

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

August 22, 2021

Banglabandha Land Port Sees Record Revenue

The Banglabandha land port in Rangpur's Panchagarh district collected a record-high amount of revenue in fiscal 2020-21.

About Tk. 61 crore was collected at the port, exceeding its Tk.33-crore target for the year by 83 per cent.

This is the highest amount of revenue collected at the port in the last 10 years, according to officials.

The Banglabandha land port has become a gateway to three neighbouring countries -- India, Nepal and Bhutan.

As a result, the port's potential to conduct trade activities is increasing each year, and so is the government's revenue collection, they said.

Source: Banglabandha land port sees record revenue | The Daily Star



Consumers Saved Tk1.65 lakh crore During Pandemic

Even amid the historic low interest rates of bank deposits, consumers socked Tk1.65 lakh crore away in 2020, the highest in the last five years, thanks to saving tendency in the pandemic time.

Current deposits mostly contributed to higher savings, which reflected that wealth of rich people increased owing to limited spending opportunities amid lockdowns. On the other hand, loan growth was 8.4%, the lowest in the last five years.

As a result, the gap between outstanding deposits and loans widened considerably to Tk2,04,750 crore last year from Tk1,30,740 crore a year ago, according to the financial stability report of the Bangladesh Bank for 2020.

The savings spree continued even in June this year, registering 14.34% year-on-year growth reflecting that consumers have yet to come back to spending, raising a concern of delay in the economic recovery.

Source: Consumers saved Tk1.65 lakh crore during pandemic (tbsnews.net)



City Group to Build Tk. 5,000cr Hi-tech Park

City Group, one of the country's leading consumer goods processor and manufacturer, is to going to build a hi-tech park investing Tk. 5,000 crore to manufacture technology products such as microprocessors, chips, circuits, mobile phones and laptops.

The 115-acre City Hi-Tech Park, which will be developed at Demra of the capital city of Dhaka, also looks to house global tech giants.

"We aim to establish a world-class high-tech park and we look forward to attracting some foreign investors," said Biswajit Saha, director for corporate and regulatory affairs.

There will be all sorts of facilities for recreation and a dormitory. This will create job opportunities for around 15,000 people, said Saha after City Group signed an agreement with Bangladesh Hi-Tech Park Authority at the Pan Pacific Sonargaon Dhaka yesterday.

Source: City Group to build Tk 5,000cr hi-tech park | The Daily Star

AT A GLANCE

- City Group's high-tech park will be the biggest in the private sector
- To be built on **115** acres of land in Demra
- Investment: **Tk 5,000cr**
- Jobs to be created: **15,000**
- Will make: microprocessor, chip, mobile, laptop



EBL Signs Confirming Bank Deal with ADB

Eastern Bank Limited has signed a 'confirming bank' agreement with the Asian Development Bank (ADB) under its trade finance programme.

ADB's private sector operations department senior investment specialist Can Sutken and EBL deputy managing director and treasury, offshore banking and financial institutions head Mehdi Zaman signed the agreement on behalf of respective organizations on Tuesday.

Under the agreement, ADB will issue guarantees to EBL as a confirming bank to cover all or part of the risks arising from add confirmation and/or discounting by EBL of eligible trade finance instruments, issued by selected banks in ADB's developing member countries.

Can Sutken said, 'This is an important step for EBL and ADB to support trade in Bangladesh. This will help EBL to support cross-border trade, which is vital for Bangladeshi companies, especially the small- and medium-sized those are contributing so much to employment.'

Source: EBL signs confirming bank deal with ADB (newagebd.net)

DSE News

Top 10 Companies Snare 22.36pc of Dhaka Stock Turnover

The top 10 companies grabbed 22.36 per cent of the turnover posted by the Dhaka Stock Exchange (DSE) in last week. Riding on investors' increased participation, the companies featured turnovers ranging between Tk. 1.36 billion and Tk. 5.42 billion.

Of the top 10 companies, Beximco posted a total turnover of Tk. 5.42 billion in last week. The company grabbed 5.26 per cent of the weekly turnover posted by the main bourse.

During the week, the company's share price advanced 0.37 per cent to close at Tk.107.90 each.

IFIC Bank posted a turnover of Tk. 3.34 billion in four sessions and grabbed 3.24 per cent of the weekly market turnover.

LafargeHolcim Bangladesh grabbed 1.87 per cent of the weekly turnover after featuring a value of Tk. 1.92 billion.

Source: Top 10 companies snare 22.36pc of Dhaka stock turnover (thefinancialexpress.com.bd)



LankaBangla Finance's Earnings Skyrocket

LankaBangla Finance posted an impressive 2900 per cent increase in its second-quarter (Q2) earnings for April-June 2021, compared to the same period last year, thanks to a bullish capital market and relaxed provisioning norms.

In a filing with the Dhaka Stock Exchange (DSE) on Thursday, the company said its consolidated earnings per share (EPS) rose to Tk. 0.30 for April-June 2021, up from Tk. 0.01 in the corresponding period.

The non-bank financial institution's consolidated EPS for six months until June 30, 2021, also surged to Tk. 0.71 as against Tk 0.14 for the same period of the previous year.

