

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.

Important News Snippets

Covid -19: Casualties up again

- Both the new Covid-19 caseload and daily deaths surged again in Bangladesh on Monday. The Directorate General of Health Services (DGHS) reported the daily death toll at 245 during the past 24 hours until 8:00 am on the day against Sunday's 241.
- On the other hand, new cases rose up to 11,463 from the previous day's 10,299, according to a DGHS release. However, the rate of fatalities inched up to 1.68% from Sunday's 1.67%.
- According to official figures, the total tested Covid-19 cases passed 1.35 million. Of them, over 1.20 million have recovered from the disease.

<https://today.thefinancialexpress.com.bd/first-page/casualties-up-again-1628531970>

Normal banking from tomorrow

- Banks will operate normally from tomorrow (Wednesday) with customers' transaction time from 10 am to 4 pm instead of current hours of 10 am to 2:30 pm, reports UNB.
- The Bangladesh Bank issued a new circular on Tuesday saying that banks can remain open until 6 pm for conducting their other office activities instead of the previously set time of 4 pm. The new circular was issued against the backdrop of the government's withdrawal of strict countrywide lockdown to contain the deadly Coronavirus that is spreading fast.

<https://today.thefinancialexpress.com.bd/last-page/normal-banking-from-tomorrow-1628532626>
<https://www.thedailystar.net/business/economy/banks/news/regular-banking-hours-tomorrow-2148781>

Bangladesh Bank drains BDT 26.1 billion idle money from banks on first auction day

- The central bank on Monday absorbed BDT 26.1 billion in excess liquidity from the banking system through an auction of short-term Bangladesh Bank (BB) bills. The seven-day and 14-day BB bills – a monetary instrument to mop up excess liquidity – were auctioned, with banks placing bids amounting to BDT 68.8 billion, according to the debt management department.
- Some 21 banks participated in the auction for the seven-day bills, but six banks, including Sonali Bank, Janata Bank, City Bank, United Commercial Bank and Uttara Bank, purchased bills worth BDT 15.1 billion at yield rate of 0.54%.
- On the other hand, 17 banks took part in the auction for the 14-day bills. Of them, Sonali Bank, Janata Bank and Uttara Bank purchased bills worth BDT 11.0 billion at yield rate of 0.75%.
- The total excess liquidity in the banking sector almost doubled in the last one year and stood at BDT 2.39 trillion this June. The figure was BDT 1.39 trillion in the same period last year, according to Bangladesh Bank's data.

<https://www.tbsnews.net/economy/bb-drains-BDT-2605cr-idle-money-banks-first-auction-day-285931>
<https://www.newagebd.net/article/145899/bb-issues-bills-worth-BDT-2605cr-to-mop-up-liquidity-in-1st-auction>

Bankers worry deposit rate cap may hurt lending, profit

- One and a half years back, the Bangladesh Bank had to force banks to implement a 9% lending rate to bring down financing costs. But the loan now is cheaper than that as interest rates came down to the 6% to 7% level and the fall in lending rate is the result of market forces.
- On Sunday, the Bangladesh Bank issued a circular, barring banks from lowering deposit rates below the inflation rate. The inflation rate has been on an upward trend in recent months and stood at 5.56% in June. If banks have to fix deposit rates above inflation, it will give a small return to depositors but push the lending rate up.
- The deposit rate cap has annoyed bankers as it will hurt bank's profitability severely, making it difficult for them to keep the lending rate at 9.0%.

<https://www.tbsnews.net/economy/banking/bankers-worry-deposit-rate-cap-may-hurt-lending-profit-285979>

Garment exports to United States increase

- Bangladesh's garment exports to the United States are showing good growth after the improved coronavirus situation there

triggered increased demand for readymade garment (RMG) products. In the six months from January to June this year, Bangladesh's garment exports to the US increased by about 27%.

- According to the latest figures released by the US Department of Commerce's Office of Textiles and Apparel (OTEXA), the country's clothing imports from around the world increased by 26.92% in the six months from January to June.
- The US has been in the throes of a coronavirus outbreak since March 2020. As a result, the country's imports and exports were severely hampered. According to OTEXA, US clothing imports fell by 30% in the first six months of 2020. During the period, their garment imports from Bangladesh declined by about 20%.
- According to OTEXA, in the six months from January to June, the United States imported garments worth USD 35.38 billion from the world market. In the previous year 2020, the imports were USD 27.87 billion. In the first six months of this year, Bangladesh exported garments worth USD 3.13 billion to the country. However, as usual, China is the top exporter in the US market.
- Although Bangladesh is the second largest exporter of garments to the European market, Vietnam has long held the second position in the US market. In the six months from January to June, Vietnam's garment exports to the US were almost double than that of Bangladesh.

