

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

June 19, 2022

Bangladesh to Get \$143m ADB Loan to Improve Trade Facilitation

The Asian Development Bank (ADB) and the government of Bangladesh have signed agreements for a \$143 million policy-based loan to improve the volume, efficiency, predictability and security of cross-border trade in Bangladesh.

"Aligning with Bangladesh's policies and strategies, ADB is helping enhance export diversification and competitiveness for accelerating growth with industrialization and trade and expanding sub regional trade and commerce," said Country Director Edimon Ginting.

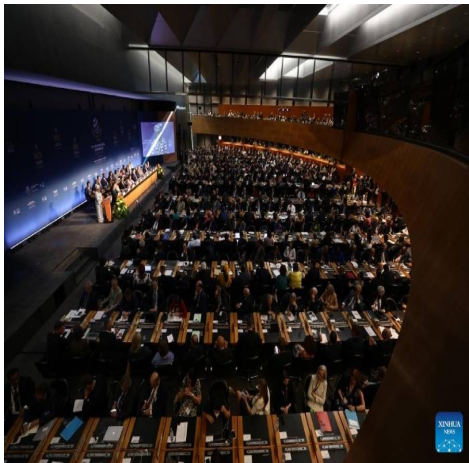
"ADB assistance will help increase the volume of imported and exported cargoes at the Akhaura, Sonamasjid and Tamabil border crossing points (BCP) by 50 per cent by 2027, while reducing average customs clearance and cargo transshipment time by 50 per cent," he added.

Ginting also said e-payment at the three BCPs will be implemented, with their capacity increased to handle 520,000 tonnes per year of international transit cargoes, and central customs laboratory, customs warehouse and customs regional training academy will be designed, reports BSS.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-to-get-143m-adb-loan-to-improve-trade-facilitation-1655380472>



Bangladesh likely to Enjoy the TRIPs Waiver Facility even after LDC Graduation



Bangladesh is likely to enjoy the benefit of the waiver of Trade-Related Aspects of Intellectual Property Rights (TRIPs) in patent rights in genetic medicine for a certain period as the World Trade Organisation (WTO) Ministerial adopted this issue in its declaration.

"An eligible member may apply the provisions of this Decision until 5 years from the date of this decision. The general council may extend such a period taking into consideration the exceptional circumstances of the Covid-19 pandemic," said the 12 the Ministerial Conference (MC12) of the WTO declaration.

Bangladesh along with other Least Developed Countries (LDCs) were lobbying under the WTO initiative over the last two years for the extension of the trade benefits for six or nine years for the graduating LDCs.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-likely-to-enjoy-the-trips-waiver-facility-even-after-ldc-graduation-1655472965>

Vegetable Prices Drop Slightly

Consumers in the capital city are getting some relief as the prices of vegetables have decreased thanks to adequate supplies amid the rise in almost all commodity prices.

Most vegetables are being sold in the markets in the capital city at prices between Tk35 and Tk40 per kg, which were between Tk45 and Tk50 a week ago.

However, prices of other essential items, such as flour varieties, pulses, edible oil, rice, powdered milk, etc, have shot up, augmenting the woes of common people faced as they are with increased expenditures triggered by the rising costs of essentials.

On Friday, pointed gourds, Luffa, snake gourds, ladies' fingers and small gourds were selling for Tk40 per kg and potatoes for Tk25 per kg.

Jahangir Hossain, a buyer at Nayatola Bou Bazar, said, "I bought a small gourd for Tk30 and half a kg of shrimp. Moreover, some pointed gourds and wax gourds are at my house. With the shrimp, we can cook the vegetable items for four days."

Source: <https://www.tbsnews.net/economy/bazaar/vegetable-prices-drop-slightly-441838>



Relaxed Policy Extended for NBFIs Defaulters

Defaulters of non-bank financial institutions (NBFIs) will get two months more to reschedule their bad debts under a relaxed loan classification policy, according to a notice issued by Bangladesh Bank yesterday.

Bangladesh Bank said in February that defaulters of NBFIs would be permitted to reschedule their non-performing loans (NPLs) by giving 2 per cent down payment under a one-time only exit policy within April this year.

Loans that turned sour within December 31 last year can enjoy the relaxed policy, which allows NBFIs to waive 50 per cent of the interest on NPLs.

The defaulters will get the waiver facility after they repay the entire amount of the bad loan within a year.

The relaxed repayment facility will be annulled if the defaulter fails to pay back the loan on time.

NPLs in the country's 34 NBFIs stood at Tk 11,757 crore as of September last year, up 17 per cent from nine months ago, central bank data showed.

Source: <https://www.thedailystar.net/business/economy/news/relaxed-policy-extended-nbfi-defaulters-3049446>



DSE News

Saif Powertec to Acquire Saif Maritime LLC

Saif Powertec Ltd, a listed company, has decided to take over 100 per cent stake of Saif Maritime LLC at a cost of Tk 12.69 million.

The board of directors of Saif Powertec has taken the decision at a board meeting held on Thursday, according to a price sensitive information posted on the company's website.

Saif Powertec will acquire Saif Maritime L.L.C at a cost of Tk 12.69 million equivalent to UAE Dirhams 500,000 (UAE Dirham 1.00 =Tk 25.38), said the company.

