

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

December 12, 2021

Investment Proposals nearly 50% Higher in Current FY's Q1

The current financial year's first three months recorded 46 per cent higher investment proposals, both domestic and foreign, year-on-year in spite of the pandemic, said Bangladesh Investment Development Authority (Bida) today.

Proposals of about Tk 20,464 crore in investments have been registered during this period of 2021-22.

Between July and September of financial year 2020-21, it was Tk 13,964 crore.

If the latest proposals are implemented, about 29,000 new jobs will be created, said Bida in a press release on its quarterly statistics made public last Thursday.

The latest offers came from 189 industries, of which 177 are local. They plan on putting to use around Tk 18,587 crore, which is Tk 5,887 crore higher than that last year.

Source: <https://www.thedailystar.net/business/economy/industries/investments/news/q1-investment-proposals-near-50-higher-year-2915016>



RMG Exports to US Grow by 29.5pc in Oct on Knitwear



Bangladesh's readymade garment exports to the United States have witnessed a robust growth in 2021 due to an increased shipment of knitwear products.

Apparel imports by the US from Bangladesh in October 2021 increased by 29.5 per cent or \$158.18 million to \$694.13 million from \$535.94 million in the same month of 2020, according to the US Department of Commerce's Office of Textiles and Apparel data.

Bangladesh's RMG exports to the US in January-October of 2021 increased by 26.74 per cent or \$1.20 billion to \$5.69 billion from \$4.49 billion in the same period of 2020.

Exporters said that apparel exports to the US started growing from the beginning of 2021 due to the increased shipment of knitwear products.

Source: <https://www.newagebd.net/article/157094/rmg-exports-to-us-grow-by-295pc-in-oct-on-knitwear>

Index Agro to Use 71% of IPO Funds for Loan Re-payment

Index Agro Industries Ltd — a manufacturer of poultry feed, fish feed, and a producer of day-old chicks, has decided to use 71% of its initial public offering (IPO) funds raised, to repay short-term loans it took from various banks for business expansion.

When the money was much needed for its expansion project, the company applied for an IPO to the stock market regulator to raise funds.

But due to a delay of more than four years in getting IPO approval from the Bangladesh Securities and Exchange Commission (BSEC), the company took out short-term bank loans in order to complete its expansion project.

According to the company's latest annual report, as of June 2021, Index Agro Industries has Tk3.55 crore in long-term loans, and Tk189.85 crore in short-term loans from Islami Bank, Standard Chartered Bank, and Prime Bank.

Source: <https://www.tbsnews.net/economy/stocks/index-agro-use-71-ipo-funds-loan-repayment-341335>



Robi to Alter IPO Fund Utilisation Plan

Robi Axiata, the country's second largest telecom operator, has decided to amend its plan regarding the utilisation of the funds it collected through an initial public offering (IPO) a year ago.

Shahed Alam, chief corporate and regulatory officer of Robi, said the company needs more time to implement its network expansion project using the IPO funds because the pandemic disrupted its vendor's supply chain and thus delayed the project.

Also, the company successfully negotiated with vendors to reduce the cost of the remaining part of the project. Now it needs to devise an alternative plan to make use of the money saved, he added.

Robi will arrange an extraordinary general meeting (EGM) in order to secure shareholder approval for the amended utilisation plan and project time extension. The EGM will be held on 24 January 2022.

Source: <https://www.tbsnews.net/economy/stocks/robi-alter-ipo-fund-utilisation-plan-341263>



DSEX up 0.47% on Bargain Hunting

Following a sharp fall on Wednesday, stock indices in the Dhaka and Chattogram bourses closed higher on Thursday as bargain hunters came up to take the opportunity to bag some stocks at cheap rates.

DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), closed 0.47% higher at 6,984 on the day.

The index slipped 1.37% on Wednesday as the finance ministry meeting regarding the capital market did not bear any fruit in terms of resolving issues between the regulators of the money market and capital market.

Turnover contraction was also due to the fact that large-cap stocks were little subdued and many small-cap stocks were trending in the market in the last few sessions.

Major indices of the Chittagong Stock Exchange (CSE) also closed higher while turnover in the port-city bourse dropped below Tk40 crore on Thursday, which was over Tk53 crore on the previous day.



Source: <https://www.tbsnews.net/economy/stocks/dsex-047-bargain-hunting-341260>

BSEC Asks 17 State-owned Firms to Get Enlisted to Market

The Bangladesh Securities and Exchange Commission (BSEC) on Thursday issued a letter to 17 state-owned profit-making companies asking them to be listed on the capital market.

Of these, there are nine companies in the power and energy sector, two in the engineering sector, two in the travel sector and the remaining two are Bangladesh Biman and state-owned Essential Drugs.

BSEC Executive Director Rezaul Karim said state-owned companies have not been listed on the stock exchange for a long time so the letter has been issued to the companies whose financial condition is good. Some companies were supposed to be listed in the market but none of them has applied so far.

In the fiscal year 2020-21, Bakhraabad Gas Distribution Company posted revenue of Tk289 crore against a net profit of Tk149 crore.

Gas Transmission Company Limited declared Tk1120 crore revenue in 2020-21 while its net profit was Tk74 crore.

