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HIGHLIGHTS OF THE DAY

Bangladesh: Economy **April 27, 2022**

Bangladesh Bank Eases Post-import Financing

The central bank has made post import financing (PIF) easier to keep the import activities of agricultural and daily necessities more stable.



A circular issued by the Bangladesh Bank on Sunday said that PFI has to be done within 210 days from the date of issuing industrial raw material import credit, which was 180 days in the previous policy.

In addition, in the case of imported products in the agricultural (fertilizers, seeds, pesticides, agricultural machinery) and livestock sector, PIF can be made within 180 days at most. The specific products and dates were not mentioned in the previous policy.

In case of restructuring or extension of the financing facility provided by a customer, the term may be extended subject to the approval of the board of directors. However, the specified period can be extended only once.

Time can be extended for a maximum of 30 days for daily necessities, 30 days for other products, 60 days for agricultural machinery and livestock products, and 60 days for industrial raw materials.

Source: https://www.tbsnews.net/economy/bangladesh-bank-eases-post-import-financing-410074

NBR Sets Tk3.70 lakh crore Revenue Collection Target for FY23



The National Board of Revenue (NBR) has set the revenue collection target for fiscal year 2022-23 at Tk3,70,000 crore.

According to an NBR letter to its field offices, Tk1,22,100 crore, which is 33% of the total revenue collection target, will be collected as income tax in the next fiscal year.

A total of Tk1,36,900 crore will be collected as value added tax (VAT) and Tk1.11 lakh crore as customs duty which are 37% and 30% of total revenue targets respectively.

The target is 12% higher than the current fiscal target, which is Tk3,30,000 crore. However, the NBR has already managed to achieve 53% of the target till February this year. The NBR posted 15.28% year-on-year growth in revenue collection, which amounted to Tk1.53 lakh crore in the first eight months of the fiscal 2021-22, thanks to a surge in imports with pandemic easing slowly.

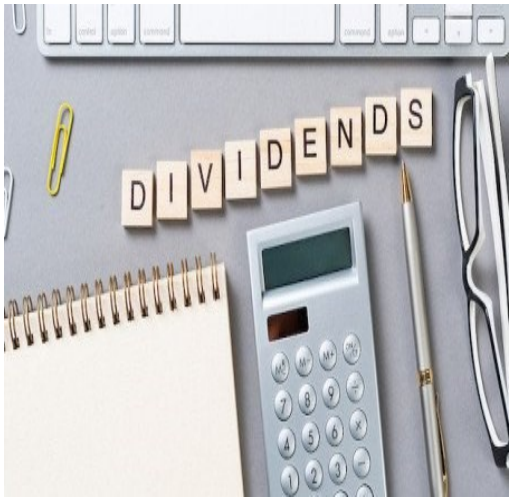
Source: https://www.tbsnews.net/nbr/nbr-sets-tk370-lakh-crore-revenue-collection-target-fy23-409890

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DSE News

GP Approves 250% Cash Dividend for 2021

Grameenphone, the largest telecommunication provider in Bangladesh, recommended 250% cash dividends for the year ended on 30 June 2021, at the 25th Annual General Meeting (AGM) on Tuesday.



Grameenphone Board Chair Jorgen C Arentz Rostrup, Grameenphone CEO Yasir Azman and other board members and senior officials of the company were present at the AGM conducted by the Company Secretary SM Imdadul Haque.

"The year 2021 provided a tremendous learning experience for us. Throughout the year, our team remained resilient, agile, and committed to tackling all challenges of new waves of the Covid-19 variant. They have been able to deliver on the increased demand for connectivity solutions from our customers," said Jorgen C Arentz Rostrup.

He further said that they look forward to the expected growth momentum as the company has significantly invested in network, spectrum, and onboarded network operating partners with advanced and future-fit capabilities.

