end fee is 0.25 per cent and the commitment fee is 0.25 per cent per annum for an undisbursed amount.

The Road Transport and Highways Division has taken the project as the capacity of the existing Shambhuganj Bridge over the Brahmaputra River in Mymensingh is inadequate against the huge pressure of vehicles, according to a press release of the finance ministry.

Source: <https://www.thedailystar.net/business/economy/news/aiib-lends-260m-mymensingh-bridge-2211786>



Labour Ministry to Honour 30 Factories with 'Green Factory Award'

The Ministry of Labour and Employment will confer "Green Factory Award" on 30 factories in six sectors for the first time to commemorate the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman in a more remarkable manner.

On 8 December, Prime Minister Sheikh Hasina, as the chief guest, will virtually present the awards to the recipients.

The factories have been selected based on their environmental and institutional compliance, and innovative activities. Fifteen factories have been selected from the apparel sector, four from the tea sector, two from the tannery sector, and three each from plastic and pharmaceuticals sectors.

The Green Factory Award has been introduced to encourage local factories for using environmentally-friendly technologies and employing a skilled workforce in a safe and decent working environment, protecting the environment from pollution, and maintaining compliance with international standards.

Source: <https://www.tbsnews.net/economy/labour-ministry-honour-30-factories-green-factory-award-323842>



Far Chemical to Merge with SF Textile

Far Chemical Industries Limited has decided to merge with SF Textile Industries Limited, a non-listed public limited firm, subject to the approval of shareholders and relevant authorities.

The board of directors of the company also decided to shift its factory from Comilla EPZ to its premises at Rupganj, Narayanganj.

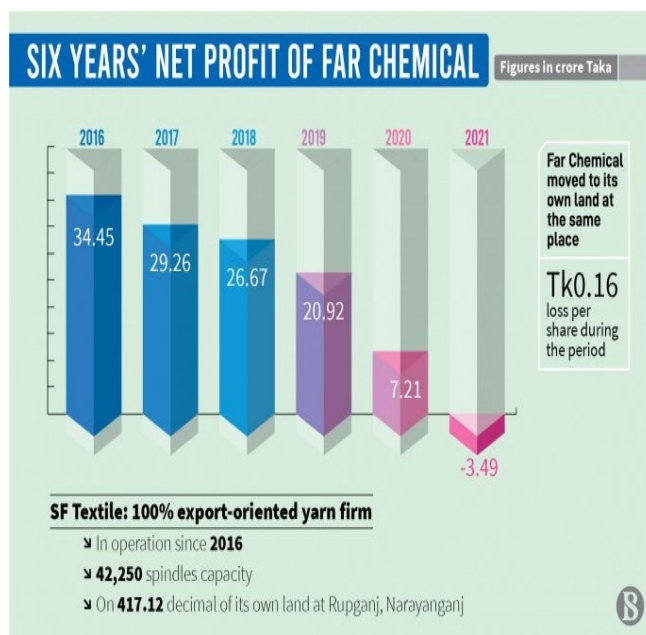
According to the company statement, Far Chemical will take over all assets and liabilities of SF Textile Industries.

SF Textile Industries Limited is a 100% export-oriented yarn spinning company that has been in operation since 2016.

The group has two other firms- ML Dyeing and RN Spinning Mills that were listed in the capital market.

Earlier, Far Chemical Industries recommended a 1% cash dividend for the year ending on 30 June 2021.

Source: <https://www.tbsnews.net/economy/stocks/far-chemical-merge-sf-textile-323977>



Maksons Group's Two Listed cos See Staller Profit Growth in Q1

Metro Spinning Mills and Maksons Spinning, two concerns of Maksons Group, witnessed stellar growth in the July-September quarter of the fiscal 2021-22, thanks to the higher price of yarn.

At the end of the first quarter, Metro Spinning's earnings per share jumped 700% to Tk0.40 and the Maksons Spinning Mills earnings per share grew 582% to Tk0.75.

A senior officer of this group said despite the higher price of raw material in the international market, the two companies achieved the growth as the yarn manufacturers bought the cotton earlier when the price was low. They sold the finished goods at a higher price.

