

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

March 14, 2022

ADB to Aid in Bangladesh's Post-pandemic Recovery

Bangladesh and Asian Development Bank (ADB) at a tripartite portfolio review meeting (TPRM) today agreed actions to further accelerate implementation of ADB-assisted projects for boosting socio-economic recovery.

Kenichi Yokoyama, director general for ADB's South Asia Department, in his opening remarks appreciated macroeconomic management and policies of Bangladesh for expeditious socio-economic recovery from the Covid-19 pandemic.

With a positive outlook after the Covid-19 pandemic, Edimon Ginting encouraged all to set higher expectations and project targets for 2022.

"Faster project implementation will not only improve the public service delivery but will also help accelerate socio-economic recovery from the pandemic-induced losses," Ginting added.

Source: <https://www.thedailystar.net/business/economy/news/adb-aid-bangladesh-post-pandemic-recovery-2982146>



WB Presents its Areas of Interest for Future Projects in Bangladesh

The World Bank is keen to work with Bangladesh in areas like energy security, energy efficiency, a regional power market that Dhaka is very interested in, energy exchange and policy reforms.

The multilateral financing agency made the proposal when its regional director Guangzhe Chen met state minister for power, energy and mineral resources Nasrul Hamid at his office in the ministry on Sunday.

At present, five projects are being implemented with the finance of the World Bank while discussions are in progress for some more new projects in the country's power and energy sector.

Expansion of transmission lines, improvement in voltage and power factor, increasing energy efficiency and enhancing the stake of clean energy are the areas the World Bank has scope to work on, said a ministry release.

Source: <https://www.newagebd.net/article/165292/wb-presents-its-areas-of-interest-for-future-projects-in-bangladesh>



Swiss Investment to Bangladesh Reaches \$1.3b

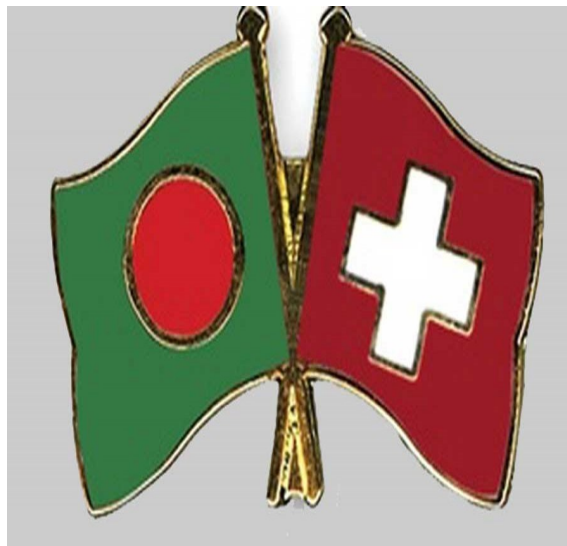
Switzerland has invested over 1.3 billion US dollars (CHF 1.2 billion) in development assistance in Bangladesh, with significant additional contributions channelled through international financial institutions, said Swiss President, Mr. Ignazio Cassis, in a message on Sunday.

He sent the message on the occasion of the 50th anniversary of diplomatic relations between the Swiss Confederation and Bangladesh, said a spokesperson of the Swiss Embassy in Dhaka.

Switzerland and Bangladesh celebrate 50 years of friendship on Sunday (13 March 2022) as the day marks the 50th anniversary of diplomatic relations between the two countries.

To commemorate this very significant milestone, the President of the Swiss Confederation, Mr. Ignazio Cassis, extended his greetings to the President of the People's Republic of Bangladesh Md. Abdul Hamid, and the Prime Minister Sheikh Hasina.

Source: <https://thefinancialexpress.com.bd/economy/swiss-investment-to-bangladesh-reaches-13b-1647166266>



70.20 Lakh Prepaid Electricity metres to be set in 2023-24

As part of the government campaign to ensure uninterrupted power supply, 70.20 lakh prepaid metres will be installed during the next financial year 2023-2024.

Official familiar with the process said the government would bring all 4.19 crore electricity subscribers under prepaid metering system in phases, while it installed 46,77,658 metres across the country.

'Prepaid metres would make an effective contribution to the economical use of electricity and gas,' state minister for power, energy and mineral resources Nasrul Hamid told BSS recently.

He said that the government plans a move to install 4.19 crore prepaid metres to ensure cent percent prepaid metering system in phases to reduce the system loss, ghost billing, consumers' sufferings and other anomalies in the power sector.

Six power distributor companies under the power division have been working to install prepayment metres across the country, Nasrul added.

Source: <https://www.newagebd.net/article/165281/7020-lakh-prepaid-electricity-metres-to-be-set-in-2023-24>



Linde Proposes a 550% Cash Dividend – the Highest in Seven Years

Linde Bangladesh Limited, the leading industrial and medical gas producer in the country has recommended a 550% cash dividend for its shareholders for 2021 – the highest in the last seven years.

The multinational company will hold an annual general meeting (AGM) via a virtual platform on 12 May to secure approval from shareholders regarding the proposed dividend. The record date to determine investors for the AGM will be 31 March.

