

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 07, 2021

USDA to Invest \$27m to Accelerate Import, Export of Agro Products

The US Department of Agriculture (USDA) will invest \$27 million in Bangladesh to increase its exports and facilitate imports of agricultural and agro-processed products.

The funding will go into infrastructural development under the USDA-funded Bangladesh Trade Facilitation Project.

The project will emphasise creating one cold chain each at the Chattogram port and the Shahjalal International Airport.

Exports of all types of agricultural products, perishable and non-perishable, can be kept in cold storage quickly if any delays or problems arise.

Additionally, to facilitate the import-export process, automation, online certification, strengthening of risk-based product exemption process, creation of a database of importers and exporters of different countries and commercialization of domestic products will be given importance under the project.

Source: tbsnews.net/dropped/trade/usda-invest-27m-accelerate-import-export-agro-products-312442



Govt to Procure 67.20 lakh MMBtu LNG, 1 lakh MT Wheat

The government will procure some 67.20 lakh MMBtu LNG, 1 lakh metric tons of wheat and 60,000 metric tons of fertiliser to meet the growing demand in the country.

In another proposal, the BCIC would procure 30,000 metric tons of bagged pried urea fertilizer from Muntajat, Qatar also under state-level agreement at a cost of around Taka 129.85 crore.

Apart from these, the meeting approved a proposal from the Ministry of Housing and Public Works for awarding the contract of Lot No-1(B) to Noorani Construction Limited for setting up Narsingdi District Jail with around Taka 69.83 crore.

Source: tbsnews.net/economy/govt-procure-6720-lakh-mmbtu-lng-1-lakh-mt-wheat-312301



Nialco Alloys to Set up New Plants

Nialco Alloys Limited will set up two new plants to manufacture finished products to expand its business.

It is the only company to be listed on the SME platform of the Chattogram Stock Exchange.

The export-oriented company mainly manufactures high-grade bronze and brass ingots. The production capacity of the new plants will be 100 tonnes per month.

According to data available with the CSE, the company will open an L/C with Mutual Trust Bank Limited.

The company is expected to complete setting up the plants in seven to nine months.

According to a financial report, in the July-September quarter of 2020, the company revenue was Tk20.56 crore, and net profit was Tk1.39 crore.

During this period, the earnings per share were Tk0.91 and net asset value per share stood at Tk12.43 without revaluation reserve.

Source: <https://www.tbsnews.net/dropped/industry/nialco-alloys-set-new-plants-312430>



RFL Door Maker to Offer Tk300cr Sukuk for Expansion

Banga Building Material Ltd (BBML), the maker of RFL uPVC doors, sheets, ceiling panels, and furniture, is going to raise Tk300 crore through Sukuk for capacity expansion at its Habiganj industrial park unit.

A sister concern of the RFL Group, Banga Building Material Ltd has appointed City Bank Capital Resources as the arranger and adviser for the issuance of the Shariah-compliant asset-backed securities, according to a press statement.

At the signing ceremony, Uzma Chowdhury said, "The BBML will use most of the Sukuk fund to finance the machinery it needs for its planned expansion."

Some of the money will also be used to pay back the Shariah-compliant banks who financed the letter of credit for the import of the machinery, she added.

Source: <https://www.tbsnews.net/economy/rfl-door-maker-offer-tk300cr-sukuk-expansion-312451>



DSEX Rises for Second Straight Day

Equity indices of the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) rose for the second straight session on Wednesday.

Amid sell pressures for profit booking, DSEX, the benchmark index of the DSE, shot up by 19.6 points or 0.27% than the previous trading session.

The total turnover of DSE advanced by 14% and stood at Tk2,681.26 crore compared to Tk2,352.04 crore on Tuesday.

The benchmark index again came down as selling pressures increased after one hour of trading and the market closed green at last.

Tuesday's volatile trading ended with stock indices closing marginally higher – although the majority of scrips declined.

