

## HIGHLIGHTS OF THE DAY

Bangladesh: Economy

April 13, 2022

### Al-Arafah, Mastercard Bring Contactless Cards

Al-Arafah Islami Bank, in collaboration with Mastercard, yesterday launched the first contactless Islami debit and prepaid cards in Bangladesh.

The move came after Bangladesh Bank last month gave the green light to roll out contactless debit and prepaid cards with a view to pushing digital transactions in the country.

Contactless cards facilitate payment just by waving them at the point of sale (POS) terminal without the need for any signature or PIN verification. The cards are embedded with near-field communication technology that allows secured payments.

The central bank first introduced the technology only for credit cards in July 2018.

Payments of up to Tk 3,000 can be made using the contactless method and it is up to the customer to choose this option or use regular modes of payment that require a signature or keying in the PIN number. Banks in Bangladesh issued 2.56 crore debit cards and 11.98 lakh prepaid cards as of January this year.

Source: <https://www.thedailystar.net/business/organisation-news/news/al-arafah-mastercard-bring-contactless-cards-3003651>



### Govt to Build 15,000 Square feet Hi-tech Park in Keraniganj

A 15,000 square feet hi-tech park is going to be established in Keraniganj, southern suburb of Dhaka city.

State Minister for Power, Energy and Mineral Resources Nasrul Hamid laid the foundation stone of the 7-story hi-tech park in Keraniganj.

Addressing a function on the occasion, he said the hi-tech park will play an important role in creating skilled manpower in the country, reports UNB.

“There is no alternative to create skilled manpower to get the results of the fourth industrial revolution”, he said adding the initiative to create skilled manpower will help face the future challenges.

It was informed at the function that Tk 200 crore will be invested in the hi-tech park project which will have facilities to provide training to 1000 people per year.

Source: <https://thefinancialexpress.com.bd/economy/govt-to-build-15000-square-feet-hi-tech-park-in-keraniganj-1649769576>



## LankaBangla Finance Posts 31% Profit Growth for 2021

LankaBangla Finance Ltd posted a 31% growth in its consolidated annual profits for 2021, thanks to its return on capital market investments.

The consolidated net profit after taxes of the non-bank financial institution (NBFI) soared to Tk130 crore in 2021, which was Tk97 crore in the previous year. Its consolidated earnings per share (EPS) stood at Tk2.38.

According to the company's financial statements, the profit surged mainly because its net investment income from the stock market, and brokerage and underwriting commission increased to Tk79.89 crore and Tk78.83 crore respectively.

However, the NBFI's solo profit fell 26% year-on-year in 2021. Its solo EPS stood at Tk1.13 in 2021, which was Tk1.53 in the previous year.

LankaBangla Finance is operating with the second largest balance sheet in its sector with a significant customer base in retail, SME, and corporate lending arenas.

Source: <https://www.tbsnews.net/economy/stocks/lankabangla-finance-posts-31-profit-growth-2021-402134>



## BSEC Allows BD Paints to Raise Tk12cr

The Bangladesh Securities and Exchange Commission (BSEC) has allowed BD Paints Limited to raise Tk12 crore by issuing shares through a qualified investor offer (QIO) from the SME board of the stock exchanges.

The stock market regulator approved the QIO of the company at a meeting on Tuesday, said a press release.

The company, established in 2014, will issue 1.2 crore ordinary shares at the face value of Tk10 each.

Of the amount, BD Paints will spend Tk1.7 crore on building construction, Tk5.5 crore on machinery installation, and Tk4.54 crore on working capital.

According to the company's audited financial statements as of 30 June 2021, its net profit stood at Tk4.83 crore, which was Tk3.13 crore in the previous year.

CAPM Advisory Limited and Prime Bank Investment Limited are working as the issue managers for the company.

Source: <https://www.tbsnews.net/economy/stocks/bsec-allows-bd-paints-raise-tk12cr-402094>



## DSEX Dips below 6600-Mark on Selling Binge

Stocks tumbled on Tuesday with the key index of the Dhaka Stock Exchange (DSE) falling below the 6,600-mark after one month as investors sold shares to avoid further losses.

Following the previous day's modest correction, the market opened lower and the downturn continued until the end of the session with no sign of reversal.

Finally, DSEX, the prime index of the DSE, went down by 64.49 points or 0.97 per cent to settle at 6,574.

Two other indices also ended sharply lower with the DSE 30 Index, comprising blue chips, shedding 20.26 points to close at 2,431 and the DSE Shariah Index (DSES) fell 11.87 points to finish at 1,442.

Turnover, a crucial indicator of the market, stood at Tk 5.32 billion, which was 4.50 per cent lower than the previous day's tally of Tk 5.57 billion.

Market analysts said the investors are struggling with a lack of confidence amid persistent volatility in the market.

