

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 14, 2021

Bangladesh's GDP to Surpass that of Denmark, Singapore, Hong Kong by 2025

Bangladesh's economy is projected to reach \$516.24 billion in the fiscal 2024-25, outperforming advanced economies such as Denmark, Singapore and Hong Kong along the way, says the International Monetary Fund (IMF).

Denmark is expected to have a GDP of \$484.38 billion at the current dollar value in 2025, while Singapore and Hong Kong will see their economies reach \$461.51 billion and \$452.10 billion, respectively.

The forecast was revealed in the IMF's World Economic Outlook database on Tuesday. Approaching a \$500 billion+ economy, Bangladesh would also surpass Norway (\$497.55 billion), the Philippines (\$506.66 billion) and even the oil-rich United Arab Emirates (\$480.03 billion) by 2025.

According to the Bangladesh Bureau of Statistics (BBS), Bangladesh's GDP was \$355 billion in FY21, up from \$323 billion in the previous fiscal year.

Source: <https://www.tbsnews.net/economy/bangladeshs-gdp-surpass-denmark-singapore-hong-kong-2025-315460>



BB to Recognise 17 Banks, NBFIs for Meeting CMSME Loan Disbursement Targets

Bangladesh Bank (BB) has decided to recognise 17 banks and non-bank financial institutions (NBFIs) that have met their Covid-19 stimulus loan disbursement targets in the cottage, micro, small, and medium enterprise (CMSME) sector.

The central bank authorities will hand over honorary certificates to the managing directors of these banks in recognition of their efforts. The function will be held on 20 October at Bangladesh Bank premises.

Among the awardees, there are 13 banks and four financial institutions. Agrani Bank, Bangladesh Krishi Bank (BKB), Rajshahi Krishi Unnayan Bank (RAKUB), United Commercial Bank Limited (UCBL), Premier Bank, Uttara Bank, Prime Bank, Mutual Trust Bank, Madhumati Bank, Bank Asia, Commercial Bank of Ceylon, Eastern Bank and BRAC Bank are among the banks to be certified.

Source: <https://www.tbsnews.net/economy/bb-recognise-17-banks-nbfis-meeting-cmsme-loan-disbursement-targets-315445>



World Investors are Eyeing Chattogram: Ambassador Miller

Eyes of the world's investors are on Chattogram as there are immense possibilities and fields for investment in the port city, Earl R. Miller, the US Ambassador to Bangladesh said on Wednesday.

"The United States is also interested in investing in Chittagong. The next steps will be taken after investing and feasibility study, especially in education, health, ICT and tourism," the ambassador said following a meeting with Chattogram City Mayor Rezaul Karim in the commercial capital of the country.

"We believe that Chattogram will soon be integrated as an effective link of regional and global connectivity in the way big projects have been implemented and are being implemented."

There are already signs of massive industrialisation at Mirsharai, Anwara and other parts of South Chattogram because of the tunnel, he noted.

Source: <https://www.tbsnews.net/economy/world-investors-are-eyeing-chattogram-ambassador-miller-315466>



BGMEA Requests EU to Continue Duty Benefit for 12 years after LDC Graduation

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the European Union (EU) to continue its trade benefits for Bangladesh for 12 years after the country's graduation from LDCs in 2026.

The extension will help Bangladesh in making smooth transition from LDC and preparing to face post-graduation challenges, BGMEA President Faruque Hassan said during a meeting with Ambassador of the European Union to Bangladesh Charles Whiteley on Wednesday.

The BGMEA chief thanked the European Union for its move to remove 7.4-per cent import-share threshold from the GSP-plus vulnerability criteria, as the step will pave the way for Bangladesh to apply for GSP-plus benefit after its LDC graduation.

Source: <https://www.tbsnews.net/economy/rmg/bgmea-requests-eu-continue-duty-benefit-12-years-after-ldc-graduation-315406>



Stock indices plunge for third straight day

Stock indices plunged for the third straight day due to excessive selling pressures amid higher-earning disclosures by listed companies for fiscal 2020-21.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), lost 119.5 points in the last three sessions.

Due to the selling pressures, the equity indices ended in a red trajectory on Wednesday.

DSEX tumbled by 65.5 points or 0.89% to 7248 and the blue-chip index DS30 fell by 1.17% to 2717 points and the Shariah index DSES by 1.53% to 1566 points.

The total turnover of DSE increased by 4.79% to Tk1,953.99 crore, from Tk1,863.80 crore on Tuesday.

The port city bourse, Chittagong Stock Exchange (CSE) also plummeted in red terrain, and the All Share Price Index (CASPI) dropped 177 points or 0.82% to 21,183.

