

National Economy

Australia assures Bangladesh of 'Duty Free Quota Free' access in post LDC period

Australian Assistant Trade Minister Senator Tim Ayres on Friday assured that 'Duty Free Quota Free' access for Bangladesh will be continued in the post LDC period. "Graduation from LDC status would not make any changes to existing Duty-Free Quota Free access of Bangladesh's products to Australian market," said Senator Tim Ayres in a meeting with Bangladesh High Commissioner to Australia M Allama Siddiki today.

BGMEA President Faruque Hassan was present during the meeting at the Commonwealth Parliamentary Office in Sydney. Siddiki briefed the Minister about the impressive socio-economic progress of Bangladesh in the last decade underpinned by success of agriculture and apparel sectors, remittance and macroeconomic as well as political stability.

<https://www.tbsnews.net/economy/australia-assures-bangladesh-duty-free-quota-free-access-post-ldc-period-669154>

Bangladesh may lose 1.7% GDP yearly by 2037: Report

Bangladesh may lose 1.7% of Gross Domestic Product (GDP) annually by 2037 if it fails to adapt to the effects of a 3°C global warming, said a new report on Wednesday. In addition, in the long run, GDP may decline by 7.6% every year as a result of not being able to adapt to this climate-change impact. Labour supply and productivity are estimated to decline by 46% by 2080 in the country unless workers and employers are able to fully adapt to the changing climate.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-may-lose-17pc-gdp-yearly-by-2037-report>

High-powered money up 175% in FY'23

Injection of newly printed 'high-powered money' by Bangladesh Bank into the market swelled over 175% in the past financial year, BB sources said, stoking inflation further. Officials at the BB said the central bank had funneled a record volume of the print money into government account in the last one year through buying majority of the government securities itself with 'devolvement mechanism' to ease banks' liquidity stress.

But economists strike a bit different note that bears a fear of higher inflationary pressure on the already-overheated market that could make a strong bite on people's wallet. According to statistics available with the central bank, the net volume of devolvement carried out by the BB stood at around BDT 800 Bn in the FY'23, in a quantum leap by BDT 510 Bn from the previous fiscal year's BDT 290 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/high-powered-money-up-175pc-in-fy23>

Gold price hits all-time high of BDT 100,777 per bhorī

The price of top-quality gold has reached an all-time high of BDT 100,777 per bhorī following an increase of BDT 2,333. The Bangladesh Jeweller's Association (BAJUS) in a press release on Thursday said the adjustment followed a price hike in the local bullion market.

With the new rates, 22-carat gold will cost BDT 100,777 per bhuri, 21-carat gold will cost BDT 96,228 per bhuri and 18-carat gold will cost BDT 82,464 per bhuri. Besides, the gold price of the traditional method rose to BDT 68,701 per bhuri. The new rate will be effective from Friday, the release added.

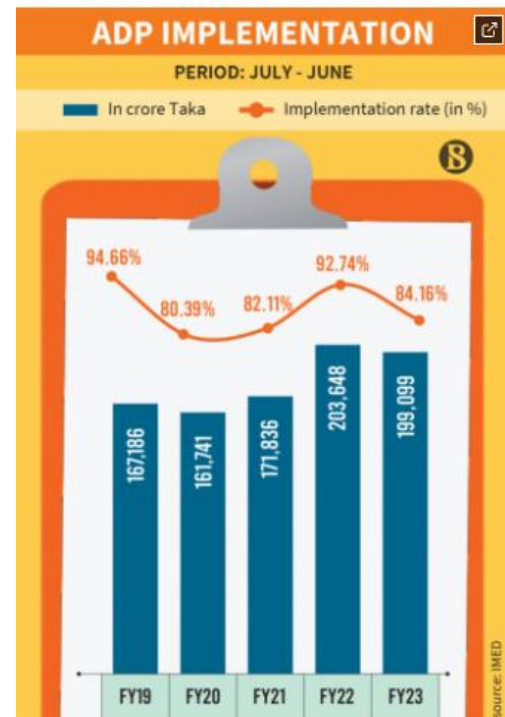
<https://www.tbsnews.net/markets/gold-price-hits-all-time-high-tk178-lakh-bhuri-668794>

ADP implementation drops to 84% in FY23

The implementation of the Annual Development Programme (ADP) experienced a significant decline in the fiscal 2022-23. According to the Implementation Monitoring and Evaluation Department (IMED) report released Thursday, only 84.16% of the revised ADP allocation was spent last financial year, compared to the previous year's rate of 92.74%.

