

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

January 30, 2022

Japanese EZ to go into Production Next Year: Envoy

Factories in Araihaazar Economic zone, dedicated to Japanese entrepreneurs will start next year, Japan's Ambassador to Bangladesh Ito Naoki said.

He disclosed the information during a courtesy call with Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) on Thursday afternoon, reads a press statement.

Ito Naoki said Bangladesh would be a major destination for Japanese entrepreneurs to invest in the future.

"The interest of Japanese companies is increasing, especially around the Araihaazar economic zone. There is an opportunity to further develop the economy of Bangladesh by utilising this interest," he said.

FBCCI President Jasim assured that his organisation will work sincerely with the government to solve the problems mentioned by Naoki.

He said more than a hundred Japanese companies have been doing business in Bangladesh for many years. Besides, Japan is one of the major partners of Bangladesh in development projects.

Source: <https://www.tbsnews.net/economy/corporates/japanese-economic-zone-go-production-next-year-ito-naoki-363184>



Govt Allows Exporters to Make Overseas Equity Investments

Bangladeshi exporters will be able to make overseas equity investments from now on, subject to an adequate balance in their export retention quota (ERQ) – a portion of export earnings they have saved as foreign currency.

Exporters will be able to invest, in the form of equity, the lowest amount that is between 20% of their five-year average annual export earnings and 25% of the net assets shown in their latest audited annual financial report, according to guidelines recently issued by the Financial Institutions Division.

On Wednesday, the Foreign Exchange Investment Department of Bangladesh Bank (BB) sent a directive to all authorised dealers of foreign exchange transactions in this regard.

Source: <https://www.tbsnews.net/economy/govt-allows-exporters-make-overseas-equity-investments-363271>



BD Building Systems' Profit Soars on Capital Gain from BBS Cables Shares

Bangladesh Building Systems Ltd is yet to increase its sales of pre-fabricated steel building structures even compared to the sales in the stressed periods of 2020.

However, selling 25 lakh shares of BBS Cables Ltd, another listed company of BBS Group, helped BD Building Systems book a hefty capital gain in the last week of December.

BD Building Systems' net profit for the October-December quarter soared to over Tk15 crore, from that of Tk1.87 crore in the same period a year ago.

Earlier in the July-September quarter, the company made less than Tk50 lakh in profits from its core business.

The company lost Tk0.22 per share in the 2020-21 financial year and paid 2% cash dividends.

BD Building Systems sold a further 11 lakh BBS Cables shares in the block market of the Chittagong Stock Exchange in the middle of this month, while it was holding over 2.84 crore of the company shares.

Source: <https://www.tbsnews.net/economy/stocks/bd-building-systems-profit-soars-capital-gain-bbs-cables-shares-363238>



National Polymer's Quarterly Profit Grows 25%

National Polymer Industries has posted 25% profit growth in the second quarter of the current fiscal year owing to an increase in demand for its households and construction-related products.

The conglomerate, which manufactures PVC pipes, PVC doors, and bottle-grade PVC compounds and sells the products in both local and international markets, reported a net profit of Tk5.18 crore, which was Tk4.16 crore a year ago.

In addition, cash sales and collection from receivables had also gone up significantly, he added.

The earnings per share (EPS) stood at Tk0.71 and its net asset value per share at Tk28.24 till December 2021. In the first six months of fiscal 2021-22, its EPS stood at Tk1.27, which was Tk0.88 in the same period of the previous year.

Source: <https://www.tbsnews.net/economy/stocks/national-polymers-quarterly-profit-grows-25-363232>





Berger Declares 300% Interim Cash Dividend

Berger Paints Bangladesh Limited has declared a 300% interim cash dividend for its shareholders for the period ended 31 December 2021.

The record date for the entitlement of the interim dividend is 17 February 2022.

The company has posted 21% revenue growth in the third quarter (October to December) of 2021 compared to the same period of the previous year.

During the period, the revenue of the company stood at Tk629.34 crore, which was Tk519.34 crore in the same period 2020. Its net profit stood at Tk81.24 crore from Tk90.20 crore during the period.

In October to December period, its earnings per share was Tk17.52, which was Tk19.45 in the same period of 2020.

Source: <https://www.tbsnews.net/economy/stocks/berger-declares-300-interim-cash-dividend-363235>



GPH Ispat's Profit Soars 36%

Listed steel maker GPH Ispat's profit soared in the first half of the current financial year.

The company logged Tk. 94.93 crore in profits, posting a 36 per cent year-on-year rise from the same period previous year's Tk. 69.64 crore.

Its earnings per share was Tk. 2.17 in the latest half year, which was Tk 1.59 previously. However, the steel maker's net operating cash flow per share dropped to Tk. 0.86 from Tk. 3.64.

In the last one month, stocks of GPH Ispat rose around 17 per cent to Tk. 59 until last Thursday at the Dhaka Stock Exchange (DSE).

Its paid-up capital was Tk. 436 crore, according to the DSE data.

On December 31 last year, the net asset value per share of GPH Ispat dropped to Tk 27.52, which was Tk 29.86 on June 30 of same year, according to the company's financial reports.

Source: <https://www.thedailystar.net/business/news/gph-ispats-profit-soars-36-2949896>

Spain Economy Grows by 5pc

Spain's economy grew by 5.0 per cent in 2021, showing a remarkable bounceback from a year earlier but below the government's target, an initial estimate by the National Statistics Institute (INE) showed Friday.

