

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

May 12, 2022

No BB Permission Needed to Transfer Fund from FC Account: BB

The Bangladesh Bank on Tuesday clarified that any foreign currency account holder non-resident Bangladeshi or individual residing abroad can take out fund held in their accounts without taking permission from the central bank.

To this end, BB issued a press release on the day saying that non-resident Bangladeshis or persons residing abroad can maintain private foreign currency accounts or non-resident foreign currency deposit accounts with authorised dealer bank branches in Bangladesh under the prevailing foreign exchange regulatory framework.

The foreign currency accounts can be deposited with inward remittances sent from abroad or foreign currency brought in by such persons while visiting Bangladesh, it said.

Incoming persons can bring any amount of foreign currency with them, said BB, adding, 'No declaration to Customs Authority is required for amount up to \$ 10,000 or its equivalent.'

Source: <https://www.newagebd.net/article/170148/no-bb-permission-needed-to-transfer-fund-from-fc-account-bb>



BSEC to Hold Roadshow in Qatar to Attract FDI

The Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Investment Development Authority (BIDA) are going to organise a roadshow in Qatar from May 18 to May 19 to attract more foreign direct investments (FDI).

The roadshow titled 'The Rise of Bengal Tiger: Potentials of Trade and Investment in Bangladesh' will be held at Marsa Malaz Kempinski, The Pearl - Doha.

The roadshow will be organised in partnership with the Ministry of Foreign Affairs and in association with Bangladesh Forum Qatar (BFQ), reports BSS.

Prime Minister's Private Sector Industry and Investment Adviser Salman F Rahman, Foreign Minister Dr AK Abdul Momen, Planning Minister MA Mannan, Commerce Minister Tipu Munshi, BIDA Executive Chairman Md Sirazul Islam, BSEC Chairman Shibli Rubayat-Ul-Islam and some other government and non-government high-ups are expected to join the event.

Source: <https://thefinancialexpress.com.bd/economy/bsec-to-hold-roadshow-in-qatar-to-attract-fdi-1652266253>



TallyKhata Selected for Visa Accelerator Programme

Digital payment service provider Visa has selected digital payments start-up TallyKhata from Bangladesh for the 2022 cohort of its Visa Accelerator Programme in the Asia Pacific.

Joining a select group of five elite startups from across the region, TallyKhata is a leading digital payments platform with wallet and credit capabilities for small and micro-businesses in Bangladesh, a press release said.

It will support financial inclusion by developing new ways for small businesses to access credit lines and working capital.

Over the next six months, the startups will work closely with Visa on creating defined commercial opportunities they can bring to Visa's extensive network of banks, merchants, governments and venture partners.

Through the programme, TallyKhata aims to partner with leading banks in Bangladesh to issue a Visa virtual card for small business working capital to micro merchants.

Source: <https://www.thedailystar.net/business/economy/news/tallykhata-selected-visa-accelerator-programme-3021761>



NSC Sales Drop by 50.29pc in 9 Months

The net sales of national savings certificates dropped by 50.29 per cent or Tk 16,698.52 crore year-on-year in July-March of the fiscal year 2021-2022 as the government has tightened the NSC sale rules to contain people's buying spree of the savings instruments.

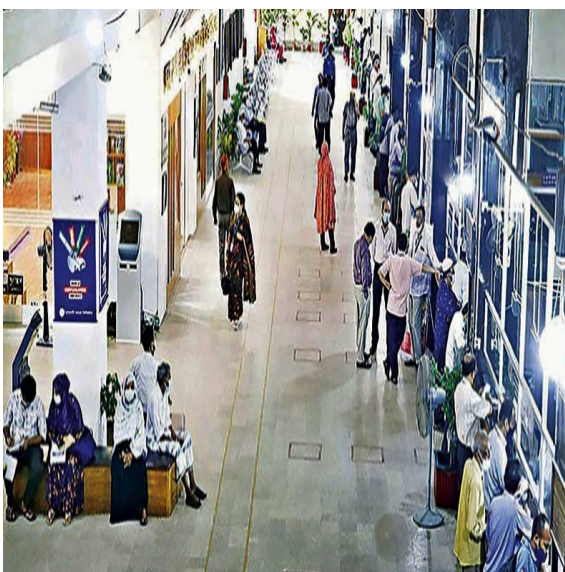
According to Bangladesh Bank data, the net sales of NSCs dropped to Tk 16,504.13 crore in the first nine months of the fiscal year 2021-2022 against Tk 33,202.65 crore in the same period of the previous fiscal year.