Officials from the IMED of the planning ministry cited various reasons for the slowdown in ADP implementation. The current economic situation has led to halts in many projects due to the rising cost of construction materials, they mentioned, adding that the government's austerity measures regarding project spending amid the present economic conditions limited funds for some projects, affecting the overall ADP implementation rate.

<https://www.tbsnews.net/economy/adp-implementation-declined-858-percentage-points-fy23-668630>



Exporters fear deeper losses amid political unrest, falling orders

Exporters are facing multiple challenges, including increased production costs due to utility price hikes and capital shortages from slow business. The recent surge in political violence in the country has sparked concerns among exporters who are currently operating their factories at least 20% below capacity owing to declining orders from Western markets that are facing inflationary pressures for over a year.

While exporters were hopeful that the easing inflation in the USA and Europe would help in recovering orders, the ongoing political unrest is now seen as a potential risk. This has raised fears among international buyers who are becoming apprehensive about timely shipments of goods, potentially impacting the overall economy.

<https://www.tbsnews.net/economy/rmg/exporters-fear-deeper-losses-amid-political-unrest-falling-orders-668874>

NBR-IMF meeting on loan condition progress likely on Friday

The National Board of Revenue (NBR) is expected to hold a meeting with a delegation of the International Monetary Fund (IMF) on Friday regarding the progress and steps taken in the budget to address the conditions imposed by the global lender for its USD 4.7 Bn loan to Bangladesh.

Several sources related to the NBR told The Business Standard that NBR Chairman Abu Hena Md Rahmatul Muneem will be present in the meeting. However, when asked, the NBR chairman did not admit to any such meeting. Sources said the meeting aims to address the IMF's queries on how the NBR plans to boost the capacity of the revenue sector as well as revenue collection.

<https://www.tbsnews.net/economy/nbr-imf-meeting-loan-condition-progress-likely-friday-668858>

Huge printed new money dampens ALS demand

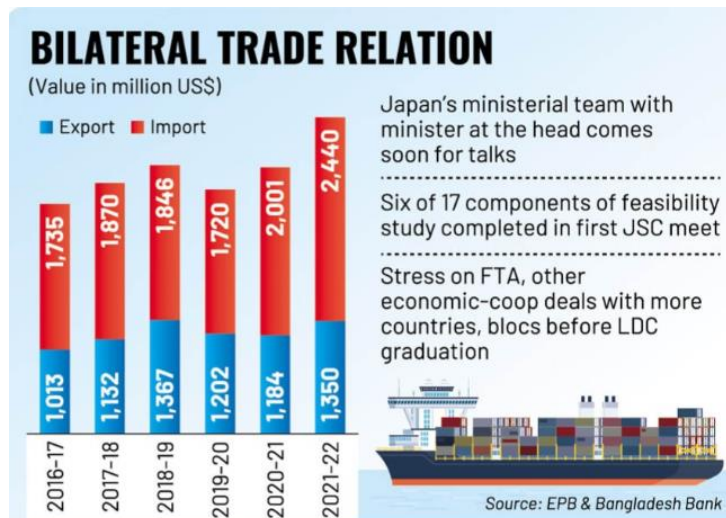
Primary dealer banks' demand for assured liquidity support (ALS) from the central bank plummets largely for generous handouts of newly printed money by the Bangladesh Bank, sources said. Officials and bankers have said the BB circulates the 'high-powered money' through government debt instruments as the government switches borrowing from the banking system, thus relieving stress on banks' liquidity.

