

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

December 09, 2021

HSBC Structures Gender Equality Indexed Loan for DBL Group

HSBC Bangladesh has structured a sustainability linked loan targeting the fifth Sustainable Development Goal of gender equality, for DBL Group, one of the largest knit garment manufacturers and exporters in the country.

Kevin Green, head of wholesale banking at HSBC Bangladesh, said, "We understand the critical role financial institutions can play in driving forward sustainable business models."

HSBC has set out a "plan for the planet" to support customers to transition to a low carbon future and more sustainable ways of doing business.

The bank has an ambition to provide between \$750 billion and \$1 trillion of sustainable finance and investments by 2030 to help them achieve this, to accelerate new climate solutions and inspire our customer to invest to support positive change.

Source: <https://www.thedailystar.net/business/economy/news/hsbc-structures-gender-equality-indexed-loan-dbl-group-2913206>



Trade Deficit Rises 35% in October

With the Covid-19 pandemic fading away, the country's month-on-month trade deficit widened 35% in October owing to an increase in imports compared to exports.

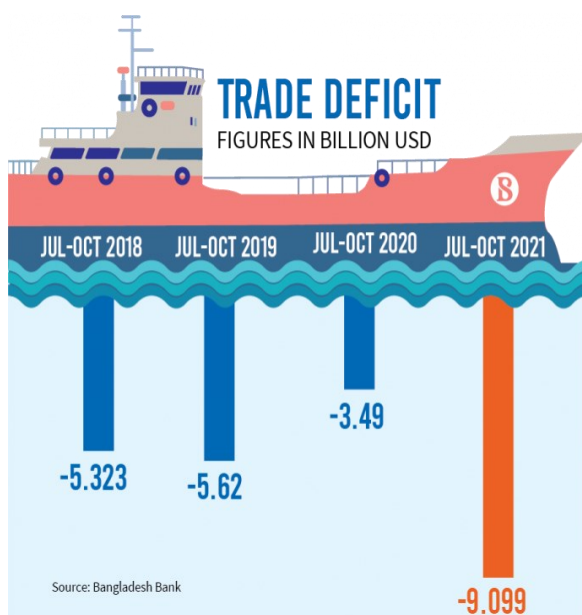
Until September, the country's trade deficit was \$6.73b, which increased to \$9.09b at the end of October, according to the Bangladesh Bank data released on Wednesday.

Economists say imports have been very low over the past year because of Covid-19 and the inflow of remittances has declined since the beginning of the current financial year.

The trade deficit widened to \$9.09b in the July-October quarter of the fiscal 2021-22, which was \$3.49b in the same period of the previous fiscal year.

Exports in October this year were about \$4.73b, which is around a 60% increase compared to the same period last year. But the pace is slowing down in November.

Source: <https://www.tbsnews.net/economy/trade-deficit-rises-35-october-340771>



Bangladesh to Receive Grant from Global Food Security Fund

The Global Agriculture and Food Security Programme (GAFSP), a global fund dedicated to reducing food insecurity and poverty in low-income countries, has announced \$121 million in new grants for nine national governments and, for the first time, an additional \$30 million for producer organisations based in 12 countries worldwide, including Bangladesh.

This funding aims to strengthen sustainable, inclusive, and resilient food systems in the world's poorest countries, in response to rising food insecurity linked to Covid-19 and climate change, reads a press release.

The new country grants – to Bangladesh, Bhutan, Kyrgyz Republic, Lao People's Democratic Republic, Nepal, Senegal, South Sudan, Solomon Islands and Vanuatu – will help countries achieve their national development priorities, such as improving farmers' incomes and enhancing climate resilience, while strengthening private sector engagement.

