

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 26, 2022

Income Tax Return Made Mandatory for Savings Certifi- cate over Tk5 lakh

The Bangladesh Bank has made it mandatory to show proof of last year's income tax return for investment in savings certificate worth more than Tk5 lakh.

In addition, income tax return documents were made mandatory to open account of more than Tk5 lakh in Bangladesh Post Office Savings Bank.

The central bank's Data Management department issued a circular in this regard Monday (25 July).

According to the Directorate of National Savings Certificate and government gazette, Bangladesh Bank directed the banks to take necessary measures for proper compliance with Section 48 of the Finance Act, 2022 for investments over Tk5 lakh as Savings Certificate and in Post Office Savings Banks.

Similarly, if the credit balance exceeds Tk10 lakh in bank accounts, individuals must submit proof of income tax return deposit.

Source: <https://www.tbsnews.net/economy/banking/income-tax-return-made-mandatory-savings-certificate-over-tk5-lakh-464922>



Bangladesh Receives \$1.64b Remittance in 21 days of July: BB

Bangladesh has received \$1,642.75 million (\$1.64 billion) inward remittance till 21 July, thanks to Eid-ul-Azha when Bangladeshi migrants sent more money to families to celebrate one of the biggest festival of Muslims, according to data from Bangladesh Bank.

It means, on an average the expatriates sent \$78.22 million remittance in to the country during 1-21 July, the opening month of the fiscal year 2022-23.

In June, the last month of the fiscal year, the expatriates sent home \$1.83 billion remittance through the banking channel, said the BB figures available on Monday.

Bangladesh received the highest \$24.77 billion remittance in FY2020-21, amid global travel restrictions amid Covid-19 pandemic.

Source: <https://www.tbsnews.net/economy/bangladesh-receives-164b-remittance-21-days-july-bb-464914>



Bangladesh to Start Talks with India to Ink CEPA

An inter-ministerial meeting agreed to start negotiation to ink the much-expected Comprehensive Economic Partnership Agreement (CEPA) with India to increase trade and investment with the neighbouring country.

Representatives from different ministries, including labour, commerce and home affairs, along with senior officials of different state agencies were present in the meeting - held at the Ministry of Commerce (MoC) on Monday.

MoC Senior Secretary Tapan Kanti Ghosh presided over the meeting.

When contacted, he said, “It was a consultation meeting on the issue. We discussed and presented different issues in the meeting, including on the CEPA.”

“The inter-ministerial meeting agreed to start negotiation with India for signing the CEPA,” MoC Additional Secretary Md Abdur Rahim Khan told the FE over phone.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-to-start-talks-with-india-to-ink-cepa-1658766326>



Goods Worth \$83.68b Imported through LCs in FY'22

Goods worth \$83.68 billion were imported into Bangladesh through letters of credit (LCs) in the last fiscal year, according to recent import data released by Bangladesh Bank.

The central bank data shows the amount is a massive 46 per cent jump from the previous fiscal year, reports bdnews24.com.

Importers in Bangladesh had opened LCs worth \$92.23 billion to import goods in the fiscal year 2021-22, which is 37.59 percent more than the previous fiscal year.

In the financial year 2020-21, \$67 billion worth of LCs were opened, while products worth \$57.25 billion were imported.

LC settlement rate has increased by 7.52 per cent in the last fiscal year compared to the previous year.

It takes up to 45 days for the goods to arrive in the country after opening the LC for import. After the arrival of the goods, the importer makes the payment in foreign currency through the concerned bank, which is called LC settlement.

Source: <https://thefinancialexpress.com.bd/economy/goods-worth-8368b-imported-through-lcs-in-fy22-1658769933>



Cost Control Boosts Unilever Consumer Care's Profit

Unilever Consumer Care Limited – previously operating as GlaxoSmithKline (Bangladesh) – has registered an impressive 58% year-on-year profit growth in the first half of 2022 despite a surge in its raw material and packaging costs.

The multinational company also reported a 4% jump in its sales.

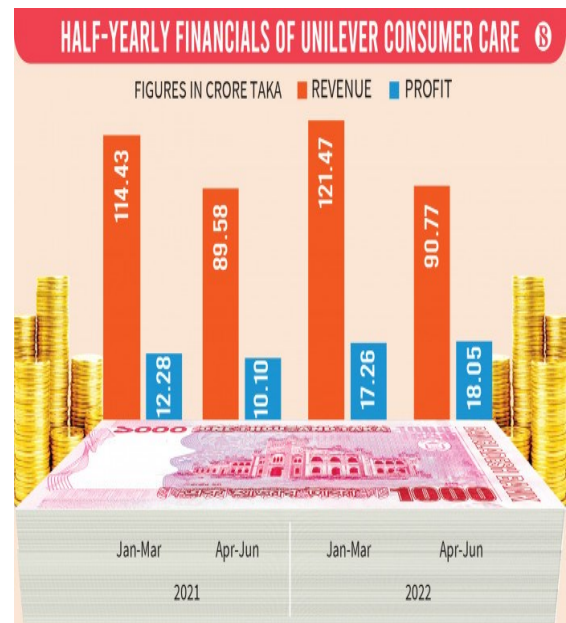
In stock exchange filings on Monday, the company said its operational efficiency and the reduction in corporate income tax rate have helped it improve its profit.

After the disclosure of its half-yearly financials, the share price of Unilever Consumer Care increased by Tk36.5 or 1.29% to Tk2,860 each on the Dhaka Stock Exchange.

After taking over the stake of GlaxoSmithKline in 2020, the Unilever management took some steps to boost sales and also minimise operating costs, say sources at the company.

