

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 8, 2021

Bangladesh Decides to Join Largest Trade Bloc

Bangladesh has decided to join the world's largest trading bloc, the Regional Comprehensive Economic Partnership (RCEP), to stay eligible for duty-free trade facilities in the markets of nearly one-third of the global economies after it graduates to a developing nation in 2026.

The commerce ministry will send a formal proposal to the RCEP headquarters, conveying the country's interest in availing a membership to the bloc, as decided in a meeting on Sunday, Hafizur Rahman, additional secretary to the ministry, told The Business Standard.

With the trading alliance of 15 economies, including China and Japan, entering into force at the beginning of 2022, Bangladesh's exports to the RCEP nations will not face much trouble until 2026 when the country's duty-free access to these two major markets will end, according to commerce ministry officials.

Source: <https://www.tbsnews.net/economy/bangladesh-decides-join-largest-trade-bloc-299347>



German Brand KiK Supports BGMEA to Finance Vaccines for RMG Workers

Renowned German brand KiK has made donation to facilitate the purchase Covid vaccines for garment workers in Bangladesh.

The donation was made through the Bangladesh Garment Manufacturers and Exporters Association which will be forwarded to the health ministry as the government is responsible for procuring and administering vaccines.

The donation comes as part of KiK's social responsibility activities as a long-standing partner of the garment industry in Bangladesh.

In addition to sourcing garments, KiK has been involved with social projects in Bangladesh for many years and has established a number of charitable organizations like schools and medical stations in the country.

Source: <https://www.newagebd.net/article/148462/german-brand-kik-supports-bgmea-to-finance-vaccines-for-rmg-workers>



Inland Waterway Trade Can Boost Bangladesh Economy: Speakers

Trade utilizing the inland water transport (IWT) services can serve as one of the key factors for economic recovery in Bangladesh, as well as in South Asia. But lower navigability and inadequate infrastructure at river ports are now the biggest challenges faced by the country.

Despite having a huge potential, the IWT sector could not grow properly due to the lack of waterway maintenance for years, speakers said at a webinar titled "Promoting Inland Waterways: Prospects and Challenges," organized by Unnayan Shamannay on Tuesday.

Presenting the keynote paper, the organisation's Research Officer Ayan Soofi said, "The waterways have remained under-invested due to a policy priority for improving the road network.

"Our study found that Bangladesh had allocated Tk1,04,161 crore for road development and maintenance between FY2010-11 and FY2019-20, while the allocation was nearly eight times lower for the IWT sector at only Tk13,084 crore."

Source: <https://www.tbsnews.net/economy/inland-waterway-trade-can-boost-bangladesh-economy-speakers-299251>



Govt Borrowing Jumps 12.20% in First 2 months of FY22

Government borrowing from the banking sector has gone up by 12.20% during the first two months of Fiscal Year 2021-22 compared to the same period last FY, following the gradual improvement of Covid-19 situation across the country.

According to the Bangladesh Bank, government borrowing stood at Tk1,83,865 crore at the end of August in FY2020-21, which reached Tk2,09,436 crore during the same two months this FY.

Besides, the government borrowed Tk15,710 crore from banks in the first two months of current FY, and repaid loans amounting to Tk8,191 crore to the central bank. The net loan for this FY now stands at Tk7,519 crore, which is around 10% of the government's target.

Source: <https://www.tbsnews.net/economy/banking/govt-borrowing-jumps-1220-first-2-months-fy22-299296>



DSE Continues Record-breaking Rally

Stocks continued to break their previous records, as all three indices and market-cap of the Dhaka Stock Exchange (DSE) set at new highs on Tuesday.

DSEX, the benchmark index of the DSE, went up by 65.38 points or 0.92 per cent to settle at more than 7,140—the highest since its inception nearly nine years back on January 27, 2013.

Turnover, another important indicator of the market, remained high and amounted to Tk 28.66 billion on the country's premier bourse, 1.20 per cent lower than the previous day's tally of Tk 29.01 billion.

Analysts say the high confidence of investors coupled with a lower interest rate in the banking sector prompted them to perk up their funds on stocks hoping for higher returns.

Investors prefer to put their funds in stocks instead of banks as banks are offering deposit rates ranging from 3.0 per cent to 5.0 per cent, which does not even cover the country's inflation rate, he said.

Source: <https://thefinancialexpress.com.bd/stock/dse-continues-record-breaking-rally-1631006457>

Total Trade	Total Volume	Total Value in Taka (mn)
379057	701062369	28661.698
Issues Advanced	Issues declined	Issues Unchanged
177	167	30



Newly Listed SBAC Bank Declares 8.0pc Dividend

The board of the directors of newly listed South Bangla Agriculture & Commerce Bank (SBAC) has recommended 4.0 per cent cash and 4.0 per cent stock dividend for the year ended on December 31, 2020.