The consolidated net operating cash flow per share (NOCFPS) was Tk. 2.45 for January-June 2021 as against Tk. 1.92 for January-June 2020.

The consolidated net asset value (NAV) per share was Tk. 18.24 as on June 30, 2021 and Tk. 18.73 as on June 30, 2020. EPS and NOCFPS of Q2 2020 have been restated.

Source: LankaBangla Finance's earnings skyrocket (thefinancialexpress.com.bd)



Global: Business

Crypto Exchange Binance Tightens Money-Laundering Checks

Cryptocurrency exchange Binance said on Friday it would demand stricter background checks on customers to bolster efforts against money laundering, with immediate effect, a move that comes after weeks of pressure by regulators globally.

Binance, the world's biggest crypto platform, has faced warnings and business curbs from financial watchdogs from Britain and Germany to Japan, who are concerned over the use of crypto in money laundering and risks to consumers.

The exchange, whose holding company is registered in the Cayman Islands, has scaled back its product offerings and said it wants to improve relations with regulators.

US Treasury Secretary Janet Yellen and European Central Bank President Christine Lagarde were among those this year to voice concerns over crypto money laundering, with other regulators growing concerned with Binance in particular.

The Dutch central bank on Monday said the platform, which processed spot trades worth \$455 million in July, was not in compliance with its anti-money laundering and anti-terrorist financing laws.

Source: Crypto exchange Binance tightens money-laundering checks | The Daily Star



Delta, Fed Dominate Economic Conversation as Stocks Jump

Stocks recovered ground on Friday despite concerns about economic growth amid rising Covid-19 cases, which continued to take its toll on oil prices.

The Dow Jones Industrial Average ended up 0.65 per cent, while the S&P 500 gained 0.81 per cent and the Nasdaq Composite added 1.19 per cent.

However, all three indices ended with weekly losses following a steep mid-week sell-off after Federal Reserve meeting minutes underlined the US central bank's plans to pare back stimulus by year's end.

The MSCI world equity index, which tracks shares in 45 nations, rose 0.43 per cent.

"We are seeing a relief rally in European and US assets today," said Phil Guarco, global investment specialist at JP Morgan Private Bank.

Markets will be watching for any clearer indication on plans for a Fed taper of monthly bond purchases, which minutes showed officials believed would happen this year if the economy recovers as expected.

Source: Delta, Fed dominate economic conversation as stocks jump | The Daily Star

US Oil and Gas Rigs Rise for Third Week

US energy firms this week added oil and natural gas rigs for a third week in a row, as a recovery in oil prices prompted some drillers to return to the wellpad over the past year.

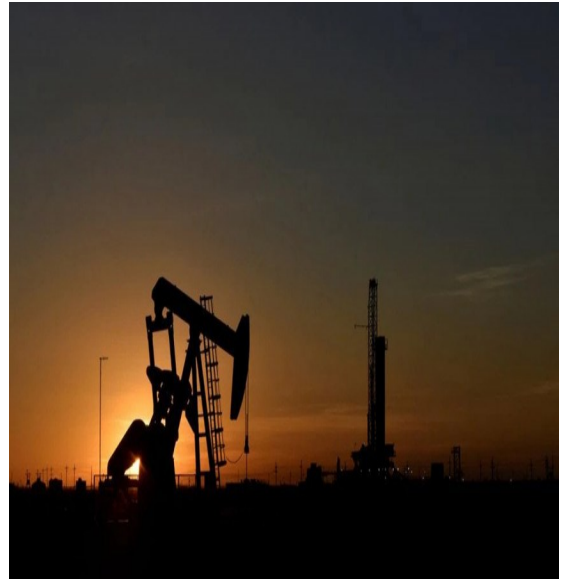
The oil and gas rig count, an early indicator of future output, rose three to 503 in the week to Aug. 20, its highest since April 2020, energy services firm Baker Hughes Co said in its closely followed report on Friday.

That puts the total rig count nearly double from the same period last year, when rig count was 254.

US crude futures were trading around \$63 a barrel on Friday, sliding for a seventh straight session towards three-month lows due to surging Covid-19 Delta variant cases that is hitting travel.

With oil prices up about 29 per cent so far this year, several energy firms have said they plan to raise spending, which however, remains small as most firms continue to focus on boosting cash flow, reducing debt and increasing shareholder returns.

Source: US oil and gas rigs rise for third week | The Daily Star



VW Reins in Production for Chip Shortage

German car giant Volkswagen will slash production at its main plant due to ongoing problems with the global supply of computer chips, a spokesman told AFP on Friday.

Following the summer holidays for workers in Germany, work on the assembly line at the company's facility in Wolfsburg will be "limited" and will have to "adapt to the supply situation", the spokesman said.

Next week, cars will only be produced during the early shift at the factory, while the rest of production will be halted.

Shortages of semiconductors are set to continue, according to the carmaker.

The renewed scarcity is in part the result of "outbreaks of Covid-19, particularly in Malaysia, which have led to factory closures for semiconductor producers", Volkswagen said.

Source: VW reins in production for chip shortage | The Daily Star

Disclaimer

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