Most of the sectors observed mixed performance, out of which Services (5.8%), Fuel and Power (3.0%), and Ceramic (2.5%) have exerted the most positive returns.

Source: <https://www.tbsnews.net/economy/stocks/dsex-rises-second-straight-day-312424>



Asiatic Laboratories to Go Public for Business Expansion

Asiatic Laboratories Limited, a medium-sized pharmaceuticals company, wants to raise Tk95 crore with an initial public offering (IPO) under the book building method.

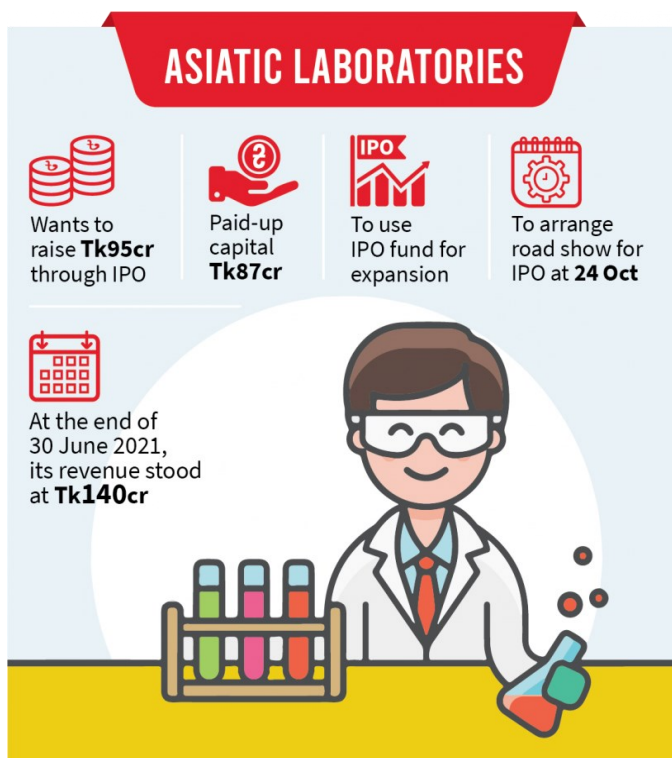
The drugmaker will spend the IPO proceeds on implementing new projects at its existing factory premises in Gazipur.

The business entity, which has established its brand in Bangladesh over the last 50 years, wants a premium on the face value of Tk10 of its primary shares.

At the end of 30 June 2021, its revenue stood at Tk140 crore. The paid-up capital of the company is Tk87 crore.

Shahjalal Equity Management Limited has already signed an agreement with the drugmaker to provide issue management services, where BMSL Investment Limited will act as registrar to the issue.

Source: <https://www.tbsnews.net/economy/stocks/asiatic-laboratories-go-public-business-expansion-312460>



US Services Activity Forges Ahead

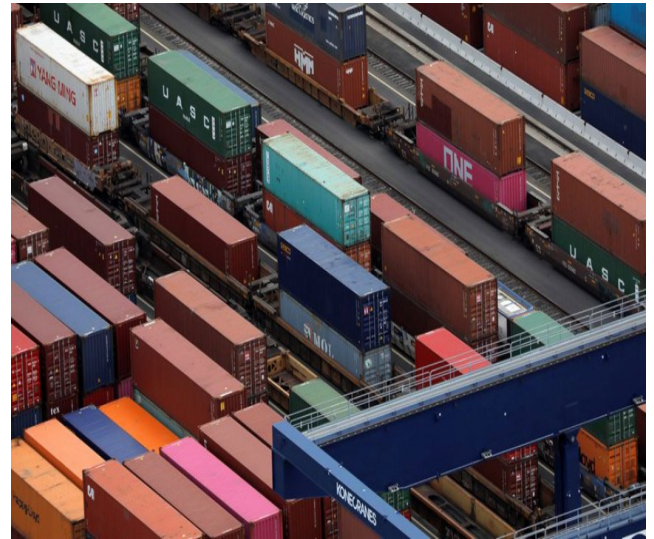
US services industry activity nudged up in September, but growth is being restrained by a persistent shortage of inputs and the resulting high prices as the pandemic drags on.

