

Economy

Monthly mobile top-up thru MFS tops BDT 10 Bn for first time

Customers are increasingly opting for mobile financial services to top up balances, helping mobile carriers earn more than BDT 10 Bn a month for the first time from the sales processed through MFS providers. Mobile phone recharging through MFS providers rose 7.69% to BDT 10.17 Bn in April from a month ago, data from the Bangladesh Bank showed. The growth was about 30% year-on-year. The amount stood at around BDT 3.75 Bn five years back.

Digital recharge has experienced widespread popularity across the globe in recent years, particularly in the wake of the Covid-19 pandemic, which forced customers to accelerate the use of digital technologies to stay connected. BKash is the most-preferred platform for customers when it comes to topping up balances.

<https://www.thedailystar.net/business/economy/news/monthly-mobile-top-thru-mfs-tops-tk-1000cr-first-time-3365196>

Ceramics export rises to four-year high in FY23

Bangladesh's exports of ceramic products rose to a four-year high in the just-concluded fiscal year although the growth slowed as manufacturers failed to deliver products on time owing to the shortage of gas, official figures showed. The industry fetched USD 43.39 Mn from the shipment of ceramic products in 2022-23, up 4.91% year-on year, according to the Export Promotion Bureau. The export grew 32.95% in 2021-22 and 11.23% in 2020-21.

The gas crisis hit industries last year after the government paused purchasing liquefied natural gas directly from the international spot market to stop the depletion of foreign currency reserves, leading to a drastic fall in energy supply as domestic production has been inadequate for a long time. Bangladesh mainly ships tableware and has added tiles to the export basket in recent years.

<https://www.thedailystar.net/business/economy/news/ceramics-export-rises-four-year-high-fy23-3365206>

Ctg port's LCL cargo handling moves off-dock in August, to save delivery time

Chattogram Port's less-than-container load (LCL) cargo handling process will take place outside the port area from August this year, providing much-needed breathing space to the overworked seaport. Two container sheds, located 2.2km or six minutes away from the port's gate-4, are now undergoing renovation for unstuffing and discharging of LCLs. The move will enable importers to release goods within 24 hours of arrival at the port, reducing chances of theft and spoilage of goods.

Chattogram Port for long has been suffering from a lack of storage space. The port authority has often written to various businesses urging them to release their imported goods quickly. The port authority also plans to demolish the old sheds inside the port in phases.

<https://www.tbsnews.net/economy/ctg-ports-lcl-cargo-handling-moves-dock-august-save-delivery-time-662326>

Apparel export to US ebbs

Apparel exports of Bangladesh to America recorded a notable fall during the first five months of 2023, as global economic slowdown, inflation and US rate rises continued to dampen demand, latest statistics show. Under the circumstances, induced by twin crises of pandemic and war, buyers' stores in the United States and Europe bloated, leading to fall in the exports, both in value and volume.

Bangladesh's readymade garment exports fetched USD 3.30 Bn during the past January-May from the single-largest export destination, marking a 19.16% fall, according to the data released on July 06 by OTEXA, an affiliate of the US Department of Commerce. The earnings were USD 4.09 Bn during the corresponding period of last year.

<https://thefinancialexpress.com.bd/economy/bangladesh/apparel-export-to-us-ebbs>

Scrap import duty hike on lifts, escalators

Businesses in Chattogram yesterday demanded the withdrawal of a 10% hike in the import duty on lifts and escalators in order to keep their prices stable and thereby prevent local suppliers from incurring loss. They also urged for lifts and escalators to be kept in the category of "essential capital machinery" alongside lowering the import duty to its previous level of 15.75%. The government is raising the import duty in a bid to protect the domestic lift manufacturing industry. As such, leaders of the industry urged the government to lower the duty to the previous level, he added.

<https://www.thedailystar.net/business/economy/news/scrap-import-duty-hike-lifts-escalators-3365186>

Will take long to recover losses from wide gap in USD buying-selling rate

Exporters will struggle many months before they overcome from the losses they had suffered for buying the US dollar at a much higher rate to clear import bills for the raw materials to make goods for western markets, said manufacturers yesterday. The apparel sector alone incurred losses of nearly BDT 40 Bn in the past four months because of a nearly BDT 10 gap in buying and selling the US dollar.

