

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

April 24, 2022

Buoyant Apparel Shipment Raising Cotton Consumption

Cotton consumption in Bangladesh in marketing year (MY) 2022-23 will increase by 5.6 per cent year-on-year to 9.31 million bales.

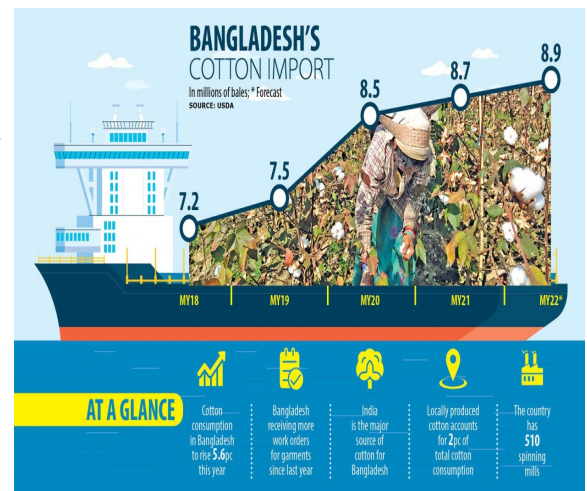
This can be expected for a rise in demand for yarn and fabrics for corresponding placements of work orders from international clothing retailers and brands, according to United States Department of Agriculture (USDA).

The marketing year in cotton sales starts from August and ends in July.

Bangladesh has been receiving more work orders since the beginning of 2021 as many brands are shifting their orders from some of the competitor countries such as Vietnam and Indonesia, said the USDA.

Contacts also stated that Bangladesh is expecting more work orders in the coming months due to recent Covid-19 lockdowns in China, said the USDA.

Source: <https://www.thedailystar.net/business/economy/news/buoyant-apparel-shipment-raising-cotton-consumption-3009981>



BGMEA Seeks Policy Support for Backward Linkage Industries

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Saturday urged the National Board of Revenue (NBR) to provide facilities to the backward linkage industries and sub-contractors to help the growth of the RMG industry.

BGMEA President Faruque Hassan made the requests during his meeting with Zakia Sultana, a member (VAT and Policy) of the NBR, at her office in Dhaka.

Faruque Hassan requested the NBR to waive value-added tax on sub-contract manufacturing, as it puts subcontracting factories in financial distress.

He also urged the NBR to allow factories that do not have bonded warehouse licences to open back-to-back letters of credit for sourcing raw materials from the local market.

The BGMEA leaders called upon the revenue authorities to provide VAT exemption on products and services purchased locally to facilitate the garment industry to grow and sustain competition in the global market.

Source: <https://www.tbsnews.net/economy/rmg/bgmea-wants-nbr-support-backward-linkage-industries-sub-contractors-408354>



RAK Ceramics Retains Tk200cr in Quarterly Revenues

Despite a decline in construction, RAK Ceramics (Bangladesh) Limited, a leading tiles and sanitary ware manufacturer in the country, has maintained a Tk200 crore mark in revenues for the last two consecutive quarters.

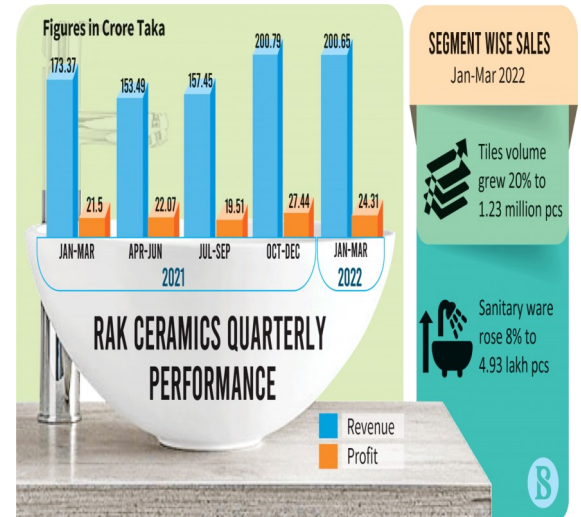
The back-to-back quarterly Tk200 crore footprint is also a record for the UAE-based company in its history.