Source: <https://www.tbsnews.net/economy/bangladesh-receive-grant-global-food-security-fund-340528>



Big Push for Solar, Waste-based Power

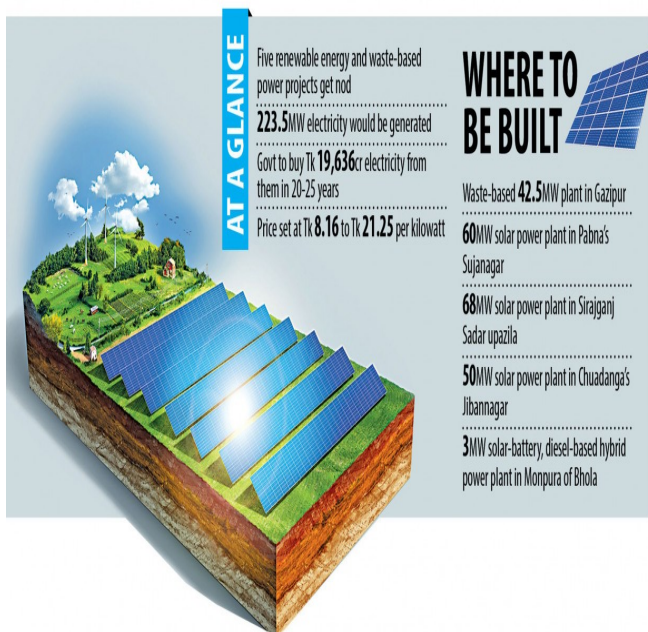
The government yesterday gave a big push to its renewable energy and waste-based power generation drive as it approved five projects with a combined electricity production capacity of 223.5 megawatts.

The cabinet committee on public purchase gave the go-ahead to the projects to be implemented by mainly Chinese companies. The government will purchase electricity from the projects for a period of 20 to 25 years.

The approval came as the government outlined the country's ambitious goal of generating more than 4,100 megawatts of electricity from renewable energy sources by 2030 in its updated Nationally Determined Contributions submitted to the United Nations Framework Convention on Climate Change before the COP26.

The cabinet approved a waste-based 42.5-MW power plant in the Gazipur City Corporation area.

Source: <https://www.thedailystar.net/business/economy/news/big-push-solar-waste-based-power-2913246>



Power Business helps Confidence Cement to Post a Profit in Q1

The power business of Confidence Cement Limited – a concern of the Chattagram-based Confidence Group – helped the company to post an overall profit in the July-September quarter of this fiscal year, despite incurring losses in its core cement business.

Its power business made a Tk29 crore profit during the period.

According to the company's unaudited financial statement, Confidence Cement incurred a loss of Tk9.49 crore, even after witnessing a 17% growth in sales to Tk77.83 crore in the first quarter.

The company said in its financial statement, during the first quarter of the current fiscal, its cement production increased along with an increase in the raw material prices. But the company could not set its cement selling price to match its raw material cost because of intense competition in the sector.

Source: <https://www.tbsnews.net/economy/stocks/power-business-helps-confidence-cement-post-profit-q1-340705>



Stocks Tumble after Five-day Rise

Stocks tumbled on Wednesday, snapping a five-day gaining streak as cautious investors opted for booking profit on quick-gaining issues.

The DSEX, the prime index of the Dhaka Stock Exchange, slid 96.85 points or 1.37 per cent to close at 6952, after gaining 345 points in the past five consecutive sessions.

Market analysts said the market ended sharply lower as the stock market coordination meeting with the central bank, securities regulator and NBR held at the finance ministry on Tuesday did not take any decision on banks' investment in the capital market.

Two other indices also ended lower. The DSE 30 Index, comprising blue chips, plunged 39.25 points to finish at 2,621 and the DSE Shariah Index (DSES) shed 13 points to close at 1,467.

Turnover, a crucial indicator of the market, also fell to Tk 13.52 billion, which was 13 per cent lower than the previous day's tally of Tk 13.31 billion.

Source: <https://thefinancialexpress.com.bd/stock/stocks-tumble-after-five-day-rise-1638957501>



Turkey and Qatar Agree on Currency Swap Deal

Turkey and Qatar have agreed to extend a currency swap deal between their central banks amid the Turkish lira plunging in value fuelling an economic crisis.

The two sides "welcomed the signing of the agreement on the extension and amendment of the Turkish lira-Qatari riyal currency exchange arrangement" between their central banks, according to a joint statement on Tuesday, reports Al Arabiya News.

The announcement was made at a time when Turkish President Recep Tayyip Erdogan in visiting Doha, where he met with Qatari Emir Sheikh Tamim bin Hamad Al-Thani and discussed enhancing cooperation in various fields including the economy, said the report.

