

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 12, 2021

Demand for Local Green Malta on the Rise

Locally grown green sweet orange, or malta, enhances immunity and has shown to be quite helpful for treating people with anemia.

The popular fruit also contains a type of fibre called pectin that helps prevent colon cancer. Given its many medicinal properties and delicious taste, the demand for malta has increased exponentially over the years.

So far, a total of 619 acres of land in the region have been brought under malta cultivation this season, which is double compared to that last year, Adhikary said.

Some 17,800 tonnes of the fruit were grown on 2,525 hectares of land across the country in fiscal 2019-20, around 800 tonnes more from that in the preceding year, according to Kobir Ahmed, deputy director for fruit and flower of the DAE's horticulture wing.

Considering malta's growing popularity, cultivation of the fruit has been widely adopted in the Juri and Sreemangal upazilas, local farmers say.

Source: <https://www.thedailystar.net/business/economy/news/demand-local-green-malta-the-rise-2172521>



Bangladesh Exports \$1.94 Billion more in RMG Products than Vietnam

Bangladesh earned \$1.94 billion more in apparel exports than Vietnam in the first seven months of the current year.

Bangladesh exported knit and woven products worth \$18.80 billion during the period against the textiles and garments worth \$16.86 billion exported by Vietnam, according to the official data released by the two countries.

Mohiuddin Rubel, director, BGMEA, said, "By the end of 2021 we can confidently say that Bangladesh will be the second largest garment exporting country."

He also pointed out that the Vietnamese government aggregated their textile export with garment while publishing the data.

Source: <https://www.tbsnews.net/economy/rmg/bangladesh-exports-194-billion-more-rmg-products-vietnam-301015>



21 OTC Firms Head for Small-cap Platforms

Twenty-one of the 61 over-the-counter (OTC) market companies are set to come back to trading and the capital market regulator has already finalised the list based on the companies' revival plan.

Sources at the Bangladesh Securities and Exchange Commission (BSEC) said the regulator is likely to issue a notification to stock exchanges this week to let the 21 OTC firms get into the newly built small-cap or SME platforms of bourses.

The firms must convert their shares into electronic ones from the old-fashioned paper certificates before the reappearance.

Of the 21 firms, eight are already in operation and need to raise capital from investors to go ahead with their business.

The companies are Apex Weaving and Finishing Mills, Bangladesh Hotels Ltd, Bengal Biscuits, Gachi Hata Aquaculture Farms, Himadri Ltd, Rangamati Food Products Ltd, Wonderland Toys, and Yousuf Flour Mills Ltd.

Source: [://www.tbsnews.net/economy/stocks/21-otc-firms-head-small-cap-platforms-301171](http://www.tbsnews.net/economy/stocks/21-otc-firms-head-small-cap-platforms-301171)



IFC to Issue taka Bond on Bangladesh Bourse

The International Finance Corporation (IFC) plans to issue taka-denominated bond on the Bangladesh market to extend financial support to domestic industries and agencies in need of funds.

"IFC in a letter has requested us to get approval for its planned BDT-denominated bond. It wants to mobilise money from the domestic market in order to invest in local firms," said a senior Ministry of Finance (MoF) official.

He said they had sought opinion from different relevant government agencies, including the Finance Division, Financial Institutions Division as well as Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), on this move by the international financial institution.

A senior IFC official says they would issue the IFC's BDT-denominated bonds on the Dhaka Stock Exchange through securities regulator BSEC for mobilising the funds for the local industries and enterprises to be financed.

Source: <https://thefinancialexpress.com.bd/stock/ifc-to-issue-taka-bond-on-bangladesh-bourse-1631327596>



DSE Market Cap Adds Tk. 226b in a Week

The stock market witnessed yet another bullish week with market-cap of Dhaka Stock Exchange (DSE) climbing to a historical high, thanks to increased investor participation.

