

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 27, 2022

Businesses Invite Indian Investment in Bangladesh's Auto parts Sector

Business leaders have said there is an ample opportunity for Indian businessmen to jointly invest in the automobile spare parts industry, in association with Bangladeshi entrepreneurs, as the majority portion of the spare parts of commercial vehicles is imported from the neighbouring country.

"The Tk1,000-crore auto spare parts market in Bangladesh is import-dependent as 95% of goods are imported. Some 90% of the commercial vehicle parts are imported from India so, Indian companies can invest here," said India-Bangladesh Chamber of Commerce and Industry (IBCCI) President Abdul Matlub Ahmad at a programme in the capital on Thursday.

Twenty companies from India and 17 from Bangladesh took part in the day-long show and showcased their products.

Source: <https://www.tbsnews.net/economy/businesses-invite-indian-investment-bangladeshs-auto-parts-sector-375643>



Steel, Furniture Exporters Want Duty-free Raw Material Import Facility

Furniture and steel exporters have demanded a duty-free import facility for raw materials similar to the bonded warehouse facility enjoyed by some other sectors in order to be competitive in the international market.

At a pre-budget discussion organised by the National Board of Revenue on Thursday, the exporters said a facility allowing imports of raw materials against bank guarantees equal to the duty they are supposed to pay would be satisfactory, even if the authorities concerned do not provide them a full bonded warehouse facility.

NBR member Masud Sadiq, who presided over the discussion, expressed a positive attitude towards the exporters' demand and requested the Customs Bond Commissionerate to consider it.

Currently, some export sectors, including readymade garments, can import raw materials and accessories without paying any duty under the bonded warehouse facility, but importers without a bonded warehouse license have to pay full duties and taxes.

Source: <https://www.tbsnews.net/economy/steel-furniture-exporters-want-duty-free-raw-material-import-facility-375652>



IDLC Savings Schemes Available on bKash

People can access IDLC Finance's digital savings services through their bKash accounts, a scope that would allow customers to save from anywhere in Bangladesh.

They can start IDLC's monthly savings schemes of different terms and amounts in just two minutes without any hassle of papers and forms, a press release said.

They can avail of savings schemes in monthly instalments of Tk 500, Tk 1,000, Tk 2,000 and Tk 3,000 starting from a minimum period of two years to a maximum of four years.

The savings instalments will be automatically transferred from the bKash account to IDLC Finance on a specific date of each month.

Source: <https://www.thedailystar.net/business/economy/news/idlc-savings-schemes-available-bkash-2970021>



Banks Asked to Make Shock Recovery Plan

Bangladesh Bank yesterday asked banks to draw up a recovery plan so that they can take time-befitting moves to resolve any downside risk emanating from default loans, liquidity crisis and some other factors.

The guideline will help banks avert catastrophic losses by a substantial extent, said a Bangladesh Bank official.

A bank will have to identify a list of credible options that it can adapt to restore its financial strength.

The board will review and approve the recovery plan at least annually, and as needed to address significant changes made by the management.

If banks timely address the issues by way of having the recovery plans in place, they can avoid any dire consequence related to their financial health, explained the BB official.

The central bank asked the management of banks to reassess or verify the recovery plan at least annually in response to any probable shock that may hit the lenders' financial health.

Source: <https://www.thedailystar.net/business/economy/banks/news/banks-asked-make-shock-recovery-plan-2970091>



Crown Cement's Share Price Soars amid Bearish Market

Despite a massive fall of the main index on the Dhaka Stock Exchange (DSE), the price of Crown Cement's shares soared without any valid reason.

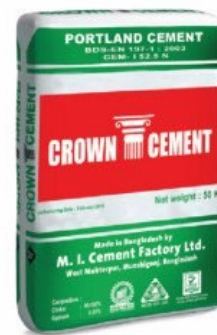
On Thursday, DSEX dropped 1.57%, but the cement manufacturer's share price jumped 9.87% to close at Tk74.6 per share and secured the second position in the top ten gainers' list.

The company's share price surged also in the previous few days as investors opted for holding the shares for better capital gain.

The company was listed with the capital market in 2011 and has been paying 10%-20% cash dividends for the last seven years.

In the first half of the fiscal 2021-22, its sales value jumped 23% to Tk872.73 crore. But increases in prices of raw materials dragged down the profit.

Source: tbsnews.net/economy/stocks/crown-cements-share-price-soars-amid-bearish-market-375571



Small-cap Companies Dominate Weekly Gainers' Chart

Small-cap companies dominated the weekly gainers' chart of the Dhaka bourse following investors' increased participation in those shares in the outgoing week.

The share prices of top 10 gainers of the week advanced up to 22.84 per cent on the Dhaka Stock Exchange (DSE).

