

Economy

Danish firms propose USD 1.3 Bn investment in wind energy

Two Danish companies -- Copenhagen Infrastructure Partners (CIP) and Copenhagen Offshore Partners (COP) -- have submitted a USD 1.3 Bn investment proposal to the government of Bangladesh to produce 500 megawatts of offshore wind energy. As Denmark is the pioneer and global leader in wind energy, this initial investment proposal and continued collaboration could be a key driver of Bangladesh's progression into a green nation, it said.

The proposal has been placed in accordance with the Mujib Climate Prosperity Plan. CIP and COP have also proposed Summit Group, an infrastructure operator and developer in South Asia and an independent power producer in Bangladesh, to join its consortium. The proposal comes at a time when Bangladesh remains heavily reliant on fossil fuel imports to meet its growing energy demand.

<https://www.thedailystar.net/business/economy/news/danish-firms-propose-13b-investment-wind-energy-3367656>

USD 190 Mn ADB loan for upgrading rural roads

Asian Development Bank (ADB) has approved a USD 190 Mn funding for upgrading rural roads, making agricultural areas more productive, and improving socioeconomic centres in rural areas of Bangladesh. This loan is for its ongoing "Rural Connectivity Improvement Project" in the country, the ADB said in a statement yesterday.

The ongoing project, originally approved in November 2018, aimed to upgrade about 1,700 kilometres (km) of rural roads, strengthen the capacity of rural infrastructure agencies and road users, and improve rural road master planning, said the ADB. This latest loan will further extend improvement of another 1,350 km of rural roads with allweather standards, climate resilience and safety features.

<https://www.thedailystar.net/business/economy/news/190m-adb-loan-upgrading-rural-roads-3366816>

Bangladesh sets USD 72 Bn export target for FY24

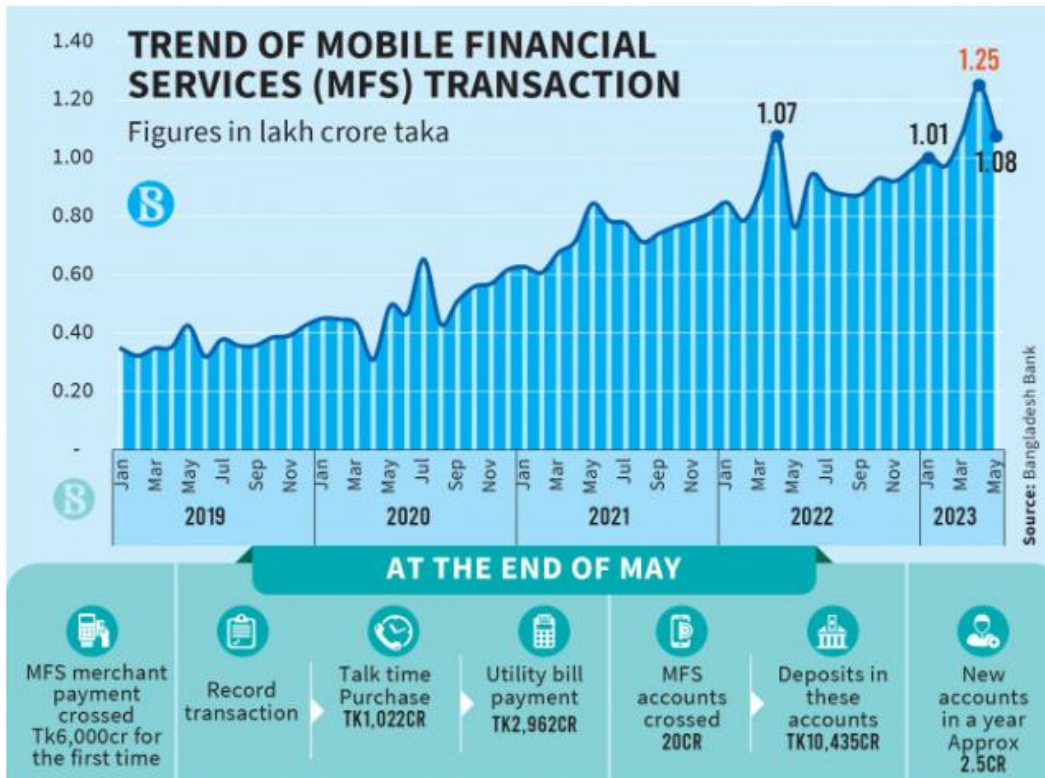
The government has set a new export target of USD 72 Bn for the current financial year, 11.52% growth over the achieved income in the just-past fiscal. Of the total turnover, merchandise export has been set at USD 62 Bn, 11.59% higher than that of the last FY's achieved export earnings. Some USD 10 Bn is targeted from services export in the current FY2023-24 on the back of 11.11% growth over the achieved earnings billion in the last fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-sets-72-billion-export-target-for-fy24>

MFS transactions exceed BDT 1 Tn for 3rd consecutive month

For the first time since mobile financial services (MFS) were launched in the country in 2011, monthly transactions through these services have crossed BDT 1 Tn for three consecutive months – from March to May this year. Currently, there are 13 banks offering mobile financial services in the country such as bKash, Rocket, UKash, MyCash and SureCash.