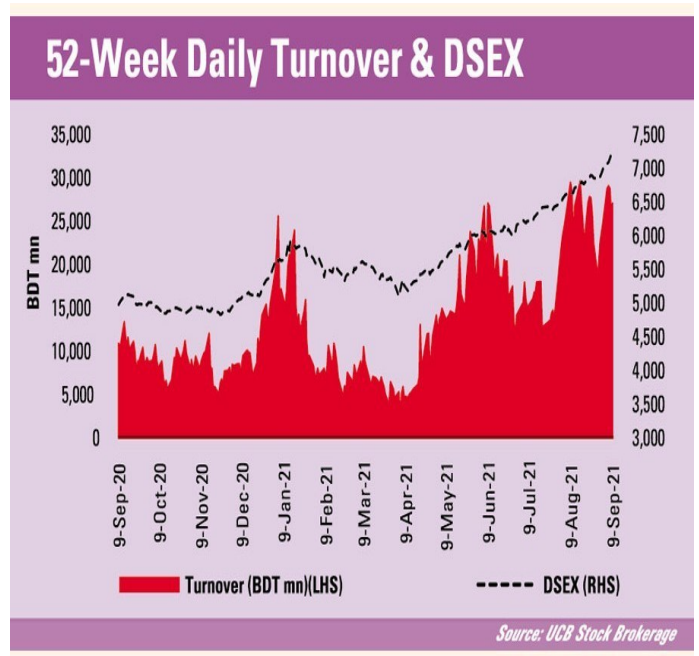
The market capitalisation of the prime bourse surged by Tk 226 billion or 4.01 per cent in the outgoing week to reach an all-time high at Tk 5.86 trillion on Thursday.

The value of large-cap listed securities such as British American Tobacco, Grameenphone, Beximco Pharma, Square Pharma and Walton soared substantially in the outgoing week, which added impetus to the market-cap and stock-index growth.

DSEX, the benchmark of the DSE, surpassed the 7,200-mark for the first time during the week to settle at 7,258, after soaring 277.69 points or 3.98 per cent as all five trading days of the week closed higher.

Two other indices--the DSE 30 Index and the DSE Shariah Index (DSES) -- followed suit to close at their new highs of 2,647 and 1,592, after soaring 150.30 points and 83.65 points respectively during the week.

Source: <https://thefinancialexpress.com.bd/stock/dse-market-cap-adds-tk-226b-in-a-week-1631330191>



Premier Cement Shareholders Nod to Tk315cr Preference Shares Issuance

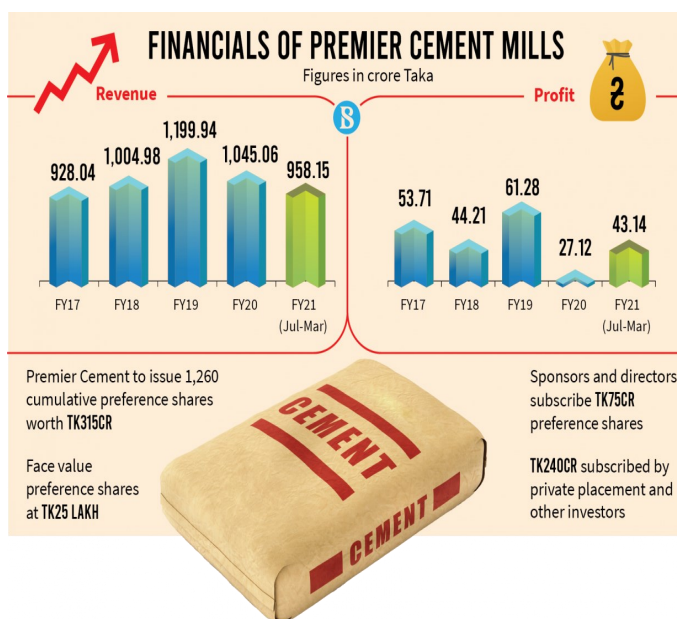
Shareholders have approved Premier Cement Mills Limited to issue preference shares worth Tk315 crore for restructuring its balance sheet and the prepayment of its high-cost debts.

Now, the company will seek the final approval from the Bangladesh Securities and Exchange Commission (BSEC) to proceed with the plan.

In its first extra-ordinary general meeting (EGM) on 8 September, the shareholders have approved the company's decision, which was taken by the board of directors last week of July.

According to information from the company, Premier Cement Mills will issue 1,260 fully redeemable non-convertible cumulative preference shares at a face value of Tk25 lakh each.

Source: <https://www.tbsnews.net/economy/stocks/premier-cement-shareholders-nod-tk315cr-preference-shares-issuance-301132>



China Announces first Public State Oil Auction to Stabilize Prices

China plans its first public auction of state crude oil reserves to a select group of domestic refiners, the reserves administration announced, as Beijing looks to cool high raw material costs for manufacturers.

