

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

March 20, 2022

BEZA Inks Deal to Pave way for Japanese Economic Zone

The Bangladesh Economic Zones Authority (BEZA) and Bangladesh Special Economic Zone Limited have inked a deal on the development of a dedicated zone for Japanese investors in Narayan-ganj's Araihaazar.

The agreement, which was signed on Wednesday, marks the 50th anniversary of diplomatic relations between Bangladesh and Japan.

BEZA and Sumitomo Corporation, appointed by Japan to develop the zone, later formed a joint venture, Bangladesh Special Economic Zone Ltd, to carry out the infrastructural development of the project.

Work on the project, including land acquisition, road construction, and securing approvals from government agencies, has progressed over time.

The country's first government-to-government-based economic zone will sprawl over 1,000 acres of land in Araihaazar.

Source: <https://thefinancialexpress.com.bd/economy/beza-inks-deal-to-pave-way-for-japanese-economic-zone-1647512096>



Brac, Mercantile, Uttara Banks post Profit Growth for 2021

Brac Bank, Mercantile Bank, and Uttara Bank have registered decent profit growths for 2021.

The boards of the lenders have recommended dividends for their shareholders. Brac Bank's consolidated earnings per share (EPS) increased by 24% to Tk3.93 in 2021 from Tk3.17 in 2020.

Uttara Bank's consolidated annual EPS inched up to Tk3.93, from Tk3.8, with NAVPS of Tk32.83 at the year-end.

Its stock price jumped 3.6% in the Dhaka Stock Exchange to Tk28.8 on Wednesday as the bank announced 14% cash and 14% stock dividends for 2021.

Mercantile Bank, on the other hand, posted the biggest earnings jump as its EPS grew to Tk3.46 from Tk2.16. Its NAVPS stood at Tk23.91 and stock price closed 1.1% higher at Tk17.8.

Source: <https://www.tbsnews.net/economy/banking/brac-mercantile-uttara-banks-post-profit-growth-2021-386154>



Bangladesh among Top 10 Indian Wheat Importers

Bangladesh was among the top 10 importing countries of Indian wheat in the 2020-21 fiscal year, according to the Indian commerce ministry.

India's wheat is mainly exported to the neighbouring countries and Bangladesh has the largest share of more than 54 per cent in both volume and value terms in 2020-21, data from the Directorate General of Commercial Intelligence and Statistics (DGCIS) of India's commerce ministry showed.

However, the top 10 countries imported more than 99 per cent of India's wheat in 2020-21, reports our New Delhi correspondent.

The other nine top importing countries are Nepal, United Arab Emirates, Sri Lanka, Yemen, Afghanistan, Qatar, Indonesia, Oman and Malaysia.

Source: <https://www.thedailystar.net/business/economy/news/bangladesh-among-top-10-indian-wheat-importers-2986321>



VAT on Edible Oil only 5pc now

The National Board of Revenue (NBR) yesterday cut value added tax (VAT) at imports of edible oil to 5 per cent from 15 per cent in line with the government's decision to reduce the indirect tax to give some relief to consumers.

With the cut, consumers will have to pay only 5 per cent VAT in the value chain of soybean oil and palm oil, imported to meet domestic demand.



Amid public outcry for surging prices of the edible oil, slow delivery by mills, stocking by a section of traders, the government on March 14 removed 15 per cent VAT at production and 5 per cent VAT at the trading stage.

However, refiners said the cut would not give relief to consumers to a great extent unless the VAT at imports is reduced substantially.

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Source: <https://www.thedailystar.net/business/economy/news/vat-edible-oil-only-5pc-now-2984671>

Two Banks Declare Dividends for 2021

Two publicly listed banks- Bank Asia Ltd and Shahjalal Islami Bank Ltd- have announced shareholder dividends for the financial year that ended on 31 December, 2021.

The dividends were announced at the companies' latest board meetings on Wednesday.

Bank Asia declared a 15% cash dividend for its shareholders for 2021.

During this period, the consolidated net profit of the company was Tk272.82 crore, which was Tk202.87 crore in the previous year.

Its consolidated earnings per share (EPS) was Tk2.34 and net asset value per share was Tk23.33 as of 31 December 2021.

On the other hand, Shahjalal Islami Bank declared 5% stock and 10% cash dividends for the same period.

The consolidated net profit of the company was Tk259.33 crore for 2021, which was Tk191.41 crore in the previous year.