Banks' aggregate liquidity inclusive of investments and deposits stands over BDT 15 Tn, as of last April account of the money market. The ALS is a borrowing instrument for the primary dealers under which the PD banks can borrow money from the central bank to meet their emergency liquidity obligations. According to official statistics, the average per-day disbursement of ALS in July in the immediate-past financial year (FY'23) was BDT 40.35 Bn, which came down to BDT 37.36 Bn in the following month of August.

<https://thefinancialexpress.com.bd/economy/bangladesh/huge-printed-new-money-dampens-als-demand>

BD-Japan joint study on EPA nears completion

Bangladesh expects the ongoing joint study on Economic Partnership Agreement (EPA) with Japan to be completed within days and the two sides are sitting in Dhaka next week for stocktaking, sources said. A team of Japan's Ministry of Economy, Trade and Industry (METI), headed by its minister, Nishimura Yasutoshi, is due in Dhaka next week for discussions to this effect, as Dhaka accelerates preparation for LDC graduation.



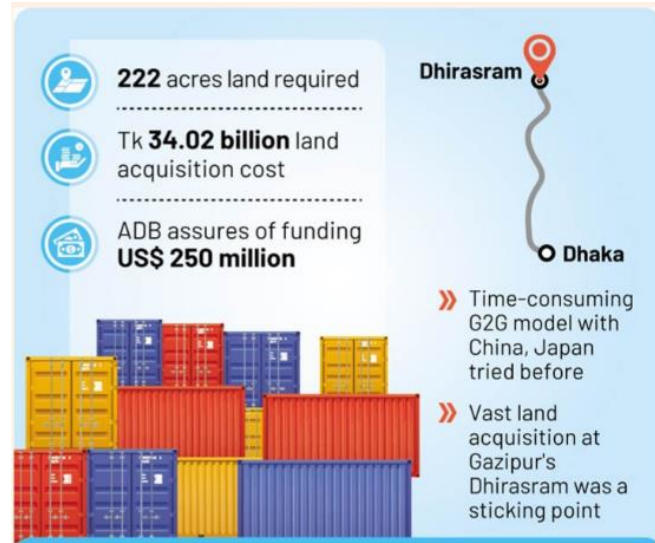
Mr Yasutoshi is likely to have a bilateral meeting with Commerce Minister Tipu Munshi, discussing the nitty-gritty of the deal in the process of making. Officials have said there are 17 components of the joint feasibility study of which six were completed in the first meeting of the joint study group (JSC) held in Tokyo in April this year.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-japan-joint-study-on-epa-nears-completion>

Stalled project moves as ADB financing mission due soon

Relocating the inland container depot (ICD) from Kamalapur rail station to Gazipur's Dhirasram to accommodate a multimodal transport hub has been stalled for seven years, but now the priority project moves on financing assurance. The project on ICD relocation to the industrial heartland is also meant for catering increasing container demands, sources said, but the time-consuming G2G model with China and Japan tried before as well as land-acquisition dilemmas held back its progress.

Bangladesh Railways (BR) has already made some progress on the MMTH project under which public, mass and high-speed train services will be accommodated in an over 300-acre area. Officials have said the ADB has assured of funding USD 250 Mn for the infrastructure development of the ICD. However, sources said, despite some progress in the fund arrangement, approval for the Dhirasram ICD land-acquisition project has been pending since 2020.



<https://thefinancialexpress.com.bd/economy/bangladesh/stalled-project-moves-as-adb-financing-mission-due-soon>

Banks, NBFIs, and Insurance

Russia's Sberbank exploring providing banking services in Bangladesh

Russia's largest lender Sberbank said it was exploring the possibility of providing banking services for clients working with companies in Bangladesh, as Russian businesses look east for international expansion, reports Reuters. Sberbank has already held two rounds of talks with the South Asian country's central bank about opening a branch there.

<https://www.tbsnews.net/economy/banking/russias-sberbank-exploring-providing-banking-services-bangladesh-669138>

Fuel and Power

Bangladesh gears up for launch of single-point mooring project

The long-awaited single-point mooring (SPM) -- an offshore buoy designed to pump and siphon imported crude oil to a storage facility -- is now ready for inauguration. Once operations begin, tankers will directly unload petroleum onto the floating buoy, set up in the deep sea some 9 km southwest of Matarbari in Moheshkhali.

