

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 03, 2022

Bangladesh's Export Earnings Grow 41pc in January

The single-month export earnings in January this calendar year recorded over 41 per cent growth to 4.85 billion US dollars year-on-year riding on the readymade garment (RMG) amid the pandemic.

Bangladesh fetched \$3.43 billion from merchandise shipments in January last year.

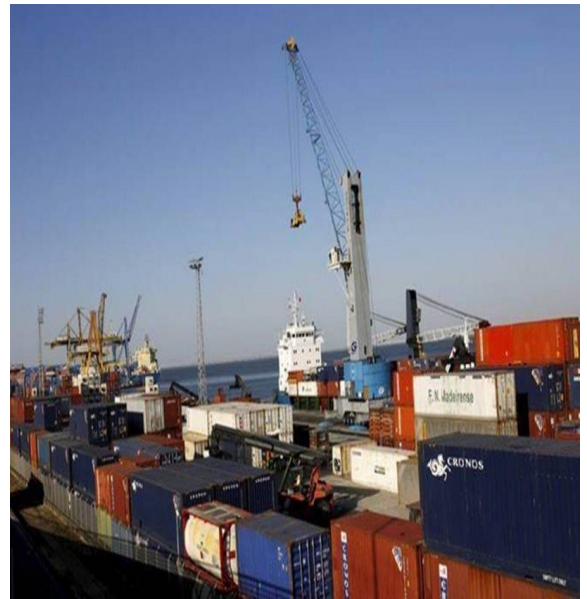
The January 2022 earnings also surpassed the target set for the month by 19.73 per cent, according to provisional data released by Export Promotion Bureau (EPB).

Since last September, Bangladesh's single-month export earnings had been surpassing the four-billion mark. Besides, the country's overall merchandise exports during the first seven months of the current fiscal year 2021-22 also marked a growth of 30.34 per cent to \$29.54 billion.

The July-January earning in the 2020-21 fiscal year, which fell into a full flash of the pandemic, was \$22.67 billion.

The overall export earnings also surpassed the set target by 16.17 per cent, according to EPB data.

Source: <https://thefinancialexpress.com.bd/economy/bangladeshs-export-earnings-grow-41pc-in-january-1643801709>



Australia Keen to Strengthen Cooperation with Bangladesh

Australian Prime Minister Scott Morrison has said his country looks forward to strengthening defence and economic cooperation with Bangladesh, greeting its government marking the 50-year Australia-Bangladesh diplomatic relations.

"This year, we look forward to strengthening our defence and economic cooperation, and working towards our shared recovery from the unprecedented challenges of the Covid-19 pandemic," he said.

He said in a message marking the two country's 50-year diplomatic ties today (Monday), reports BSS citing the Australian High Commission in Dhaka.

Morrison said Australia and Bangladesh stand fast in their resolve to build a more secure, prosperous and inclusive Indo-Pacific.

He said the Australia-Bangladesh Trade and Investment Framework Arrangement would be important in this course.

Source: <https://thefinancialexpress.com.bd/economy/australia-keen-to-strengthen-cooperation-with-bangladesh-1643629392>

Danish Shipping Company Maersk to Build Warehouse in Chattogram

Danish shipping company Maersk Bangladesh has partnered with Ispahani Summit Alliance Terminals Limited (ISATL) to build a 200,000 sq. ft custom bonded warehouse.

Maersk has been serving Bangladeshi exporters to connect to the global market for almost three decades, reports The Loadstar.

ISATL are pioneers in constructing and operating warehouses and CFS and operate four CFS within Chattogram and the River Terminal at Dhaka. Under the scope of the partnership, ISATL will construct a brand new custom bonded warehouse within the existing premises of the facility located at Pathortoli in Chattogram.

The new warehouse will double the existing capacity at ISATL and add around 8% additional space to the existing ecosystem at Chattogram.

The construction of the new CFS has already commenced and is expected to be completed in a phased manner by the end of 2022.

Source: <https://www.tbsnews.net/economy/danish-shipping-company-maersk-build-warehouse-chattogram-365743>



Implementation of BBIN Deal to Cut Business Cost



Implementation of the Bangladesh, Bhutan, India and Nepal (BBIN) motor vehicle agreement will enable the adoption of a sub-regional protocol for a cost-effective, efficient and seamless multimodal transport system, according to speakers at a webinar.

This will lead to a significant decrease in the cost of doing business and eventually increase the standard of living in the sub-region, they said at the "National Advocacy Dialogue" yesterday.

Considering the political and economic importance, it is of paramount importance that all stakeholders reach a consensus regarding the implementation of the BBIN deal and realise the potential of establishing a multimodal BBIN connectivity protocol.

Source: <https://www.thedailystar.net/business/economy/news/implementation-bbin-deal-cut-business-cost-2953296>

Summit Alliance Port Sees Profit Rise in First Half

Summit Alliance Port said its earnings rose in the first half of the current financial year of 2021-22 as it handled an increased volume of containers for international trade during the period.

The net profit of the leading off-dock increased 7 per cent year-on-year to Tk 10.35 crore in the July-December period of 2021 from Tk 9.69 crore a year ago.