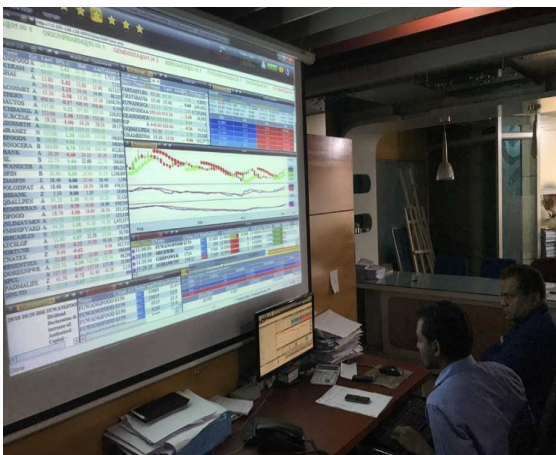
Dragon Sweater and Spinning saw the highest price appreciation of 22.84 per cent to close at Tk 19.90 each on Thursday, the last day of the outgoing week.

The company posted a total turnover of Tk 551.66 million during the week on the premier bourse.

Apex Spinning & Knitting Mills saw a rise of 16.60 per cent in share price and it closed at Tk 172.19 each on Thursday.

Of other top gainers, the share price of Shurwid Industries gained 9.20 per cent, Zaheen Spinning 8.89 per cent, Monno Agro & General Machinery 7.50 per cent, and Delta Spinners 7.07 per cent on the premier bourse.

Source: <https://thefinancialexpress.com.bd/stock/small-cap-companies-dominate-weekly-gainers-chart-1645843560>





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US Rolls Out New Steps to Bolster Supply Chains

US President Joe Biden's administration is set to roll out Thursday new steps to boost domestic production of key materials and address supply chain problems that have contributed to soaring prices over the past year.

The plan includes new financing for ports, small manufacturers and exporters, as well as steps to increase competition in the meat industry.

The moves come on top of previously announced steps to bolster domestic production of critical computer chips that have become symbolic of the pandemic-induced shortages.

"Supply chain resilience is now an enduring national priority," as well as a "national security" issue, a senior administration official told reporters.

The programs, which span multiple agencies and will be announced later this week, include \$10 billion in funding from the US Treasury Department to leverage loans to small manufacturers.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-rolls-out-new-steps-bolster-supply-chains-2970041>



US Consumer Confidence Falls

US consumer confidence fell for the second straight month in February, a survey said Tuesday, as Americans' feelings about the economy's present and future health cooled.

The Conference Board said its consumer confidence index declined to 110.5, a drop of less than a point from January and better than analysts expected.

The data showed consumer expectations for the economy's future performance declined slightly, but there also was a small uptick assessments of its present condition, "suggesting the economy continued to expand in (the first quarter) but did not gain momentum," said Lynn Franco, senior director of economic indicators at The Conference Board.

After declining in December, consumer expectations for inflation 12 months ahead rose again to seven percent.

"While they do not expect the economy to pick up steam in the near future, they also do not foresee conditions worsening," Franco said.



Thailand's Economy Rebounds in Q4

Thailand's economy rebounded in the fourth quarter of last year on the back of rising exports and the easing of coronavirus restrictions that allowed tourists to return, senior officials said Monday.

The 1.9 per cent on-year expansion was more than double what was forecast and marked a strong bounce after a 0.2 per cent contraction in the previous three months.

For the whole year the economy grew 1.6 per cent, according to the National Economic and Social Development Council, and also beat expectations.

South East Asia's second largest economy was hit with a 6.1 per cent contraction in 2020 -- its worst economic performance since the 1997 Asian Economic Crisis.

The NESDC said it saw growth of 3.5-4.5 per cent this year as tourism picks up and government spending kicks in.

Source: <https://www.thedailystar.net/business/global-economy/news/thailands-economy-rebounds-q4-2967516>



Gold Bid, Stocks Dumped further

Russia's invasion of Ukraine saw investors scrambling for the safety of gold and the protection of inflation hedges as weeks of brinkmanship came to a head on Thursday.

While market participants had been bracing for some form of aggression on Russia's part, Thursday's attack that brought explosions even in the Ukrainian capital of Kyiv, and across the country, made the war real for market participants.

Trader playbooks seemed to change from one that was built around the possibility of a diplomatic resolution to the crisis, to what had at one point been a tail-risk, or extreme, scenario.

"It looks pretty clear that they are moving toward Kyiv, which was always one of the worst case scenarios, because we now have a long night ahead of us trying to understand how bad this gets, and what sanctions get put up," said Chris Weston, head of research at brokerage Pepperstone in Melbourne.

Source: <https://www.thedailystar.net/business/global-economy/news/gold-bid-stocks-dumped-further-2970031>



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