

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 10, 2021

Bangladesh Set to Seal \$2.80bn Jica Loan Deal for 6 projects

The government of Bangladesh hopes to ink an agreement on a \$2.80 billion loan with the Japan International Cooperation Agency (Jica) under the Japanese fiscal year 2021 (April 2020-March 2021) as part of Jica's 42nd Official Development Assistance (ODA) package, according to Economic Relations Department (ERD) officials.

ERD sources said Bangladesh has asked for a loan for five infrastructure projects in the 42nd loan package – Dhaka Mass Rapid Transit Line 1 (2nd Tranche), Dhaka Mass Rapid Transit Line 6 (5th Tranche), Matarbari Coal Fired Power Project (6th Tranche), Matarbari Coal Fired Power Project (2nd Phase) and Southern Chattogram Regional Development Project.

Meanwhile, Japan has expressed interest in assisting in the development of infrastructure in South Chattogram and Cox's Bazar district by focusing on Matarbari. To this end, Jica has primarily agreed to provide loan assistance under the 42nd ODA package.

Source: <https://www.tbsnews.net/economy/bangladesh-set-seal-280bn-jica-loan-deal-6-projects-313282>



Beximco to Build Tk. 1,700 -crore Solar Power Plant

Beximco Ltd is going to build a solar utility-scale power plant in Gaibandha with a cost of Tk. 1,700 crore.

The 230MW in alternating current (AC) will require the plants to produce 325MW in direct current (DC) and then conducting the conversion using inverters, explained Rafiqul Islam, an executive director of Beximco Group.

The plants shall be commissioned by mid-2022, said the company. It is worth mentioning here that the price of the share doubled from Tk. 69 in a span of the last six months.

Teesta Solar and Korotoa Solar, two subsidiaries of Beximco Power Company, is going to deliver 200 and 30 megawatt (AC) power respectively.

Source: <https://www.thedailystar.net/business/economy/industries/news/beximco-build-tk-1700-crore-solar-power-plant-2193036>



StanChart Forecasts 7.2pc GDP Growth

Bangladesh's economic growth will rebound to 7.2 per cent in the current fiscal year, riding on domestic consumption, global recovery, steady flow of remittance and rising exports, said Standard Chartered yesterday.

The forecast is in line with the government projection for gross domestic product (GDP) and higher than that of the World Bank and the Asian Development Bank.

"Bangladesh's economy will grow by 7 per cent to 7.2 per cent in the current fiscal year," said Saurav Anand, economist for South Asia at Standard Chartered.

"If we don't have any more wave of coronavirus infections, we will probably see a GDP growth that is higher than 7 per cent."

Source: <https://www.thedailystar.net/business/economy/banks/news/stanchart-forecasts-72pc-gdp-growth-2193446>



- Taka best-performing among emerging market currencies
- USD to trade at Tk 86 towards the end of December
- Bangladesh to become \$500b economy by FY26
- 5.6pc inflation in FY22
- Non-food inflation is likely to be higher
- Private investment picking up



World Bank Looking to Take Relationship with Bangladesh to New Heights

The World Bank (WB) has sought the co-operation of Finance Minister AHM Mustafa Kamal and senior government officials in taking the existing relationship between Bangladesh and the World Bank to a new height.

The call was made during the World Bank-IMF Annual Meeting-2021 which was attended by a Bangladesh delegation led by the finance minister and a delegation of the World Bank led by Hartwig Schafer, Vice President of its South Asia Region during a virtual meeting on 8 October 2021.

Kamal also called upon the vice president of the World Bank to undertake a flagship project in Dhaka, one of the oldest historical cities in the world, a more aesthetic city as well as facilitate communication by reviving and rehabilitating the rivers around Dhaka.

The Vice President of the World Bank assured overall cooperation in this regard.

Source: <https://www.tbsnews.net/economy/world-bank-looking-take-relationship-bangladesh-new-heights-313612>

Far East Knitting Declares 10% Cash

Far East Knitting & Dyeing Industries Limited has declared a 10% cash dividend for its shareholders for the year ending 30 June 2021.

The dividend was declared at a company board meeting on Thursday.

The company operates a readymade composite knit industrial unit of international standards, for the knitting, dyeing, designing, manufacturing and marketing of readymade garments, to sell in foreign markets.

According to their financial report 2021, company net profit was Tk17.28 crore, which was Tk7 crore in the previous year. During the period, its earnings per share stood at Tk0.79 and net asset value per share at Tk19.48.

The company recommended a 3% cash and 2% stock dividend for the year ended June 30, 2020.

Source: <https://www.tbsnews.net/economy/stocks/far-east-knitting-declares-10-cash-312883>



Tax Receipts from DSE Jumps 85pc in Jul-Sept

The government's revenue earnings from Dhaka Stock Exchange (DSE) marked a whopping 85 per cent rise in the first quarter (Q1) of the current fiscal year, compared to the same period of the previous fiscal.

