

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 10, 2022

NBR Relaxes Rules for Machinery Import for Govt Project

The National Board of Revenue (NBR) has eased some rules in importing machinery, parts and equipment for use in government projects.

The customs department of NBR, the central authority for tax administration, issued a circular on 27 January in this regard.

They said the old rules were complicating the processes of approving machinery import and returning those after the completion of a project. This would also lead to an increase in project expenses.

Under the new rules, machinery and equipment imported for a project may be used for other projects subject to permission. However, this will only happen if the managers of both projects do not have any objections. In addition, all liabilities including bank guarantees will have to be borne by the receiver project implementing authority.

Source: <https://www.tbsnews.net/nbr/nbr-relaxes-rules-machinery-import-govt-project-368716>



MCCI Demands Rational Corporate Tax Rate



The Metropolitan Chamber of Commerce and Industry on Wednesday urged the government to set a rational corporate tax rate in the national budget for the forthcoming fiscal year of 2022-23.

At a pre-budget discussion with the National Board of Revenue at the NBR office in the capital, the MCCI said that the government reduced the corporate tax by 2.5 percentage points in the last two budgets but the rate was still higher than that in neighbouring India and Vietnam.

It demanded that the NBR bring the rate down to 30 per cent from 35 per cent.

To get the 7 per cent source tax from a public company, it should have to be net profit over 31.11 per cent and for a private company the profit should be over 23.33 per cent, which is a challenging task as the goods prices on the global market is rising due to the Covid crisis, it said.

Source: <https://www.newagebd.net/article/162312/mcci-demands-rational-corporate-tax-rate>

Tea Consumption Overcoming Lockdown Slump

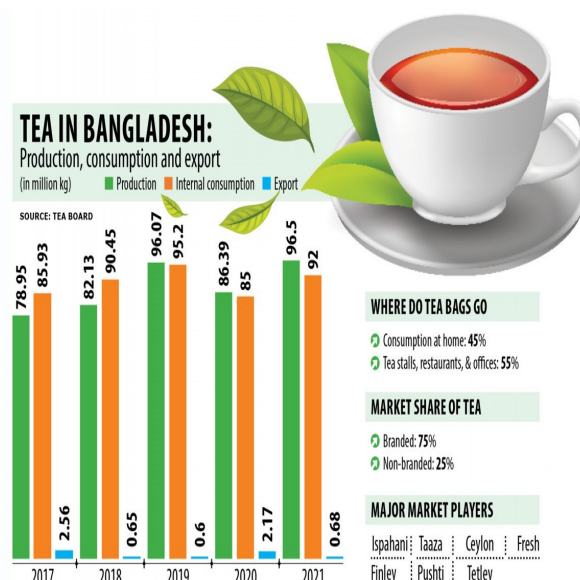
Tea sales in Bangladesh are inching towards the pre-pandemic level as people shake off Covid-19 jitters to take a sip at their beloved drink outside of their homes where most consumption takes place.

The pandemic-enforced lockdowns compelled hotels, restaurants, tea stalls, and offices across the country to shut their operations from late March to early June 2020. The lockdown and the fear of catching the deadly virus from eating outside prompted consumers to rely most on tea made at home. As a result, overall consumption took a hit.

As the coronavirus situation has improved, the consumption of tea is increasing. "Most people like to take tea outside of their home," Shah Moinuddin Hasan, general manager of Ispahani Tea Ltd, told The Daily Star.

In Bangladesh, 45 per cent of tea is consumed at the household level while the rest at tea stalls, restaurants, and offices.

Source: <https://www.thedailystar.net/business/economy/news/tea-consumption-overcoming-lockdown-slump-2958611>



Bangladeshi Entities Win 21 SAFA Awards

Different Bangladeshi companies and entities collectively won 21 awards at the SAFA Best Published Annual Reports Award Competition 2020.

The annual reports presented by Bangladeshi firms topped the list in 12 of the 16 categories for SAARC countries, among which some 58 awards were distributed.

The awards given by the South Asian Federation of Accountants (SAFA) are considered the most prestigious accolade for financial reporting in countries of the South Asian region.