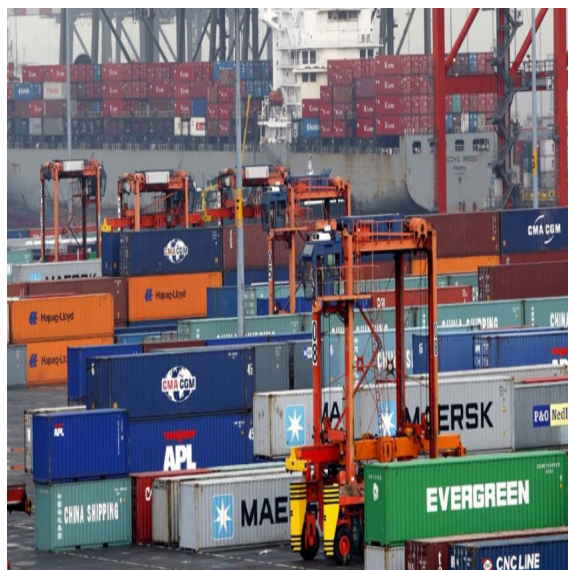
The government had expected gross domestic product (GDP) to rise by 6.5 per cent in 2021 after a year in which it contracted by nearly 11 percent in one of the worst results of the eurozone.

Such a forecast was considered unrealistic by economists. However, the INE estimate outdid the expectations of the Bank of Spain and the OECD, which were both estimating growth of 4.5 per cent.

And it also exceeded the expectations of the International Monetary Fund (IMF) which had expected the economy to grow by 4.6 per cent.

The INE figures showed the economy grew by 2.0 per cent in the last quarter, largely resisting the emergence of the Omicron variant and supply problems that affected production.

Source: <https://www.thedailystar.net/business/global-economy/news/spain-economy-grows-5pc-2950166>



Gold Demand Soars

Global gold demand soared in the fourth quarter of 2021 as inflation rocketed, helping to recoup much of the drop triggered by the pandemic, industry data showed Friday.

Viewed as a haven investment in times of economic unrest, gold saw demand surge 50 per cent in the final three months of last year compared with the October-December period in 2020, the World Gold Council said in a report.

Overall last year, "demand recouped much of the Covid-related losses sustained during 2020", the WGC said, adding that total physical purchases jumped 10 per cent to 4,021 tonnes.

Gold demand "in the consumer-driven jewellery and technology sectors recovered throughout the year in line with economic growth and sentiment, while central bank buying also far outpaced that of 2020", the Council added.

Source: <https://www.thedailystar.net/business/global-economy/news/gold-demand-soars-2950171>



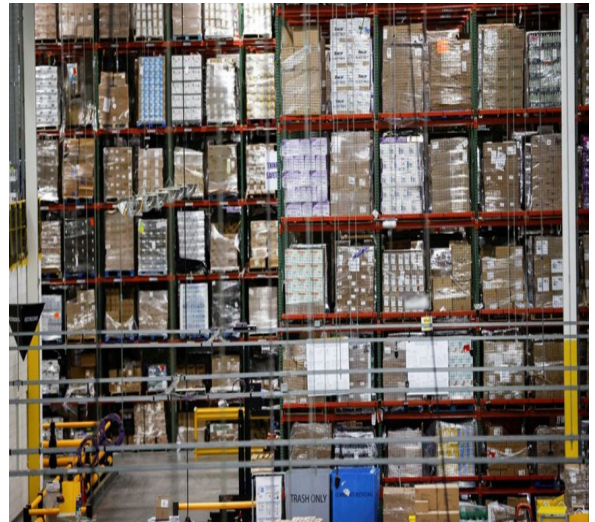
US Goods Trade Deficit Hits Record High

The US trade deficit in goods widened to a record high in December as imports increased for a fifth straight month amid strong domestic demand, suggesting that trade likely remained a drag on economic growth in the fourth quarter.

But imports are helping to replenish depleted inventories, with the report from the Commerce Department on Wednesday showing strong restocking at retailers and wholesalers last month.

Solid inventory accumulation likely offset the impact on gross domestic product from the larger trade gap, prompting some economists to raise their growth estimates for the last quarter.

"Strong demand and shifting consumer preferences during the pandemic led to a surge in imports that continues to outstrip exports and is contributing to all-time highs in the deficit," said Rubeela Farooqi, chief US economist at High Frequency Economics in White Plains, New York.



Source: <https://www.thedailystar.net/business/global-economy/america/news/us-goods-trade-deficit-hits-record-high-2949006>

Brexit Hurts EU-UK Trade



Brexit hurt two-way trade between the European Union and Britain, with the auto, textile and aviation sectors the worst hit, the French economy ministry said Thursday.

The ministry released data on the sidelines of an EU ministerial meeting in Paris dedicated to reviewing the fallout from Britain's departure from the bloc a year ago.

EU exports to Britain fell by 15 per cent in the first 10 months of last year compared to the same period in 2019, before the pandemic, according to the French economy ministry.

EU imports from Britain sank by 30 per cent over the same period. The Covid-19 pandemic has also had a major effect on trade flows between the two sides.

But the EU's total imports and exports exceeded 2019 levels during the first 10 months of last year, according to data from the bloc's Eurostat agency.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/brexit-hurts-eu-uk-trade-2949036>

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