"We did not have good business in the first quarter of the financial year because of the pandemic. But our regular business returned in the October-December period," said Company Secretary Md Abdullah Osman Shajid.

The company's shares edged up 3.01 per cent to Tk 27.40 yesterday at Dhaka Stock Exchange. The company, a concern of Summit Group, posted a 160 per cent surge in its net profit to Tk 5.22 crore in the October-December period from Tk 2.01 crore in the same period a year ago, according to its unaudited half yearly statement.

Source: <https://www.thedailystar.net/business/economy/news/summit-alliance-port-sees-profit-rise-first-half-2952486>



Merchant Banks Urge NBR to Widen Tax-rates Gap between Listed & Non-listed COS



The Bangladesh Merchant Bankers Association (BMBA) urged the National Board of Revenue (NBR) to further widen the tax-rates gap between listed and non-listed companies to attract more large companies to the capital market.

"Since the listed companies have to transparently report their financials and many non-listed businesses keep theirs concealed, the NBR should significantly reduce corporate tax and value-added tax rates for the listed firms," it wrote in its budget proposal submitted to the NBR on Wednesday.

Currently, listed firms other than banks, insurers, financial institutions, mobile operators, and tobacco companies pay 22.5% corporate tax while their non-listed competitors pay 30% tax.

Source: <https://www.tbsnews.net/economy/stocks/merchant-banks-urge-nbr-widen-tax-rates-gap-between-listed-non-listed-cos-365704>

Euro Zone Inflation Hits Record High

Euro zone inflation rose to a new record high last month, defying expectations for a big drop and adding to already copious doubts that price pressures are as benign and temporary as the European Central Bank still expects.

Inflation in the 19-country euro zone accelerated to 5.1 per cent in January from 5 per cent in December, well ahead of expectations for a drop to 4.4 per cent, the European Union's statistics agency Eurostat said on Wednesday.

Soaring energy prices continued to drive inflation but food prices also surged, while services and industrial goods inflation remained uncomfortably high.

At 5.1 per cent, price growth is more than twice the ECB's 2 per cent target but the central bank, which holds a policy meeting on Thursday, has for months shrugged off the data, arguing that temporary factors are behind the rise and inflation will abate on its own.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/euro-zone-inflation-hits-record-high-2953261>



Volvo Cars' Sales Tumble on Chip Shortage

Volvo Car Group's sales fell 20.2 per cent in January under pressure from the global component shortage, though demand for its products remained strong, the automaker said on Wednesday.

Volvo, which has been heavily impacted by sector-wide supply-chain constraints and semiconductor shortages, warned last year that the chip shortage would continue into 2022.

The Sweden-based company said that while production had continued to improve gradually, retail deliveries were held back "due to an increase of cars in transit".

"The supply situation continues to ease, but component shortages will remain a constraining factor for Volvo Cars and the auto industry," Volvo said in a statement.

Global sales at the car manufacturer fell to 47,561 cars in January, with sales in Europe dropping 24.8 per cent while they fell 12.8 per cent in the United States.

Source: <https://www.thedailystar.net/world/business/global-economy/europe/volvo-cars-sales-tumble-chip-shortage-2953271>



Saudi Arabia to Invest \$6.4b in Future Tech

Saudi Arabia has launched investments worth \$6.4 billion in future technologies, the Saudi minister of communication and information technology said on Tuesday, as the kingdom races to diversify its economy from oil in the face of fierce regional competition.

Wealthy Gulf countries have launched initiatives to boost non-oil growth and reduce dependence on crude oil as climate change campaigners and volatility in oil prices have put pressure on government finances.

The investments announced on Tuesday include a \$2 billion joint venture between eWTP Arabia Capital, a fund backed by Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF) and Alibaba, and China's J&T Express Group, minister Abdullah Alswaha said.

Saudi oil giant Aramco will inject, via its fund Prosperity7 Ventures, \$1 billion to help entrepreneurs across the globe build transformative start-ups, while Saudi Telecom Co (STC) will invest \$1 billion in the infrastructure of submarine cables and data centres, he said.

Source: <https://www.thedailystar.net/business/global-economy/news/saudi-arabia-invest-64b-future-tech-2953276>



Consumption of Palm Oil on the Rise

The consumption of palm oil in Bangladesh increased by 7 per cent in the last eight years to reach 13.5 lakh tonnes in 2021, according to findings revealed at a webinar.

The Council of Palm Oil Producing Countries yesterday organised the webinar styled "Palm Oil Future Market Trend in Bangladesh".

Palm oil meets 52 per cent of the country's edible oil demand due to prices being lower whereas around 29.3 per cent is met by imported soybean oil, 15.6 per cent by locally crushed soybean and the remaining 3.1 per cent by local mustard oil, the report said.

The country's annual consumption of edible oil currently stands at 25.95 lakh tonnes, 81 per cent of which is met through imports.

The consumption of edible oil (palm and soybean oil) increased by 12 per cent in eight years to reach 28.15 lakh tonnes in 2021 against 25.15 lakh tonnes in 2013, said the report.

Source: <https://www.thedailystar.net/business/global-economy/news/consumption-palm-oil-the-rise-2953281>



Disclaimer

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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