According to the central bank data, transactions involving BDT 1.08 Tn were made using mobile financial services in May this year. Around BDT 760 Bn were traded through these service providers in May last year, around 42% lower compared to the same month of this year. The total number of mobile financial service subscribers stood at 204 Mn at the end of May 2023. The number of subscribers has grown by 25 Mn in the last year. These customers made over 500 Mn transactions in May.



<https://www.tbsnews.net/economy/mfs-transactions-exceed-tk1-lakh-crore-3rd-consecutive-month-664414>

Forex transactions with cards reach an all-time high in May

Foreign currency transactions with cards reached an all-time high in May at BDT 6.6 Bn, which is more than double compared to the same month last year. This increase is attributed to heightened expenditures on health and foreign travel amid soaring inflation. According to data from the Bangladesh Bank, the transactions stood at BDT 3.58 Bn in May 2022.

The use of cards for foreign currency transactions has steadily increased as travelers find it more convenient abroad, particularly due to a shortage of dollars in the country. The country's foreign exchange reserves came down to USD 30 Bn on July 9 from a record USD 48.6 Bn in August 2021.

<https://www.tbsnews.net/economy/forex-transactions-cards-reach-all-time-high-may-664410>

Import LC opening in June lowest in FY23

The opening of import letters of credit (LCs) saw a decrease in the last month of the just-ended fiscal year, which bankers said occurred due to various restrictions imposed by the central bank and the dollar crisis.

According to the central bank data, import LCs worth USD 4.75 Bn were opened in June, which was the lowest in June, and a 44% decrease in LC opening compared to the same month of FY22.

Import LCs worth about USD 5.84 Bn were opened in May and LCs worth USD 4.85 Bn were opened last April, data shows. Bankers said it has become difficult for traders to open LCs to import goods due to various restrictions of the central bank. Traders are discouraged from opening LCs as there is a 100% margin on imports of certain products.

<https://www.tbsnews.net/economy/import-lc-opening-june-lowest-23-664382>

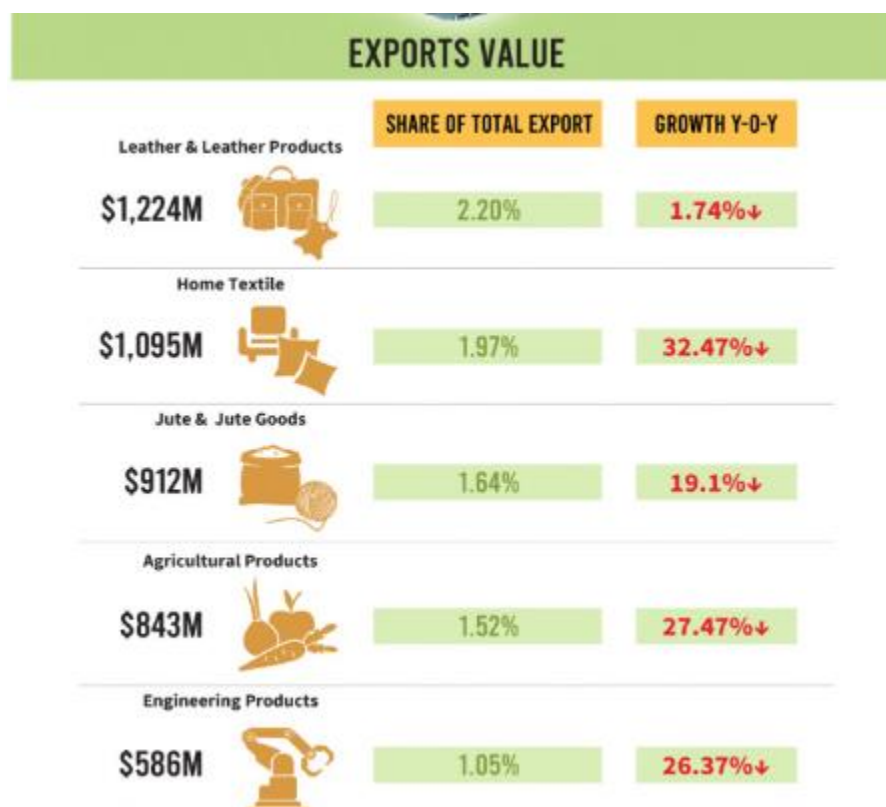
CPD for reforming climate budgeting

There is a need for reforming the country's climate budgeting in a way that it is considered an all-inclusive strategy compatible with national priorities, Centre for Policy Dialogue (CPD) suggested on Tuesday. The CPD also said the Ministry of Finance should be in charge to drive climate budgeting reforms, while other ministries should be part of the reform process to establish their ownership in the process.