The SAFA represents over 375,000 accountants having membership with the national chartered accountancy, and cost and management accountancy institutions in South Asian countries, namely Bangladesh, India, the Maldives, Nepal, Pakistan, Sri Lanka, and Afghanistan.

Bank Asia of Bangladesh won in the overall category. Rupali Bank of Bangladesh and Pakistan's Fauji Fertiliser Company were joint first runners up. The second runner-up was Bangladesh's Shahjalal Islami Bank.

Source: <https://www.thedailystar.net/business/economy/banks/news/bangladeshi-entities-win-21-safa-awards-2958581>

OVERALL WINNERS IN SOUTH ASIA

Bangladesh	Bank Asia Ltd	Winner
Bangladesh	Rupali Bank Ltd.	Joint 1st Runner Up
Pakistan	Fauji Fertiliser Company Limited	Joint 1st Runner Up
Bangladesh	Shahjalal Islami Bank Ltd	2nd Runner Up

Dacca Dyeing Profit Jumps 188% in Q2

The Dacca Dyeing and Manufacturing Company – one of the oldest home textile makers in the country – reported a 188% jump in profit to Tk3.63 crore in the October-December quarter of fiscal 2021-22.

Launched in 1963, the company is currently operating under the QC Group. Its board of directors includes Gias Uddin Quader Chowdhury, Samir Quader Chowdhury, Samiha Quader Chowdhury, and Sajia Quader Chowdhury.

All of them are relatives of former Bangladesh Nationalist Party (BNP) leader Salahuddin Quader Chowdhury who was executed for crimes against humanity committed during the 1971 Liberation War.

In the second quarter of FY22, the company's revenue grew by 109% to Tk22.94 crore compared to the previous year's Q2.

At the end of the first half of FY22, its revenue stood at Tk42.20 crore, profit Tk6.34 crore, and earnings per share Tk0.73.

Source: <https://www.tbsnews.net/economy/stocks/dacca-dyeing-profit-jumps-188-q2-368689>



BSC Leads DSE Turnover Chart for Second Day

Bangladesh Shipping Corporation dominated the Dhaka Stock Exchange's turnover list for the second straight session on Tuesday while ten most-traded stocks accounted for 30 per cent transactions.

According to the DSE data, some 5.08 million shares of Bangladesh Shipping Corporation were traded, generating a turnover of Tk 706 million, which was 4.97 per cent of the day's total turnover.

The shipping corporation's share price, however, fell 4.34 per cent to close at Tk 136.70 on Tuesday. Its share price plunged 7.76 per cent in the past two consecutive sessions after rising 'abnormally' in the recent times.

In the past one and a half months until February 6, the state-run listed entity's share price jumped over 200 per cent or Tk 98.80 each to reach at Tk 148.20, riding on higher profits.

The state-run corporation has reported a 73.67 per cent increase in its net profit during the fiscal year (FY) 2020-2021 to Tk 719.9 million thanks to a surge in shipping fares, and a decrease in ship operating costs.

Source: <https://thefinancialexpress.com.bd/stock/bsc-leads-dse-turnover-chart-for-second-day-1644377947>



India's Cenbank Must Focus More on Inflation

Indian debt traders have dismissed government officials' concerns about bonds being mispriced, saying they reflected fundamentals but the central bank was behind the curve, and urged steps to fight inflation at Thursday's policy meeting.

While high global crude prices, tightening in other markets and potential rate increases by the US Fed weigh on sentiment, investors turned more bearish on Indian bonds after the government unveiled a record market borrowing plan last week.

The benchmark 10-year bond yield spiked to a 2-1/2-year high after the government announced a borrowing target of 14.95 trillion rupees (\$199.84 billion) for the next fiscal year.

Source: <https://www.thedailystar.net/business/global-economy/indian/news/indias-cenbank-must-focus-more-inflation-2958551>



Germany's Trade Surplus Fell in 2021

Germany's trade surplus narrowed for the fifth year in a row in 2021, official data showed Wednesday, as a global supply crunch hampered exports, including in its key auto sector.

