

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 28, 2021

Credit Card Spending Keeps Growing as Virus Recedes

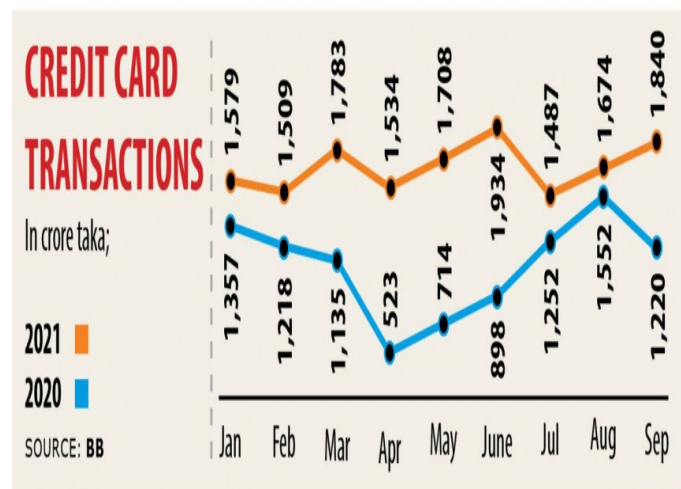
Spending through credit cards maintained an upward trend in September as people kept flocking to online sites in the tourism and hospitality sector as the coronavirus crisis continues to wane.

Credit card transactions collectively stood at Tk 1,840 crore in September, up 10 per cent from a month earlier and 51 per cent year-on-year, data from Bangladesh Bank showed.

This has had a positive impact on the upward trend of spending through credit cards, according to bankers engaged in expanding the card business.

As such, credit card transactions witnessed magnificent growth in June this year due to advance purchases for Eid-ul-Azha as spending stood at Tk 1,934 crore that month, up 13.25 per cent from a month earlier and 115.46 per cent year-on-year.

Source: <https://www.thedailystar.net/business/economy/banks/news/credit-card-spending-keeps-growing-virus-recedes-2904561>



StanChart Arranges Bangladesh's first ever Green Bond for Pran Agro

Standard Chartered Bangladesh has arranged the country's first-ever green bond for Pran Agro Ltd, a concern of Pran-RFL Group.

The total face value of the bond is Tk 150 crore, the bank said in a statement today.

Pran Agro will use the proceeds the bond for initiatives such as recycling waste water, climate action through waste decomposing, building sustainable communities by providing employment among rural and poverty-stricken communities, preserving life on land through contract-based organic farming.

Standard Chartered was the mandated lead arranger for this transaction.

Source: <https://www.thedailystar.net/business/news/stanchart-arranges-bangladeshs-first-ever-green-bond-pran-agro-2904036>



Profit Growth Signals Strong Economic Rebound

Listed companies across almost all sectors saw their profits rise 8.6 per cent on average in the first quarter of the ongoing fiscal year, indicating that Bangladesh is making a strong economic recovery from the Covid-19 pandemic.

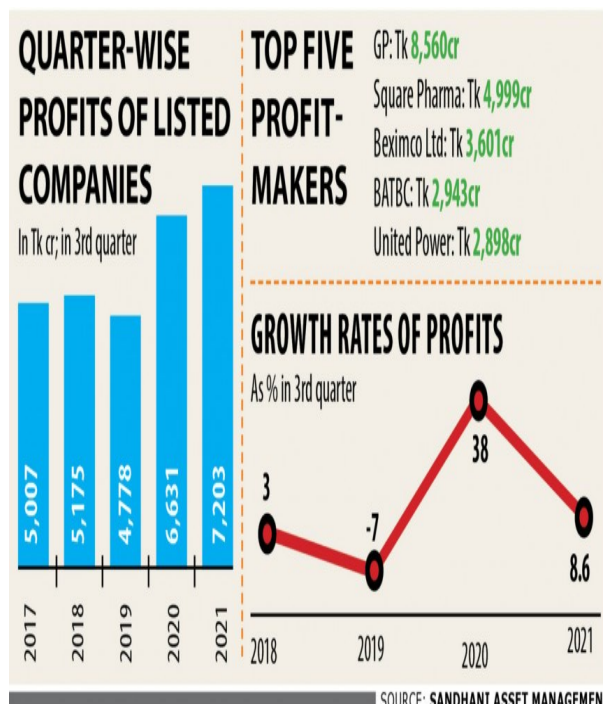
The collective profits of 288 listed companies stood at Tk 7,203 crore in the July-September period of 2021-22, up from Tk 6,631 crore a year earlier, according to Sandhani Asset Management Company.