The project is being implemented at a cost of around BDT 83.41 Bn. Prime Minister Sheikh Hasina will inaugurate the SPM project sometime this year, reports bdnews24.com. Highlighting the progress of the initiative, Monjed Ali, a project official, said around 97% of the work had been completed.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-gears-up-for-launch-of-single-point-mooring-project>

Energy Division looks for additional loans to pay petroleum, gas, LNG dues

The Energy and Mineral Resources Division is set to acquire an additional USD 900 Mn in loans from the International Islamic Trade Finance Corporation, which has already approved a USD 1.4 Bn loan to the Bangladesh Petroleum Corporation (BPC), to settle crude oil import bills for fiscal 2023-24. In an unprecedented move, the Bangladesh Oil, Gas and Mineral Resources Corporation (Petrobangla) – the state-owned organisation responsible for producing and purchasing gas and LNG – has sought USD 500 Mn in loan from the Islamic Trade Finance Corporation to clear overdue payments to liquefied natural gas (LNG) suppliers and gas producers.



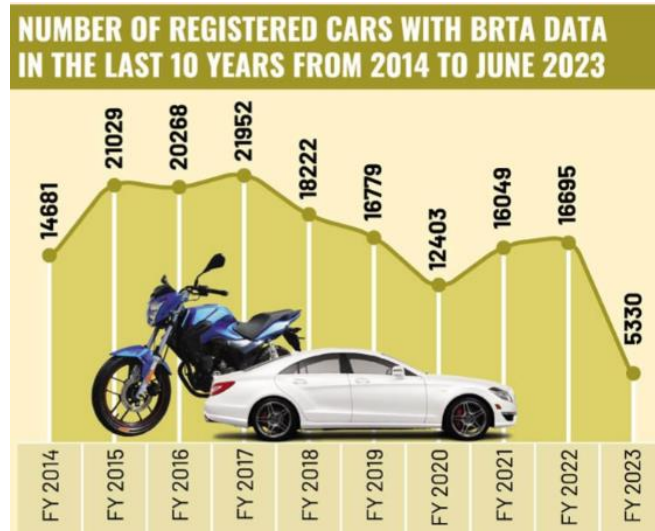
<https://www.tbsnews.net/bangladesh/energy/energy-division-looks-additional-loans-pay-petroleum-gas-lng-dues-669230>

Engineering

Auto sales plunge 44% in H1

Automobile sales in Bangladesh fell by almost 44% in the first six months of 2023 compared to the same period last year, according to Bangladesh Road Transport Authority (BRTA) data. The decline was driven by a number of factors, including difficulties in opening letters of credit (LCs) faced by car importers, the ongoing foreign-exchange reserves crisis and higher cost of vehicles, said the sector insiders.

On top of this, inflation is also putting a strain on consumer spending, making it more difficult for people to afford to buy new cars. The BRTA data showed that 5,330 cars were registered in the first six months of the current calendar year, down from 9,394 in the same period last year. Car import data over the past couple of years also support the dull trend in the local auto business. The number of vehicle imports fell to 6,612 in the first half of 2022, from 15,153 in the second half of 2021.



<https://thefinancialexpress.com.bd/economy/bangladesh/auto-sales-plunge-44pc-in-h1>

Stock-Specific News

Crystal Ins to invest BDT 125 Mn in digital bank

Crystal Insurance Company Ltd has decided to invest BDT 125 Mn as a sponsor shareholder to establish a digital bank. SM Shahidullah, company secretary of the insurer, said several names have come up in the proposal as the name of the bank, but it is not final yet. The company took the decision in a board meeting held on July 18, according to a posting on the website of Dhaka Stock Exchange yesterday.

