

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 26, 2021

Surplus Work Orders Create 3 lakh RMG Jobs

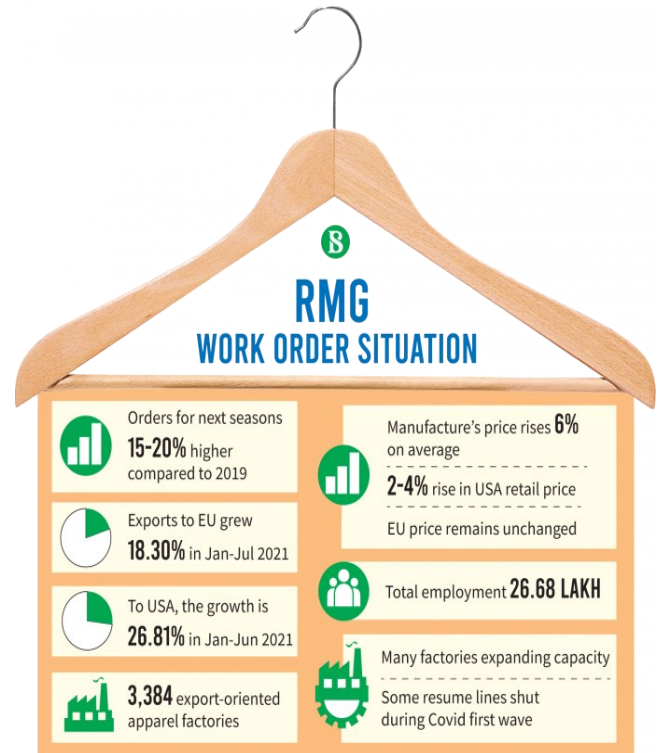
The country's apparel industry is now overwhelmed with export orders following the reopening of economies around the world, which has created around 3 lakh new employment opportunities.

Work orders for the forthcoming summer and spring seasons have already surpassed the pre-pandemic level by 15-20% and exceeded exporters' capacities as buyers from the US and European markets are placing more orders to fill the empty shelves of their stores in the wake of a rising demand for goods, they mentioned.

The sharp rise in work orders from the two major destinations for Bangladeshi apparel has also created opportunities for manufacturers to negotiate better prices, they added.

According to the Mapped in Bangladesh – a research-based initiative for the export-oriented RMG industry, 3,384 export-oriented apparel factories in the country have employed around 26.68 lakh people.

Source: <https://www.tbsnews.net/economy/rmg/surplus-work-orders-create-3-lakh-rmg-jobs-307033>



Bangladesh Joins NDB as its New Member

Bangladesh has joined the New Development Bank as its new member as the country has recently submitted its Instrument of Accession before the government of Brazil.

Earlier on August 20, 2021 the NDB — established by BRICS (Brazil, Russia, India, China and South Africa) in 2015 — enrolled Bangladesh as a new member in its Board of Governors meeting.

Since its establishment six years ago, NDB has approved about 80 projects in all of its member countries, totalling a portfolio of \$30 billion.

Projects in areas such as transport, water and sanitation, clean energy, digital infrastructure, social infrastructure and urban development are within the scope of the Bank.

Source: <https://www.newagebd.net/article/150114/bangladesh-joins-ndb-as-its-new-member>



RD Food to Invest Tk7cr for Machinery

The food manufacturer expects its annual revenue will increase 15-18% following the investment

The Rangpur Dairy & Food Products – a manufacturer of dairy and non-dairy products from milk in the country – has decided to invest Tk7 crore to buy machinery.

The company, which is widely known as RD Food, expects its annual revenue will increase 15-18% following the investment.

It has also decided to launch four new brands of products this month.

The company will source 50% of the investment from bank borrowings and the rest 50% from its own fund.

The company said, after the investment and launching of new products, the annual revenue will be Tk11 crore approximately.

The profit is estimated to increase 12% to 15% following the new investment.