An agreement signed in 2018 was extended for the first time in May 2020, with the overall limit increased from \$5 billion equivalent of the Turkish lira and Qatari riyal to \$15 billion.

Source: <https://www.thedailystar.net/business/global-economy/news/turkey-and-qatar-agree-currency-swap-deal-2913191>



Billionaires' Share of Global Wealth Soars during Pandemic

The share of global wealth of the world's richest people soared at a record pace during the Covid pandemic, a report on inequality showed Tuesday.

The share of global wealth of the world's richest people soared at a record pace during the Covid pandemic, a report on inequality showed Tuesday.

Since 1995, the slice held by billionaires has risen from one per cent to three per cent, according to the World Inequality Report.

'This increase was exacerbated during the Covid pandemic. In fact, 2020 marked the steepest increase in global billionaires' share of wealth on record,' the document said.

The club of the richest one per cent has taken more than a third of all additional wealth accumulated since 1995, while the bottom 50 per cent captured just two per cent.

'After more than 18 months of Covid-19, the world is even more polarised,' Lucas Chancel, co-director of the World Inequality Lab at the Paris School of Economics, told AFP.

'While the wealth of billionaires rose by more than 3.6 trillion euros (\$4 trillion), 100 million more people joined the ranks of extreme poverty,' said Chancel, noting that extreme poverty had been previously falling for 25 years.

Source: <https://www.newagebd.net/article/156756/billionaires-share-of-global-wealth-soars-during-pandemic>

US Government to End Gas-powered Vehicle Purchases by 2035 under Biden Order

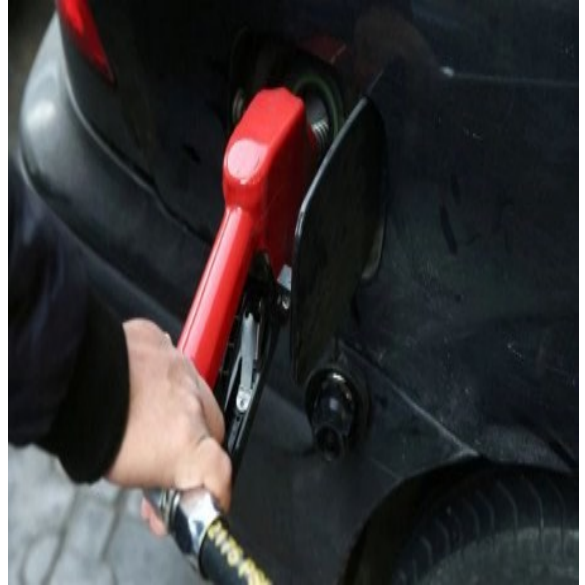
The US government plans to end purchases of gas-powered vehicles by 2035 in a move to lower emissions and promote electric cars under an executive order signed by President Joe Biden on Wednesday.

The government owns more than 650,000 vehicles and purchases about 50,000 annually. Biden's executive order said that light-duty vehicles acquired by the government will be emission-free by 2027.

Total federal government operations will reduce emissions by 65% by 2030 under the plan. The government will seek to consume electricity only from carbon-free and non-polluting sources on a net annual basis by 2030 and have net-zero emissions by 2050.

In January, Biden vowed to replace the US government's fleet with electric models. Only 0.5% of the government's 657,000 vehicles were electric as of 2020. In 2020, the government spent \$4.2 billion on vehicle costs, including \$730 million for fuel.

Source: <https://www.tbsnews.net/worldbiz/usa/us-government-end-gas-powered-vehicle-purchases-2035-under-biden-order-340834>



US Trade Deficit Shrinks as Exports Surge

Strong American export business caused a large drop in the US trade deficit last month, even as imports also rose, according to government data released Tuesday.

The gap between imports and exports of goods and services dropped 17.6 per cent to \$67.1 billion last month, bringing the trade deficit down from a record hit the month before, the Commerce Department reported.

Exports jumped \$16.8 billion from September to \$223.6 billion, while imports rose by a small \$2.5 billion to \$290.7 billion.

Sales of goods jumped the most with a \$15.8 billion increase led by industrial supplies and materials, while services exports rose only \$1 billion.

The deficit with the European Union fell as well, also due to export growth, though the deficit with Mexico rose by \$800 million.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-trade-deficit-shrinks-exports-surge-2912976>



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