Source: https://www.tbsnews.net/economy/stocks/gp-approves-250-cash-dividend-2021-410022

Cuts in Administrative, Tax Expenses Help Robi Boost Profit

Robi Axiata Limited – the country's second-largest telecom operator – secured a 16% growth in profit in the first quarter as its administrative and income tax expenses decreased by 35% and 17% respectively.

In a disclosure, the company said its consolidated net profit stood at Tk39.83 crore, which was Tk34.29 crore in the previous year at the same time.

In the January-March quarter of this year, its consolidated revenue also increased 2% to Tk2,018.92 crore.

"While we are happy with our financial performance, we continue to observe that the taxation regime is undermining our growth potential. Especially, in connection with the 2% minimum turnover tax, we saw our profit after tax halving for the quarter," Riyaaz Rasheed, Robi's acting chief executive officer and chief financial officer, said in the press release.

The data subscriber base grew by 0.3% compared to last quarter to reach 3.97 crores and compared to the same quarter last year, the data subscriber base grew by 8.3%. The company had 2.48 crore 4G subscribers at the end of March this year.

Source: https://www.tbsnews.net/economy/stocks/cuts-administrative-tax-expenses-help-robi-boost-profit-410026

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DSE News

City Bank Gets BSEC Nod to Issue Tk700cr Bond

The Bangladesh Securities and Exchange Commission (BSEC) allowed The City Bank Ltd to issue a Tk700 crore subordinated bond.

The commission approved it during a meeting at its office on Tuesday.



The bank wants to meet the capital requirements stipulated in the Base-III regulatory framework by issuing the bond to support its continuous business growth. It will be a non-convertible, unsecured, fully paid-up, fully redeemable, and floating-rate subordinated bond.

Through private placement, the bond can only be issued to local financial institutional investors, and high-net-worth individuals can buy the bond. The face value of each unit of the bond will be Tk1 crore and it will be completely redeemable in seven years.

IDLC Investment Ltd has been named as the trustee of the bond and City Bank Capital Resources Ltd as the mandated arranger for the bond.

Source: https://www.tbsnews.net/economy/stocks/city-bank-gets-bsec-nod-issue-tk700cr-bond-410010

Share Sales of Subsidiary Boost Unique Hotel's Q3 profit



Unique Hotel and Resorts Limited recovered from its quarterly losses and made a handsome profit in the third quarter of the ongoing fiscal thanks to its subsidiary's share sale-off to the Qatar based investment firm - Nebras Power Investment Management BV.

In February, Nebras Power paid Tk83 crore to Unique Hotel as the first phase payment for acquiring Unique Meghnaghat Power Ltd - a power plant of Unique Hotel.

As a result, in the January-March quarter of fiscal 2021-22, Unique Hotel's profit stood at Tk83 crore, which was a loss of Tk3 crore in the same quarter of the previous fiscal. In April last year, Nebras Power signed an agreement with Unique Hotel, and Strategic Finance & Investments Ltd to buy a 24% stake in Unique Meghnaghat Power at a total cost of Tk450 crore.

Currently, Unique Hotel owns 65.01% of the power plant and Strategic Finance holds the rest.

Source: https://www.tbsnews.net/economy/stocks/share-sales-subsidiary-boost-unique-hotels-q3-profit-410046

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Global: Business

Deutsche Bank Warns of Imminent Recession in US

Deutsche Bank has recently predicted a 'mild' US recession and became the first major bank to detect it.



The bank warns of a decline caused by the Federal Reserve's attempt to bring down high inflation.

Deutsche Bank economists wrote in a report to clients on Tuesday, "We will get a major recession."

