

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 14, 2021

Extended Warehouse Facility for Exporters

The National Board of Revenue (NBR) has amended the relevant rules granting the exporters an extended time to avail bonded warehouse facility, as imported raw materials get stuck following external marketing slowdown.

Officials said the board has relaxed rules for export industries across the board so that the businesses could enjoy the facility of duty-free import and warehousing of raw materials smoothly.

Exporters, however, want a year instead of six months in extended period for the facility and also plead for the conditions tagged to the package to be scrapped.

Warehousing period of duty-free products imported under the facility could now be extended following certain conditions under a circular to this effect.

Under bonded-warehouse arrangement for storing imported raw materials, an exporter enjoys duty-free import of the raw materials to manufacture finished products and export to other countries.

Source: <https://thefinancialexpress.com.bd/economy/extended-warehouse-facility-for-exporters-1631587001>



Jatri Raises \$1.2m to Expand Operations

Tech-based transportation platform Jatri has raised \$1.2 million, or nearly Tk. 10.03 crore, in its latest round of fund-raising to expand its operations across the country.

The latest round, termed Pre-Series A, was participated in by Reflect Ventures, Brain-Too-Free Ventures, SBK tech ventures, and prominent global strategic mobility investors. In addition, existing investors took part in the oversubscribed round.

In about two years since its journey began, the company has digitised its operations with thousands of bus partners, transacting over 3.5 million transport tickets over its proprietary platform, it said in a statement.

Jatri is rapidly expanding its operations throughout Bangladesh with double-digit month-to-month growth through strategic government and private-sector partnerships.

Source: <https://www.thedailystar.net/business/economy/news/jatri-raises-12m-expand-operations-2175406>

BB Sets Target for Banks to Disburse CSMSE Loans

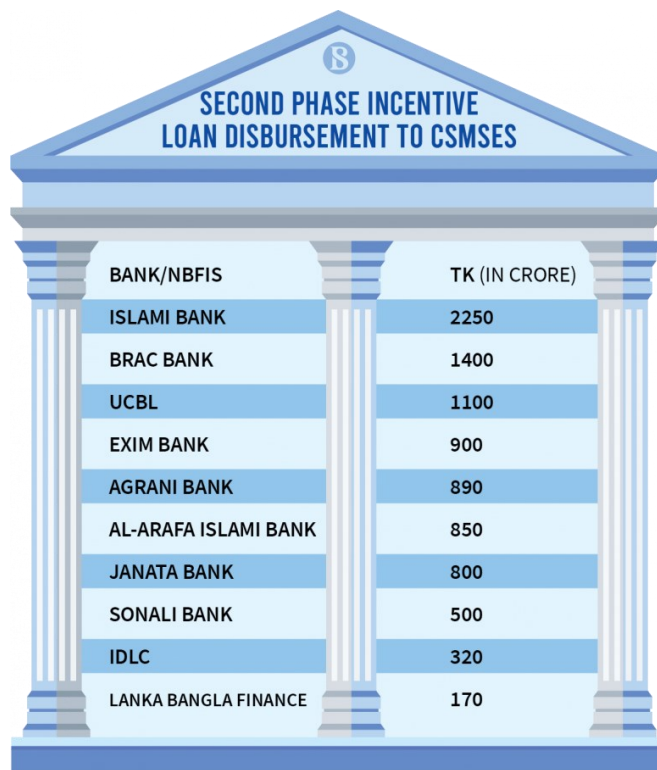
The government under its second phase incentive package, has allotted Tk. 20,000 crore to Covid-19 affected CSMSEs in FY22.

The central bank has set targets for disbursement of the loans for 57 banks and five non-bank financial institutions (NBFIs) in the country.

The banks were given a target of disbursing Tk. 19,345 crore, while the NBFIs will distribute the rest. Of this, the state-owned banks will distribute Tk. 2,770 crore. Moreover, among the state-owned banks, Agrani Bank has been given the highest target of disbursing Tk790 crore, followed by the Janata Bank with Tk. 800 crores.

Under the incentive package, both working capital and term loans will be provided to cottage, micro and small sector entrepreneurs. Only medium sector entrepreneurs will be eligible for working capital loans.

Source: <https://www.tbsnews.net/economy/banking/bb-sets-target-banks-disburse-csmse-loans-302047>



**SECOND PHASE INCENTIVE
LOAN DISBURSEMENT TO CSMSES**

BANK/NBFIS	TK (IN CRORE)
ISLAMI BANK	2250
BRAC BANK	1400
UCBL	1100
EXIM BANK	900
AGRANI BANK	890
AL-ARAFAT ISLAMI BANK	850
JANATA BANK	800
SONALI BANK	500
IDLC	320
LANKA BANGLA FINANCE	170

S Korean Firm to Invest \$4.15m in Mongla EPZ

South Korean company JD Creation Ltd will invest \$4.15 million in Mongla Export Processing Zone to establish an industrial unit to manufacture camping items, garments, tents and garment accessories.