Source: <https://www.tbsnews.net/economy/stocks/two-banks-declare-dividends>
-2021-386754



Stocks End Flat for Third Session

Stocks witnessed another flat session on Wednesday as investors mostly followed cautious stance amid the ongoing year-end dividend declarations.

The market opened on a positive note and the core index rose about 23 points within the first 15 minutes of trading. But the rest of the session eroded almost all the initial gains.

DSEX, the key index of the Dhaka Stock Exchange (DSE), saw a fractions gain of 0.11 point to settle at 6,765, after gaining 1.54 points in the previous day.

Two other indices, however, edged lower with the DSE 30 Index, comprising blue chips, shed 0.48 point to finish at 2,458 and the DSE Shariah Index (DSES) fell 2.34 points to close at 1,454.

Turnover, a crucial indicator of the market, also dropped to Tk 8.35 billion, which was 21 per cent lower than the previous day's tally of Tk 10.65 billion.

Source: <https://thefinancialexpress.com.bd/stock/stocks-end-flat-for-third-session-1647424421>



Germany Plans Extra Borrowing

The war in Ukraine and the fallout from soaring energy prices and sanctions against Russia will force Germany to take on more debt than expected this year, Finance Minister Christian Lindner said Wednesday.

After the government signed off on a "core" draft budget for 2022 that includes 99.7 billion euros (\$110 billion) in new debt, Lindner said a supplementary budget was in the works that will take into account Russia's invasion of Ukraine and its economic consequences. He declined to speculate how large the extra borrowing would be, saying the "uncertain times" made predictions difficult.

Talks are now ongoing among Germany's governing coalition parties -- the Social Democrats, the Greens and Lindner's liberal FDP -- about preparing a supplementary budget "as soon as possible", Lindner said.

The focus will be on costs for humanitarian aid abroad, help for Ukrainian refugees arriving in Germany, and support for households and businesses as the war drives up energy costs and disrupts supply chains.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/germany-plans-extra-borrowing-2985461>



Cash-strapped Sri Lanka Seeks IMF Bailout

Sri Lanka will seek an International Monetary Fund bailout, President Gotabaya Rajapaksa said on Wednesday, to battle record inflation and unprecedented food and fuel shortages as the country runs out of dollars to finance imports.

The South Asia nation is in the throes of its worst economic crisis since independence from Britain in 1948 with long queues forming outside gas stations and rolling daily blackouts imposed across the country. "Subsequent to my discussions with the International Monetary Fund, I have decided to work with them," Rajapaksa said in an address to the nation a day after meeting with an IMF delegation in Colombo.

A huge crowd stormed the president's seaside office over runaway prices with the rising cost of food, medicine and other essential goods causing serious hardship for Sri Lanka's 22-million people.

Source: <https://www.thedailystar.net/business/global-economy/news/cash-strapped-sri-lanka-seeks-imf-bailout-2985506>



Thailand's Economy Rebounds in Q4

Thailand's economy rebounded in the fourth quarter of last year on the back of rising exports and the easing of coronavirus restrictions that allowed tourists to return, senior officials said Monday.

The 1.9 per cent on-year expansion was more than double what was forecast and marked a strong bounce after a 0.2 per cent contraction in the previous three months.

For the whole year the economy grew 1.6 per cent, according to the National Economic and Social Development Council, and also beat expectations.

South East Asia's second largest economy was hit with a 6.1 per cent contraction in 2020 -- its worst economic performance since the 1997 Asian Economic Crisis.

The NESDC said it saw growth of 3.5-4.5 per cent this year as tourism picks up and government spending kicks in.

Source: <https://www.thedailystar.net/business/global-economy/news/thailands-economy-rebounds-q4-2967516>



Gold Bid, Stocks Dumped further

Russia's invasion of Ukraine saw investors scrambling for the safety of gold and the protection of inflation hedges as weeks of brinkmanship came to a head on Thursday.

While market participants had been bracing for some form of aggression on Russia's part, Thursday's attack that brought explosions even in the Ukrainian capital of Kyiv, and across the country, made the war real for market participants.

Trader playbooks seemed to change from one that was built around the possibility of a diplomatic resolution to the crisis, to what had at one point been a tail-risk, or extreme, scenario.

"It looks pretty clear that they are moving toward Kyiv, which was always one of the worst case scenarios, because we now have a long night ahead of us trying to understand how bad this gets, and what sanctions get put up," said Chris Weston, head of research at brokerage Pepperstone in Melbourne.

Source: <https://www.thedailystar.net/business/global-economy/news/gold-bid-stocks-dumped-further-2970031>



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