

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 01, 2021

Naogaon Plastic Mat Industry Booming

For the last five years, machine-made plastic mat industries have been growing in the Naogaon district as plastic mats have become more popular among people across the country, replacing the traditional cane (pati beth) mats.

Plastic mats are softer, long-lasting and more comfortable and available in diverse colours, designs and shapes, which attract customers from villages to cities. Mat factory owners said government patronisation can help the sector grow further.

Thanks to the popularity of plastic mats, at present there are 17 mat factories in the district where more than 300 workers are employed. Mats worth Tk15-20 lakh are produced here daily and sent to various districts.

Traders said mat prices range from Tk45 to Tk330 in the wholesale market depending on the size, design and shapes. Retail sellers can make a profit of Tk50-Tk100 per mat. The main raw material for producing mats is plastic pellets which cost Tk75-Tk80 per kilogram. Besides, various types of colours are used which cost Tk800-Tk900 per kilogram.

Source: <https://www.tbsnews.net/economy/naogaon-plastic-mat-industry-booming-323569>



2 Chinese Lenders for Dhaka Elevated Expressway Granted Tax Exemption

The National Board of Revenue (NBR) has exempted income tax on interest on loans taken from Chinese banks for the Dhaka Elevated Expressway construction project.

Hence the Export-Import Bank of China and the Industrial and Commercial Bank of China do not have to pay income tax on the interest received on the loan given in the project.

The SRO states that as per the USD Term Facility Agreement signed in 2019 for implementation of the project by First Dhaka Elevated Expressway Company Limited, the interest on foreign loans taken from the two institutions has been exempted from income tax at source for the term period mentioned in the agreement.

Source: <https://www.tbsnews.net/economy/2-chinese-lenders-dhaka-elevated-expressway-granted-tax-exemption-323503>

Treasury Bonds hit a Milestone of Multiple Trading

Treasury bonds hit a milestone by being traded multiple times for the first time at the Chittagong Stock Exchange (CSE) on Sunday.

The port city bourse arranged the piloting of the multiple trading of government-owned treasury bonds to observe if any technical issues arise or not.

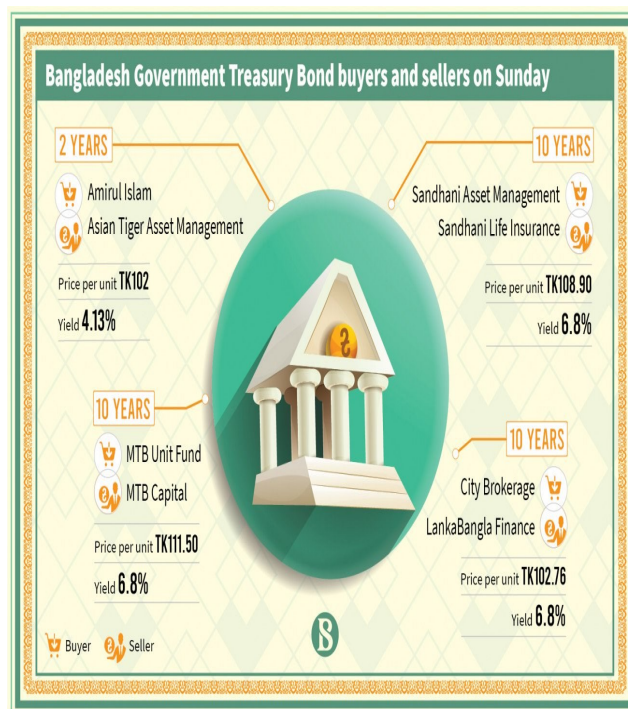
On that day, four bonds with the tenure of two years and 10 years changed hands.

At present, there are 264 treasury bonds worth more than Tk2.5 lakh crore with their tenures ranging from two years to 20 years, data from the central bank showed.

Out of which, 222 treasury bonds with tenures from 2-20 years are listed on the stock exchanges. But since 2005, no bonds were traded on the secondary market of the stock exchanges.