Despite the higher dividend declaration, its share price fell 1.98% to close at Tk1,551.70 each on the Dhaka Stock Exchange on Sunday.

Last year, its earnings per share jumped to Tk80.34, which was Tk77.70 in 2020, due to an increase in consumption of industrial gas and medical oxygen.

Its net asset value per share increased to Tk395.55 at the end of December, from Tk355.75 a year ago.

Source: <https://www.tbsnews.net/economy/stocks/linde-proposes-550-cash-dividend-highest-seven-years-384319>



Stocks Continue Recovery into Fourth Session

Dhaka and Chittagong stocks were on the recovery path for the fourth consecutive session on Sunday thanks to a minor correction in global crude oil prices and the regulatory disruptions.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), surged 97.6 points, or 1.5%, to settle at 6,766.

The market began to recover from a sharp dip last week as soon as the Bangladesh Securities and Exchange Commission (BSEC) announced no stock can fall by more than 2% in a day, while the upper circuit breaker remained the same – at 10%.

The regulator also had meetings with different stakeholders urging them not to go for panic selling instead of buying undervalued stocks.

Most of the sectors displayed positive performance, out of which ceramic, cement and services sectors gained more than 3%.

Source: <https://www.tbsnews.net/economy/stocks/stocks-continue-recovery-fourth-session-384322>



France to Offer Fuel Rebate

France is to introduce a rebate of 0.15 euros (\$0.16) per litre of transport fuel to help drivers cope with soaring pump prices, Prime Minister Jean Castex said in an interview with daily newspaper Le Parisien.

The measure, to apply for four months from April 1, is expected to cost the government just over 2 billion euros, he said.

Retail gasoline and diesel prices soared to record highs in many countries across the world this week as Russia's invasion of Ukraine added to market tensions, after economies had begun recovering from the coronavirus pandemic.

A gesture of support for French motorists had been flagged by President Emmanuel Macron, who is campaigning for a second term in elections next month.

Source: <https://www.thedailystar.net/business/global-economy/news/france-offer-fuel-rebate-2982321>



Fed Set to Hike Rates to Tame Inflation

Surging prices for fuel, food and housing have sent US inflation to the highest in four decades, and the Russian invasion of Ukraine has made the situation worse, so the Federal Reserve is preparing to take action this week.

But the central bank's efforts to put out the inflation fires will be complicated by the prospect the war and wide-ranging sanctions imposed on Russia will disrupt trade flows and undermine the US economic recovery.

The policy-setting Federal Open Market Committee holds its two-day policy meeting this week, with an announcement set for Wednesday when it is poised to begin raising the benchmark lending rate that was cut to zero at the start of the Covid-19 pandemic in March 2020.

That would be the first in a series of rate hikes, but amid the rising uncertainty, some economists think policymakers may move less aggressively than previously expected as they weigh the competing forces on the economy.

Source: <https://www.thedailystar.net/business/global-economy/news/fed-set-hike-rates-tame-inflation-2982371>



Thailand's Economy Rebounds in Q4

Thailand's economy rebounded in the fourth quarter of last year on the back of rising exports and the easing of coronavirus restrictions that allowed tourists to return, senior officials said Monday.

The 1.9 per cent on-year expansion was more than double what was forecast and marked a strong bounce after a 0.2 per cent contraction in the previous three months.

For the whole year the economy grew 1.6 per cent, according to the National Economic and Social Development Council, and also beat expectations.

South East Asia's second largest economy was hit with a 6.1 per cent contraction in 2020 -- its worst economic performance since the 1997 Asian Economic Crisis.

The NESDC said it saw growth of 3.5-4.5 per cent this year as tourism picks up and government spending kicks in.

Source: <https://www.thedailystar.net/business/global-economy/news/thailands-economy-rebounds-q4-2967516>



Gold Bid, Stocks Dumped further

Russia's invasion of Ukraine saw investors scrambling for the safety of gold and the protection of inflation hedges as weeks of brinkmanship came to a head on Thursday.

While market participants had been bracing for some form of aggression on Russia's part, Thursday's attack that brought explosions even in the Ukrainian capital of Kyiv, and across the country, made the war real for market participants.

Trader playbooks seemed to change from one that was built around the possibility of a diplomatic resolution to the crisis, to what had at one point been a tail-risk, or extreme, scenario.

"It looks pretty clear that they are moving toward Kyiv, which was always one of the worst case scenarios, because we now have a long night ahead of us trying to understand how bad this gets, and what sanctions get put up," said Chris Weston, head of research at brokerage Pepperstone in Melbourne.

Source: <https://www.thedailystar.net/business/global-economy/news/gold-bid-stocks-dumped-further-2970031>



Disclaimer

The above is a summary of important business news published in the leading daily newspapers of Bangladesh. Please note that the news summary doesn't reflect the opinion of Alliance Capital Asset Management Limited (ACAML). Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. This report is intended for distribution in only those jurisdictions in which Alliance Capital Asset Management Ltd. is liable and any distribution outside those jurisdictions is strictly prohibited.

Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com