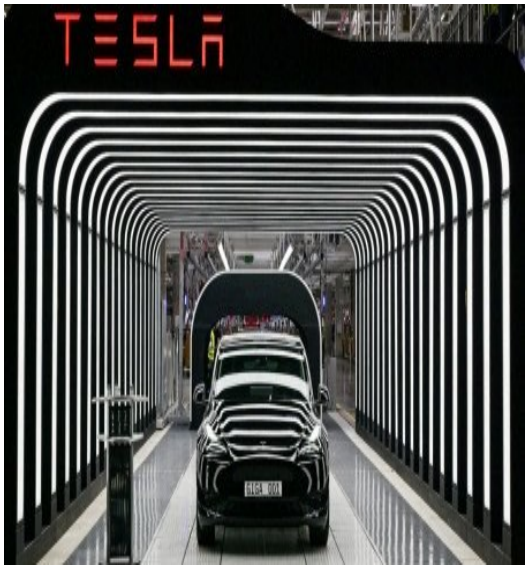
The problem, according to the bank, is that while inflation may be peaking, it will take a "long time" before it gets back down to the Fed's goal of 2%, reports CNN.

That suggests the central bank will raise interest rates so aggressively that it hurts the economy.

"We regard it...as highly likely that the Fed will have to step on the brakes even more firmly, and a deep recession will be needed to bring inflation to heel," Deutsche Bank economists wrote in its report with the ominous title, "Why the coming recession will be worse than expected."

Source: https://www.tbsnews.net/world/deutsche-bank-warns-imminent-recession-us-410130

Tesla Loses $126 bln in Value amid Musk Twitter Deal Funding Concern



Tesla Inc (TSLA.O) lost $126 billion in value on Tuesday amid investor concerns that Chief Executive Elon Musk may have to sell shares to fund his $21 billion equity contribution to his $44 billion buyout of Twitter Inc (TWTR.N).

Tesla is not involved in the Twitter deal, yet its shares have been targeted by speculators after Musk declined to disclose publicly where his cash for the acquisition is coming from. The 12.2% drop in Tesla's shares on Tuesday equated to a $21 billion drop in the value of his Tesla stake, the same as the $21 billion in cash he committed to the Twitter deal.

Wedbush Securities analyst Daniel Ives said that worries about upcoming stock sales by Musk and the possibility that he is becoming distracted by Twitter weighed on Tesla shares. "This (is) causing a bear festival on the name," he said.

Source: https://www.tbsnews.net/world/tesla-loses-126-bln-value-amid-musk-twitter-deal-funding-concern-410166

Twitter, under Shareholder Pressure, Begins Deal Talks with Musk

Twitter Inc kicked off deal negotiations with Elon Musk on Sunday after he wooed many of the social media company's shareholders with financing details on his $43 billion acquisition offer, people familiar with the matter said.



The company's decision to engage with Musk, taken earlier on Sunday, does not mean that it will accept his $54.20 per share bid, the sources said. It signifies, however, that Twitter is now exploring whether a sale of the company to Musk is possible on attractive terms, the sources added.

Musk, chief executive of electric car giant Tesla Inc, has been meeting with Twitter shareholders in the last few days, seeking support for his bid. He has said Twitter needs to be taken private to grow and become a genuine platform for free speech.

Many Twitter shareholders reached out to the company after Musk outlined a detailed financing plan for his bid on Thursday and urged it not to let the opportunity for a deal slip away, Reuters reported earlier on Sunday.

Source: https://www.tbsnews.net/world/global-economy/twitter-under-shareholder-pressure-begins-deal-talks-musk-408978

S&P Upgrades Greece Debt Rating



S&P Global Ratings on Friday upgraded Greece's debt rating to BB+, citing its improving economy even as the country deals with the shocks from the war in Ukraine.

"The upgrade reflects our expectation of a continuous improvement in Greece's policy effectiveness, while the fallout from the war in Ukraine appears manageable in light of considerable buffers in both the private and public sectors," the agency said in a statement.

The upgrade raised Greece's rating from BB, while S&P put its outlook for the country at stable, citing "our expectation that Greece's fiscal buffers and proven policy effectiveness will allow the country to absorb the indirect impact of the war in Ukraine on its economy and public finances."

Source: https://www.thedailystar.net/business/global-economy/news/sp-upgrades-greece-debt-rating-3011726

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