In March, the net sales of NSCs dropped by 53.36 per cent or Tk 2,076.56 crore year-on-year.

The net sales dropped to Tk 1,814.72 crore in March 2022 from Tk 3,891.28 crore in the corresponding month of 2021.

Prior to the plunge in FY22, the sales of NSCs were significantly high in the fiscal year 2020-2021 and the surge prompted the government to slap budgetary restrictions.

Source: <https://www.newagebd.net/article/170250/nsc-sales-drop-by-5029pc-in-9-months>



Aman Feed Signs Deal with Star Feed Mills

Aman Feed, a listed animal feed producer, has decided to make an agreement with Star Feed Mills for all works related to feed production.

"Aman Feed will sell this feed through its existing distribution network to all over the country," according to the filing.

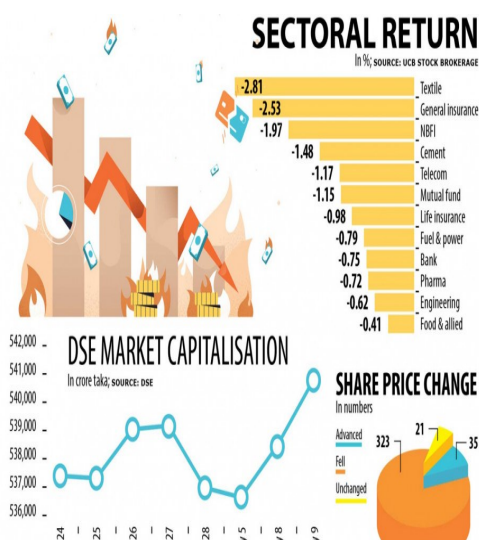
After execution of the agreement the maximum sale volume may increase up to 72000 tonnes and sales amount also will be increased to approximately Tk 3.45 billion during the agreement period, it said.

The company expects its profit will increase by Tk 100 million (approximately) in 12 months, according to the filing.

Following the news, its share price surged by 1.67 per cent to close at Tk 42.60 on Wednesday, despite the market tumbled.

The company's earnings per share (EPS) fell 64.44 per cent to Tk 0.16 for January-March 2022 which was Tk 0.45 for January-March 2021. In nine months for July 2021-March 2022, its EPS was Tk 2.05 as against Tk 2.11 for July 2021-March 2022.

Source: <https://thefinancialexpress.com.bd/stock/aman-feed-signs-deal-with-star-feed-mills-1652328510>



Stocks Take a Dive over Interest Rate Concerns

Dhaka stocks shed 73 points yesterday as investors are plagued by fears of a regulatory intervention in the interest rate ceiling coupled with chances of Russia's war on Ukraine placing the global economy in a tight position amid surging oil prices.

The DSEX plunged 73 points, or 1.10 per cent, to hit 6,591 by the end of the trading session, marking the second consecutive day of decline for the benchmark index of the Dhaka Stock Exchange (DSE).

Besides, the US and UK have warned that their economies may fall into recession, which is cause for concern among local investors as both countries are major export destinations for Bangladesh, according to a top official of a merchant bank preferring anonymity.

