

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 28, 2021

Tax Receipts Treble in 3yrs

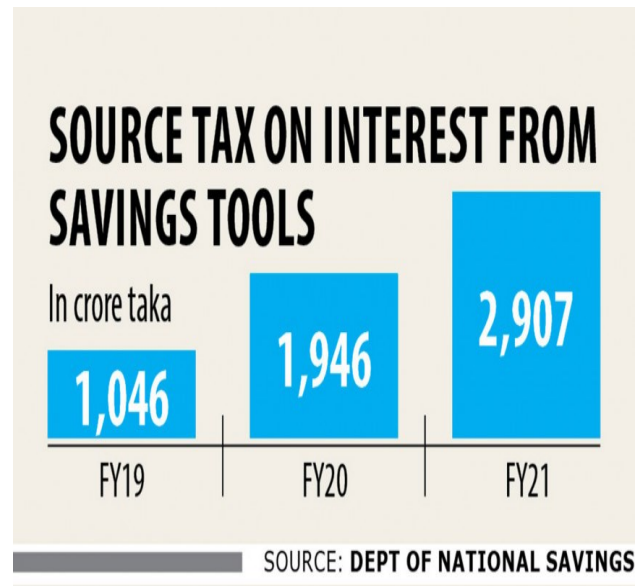
The surge in sales of state-backed savings instruments has become a major source of income for the revenue collector in recent years as it charges up to 10 per cent tax on the profits made mainly by pensioners and middle-class families.

The Department of National Savings (DNS) said it deducted Tk. 2,907 crore as the source tax on interest income of investors of pensioner savings certificates, family savings certificates and Bangladesh savings certificates.

The source tax deducted in the last fiscal year was 49 per cent higher from Tk. 1,946 crore from the previous year. It was Tk. 638 crore in the fiscal year 2016-17.

The increase came as many people parked their money in the savings tools in the last two years to earn higher interest against the backdrop of lower returns on the deposits offered by banks.

Source: <https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-receipts-treble-3yrs-2208261>



Prime Bank Secures \$30m from UK Dev Lender

UK-based finance institution CDC Group has committed a \$30 million trade finance loan to Prime Bank Limited.

The loan will enhance the ability of the Bangladeshi bank to meet the US dollar funding needs of local corporates, bolstering necessary import and export activities, the bank said in a statement yesterday.

The loan facility will provide Prime Bank with a stable source of much-needed trade finance funding, according to the statement.

The liquidity will also enable the bank to extend more foreign currency trade credit with longer tenures to local businesses, and the facility is expected to generate up to \$60 million of additional trade every year across key economic sectors such as manufacturing, readymade garments, food and agriculture, it said.

"CDC's partnership with Prime Bank demonstrates our joint goal of increasing financial inclusion and providing agile counter-cyclical funding in response to the funding gap in the market," said M Rehan Rashid, CDC Group's country director for Bangladesh.

Source: <https://www.thedailystar.net/business/economy/banks/news/prime-bank-secures-30m-uk-dev-lender-2208236>



UK Roadshow to Focus on FDI, Capital market

The Bangladesh Securities and Exchange Commission (BSEC) will organise a roadshow in the United Kingdom in the first week of November to attract more portfolio and foreign direct investments.

"We are arranging a roadshow in the United Kingdom to get more investments. We want to focus on foreign direct investment (FDI) and the capital market," Salman F Rahman, private industry and investment adviser to the prime minister, said on Wednesday.

He came up with the remarks at a press conference held on the occasion of the roadshow to be held on 4 November on "Bangladesh Investment Summit 2021: Building Sustainable Growth Partnership".

The securities regulator will later hold a roadshow on "The Rise of Bengal Tiger: Trade and Investment Potentials in Bangladesh" in Manchester.

BSEC Chairman Professor Shibli Rubayat-Ul-Islam has urged non-resident Bangladeshis living in the UK to invest in the capital market for a maximum return.

Source: <https://www.tbsnews.net/economy/uk-roadshow-focus-fdi-capital-market-321841>



Bangladesh, World Bank ink \$200 million financing agreement

The Bangladesh Government and the International Development Association (IDA) of the World Bank Group signed a financing agreement valued at \$200 million for the "Recovery and Advancement of Informal Sector Employment Project" (RAISE) on Wednesday.