<https://www.thedailystar.net/business/economy/banks/news/crystal-ins-invest-tk-125cr-digital-bank-3374566>

Eid sales boost Singer profit by 237% in April-June

Singer Bangladesh, blessed by a rare occurrence of two Eid festivals in a single quarter over the April-June period, managed to grow its revenue to BDT 7170 Mn from BDT 5350 Mn a year ago as electronics and home appliances sold more during the two biggest festivals in the country. The oldest player in the country's electronics and home appliances market seemed to have better managed its costs over the quarter, as the cost of production did not increase in proportion to the revenue growth.

Operating profit for the three months grew to BDT 920 Mn from BDT 390 Mn a year ago, while net profit after taxes grew to BDT 470 Mn from less than BDT 140 Mn. Earnings per share (EPS) for the April-June quarter grew to BDT 4.72 from BDT 1.40 for the same period last year. For the first half of the year, EPS stood at BDT 5.85, up from BDT 2.31 a year ago. Net asset value per share stood at BDT 34.83 at the end of June.

<https://www.tbsnews.net/economy/stocks/eid-sales-boost-singer-profit-237-april-june-668846>

Trust Bank declares 20% dividends

Trust Bank declared 20% dividends for the year that ended on December 31, 2022. The announcement came at its 24th annual general meeting yesterday, said a press release. Maj Gen Md Nazrul Islam, vice-chairman of the bank, presided over the AGM.

<https://www.thedailystar.net/business/economy/banks/news/trust-bank-declares-20-dividends-3374526>

EBL wins International Finance Banking Awards 2023

Eastern Bank Ltd has won the International Finance Banking Awards 2023 in the "Most Innovative Retail Bank in Bangladesh" category. The accolade was conferred by London-based International Finance magazine, known for its comprehensive coverage of the global financial sector, EBL said in a press release yesterday.

<https://www.thedailystar.net/business/economy/news/eb1-wins-international-finance-banking-awards-2023-3375896>

Emerald Oil signs oil export MoU amid auction process

Emerald Oil has signed a memorandum of understanding (MoU) with a Japanese company for exporting oil amid the ongoing auction process of its factories following a case filed by BASIC Bank against the company in 2017. Emerald Oil, a listed company, signed the MoU with Japanese company Be Born Co Ltd

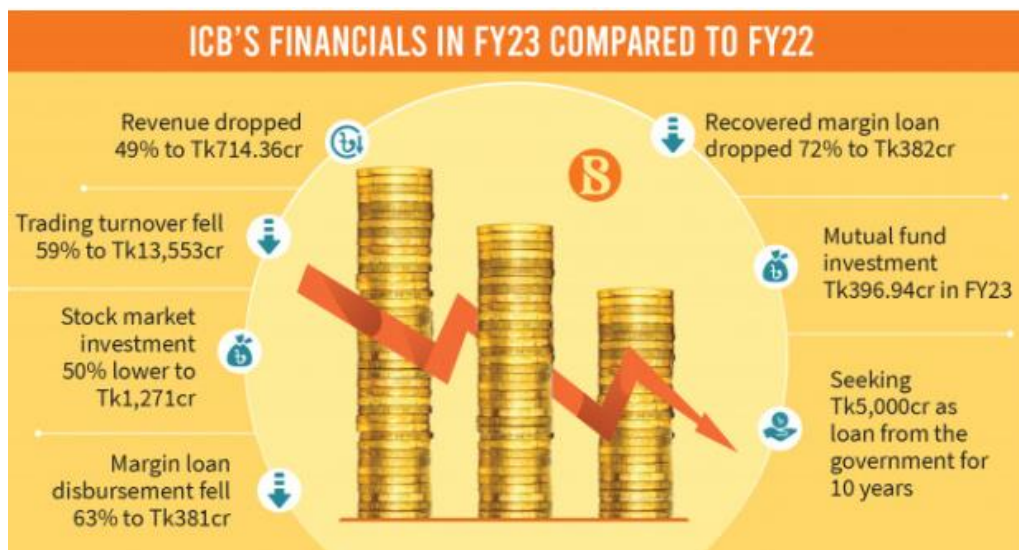
on Thursday, according to a press release. As per the agreement, the company will export 3,000 tonnes of crude oil annually.