Source: <https://www.tbsnews.net/economy/bsec-asks-17-state-owned-firms-get-enlisted-market-341356>



Apple Inches Closer to \$3t Market Cap

Apple Inc is within striking distance of a \$3 trillion market capitalization, a milestone that would make it as big as the world's fifth largest economy after Germany, just over a year after breaching the \$2 trillion mark.

Shares of Apple were up 1.6 per cent at \$174.

In comparison, the S&P 500 has risen 25 per cent for the period.

Its peers in the trillion-dollar club - Microsoft, Amazon, Alphabet and Tesla - have all gained between 10 per cent and 70 per cent.

"Apple does seem to be more immune to the ebb and flow of economic forces just because of this really strong brand. It's new product pipeline is pretty strong too," Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown said.

Source: <https://www.thedailystar.net/business/global-economy/news/apple-inches-closer-3t-market-cap-2913836>



Drugmakers Aim Big Price Hikes at US Patients

Drugmakers have targeted the U.S. market to earn outsized profits from old medicines, according to a report released on Friday by the House Oversight Committee that highlighted Eli Lilly and Co, Novo Nordisk and Sanofi, which dominate the market for insulin.

The staff report also noted pricing and marketing tactics by Pfizer Inc that helped it earn billions of dollars from its now off-patent pain drug Lyrica.

The report, put out following a nearly three-year probe, took issue with assertions by the pharmaceutical industry that high drug prices were needed to fund innovation and research and development programs.

"The Committee's investigation also found that companies dedicated a significant portion of their R&D expenditures to research that was intended to extend market monopolies, support the companies' marketing strategies, and suppress competition," the report said.

The report, which focused on 12 drugs made by 10 companies, said that Lilly, Novo Nordisk and Sanofi own some 90 per cent of the market for life-sustaining insulin, which was invented in the 1920s.

Medicare, the U.S. government health insurance program for those age 65 and older and the disabled, could have saved more than \$16.7 billion from 2011 to 2017 on insulin purchases had it been allowed to negotiate discounts with drug companies, the report found.

Source: <https://www.thedailystar.net/business/global-economy/america/news/drugmakers-aim-big-price-hikes-us-patients-2915321>

Spain to Cut Taxes for Digital Nomads

The Spanish government adopted Friday measures to attract so-called digital nomads -- remote tech workers who can do their job from anywhere with a good internet connection.

A growing number of countries are seeking to lure digital nomads with easy visa conditions and tax breaks as they can help boost the local tech start-up scene.

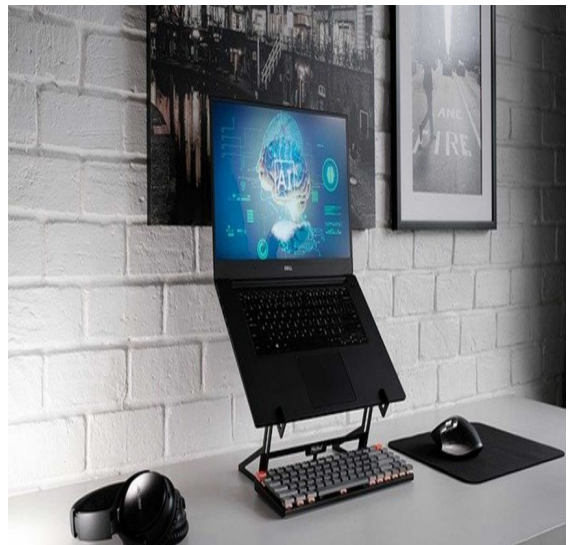
The Spanish measures, which will allow arriving digital nomads to use a non-resident tax status with lower rates for five years, will form part of wider legislation meant to help start-ups, including fiscal incentives for investors.

The legislation will "attract and retain international and national talents" by helping "remote workers and 'digital nomads' set up in Spain," the economy ministry said in a tweet.

Spanish expatriates who have been abroad for more than five years are also eligible for the programme.

The widespread adoption of remote working during the coronavirus pandemic has opened up the possibility for more workers to relocate far from home.

Source: <https://www.thedailystar.net/business/global-economy/news/spain-cut-taxes-digital-nomads-2915361>



Shell Shareholders back Plan to Switch Headquarters to UK

Shell shareholders on Friday overwhelmingly backed plans to switch the oil giant's headquarters from the Netherlands to Britain after a century and drop Royal Dutch from the name.

Chairman Andrew Mackenzie hailed the "resounding support from shareholders" after they voted 99.77 percent in favour of the plan at a meeting in Rotterdam.

Europe's biggest energy firm says the move will simplify its tax and share arrangements, and speed up its transition from fossil fuels that cause climate change.

The Dutch government has said it was "unpleasantly surprised" by the plan, while Britain has hailed it as a vote of confidence in the British economy post-Brexit.

The move "will strengthen Shell's competitiveness and accelerate both shareholder distributions and delivery of its strategy to become a net-zero emissions energy business by 2050, in step with society," Mackenzie said in a statement.

Source: <https://www.thedailystar.net/business/global-economy/news/shell-shareholders-back-plan-switch-headquarters-uk-2915306>



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