

## HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 08, 2021

### RMG Exports to US Grow 26.37pc in Jan-Sept Period

The country's apparel exports to the United States, in terms of both volume and value, continued to rise and maintained a double digit growth during the first nine months of this calendar year.

Bangladesh fetched US\$ 5.0 billion from readymade garment (RMG) exports to its single largest destination during the January-September period of 2021, according to OTEXA, an affiliate of the US Department of Commerce.

The earnings were 26.37 per cent higher compared to the earnings of \$3.95 billion in the corresponding period of last year.

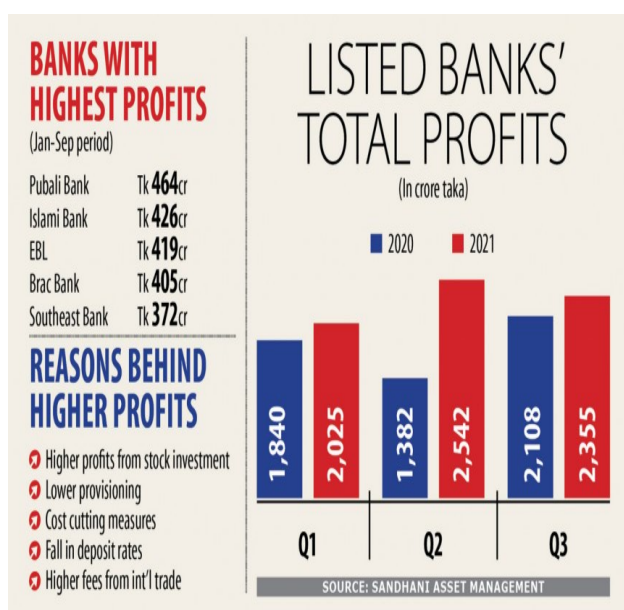
During the nine-month period under review, Bangladesh shipped 1.86 billion square metres of apparel items, up by 33.83 per cent from 1.39 billion square metres in the same period of 2020.

Bangladesh's main competitors China and Vietnam also witnessed 25.13 per cent and 15.11 per cent growth respectively.



Source: <https://thefinancialexpress.com.bd/economy/rmg-exports-to-us-grow-2637pc-in-jan-sept-period-1636253452>

### Banks Post Higher Profits in Jan-Sep



Listed banks in Bangladesh posted higher profit in the January to September period on the back of higher income from their investment in the stock market, a pick-up in credit demand and lower expenses. The lenders made a combined profit of Tk. 6,923 crore during the nine-month period, up 29.88 per cent from Tk. 5,330 crore a year ago.

Of the 32 listed banks, 26 clocked higher profits, five made lower profits, and one incurred losses. Among the banks, Pubali Bank made the highest profit of Tk. 464 crore. ICB Islamic Bank incurred loss of Tk. 31 crore.

"Listed banks logged higher profits in the current year on the back of their investment in the stock market," said Ali Reza Iftekhar, chairman of the Association of Banks, Bangladesh, a forum of the chief executives of lenders.

As the key index of the stock market surged, banks did not have to set aside any provision, which had a positive impact on the overall profits.

Source: <https://www.thedailystar.net/business/economy/banks/news/banks-post-higher-profits-jan-sep-2222541>

## Bashundhara Paper Mills Profit Grows 45% on Rising Tissue Paper Sales

Bashundhara Paper Mills Ltd, one of the leading paper mills in the country, has posted a 45% profit growth in the 2020-21 fiscal year following an increase in demand for its products in the local market as well as a surge in export.

The company registered Tk928 crore in annual revenue, an 8% growth from the previous year's Tk854 crore, according to its Company Secretary M Mazedul Islam.

The sales growth was derived from two main sources – the increased demand for its market-leading tissue papers, hygiene products and more exports of paper and tissue paper, sanitary napkins, wet wipes, etc.

Over the entire fiscal year, although educational institutions remained closed due to the pandemic, which kept the demand for papers a little subdued, the company kept producing various types of new products for sales growth leading both its local and export market sales, said the company secretary.

