

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 31, 2021

Businesses See Export Potential in Africa Market

With a large population, plenty of natural resources and a high import dependency, the African subcontinent can be a lucrative destination for Bangladeshi exports and investments particularly pharmaceuticals, readymade garments, footwear, agro and food-processing, said Bangladeshi business leaders.

Despite 3% contribution to global trade, Africa turns more and more import dependent riding on a steady economic growth, they told a webinar titled "Trade & Investment Cooperation of Africa and Bangladesh: Towards a New Trajectory" on Saturday – the fifth day of Bangladesh Trade and Investment Summit.

Muhammad Zahangir Alam, director at the Square Pharmaceuticals Ltd, said since Africa can meet only 25% of its drug demand, the populous continent mostly import the pharmaceutical products.

Referring to "a very positive economic growth" in Africa in the last one decade, Zahangir said Square has been exporting medicine worth \$10 million per year in ten African countries such as Kenya, Tanzania and Ruanda.



Source: <https://www.tbsnews.net/economy/businesses-see-export-potential-africa-market-323116>

Private Sector Credit Sees 8.77% Rise in Sep

Credit flow to the private sector has registered an 8.77% growth in September from 8.42% in August, mainly because of growing demand for working capital, according to sources at the Bangladesh Bank.

However, private credit growth recovered to 8.35% in June this year when economic activities started to return to normal. Since then, the credit flow has been growing gradually as reflected in July and August figures – 8.38% and 8.42%.

Bankers and businesspeople say credit flow to the private sector has been increasing since the beginning of the current fiscal year on the back of new investments.

Dr Salehuddin Ahmed, former governor of Bangladesh Bank, told The Business Standard that a rise in private sector credit growth signals the reopening of economic activities. Banks should give loans to good borrowers as lending to defaulters is not good for the country's economy.



Source: <https://www.tbsnews.net/economy/banking/private-sector-credit-sees-877-rise-september-322318>

ACI Returns to Profit after Two Losing Years

ACI Limited reported a return to profit in the 2020-21 fiscal year after two consecutive loss making years.

The listed conglomerate's earnings per share (EPS) was Tk5.5 for the latest fiscal year, against its per share loss of Tk16.78 for the 12-month period ended in June 2020.

The mother company ACI Limited on a standalone basis secured an EPS growth to Tk36.25 from Tk27.24 in the previous fiscal year.

However, the positive earnings for the year increased the company's consolidated net asset value (NAV) per share to Tk162.65 at the end of June this year.

ACI Formulations, another listed company of the Group has more than doubled its consolidated EPS to Tk4.74 for the 2020-21 fiscal year, from Tk2.06 in the 2019-20 fiscal year. At the end of June, its NAV per share stood at Tk66.77.

Its board recommended a 30% cash and 5% stock dividend.

Source: <https://www.tbsnews.net/economy/stocks/aci-returns-profit-after-two-losing-years-323071>



BSEC Approves Tk600cr Bond for Brac Bank

Brac Bank on Thursday received approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue a Tk600 crore non-convertible, fixed coupon senior bond.

Senior bond is borrowed money that a company must repay first if it goes out of business.

The private sector lender will use the bond proceedings as a home loan among the lower and middle-class people of the country.

The lender will raise Tk425 crore from international investors and the rest Tk175 crore from local institutional investors such as non-banking financial institutions, insurers, banks, and asset management firms through private placements.

IDLC investments Ltd is the trustee of the bond while Brac Bank itself is working as its mandated lead arranger.

The current paid-up capital of Brac Bank, which got listed on the capital market in 2007, is Tk1,392 crore.

Source: <https://www.tbsnews.net/economy/stocks/bsec-approves-tk600cr-bond-brac-bank-322261>





Walton Hi-Tech Park Gets 12-year Tax Exemption

Bangladesh's electronics giant Walton Hi-Tech Industries Limited has received an exemption from income tax for 12 years.

The Bangladesh Hi-Tech Park Authority had earlier recognised the company as a private high-tech park.

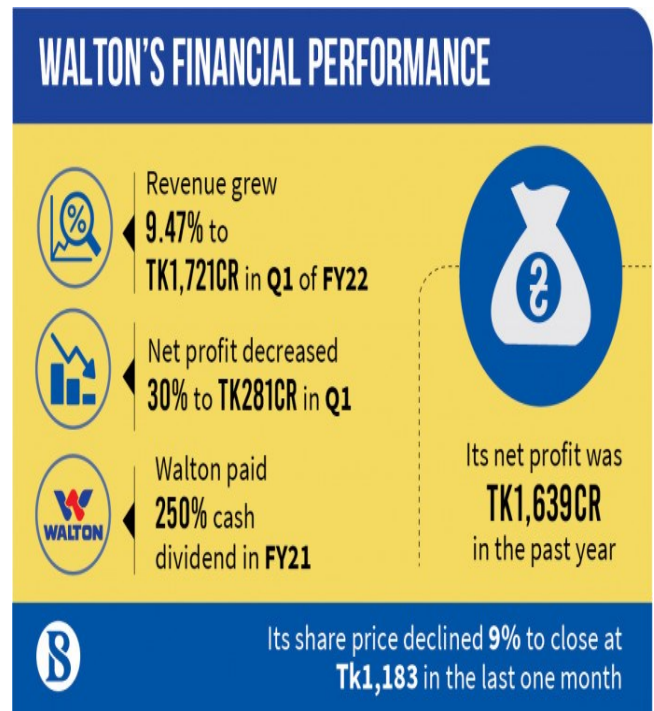
The National Board of Revenue (NBR) has followed the hi-tech park authority's decision and it will help the company get exemption from tax, VAT, and import duty.

