

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

### **Trade deficit drops 31% in July-November**

- The country's trade deficit narrowed down by 30.77% or USD 2.10 billion in the first five months of this fiscal year (FY) amid dismal foreign trade situation due to the Covid-19 pandemic, officials said. The overall trade deficit came down to USD4.71 billion during the July-November period of FY2020-21 from USD 6.81 billion in the same period of the previous fiscal, according to latest statistics released by the Bangladesh Bank (BB) on Tuesday. The import growth dropped 8.84% to USD 20.24 billion during the period under review from USD 22.20 billion in the same period of FY'20.

- On the other hand, the export earnings grew by 0.86% to USD 15.53 billion in the first five months of FY'21 from USD 15.39 billion a year ago. The low level of trade deficit along with the higher inflow of remittance pushed the current account surplus further up during the period, according to the central bank official. The current account surplus stood at USD 4.11 billion in the five months of FY '21, which was a USD1.46 billion deficit in the same period of the last fiscal year, the BB data showed. Such surplus was USD4.04 billion a month ago. On the other hand, surplus in the financial account dropped significantly during the July-November period of FY '21 due to lower inflow of net foreign direct investment (FDI).

<https://today.thefinancialexpress.com.bd/first-page/trade-deficit-drops-31pc-in-july-nov-1609263698>  
<https://www.dhakatribune.com/business/2020/12/30/trade-deficit-narrows-further-in-november>

### **Bangladesh Bank extends deadline to March 31**

- The central bank has extended the deadline by three months to execute the stimulus package for small entrepreneurs in the farm sector, officials said. The banks are now allowed to implement the package for the priority sector by March 31 next year, according to a notification, issued by the Bangladesh Bank (BB), on Tuesday. Earlier, the deadline was December 31, 2020. The move came against the backdrop of slow disbursements as 43 participatory banks disbursed only BDT 27.94 billion or 56% of the BDT 50 billion package until December 15 last. Loans amounting to BDT 28.93 billion were approved for nearly 121,000 Covid-affected entrepreneurs in the sector across the country during the period, according to the central bank's latest statistics.

- Earlier on April 13, the central bank issued a guideline to implement the refinance scheme for providing working capital in the agriculture sector. The tenure for the loan is 18 months, including a grace period of six months, at both banks' and clients' ends. Banks will borrow from the refinancing scheme at 1.0% interest rate and lend the money at 4.0%. Also, the central bank is likely to extend the deadline for execution of the stimulus package for the cottage, micro, small and medium enterprises (CMSMEs) by more than three months until April 12, 2021 instead of December 31, 2020.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-deadline-to-march-31-1609263505>  
<https://tbsnews.net/economy/agriculture/agri-stimulus-loan-disbursal-deadline-extended-again-178246>  
<https://www.dhakatribune.com/business/2020/12/30/agri-stimulus-funds-must-now-be-disbursed-by-mar-31>

### **Edible oil prices on the rise**

- Local consumers now have to spend more on edible oil as prices are rising in the international market almost every week due to decreased production in exporting countries, weakening of supply chain and stockpiling amid the pandemic. Retailers say soybean oil prices in the domestic market have increased by anywhere from BDT 10 to BDT 15 per kilogramme the past month. Now bottled ones are selling for BDT 115 to BDT 120 per kg while that sold loose for BDT 110 to BDT 112. Retailers were found selling one litre containers of Rupchanda brand at BDT 120 to BDT 125 whereas it was BDT 110 a month ago.

- Despite these turbulent times though, investment in the cement sector did not cease as around BDT 23.00 billion was spent on the industry over the past few months. Now, the cement maker expects to begin commercial production next March or April. Bangladesh's cement sector has 43% overcapacity and like others local Bashundhara Group also had unused capacity. So the group went beyond borders for opportunities and finally found it in Northeast India.

<https://www.thedailystar.net/business/news/edible-oil-prices-the-rise-2019369>

### **After a trying year, cement makers bracing for slow recovery**

- With the year about to come to a close, the cement sector finally experienced some relief from the ongoing pandemic thanks to increased consumption alongside fresh investments. Makers of the key construction material have been in a tight spot since the Covid-19 outbreak began as almost all major development projects in the country, both public and

private, were halted for an extended period. The cement sector managed to survive even though the manufacturers sat idle throughout April-September, the managing director.