Experts said the problems related to the settlement of the trading of treasury bonds and a higher tax had prevented the government securities from being traded on the exchanges.

Source: <https://www.tbsnews.net/economy/stocks/treasury-bonds-hit-milestone-multiple-trading-323509>



DBH Profit Grows 49% in 3 Quarters

Delta Brac Housing Finance Corporation (DBH) has posted a 49% growth in net profit in the January-September period this year riding on gains from capital market investments and a significant decline in cost of funds.

The non-bank financial institution said on Sunday its profit rose to Tk81.12 crore, from Tk54.57 crore in the same period the previous year.

In the first nine months, the earnings per share (EPS) stood at Tk4.58, which was Tk3.08 last year.

According to its financials, the bank's net interest income increased by 16% to Tk23.06 crore thanks mainly to a drop in the cost of funds. Its investment income rose to Tk10.22 crore, against Tk59 lakh only in 2020.

It also said it earned Tk4.07 crore more from fees and charges during the first nine months this year over the same period last year.

Source: <https://www.tbsnews.net/economy/stocks/dbh-profit-grows-49-3-quarters-323485>



GPH Ispat Rakes in Record Profit since Listing

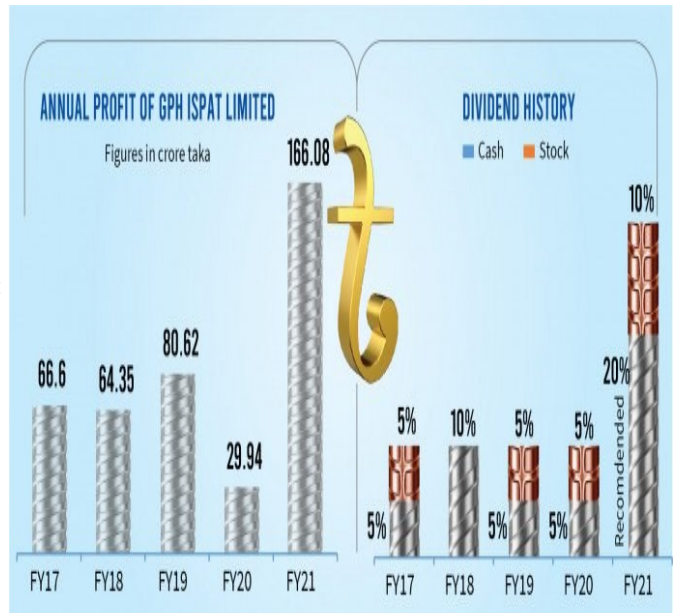
Leading steel manufacturer GPH Ispat registered a record 454% profit last year since its share market listing in 2012, thanks to a combination of introducing new products, capacity expansion and ramping up export to China even amid the pandemic rampage.

The steel-maker logged Tk166.08 crore profit in the 2020-21 fiscal year as its earnings per share (EPS) stood at Tk4.18, according to a GPH disclosure.

As the company witnessed the record profit jump, it has recommended a 30% (20% cash and 10% stock) dividend for its shareholders – which is 20% higher than the previous 2019-20 fiscal year.

The company says the bonus shares have been recommended to utilise the retained amount for capacity expansion.

Source: <https://www.tbsnews.net/economy/stocks/gph-ispata-rakes-record-profit-listing-323524>



Robi's Earnings Jumps by 112.5pc in Q3

Robi, the country's second-largest telecom operator, has ended the third quarter of the year with a 112.5 per cent jump in earnings.

The shares of Robi rose 1.5 per cent to their highest level since Oct 18, while the country's benchmark index declined.

Consolidated earnings per share rose to Tk 0.17 in the July-September quarter from Tk. 0.08 a year earlier, Robi said in a stock exchange filing on Sunday. Consolidated net operating cash flow per share improved to Tk 4.49 in the January-September period from Tk 4.02 a year earlier.