The Institute for Supply Management (ISM) survey on Tuesday reported that "ongoing challenges with labor resources, logistics, and materials are affecting the continuity of supply."

Hopes for an easing in the supply chain bottlenecks were dashed by a resurgence in Covid-19 infections over summer, driven by the Delta variant. Ports in China and the United States are also experiencing congestion.

"We don't expect supply-side constraints to start easing meaningfully until mid-2022," said Oren Klachkin, lead US economist at Oxford Economics in New York.

Source: <https://www.thedailystar.net/business/global-economy/news/us-services-activity-forges-ahead-2192376>



Tesco Profits Jump on 'Elevated' Pandemic Sales

British supermarket giant Tesco on Wednesday posted surging first-half profit on the back of elevated pandemic sales and its "resilient" supply chain.

Profit after tax jumped almost 70 per cent to 781 million (\$1.1 billion, 917 million euros) in the six months to the end of August, the nation's biggest retailer said in a statement.

That compared with 465 million a year earlier, when the group was also buoyed by the Covid pandemic. Tesco also ramped up its annual profit forecast and unveiled a 500-million share buyback.

Shares jumped 4.1 per cent to 263.35 pence in late morning London deals. Revenue rose six per cent to 30.4 billion as it "continued to benefit from elevated sales as a result of the Covid-19 pandemic", it said.

Tesco also took an exceptional charge of 193 million from settling claims relating to its misstatement of profits in 2014. Britain's supermarket sector benefited enormously from a shift to online shopping during the pandemic. Tesco last year doubled the size of its online business in response to massive demand.

Source: <https://www.thedailystar.net/business/global-economy/news/tesco-profits-jump-elevated-pandemic-sales-2192456>



WB Ups Russia's 2021 GDP Growth Forecast

Russia's economic recovery will be stronger than expected this year but US sanctions, a poor vaccination rate and the central bank's monetary tightening will all weigh on the growth outlook, the World Bank said on Wednesday.

Russia's economic rebound will outpace its neighbour Belarus, hit by Western sanctions amid a political crisis, but will be less pronounced than in other former Soviet republics such as Armenia, Georgia and Uzbekistan.

After shrinking by 3 per cent in 2020, its sharpest contraction in 11 years, the Russian economy has recovered to pre-pandemic levels but is expected to lose momentum in the next few years without extra investment that could come from state spending.

The World Bank said it now expects Russia's gross domestic product to grow by 4.3 per cent in 2021 and 2.8 per cent in 2022 versus 3.2 per cent and 3.2 per cent, respectively, that it forecast in June.

This year, the economy "is supported by an earlier rebound in domestic demand and elevated energy prices," the World Bank said in a report on Europe and Central Asia.

Source: <https://www.thedailystar.net/business/global-economy/news/wb-ups-russias-2021-gdp-growth-forecast-2192421>



German Industrial Orders Slump in August

German industrial orders fell sharply in August, after a record month in July, official data released on Wednesday showed, as global supply bottlenecks pinch the economy.

The indicator, which gives a foretaste of industrial activity, fell by 7.7 per cent on the upwardly revised figure for the previous month, according to the federal statistics agency Destatis.

In its latest release, Destatis revised the increase in July to 4.9 per cent from its previous estimate of 3.4 percent. Industrial orders failed to keep up the pace in August, despite showing a strong 11.7 per cent increase on a year earlier. The month-on-month drop was led by a steep 11.1 per cent decline in orders of capital goods, while consumer and intermediate goods tailed off by 2.7 and 2.8 per cent, respectively.

Orders for export fell by 9.5 per cent, with those from outside the eurozone decreasing most by 15.2 per cent.

Source: <https://www.thedailystar.net/business/global-economy/news/german-industrial-orders-slump-august-2192446>



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