

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 29, 2021

Bangladesh Brimming with Investment Opportunities

Investment opportunities have opened up in Bangladesh for its competitive wages, strategic location, stable policies, exchange rate and political situation, developing infrastructure and huge youth population, said Ahmad Kaikaus, principal secretary to the prime minister.

In tune with its higher growth aspirations, Bangladesh has set a target to lift foreign direct investment to 3 per cent of its gross domestic product by 2031, he added.

The country has achieved immense economic development in the past 12 years and created apt investment scopes.

Besides, Bangladesh is making the transition from being a source of low-skilled workers to creating skilled professionals, which is important for investors.

Source: <https://www.thedailystar.net/business/economy/industries/investments/news/bangladesh-brimming-investment-opportunities-2905361>



Chinese Firms Offer \$70m in Green Energy, RMG and Footwear



Two Chinese firms have proposed a total \$70 million investment in Bangladesh for renewable energy, apparel and footwear manufacturing, said the authorities.

The companies – Guopu Renewable Energy Technology and Hangshou JY Supply Chain – submitted the investment proposals to the Bangladesh embassy in Beijing that has been forwarded to Bangladesh Investment Development Authority (Bida), said Bida officials.

According to the proposals, Guopu is interested to invest around \$50 million in solar and wind power. The company has requested to arrange 200 acres of land and water bodies where they would install the green energy generating units.

The second company Hangshou offers a \$15-20 million investment in Chattogram's Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) economic zone to set up garment and footwear making industries. It has requested for 20 acres of land in the economic zone.

Source: <https://www.tbsnews.net/economy/chinese-firms-offer-70m-green-energy-rmg-and-footwear-335755>

Bangas Returns to Profit in Q1

Bangas Ltd – the manufacturer of several brands of biscuits – posted profits in the first quarter of the current fiscal year.

In the July-September quarter, the company's earnings per share (EPS) stood at Tk0.06.

Due to the cost escalation during the pandemic period, it incurred a loss in the same quarter of FY21 and the loss per share stood at Tk0.12.

Its peer firm on the stock market, Olympic Industries reported lower profits for the same period of FY22.

Its EPS declined to Tk2.06 in the July-September quarter, from Tk2.85 at the same time a year ago.

But Bangas' sales and profit were in the downtrend in recent years. According to its published financials for Q1, the net operating cash flow per share stood at Tk0.90, which was negative Tk0.55 in the same period of the previous fiscal year.

Its net asset value (NAV) per share stood at Tk21.08, which was Tk21.02 on 30 June 2021.

Source: <https://www.tbsnews.net/economy/stocks/bangas-returns-profit-q1-335971>



Beacon Pharma's Profit up on Sales Growth



Beacon Pharmaceuticals Limited posted a 27% growth in revenue in fiscal 2020-2021 owing to an increase in demand for Covid-related products.

In the last fiscal year that ended on 30 June, its revenue was Tk712 crore, which was Tk559 crore in the previous year.

Its net profit stood at Tk86.39 crore, which was Tk38.07 crore the previous year.

At a board meeting on Sunday, the company recommended a 15% cash dividend for its shareholders for FY21.

In the previous fiscal year, it had recommended a 6% cash dividend for its shareholders.

The company has scheduled an AGM for 29 December 2021 and the record date for the AGM will be 20 November.

Source: <https://www.tbsnews.net/economy/stocks/beacon-pharmas-profit-sales-growth-335953>

Green Delta Capital Acts as Foreign Debt Transaction Advisor for LankaBangla Finance

Local investment bank, Green Delta Capital Limited, acted as an advisor in a recent foreign loan transaction for LankaBangla Finance Limited - one of the leading non-bank financial institutions (NBFIs) in Bangladesh.

LankaBangla Finance has received a total of \$21 million foreign loan – \$5 million from Financing for Healthier Lives DAC, an Ireland-based special purpose vehicle and \$16 million from five funds managed by responsAbility Investments AG.

Green Delta Capital Limited was the transaction advisor in both the transactions, reads a press release.

LankaBangla received its first foreign funding of \$20 million in 2019 from Islamic Corporation for the Development of the Private Sector and then it received another foreign funding of \$15 million from BlueOrchard Microfinance Fund, a Swiss-based fund manager, earlier this year, where also Green Delta Capital Limited was lead arranger and advisor to the transaction.

Source: <https://www.tbsnews.net/economy/stocks/green-delta-capital-acts-foreign-debt-transaction-advisor-lankabangla-finance-335959>



Stocks Continue Downfall Trajectory for Six Days

Indices of the both stock exchanges saw a sharp downfall at the opening day of this week and the fallen trajectory has been going for the six days.

