

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 22, 2021

ADB Launches New Strategy to Help Bangladesh Boost Competitiveness

The Asian Development Bank (ADB) has launched a new country partnership strategy (CPS) for Bangladesh to boost competitiveness, employment, green growth and social protection.

The CPS, which would be continued for five years until 2025, will help Bangladesh realise its aspiration of becoming an upper-middle-income country by 2031 through increased public and private investments in the next five years, ADB said in a statement today.

It will also support rapid socioeconomic recovery from the Covid-19 pandemic, it said.

ADB will further expand its private sector operations in Bangladesh and continue to leverage a high level of co-financing with other development partners. Improving the banking sector, the ease of doing business, business environment, and investment climate will help accelerate private sector development and promote economic diversification, according to the statement.

Source: <https://www.thedailystar.net/business/economy/news/adb-launches-new-strategy-help-bangladesh-boost-competitiveness-2180991>



Sonali Bank Ranks Top in Implementing APA 2020-21

State-owned commercial bank Sonali Bank has secured the first position among all government banks in implementing the Annual Performance Agreement (APA) 2020-21, said a press release.

Sonali Bank scored 93.6 out of 100 among the state-owned banks. The Financial Institution Division congratulated the Sonali Bank management for its achievement in implementing the indicators included in the agreement signed between the organisations.

Commenting on the achievement, Sonali Bank CEO and managing director Md Ataur Rahman Prodhan greeted all employees for their contribution in taking the bank's services to the clients' doorsteps during the Covid outbreak.

Source: <https://www.newagebd.net/article/149756/sonali-bank-ranks-top-in-implementing-apa-2020-21>



Nagad Gives Tk. 33.2m to Postal Dept as Revenue Share in FY21

Mobile financial service Nagad has handed over Tk. 33.20 million (Tk. 3,31,94,877) to the Bangladesh Post Office as its revenue share for FY21.

Posts and Telecommunications Division Secretary Md. Afzal Hossain received a cheque of that amount from Nagad Executive Director Md Shafayet Alam recently at Bangladesh Secretariat, reports BSS.

As per the agreement, the postal department is entitled to have 51 per cent of the total revenue generated from the services of Nagad while the remaining 49 per cent goes to Nagad Limited.

The revenue received by the postal department in the just-concluded fiscal year was much higher than the previous year.

In just two and a half years of its rollout as a service of the postal department, Nagad has revolutionized the country's mobile financial service market.

Source: <https://thefinancialexpress.com.bd/economy/nagad-gives-tk-332m-to-postal-dept-as-revenue-share-in-fy21-1632139983>



Savings Tools Interests Cut to Divert Investment to Industries

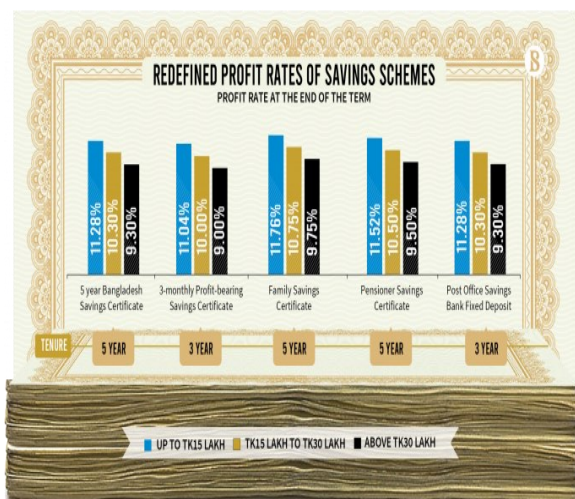
The government on Tuesday cut interest rates on all types of savings tools – after around six years – with an aim to divert large investments to industries and the capital market.

Under the new rates, for savings instruments amounting to over Tk15 lakh with a five-year tenure, investors will get as much as 10.75% in profit – down by 1 percentage point, according to a circular issued by the Internal Resource Division of the finance ministry on Tuesday.

An investment over Tk30 lakh will yield the highest, 9.75% – 2 percentage points lower than the existing rate.

The interest rate for three-year savings certificates has been reduced to 10% for investments of more than Tk15 lakh, while those who will invest more than Tk30 lakh will get a 9% interest at the end of the tenure.

Source: <https://www.tbsnews.net/economy/savings-tools-interests-cut-divert-investment-industries-305758>



Stocks Begin Rising Again

The stock market continued rising again for the second consecutive day with the prime index of the Dhaka bourse hitting its highest ever points level today.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), soared 52 points, or 0.73 per cent, to 7,258 – the same points level the market hit on September 9.

The index has been falling for the last few weeks as most of the stock investors were in a profit booking tendency, said a stock broker.

However, now the index is soaring again as some of the people are buying stocks again, he said.

Pacific Denims topped the gainers' list that rose 9.86 per cent followed by International Leasing, Alif Industries, Premier Leasing and Tung Hai Knitting.

Reliance One shed mostly in the market that fell 6.26 per cent followed by ICB AMCL Second Mutual Fund, Eastern Lubricants, National Housing Finance and Investments, and BD Lamps.

Source: <https://www.thedailystar.net/business/news/stocks-begin-rising-again-2180916>



BD Finance Capital to Manage First Security Islami Bank's Right Issue

BD Finance Capital Holdings, a subsidiary of Bangladesh Finance, will manage the issue of right shares of First Security Islami Bank Limited.