Saif Maritime LLC is incorporated in the UAE and led by a team of qualified shipping professionals. It is a subsidiary of the Saif Power Group.

Saif Maritime offers complete shipping solutions including ocean transportation, transshipment, barging and coastal transportation by utilising state-of-the-art operation methodology. Saif Maritime L.L.C will carry out the business of cargo transport by heavy trucks, and light trucks, shipping lines of freight & passengers transportation.



Source: <https://thefinancialexpress.com.bd/stock/saif-powertec-to-acquire-saif-maritime-llc-1655612544>

Esquire Knit to Invest Tk 47.77 million in a Subsidiary

The board of directors of Esquire Knit Composite, a concern of Esquire Group, has approved an investment decision amounting to Tk 47.77 million for its subsidiary L' Esquire Limited.

"This investment is part of a continued investment in a subsidiary company that will meet upcoming export opportunities and secure profit and dividend for the company," the company said in a filing with the Dhaka Stock Exchange (DSE) on Thursday.

This investment will be financed on the basis of withdrawal of equivalent capital invested earlier in two associate companies -- Esquire Electronics and Esquire Accessories.

The Esquire Knit Composite invested Tk 37.50 million in Esquire Electronics and Tk 10.27 million in Esquire Accessories, according to the filing.

Esquire Knit Composite raised a capital worth Tk 1.50 billion from the capital market in early 2019 under the book building method for business expansion.

Source: <https://thefinancialexpress.com.bd/stock/esquire-knit-to-invest-tk-4777-million-in-a-subsi-dary-1655437923>



Global: Business

Venezuela Resumes Oil Export to EU after 2 years

A 650,000-barrel-cargo of Venezuela's oil chartered by Italy's Eni is about to set sail carrying the first export of crude from the US-sanctioned country to Europe in two years, Refinitiv Eikon data showed on Friday.

The US State Department sent letters to Eni and Spain's Repsol in May authorizing them to resume taking Venezuelan crude as a way to settle billions of dollars of unpaid debt and dividends owed by the OPEC-member nation.

The Malta-flagged Pantanassa is scheduled to load via ship-to-ship transfer near Venezuela's Amuay port, the document added.

Eni, Repsol and PDVSA did not immediately reply to requests for comment.

Venezuela's May oil exports plummeted to the lowest level in 19 months over contract changes enforced by PDVSA to switch most spot sales to prepayment, reducing the risk of unpaid cargoes.

Source: <https://www.thedailystar.net/business/global-economy/news/venezuela-resumes-oil-export-eu-after-2-years-3050711>



Bitcoin Drops below \$20,000 to Lowest since December 2020

Bitcoin dropped below \$20,000 on Saturday to its lowest level in 18 months, extending its slide as investors pull back from riskier assets amid rising interest rates.

The biggest cryptocurrency was down 7.1% to \$18,993 at 0906 GMT, having earlier touched \$18,732, its lowest since December 2020.

It is down about 59% this year, while rival cryptocurrency Ethereum-backed ether is down 73%.

The digital currency sector has been pummelled this week after cryptocurrency lending company Celsius froze withdrawals and transfers between accounts.

The sector has also suffered losses after companies such as Coinbase Global Inc, Gemini and Blockfi said they would lay off thousands of employees as investors ditch risky assets.

Source: <https://www.tbsnews.net/world/global-economy/bitcoin-drops-below-20000-lowest-december-2020-442154>



Global: Business

Germany Moves to Ramp up Wind Power

The German government approved a draft law on Wednesday aimed at covering two per cent of the country's land area with wind turbines by 2032, by setting fixed regional targets and easing some administrative burdens.

The push to accelerate the expansion of wind power comes as Germany is scrambling to wean itself off Russian fossil fuels following the war in Ukraine.

"Independence from fossil energies and from Russian fossil energies must be advanced at full speed," Energy Minister Robert Habeck told reporters.

The goal is for Germany's 16 states to collectively dedicate two percent of the nation's surface area to wind power generation by the end 2032 -- up from 0.5 per cent currently.

The installation of wind turbines regularly runs into "not in my back-yard" resistance in Germany and objections from residents have often blocked such projects in the past, as have concerns about endangering local wildlife.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/germany-moves-ramp-wind-power-3049396>



Fed Rolls out Biggest Rate Hike in 28yrs

The Federal Reserve on Wednesday approved its largest interest rate increase in more than a quarter of a century to stem a surge in inflation that US central bank officials acknowledged may be eroding public trust in their power, and being driven by events seen increasingly out of their hands.

The widely expected move raised the target federal funds rate by three-quarters of a percentage point to a range of between 1.5 per cent and 1.75 per cent, still comparatively low by historic standards.

But the Fed's hawkish commitment to controlling inflation has already touched off a broad tightening of credit conditions being felt in US housing and stock markets, and likely to slow demand throughout the economy - the Fed's intent.

Officials also envision steady rate increases through the rest of this year, perhaps including additional 75-basis-point hikes, with a federal funds rate at 3.4 per cent at year's end. That would be the highest level since January 2008 and enough, Fed projections show, to slow the economy markedly in coming months and lead to a rise in unemployment.

Source: <https://www.thedailystar.net/business/global-economy/america/news/fed-rolls-out-biggest-rate-hike-28yrs-3049421>



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