Maksons declared a 11% cash dividend for the shareholders for the fiscal year 2020-21 and Metro Spinning recommended a 5% stock dividend.

This year, Metro Spinning decided to invest Tk200 crore for the reconstruction and expansion of its factory and installation of new machinery in order to cater to the growing demand of apparel abroad.

Source: <https://www.tbsnews.net/economy/maksons-groups-two-listed-cos-see-staller-profit-growth-q1-323974>



Oil Drops on China Fuel Reserves Release

Oil prices dropped on Monday as China's release of gasoline and diesel reserves eased concerns over tight global supply, while investors cashed in ahead of a November 4 meeting of major crude producers that could increase future production targets.

Brent crude futures dropped 46 cents, or 0.6 per cent, to \$83.26 a barrel by 0746 GMT, after gaining 6 cents on Friday.

US West Texas Intermediate (WTI) crude futures slid 64 cents, or 0.8 per cent, to \$82.93, having risen 76 cents on Friday.

The drops came after China said in a rare official statement that it had released reserves of the two fuels to increase market supply and support price stability in some regions.

Oil prices rallied to multi-year highs last week, helped by the decision by OPEC+ to maintain its planned output increase rather than raising it on global supply concerns.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/oil-drops-china-fuel-reserves-release-2211736>



Asian Factories Shake off Lockdown Blues

Asia's factory activity stepped up a gear in October as emerging economies saw Covid-19 infections subside, but rising input costs, material shortages and slowing Chinese growth cloud the outlook, business surveys showed on Monday.

Policymakers in the region face pressures on multiple fronts as they steer their economies out of the pandemic-induced doldrums while also trying to keep prices under control amid rising commodity costs and parts shortages.

China's factory activity expanded at its fastest pace in four months in October, the private sector Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) showed on Monday, as dwindling Covid-19 cases drove up domestic demand.

But a sub-index for output showed production shrank for the third straight month due to power shortages and rising costs, falling in line with Sunday's official PMI that showed factory activity in October shrinking.

Factory activity in October expanded in Vietnam, Indonesia and Malaysia as operations gradually normalised after being hit by shutdowns caused by a spike in Covid-19 infections.

Taiwan saw manufacturing activity growth accelerate on robust chip demand, while Japan's factory activity expanded at the fastest pace in six months in October in an encouraging sign for the world's third-largest economy.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-factories-shake-lockdown-blues-2211741>

Thailand Reopens to Vaccinated Tourists to Boost Economy

Thailand has reopened to vaccinated visitors from more than 60 countries and regions amid efforts to revive its pandemic-battered economy.

From Monday, fully-vaccinated travellers flying from 63 countries and regions, including China, the United States, Britain, Australia and Japan, are allowed to enter the Southeast Asian country without quarantine requirement.

Vaccinated visitors from countries and regions that are not on the quarantine-free list can travel to Bangkok and 16 other destinations, but have to stay there for at least seven nights before heading elsewhere in the country.

The reopening came after Thailand had shut its borders to most foreign visitors since April 2020 after local transmission of COVID-19 started to climb.

The country's number of foreign tourist arrivals dived to 6.7 million in 2020 from a peak of nearly 40 million in 2019, taking a toll on the tourism sector, which accounts for about one-fifth of Thailand's economy before the pandemic.

Source: <https://thefinancialexpress.com.bd/economy/thailand-reopens-to-vaccinated-tourists-to-boost-economy-1635773414>



Apple Cuts iPad Production to Feed Chips to iPhone 13 -Nikkei

Apple Inc has cut back production of iPad tablets to allocate more components to the iPhone 13, a sign the global chip supply crunch is hitting Apple harder than previously indicated, Nikkei said on Tuesday, citing multiple sources.

Production of the iPad was down half from Apple's original plans for the past two months, the newspaper said on its website, adding that parts intended for older iPhones were also being switched to the iPhone 13.

Even though iPhone 13 production hit a snag due to factory closures in Asia and high demand in the second half of the year, Apple has weathered the supply crunch better than many other companies due to its massive purchasing power and long-term supply agreements with chip vendors, eating into its rivals' market share in the third quarter.

Source: <https://www.tbsnews.net/tech/apple-cuts-ipad-production-feed-chips-iphone-13-nikkei-324046>



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