There exists a large gap in climate-related expenditure despite national and global commitments on climate finance. The need for finance in tackling the climate-related challenges is huge. Tackling climate change is actually the struggle for Bangladesh's existence, which is also reflected in every policy of the country.

<https://thefinancialexpress.com.bd/economy/bangladesh/cpd-for-reforming-climate-budgeting>

Top non-RMG export earners of Bangladesh FY23



<https://www.tbsnews.net/infograph/top-non-rmg-export-earners-bangladesh-fy23-664286>

Faulty policies, not war, to blame for pinching inflation

The Consumers Association of Bangladesh (CAB) said on Tuesday that faulty bank interest policy is the key factor behind the skyrocketing inflation in the country, which is weighing heavily on ordinary people. The association also said that inflation rates have declined to record lows in many countries in April and May this year, but they remain high in Bangladesh. Central banks in other countries use raising interest rates as an effective tool to control inflation.

However, the Bangladesh Bank remained stuck to its previous policy of 6.0% for savings and 9.0% for loans. The consumer rights body also questioned the authenticity of the inflation data provided by the state-run Bangladesh Bureau of Statistics (BBS). The CAB demanded the formation of a separate ministry to protect the interests of consumers.

<https://thefinancialexpress.com.bd/economy/bangladesh/faulty-policies-not-war-to-blame-for-pinching-inflation>

Bank, NBF, and Insurance

Financial irregularities cost Sadharan Bima BDT 2.1 Bn

A manager of Sadharan Bima Corporation (SBC) embezzled BDT 261.5 Mn over a decade by keeping premiums in a bank account set up using fake documents of a board meeting of the state-run insurer. The audit of the Comptroller and Auditor General of Bangladesh (CAG) found that Abul Kashem opened the account with the Chawk Bazar branch of Exim Bank Ltd in the capital's Imamganj when he was the manager of the New Market branch of SBC in 2009-10.

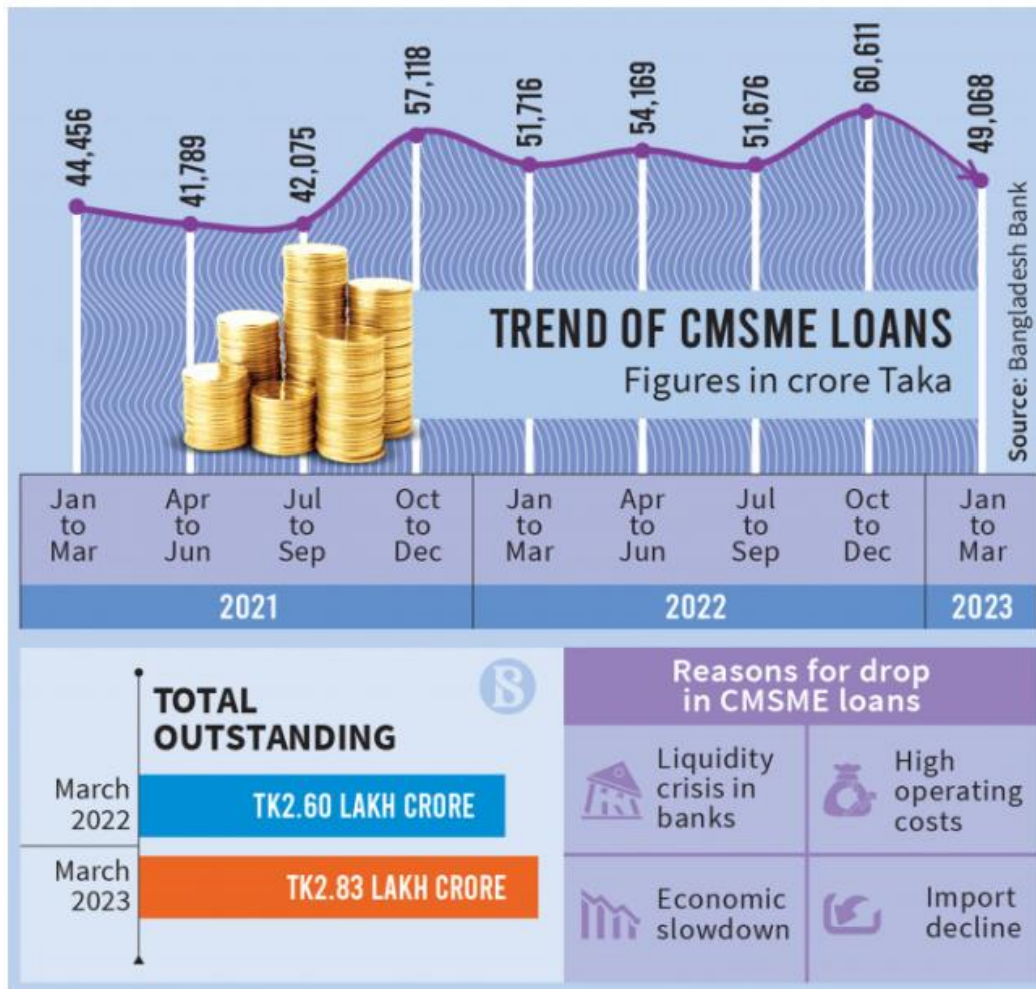
Kashem was temporarily suspended following a decision of the 620th board meeting of the corporation as the allegation regarding the irregularities was found to be true in the preliminary investigation. The Anti-Corruption Commission (ACC) has filed a case against him. At one point, he was sent to jail. Later, Kashem came out of the jail on bail, said an official of SBC.