<https://www.tbsnews.net/economy/stocks/emerald-oil-signs-oil-export-mou-amid-auction-process-669706>

How ICB plans to support stock market this fiscal

The Investment Corporation of Bangladesh (ICB) has finalised an action plan for the ongoing fiscal 2023-24 to boost its business performance as well as strengthen its support to the stock market. For this, the corporation has signed an annual performance agreement (APA) with the Ministry of Finance on 17 July.

As per the agreement, ICB's action plans for FY24 are to invest BDT 15 Bn in the secondary market of the stock exchanges, disburse BDT 3.50 Bn as margin loans to the investors to strengthen the liquidity support to the capital market, and increase its contribution to the turnover of the bourses by trading stocks worth a total of BDT 12 Bn.



<https://www.tbsnews.net/economy/stocks/how-icb-plans-support-stock-market-fiscal-669702>

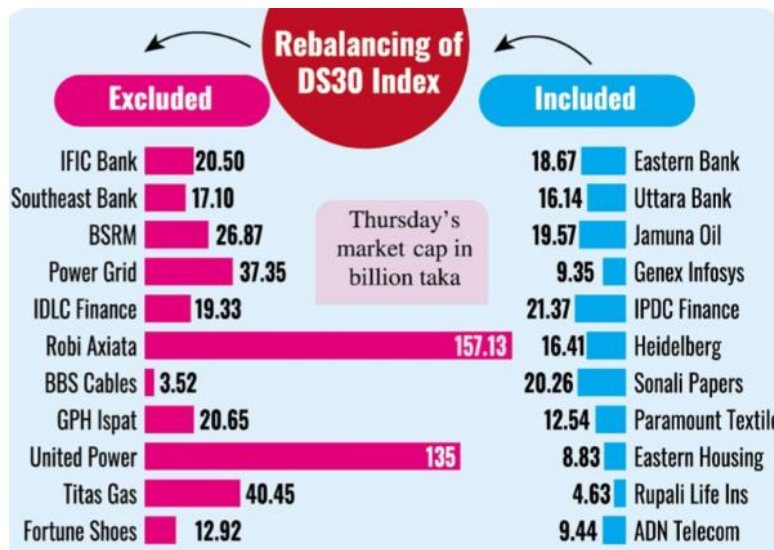
Stock-Exchange News

Robi among 11 cos to have lost blue-chip status for illiquidity

As many as 11 companies, including the second largest telecom operator Robi Axiata, have been dropped from the DS30 index after they endured a steep, persistent fall in transaction volumes for months. Daily average turnover volumes worth less than BDT 5 Mn in the three months to June 30 is one of the reasons for the exclusion of the stocks from the index, according to the Dhaka Stock Exchange (DSE) that disclosed the rebalancing of the index on Thursday.

Of the companies, Robi, United Power Generation & Distribution Company (UPDGC), TITAS Gas, and Power Grid are among the top 20 companies in terms of market value. The companies have lost the status "mainly because of very low turnover on the back of liquidity crisis," said a DSE official preferring not to be named.

The 11 companies of the blue-chip index have been replaced by 11 others including Eastern Bank, Heidelberg Cement, and Sonali Paper & Board Mills.



<https://thefinancialexpress.com.bd/stock/bangladesh/robi-among-11-cos-to-have-lost-blue-chip-status-for-illiquidity>

Floor price decision after securing investments: BSEC chief

The decision to lift the floor price will be made after figuring out a strategy to secure the capital of investors, said Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-UI-Islam. "Although many people did not like it, the floor price was set during an unusual situation. Now policymaking is being done with an emphasis on capital protection," he said at a seminar titled "Risk Management Framework of CMSF".

At the event organised by the Capital Market Stabilization Fund (CMSF) at the BSEC headquarters in Dhaka on Thursday, he said that if the floor price is lifted, brokers will do better in business, but it will make general investors helpless and create opportunities for wealth to be looted.

<https://www.tbsnews.net/economy/stocks/floor-price-decision-after-securing-investments-bsec-chief-668838>