

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

August 24, 2021

Meghna Group Now Making Ceramic Tiles

The Meghna Group of Industries (MGI) has recently entered the domestic ceramic industry by establishing its own Fresh Ceramics brand.

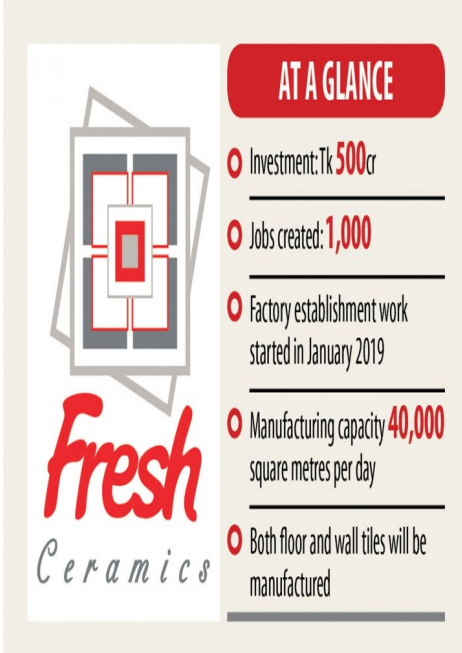
It invested nearly Tk. 500 crore to set up a ceramic manufacturing facility in Ashariar Char in Narayanganj, creating an opportunity to directly employ around 1,000 people.

The secret to the MGI's rapid expansion has been product diversification.

The group now has a presence in an array of industries, including fast moving consumer goods, construction, liquefied petroleum gas, agribusiness, chemicals, shipbuilding, securities, insurance, media and aviation.

Kazi Mohiuddin, senior general manager of the MGI, said the demand for construction materials, including ceramics, was rising in line with rapid urbanization in Bangladesh over the past decade.

Source: Meghna Group now making ceramic tiles | The Daily Star



AT A GLANCE

- Investment: Tk 500cr
- Jobs created: 1,000
- Factory establishment work started in January 2019
- Manufacturing capacity 40,000 square metres per day
- Both floor and wall tiles will be manufactured



Tk. 3,000cr Refinance Scheme for Farmers

The Bangladesh Bank yesterday decided to roll out a fresh refinance scheme worth Tk. 3,000 crore for the agriculture sector.

The board of the central bank took the decision at a meeting to protect farmers from the ongoing economic hardship stemming from the coronavirus pandemic. Farmers will be able to take loans at a 4 per cent interest rate from banks under the refinance scheme, said an official of the Agricultural Credit Department of the BB.

Lenders will receive funds at a 1 per cent interest rate from the scheme. This will provide them with an interest rate margin of 3 per cent.

The repayment period for the loans is 18 months, including a grace period of six months.

Banks will give out at least 30 per cent of the targeted amount under the package to the crop sector.

Source: Tk 3,000cr refinance scheme for farmers | The Daily Star

Bangladesh Targets Export of 0.1m Tonnes of Mangoes a Year

The government is going to prepare a roadmap to enhance shipments of mangoes to 0.1 million tonnes annually within the next five years.

It was revealed at a workshop titled 'Improved Management for Raising Mango Exports' organised by the Hortex Foundation.

The event was held at the Agricultural Research Council (BARC) Auditorium in the capital on Monday, according to an agriculture ministry release.

Agriculture Minister Dr Muhammad Abdur Razzaque, chief guest of the event, said the ministry and its various agencies will prepare a specific action plan for making 0.1 million tonnes of annual mango shipments in the next three to five years.

Source: Bangladesh targets export of 0.1m tonnes of mangoes a year (thefinancialexpress.com.bd)



Tk. 2.0b from Stimulus for SMEs Released

The Finance Division has released another Tk. 2.0 billion from the stimulus package for the SME Foundation for distribution after its successful disbursement from the package among Covid-hit entrepreneurs earlier.

According to an office order issued on Monday, the amount was released for the Foundation to disburse among more entrepreneurs under the cottage, micro, small and medium-sized enterprise (CMSME) sector.

Earlier, the Finance Division released Tk 1.0 billion for the SME Foundation as part of the government's target of disbursement of Tk 3.0 billion through it.

According to the SME Foundation, some 14 SME entrepreneurs from rural and urban areas received the money from the stimulus package in the first phase.

Source: Tk 2.0b from stimulus for SMEs released (thefinancialexpress.com.bd)



DSE News

Stocks Extend Rally to Hit New Highs

Stocks extended the rally on Monday as all three indices and market capitalization of the Dhaka Stock Exchange (DSE) set at new highs.

DSEX, the benchmark index of the DSE, went up by 20.18 points or 0.29 per cent to settle at 6,862—the highest since its inception more than eight years back on January 27, 2013.

The market capitalization of the prime bourse also hit a fresh all-time high at Tk. 5,563 billion on Monday, surpassing the previous day's record high of Tk. 5,544 billion.

Market analysts said the market was on the rise in the last few weeks due to lower returns from the money market and extended credit facilities while the news of regulatory approval to the first board of governors of the much-expected Capital Market Stabilization Fund (CMSF) boosted their confidence.

Source: Stocks extend rally to hit new highs (thefinancialexpress.com.bd)



Rupali Life Declares 13pc Cash, 2.0pc Stock Dividend

The board of directors of Rupali Life Insurance Company has recommended 13 per cent cash and 2.0 per cent stock dividend for the year ended on December 31, 2020.

The final approval of the dividend is expected to come during the annual general meeting (AGM) scheduled to be held on October 28 at 10:00 am, through a digital platform. The record date is set on September 23, the company said in a filing with the Dhaka Stock Exchange (DSE) on Monday.