Source: <https://www.tbsnews.net/economy/corporates/rd-food-invest-tk7cr-machinery-306601>



ADB Approves \$250m Loan for Bangladesh Economic Re- covery Programme

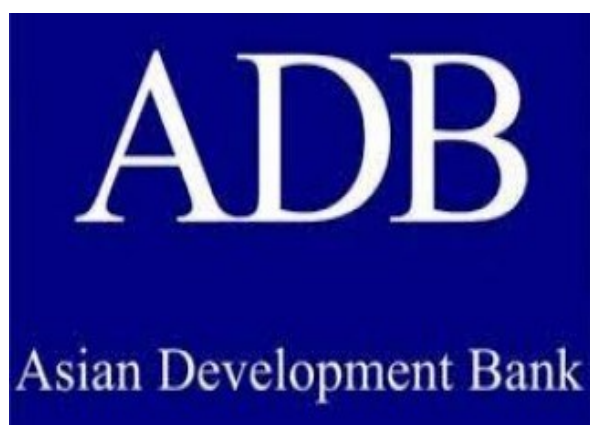
The Asian Development Bank on Friday approved a \$250 million policy-based loan to support Bangladesh's economic recovery following the Covid-19 pandemic.

This is the first sub-programme of the programmatic \$500 million Sustainable Economic Recovery Programme.

The objective of the Sustainable Economic Recovery Programme is to facilitate a rapid and sustainable recovery from the COVID-19 pandemic, generate employment, and expand economic activities for micro-entrepreneurs and small businesses.

This will be pursued through policy reforms that will create fiscal space to enhance public expenditure and support the recovery and growth of cottage, micro, small, and medium-sized enterprises, said a press release.

Source: <https://www.newagebd.net/article/150113/adb-approves-250m-loan-for-bangladesh-economic-recovery-programme>



Broad Indices up in a Volatile Week, Blue-chips in Red

Broad indices at both the bourses ended in green in the past week amid investors' caution, profit booking efforts and an increased volatility as demand for mid-cap manufacturing and services stocks increased.

On the other hand, due to profit booking in selective large-cap scrips pushed the blue-chip indices slightly down at the end of the week.

DSEX, the broad-based index at the Dhaka Stock Exchange (DSE), was up by 22 points or 0.31% to close at 7,251 on Thursday.

DS30, the index of blue-chip companies, closed at 2,674 on Thursday, which was at 2,675 a week ago.

Average daily turnover declined by 12.70% to Tk1,942 crore in the last week. Textile stocks made 14.2% of the weekly turnover, while pharmaceuticals and chemical contributed 13.3%.

Against 149 advancing scrips 179 declined and 14 remained unchanged in the port-city bourse, while in the DSE 162 advanced, 198 declined and 18 remained unchanged.

Source: <https://www.tbsnews.net/economy/stocks/broad-indices-volatile-week-blue-chips-red-307477>



DSE Starts Trading on SME Platform this Week

Dhaka Stock Exchange (DSE) is set to start trading on its SME platform this week, two and a half years after its inauguration, aiming to create an opportunity for small-cap companies to get listed on the stock market.

Four of the companies – Apex Weaving and Finishing Mills, Bengal Biscuits, Himadri Ltd, and Wonderland Toys Ltd – are from the over-the-counter (OTC) market.

Master Feed Agrotec Limited and Oryza Agro Industries Ltd – which have raised funds through qualified investor offers (QIOs) – are the other two companies.

Investors having an investment of a minimum of Tk50 lakh in the capital market will be allowed to trade shares of the SME companies.

Source: <https://www.tbsnews.net/economy/stocks/dse-starts-trading-sme-platform-week-307480>