The increase in the company's business performance has not had any effect on its share prices. Its share prices have plunged 29% from February to 21 April this year. On Thursday, the RAK share price closed at Tk43.60 on the Dhaka Stock Exchange.

In the first quarter of 2022, its revenue stood at Tk200.65 crore, 15% higher than in the previous year at the same time. In the last quarter of 2021, its revenue was Tk200.79 crore.

In the January-March quarter this year, the sales of its tiles increased 20% and sanitary ware sales grew 8% compared to the same quarter a year ago.

Source: <https://www.tbsnews.net/economy/stocks/rak-ceramics-retains-tk200cr-quarterly-revenues-407478>



First Capital Securities to Adopt Fintech Technology

First Capital Securities Ltd is going to adopt fintech technology to make the share transaction easier for the customers.

The brokerage company has made an agreement with Eco Soft Bd Ltd that will provide the technology.

Under the agreement, the technology company will provide Order Management System (OMS) services to First Capital Securities customers to facilitate their use of automated trading platforms for transactions.

As a result, clients of the brokerage firm, as well as its officials, will be able to trade shares of both the stock exchanges directly on the same platform through the app.

First Capital Securities officials believe that this OMS software with many benefits, including online order, offline order, advance order placement, and stop-loss, will be able to fulfil the long aspirations of the investors.

Source: <https://www.tbsnews.net/economy/stocks/first-capital-securities-adopt-fintech-technology-407486>



IBN Sina Pharma Posts 21% Profit Growth

The IBN Sina Pharmaceutical Industry – an enterprise of IBN Sina Trust – posted a 21% growth in profit in the first nine months of fiscal 2021-22 as its business maintained an upward trend.

According to a financial disclosure on Thursday, its consolidated profit rose to Tk41.43 crore, up from Tk34.17 crore a year ago.

The consolidated earnings per share (EPS) stood at Tk13.26, up from Tk10.92 in the July-March period of fiscal 2020-21.

Its net operating cash flow per share decreased to Tk10.84 but net asset value (NAV) per share rose to Tk77.26 from Tk68.69 during the same period in the previous fiscal year, according to the financials.

Riding on an increase in the sales of drugs amid the Covid-19 pandemic, its consolidated profit rose by 24% in fiscal 2020-21 compared to the previous year.

Source: <https://www.tbsnews.net/economy/stocks/ibn-sina-pharma-posts-21-profit-growth-407458>



Regulator's Move Lifts Stocks for 3rd Day

Shares on the Dhaka Stock Exchange rose for the third consecutive day yesterday thanks to a regulatory move that aims at raising the participation of institutional investors in the market in order to reduce the volatility caused by the majority retail investors.

The DSEX, the benchmark index of the premier bourse in Bangladesh, advanced 55 points, or 0.84 per cent, to close at 6,662. In the last three days, the index added 180 points.

The turnaround came after the Bangladesh Securities and Exchange Commission (BSEC) initiated a move recently to give a boost to the stake of institutional investors in the stock exchanges. It has officially asked them to increase their share.

At present, institutional investors account for 20 per cent of the market capitalisation. This means 80 per cent of the market is controlled by retail investors, a majority of whom are panic-driven.

Gainers outperformed losers 300 to 55, with 25 companies remaining unchanged.

Source: <https://www.thedailystar.net/business/economy/stock/news/regulators-move-lifts-stocks-3rd-day-3009986>



Global: Business

Britain's Steelmakers Scorched by White-hot Power Prices

Steel boss James Brand raises his voice above the roar of metal being funnelled into a foundry furnace as he details how rampant costs have pushed him to raise his prices by 70%.

Yet he says that, despite this hefty hike, his customers in sectors including oil and gas, autos and construction are placing new orders at a record-breaking gallop. His order book has ballooned from the usual 4-6 weeks to 6 months.

Those clients anticipate further price rises at a time when the cost of pig iron and scrap metal is going through the roof, fuelled by the Ukraine war, and the vast amount of energy needed to melt the two inputs into cast iron has never been more expensive.

Analysts, industry sources and politicians said today's British manufacturers had carved out a key niche on global supply chains by providing high-value products, and that they should survive the short-term turmoil.

