

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

August 29, 2021

Fish Production on the Rise

Fish production rose 3 per cent year-on-year to 45 lakh tonnes in fiscal 2019-20, thanks to increased aquaculture, according to the Ministry of Fisheries and Livestock.

"We have achieved 9.1 per cent growth in fish production in the last one decade," Minister SM Rezaul Karim told a press briefing at the Department of Fisheries marking "Fisheries Week" which began yesterday.

Total fish production stood at 4,276,640 tonnes in fiscal 2017-18, showed data from the Department of Fisheries.

Karim said Bangladesh's success in fish production was globally recognised, with its output from open water bodies being the world's third largest while that from closed-system aquaculture fifth. Bangladesh is the top hilsa producing nation and fourth largest producer of tilapia, he added.

He said aquaculture and fisheries created income opportunities for many migrant workers forced to return for the Covid-19 fallouts, playing an important role in rehabilitating the unemployed.

Source: Fish production on the rise | The Daily Star



Central Bank Further Relaxes Loan Repayment Policy

The central bank has further extended the policy relaxation regarding loan repayment to the scheduled banks by their borrowers to help recover the country's pandemic-hit economy, officials said.

Under the relaxation, the borrowers would get a fresh chance to remain unclassified, if they repay minimum 25 per cent of the total outstanding amount of loans for the whole calendar year within December 31, according to a notification issued by the Bangladesh Bank (BB) on Friday.

"We've relaxed the loan classification policy further to help the country's business community to overcome the adverse impact of the pandemic second wave on their businesses," Abu Farah Md. Nasser, deputy governor of the Bangladesh Bank (BB), told the FE while explaining the main objective of the notification.

Source: Central bank further relaxes loan repayment policy (thefinancialexpress.com.bd)



ADB Approves \$1.78 billion to Improve Regional Trade Route in Bangladesh

Asian Development Bank (ADB) today approved a \$1.78 billion multi-tranche financing facility (MFF) to improve mobility, road safety, and regional trade along Dhaka-Sylhet trade corridor in Bangladesh.

The Dhaka-Sylhet corridor will support a new trade route that connects Chattogram port with India's northeastern states through three land ports of Akhaura, Sheola, and Tamabil, and from there to Bhutan and Myanmar, a press release of the ADB said.

The SASEC Dhaka-Sylhet Corridor Road Investment Project will be delivered in four tranches. The \$400 million first tranche of the MFF will help finance the initial works of the major contracts for the widening of about 210km of National Highway No. 2 along the Dhaka-Sylhet corridor from a two-lane to a four-lane road with slow-moving vehicular traffic lanes.

Source: ADB approves \$1.78 billion to improve regional trade route in Bangladesh | The Daily Star



Moody's Reaffirms Highest Rating for BRAC Bank

BRAC Bank has maintained a steady rating from Moody's Investors Service Ba3 even amid the ongoing Covid-19 outbreak, said a press release.

Moody's, one of the Big Three credit rating agencies, has changed the outlook from 'negative' to 'stable' for BRAC Bank.

They have also affirmed the long-term local and foreign currency deposit and issuer ratings of BRAC Bank at Ba3, for the fifth consecutive year.

The stable outlook on BRAC Bank reflects Moody's expectation that Bangladesh's robust economic growth and Covid-related forbearance measures that eased the debt repayment burden of affected borrowers will limit the bank's asset quality deterioration, and support its solvency over the next 12 to 18 months. The affirmation of BRAC Bank's ratings reflects its above-peer average capital position and asset quality, which offsets its moderate profitability.

Source: Moody's reaffirms highest rating for BRAC Bank (newagebd.net)



A Stellar Month for Stocks

August was a record-breaking month for the Dhaka Stock Exchange (DSE) as all major market indexes and measures, including market capitalization, reached historical highs.

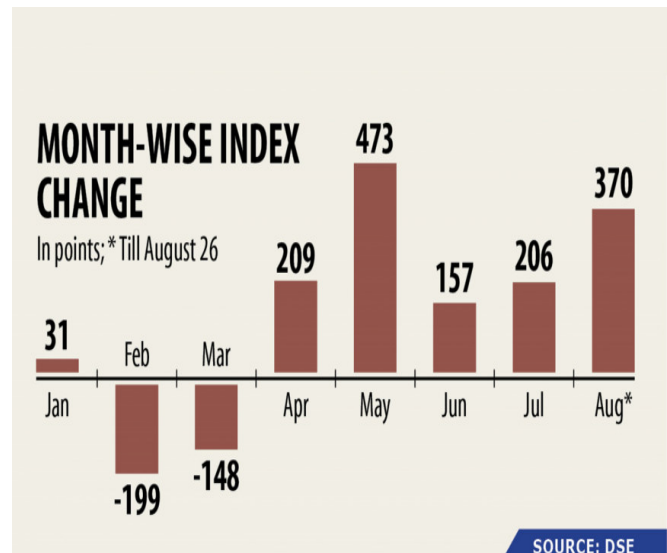
The DSEX, the benchmark index of the country's premier bourse, recently touched 6,884 points, the highest since its inception in 2013. Similarly, the blue-chip index, DS-30, and shariah index, DSES, hit a record high of 2,463 and 1,494 points respectively.