Britain Runs Coal Power Stations amid Energy Crisis

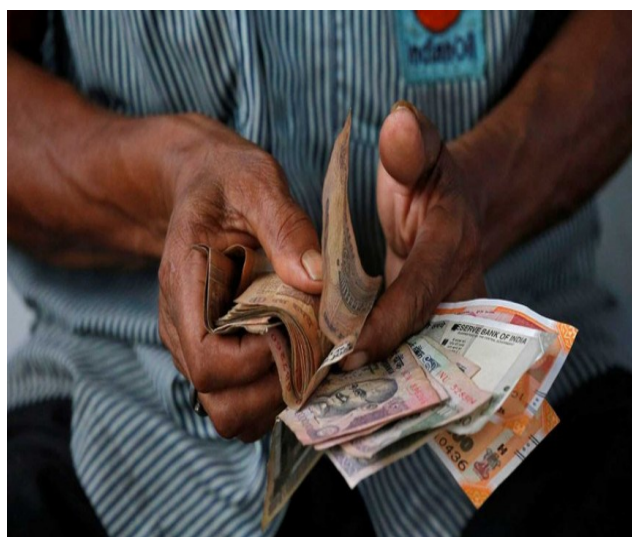
Britain, which faces soaring natural gas prices, has been forced to run coal-fired power stations in order to secure energy supplies, electricity generation company Drax said on Thursday.

The country is particularly exposed to Europe's ongoing energy crisis due to its reliance on natural gas to generate electricity. The price of European gas futures has more than doubled since May.

"These facilities have fulfilled a critical role in keeping the lights on at a time when the energy system is under considerable pressure," the group said in a statement emailed to AFP.

Drax -- which owns the nation's biggest facility in Yorkshire, northern England -- had planned to switch from coal to biomass this year to help tackle climate change.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/britain-runs-coal-power-stations-amid-energy-crisis-2184266>



RBI to Retain Cash Surplus

India's central bank is likely to retain a surplus of liquidity in the banking system and announce another round of bond purchases, but will avoid adding incremental cash in the near future, two sources said on Friday.

Funds parked with the Reserve Bank of India (RBI), in its reserve repo window, have averaged about 7 trillion rupees (\$95 billion), while the government's cash balances with the central bank are about 3.4 trillion.

This fiscal year, the RBI has bought bonds worth 2.05 trillion rupees in auctions forming part of its government securities acquisitions programme (GSAP).

"All our objectives with surplus liquidity are not yet met," said a senior government source directly aware of the matter.

Most market participants expect the RBI to announce more bond purchases to help absorb the government's programme of borrowing to the tune of 12.06 trillion rupees.

Source: <https://www.thedailystar.net/business/global-economy/indian/news/rbi-retain-cash-surplus-2184291>

Cuba Starts to Reopen Economy

Cuba is allowing a staggered opening from Friday of restaurants, shopping centres and beaches in provinces that have lowered coronavirus cases even as it battles some of the highest nationwide rates of infection per capita worldwide.

The easing of lockdown restrictions coincides with preparations by the cash-strapped Caribbean island nation for its tourist high season, which it hopes will bring much-needed dollars to palliate a dire economic crisis.

Health officials said coronavirus infections started falling in September from their peak over the summer months as they raced to vaccinate more than 90 per cent of the population by mid November with their home-grown Covid-19 vaccines. They have already vaccinated 86.5 per cent of the 2.2 million inhabitants in Havana, where they started the campaign. Authorities have selected 533 businesses that may now open to in-person service in the capital including 315 restaurants.

Source: <https://www.thedailystar.net/business/global-economy/news/cuba-starts-reopen-economy-2184251>



Zimbabwe Bolsters Emissions Targets

Zimbabwe has adopted a more ambitious target for emissions reduction ahead of a United Nations climate conference in November, the country's new climate change plan showed.

The southern African country is now committed to a 40 per cent drop in greenhouse gas emissions by 2030 across all sectors of the economy, compared to a "business as usual" scenario in which emission reduction policies are not implemented.

Zimbabwe had previously committed to a 33 per cent emissions reduction in its first Nationally Determined Contribution (NDC) in 2017.

NDCs are non-binding plans for climate action submitted by countries since the Paris Agreement of 2016.

The new target is for Zimbabwe's total greenhouse gas emissions to be curbed to 44.7 million tonnes of carbon dioxide equivalent (Mt CO₂e) by 2030.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/britain-runs-coal-power-stations-amid-energy-crisis-2184266>



Disclaimer

The above is a summary of important business news published in the leading daily newspapers of Bangladesh. Please note that the news summary doesn't reflect the opinion of Alliance Capital Asset Management Limited (ACAML). Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. This report is intended for distribution in only those jurisdictions in which Alliance Capital Asset Management Ltd. is liable and any distribution outside those jurisdictions is strictly prohibited.

Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com