Source: <https://www.tbsnews.net/world/global-economy/britains-steelmakers-scorched-white-hot-power-prices-407714>

China to Step up Export Tax Rebates to Support Foreign Trade

China will further leverage export tax rebates to provide stronger support for foreign trade enterprises, according to a circular jointly released by the State Taxation Administration and other government organs.

The circular outlines measures to improve export tax rebate policies and streamline procedures for applications.

Efforts will be made to strengthen the linkage of export credit insurance and export tax rebate policies, and improve rebate policies for processing trade firms, according to the circular.

The country will step up efforts to enhance data sharing and smooth the connections among customs, tax and other departments to further streamline export tax rebate procedures, it said.

Efforts will also be made to support cross-border e-commerce firms by encouraging qualified enterprises to actively claim export tax rebates, it said.

Source: <https://www.tbsnews.net/worldbiz/china/china-step-export-tax-rebates-support-foreign-trade-408414>



Soaring Battery Costs Fail to Cool Electric Vehicle Sales

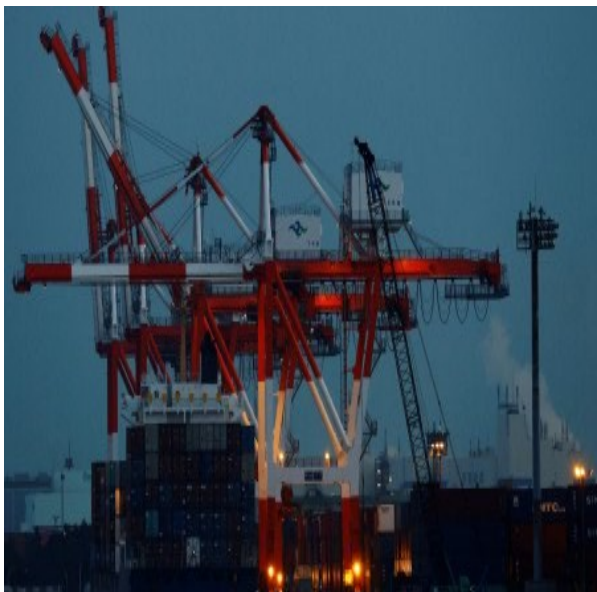
Buyers around the world are lining up to purchase electric vehicles this year even with sticker prices surging, flipping the script on a decade and a half of conventional auto industry wisdom that EV sales would break out only after battery costs dropped below a threshold that was always just over the horizon.

This year, EV demand has stayed strong even as the average cost of lithium-ion battery cells soared to an estimated \$160 per kilowatt-hour in the first quarter from \$105 last year. Costs rose due to supply chain disruptions, sanctions on Russian metals and investor speculation.

For a smaller vehicle like the Hongguang Mini, the best-selling EV in China, the higher battery costs added almost \$1,500, equal to 30 per cent of the sticker price.

But gasoline and diesel fuel costs for internal combustion vehicles have also skyrocketed since Russia invaded Ukraine, and experts noted that environmental concerns also are pushing more buyers to choose EVs despite the volatile economics.

Source: <https://www.thedailystar.net/business/global-economy/news/soaring-battery-costs-fail-cool-electric-vehicle-sales-3008236>



Japan Posts Trade Gap far Wider than Forecasts as China Exports Slow, Energy Imports Soar

Japan recorded a trade deficit in March that was more than four times wider than market forecasts, as China-bound exports slowed sharply while soaring energy prices raised the cost of imports, adding to economic challenges brought by conflict in Ukraine.

Outgoing trade was restrained by a decline in car exports and a slowdown in the growth of shipments to Japan's biggest trading partner China, data showed, indicating continuing risk from global supply constraints and the coronavirus pandemic.

The persistent trade deficit highlights the world's third-largest economy's vulnerability to soaring import costs.

That outpaced a 14.7% rise in exports, resulting in a trade deficit of 412.4 billion yen (\$3.19 billion) - eclipsing the 100.8 billion yen estimated in the poll. March marked the eighth consecutive deficit, though it was the smallest in five months.

Source: <https://www.tbsnews.net/world/global-economy/japan-posts-trade-gap-far-wider-forecasts-china-exports-slow-energy-imports>

Disclaimer

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