

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 17, 2022

Tk 15b Cash Incentives Released for Local Exporters

The government has released Tk 15 billion for the payment of cash incentives to local exporters on their export earnings.

It is the 3rd instalment of cash incentives for the January-March period of the current fiscal year (FY) 2021-2022.

Export oriented sectors including readymade garment (RMG), frozen shrimp and other fish, leather items, jute and jute products will enjoy the incentives, according to a circular of the Finance Division issued on Monday.

Of the amount, Tk 3.0 billion will be distributed for the jute sector while Tk 12 billion for other sectors, it said.

A special 1.0 per cent cash incentive support fund for the RMG industry has also been included in the instalment.

Currently, the government provides up to 20 per cent cash subsidy on 38 products against the export.

Source: <https://thefinancialexpress.com.bd/economy/tk-15b-cash-incentives-released-for-local-exporters-1644988924>



EU to Support Bangladesh for Sustainable LDC Graduation

The European Union will keep supporting Bangladesh to help the South Asian country make sustainable graduation from the grouping of least-developed countries.

Charles Whiteley, the EU's ambassador to Bangladesh, gave this assurance in a meeting with Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry (MCCI), at the latter's office in Dhaka's Gulshan yesterday, according to a press release.

Whiteley said there are untapped areas of cooperation where many EU member countries might be able to collaborate with Bangladesh to render technical support on various aspects, such as renewable energy and skills development.

Addressing the meeting, Islam highlighted the challenges of LDC graduation and Bangladesh's joining the club of middle-income countries by 2026.

Source: <https://www.thedailystar.net/business/economy/news/eu-support-bangladesh-sustainable-ldc-graduation-2964056>



MFS Transactions Amount to Record Tk 7,70,167cr in 2021

The amount of annual transactions through mobile financial services grew by 37.19 per cent or Tk 2,08,770.9 crore year-on-year in 2021 as customers found making different kinds of payments through the MFS convenient amid a growing digital financial ecosystem.

As per Bangladesh Bank data, the amount of transactions through MFS surged to Tk 7,70,166.7 crore in 2021 from Tk 5,61,395.8 crore in the previous year.

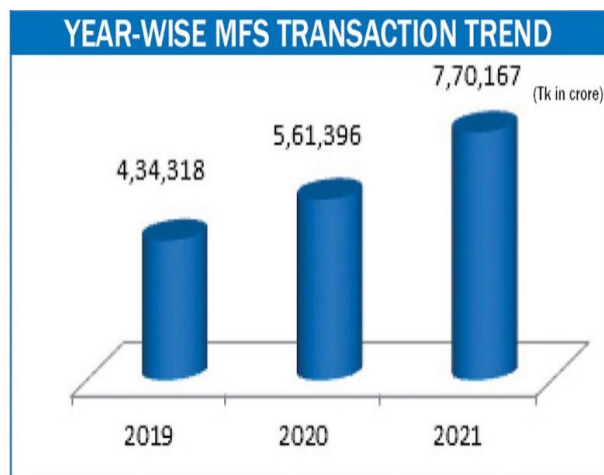
In 2020, the amount of MFS transactions grew by 29.26 per cent or Tk 1,27,077.6 crore from Tk 4,34,318.2 crore in the previous year.

Apart from the amount of transactions, the amounts of cash-in, cash-out and person-to-person transactions, among others, made a significant increase in 2021.

Besides, the number of MFS accounts grew by 1.22 crore, 1.97 crore and 1.21 crore in 2021, 2020 and 2019 respectively.

The number of MFS accounts increased to 11.15 crore at the end of December 2021 from 9.93 crore a year ago.

Source: <https://www.newagebd.net/article/162939/mfs-transactions-amount-to-record-tk-770167cr-in-2021>



Ctg Offers Huge Business Prospect for Japanese Investors: Experts

Japanese investors should invest in various potential sectors in Bangladesh, especially in Chattogram, which has become a trade and investment growth engine of the country because of the implementation of mega infrastructure projects and capacity enhancement of the sea port, analysts said today.

They spoke at a webinar jointly organised by Chittagong Chamber of Commerce and Industry (CCCI), Japan External Trade Organisation (JETRO) and Dhaka and Japan Bangladesh Chamber of Commerce and Industry (JBCCI).

JETRO Country Representative in Dhaka Yuji Ando in his brief presentation on CCCI-Japan Desk narrated about the excellent economic situation in Bangladesh and importance and future growth possibility of Chattogram into global industrial hub.

Source: <https://www.thedailystar.net/business/news/experts-urge-japanese-investors-invest-more-chattogram-2963506>



Rahima Food Starts Coconut Oil Production

Rahima Food Corporation, a re-listed company, is going to start commercial operation for production and marketing of coconut oil from tomorrow (Thursday) after completion of trial production, the company said in a filing with the Dhaka Stock Exchange on Tuesday.

The business operation of the company resumed after nine years as the company had been out of business since June 2013.

In addition to production of coconut oil, the company will also do bottling and marketing of soybean and mustard oil, according to the filing.

"The company will set up a manufacturing plant for processing and packing of cashew nuts and marketing thereof at home and abroad," said the filing.

City Group, a leading business conglomerate and consumer goods manufacturer in Bangladesh took over the company in 2016 by purchasing all of the shares held by the company's sponsors.