Source: <https://thefinancialexpress.com.bd/stock/dsex-dips-below-6600-mark-on-selling-binge-1649759008>

| Total Trade     | Total Volume    | Total Value in Taka (mn) |
|-----------------|-----------------|--------------------------|
| 90763           | 124471637       | 5329.508                 |
| Issues Advanced | Issues declined | Issues Unchanged         |
| 18              | 337             | 23                       |



## Paramount Textile to Form JV for 100MW Solar Power Plant

Paramount Textile Ltd (PTL) today said it will form a joint venture company with Dynamic Sun Energy Private Ltd to establish a 100 megawatt solar power plant in Pabna sadar, a northwest district.

Paramount will acquire 49 per cent stakes in the plant, which will require around Tk 1,300 crore to produce and supply renewable energy to the national grid, according to a posting of the company on the Dhaka Stock Exchange (DSE) website.

The share price of PTL, however, fell 1.98 per cent to Tk 79.40 today compared to the previous day at the Dhaka bourse.

"We want to complete construction of the project by this year," said PTL Company Secretary Md Robiul Islam.

The PTL posted Tk 48.40 crore in net profit in the first half of 2021-22 financial year, up 28 per cent year-on-year.

Source: <https://www.thedailystar.net/business/news/paramount-textile-form-jv-100mw-solar-power-plant-3003511>



## WTO Lowers 2022 Global Trade Growth Forecast

The World Trade Organization (WTO) on Tuesday revised down its forecast for global trade growth this year to 3.0 per cent from 4.7 per cent due to the impact of the Russia-Ukraine war and warned of a potential food crisis caused by surging prices.

The report from the global trade watchdog said the conflict had damaged the world economy at a critical juncture at a time when Covid-19 is still weighing on the recovery, reports Reuters.

"The economic reverberations of this conflict will extend far beyond Ukraine's borders," said WTO Director-General Ngozi Okonjo-Iweala at a press conference presenting the findings.

"It's now clear that the double whammy of the pandemic and the war has disrupted supply chains, increased inflationary pressures and lowered expectations for output and trade growth."

The Geneva-based body said that global trade growth in 2023 is expected to be 3.4 per cent, noting that both 2022 and 2023 estimates are less certain than usual due to uncertainty about the conflict.

Source: <https://thefinancialexpress.com.bd/economy/wto-lowers-2022-global-trade-growth-forecast-1649766266>



## AIG May Cut Insurance for Russia, Ukraine

AIG, one of the world's biggest commercial insurers, is considering cutting cover for Russia and Ukraine, to shield itself from the risk of hefty claims as sanctions ratchet up and the war drags on, an insurance broker and a source familiar with the matter said.

AIG is looking at adding exclusion clauses to policies for businesses operating in the region across a range of policies, according to the two sources who declined to be identified.

Other major insurers are also looking to exclude Russia, Ukraine and even Belarus from a range of policies, the sources said, citing some insurers and policyholders. Reuters could not determine if the potential reduction in cover would apply across all AIG policies in the countries. The insurer declined to comment.

"What we are now seeing are the underwriters starting to introduce Russia, Ukraine wording into their policies," said Meredith Schnur, managing director, US and Canada cyber brokerage leader at insurance broker Marsh, declining to name the insurers.

Source: <https://www.thedailystar.net/business/global-economy/news/aig-may-cut-insurance-russia-ukraine-3002961>



## Honda to Invest \$40b in EV Tech over Next Decade

Japanese automaker Honda said Tuesday it will invest nearly \$40billion into electric vehicle technology over the next decade as it works towards switching all sales away from traditional fuel cars.

Global auto giants are increasingly prioritising electric and hybrid vehicles, with demand growing for less polluting models as concern about climate change grows.

Honda said in a statement that it plans to launch 30 EV models by 2030, with an annual production volume of more than two million units.

The company said it would allocate around five trillion yen (\$39.9 billion) over the next 10 years "in the area of electrification and software technologies to further accelerate its electrification".

The investment is the latest step in its push to have electric and fuel cell vehicles account for 100 percent of all sales by 2040, a target announced a year ago.

Source: <https://www.tbsnews.net/world/global-economy/honda-invest-40b-ev-tech-over-next-decade-401742>



## Meta Tests Sale of Virtual Goods in Metaverse

Meta, the parent company of Facebook and Instagram, will give content creators the opportunity to sell virtual items to users in Horizon Worlds, its main platform in the metaverse, the company said Monday.

"For example, someone could make and sell attachable accessories for a fashion world or offer paid access to a new part of a world," the Californian tech group said in a press release.

The metaverse, touted by Meta and other companies as the future of the internet, consists of a set of parallel "universes" accessed primarily through augmented and virtual reality platforms. It already exists in a basic way in the form of video games such as Minecraft, Fortnite and Roblox and social platforms such as Horizon Worlds, and VRChat, where people come together not only to play, but also to interact and participate in events.

Meta, whose income is overwhelmingly dependent on large-scale targeted advertising, has made it its mission to make a major contribution to the emergence of the metaverse, and is staking out its place in the next battle for the public's attention.

Source: <https://www.tbsnews.net/world/global-economy/meta-tests-sale-virtual-goods-metaverse-401738>



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