Once complete, the fully foreign-owned company will annually produce 4.85 million pieces of camping equipment, such as sleeping bags, backpacks, and hats alongside woven garment items like shirts, jackets, and about 2 million yards of printing, embroidery, string and elastic bands.

The project is JD Creation's second venture in the country, where it has operated an electronics and electrical goods production unit called U-jin Led Co (BD) at the Chattogram Export Processing Zone since 1989.

The project will create employment opportunities for around 2,000 people in the country, Bepza said in a statement.

Source: <https://www.thedailystar.net/business/economy/news/s-korean-firm-invest-415m-mongla-epz-2175336>





Dhaka Stocks Return to Positive Zone

Dhaka stocks increased on Monday after a fall in the previous session as some investors went for buying shares while many others preferred to remain on the sideline to observe the next market movement.

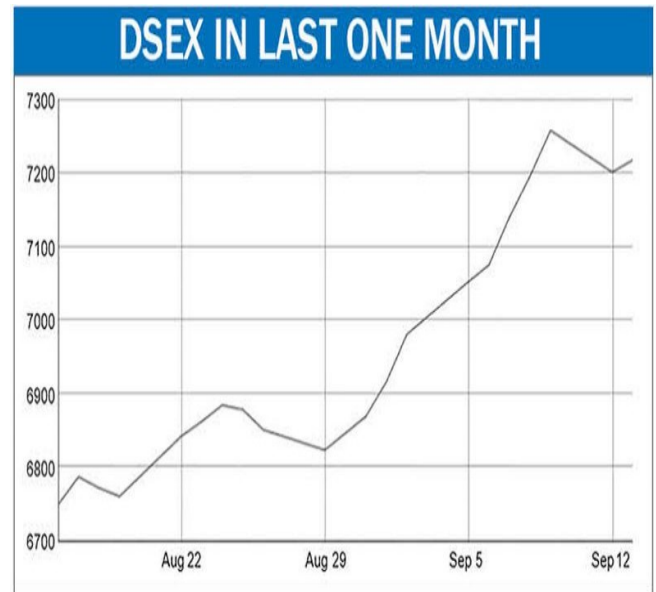
DSEX, the key index of the Dhaka Stock Exchange, added 0.22 per cent, or 15.96 points, to close at 7,218.05 points on Monday after losing 56.65 points in the previous session.

The market was choppy throughout Monday's session as investors were active on both sides of the trading fence, market operators said.

They said that some investors remained optimistic about the continued rise in share prices and went on buying shares to make profits.

A section of investors, however, preferred profit booking after a sharp rise in share prices of most of the companies, they said.

Source: <https://www.newagebd.net/article/149020/dhaka-stocks-return-to-positive-zone>



Mostafa Metal's QIO Subscription from 26 Sep

Share subscriptions of Mostafa Metal Industries Ltd for a qualified investor offer (QIO) will begin on 26 September and continue until 30 September, according to a Dhaka Stock Exchange (DSE) circular on Monday.

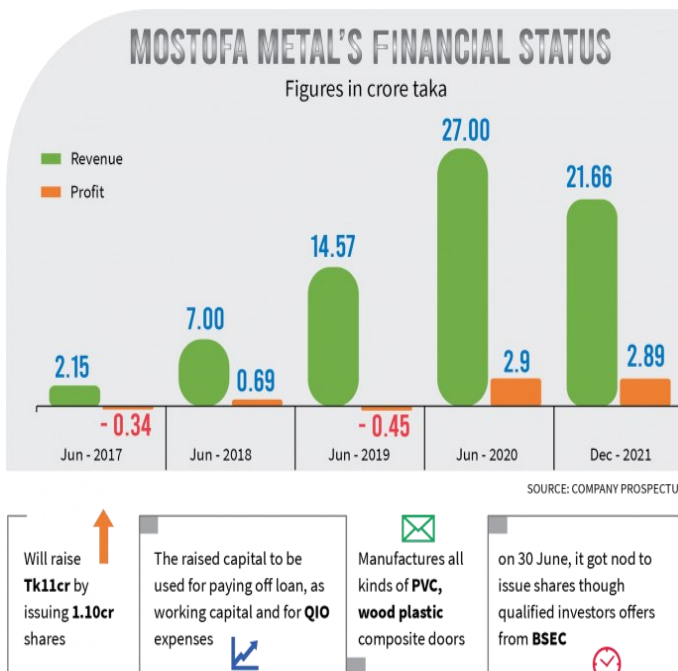
The company will raise Tk11 crore, issuing 1.10 crore shares at a face value of Tk10 each for loan payment, working capital, and meeting initial public offering expenses.