<https://www.thedailystar.net/business/economy/news/financial-irregularities-cost-sadharan-bima-tk-210cr-3367681>

CMSME loan disbursement drops 19% in Q1 amid liquidity crunch

Loan disbursements to the cottage, micro, small, and medium enterprises (CMSMEs) have declined by BDT 115.43 Bn or 19.04% in the January-March quarter owing to the ongoing economic slowdown and liquidity crisis in the banking sector. Banks and financial institutions disbursed loans amounting to BDT 490.68 Bn in the first quarter of this year, which was BDT 606.11 Bn in the previous October-December quarter, according to Bangladesh Bank data.

Bankers said the country's overall imports have been consistently declining which has forced banks to focus more on sectors that are under pressure. Hence, loan disbursement to CMSMEs has dropped. The central bank had announced the formation of a three-year refinance scheme of BDT 250 Bn for the CMSME sector in July last year in a bid to curb inflation and provide liquidity to banks.



<https://www.tbsnews.net/economy/cmsme-loan-disbursement-drops-19-q1-amid-liquidity-crunch-664406>

Stock-Specific News

Janata Insurance's profit jumps 53% in Apr-Jun

Janata Insurance Company has reported a 53% year-on-year increase in net profit for the April-June quarter this year backed by higher premium income. The company's earnings per share stood at BDT 0.75 for April-June this year against BDT 0.49 for the same period a year ago, according to a regulatory filing on Wednesday. The general insurer's net profit also rose 23% year-on-year to BDT 53 Mn in the first half of this year. The net asset value per share was BDT 15.69 as on June 30, 2023, and BDT 14.55 as on December 31, 2022.

The principal business of the company is in general insurance that includes fire and allied perils insurance, marine cargo and hull insurance, motor insurance, and miscellaneous insurance. The company declared 11% cash dividend for the year ended December 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/janata-insurances-profit-jumps-53pc-in-apr-jun>

Progressive Life downgraded to Z category; 5 independent directors nominated

The Bangladesh Securities and Exchange Commission has downgraded Progressive Life Insurance Company to the "Z" category from the "A" category for its failure to hold annual general meetings (AGMs) and declare dividends for two consecutive years. The company's shares will be traded under the "Z" category from Thursday, according to the securities regulator's directive. On Wednesday, the commission also nominated five independent directors for the company's board.

In September last year, the stock market regulator formed a three-member inquiry committee which reported that the preparation and disclosures of financial statements of the company did not reflect its actual condition. They also did not comply with the different provisions of accounting standards. Since 2020, the company has not been calling any general meetings of its shareholders, and over time, its financials have been on a declining trend.

<https://www.tbsnews.net/economy/stocks/progressive-life-downgraded-z-category-5-independent-directors-nominated-664378>

Stock-Exchange News

DSE to charge

The Dhaka Stock Exchange (DSE) has decided to impose a yearly service charge of BDT 1,500 for using its mobile application, DSE-Mobile, for trading of shares. To use the app, the brokerage houses have to take connection from the DSE and the clients have to register under the houses. At the end of 2022-23 fiscal year, there were 46,622 registered users of DSE-Mobile, a mobile application that provides real time securities trading opportunities for investors.

The decision came at a time when most of the stocks are stuck on the floor price, because of which investors are getting fewer capital gains from their investments. The premier bourse yesterday sent letters to share the information about the new service charge with all the holders of trading right entitlement certificate (TREC).



<https://www.thedailystar.net/business/economy/stock/news/dse-charge-3367651>