On 20 September, the companies signed a memorandum of understanding at the head office of the Shariah-based private sector lender in the capital, read a press statement.

First Securities Islami Bank has said its board of directors recommended raising the paid-up capital of the company through the issuance of rights shares at a ratio of one right share against two existing shares at a rate of Tk10 each against the face value of the same.

The issuance is subject to regulatory approval.

When a company gives its shareholders an offer to buy new shares against their existing shares, the new shares are called right shares.

Source: <https://www.tbsnews.net/economy/stocks/bd-finance-capital-manage-first-security-islami-banks-right-issue-305710>



OECD Lowers Global, US Economic Growth Forecasts

The OECD warned Tuesday of an "uneven" global economic recovery as it lowered its 2021 growth forecasts for the world and the United States while raising the outlook for Europe.

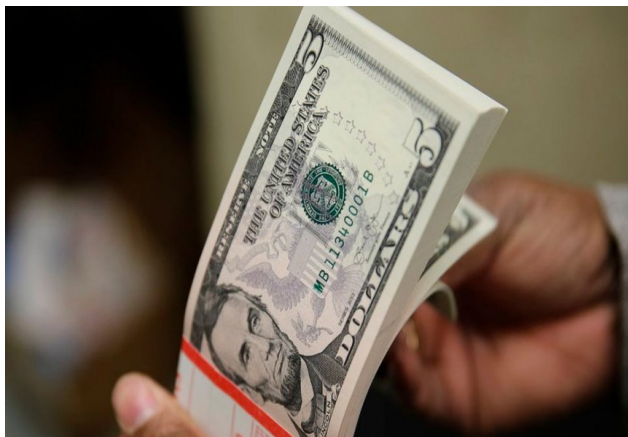
The world economy has bounced back this year on the back of stimulus measures, the rollout of effective Covid vaccines and the resumption of many economic activities, the Organisation for Economic Co-operation and Development (OECD) said.

"The recovery remains very uneven, with strikingly different outcomes across countries," the OECD said in its interim economic outlook.

Global gross domestic product has surpassed its pre-pandemic level following last year's Covid-induced recession.

Global output is now expected to expand by 5.7 per cent this year, down 0.1 percentage points from the organisation's previous forecast in May. But the outlook for 2022 has slightly improved, with 4.5 per cent growth now expected, up by 0.1 points.

Source: <https://www.thedailystar.net/business/global-economy/news/oecd-lowers-global-us-economic-growth-forecasts-2181311>



Dollar Creeps Higher as Fed's Taper Looms

The dollar began the week firmly on Monday with investors in a cautious mood ahead of several central bank meetings, headlined by the Federal Reserve, while looming catastrophe at indebted developer China Evergrande added to markets' fragility.

In thin trade, owing to holidays in Japan and China, the euro nursed losses from its weakest week in a month, slipping slightly to touch a four-week low of \$1.1721. Sterling and the Australian and New Zealand dollars were also pressured toward new troughs.

The kiwi, at \$0.7024, and sterling, at \$1.3722, made three week lows as did the Aussie which fell 0.1 per cent to \$0.7253.

"The U.S. dollar is having a bit of a rebound," said Westpac analyst Imre Speizer, drawing support, he added, both from an expectation of imminent asset purchase reductions from the Fed and from caution as equity markets begin to get the wobbles.

Source: <https://www.thedailystar.net/business/global-economy/news/dollar-creeps-higher-feds-taper-looms-2180486>

Britain May Give State Loans to Energy Companies

Britain is considering offering state loans to energy companies that take on customers from firms which go bust due to soaring wholesale natural gas prices, Business Secretary Kwasi Kwarteng said on Tuesday.

As economies reopen after Covid-19 lockdowns, wholesale natural gas prices in Europe have soared this year, pushed up by high demand for liquefied natural gas in Asia, nuclear maintenance and lower-than-usual supplies from Russia. The record prices have strained the British energy sector, destroying the business model of smaller energy traders and sending shockwaves through the chemical and fertiliser markets, leading to a shortage of carbon dioxide.

Britain's biggest energy companies have asked the government for support to help cover the cost of taking on customers from firms that have gone bust.

European consumers are facing the prospect of soaring winter heating bills due to a confluence of global factors that have raised questions about how vulnerable Europe remains to swings in global energy prices.

Source: <https://www.thedailystar.net/business/global-economy/news/britain-may-give-state-loans-energy-companies-2181301>

China's High-tech Push Seeks to Reassert Global Factory Dominance



At a factory in China's north, workers are busy testing an automated vehicle designed to move bulky items around industrial spaces, one of a new generation of robots Beijing wants to shift the country's manufacturing up the value chain.

The robot's Tianjin-based maker has received tax breaks and government-guaranteed loans to build products that modernise China's vast factory sector and advance its technological expertise.

"The government is paying great attention to the manufacturing sector and the real economy - we can feel that," said Ren Zhiyong, general manager of Tianjin Langyu Robot Co, as he gave Reuters a guided tour of his plant.

China is backing R&D efforts by high-tech manufacturers like Langyu, driven by an urgent desire to reduce reliance on imported technology and reinforce its dominance as a global factory power, even as it cracks down on other parts of the economy.

Source: <https://www.tbsnews.net/worldbiz/china/chinas-high-tech-push-seeks-reassert-global-factory-dominance-305863>

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