Market capitalization at the DSE stood at Tk 559,189 crore last Wednesday, the highest since the local stock market opened in 1956.

The Dhaka bourse also registered a record high number of trades at 4.21 lakh in the month as well as the highest trade volume of 101 crore shares at the same time.

"All these records were broken in the same month as people now prefer investing in the stock market rather than keep their funds with low interest paying banks," said a stockbroker preferring anonymity.

Source: A stellar month for stocks | The Daily Star



Pragati Insurance Declares 30% Cash Dividend for 2020

Pragati Insurance Ltd declared a 30% cash dividend for shareholders for the year 2020.

The decision came during the company's 35th annual general meeting (AGM) held through digital platform on Thursday, said a media statement.

In the year 2020, the company earned a gross premium of Tk2,217.52 million, while the profit before tax was Tk365.37 million.

The total asset of the company stood at Tk5144.46 million in 2020.

The meeting elected four directors from sponsor shareholders namely Syed M Altaf Hussain, Abdul Awal Min-too, Mohammed Abdul Malek and Nahreen Siddiqua. The meeting also elected three directors from public shareholders namely ASM Mohiuddin Monem, Syed Muhammad Jan, and Tajwar Mohammed Awal.

Source: Pragati Insurance declares 30% cash dividend for 2020 (tbsnews.net)



PRAGATI INSURANCE LIMITED
SYMBOL OF SECURITY

Global: Business

Cuban Entrepreneurs Get Ready for a more Open Economy

Cuban entrepreneurs, running businesses ranging from selling dried fruit to repairing bikes and developing software, are scrambling to understand the opportunities and challenges ahead after a landmark change in the rules governing the Communist-run economy.

Earlier this month, the government released regulations about a reform that would allow small- and medium-sized ventures to formally incorporate as businesses and access state financing, ending decades of classifying them as 'self-employed'.

The measure is seen by many analysts as one of the most important reforms undertaken since all businesses - down to shoe-shine boys - were nationalized in 1968 by former leader Fidel Castro.

Omar Everleny, one of Cuba's best-known economists, described the reform as a very positive one, long-sought by many Cubans.

Source: Cuban entrepreneurs get ready for a more open economy | The Daily Star



Indian Oil Expands JV with Malaysia's Petronas to Focus on LNG Plants

Indian Oil Corp is expanding its joint venture with Malaysia's state-run Petronas to include building liquefied natural gas (LNG) terminals, fuel retailing and gas distribution, Chairman SM Vaidya said on Friday.

Liquefied petroleum gas (LPG) is imported by Indian Oil Corp under the IndianOil Petronas Pvt Ltd which is its equal joint venture with the Malaysian oil giant.

The state-run company is focusing on strengthening its grip on new cleaner energy (including Hydrogen) and hence is keen on expanding its partnerships with the global oil firms.

Source: Indian Oil expands JV with Malaysia's Petronas to focus on LNG plants | The Daily Star



Singapore Factory Output Growth Eases to 16.3pc in July

Singapore's manufacturing output grew 16.3 per cent year on year in July, compared to the revised 28 per cent increase in the previous month, the Singapore Economic Development Board has said.

Excluding biomedical manufacturing, the output grew 5.8 per cent year on year this July, compared to the 25.1 per cent growth in June, the EDB announced on Thursday.

On a seasonally adjusted month-on-month basis, Singapore's manufacturing output decreased 2.6 per cent in July. Excluding biomedical manufacturing, output fell 7.9 per cent, reports Xinhua.

As for the performance of different clusters, the electronics cluster's output expanded 1.5 per cent year on year in July, while the biomedical manufacturing cluster saw its output jump 86.6 per cent, the chemicals cluster's output declined 5.6 per cent, the precision engineering cluster's output grew 20.3 per cent, the transport engineering cluster's output increased 33.1 per cent, and the general manufacturing cluster's output rose 11 per cent.

Source: Singapore factory output growth eases to 16.3pc in July
(thefinancialexpress.com.bd)



Automobiles Restrain US Consumer Spending

US consumer spending slowed in July as a decline in motor vehicle purchases due to shortages offset a rise in outlays on services, supporting views that economic growth will moderate in the third quarter amid a resurgence in Covid-19 infections.

But the foundation for the recovery remains solid, with the report from the Commerce Department on Friday showing wages rising and Americans further boosting savings.

Inflation appears to have peaked, which could preserve households' purchasing power. Businesses are also restocking and exporting more goods, suggesting a slowdown in growth this quarter could be temporary.

"There are clear downside risks to spending if more events and trips are canceled and more products are delayed getting to shelves," said Sal Guatieri, a senior economist at BMO Capital Markets in Toronto.

Consumer spending, which accounts for more than two-thirds of US economic activity, increased 0.3 per cent last month after advancing 1.1 per cent in June.

Demand is rotating back to services like travel and leisure, but spending has been insufficient to compensate for the drop in goods purchases, which are also being impacted by shortages.

Source: Automobiles restrain US consumer spending | The Daily Star

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