Although the Dhaka Stock Exchange features a total of 384 enterprises, some 288 were analysed as the remainder were either listed after 2018 or are yet to publish their quarterly financial reports.

"As the economy is returning to normalcy, most listed companies saw higher profit," said AB Mirza Azizul Islam, a former finance adviser to the caretaker government.

Bangladesh earned about \$11.02 billion from exports in the first three months of the current fiscal, up 11.37 per cent year-on-year from \$9.89 billion, data from the Export Promotion Bureau showed.

Source: <https://www.thedailystar.net/business/economy/news/profit-growth-signals-strong-economic-rebound-2904571>



LankaBangla Gets \$21m Foreign Loan for SME Funding

LankaBangla Finance Limited has recently received two foreign currency loans worth \$21 million to strengthen its financing to the small and medium enterprises (SME).

Dublin-based special purpose vehicle (SPV) Financing for Healthier Lives DAC financed \$5m while the remaining \$16 million was funded by five funds under management of Zurich-based impact investment manager responsibility Investments AG, LankaBangla said in a statement.

The country's leading non-bank financial institution (NBFI) further said that the latest funding will mainly be utilised to lend to small and medium enterprises and finance projects that have a positive social impact.

The NBFI also obtained a foreign currency facility of \$20 million from Islamic Corporation for the Development of the Private Sector in 2019 mainly for SME lending.

Source: <https://www.tbsnews.net/economy/lankabangla-gets-21m-foreign-loan-sme-funding-335554>



SS Steel Sees Stellar Profit Growth on Subsidiary Income

SS Steel Limited posted a 49% growth in profit in fiscal 2020-21 riding on the income from its subsidiary company, which the listed steel manufacturer had acquired a year ago.

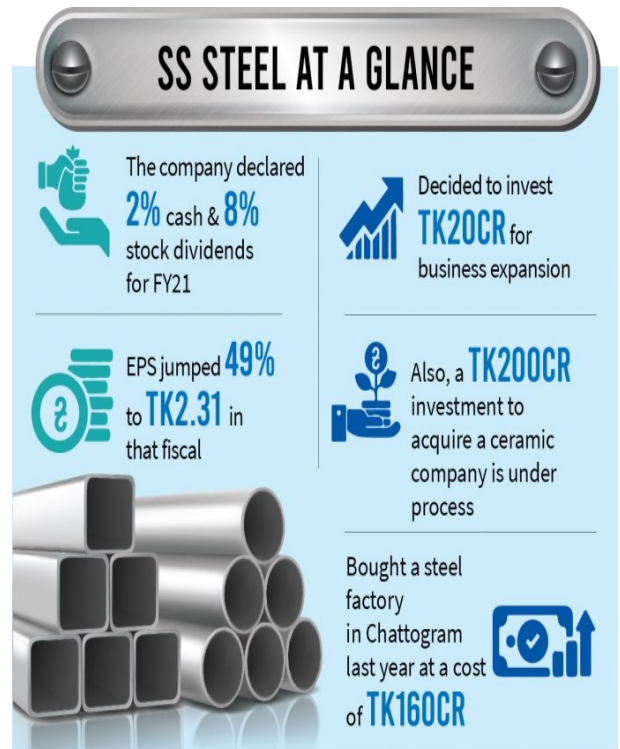
At the end of the fiscal year, it reported a consolidated profit of Tk70 crore, which was Tk47 crore a year ago. Last year, SS Steel acquired 99% shares worth Tk160 crore of Saleh Steel located in Chattogram.

Saleh Steel produces and sells rods and coils under its brand name and its annual production capacity is around 84,000 tonnes, says SS Steel.

"We have achieved such growth as the steel market turned around from the tough time caused by the pandemic. Besides, our subsidiary company has helped post the growth," SS Steel Chairman Javed Opgenhaffen told The Business Standard.

In a board meeting on 24 November, the company declared a 2% cash dividend for only general shareholders and an 8% stock dividend for all for FY21.

Sources: <https://www.tbsnews.net/economy/stocks/ss-steel-sees-stellar-profit-growth-subsidary-income-335506>



BSEC backs Exclusion of Banks' Bond Investments

The securities regulator would request Bangladesh Bank (BB) to exclude banks' investments in perpetual bonds from their exposure on bourse, in a measure meant for increasing liquidity supply to the capital market.

