

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 11, 2021

Successful Businesses Fuel Economic Growth

Entrepreneurs have played an important role in developing the economy of Bangladesh in the last five decades, said the International Chamber of Commerce-Bangladesh (ICCB).

In its editorial of the news bulletin for the July-September period, the chamber says businesses are the driving force for any economy.

"Success of businesses can drive the growth of a country, help achieve overall sustainable development and create employment opportunities."

Bangladesh achieved the lower middle-income country status in 2015 and is on track to leave the United Nations' list of the least-developed countries.

With a GDP of more than \$305 billion, Bangladesh is currently the 41st largest economy globally. And the size of the economy could double in not too distant future, the chamber said.

Source: <https://www.thedailystar.net/business/economy/news/successful-businesses-fuel-economic-growth-2195431>



Automobile Industry an Emerging Investment Destination for Japan

The automotive industry in Bangladesh could be an emerging investment destination for Japanese entrepreneurs, Dhaka Chamber of Commerce and Industry's (DCCI) President Rizwan Rahman said yesterday.

In fiscal year 2019-20, Bangladesh's bilateral trade with Japan stood at \$2.92 billion when Bangladesh exported goods worth \$1.2 billion and imported \$1.72 billion worth of products from the East Asian island nation, he said.

But Bangladesh's export to Japan fell to \$1.18 billion in 2020-21 fiscal year because of the Covid-19 pandemic, he said and expressed his hope that the amount would increase in the days to come.

He said 321 Japanese companies are now operating in Bangladesh and Japanese foreign direct investment in Bangladesh was \$397.15 million in March 2021.

Source: <https://www.thedailystar.net/business/economy/industries/news/automobile-industry-emerging-investment-destination-japan-2195621>



Anwar Galvanizing's Profit Grew 476% in Q1

Anwar Galvanizing Limited, a sister concern of Anwar Group, reported 476% growth in net profit in the first quarter of FY22.

Anwar Galvanizing Limited went into operation in the mid-1980s producing galvanised corrugated sheets.

The company was the country's first and leading manufacturer of GI Fittings and brake drums.

During the July-September quarter, its net profit was Tk7.82 crore and earnings per share Tk5.13, which was Tk1.35 crore and Tk0.89 respectively.

Despite the surprising growth, the company was facing a cash crisis during the period. In the first quarter of FY22, its cash crisis per share stood at Tk0.77, which was Tk3.49 positive in the previous quarter a year ago.

Source: <https://www.tbsnews.net/economy/stocks/anwar-galvanizings-profit-grew-476-q1-314101>



Maksons Spinning to Acquire 50% Stake in Sister Concern

Maksons Spinning Mills Limited has decided to acquire 50% shares in its sister concern Maksons Textile Ltd.

The decision was taken in a board meeting held on Sunday. The company will put forth 194.35 decimal land and make a fresh investment of Tk2.75 crore for the 50% stake.

The land is situated at Ashulia, Savar which is unutilised land of Maksons Spinning Mills. The paid-up capital of Maksons Textile Ltd is Tk30 crore. The project is under implementation having 25824 spindles with a production capacity of 27000kg per day and 98.55lakh kg per annum.

The projected annual turnover of the project will be approximately Tk250 crore.

The board of directors of the company also recommended an 11% cash dividend for the year ended 30 June 2021. According to their financial report of 2021, the company's net profit was Tk49.31 crore. During the period, the earnings per share stood at Tk2.07 and net asset value per share at Tk20.09.

Source: <https://www.tbsnews.net/economy/stocks/maksons-spinning-acquire-50-stake-sister-concern-314107>





Far East Knitting Shares up 34.64%

The share prices of Far East Knitting and Dyeing Industries have enjoyed a 34.64% single-day jump following the declaration of a 10% cash dividend for its shareholders.

On Sunday, shares opened at Tk19.20 and closed at Tk24.10.

The company manufactures readymade garments for export to international markets.

With transactions of Tk41.62 crore, the share volume was 1.92 crore on Sunday.

The company was on the top ten list of the Dhaka Stock Exchange.

According to its financial report, in fiscal 2020-2021, the company's net profit was Tk17.28 crore, which was only Tk7 crore the previous year.

Source: <https://www.tbsnews.net/economy/stocks/far-east-knitting-shares-3464-314074>



Stocks Hit All-time High, Mutual Funds Shine

Dhaka stocks hit an all-time high on Sunday as a section of investors went for buying shares, especially those of mutual funds and textile companies, while many others remained cautious on the trading floor.