<https://www.dhakatribune.com/business/2020/12/30/jubilee-bank-one-of-bangladesh-s-oldest-bank-is-headed-towards-liquidation>

### **Govt's bank borrowing reached BDT 800.00 billion in FY20**

- In the fiscal 2019-2020, the government borrowed almost the entire amount from banks against its revised target set for the fiscal year to meet the budget deficit. Although the bank borrowing target in the budget announced for FY20 was set at BDT 473.64 billion, the amount almost doubled to BDT 824.21 billion in the revised budget. At the end of the fiscal year, the government borrowed 97.35% or BDT 802.38 billion of the target. In the first four months of the current fiscal year from July to October, the government's bank borrowing stood at only BDT 10.63 billion, down from BDT 360.00 billion in the same period of the last fiscal year, with no pressure of expenses owing to Covid-19.

- The report said amidst the Covid-19 pandemic, the money market in Bangladesh experienced mild liquidity pressure, especially in the latter half of FY20. Similar borrowing pressure was visible in the interbank repo and call money market as both the call money market and the IB repo market play significant roles in day-to-day liquidity management of the banking sector.

<https://tbsnews.net/economy/banking/govts-bank-borrowing-reached-tk80000cr-fy20-178288>

### **Untaxed money fuels real estate growth**

- The real estate sector has almost bounced back from Covid-19 shocks, riding on a handsome investment of untaxed money. When many sectors are still struggling to recover to pre-pandemic levels, many big players have registered a 5%-10% growth in real estate businesses during September-November with a rise in flat sales. Many companies are now planning to come up with new investment in this sector. Some 3,520 persons have bought flats with at least BDT 32.00 billion of undisclosed money.

- According to businessmen in this sector, sales of flats have increased as untaxed money holders got the opportunity to invest their undisclosed money in real estate, paying a flat 10% tax, no questions asked about sources of their incomes. The lowering of interest rates on bank loans and land registration fees has also been an incentive. As a result, about BDT 50.00 billion has so far been invested in this sector in the current fiscal year.

<https://tbsnews.net/companies/real-estate/untaxed-money-fuels-real-estate-growth-178303>

### **Bangladesh Securities and Exchange Commission (BSEC) issues exit plan for issuers of delisted securities**

- The stock market regulator on Tuesday issued a directive on exit plan for issuers of the delisted securities in the interest of the investors and the capital market. According to the directive, any securities delisted from the main board of the stock exchanges, or any de-listed securities trading at the OTC market, or any securities trading at alternative trading board or any other securities as directed by the commission shall apply for exit plan.

- For the exit plan, offeror alone, or along with concert party shall be in an agreement or a contract with the applicant with regard to offer for buying securities from the shareholders or securities holders other than the offeror and concert party, according to the directive. The stock exchanges shall take necessary action to suspend the trade of securities of the applicant if traded at the OTC platform or ATB immediately after receiving the information, the directive said. The commission shall accord its consent or issue a rejection letter within 30 working days after receiving the application.

<https://today.thefinancialexpress.com.bd/last-page/bsec-issues-exit-plan-for-issuers-of-delisted-securities-1609264195>  
<https://tbsnews.net/economy/stock/bsec-issues-directive-exit-plan-delisting-firms-178252>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$48.25	(\$13.38)	-21.71%
Crude Oil (Brent)*	\$51.09	(\$17.35)	-25.35%
Gold Spot*	\$1,881.44	\$359.97	23.66%
DSEX	5,358.26	905.33	20.33%
S&P 500	3,727.04	496.26	15.36%
FTSE 100	6,602.65	(984.40)	-12.97%
BSE SENSEX	47,613.08	5,970.94	14.34%
KSE-100	43,255.55	2,520.47	6.19%
CSEALL	6,704.89	575.68	9.39%

**Exchange Rates**

**USD 1 = BDT 84.79\***

**GBP 1 = BDT 114.65\***

**EUR 1 = BDT 104.10\***

**INR 1 = BDT 1.15\***

*\*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.*

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