Compared to the first nine months of 2020, Robi's net profit in the same period this year grew by 44.3 per cent to Tk 1.67 billion, reports bdnews24.com.

Robi's subscriber base grew by 5.8 per cent from the same quarter last year. The company's revenue reached Tk 20.85 billion following a rise of 2.7 per cent from the second quarter. Robi's earnings before interest, taxes, depreciation, and amortisation or EBITDA stood at Tk 8.61 billion in the third quarter, a rise of 0.8 per cent from the last quarter and a 9.3 per cent leap from the same quarter last year.

Source: <https://thefinancialexpress.com.bd/stock/robis-earnings-jumps-by-1125pc-in-q3-1635684535>



G20 Leaders Endorse Global Minimum Corporate Tax Deal for 2023 Start

Leaders of the world's 20 biggest economies (G20) will endorse an OECD deal on a global minimum corporate tax of 15%, draft conclusions of the two-day G20 summit showed on Saturday, with a view to have the rules in force in 2023.

"We call on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting to swiftly develop the model rules and multilateral instruments as agreed in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023," the draft conclusions, seen by Reuters, said.

In October, 136 countries reached a deal on a minimum tax on global corporations, including internet giants like Google, Amazon, Facebook, Microsoft or Apple to make it harder for them to avoid taxation by establishing offices in low-tax jurisdictions.

Source: <https://www.tbsnews.net/world/global-economy/g20-leaders-endorse-global-minimum-corporate-tax-deal-2023-start-322924>



US Inflation Has not yet Subsided



President Joe Biden has bet that the high US inflation rate will decline and help the case for the spending plans he's staked his presidency on, but data released Friday instead showed prices remaining stubbornly high in the world's largest economy.

There were also signs of an acceleration in wages that could further fuel inflation, as well as a spike in consumer expectations of price increases to come.

The Commerce Department reported inflation climbed 4.4 per cent last month compared to September 2020, its biggest jump since January 1991 and the latest complications for the president's proposal to spend \$1.75 trillion on an array of social services.

That bill, dubbed Build Back Better, has faced a tortuous path through Congress, where some moderate Democrats have worried it could make the price situation worse.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-inflation-has-not-yet-subsided-2210231>

China Factory Activity Slumps further on Energy Woes

Factory activity in China plunged more than expected in October, official data showed on Sunday, suggesting the industrial sector continued struggling as it grappled with tight power supply and surging raw material costs.

The key Purchasing Managers' Index (PMI) — a gauge of manufacturing activity in the world's second-largest economy — fell to 49.2 this month, down from 49.6 in September, said the National Bureau of Statistics (NBS).

This marks the second straight month in which China's PMI dipped below the 50-point mark separating growth from contraction. The production index has fallen to among its lowest levels since 2005, said Pinpoint Asset Management chief economist Zhiwei Zhang — warning of stagflation.

While the reading still indicates expansion, helped by holiday activity in early October, the NBS said the threat of local outbreaks continued to cast a pall over consumer sentiment.

Source: <https://www.newagebd.net/article/153318/china-factory-activity-slumps-further-on-energy-woes>



IMF Struggling over Long-awaited 'Green Debt Swap' Push



The IMF is narrowing its push for debt-for-climate swaps to focus on countries without major debt issues and has dropped plans to release a joint proposal with the World Bank before next week's UN climate conference, according to sources familiar with the matter.

In April, International Monetary Fund (IMF) chief Kristalina Georgieva said green debt swaps could spur accelerated action on climate change in developing countries, and pledged to work with the World Bank to "advance that option" in time for the United Nations Climate Change Conference 26 in Glasgow.

World Bank officials have been skeptical, preferring to focus on changing climate-related policies rather than requiring additional spending from already heavily indebted countries, said sources familiar with the discussions.

IMF officials also raised questions internally about the impact of such targeted instruments, noting some donor countries may prefer grants due to greater simplicity, sources said.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/imf-struggling-over-long-awaited-green-debt-swap-push-2210166>

Disclaimer

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