The RAISE project will be implemented by Palli Karma-Sahayak Foundation (PKSF) under the Financial Institutions Division of the Ministry of Finance and the Wage Earners' Welfare Board under the Ministry of Expatriates' Welfare and Overseas Employment.

The project has been taken up to increase economic opportunities for low-income youth in urban areas and for migrant workers returning from abroad due to the Covid-19 pandemic.

Low-income urban youth and young micro-entrepreneurs affected by Covid-19 will be covered by the Economic Inclusion Program with training, information sharing, and loans through the RAISE project.

Source: <https://www.tbsnews.net/economy/bangladesh-wb-ink-200-million-financing-agreement-321715>



Saif Powertec's Profit Soars 62% as Revenue Grows, Interest and Tax Rate Drops

Saif Powertech Limited, the operator of the Chattogram Sea Port, has posted 62% growth in annual profits for the 2020-21 fiscal year.

The company's earnings per share (EPS) for the 12 month up to the end of June this year grew to Tk1.75, which was Tk1.08 in the previous year.

The company's Chief Financial Officer (CFO) Md Hasan Reza told The Business Standard, the profit jump was mainly due to the one-fourth growth in revenue that did not cost the company a lot.

The company's consolidated annual revenue was 3.03% down to Tk385 crore for the 2019-20 fiscal year and that affected its profit margins to yield 24% less annual profits.

Unlike the previous year, the second wave of the Covid-19 this year did not disrupt port operations that much to reduce the company's revenue, instead revenue increased.

Source: <https://www.tbsnews.net/economy/saif-powertecs-profit-soars-62-revenue-grows-interest-and-tax-rate-drops-321850>



Stocks Rise Slightly as Recovery Continues

The domestic stock market yesterday continued its slow recovery as investors are cautiously waiting to see which way the prime index of the Dhaka bourse may move.

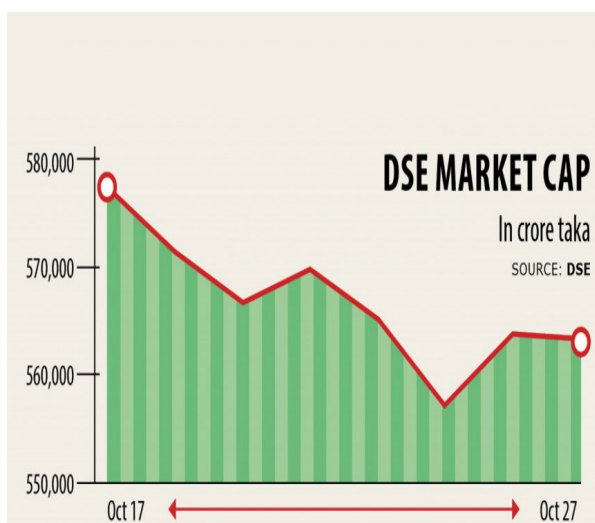
"As the market has been volatile for the past few days, investors are waiting to see the next index movement," a stock broker said.

The stock broker went on to say that investors often rearrange their portfolios after seeing the earnings and dividend declarations of various companies.

Several companies disclosed their earnings and dividends yesterday. Among them, Malek Spinning, National Tea, eGeneration, Energypac Power Generation, and ADN Telecom announced 10 per cent cash dividends.

Similarly, Premier Cement, Hwa Well Textiles and Tamijuddin Textiles announced 20 per cent cash dividends each while ACME Laboratories declared 25 per cent and Mir Akhter Hossain 12.5 per cent.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-rise-slightly-recovery-continues-2208186>



Google-parent Alphabet Profit Soars to over \$18b

Google's parent company Alphabet announced profits Tuesday that jumped to \$18.9 billion, even as the online colossus faces increased regulatory pressure and shifting of the lockdown lifestyles that have so benefited Big Tech.

Google remains a centerpiece of online activity, with offerings such as its search engine, ad marketplace, and YouTube video platform that give it extensive global influence.