Source: <https://www.tbsnews.net/economy/stocks/stock-indices-plunge-third-straight-day-315502>



Fortune Shoes Profits up by 200% in Q1

Fortune Shoes Limited – a local footwear manufacturer for exports – posted a 200% year-on-year growth in profit in the first quarter of the current fiscal year.

In the July-September quarter of fiscal 2021-22, the profit stood at Tk19.96 crore and the earnings per share (EPS) at Tk1.29.

In the corresponding period of the previous fiscal year, the net profit was Tk6.70 crore and EPS Tk0.46.

In fiscal 2019-20, the company's exports fell due to the Covid-19 pandemic, resulting in a decline in both revenue and profits. As exports increased again, its revenue grew by 18% to Tk140.44 crore and profit by 110% to Tk24.61 crore in fiscal 2020-21. The EPS stood at Tk1.59. According to officials at the company, the country's footwear exports rose by 19% to \$569.88 million in that fiscal year.

Following its rosy financials, the board of directors of the company, which got listed on stock exchanges in 2016, has recommended 10% cash and 5% stock dividends for the shareholders.

Source: <https://www.tbsnews.net/economy/fortune-shoes-profits-200-q1-315487>



UK Economy Rebounds despite Supply Chain woes

British employers increased their payrolls to a record high in September, shortly before the end of the government's wage subsidies scheme, potentially encouraging the Bank of England's progress towards a first post-pandemic interest rate hike.

The number of workers on companies' books rose by the most on record in data going back to 2014, up by 207,000 from August.

Employers turned to recruitment agencies to find staff and hotel and food firms created jobs as they recovered from Covid-19 lockdowns.

Separate official data published on Tuesday (12) showed the unemployment rate edged down to 4.5 per cent in the three months to August from 4.6 per cent in the May-July period, as expected by economists in a Reuters poll.

The BoE is gearing up to become the first major central bank to raise rates since the coronavirus crisis struck. Inflation is heading towards four per cent or higher – above its two per cent target.

Source: <https://www.thedailystar.net/business/global-economy/news/uk-economy-rebounds-despite-supply-chain-woes-2197951>



China Coal Prices Hit Record High

China's thermal coal prices surged to fresh record highs on Wednesday as recent floods in a key coal producing province worsened a supply crunch, just as new efforts by Beijing to liberalise power prices boosted demand from power generators.

China, the world's largest coal consumer, has been grappling with a growing energy crisis brought on by shortages and record high prices for the fuel.

The government has taken a range of steps to boost coal production and manage electricity demand at industrial plants, while power producers and other coal users have been ramping up imports.

Local governments in top Chinese coal producing areas Shanxi and Inner Mongolia have ordered some 200 mines to boost output, but incessant rain flooded 60 mines in Shanxi.

Source: <https://www.thedailystar.net/business/global-economy/news/china-coal-prices-hit-record-high-2197946>



China's Sept Exports Surprisingly Robust

China's export growth unexpectedly accelerated in September, as still solid global demand offset some of the pressures on factories from power shortages, supply bottlenecks and a resurgence of domestic Covid-19 cases.

The world's second-largest economy has staged an impressive rebound from the pandemic but there are signs the recovery is losing steam.

Resilient exports could provide a buffer against growing headwinds including weakening factory activity, persistently soft consumption and a slowing property sector.

Outbound shipments in September jumped 28.1 per cent from a year earlier, up from a 25.6 per cent gain in August.

Power shortages caused by a transition to clean energy, strong industrial demand and high commodity prices, have halted production at numerous factories including many supplying firms such as Apple and Tesla since late September.

Source: <https://www.thedailystar.net/business/global-economy/news/chinas-sept-exports-surprisingly-robust-2197936>



Asian Traders Move Cautiously

Asian markets were mixed Wednesday as investors awaited key US inflation data that could play a major role in the Federal Reserve's plans to tighten monetary policy, while concerns over a global energy crunch also jangled nerves.

With the world's top economy well on the recovery track, the US central bank has already signalled it will begin to wind back the massive financial support put in place at the start of the pandemic.

But supply chain bottlenecks, surging demand fuelled by reopenings and spiking fuel costs have sent inflation soaring in recent months, putting pressure on bank chiefs to act to prevent prices from running out of control.

An extended period of higher-than-targeted inflation is ramping up expectations that the Fed will have to lift interest rates after it has finished tapering its massive bond-buying programme.

And some analysts are now suggesting the first hike could come as soon as mid-2022, well before the early 2023 originally predicted. The prospect of higher borrowing costs has put the brakes on a rally across global markets that has run for about a year and a half.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-traders-move-cautiously-2197921>



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