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HIGHLIGHTS OF THE DAY

Bangladesh: Economy **July 06, 2022**

BGMEA Targets $100b Export by 2030

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday set a $100-billion apparel shipment target by 2030, which is more than double the country fetched in the just-concluded financial year.

The platform is upbeat about hitting the goal as significant orders are shifting to Bangladesh from China and other countries and exporters are increasingly producing mid-range items, manufacturing more and more products from manmade fibre (MMF), and entering new markets.

Bangladesh will mainly rely on three important products, including the shipment of mid-range garment items, MMF-made items and technical clothes like the uniforms used by healthcare professionals and professionals in other service sectors, said Hassan.

Exporters' presence in the $700-billion global MMF-made garment market is not that much as local producers are stronger in making apparel items from cotton fibre.



Source: https://www.thedailystar.net/business/economy/news/bgmea-targets-100b-export-2030-3064956

NBR Upbeat on Nearing Tax Target in FY22



The kingpin of the revenue board pins high hopes on reaching closer to the target of tax-revenue collection in the just-concluded fiscal year.

A target is given expecting high growth which may not be achievable always, adds National Board of Revenue (NBR) chairman Abu Hena Md Rahmatul Muneem.

"We are now compiling data from all field offices and final data might be available after 15th of this month (July)," he says.

The tax revenue collection target for fiscal year 2021-22 was Tk 3.30 trillion. Until May, the revenue board collected Tk 2.52 trillion in revenue. Addressing the lottery draw of the electronic fiscal device (EFD) on the NBR premises on Tuesday, he said the NBR is trying all out to reach the target.

Mr Muneem says the revenue collection target is increasing every year, whereas tax rate is going down on different sectors.

Source: https://thefinancialexpress.com.bd/economy/nbr-upbeat-on-nearing-tax-target-in-fy22-1657075836

LC Margin on Import of Luxurious Products Raised further

The Bangladesh Bank has tightened the country's imports further as the importers will have to maintain up to 100 per cent margin against the import of luxurious and nonessential items, including Sedan car, sport utility vehicle and multi-purpose vehicle.



The central bank has also brought several other items under its high import letter of credit margin net, showed a BB circular issued on Monday.

Under the new circular, gold and gold-ornaments, precious metal, pearl, readymade garments, leather goods, jute goods, cosmetics, furniture and decoration items, fruits and flowers, non-cereal food, processed food and drinks, alcoholic drinks and tobacco or alternatives of these items and other luxurious products imports will be subject to 100 per cent cash LC margin.

Previously, the obligation was on cars and electric and electronics home appliances.

Source: https://www.newagebd.net/article/175190/lc-margin-on-import-of-luxurious-products-raised-further

BB Re-fixes MFS Transaction Limit



Bangladesh Bank (BB) has re-fixed the Mobile Financial Services (MFS) Transaction limit.

The central bank has re-fixed the daily money transfer from Mobile Financial Service (MFS) to a bank account at Tk 50,000 and withdraws the number of daily transaction time's limit.

The payment system department of BB on Tuesday issued a circular in this regard and sent it to the top executives of all banks and mobile financial service providers. The central bank has also fixed monthly such money transfer limits at Tk 300,000, according to UNB.

The BB earlier on April 25 withdrew the number of daily transaction times and fixed the daily cash-out limit at Taka 25,000 from agent point while the monthly transaction limit is Taka 150,000.

The cash-in limit remained unchanged at Tk 30,000 while the monthly limit was set at Tk 200,000, the person to person (p2p) cash transfer limit was set at TK 25,000 daily and Tk200,000 monthly.

Source: https://thefinancialexpress.com.bd/economy/bb-re-fixes-mfs-transaction-limit-1657024418

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DSE News

ADN Telecom to Invest in Fire Safety Business

To diversify its business, publicly-listed ADN Telecom Limited is going to acquire a 60% stake worth Tk2 crore at SOS Developments Limited – a private limited company that provides fire safety services.

ADN Telecom will finance the investment with its own funds, the company said in its filing on the websites of the stock exchanges on Tuesday.

It also said in the disclosure that SOS Developments has signed a joint venture agreement with 'Fire Service Welfare Trust' for providing fire safety solution services with an innovative device in its systems called Instant Response System (IRS).

The agreement tenure is 10 years with expected revenue of over Tk50 crore per year. ADN Telecom, one of the major sister concerns of ADN Group, currently provides IT and telecommunication services in the country.

It entered the stock market by raising Tk57 crore through an initial public offering (IPO) under the book-building method.

Source: https://www.tbsnews.net/economy/stocks/adn-telecom-invest-fire-safety-business-453718

IDLC Securities Opens Digital Booth in Bogura

IDLC Securities has opened a digital booth in Bogura to provide all of its services to its customers.