With the QIO, Mostafa Metal will be listed on the small and medium enterprise board of the DSE.

According to the DSE notification, individual investors investing a minimum of Tk1 crore in the market will be deemed qualified investors.

As per the company prospectus, its revenue stood at Tk21.66 crore as of 31 December last year, while net profit was Tk2.89 crore.

Source: <https://www.tbsnews.net/economy/stocks/mostafa-metals-qio-subscription-26-sep-302032>



India Cuts Import taxes on Vegetable Oils to Calm

India has cut base import taxes on palm oil, soyoil and sunflower oil, according to a government notification, as the world's biggest vegetable oil buyer tries to cool near-record price rises.

The reduction in taxes could bring down prices of the edible oils in India and boost consumption, effectively increasing overseas buying by the south Asian country.

The base import tax on crude palm oil has been slashed to 2.5 per cent from 10 per cent, while the tax on crude soyoil and crude sunflower oil has been reduced to 2.5 per cent from 7.5 per cent, the government said in a notification late on Friday.

After the cuts, crude palm oil, soyoil and sunflower oil imports will be subject to a 24.75 per cent tax in total, including a 2.5 per cent base import duty and other taxes, while refined grades of palm oil, soyoil and sunflower oil would carry a 35.75 per cent tax in total.

Source: <https://www.thedailystar.net/business/global-economy/news/india-cuts-import-taxes-vegetable-oils-calm-prices-2175376>



Aluminium Price Hits \$3,000 a Tonne



The price of aluminium hit exactly \$3,000 a tonne in trading on Monday, the metal's highest level for 13 years, with tight supplies worsened by the recent military coup in Guinea.

Aluminium prices had already been soaring before the coup struck at the start of the month, rising by about 40 per cent since January as global economic activity bounces back from the Covid trough.

'It's all about supply problems driving aluminium prices ever higher,' Commerzbank analyst Daniel Briesemann told AFP.

Pushing prices higher are also rising electricity prices in China, which has led to a sag in production at a number of foundries in its western Xinjiang region.

Guinea possesses the world's largest reserves of bauxite, the reddish or grey rock, whose aluminium oxide is smelted into aluminium.

Source: <https://www.newagebd.net/article/149026/aluminium-price-hits-3000-a-tonne>

Britain Announces Biggest Auction Round in Renewable Energy

The British government announced on Monday the biggest auction round of its renewable energy scheme, hoping to build up enough extra offshore wind capacity to power about 8 million homes.

Under its Contracts-for-Difference (CfD) scheme, qualifying projects are guaranteed a minimum price at which they can sell electricity. CfD contracts are offered to power generation companies at auction.

The scheme, launched in 2014, is the government's primary method of encouraging investment in low-carbon generation in Britain. The latest round, its fourth, aims to double renewable electricity capacity secured compared to the third round, when Britain allocated 5.8 gigawatts (GW), and to secure more new capacity than the previous three rounds combined, the government said.

The latest round will provide 200 million pounds (\$277 million) to support offshore wind projects and ensure Britain hits a target of 40 GW of installed capacity by 2030, up from 10.4 GW at present, the government added. It will also offer 55 million pounds to support emerging renewable technologies, with 24 million pounds reserved for floating offshore wind projects. Offshore wind turbines are now usually fixed to the seabed.

Source: <https://www.thedailystar.net/business/global-economy/news/britain-announces-biggest-auction-round-renewable-energy-2175371>



UK Employers, Stung by New Levies, Call for Overhaul of Tax System

The Confederation of British Industry urged Sunak to "flip business taxation on its head" when he sets out new tax proposals and a three-year spending plan on Oct. 27.

"The lack of detail and pace from the government on some of the big economic choices we must make as a country are the biggest concerns for business," CBI Director General Tony Danker said in excerpts of a speech to be delivered later on Monday.

Danker told Sunak to stop hitting companies that invest in making their premises less carbon-intensive with increased property tax payments, a quirk of the business rates system.

The CBI and other employer groups protested last week that jobs would be lost after the government said it would increase social security contributions to fund social and health care.

Source: <https://www.tbsnews.net/world/global-economy/uk-employers-stung-new-levies-call-overhaul-tax-system-301780>

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