Source: <https://www.tbsnews.net/economy/stocks/bashundhara-paper-mills-profit-grows-45-rising-tissue-paper-sales-326578>



## Interest Income Saves Rahima Food's Bottom-line

Rahima Food Corporation has bounced back to profit thanks to the interest income from its cash assets which covered the fixed costs amid no production in the last fiscal year.

The once edible oil and vegetable ghee producing company posted earnings per share of Tk0.07 in fiscal 2020-21 against its Tk1.2 losses per share a year ago.

"We have some cash that brings interest income for the company. The fixed cost that was less than the interest income for the latest fiscal year had been the main cost of the company," Shahidur Rahman, chief financial officer (CFO) at Rahima Food, told The Business Standard.

In the first nine months of the last fiscal year, the company earned Tk83.73 lakh in interest income from its over Tk17 crore cash and cash equivalent assets, which were Tk1.64 crore and Tk20.88 crore respectively in the corresponding period of the previous year.

Source: <https://www.tbsnews.net/economy/stocks/interest-income-saves-rahima-foods-bottom-line-326572>



## Most Listed Private Power Companies see Profit Growth in FY21

Most listed power generation companies in the private sector logged higher profit year-on-year in the fiscal year (FY) 2020-21, thanks to higher income from subsidiaries, reduced corporate tax and lower interest rates.

Out of the 23 companies listed in the 'fuel & power' sector on the Dhaka Stock Exchange (DSE), nine are engaged in power generation owned by private sector people.

Of them, seven booked higher profit while two saw their profit decline in the FY2020-21 compared to the same period a year earlier, according to the audited financial statements.

Industry insiders said the government's incentive packages, corporate tax rate cut and increased revenue earnings from their subsidiaries helped private power generation companies make good profits.

A significant decrease in finance cost and reduction of interest rate compared to the last year had also a positive impact on the sector because most companies have big amounts of loans, they said.

Source: <https://thefinancialexpress.com.bd/stock/most-listed-private-power-companies-see-profit-growth-in-fy21-1636343930>

EPS of nine private sector listed power generation companies

| Companies       | EPS in FY2020-21 | EPS in FY2019-20 | Change in % |
|-----------------|------------------|------------------|-------------|
| United Power    | Tk 18.80         | Tk 10.24         | 83.59       |
| Shahjibazar     | Tk 6.53          | Tk 4.38          | 49.10       |
| Baraka Patenga  | Tk 6.47          | Tk 4.37          | 48.05       |
| Doreen Power    | Tk 8.09          | Tk 5.53          | 46.29       |
| GBB Power       | Tk 1.50          | Tk 1.14          | 31.57       |
| Baraka Power    | Tk 2.96          | Tk 2.41          | 22.82       |
| Summit Power    | Tk 5.25          | Tk 5.17          | 1.55        |
| Energypac Power | Tk 2.30          | Tk 3.83          | -39.95      |
| Khulna Power    | Tk 0.87          | Tk 3.40          | -74.41      |

Source: DSE



## BHBFC to Increase Authorised Capital to Tk. 10b, Paid up Capital to Tk. 5b

The BHBFC will increase its authorised capital to Tk 10 billion and paid up capital to Tk 5.0 billion to meet the growing demand, once the concerned law in this regard is enacted, said the finance minister on Sunday.

Finance Minister AHM Mustafa Kamal said this while addressing a function virtually this afternoon after inaugurating the payment of BHBFC's loan instalments through Sonali e-services.

With this service, anyone can now pay instantly the loan instalments of the Bangladesh House Building Finance Corporation (BHBFC) side by side its government fixed fees and prices of all kinds of forms.

Source: <https://thefinancialexpress.com.bd/stock/bhbfc-to-increase-authorized-capital-to-tk-10b-paid-up-capital-to-tk-5b-1636292723>

## China's Forex Reserves Rise for First Time since July

China's foreign exchange reserves in October rose on a monthly basis for the first time since July, official data showed on Sunday, as the dollar slipped against a basket of other major currencies.