Walton has built the factory in Gazipur as a high-tech park.

In the last fiscal year, officials from the high-tech park authority and NBR visited the factory and they were satisfied that the company fulfilled all requirements to get recognition as a private high-tech park.

From this fiscal year, Walton will not pay any income tax for the next 12 years as a park developer and investor, which will increase the company's profitability.

Source: <https://www.tbsnews.net/economy/stocks/walton-hi-tech-park-gets-12-year-tax-exemption-322291>



Mamun Agro gets BSEC Nod to Raise Tk10cr

Mamun Agro Products on Thursday received approval from the Bangladesh Securities and Exchange Commission to raise Tk10 crore from the capital market with a qualified investor offer (QIO).

The company will issue 1 crore general shares, each priced at Tk10, and thus join the SME platform of the Dhaka Stock Exchange (DSE).

Incorporated in 2003, the principal activities of Mamun Agro are manufacturing and marketing of agricultural products.

Only institutional investors can buy the shares of the company.

Mamun Agro will use the money to construct a building and as working capital.

In the July-March period of fiscal 20-2021, the net profit of the company was Tk3.92 crore, which was Tk3.85 crore in the same period of the previous fiscal year.

During the period, its earnings per share were Tk0.98 and the net asset value without revaluation stood at Tk15.25.

Source: [tbsnews.net/economy/stocks/mamun-agro-gets-bsec-nod-raise-tk10cr-322252](https://www.tbsnews.net/economy/stocks/mamun-agro-gets-bsec-nod-raise-tk10cr-322252)



Microsoft now the World's most Valuable Company

Apple Inc lost its crown as the world's most valuable public company to Microsoft Corp on Friday, as the iPhone maker's shares fell about 2 per cent.

Apple took a \$6 billion hit to its sales during the fiscal fourth quarter due to persistent global supply chain problems, leading to a miss on Wall Street expectations.

Top boss Tim Cook said the impact will be even worse in the current holiday sales quarter.

"Compared to less hardware focused FAANG peers, Apple is also a lot more exposed to supply chain disruption," said Sophie Lund-Yates, equity analyst at Hargreaves Lansdown.

Microsoft's stock has surged 49 per cent this year, with pandemic-induced demand for its cloud-based services driving sales.

The companies have taken turns as Wall Street's most valuable business in recent years, with Apple holding the title since mid-2020.

Source: <https://www.thedailystar.net/business/global-economy/news/microsoft-now-the-worlds-most-valuable-company-2210241>



Huawei Reports 32pc Revenue Plunge

Chinese telecom giant Huawei said Friday its revenue plunged by a third in the first three quarters of the year, as it continued to struggle under US sanctions that have hit its smartphone sales.

Huawei has been caught in the crossfire of a US-China trade and technology rivalry after the government of former president Donald Trump moved to cripple the company on concerns that it could pose a cybersecurity and espionage threat.

January-September sales volume fell 32 percent to 455.8 billion yuan (\$71.3 billion), a company statement said. It said the firm's net profit margin -- a measure of the ratio of profits to revenue -- increased slightly to 10.2 percent, attributing that to increased operational efficiencies.

Unlisted Huawei provided few specifics and did not include a breakdown of its performance by business segment.

Source: <https://www.thedailystar.net/news/asia/china/news/huawei-reports-32pc-revenue-plunge-2210236>





Top US Oil Firms Crank up Shale Output after Cashing Gains

Exxon Mobil Corporation and Chevron Corporation on Friday disclosed plans to expand drilling in the top US shale basin after posting their biggest quarterly profits in years.

Latecomers to the west Texas shale fields, both last year slashed shale production and cut drilling as oil demand tanked. They could soon add two rigs each and rev up output, executives said on earnings calls.

Exxon last quarter produced about 500,000 barrels of oil and gas a day (bpd) from the Permian basin using 9 drilling rigs.

"We may see a couple more rigs come on here," said Chief Executive Darren Woods, based on its latest well results. The company's third quarter Permian output rose about 30 per cent above the prior period, he said.

Source: <https://www.thedailystar.net/business/global-economy/america/news/top-us-oil-firms-crank-shale-output-after-cashing-gains-2210181>



Inflation Concerns and Tech Miss Weigh on Stocks



US and European stock markets mostly retreated on Friday, dragged down by disappointing earnings from Apple and Amazon, with additional pressure coming from news of rising eurozone inflation.

The US tech titans announced billions of dollars in quarterly profits on Thursday, but supply chain bottlenecks, rising prices and the global chip shortage dented performance.

Ahead of the Apple and Amazon results, US stocks had closed higher on Thursday, with the tech-heavy Nasdaq striking a new all-time high.

The dollar climbed against its main rivals, gaining 1 per cent against the euro as speculation mounts the Federal Reserve will begin next week to tighten monetary policy and US government bond yields rise.

Forecast-beating profits from some of the world's biggest companies have helped fan a rally across global equities this month, helping to temper concerns about surging inflation and the end of the era of central bank largesse.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/inflation-concerns-and-tech-miss-weigh-stocks-2210196>

Disclaimer

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