



HIGHLIGHTS OF THE DAY

Bangladesh: Economy

June 14, 2022

JS Passes Tk17,524cr Supplementary Budget for FY22

The Jatiya Sangsad (JS) on Monday passed a Tk17,524.64 crore supplementary budget authorising additional expenditures by ministries and divisions for the current fiscal year ending 30 June.

The bill was moved by Finance Minister AHM Mustafa Kamal and was later passed with voice vote.

The supplementary budget was passed in view of 26 demands for allocations under different ministries and divisions.

In the original budget for FY22, the total allocation for 62 ministries and divisions was Tk6,03,681 crore. The revised spending plan raised the allocation for 27 ministries and divisions by Tk17,524.64 crore and reduced the allocations for 35 others by Tk22,614.18 crore.

The allocation, on the whole, has decreased by Tk10,181 crore to stand at Tk5,93,500 crore.

In the supplementary budget, the Finance Division received the highest allocation of Tk5,307.56 crore. The division is getting this additional allocation for arranging necessary funds to bear the expenditures in subsidies and incentives.

Source: <https://www.tbsnews.net/economy/budget/tk17524cr-supplementary-budget-fy21-22-passed-parliament-439226>



Most FDI Offers Come from China: Bida

Most of foreign direct investment (FDI) proposals had come from China, said Md Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority (Bida).

He said this while speaking at the signing ceremony of a Memorandum of Understanding (MoU) between Bida and the Bangladesh China Chamber of Commerce and Industry (BCCCI) in the capital on Monday.

Under the agreement, the two organisations will work together to increase foreign investment, especially Chinese investment.

Sirazul said in the 2021-22 fiscal year, China was in the first position in the registration for foreign direct investment (FDI) in Bida.

China registered for an investment of \$770 million. Korea has the second-highest at \$161 million.

Source: <https://www.tbsnews.net/economy/most-fdi-offers-come-china-bida-439222>



BB Reiterates Settling Customer Grievances in 10 Days

The Bangladesh Bank has again instructed the banks to settle the complaints of the customers against the banks as soon as possible, preferably within 10 days and not more than 45 days.

The circular issued in this connection on Monday said it has been found that most of the banks are not following the previous order on the same issue.

The Central Bank said that the order has been issued as per section 45 of the Bank Company Act, 1991 which will be effective immediately.

"A grievance cell should be formed under the supervision of the chief executive to settle the complaints raised against the banks. Although the grievances should be settled within 10 days, the time limit should not exceed 45 days," the circular said.

It has been noticed by the BB that some of the banks and branches are not accepting any complaints or applications while many are not taking proper measures to solve the problems of the applicants and it is unacceptable.

Source: <https://www.tbsnews.net/economy/banking/banks-asked-settle-clients-complaints-10-days-439166>



Taka Falls again, 1 USD now Tk 92.5

The local currency today depreciated further against the US dollar, hitting Tk 92.50 for each greenback in the interbank platform.

The exchange rate of the taka stood at Tk 92 per dollar on Monday before facing a depreciation of Tk 0.50 today.

The taka has depreciated 13 times so far this year.

The country's import payments shot up since the end of last year because of the rising price of commodities in the global market, creating an immense pressure on the foreign exchange market.

Between July and April this fiscal year, imports went up by 41 per cent to \$68.66 billion, while exports grew by 35 per cent to \$41 billion.

This resulted in a record trade deficit -- the gap between exports and imports -- of \$27.56 billion, up 53 per cent year-on-year.

Moreover, remittance inflow fell 16 per cent year-on-year to \$19.2 billion in the first 11 months of this fiscal year.

Source: <https://www.thedailystar.net/business/news/taka-falls-again-1-usd-now-tk-925-304649>



DSE News

Bourses See Modest Fall at Opening

The stock market opened marginally lower on Monday, the second day after unveiling the national budget as the proposed budget appears to have failed to boost stock investors' confidence.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 27.22 points or 0.42 per cent to reach 6,453 within the first 30 minutes of trading at 10:30 am.

Finance Minister AHM Mustafa Kamal placed a record Tk 6.78 trillion national budget for the Fiscal Year (FY) 2022-2023 before Parliament on Thursday.

The Finance Minister has proposed no new incentives, other than the reduction in corporate tax for the listed companies under some conditions.

The tax gap between listed and non-listed firms remained, however, unchanged at 7.50 per cent, which analysts think would discourage non-listed firms from going public.