The life insurer has also informed the “reasons to declare bonus shares” that the consulting actuary of the company has assessed the valuation surplus and recommended a 15 per cent dividend for the year 2020.

The stock dividend has been declared considering Section 21 and Schedule 1 of Insurance Act 2010 to attain the minimum paid-up capital Tk. 300 million out of that valuation surplus which is the accumulated profit of the company.

Source: Rupali Life declares 13pc cash, 2.0pc stock dividend (thefinancialexpress.com.bd)



Global: Business

AB Volvo Buys Chinese Truck Business for about \$125.7m

AB Volvo said on Monday it had struck a deal to buy a heavy duty truck subsidiary of Jiangling Motors Corp (JMC) for about 1.1 billion Swedish crowns (\$125.7 million) to make trucks in the world's biggest vehicle market.

The acquired business includes a manufacturing site in China's northern city of Taiyuan. Volvo said it aimed to start production of its new heavy duty Volvo FH, Volvo FM and Volvo FMX trucks there at the end of next year.

The plant will have an annual production capacity of 15,000 trucks within a few years, with the potential to increase capacity further, Volvo said.

Chinese Geely, which owns passenger car company Volvo Cars, also holds a stake in AB Volvo. U.S. automaker Ford holds a stake in JMC, which makes Ford-branded vans and sport-utility vehicles in China.

Global truck makers are planning truck production in China due to the booming logistics services, including e-commerce, and new orders as authorities introduce increasingly tougher safety and emission regulations.

Source: AB Volvo buys Chinese truck business for about \$125.7m | The Daily Star

Papua New Guinea Resumes Talks with Exxon on Gas Field Agreement

The government of Papua New Guinea and US oil giant Exxon Mobil Corp plan to resume talks on the P'nyang natural gas project, nearly two years after negotiations broke down, Oil Search Ltd, a partner on the project, said Monday.

In November 2019, talks linked to a \$ 13 billion expansion of the country's liquefied natural gas (LNG) exports fell apart with the government saying Exxon was unwilling to negotiate on the country's terms.

PNG oil minister Kerenga Kua said on Monday that hopefully, "we can expect to sign an agreement on the leaders of P'nyang towards the end of next month and a gas agreement thereafter."

Its stake in PNG LNG is considered to be the flagship of Oil Search, which has accepted an offer to acquire all shares from Santos Ltd worth approximately A \$ 8 billion (US \$ 6 billion) in a deal that would create a top -20 global oil and gas company. to know more.

Source: Papua New Guinea resumes talks with Exxon on gas field agreement | The Daily Star



Eurozone Business Boom Roars on in August

Business activity in the eurozone grew strongly again this month, only dipping from July's two-decade high monthly pace, as a rapid vaccination drive against the coronavirus allowed more firms to reopen and customers to venture out, a survey showed.

Without ongoing supply chain disruptions, activity could have expanded faster, but fears new coronavirus strains may lead to renewed restrictions continued to put a dent in optimism.

IHS Markit's Flash Composite Purchasing Managers' Index, seen as a good guide to economic health, fell to 59.5 in August from 60.2 last month. It was ahead of the 50-mark separating growth from contraction but just shy of a Reuters poll estimate for 59.7.

"The euro zone economy is firing on all cylinders again as reopening has had the expected positive effect on growth. Concerns about the impact of the Delta variant and input shortages remain but have not derailed the rebound thus far," said Bert Colijn at ING.

Source: Eurozone business boom roars on in August | The Daily Star



PayPal Launches Crypto Buying and Selling in UK

PayPal is launching a new service enabling its customers in the UK to buy, hold and sell cryptocurrency.

Bitcoin, Ethereum, Litecoin and Bitcoin Cash are the four digital currencies on offer.

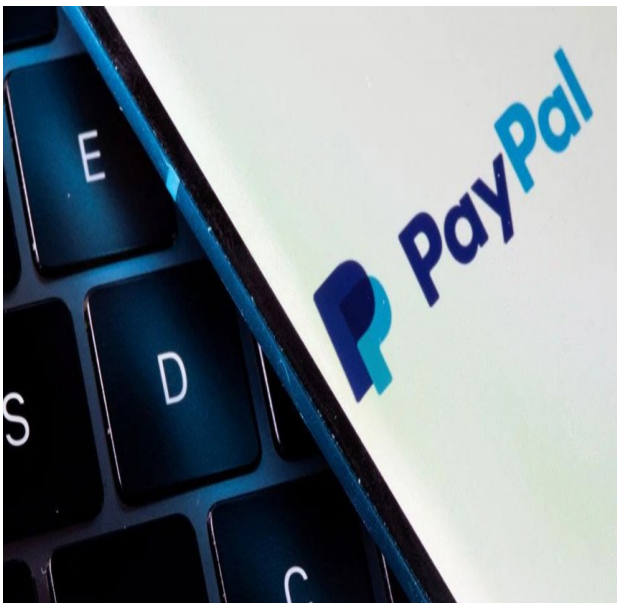
The roll-out marks the company's first international expansion of its cryptocurrencies services outside of the United States and could inspire further mainstream adoption of the new asset class.

Paypal launched crypto buying and selling in the U.S. in early 2021, enabling customers to use their digital coin holdings to shop at the millions of merchants on its network.

PayPal's move comes as more established financial companies have started offering their clients access to digital assets amid rising cryptocurrency prices.

The company hopes its foray into the new asset class will encourage global use of virtual coins...and prepare its network for new digital currencies that may be developed by corporations and central banks.

Source: PayPal launches crypto buying and selling in UK | The Daily Star



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