The booth is located on the third floor of Shairul Complex in Sherpur Road, Sutrapur, reads a press release issued in this regard.

Managing Director of IDLC Securities Limited Md Saifuddin, CFA, delivered the welcome address at the inaugural function held recently.

Bogurra Chamber of Commerce and Industry president Masudur Rahman Milon attended the event as chief guest.

Professor Dr Hosne Ara Begum, Ashoka Fellow and Founder and Executive Director of Thengamara Mohila Sabuj Sangh (TMSS), and Mozammel Haque Lalu, Editor of Daily Karatoa were present as special guests.

Also present on the occasion were various dignitaries of Bogura as well as senior officials of the IDLC Finance Limited.

Source: https://www.tbsnews.net/economy/stocks/idlc-securities-opens-digital-booth-bogura-453250

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Global: Business

Germany Records Trade Deficit for first time in 30 Years



Germany recorded its first monthly trade deficit since 1991 in May as a result of higher import prices, figures released Monday show.

The Federal Statistical Office said exports reached 125.8 billion euros ($131.5 billion) last month, while imports came in at 126.7 billion euros.

The seasonally adjusted figures resulted in a foreign trade deficit of almost 1 billion euros — a psychological blow to Europe's biggest economy, which prides itself on its strong export industries.

Analysts attributed the rise in imports to inflation.

Germany also saw exports to Russia recover by almost 30% in May compared to the previous month, following a 60% drop in April due to the war in Ukraine and related sanctions. The volume of exports to Russia last month remained less than half of what they were in May 2021.

Source: https://www.thedailystar.net/business/global-economy/news/germany-records-trade-deficit-first-time-30-years-3064701

Zimbabwe to Sell Gold Coins as Currency Plunges



Zimbabwe's central bank said it would start selling gold coins this month as a store of value to tame runaway inflation, which has considerably weakened the local currency.

The central bank governor John Mangudya said in a statement on Monday that the coins will be available for sale from July 25 in local currency, US dollars and other foreign currencies at a price based on the prevailing international price of gold and the cost of production.

The "Mosi-oa-tunya" coin, named after Victoria falls, can be converted into cash and be traded locally and internationally, the central bank said. The gold coin will contain one troy ounce of gold and will be sold by Fidelity Gold Refinery, Aurex and local banks, it added.

Gold coins are used by investors internationally to hedge against inflation and wars. Last week, Zimbabwe more than doubled its policy rate to 200 per cent from 80 per cent and outlined plans to make the US dollar legal tender for the next five years to boost confidence.

Soaring inflation in the southern African country has been piling pressure on a population already struggling with shortages and stirring memories of economic chaos years ago under veteran leader Robert Mugabes near four-decade rule.

Source: https://www.thedailystar.net/business/global-economy/news/zimbabwe-sell-gold-coins-currency-plunges-3064916

Global: Business

Germany Moves to Ramp up Wind Power

The German government approved a draft law on Wednesday aimed at covering two per cent of the country's land area with wind turbines by 2032, by setting fixed regional targets and easing some administrative burdens.



The push to accelerate the expansion of wind power comes as Germany is scrambling to wean itself off Russian fossil fuels following the war in Ukraine.

"Independence from fossil energies and from Russian fossil energies must be advanced at full speed," Energy Minister Robert Habeck told reporters.

The goal is for Germany's 16 states to collectively dedicate two percent of the nation's surface area to wind power generation by the end 2032 -- up from 0.5 per cent currently.

The installation of wind turbines regularly runs into "not in my back-yard" resistance in Germany and objections from residents have often blocked such projects in the past, as have concerns about endangering local wildlife.

Source: https://www.thedailystar.net/business/global-economy/europe/news/germany-moves-ramp-wind-power-3049396

Fed Rolls out Biggest Rate Hike in 28yrs



The Federal Reserve on Wednesday approved its largest interest rate increase in more than a quarter of a century to stem a surge in inflation that US central bank officials acknowledged may be eroding public trust in their power, and being driven by events seen increasingly out of their hands.

The widely expected move raised the target federal funds rate by three-quarters of a percentage point to a range of between 1.5 per cent and 1.75 per cent, still comparatively low by historic standards.

But the Fed's hawkish commitment to controlling inflation has already touched off a broad tightening of credit conditions being felt in US housing and stock markets, and likely to slow demand throughout the economy - the Fed's intent.

Officials also envision steady rate increases through the rest of this year, perhaps including additional 75-basis-point hikes, with a federal funds rate at 3.4 per cent at year's end. That would be the highest level since January 2008 and enough, Fed projections show, to slow the economy markedly in coming months and lead to a rise in unemployment.

Source: https://www.thedailystar.net/business/global-economy/america/news/fed-rolls-out-biggest-rate-hike-28yrs-3049421

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