

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 04, 2021

Prospects Brighten for GSP Plus as EU Changes Rules

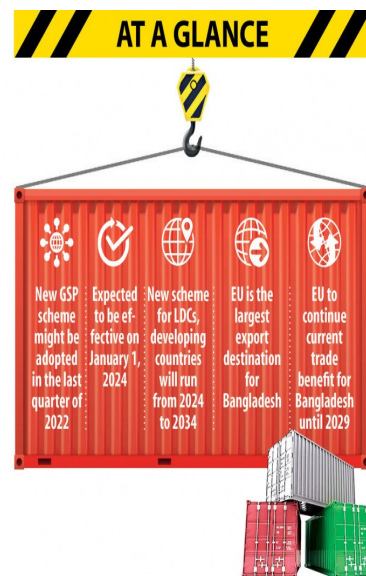
Bangladesh's prospects of keeping exporting to the European Union duty-free have brightened as the bloc has proposed to update rules to allow a growing number of graduating LDCs to qualify for the preferential trade benefit.

A least-developed country's share in the EU's total import can't be more than 7.4 per cent to qualify for the duty-free export facility under the region's Generalised Scheme of Preferences (GSP).

The new proposal will be final when adopted by the European Parliament and the EC. Adoption could take place in the last quarter of 2022. The new GSP regulation is expected to enter into force on January 1, 2024, according to the website of the EC.

The GSP Plus is a special incentive arrangement for sustainable development and good governance that slashes tariffs to zero for the same tariff lines as in the case of Standard GSP, which is extended to the low and lower-middle income countries.

Source: <https://www.thedailystar.net/business/economy/news/prospects-brighten-gsp-plus-eu-changes-rules-2189496>



Exporters can Now Send Documents abroad Directly

From now onwards, exporters can send export documents to foreign importers or their representatives through their own websites or secure channels, provided some specific conditions are met.

Regarding the new policy, central bank officials said the foreign transaction system is being updated in a timely manner. According to the conditions given in the new guidelines, an exporter can send the export documents abroad himself as per the conditions of the foreign buyer.

Appreciating the new guidelines of the Bangladesh Bank, Bangladesh Knitwear Manufacturers and Exporters Association Vice President Mohammad Hatem said the practice of sending export documents abroad through banking channels has practically been discarded upon the demand of foreign buyers.

Source: <https://www.tbsnews.net/economy/banking/exporters-can-now-send-documents-abroad-directly-310951>



Thrift in Sales and Marketing Expenses, Apex Tannery Returns to Profit

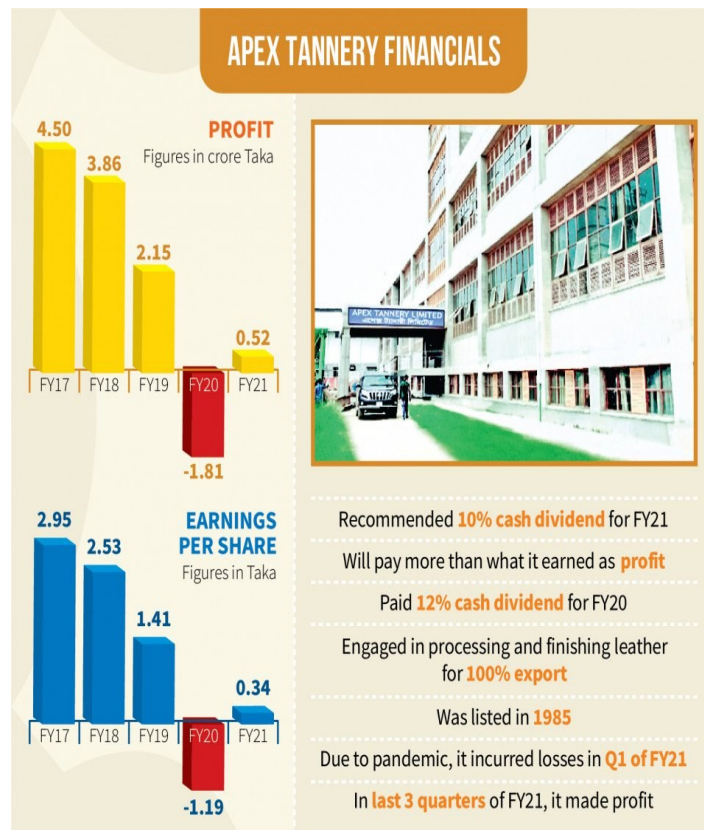
Apex Tannery Ltd – a 100% export-oriented leather processing and finishing company – has returned to profit in fiscal 2020-21 riding on an increase in sales and thrift in sales and marketing expenses.