The benchmark index DSEX of the Dhaka Stock Exchange's (DSE) on Sunday lost 78 points or 1.14% and closed at 6,773. The blue-chip index DS30 also fell 1.02% to 2,576 points.

In the last six days, the DSEX dropped 318 points due to intensive sale pressure by the investors.

The turnover of the DSE also declined 1.49% to Tk837 crore today, which was lower in the last eight months.

Following the downward trend, 291 companies' share price declined, while 66 advanced and 15 remained unchanged.

Meanwhile, Beximco Limited grabbed the top position in the turnover chart, which was followed by One Bank and IFIC Bank at the DSE.

Source: <https://www.tbsnews.net/economy/stocks/stocks-continue-downfall-trajectory-six-days-335821>



Oil Settles down \$10/bbl in Largest Daily drop since April 2020

Oil prices plunged \$10 a barrel on Friday, their largest one-day drop since April 2020, as a new variant of the coronavirus spooked investors and added to concerns that a supply surplus could swell in the first quarter.

Oil fell with global equities markets on fears the variant, could dampen economic growth and fuel demand.

The World Health Organization has designated the new variant, which it named Omicron, as "of concern," according to the South African health minister.

The United States, Canada, Britain, Guatemala and European countries are among those to restrict travel from southern Africa, where the variant was detected. Brent crude settled down \$9.50, or 11.6 per cent, to \$72.72 a barrel, a weekly decline of more than 8 per cent.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-settles-down-10bbl-largest-daily-drop-april-2020-2905296>



Telecom Italia CEO Resigns

Telecom Italia Chief Executive Luigi Gubitosi has resigned, news reports said Friday, amid increasing pressure on the top management by shareholders, including France's Vivendi.

The departure of Gubitosi, who has been at the helm of the struggling telecom company since May 2018, comes in the wake of a nearly 11 billion euro buy-out offer from US private equity firm KKR.

TIM's current president, Salvatore Rossi, will take on Gubitosi's duties in the interim, reported Italian news agency AGI.

A former executive of Fiat and Alitalia, Gubitosi in recent years has not been able to reverse the declining share price of Italy's largest telecom firm.

The move came nearly a week after the 'friendly' public tender offer by New York-based Kohlberg Kravis Roberts, for the entire share capital of TIM.

KKR said its offer would be for an initial .505 euros per share, valuing the Italian operator at around 10.8 billion euros (\$12.2 billion).

TIM's board met on Friday for six hours, AGI said, after calling an emergency meeting Sunday. It said then that KKR's proposal was subject to about four weeks of due diligence and would require the backing of a majority of shareholders.

Source: <https://www.newagebd.net/article/155871/telecom-italia-ceo-resigns>



Turkey Committed to Rate-Cutting Policy: Deputy Minister

Turkey is determined to continue a policy of interest rate cuts, and "manipulative attacks" on the lira, which has plunged to all-time lows this week, will not leave any lasting damage, Deputy Finance Minister Nureddin Nebati said late on Thursday.

In a historic slide, the lira hit a record low of 13.45 against the dollar on Tuesday, triggered by President Tayyip Erdogan's defence of the central bank move to slash the policy rate to 15 per cent, despite near 20 per cent inflation.

It hit all-time lows in 11 consecutive sessions and has lost as much as 45 per cent of its value this year, with around half of those losses occurring since the start of last week. After a rebound in the last three days, it stood at 12.10 versus the dollar at 0505 GMT.

"We need to evaluate Turkey's economy from a bigger window, rather than a narrow perspective only taking the exchange rate as a basis," Nebati said on Twitter. "Under the current market conditions, there is no issue with the policy rate being kept lower than inflation."

Source <https://www.thedailystar.net/business/global-economy/news/turkey-committed-rate-cutting-policy-deputy-minister-2905276>



German Car Goals not Tough enough to Protect Climate



Environmental groups hoping for more radical action to promote electric vehicles were disappointed at Germany's new coalition agreement, saying it falls short of what was needed to meet climate goals.

The agreement by the Social Democrats (SPD), Greens, and liberal Free Democrats (FDP) included raising Germany's target for the number of electric vehicles (EVs) on roads by 2030 to at least 15 million and supporting expansion of charging infrastructure.

But key policies which environmentalists had demanded to reduce emissions further - like a speed limit on highways and higher taxes on fossil-fuel emitting cars - were missing, organisations including climate think-tank Agora and NGO Deutsche Umwelthilfe (DUH) said.

A commitment to meet the EU's proposal for an effective ban on carbon-emitting cars by 2035 'earlier' was seen as too vague.

Source: <https://www.thedailystar.net/business/global-economy/news/german-car-goals-not-tough-enough-protect-climate-2905306>

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