At a roundtable on monetary policy, jointly organized by the Institute of Chartered Accountants of Bangladesh (ICAB) and Economic Reporters' Forum (ERF), manufacturers expressed concerns about the availability of energy as they are not getting gas with adequate pressure even though the price was doubled last year.

<https://www.thedailystar.net/business/economy/news/will-take-long-recover-losses-wide-gap-usd-buying-selling-rate-3365201>

Revenue collection slides, bank borrowing skyrockets

Revenue incomes are set to fall nearly BDT 450 Bn below the target of the just-ended fiscal year, preliminary data shows, forcing the government to almost double its borrowing from the banking system to finance the deficit. Bangladesh Bank data revealed a significant surge in bank borrowing, reaching a record high of BDT 1.24 Tn during the fiscal year 2022-23. This amount surpassed the revised target of BDT 1.15 Tn and nearly doubled the borrowing of the previous year.

NBR officials said the decline in revenue collections can be attributed to the tightening of imports caused by the dollar crisis, as well as a decrease in demand. These factors have adversely impacted the government's ability to generate sufficient revenue. The government's heavy reliance on bank borrowing due to the chronic shortfall in revenue earnings makes fiscal reforms and prudent debt management imperative to reduce further risks of inflation and currency depreciation, analysts have said.

<https://www.tbsnews.net/economy/banking/revenue-collection-slides-bank-borrowing-skyrockets-662730>

Universal Pension: 4 schemes to be on offer

The finance ministry has prepared a draft rule for the Universal Pension Scheme (UPS) delineating four separate schemes for both local and non-resident Bangladeshis. The schemes -- Probas, Progati, Surokkha and Samata -- can be availed by everyone except government employees. The detailed mechanisms of the schemes will be defined elaborately by separate rules later, said finance ministry officials.

In January, the government enacted the Universal Pension Management Act, of 2023. There will be a 16-member governing body headed by the finance minister. Under the proposed scheme, a beneficiary can enjoy pension benefits subject to the payment of a subscription fee up to the age of 60 if the person enrolls between 18 and 50 years of age.

<https://www.thedailystar.net/news/bangladesh/news/universal-pension-4-schemes-be-offer-3365111>

Stock-Specific News

AB Bank approves 2% dividend

Shareholders of AB Bank in its 41st annual general meeting (AGM) approved a 2% stock dividend for the year that ended on December 31, 2022. At the end of 2022, operating profit of the bank stood at BDT 5.48 Bn, profit after tax stood at BDT 680 Mn, while earnings per share was BDT 0.79 and net asset value per share was BDT 28.37.

<https://www.thedailystar.net/business/economy/news/ab-bank-approves-2-dividend-3365041>

Three corporate directors sell off entire Islami Bank holding

Three corporate shareholders – Armada Spinning Mills, Kingsway Endeavors, and Uniglobe Business Resources – withdrew their directorship from the Islami Bank board in June after selling off their entire holding in the country's largest private sector lender. It comes a month after the Investment Corporation of Bangladesh (ICB) sold its entire shareholding in the bank in May and withdrew its nominated director.

As a result, the Islami Bank's shareholding by sponsors-directors came down to 41.90% at the end of June from 55.06% in December last year, according to a report on the monthly shareholding position for June submitted to the chief regulatory officer of the Dhaka Stock Exchange (DSE) on 5 July. According to DSE data, since April this year, a large amount of Islami Bank's shares have been transacted through the block market.

<https://www.tbsnews.net/economy/stocks/three-corporate-directors-sell-entire-islami-bank-holding-662706>

Downgrading to 'Z' pushes three companies to top of loser list

Since losing their 'A' category status, three non-performing companies saw their steep price fall, becoming the top losers of the last week on the Dhaka Stock Exchange (DSE). Additionally, three other companies that are still in the 'B' category faced the same fate as they are set to be downgraded to 'Z' category shortly.

The three top losers -- Northern Jute Manufacturing Company, Shurwid Industries, Ratanpur Steel Re-Rolling Mills - - have long existed in the 'A' category under 'false appearance', despite their non-compliances with the listing provision. They were sent to the 'Z' category on June 25. These companies experienced a decline in share prices of more than 22% over five trading sessions of the last week. Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) has asked the Dhaka bourse to explain their position for not downgrading the companies to 'Z' category on time. The deadline for submitting the reply was June 4.

<https://thefinancialexpress.com.bd/stock/bangladesh/downgrading-to-z-pushes-three-companies-to-top-of-loser-list>