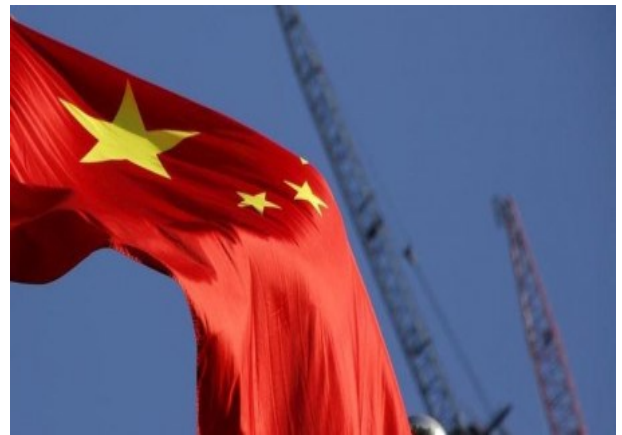
The releases will take place in phases and are intended for integrated refining and chemical plants, the National Food and Strategic Reserves Administration said in a statement late on Thursday.

The sales will "better stabilise domestic market supply and demand, and effectively guarantee the country's energy security," the agency said, adding that it plans to regularly release and replenish China's oil reserves.

Benchmark Brent crude oil prices are up by around 40% this year as demand rebounds from its coronavirus-led collapse in 2020. Brent fell 2% on Thursday but was trading higher on Friday.

China's international crude futures are up 50% this year, and up 80% from a year ago.

Source: <https://www.tbsnews.net/world/global-economy/china-announces-first-public-state-oil-auction-stabilise-prices-300640>



Ford to stop manufacturing cars in India

Ford Motor Company will stop manufacturing cars in India and shut down its plants in the country, two sources told Reuters, becoming the latest automaker to quit a market still dominated by Asian rivals.

The US automaker made the decision because it was not profitable for it to continue, said one of the sources, adding that the process is expected to take about a year to complete.

Ford is the latest vehicle maker to cease production in India, following US companies such as General Motors and Harley Davidson, which have already left a market that had once promised exponential growth.

Ford has struggled to win over India's frugal buyers and turn a profit in a market dominated by mainly low-cost cars made by Suzuki Motor Corp and Hyundai Motor.

Source: <https://www.thedailystar.net/business/global-economy/news/ford-stop-manufacturing-cars-india-2172481>



EU Budget Battle Looms, as Economy Lifts out of Crisis

European governments have spent hand over fist, despite ballooning public debt, to prevent the coronavirus pandemic from triggering economic calamity.

Now, the European Union faces calls to loosen its budget rules to allow the largesse to continue, but the topic is a sensitive one for many member states.

The European Commission, the EU executive that oversees the budgets of 27 nations, is doing its utmost to prevent a political fistfight that could spill into this month's election campaign in Germany.

EU finance ministers are meeting on Friday and Saturday and will gingerly broach the topic at talks at the scenic Brdo castle in Slovenia. "We will have to find different rules, a different return to budgetary balance," French Finance Minister Bruno Le Maire as he arrived for the talks.

At the heart of the issue is the EU's stability and growth pact, a set of rules on budget spending that ties member states -- at least on paper -- to public debt of just 60 per cent of gross domestic product.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/eu-budget-battle-looms-economy-lifts-out-crisis-2173691>

Sri Lanka is Running out of Money for Imports as Delta Rages



Sri Lanka's dwindling foreign exchange reserves risk spiraling into a crisis that could force the South Asian nation to tighten policy more aggressively and seek an International Monetary Fund bailout.

After meeting a \$1 billion debt repayment in July from reserves, the government had only enough dollars to cover less than two months of imports. The nation buys wheat, sugar and milk powder from abroad and, with the Sri Lankan rupee down 7.3% this year, the import bill is soaring, stoking inflation and raising concerns about panic buying and hoarding.

"For investors it's a question of when, not if, they run out of FX reserves," said Nivedita Sunil, senior analyst for Emerging Markets at Lombard Odier in Singapore. "If you see where the bonds are trading, they are clearly telling you that they are no longer taking a longer term view."

While authorities maintain they will repay \$1.5 billion of foreign bond payments due in January and July, a Bloomberg gauge of one-year default probability has risen almost 20 percentage points, to Asia's highest level at about 28%.

Source: <https://www.tbsnews.net/world/global-economy/sri-lanka-running-out-money-imports-delta-rages-300943>

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