Sources say the Bangladesh Securities and Exchange Commission (BSEC) will raise the issue, among others, at a meeting scheduled to be held with the central bank Tuesday.

Under the existing provision, such investment is considered included in the banks' exposure to the capital market as soon as the bonds are listed with the stock exchanges.

It is now mandatory for the perpetual bonds to be listed with bourses. The securities regulator has so far allowed 15 banks to issue perpetual bonds.

Source: <https://thefinancialexpress.com.bd/stock/bsec-backs-exclusion-of-banks-bond-investments-1638066585>



EU Ministers back Bloc's Big Tech Clampdown

European Union member states on Thursday agreed their common position on two landmark legislations that could set unprecedented oversight on Big Tech.

Ministers from the EU's 27 member countries agreed the texts at a meeting in Brussels, which will serve as their marching orders in negotiations with the European Parliament that should start early next year.

The Digital Services Act (DSA) and its companion Digital Markets Act (DMA) were proposed by the European Commission last year and are intended to give Facebook, Google, Apple, Amazon and Microsoft never seen limitations on the way they do business.

The versions approved on Thursday stayed quite close to the original proposals, while the drafts making their way through parliament are expected to make the demands on Big Tech much tougher.



Source: <https://www.thedailystar.net/business/global-economy/news/eu-ministers-back-blocs-big-tech-clampdown-2904471>

UK Sets out Plans to Boost Global Digital Trade

Improving digital trade would provide huge opportunities for British businesses and help boost economic growth, the government's Board of Trade said, setting out how it aims to become a world leader in modern services and online goods.

In a report on digital trade to be published on Friday, the board, headed by trade minister Anne-Marie Trevelyan, said the government should look to strike digital trade deals and help shape global trade rules suitable for the modern world.

The Board of Trade, a government body tasked with championing exports and inward investment, said Britain should aim to build on the G7 agreement by working with partners to pursue a wider international consensus on digital rules, norms and standards.

Digital trade is broadly defined as trade in goods and services that is either enabled or delivered digitally, encompassing activities from the distribution of films and TV to professional services.

The report said Britain should focus particularly on securing Free Trade Agreements with the fast-growing Indo-Pacific market and large, service-based economies, as well as rapidly progressing the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Source: <https://www.thedailystar.net/business/global-economy/news/uk-sets-out-plans-boost-global-digital-trade-2904501>

Germany's Energy Plan to Have Limited Impact on EU Carbon Prices

Germany's new energy transition plan is unlikely to have a big impact on prices in Europe's carbon market, analysts said on Friday, despite plans to introduce a minimum carbon price domestically.

The incoming German coalition government on Wednesday announced plans to ideally bring forward Germany's coal exit to 2030, from a previous target of 2038, and said it could introduce a minimum domestic carbon price of 60 euros/tonne if a floor price cannot be implemented at an EU wide level.

The benchmark EU carbon allowance (EUA) price rocketed to a record high above 75 euros a tonne on Thursday, which some market participants attributed to bullish sentiment surrounding the German announcement.

However, Florian Rothenberg, EU power and carbon markets analyst at ICIS, said he thought the rally was overdone, with Germany's push to set a minimum price in the wider EU carbon market likely to fail as previous attempts by countries such as France have done.

Source: <https://www.thedailystar.net/business/global-economy/news/germanys-energy-plan-have-limited-impact-eu-carbon-prices-2904476>



Japan Refiners Dust off Fuel Oil Supply Chains to Meet Rising Utility Demand

Japanese refiners are dusting off unused supply chains for fuel oil and getting coastal vessels and storage tanks ready after receiving requests from electric utilities to supply more fuel oil this winter amid a global crunch for power generation fuels.

Japan narrowly averted blackouts last winter as liquefied natural gas (LNG) demand and prices soared during a cold snap, and the situation this year may get even tighter as strong use and restocking in Europe and Asia draws down supplies and props up prices near record highs, executives and analysts say.

Highly polluting fuel oil, used mainly to power ships, is being considered as a backstop in case of gas shortages for the first time since the aftermath of the Fukushima disaster in 2011.

The nation's top two refiners Eneos Holdings 5020.T and Idemitsu Kosan 5019.T are getting higher orders for fuel oil from electric utilities for this winter to ensure adequate power supply during the peak demand season, their executives said.

Source: <https://www.thedailystar.net/business/global-economy/news/japan-refiners-dust-fuel-oil-supply-chains-meet-rising-utility-demand-2903026>



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