In a meeting on Saturday, the board of directors has recommended a 10% cash dividend for its shareholders for FY21. It paid 12% cash dividends in the previous fiscal year.

The annual production capacity of Apex Tannery, which produces high-quality leather for exports, is 32 million square feet of finished goat and cow leather.

In its disclosures published on stock exchanges on Monday, the company said both net profit and earnings per share have increased compared to last year, due mainly to an increase in sales volume and reduction in selling and marketing expenses.

Source: <https://www.tbsnews.net/economy/corporates/thrift-sales-and-marketing-expenses-apex-tannery-returns-profit-310960>



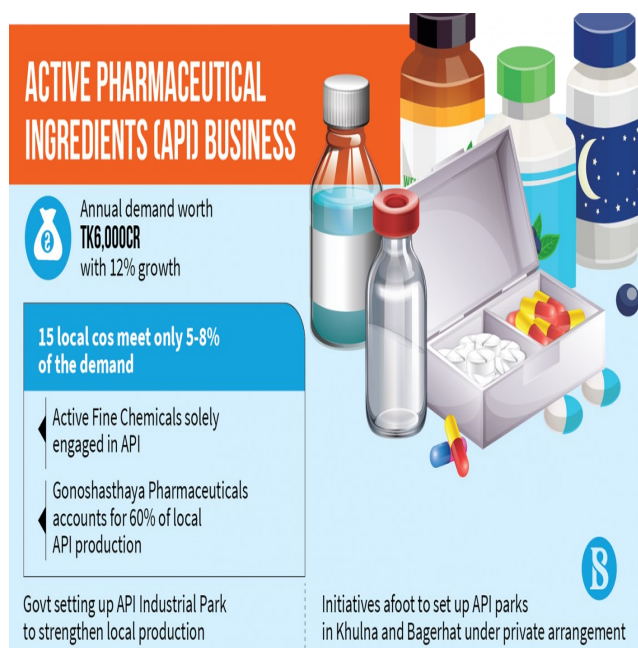
Tax Break till 2032 for API Producers Coming

The National Board of Revenue (NBR) is likely going to continue a tax break till 2032 for local pharma raw material producers, subject to complying with certain conditions, such as introducing at least five new ingredients a year.

The revenue board has come up with such a facility to achieve self-reliance on active pharmaceutical ingredients (API) and laboratory reagent and to draw in foreign investment, according to sources familiar with the matter.

According to Bangladesh Association of Pharmaceutical Industries, the country's pharma companies have a demand for around 6,000 crore worth of raw materials, which is growing by 12% per year. Domestic companies currently meet raw materials amounting to Tk400-500 crore. According to law ministry sources, there is now a tax exemption in place on production of raw materials locally until 2022.

Source: <https://www.tbsnews.net/economy/stocks/tax-break-till-2032-api-producers-coming-311074>



BD Thai Food Approved for Tk15cr IPO

The Bangladesh Securities and Exchange Commission (BSEC) on Sunday approved BD Thai Food and Beverage Ltd to raise Tk15 crore with an initial public offering (IPO) of Tk15 crore using the fixed price method.

The company is processes different kinds of fruit juices, carbonated beverages, drinking water, hard candies, soft candies, lollipops, and gums.

The company markets its products under the brand name "Necter", distributing its products through 260 dealers.

The beverage producer will use the funds for machinery and equipment, building construction and civil work, land and land development, and bank loan repayments.

BSEC said the pre-IPO sponsors, directors, and investors in the company will not be able to sell any shares for the next three years after the first trading day.

Unicap Investments Limited and BLI Capital Limited are the issue managers of the company.

Source: <https://www.tbsnews.net/economy/stocks/bd-thai-food-approved-tk15cr-ipo-310975>



DSEX hits another record high

Investors' buying spree pushed the stock market to another record high on Sunday.

DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), rose by 27.0 points or 0.37% and stood at 7,356 points at the end of the Sunday trading session.

The day's closing mark is the highest ever since the index was launched in 2013. DGEN, the float-unadjusted predecessor of DSEX, shot up to 9,000 points in the 2010 peak.

Most sectors observed satisfactory performance, out of which the paper and printing sector gained by 5.4%, tannery and footwear gained 3.2% and food gained 2.1%.

General insurance suffered the biggest correction losing 3.6% of their total market capitalization. Some announcement of sponsor-directors' share sale might have worked against investors' confidence in the non-life insurance stocks.

Source: <https://www.tbsnews.net/economy/stocks/dsex-hits-another-record-high-310972>



Fuel Shortages Remain in Southeast England

Gas stations in London and southeast England continue to suffer a lack of fuel although the situation has improved in northern England and Scotland, the Petrol Retailers Association (PRA) said on Saturday.

Britain will from Monday deploy military tanker drivers to deliver fuel after a chaotic week of shortages that has resulted in panic buying and some drivers hoarding petrol in water bottles.

The chairman of the PRA told Sky News his organization's survey showed that only 16 per cent of more than 1,000 sites checked on Saturday had no fuel, an improvement on the 27 per cent reported to be dry on Friday, but local bottlenecks remained.

"It is much better in the north and Scotland, and London and the south east really remain the critical area going forward into next week," PRA Chairman Brian Madderson said.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/fuel-shortages-remain-southeast-england-2190176>



Nigeria Gets \$400m in World Bank Financing for Covid-19



Nigeria received approval for \$400 million in funding from the World Bank on Friday to purchase and deploy Covid-19 vaccines, the bank said in a statement.

The World Bank's board of directors approved funding, provided through the International Development Association, which it said would enable Africa's most populous country to buy Covid-19 vaccines for 40 million people, about 18 per cent of the population, and to support the deployment of vaccines to 110 million people.

In a statement, the bank said the money would allow the government to vaccinate 51 per cent of the population within two years and "avoid the dire consequences of another lockdown that has left an economic toll in its wake where the country continues to suffer" struggles with.

The government said last month that about 20 per cent of workers in Nigeria had lost their jobs as a result of Covid-19.

Source: <https://www.thedailystar.net/business/global-economy/news/nigeria-gets-400m-world-bank-financing-covid-19-2190196>

Opec Meets on Output Increase as Oil Prices Rally

OPEC and its allies meet on Monday to debate how much oil to release into the red hot market, where supply disruptions and recovering demand from the coronavirus pandemic have pushed oil above \$80 per barrel.

The oil price rally to a three-year high is exacerbated by an even bigger increase in gas prices, which have spiked 300 per cent and have come to trade close to an equivalent of \$200 per barrel due to supply shortages and low production of other fuels.

The Organization of the Petroleum Exporting Countries and allies led by Russia, known as OPEC+, agreed in July to boost output by 400,000 barrels per day every month until at least April 2022 to phase out 5.8 million bpd of existing cuts.

Four OPEC+ sources told Reuters last week producers were considering adding more than that deal envisaged, but none gave details on how much more, or when supply would increase.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/opec-meets-output-increase-oil-prices-rally-2190191>



New York's Street Vendors still waiting for Pandemic Recovery



After his small Manhattan food stand lost its customers during the coronavirus pandemic, Abdul Rahman -- an Afghan vendor who arrived in New York in 1992 -- has resumed service, albeit at a fraction of former business since offices are still far from full.

Rahman and the thousands of street vendors like him, emblematic of New York's sidewalks, were hoping things would finally go back to normal in September.

But that's far from the case: "The business is like, 20, 30 per cent (less) than before the pandemic," Rahman, 44, told AFP, standing in front of a display case of doughnuts and other pastries.

With a wave of his arm, he points to where customers used to form long lines in front of his mobile stand. Like yellow taxis, the metal food carts -- stocked with coffee, muffins, bananas and hard boiled eggs -- are part of New York's cityscape.

Source: <https://www.thedailystar.net/business/global-economy/america/news/new-yorks-street-vendors-still-waiting-pandemic-recovery-2190216>

Disclaimer

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