Source: <https://thefinancialexpress.com.bd/stock/bourses-see-modest-fall-at-opening-1655096192>



Raise Tax Gap between Listed, Non-listed cos: DSE



The proposed budget for fiscal 2022-23 does not have any good news for the capital market except for a corporate tax cut for the listed companies, said people concerned.

They added that because the budget does not reflect their expectations, disappointed investors were in a selling spree on Sunday – the first trading session following the unveiling of the budget on Thursday, causing the indices to fall on both the bourses.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), declined by 48.8 points to settle at 6,431 at the end of Sunday's trading session.

Besides, total turnover on the premier bourse also declined by 16.1% and stood at Tk636.40 crore as against Tk758.26 crore in the previous session amid a lower participation of investors. Out of the 386 issues traded, 53 advanced, 306 declined, and 27 remained unchanged.

Source: <https://www.tbsnews.net/economy/stocks/indices-drop-budget-fails-meet-capital-markets-expectations-438554>

Global: Business

Bitcoin Plunges as Major Crypto Lender Halts Operations

Bitcoin and other cryptocurrencies were collapsing in price Monday, after a major cryptocurrency lender effectively failed and halted all withdrawals from its platform, citing "extreme market conditions."

Bitcoin was trading at roughly \$23,400 Monday afternoon, down more than 16% in the past day. Ethereum, another widely-followed cryptocurrency, was down more than 20%.

On Sunday, the cryptocurrency lending platform Celsius Network announced that it was pausing all withdrawals and transfers between accounts in order to "honor, over time, withdrawal obligations." Celsius, with roughly 1.7 million customers and more than \$10 billion in assets, gave no indication in its announcement when it would allow users to access their funds.

Celsius is one of the bigger cryptocurrency lending platforms, with more than \$11 billion in customer assets. In exchange for customers' deposits, the company pays out extremely generous yields, upwards of 19% on some accounts. Celsius takes those funds and lends them out to generate a return.

Source: <https://www.tbsnews.net/world/global-economy/bitcoin-plunges-major-crypto-lender-halts-operations-439322>

S&P 500 Confirms Bear Market as Recession Worry Grows

US equities tumbled on Monday, with the S&P 500 confirming it is in a bear market, as fears grow that the expected aggressive interest rate hikes by the Federal Reserve would push the economy into a recession.

The benchmark S&P index has fallen for four straight days, with the index now down more than 20% from its most recent record closing high to confirm a bear market began on January 3, according to a commonly used definition.

All the major S&P sectors were sharply lower, with only about 10 components of the S&P 500 in positive territory on the day. Markets have been under pressure this year as climbing prices, including a jump in oil prices due in part to the war in Ukraine, have put the Fed on track to take strong actions to tighten its monetary policy, such as interest rate hike.

The Fed is scheduled to make its next policy announcement on Wednesday and investors will be highly focused on any clues for how aggressive the central bank intends to be in raising rates.

Source: <https://www.tbsnews.net/world/global-economy/sp-500-confirms-bear-market-recession-worry-grows-439366>



Global: Business

Global Advertising to Grow by 8.4% this Year -Report

The global advertising industry is expected to grow 8.4% this year, despite ongoing geopolitical situations around the world and fears of a recession, a report on the sector said on Monday.

That figure excludes the impact of US political advertising, which is on track to reach \$13 billion in revenue this year, up from \$12 billion in 2020, the report from ad agency GroupM, a unit of WPP PLC showed.

The advertising market, which typically tracks the broader health of economies, is settling after experiencing highs in 2021, when it was boosted by strong economic recovery and personal consumption.

Sources of growth in 2022 include increasing numbers of new small businesses, which are likely to advertise at higher levels than the business they are replacing; venture-funded "new economy" advertisers seeking growth; and Chinese-based marketers advertising abroad, the report showed. The expected deceleration of e-commerce and interest rate hikes will be a drag on growth.

Source: <https://www.tbsnews.net/world/global-economy/global-advertising-grow-84-year-report-439014>



US Electric Vehicle Maker ELMS Files for Bankruptcy

Electric delivery van maker Electric Last Mile Solutions, under investigation by a top US securities regulator, has announced plans to file for bankruptcy, less than a year after going public.

The Michigan-based company, which aimed to provide urban delivery vehicles, announced late Sunday had filed for Chapter 7 bankruptcy, or liquidation.

In February, the company's CEO, Jim Taylor, and chairman, Jason Luo, resigned following an internal investigation into share purchases by the co-founders before ELMS went public.

ELMS appointed board member Shauna McIntyre as interim CEO to review the company's products and plans.

Source: <https://www.thedailystar.net/business/global-economy/news/us-electric-vehicle-maker-elms-files-bankruptcy-3046636>



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