China's reserves, the world's largest, reached \$3.218 trillion at the end of October, up 0.53 per cent from a month earlier, according to data from the State Administration of Foreign Exchange (SAFE).

"Despite the recurring Covid-19 pandemic and uncertainties among global economic recovery...China's economy continues to recover with strong resilience and huge potential, which would provide support for maintaining overall stability in the scale of foreign exchange reserves," the SAFE said in a statement on Sunday.

China held 62.64 million fine troy ounces of gold at the end of October, unchanged from the previous month of 62.64 million fine troy ounces.



Source: <https://www.thedailystar.net/business/global-economy/news/chinas-forex-reserves-rise-first-time-july-2224511>

## US Congress Passes Giant Biden Infrastructure Bill

Democrats rescued President Joe Biden's faltering domestic agenda Friday, passing a giant infrastructure package that is one of the pillars of his \$3 trillion economic vision after rebel moderates had earlier blocked a vote on his social welfare expansion.

The passage of the infrastructure spending marks a legacy-making achievement for Biden, amid plunging personal approval ratings and a humiliating upset defeat for his Democratic Party in the Virginia gubernatorial election.

Party leadership in the House of Representatives began the day aiming to rubber-stamp the infrastructure bill, the biggest upgrade of roads, bridges and waterways in decades, after sending an even bigger social welfare deal, worth up to \$1.85 trillion, to the upper chamber.

But six moderate Democrats refused to commit to the 'Build Back Better' benefits package, arguing they first needed to see a full accounting of its economic impacts, which won't be available for at least a week.

With a majority of just three votes in the House, Speaker Nancy Pelosi was forced to postpone the vote on the Build Back Better package, which includes major investments in health, education, tackling climate change and expanding social welfare programs.

Passing the infrastructure package into law required some tricky mathematics with several progressives, still smarting over the moderate rebellion, voting no — but Democrats were able to add 13 Republicans to their side of the ledger.

'After four years of failed 'infrastructure weeks' under Trump and Republican control, President Biden delivered on his promise to work across the aisle and shepherd through a historic investment in our nation's infrastructure,' Jaime Harrison, chairman of the Democratic National Committee said.

Source: <https://www.newagebd.net/article/153903/us-congress-passes-giant-biden-infrastructure-bill>

## India, Indonesia and Philippines Join Coal Transition Programme

India, Indonesia and the Philippines will join South Africa as the first recipients of a multibillion dollar pilot programme aimed at accelerating their transition from coal power to clean energy, the Climate Investment Funds (CIF) said on Thursday.

The four countries account for 15 per cent of global emissions related to coal, the dirtiest fossil fuel. Cutting their emissions more quickly will help the global effort for net zero carbon emissions by 2050, a key goal of the ongoing United Nations COP26 climate summit in Glasgow, Scotland.

Indonesian Energy Minister Arifin Tasrif said his country was committed to reducing and replacing its coal power plants with renewables in energy transition.

"Climate change is a global challenge that needs to be addressed by all parties through leading by example," he said in a statement.

Source: <https://www.thedailystar.net/business/global-economy/indian/news/india-indonesia-and-philippines-join-coal-transition-programme-2223861>



## Startups Eye Post-pandemic Tele-health Revolution



From mental health apps to a helmet that can shock a patient's brain remotely, startups at this year's Web Summit are betting on a major shift towards "tele-medicine" as the world emerges from the pandemic.

Using technology to treat patients virtually was a major theme at one of the world's largest tech conferences, which returned to Lisbon this week after Covid-19 forced it to move online in 2020.

Sweden-based Kry, which operates in five European countries, is far from the only app designed to do away with the need to physically visit a doctor.

And not all of these startups focus on physical health. US-based Calmerry is among a growing number of e-counselling companies that offer video sessions with mental health therapists.

Most public healthcare systems offer limited access to such services, or none at all. With subscriptions starting at \$42 per week, Calmerry's co-founder Oksana Tolmachova said a key goal was to make therapy more affordable.

Source: <https://www.thedailystar.net/business/global-economy/news/startups-eye-post-pandemic-tele-health-revolution-2224541>

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