CNN ran a report on April 26 saying Deutsche Bank raised eyebrows earlier this month by becoming the first major bank to forecast a US recession, albeit a "mild" one.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-take-dive-over-interest-rate-concerns-3021856>

UK Economy Unexpectedly Shrinks in March as Recession Risks Loom

Britain's economy unexpectedly shrank 0.1% in March after a slump in car sales due to supply-chain problems, marking a weak end to the first quarter of a year when the risk of recession is looming.

Gross domestic product grew by 0.8% in the first three months of 2022, the Office for National Statistics said - below the 0.9% forecast by the Bank of England and the 1.0% expected on average by economists polled by Reuters.

Despite falling short of expectations, the growth between January and March is likely to mark a high point for the year, with consumer spending facing its biggest squeeze in decades.

Last week, the BoE forecast inflation will go above 10% in the final quarter of the year, up from 7% in March, which was already more than three times its 2% target.

"The economy had less momentum than we thought even before the full hit from the cost of living crisis has been felt. The risk of recession has just risen," Paul Dales, chief UK economist at Capital Economics, said.

Source: <https://www.tbsnews.net/world/global-economy/uk-economy-unexpectedly-shrinks-march-recession-risks-loom-418378>



Oil Refinery Workers Caught in Germany's Energy Dilemma

Germany is seeking to ban Russian oil by the end of this year over the war in Ukraine, but workers at the PCK oil refinery outside Berlin are less than happy about the plans.

"We need Russian oil. We have our houses, our families. If (the government) wants to stop it, then the area here will be dead," Thorsten Scheer, 60, told AFP at the refinery in the town of Schwedt, on the border with Poland.

The plant, which employs 1,200 people, exclusively processes Russian crude oil from a branch of the Druzhba pipeline, the world's longest oil pipeline.

It supplies around 90 per cent of the oil consumed in Berlin and the surrounding region, including Berlin-Brandenburg airport, and many local businesses depend on the cash it brings to the area.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/oil-refinery-workers-caught-germanys-energy-dilemma-3021776>



UAE's Non-oil Sector Maintains Solid Growth

The United Arab Emirates' non-oil private sector maintained solid growth in April but inflationary pressures loomed, a survey showed on Monday.

The seasonally adjusted S&P Global UAE Purchasing Managers' Index (PMI) slipped marginally to 54.6 in April from 54.8 in March, remaining above the series average of 54.1 and above the 50.0 mark that separates expansion from contraction.

"Cost pressures remained at their highest level for more than three years, driven by rising fuel and material prices, forcing businesses to raise their selling charges for the first time since July last year. The increase will spur greater concern of an inflationary-led dip in demand, particularly as the positive efforts from the pandemic recovery and Expo 2020 fade," wrote David Owen, economist at survey compiler S&P Global, referring to the Expo world fair hosted by Dubai from October 2021 to March 2022.

Source: <https://www.thedailystar.net/business/global-economy/news/uaes-non-oil-sector-maintains-solid-growth-3020056>



US Retail Gasoline Prices Soar

Retail gasoline prices in the United States rose on Tuesday and hit another all-time record, surpassing one set in March, as global refineries grappled with a bottleneck that has sent prices soaring ahead of driving season.

The average cost of a retail gallon of gasoline hit \$4.374 early Tuesday, according to the American Automobile Association, surpassing the former record of \$4.331.

Since March 30, Brent crude futures have lost 7 per cent, but gasoline futures are up 9.4 per cent, and hit a record on Friday of \$3.7590 per gallon before selling off on Monday.

Refinery closures due to both scheduled maintenance and unplanned upsets have boosted fuel prices even as the United States and other nations have taken steps to boost worldwide crude supply.

Global fuel stockpiles are dwindling as demand has rebounded to pre-pandemic levels. Supplies tightened further following the invasion of Ukraine and subsequent sanctions on Russia from the United States and allies.

Source: <https://www.thedailystar.net/business/global-economy/news/us-retail-gasoline-prices-soar-3020881>



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