With the rising trading volume, government's earnings from the prime bourse also swelled accordingly as earning is related to market turnover, according to market analysts.

The market turnover increased significantly during the period under review as the buoyant investors have given a boost to the capital market amid growing confidence in the market, said a merchant banker.

The government bagged revenue worth Tk. 1,311 million in July-September period of the Fiscal Year (FY) 2021-22, as against Tk. 709 million in the same period of the previous fiscal year, registering a 85 per cent growth, according to DSE statistics.

In the same period of the last fiscal year, Tk. 469 million came from the tax on TREC holders' commission and Tk. 240 million from the tax on share sales by sponsor-directors and placement holders.

Source: <https://thefinancialexpress.com.bd/stock/tax-receipts-from-dse-jumps-85pc-in-jul-sept-1633662905>

Revenue earnings from DSE		
	FY 2021-22	FY 2020-21
July	Tk 289 million	Tk 188 million
August	Tk 502 million	Tk 246 million
September	Tk 520 million	Tk 275 million
Total	Tk 1,311 million	Tk 709 million
Data source: DSE		

Australia Sees Trade Deal with EU by End-2022

Australian Trade Minister Dan Tehan said on Friday he expected to finalise a free trade agreement with the European Union by the end of next year, despite the EU's anger over Canberra's cancellation of a submarine contract with France.

Brussels postponed the latest round of talks, which were due to start on October 12, until November in solidarity with France after Australia scrapped the multi-billion dollar deal that Paris considered the cornerstone of its Indo-Pacific policy.

Instead, it secretly negotiated to build at least eight nuclear-powered submarines with US and British technology as part of a trilateral security pact between the three countries announced last month.

Tehan, in Italy for a meeting of the Group of 20 developed countries, told Reuters in an interview he was not concerned by the delay in the talks, and reaching an agreement was strongly in the interests of both sides.

Source: <https://www.thedailystar.net/news/world/africa-rest-the-world/australia/news/australia-sees-trade-deal-eu-end-2022-2194731>



World Food Prices hit 10-Year Peak: FAO

World food prices rose for a second consecutive month in September to reach a 10-year peak, driven by gains for cereals and vegetable oils, the United Nations food agency said on Thursday.

The Rome-based Food and Agriculture Organization (FAO) also projected record global cereal production in 2021, but said this would be outpaced by forecast consumption.

FAO's food price index, which tracks international prices of the most globally traded food commodities, averaged 130.0 points last month, the highest reading since September 2011, according to the agency's data.

The figure compared with a revised 128.5 for August. The August figure was previously given as 127.4. On a year-on-year basis, prices were up 32.8 per cent in September. Agricultural commodity prices have risen steeply in the past year, fuelled by harvest setbacks and Chinese demand.

Source: <https://www.thedailystar.net/business/global-economy/news/world-food-prices-hit-10-year-peak-fao-2193401>





China Digs in on Coal, Oil Gains as Energy Crisis Deepens

China ordered miners in Inner Mongolia to ramp up coal production and oil prices jumped on Friday as a record surge in the cost of gas revived demand for the most polluting fossil fuels to keep factories open and homes heated.

The rebound in economic activity from coronavirus restrictions has exposed alarmingly low supplies of natural gas leaving traders, industry executives and governments scrambling as the northern hemisphere heads into winter.

The energy crisis which has led to fuel shortages and blackouts in some countries, has highlighted the difficulty in cutting the global economy's dependency on fossil fuels as world leaders seek to revive efforts to tackle climate change at talks next month in Glasgow.

In China, where coal production had been curtailed to meet climate goals, officials have ordered more than 70 coal mines in Inner Mongolia to ramp up production by nearly 100 million tonnes or 10 per cent, as the world's largest exporter battles its worst power shortages in years.

Source: <https://www.thedailystar.net/news/asia/china/news/china-digs-coal-oil-gains-energy-crisis-deepens-2194751>



Delta Wave Tosses Wrench into US Job Market

The US economy was predicted to add hundreds of thousands of jobs last month but instead gained only 194,000 as the Delta variant of Covid-19 again denied President Joe Biden the soaring labor market he is banking on -- at least for now.

Schools shed jobs, and the bars and restaurants that have become a barometer of the virus' threat to business added barely any positions in the Labor Department's September employment report released Friday, which at best presented a mixed verdict on the state of the world's largest economy.

On a more positive note, the unemployment rate ticked down more than expected to 4.8 per cent, and the last two months' jobs gains have been revised upwards, underlining that the United States has come a long way from the devastating weeks last year when Covid caused tens of millions to lose their jobs.

Source: <https://www.thedailystar.net/business/global-economy/america/news/delta-wave-tosses-wrench-us-job-market-2194741>

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