DSEX, the key index of the Dhaka Stock Exchange, increased by 0.34 per cent, or 25.03 points, to hit at 7,367.99 points on Sunday after losing 8.07 points in the previous session.

Turnover on the DSE dropped to Tk. 1,962.87 crore on Sunday from Tk. 2,497.20 crore in the previous session.

Shariah index DSES added 0.04 per cent, or 0.7 points, to settle at 1,596.53 points.

LafargeHolcim Bangladesh led the turnover chart with its shares worth Tk. 129.9 crore changing hands on the day.

IFIC Bank, Power Grid Bangladesh, BEXIMCO, Far East Knitting & Dyeing Industries, GPH Ispat, British American Tobacco Company and LankaBangla Finance were the other turnover leaders on the day.

Source: <https://www.newagebd.net/article/151471/stocks-hit-all-time-high-mutual-funds-shine>

India's Reliance Buys REC Solar for \$771m

India's Reliance Industries Limited on Sunday announced acquisition of REC Solar Holdings for an enterprise value of \$771 million from China National Bluestar (Group) Company Limited as it seeks to become net carbon zero by 2035.

The purchase of the Norwegian solar panel maker by the conglomerate's Reliance New Energy Solar Limited (RNESL) follows the June announcement by the parent - operator of the world's biggest refining complex - that it would invest \$10.1 billion in clean energy over three years.

RNESL said in August it would invest \$50 million in U.S. energy storage company Ambri Inc as part of a \$144 million investment by Reliance Industries, along with billionaire Bill Gates, investment management firm Paulson & Co and others.

Globally, oil majors such as Royal Dutch Shell Plc and BP Plc have also set goals to become net zero-carbon firms by 2050 amid pressure from investors and climate activists.

Source: <https://www.thedailystar.net/business/global-economy/indian/news/indias-reliance-buys-rec-solar-771m-2195381>



Evergrande Creditors Fear Imminent Default



China Evergrande Group offshore bondholders are concerned that it is close to defaulting on debt payments and want more information and transparency from the cash-strapped property developer, their advisers said.

Evergrande, which could trigger one of China's largest defaults as it wrestles with debts of more than \$300 billion and whose troubles have already sent shockwaves across global markets, missed payments on dollar bonds, worth a combined \$131 million, that were due on September 23 and September 29.

With Evergrande staying silent on dollar debt payments and prioritising onshore creditors, offshore investors have been left wondering if they will face large losses at the end of 30-day grace periods for last month's coupons.

A group of bondholders have enlisted investment bank Moelis & Co and law firm Kirkland & Ellis to advise them.

Source: <https://www.thedailystar.net/news/asia/china/news/evergrande-creditors-fear-imminent-default-2195416>

Green Energy Springs from Abandoned UK Coalmine

Dawdon coalmine in northeast England was abandoned three decades ago, but is being brought back to life as the unlikely setting for a green energy revolution.

The carbon-intensive colliery, near the town of Seaham on the windswept northeast English coast, hauled coal from deep underground until its closure in 1991.

Dawdon has long since flooded with water because part of the mine is below sea level, and is heated by geothermal energy.

Authorities now want to capture and harness this valuable and unlimited green energy source to power a new garden village development.

Britain is heavily dependent on natural gas for electricity generation, although Prime Minister Boris Johnson, who hosts the COP26 climate summit next month in Glasgow, wants to shift all UK energy production to renewable sources by 2035 to help reach carbon neutrality by 2050.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/green-energy-springs-abandoned-uk-coalmine-2195396>



Pandemic Saviours, Food Delivery Apps now under Fire

Meal delivery services became essential during the pandemic, when millions of Americans were under lockdown and restaurants were shut to visitors.

But these days the platforms are increasingly finding themselves under fire, with politicians seeking to regulate the industry and restaurateurs accusing the likes of DoorDash, Grubhub and Uber Eats of freeloading. And they are looking for ways to do without them.

In just the first nine months of this year, DoorDash has likely filled over 1 billion orders, most of them in the US, where the company is the market leader.

The delivery giants also say they have made huge investments during the pandemic that led millions of customers who had never ordered meals online to get started.

Some businesses are already trying to get around the all-powerful delivery apps by creating their own platforms.

Source: <https://www.thedailystar.net/business/global-economy/americ/news/pandemic-saviours-food-delivery-apps-now-under-fire-2195426>



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