The trade balance of Europe's biggest economy showed a surplus of 173.3 billion euros (\$197.9 billion) last year, down from 180.4 billion euros in 2020, the federal statistics office Destatis said in a statement.

Germany's is known for its export-driven economy, with the country usually racking up a trade surplus, where it exports more than the value of its imports.

While the industrial nation's exports of nearly 1.4 trillion euros in 2021 exceeded imports of 1.2 trillion euros, imports grew faster — by 17 per cent — than exports which rose by 14 per cent, Destatis calculated.

In December, the trade surplus was down on a seasonally adjusted basis to 6.8 billion euros from 10.9 billion euros in November.

In gross figures, the trade surplus was still down at seven billion euros.

The narrowing of the trade surplus was down to a stronger increase in imports in December, up 4.7 per cent to 110 billion euros, than the growth in exports, which rose only 0.9 per cent to 117 billion euros.

The United States maintained first place as the top destination for German exports ahead of China, while at the same time China remained the largest source for imports, ahead of the Netherlands in second place.

Germany's economy relies heavily on its exports from industries ranging from the auto sector to chemical products to machines.

Source: <https://www.newagebd.net/article/162302/germanys-trade-surplus-fell-in-2021>

Oil Slips from Seven-year High

Oil slipped to about \$91 a barrel on Tuesday before a resumption of indirect talks between the United States and Iran, which could revive an international nuclear agreement and allow more oil exports from the OPEC producer.

A deal could return more than 1 million barrels per day (bpd) of Iranian oil, equating to more than 1 per cent of global supply, to the market. The nuclear talks are due to resume in Vienna on Tuesday.

Brent crude was down \$1.45, or 1.6 per cent, at \$91.24 a barrel by 1430 GMT after hitting a seven-year high of \$94 on Monday. US West Texas Intermediate crude fell by \$1.09, or 1.2 per cent, to \$90.23.

"If sanctions against Iran are lifted, global crude oil supply may receive much-needed support," said Naeem Aslam, chief market analyst at Avatrade.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/oil-slips-seven-year-high-2957746>



Sri Lanka Signs \$500m Credit Line for Fuel with India

Sri Lanka signed a \$500 million credit line with India to import fuel on Wednesday, officials said, as the island nation seeks to stave off rolling power cuts amid a foreign exchange crisis that has hampered purchases of diesel for power plants, Reuters reports.

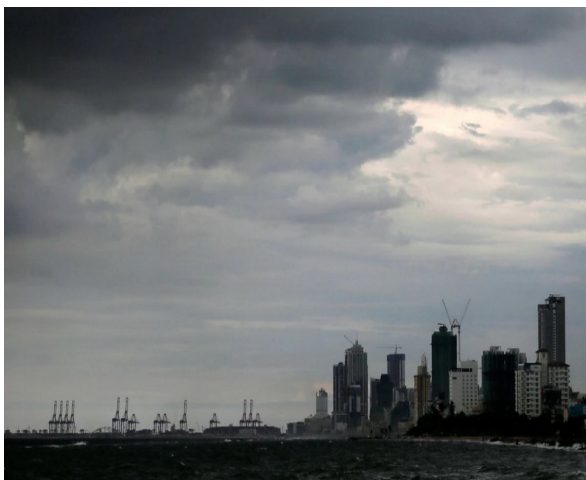
The Export-Import Bank of India (EXIM) will provide the credit line for purchasing petroleum products, India's High Commission in Sri Lanka's main city Colombo said on Twitter.

Sri Lanka is struggling with its worst financial crisis in years with reserves hitting \$3.1 billion in December. The country has to repay about \$4 billion in debt repayments this year. [read more](#)

It expects to receive another \$1 billion credit line from India to purchase essential goods, including food and medicine, by the end of February or early March, Finance Minister Basil Rajapaksa said.

"Our priority is to get external debt on track this year. This fuel credit line will support our efforts," Rajapaksa told reporters. "We expect the second credit line of \$1 billion to come through by end of February or first week of March."

Source: <https://thefinancialexpress.com.bd/economy/sri-lanka-signs-500m-credit-line-for-fuel-with-india-1643862823>



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