Under the new management, its sales, and profit are gradually increasing as a result.

Source: <https://www.tbsnews.net/economy/stocks/cost-control-boosts-unilever-consumer-cares-profit-464954>



Stocks Rebound from 13-month Low

Dhaka and Chattogram stocks rebounded on Monday after a sharp fall for nine consecutive sessions that had pushed the major indices to a 13-month low.

Stockbrokers and analysts thanked the Russia-Ukraine landmark agreement over grain exports, alongside regulatory interventions that slowed the selling pressure and increased buy orders.

Like the previous session, DSEX, the broad-based index of the Dhaka Stock Exchange, sharply nosedived on Monday morning and hit the intraday bottom below 5,985 in half an hour, which was the lowest since 26 June 2021.

Unlike the recent days, bargain hunters who preferred bagging some stocks at declined prices did not allow the key index to hit the same low again and finally, offering investors hope for recovery, DSEX closed at 6,082.9 which was 0.5% higher than the previous close.

Source: <https://www.tbsnews.net/economy/stocks/stocks-rebound-13-month-low-464998>



Germany on Cusp of Recession

German business morale fell more than expected in July, the Ifo business sentiment survey showed on Monday, as the institute that compiles it said high energy prices and looming gas shortages had left Europe's largest economy on the cusp of recession.

The Ifo institute's closely watched business climate index dropped to 88.6, its lowest in more than two years and below the 90.2 forecast in a Reuters poll of analysts. June's reading was marginally revised down to 92.2.

"Recession is knocking on the door. That can no longer be ruled out," said Ifo surveys head Klaus Wohlrabe.

Germany faces the threat of gas rationing unprecedented in generations this winter following a significant drop in supplies from Russia, whose president, Vladimir Putin, the West accuses of weaponising energy in response to sanctions levied against him over the war in Ukraine.

Source: <https://www.thedailystar.net/business/global-economy/news/germany-cusp-recession-3079511>



China Plans \$44b Fund for Distressed Real Estate

China will launch a real estate fund to help property developers resolve a crippling debt crisis, aiming for a warchest of up to 300 billion yuan (\$44 billion) in a bid to restore confidence in the industry, according to a state bank official with direct knowledge of the matter.

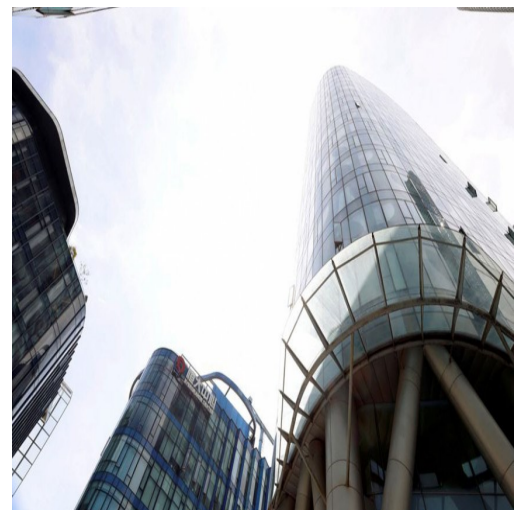
The move would mark the first major step by the state to rescue the beleaguered property sector since the debt troubles became public last year.

The size of the fund would initially be set at 80 billion yuan through support from the central bank, the People's Bank of China (PBOC), the person, who declined to be identified due to the sensitivity of the matter, told Reuters.

He said state-owned China Construction Bank, will contribute 50 billion yuan into the 80 billion yuan fund, but the money will come from PBOC's relending facility.

If the model works, other banks will follow suit with a target to raise up to 200 to 300 billion yuan, he added.

Source: <https://www.thedailystar.net/business/global-economy/news/china-plans-44b-fund-distressed-real-estate-3079531>



Global: Business

Asian Stocks at Lowest in Two years, Euro near par with Dollar on Growth Fears

Asian shares fell on Tuesday, weighed down by the prospect of further monetary policy tightening by central banks, China's renewed Covid outbreak and Europe's energy shortage, which also left the euro a whisker from parity with the safe-haven dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.8% to its lowest level in two years, while Japan's Nikkei lost 1.75%.

The euro fell as low as \$1.0006 against the US dollar, moving ever closer to parity for the first time since December 2002, as investors worry an energy crisis will tip the region into a recession.

"Risk-off sentiment is dominating global markets," said Yuting Shao, macro strategist at State Street Global Markets.

"The dollar is the go-to international reserve currency. So when there is a recessionary risk or there's pickup of volatility, the greenback is the currency that people rush to because that is the safest," Shao added.

Source: <https://www.tbsnews.net/world/global-economy/asian-stocks-lowest-two-years-euro-near-par-dollar-growth-fears-456850>



Japanese Shares Fall as Recession Fears Resurface

Japanese shares fell on Tuesday, following the prior session's gains after the weekend's upper house election, as rising domestic cases of Covid-19 raised worries of a recession.

Stocks had risen on Monday, outperforming the rest of the region, as the Japanese government's ruling coalition secured a strong result.

Japan's Nikkei share average was down 1.68% at 26,362.76 as the morning trading session ended.

The index was down 2.58% from the previous session's high of 27,062.17 and trading 0.58% lower than its Friday close when markets were rocked by the shooting of former Prime Minister Shinzo Abe.

A domestic securities broker said that the market was overbought on Monday despite the absence of any positive external factors.

The broader Topix lost 1.46% on Tuesday.

"The increased spread of Covid-19 has strengthened fears of a global recession," said a market participant at a domestic securities firm.

Source: <https://www.tbsnews.net/world/global-economy/japanese-shares-fall-recession-fears-resurface-456842>



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