This is the first dividend declaration by the bank after listing the country's stock market last month.

The private commercial bank, which raised Tk 1.0 billion under the fixed price method, made share trading debut on August 11, this year.

The board of the private commercial bank has also decided to form two companies – SBAC Bank Capital Management and SBAC Bank Asset Management.

The final approval of the dividend will come during the annual general meeting (AGM) scheduled to be held on October 21 at 3:30pm through the digital platform. The record date is set for September 28.

Source: <https://thefinancialexpress.com.bd/stock/newly-listed-sbac-bank-declares-80pc-dividend-1631023800>



UK House Prices Jump as Market Strength Persists

British house prices rose sharply last month in a further sign of strong momentum in the market even after the partial withdrawal of tax breaks on property purchases, a survey from mortgage lender Halifax showed on Tuesday.

House prices rose by 0.7 per cent in August, the biggest month-on-month rise for three months and following a 0.4 per cent rise in July, Halifax said.

In annual terms, house price growth cooled to 7.1 per cent from 7.6 per cent in July, the weakest reading for five months.

The number of property purchases slumped in July when a year-long exemption from stamp duty for the first 500,000 pounds (\$687,550) of a house purchase ended in England and Northern Ireland.

Rival mortgage lender Nationwide last week said its measure of UK house prices rebounded surprisingly strongly in August to show their second largest monthly increase in 15 years after falling in July.

Source: <https://www.thedailystar.net/business/global-economy/news/uk-house-prices-jump-market-strength-persists-2170931>



StanChart Strikes Deal to Launch Singapore Digital-only Bank

Standard Chartered has agreed a three way partnership deal to launch a digital-only bank in Singapore with the nation's National Trades Union Congress (NTUC).

A Standard Chartered car will take a 60 percent stake within the enterprise, price 144 million Singapore {dollars} (\$107.28 million), with the NTUC's enterprise arm taking the remaining 40 percent stake, price S\$96 million, the London-listed bank mentioned on Monday.

The deliberate enterprise comes after StanChart launched its digital-only Mox Bank model in Hong Kong final 12 months and amid a growth in fintech investments in Southeast Asia.

The Standard Chartered car concerned within the transaction obtained a full Singaporean banking licence in December final 12 months, the corporate mentioned.

Source: <https://www.thedailystar.net/business/global-economy/south-asia/news/stanchart-strikes-deal-launch-singapore-digital-only-bank-2170546>

Japan Calls for \$270b-plus Stimulus Package

Japan's former foreign minister Fumio Kishida, a strong contender to become next prime minister, has called for a package of more than 30 trillion yen (\$273 billion) to cushion the blow from the coronavirus pandemic, a magazine reported.

Suga's shock Friday announcement he was stepping down has thrown a ruling Liberal Democratic Party (LDP) leadership race set for September 29 wide open, with an array of candidates considering running.

Kishida said under his plan, the government would compile a supplementary budget exceeding 30 trillion yen that will be funded by issuing bonds, according to the magazine. "Kishida is stressing the need for a short-term, targeted package, a view seen shared by another strong candidate Taro Kono," said Chotaro Morita, a strategist at SMBC Nikko Securities, adding 30 trillion yen will be the ballpark number for any new stimulus regardless of who becomes next premier.

"We must support the economy with large-scale monetary easing and fiscal stimulus to protect people's lives from the pandemic," he was quoted as saying in an interview that ran on Monday evening.

Source: <https://www.thedailystar.net/business/global-economy/news/japan-calls-270b-plus-stimulus-package-2170911>

Asian Shares on Edge in Choppy Trading, Dollar Holds Gains



Asian shares hovered just off six-week highs on Wednesday, as a more risk-averse mood spread into the market from the United States overnight due to worries about slowing growth that hurt equities while helping the dollar firm.

MSCI's broadest index of Asia-Pacific shares outside Japan (.MIAPJ0000PUS) fell 0.13% having posted gains, if sometimes small, for 11 of the last 12 sessions.

Japan's Nikkei (.N225) reversed early losses and was last 0.42% higher after revised gross domestic product growth figures beat expectations for the world's third-biggest economy. L4N2Q90R4

Most other moves were muted in early trading. Australia (.AXJO) slipped 0.32%, Chinese blue chips (.CSI300) fell 0.04%, and the Hong Kong benchmark (.HSI) gained 0.12%.

Medium-term prospects for the region also continue to weigh on shares in Asia. The MSCI regional benchmark is still well off all-time highs, unlike equity markets in the US and Europe.

The dollar held onto its overnight gains against a basket of its peers having risen from near a four week-low overnight alongside benchmark US treasury yields.

Source: <https://www.tbsnews.net/world/global-economy/asian-shares-edge-choppy-trading-dollar-holds-gains-299380>

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