Source: <https://thefinancialexpress.com.bd/stock/rahima-food-starts-coconut-oil-production-1644995867>



Total Trade	Total Volume	Total Value in Taka (mn)
220210	237527031	12136.445
Issues Advanced	Issues declined	Issues Unchanged
139	162	76



Stocks Post Marginal Gain, Snap Two-day Losing Streak

Stocks posted a marginal gain on Wednesday, snapping a two-day losing streak, as some investors showed buying interest on sector-specific issues.

The market opened on a positive note and the key index rose about 40 points within the first two hours of trading but failed to sustain that level as investors opted for booking profit on sector-wise stocks.

Finally, DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 6.92 points or 0.09 per cent to settle at 7,043, after losing 53 points in the past two consecutive sessions.

Two other indices also edged higher. The DS30 index, comprising blue chips, gained 9.34 points to finish at 2,598 and the DSE Shariah Index advanced 1.20 points to close at 1,521.

Turnover, the most important indicator of the market, stood at Tk 12.13 billion, which was 1.46 per cent lower than the previous day's tally of Tk 12.31 billion.

Source: <https://thefinancialexpress.com.bd/stock/stocks-post-marginal-gain-snap-two-day-losing-streak-1645005636>

UK Inflation Hits Fresh 30-year High

UK annual inflation has hit the highest level since 1992, data showed Wednesday, adding pressure to the cost of living and on the Bank of England to keep raising rates.

The Consumer Prices Index (CPI) edged up to 5.5 per cent in January from 5.4 per cent in December, also a level not seen in almost three decades, the Office for National Statistics said in a statement.

The rate is now at the highest level since March 1992, the ONS added.

Prices have soared globally over the past year, in large part owing to surging energy prices, while consumers are facing also higher food costs as economies reopen from pandemic lockdowns.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/uk-inflation-hits-fresh-30-year-high-2964036>



US Wholesale Prices Spike against Forecasts in January

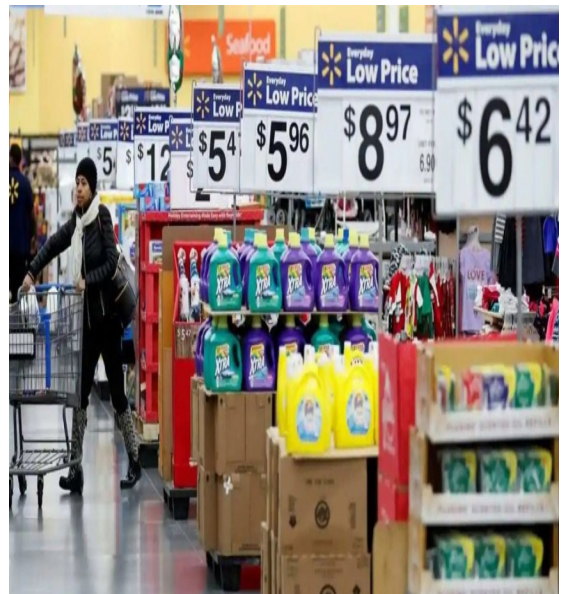
US wholesale prices jumped more than expected last month, according to a government report Tuesday, an indication the inflation wave continues to hit all corners of the world's largest economy.

The producer price index rose one percent, seasonally adjusted, in January, the Labor Department reported, twice the increase analysts had forecast and returning to the inflation pace seen last summer.

Goods costs rose 1.3 per cent and services increased 0.7 per cent, according to the data.

Compared to the same month last year, prices were up 9.7 per cent, not seasonally adjusted, slightly less than the increase registered in the prior two months, the report said.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-wholesale-prices-spike-against-forecasts-january-2964031>



Fed's Credibility 'on the line' amid US Inflation Spike

The Federal Reserve needs to accelerate the pace of interest rate increases to fight inflation, but can do so in a way that doesn't roil financial markets, St. Louis Fed President James Bullard said Monday.

"Our credibility is on the line here," Bullard said on CNBC. After consumer prices saw their biggest jump in 40 years in January, he said the Fed should "front load" its actions and raise the benchmark borrowing rate to one percent by July.

Bullard, a voting member of the Fed's policy-setting committee, caused a sharp reaction in markets last week with similar comments on the need to remove stimulus provided to the US economy during the Covid-19 pandemic.

The consumer price index in January jumped 7.5 per cent compared to a year earlier, its largest increase since 1982.

Source: <https://www.thedailystar.net/business/global-economy/news/feds-credibility-the-line-amid-us-inflation-spike-2962941>



Japan's Economy Rebounds on Solid Spending

Japan's economy rebounded in the final three months of 2021 as falling coronavirus cases helped prop up consumption, though rising raw material costs and a spike in new Omicron variant infections cloud the outlook.

Bank of Japan Governor Haruhiko Kuroda also highlighted escalating tensions in Ukraine as a fresh risk to the central bank's forecast for a moderate economic recovery.

The world's third-largest economy expanded an annualised 5.4 per cent in October-December after contracting a revised 2.7 per cent in the previous quarter, government data showed on Tuesday, falling short of a median market forecast for a 5.8 per cent gain.

Some analysts expect the economy to slump again in the current quarter as rising Covid-19 cases keep households from shopping and supply chain disruptions hit factory output.

Economic growth was driven largely by a 2.7 per cent quarter-on-quarter rise in private consumption, which accounts for more than half of Japan's gross domestic product (GDP).

Source: <https://www.thedailystar.net/business/global-economy/news/japans-economy-rebounds-solid-spending-2963061>



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