Alphabet revenue of \$65.1 billion in the recently-ended quarter eclipsed the same period last year by some 41 per cent, according to the tech titan, as its online ad engine and cloud services thrived.

Fellow giant Facebook, despite its whistleblower scandal, has also announced whopping profits, as did Microsoft, although Twitter reported a large loss due to a shareholder lawsuit settlement.

Google's results came the same day that Microsoft announced a quarterly earnings surge fueled by cloud computing demand, saying it made a profit of \$20.5 billion in the recently ended quarter.

Source: <https://www.thedailystar.net/business/global-economy/america/news/google-parent-alphabet-profit-soars-over-18b-2208171>



US Consumer Confidence Rebounds

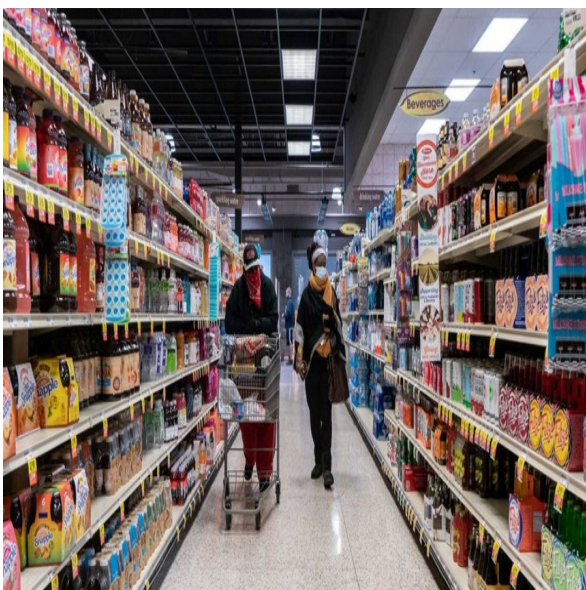
US consumer confidence unexpectedly rose in October as concerns about high inflation were offset by improving labor market prospects, suggesting economic growth was picking up after a turbulent third quarter.

The survey from the Conference Board on Tuesday showed consumers eager to buy a home and big-ticket items such as motor vehicles and major household appliances over the next six months.

The share of Americans planning to go on vacation was the largest since February 2020, just before the nation was slammed by the first wave of Covid-19 infections.

A resurgence in coronavirus cases over the summer, driven by the Delta variant, and supply-chain constraints related to the pandemic restrained economic activity last quarter.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-consumer-confidence-rebounds-2208166>



US Companies to Keep Prices High as Supply Chain Headaches Persist

The largest US manufacturers including General Motors, General Electric, 3M and Boeing face logistics headaches and higher costs due to global supply bottlenecks that are likely to persist into next year but agreed the hit to profits can be mitigated by charging higher prices for their goods.

Companies across the globe sounded the alarm on supply issues months ago that have pushed prices higher on raw materials from chemicals to steel.

In earnings reports this week investors got a closer look at how companies are managing.

GM is also looking to wring efficiencies from its supply chain and she said the chip shortage is likely to improve in the second half of 2022.

Source: <https://www.tbsnews.net/world/global-economy/us-companies-keep-prices-high-supply-chain-headaches-persist-321946>



Santander Profits Rise on Favourable Business in UK

Spanish banking giant Banco Santander said Wednesday that its profits grew strongly in the third quarter of this year, thanks in particular to a good performance in Britain and the United States.

Santander said in a statement that it booked a bottom-line net profit of 2.17 billion euros (\$2.5 billion) in the period from July to September, an increase of 24 per cent over the same period a year earlier.

In the third quarter of 2020, Spain's biggest bank had booked net profit of 1.75 billion euros, returning to the black after the coronavirus pandemic had pushed it into a loss of more than 11 billion euros in the preceding three months.

In Britain, which accounts for around one fifth of the bank's earnings, underlying net profit was up 13 per cent compared to the previous quarter, thanks to a rise in mortgage lending and 'an acceleration in cost reduction'.

CEO Botin said that Santander had managed to attract 'more than one million customers' in the third quarter, while loans and deposits had increased by four per cent and six per cent respectively on a 12-month basis.

Source: <https://www.newagebd.net/article/152939/santander-profits-rise-on-favourable-business-in-uk>



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