<https://www.tbsnews.net/economy/rmg/garment-exports-us-increase-285460>

United States announces additional USD 11.4 million in Covid-19 assistance

- The United States, through the United States Agency for International Development (USAID), has announced an additional USD 11.4 million in urgent Covid-19 assistance for Bangladesh.
- According to the US embassy Dhaka, the additional support will also help Bangladesh strengthen prevention efforts to reduce virus transmission in the community and enhance the quality of treatment and care for the growing numbers of patients across the country.
- With this new funding, the U.S. government has provided a total of over USD 96 million to support Bangladesh's response to Covid-19 since the beginning of the pandemic and continues to work closely with the government and other partners to protect the health of Bangladeshis.

<https://today.thefinancialexpress.com.bd/first-page/us-announces-addl-114m-in-covid-19-assistance-1628532023>

Health Services Division spends only 57.9% ADP allocation

- The Health Services Division (HSD) spent the least amount of money allocated in the revised Annual Development Programme (ADP) of the 2020-21 fiscal year, spending only 57.9% of the allocation. The HSD spent 80.93% government allocation and only 38.17% of foreign aid, according to a recent report of the Implementation Monitoring and Evaluation Division.
- An 82.21% of the revised ADP was implemented at the end of the financial year, which had been 80.39% in the previous 2019-20 fiscal year. However, in the two fiscal years before the outbreak of the Covid pandemic, in 2018-19 and 2017-18, the implementation rate of revised ADP was 94.66% and 94.11% respectively.

<https://www.tbsnews.net/bangladesh/health/health-services-division-spends-only-5791-adp-allocation-285973>

NBR eyes revenue growth as more companies pay tax

- More than 4,500 companies submitted tax returns between January and June for the first time, which reflects rising interest among businesses in paying tax. As many as 90,000 companies were brought under tax net in 2020, according to the National Revenue Board (NBR). Since the corporate tax rate has been lowered and the tax net expanded, the NBR thinks tax collection will increase further this year. Total corporate tax collection amounted to BDT 525.5 billion in 2020, which was BDT 434.9 billion a year ago.
- More than 0.17 million companies have Taxpayer's Identification Number (TIN) issued against them but only 29,785 have submitted returns. Asking anonymity an NBR official said a large number of companies had stayed out of the tax net for a long time, but the revenue authority took an initiative to bring them under taxation. As part of that move last year, NBR created TINs for 90,000 companies that will have to submit their returns by next January.
- The Income Tax Policy Department has submitted a report to the NBR chairman outlining the overall picture of corporate tax realization with a comparative picture of the number of TIN holders, number of return deposits and tax collection in the last 8 years. The report said the growth of corporate return submissions was over 114% compared to last year.

<https://www.tbsnews.net/economy/nbr-eyes-revenue-growth-more-companies-pay-tax-285988>

Chattogram shipbreakers default on BDT 100.0 billion in eight years

- The [Chattogram](#)-based steel and ship breaking industry has defaulted on BDT 100.0 billion in the last eight years, thanks to a borrowing spree from banks in the sector's good times, from 2008 to 2012.
- Banks say now they are concerned about recovering the debt mounting every year as many businessmen have already dropped out of the steel and shipbreaking businesses. Debt recovery court counts suggest the number of cases filed by banks and non-bank financial institutions in the last eight years against steelmakers has also been on the rise.
- The total volume of loans by Chattogram businessmen that is in default is around BDT 360.0 billion, spread across sectors such as essential commodities, steel, readymade garments, and real-estate. Now, shipbreakers hold nearly one-third of that debt, BDT 99.0 billion to be exact.

<https://www.tbsnews.net/economy/macro-economy/ctg-shipbreakers-default-BDT-1000cr-8-years-285466>

Government to build BDT 15.1 billion solar power plant

- The government is going to set up the country's biggest solar power plant in Madarganj upazila of Jamalpur, in a move to raise the share of renewable energy in total power generation to 10% by 2025. The 100-megawatt Sheikh Hasina Solar Park will cater to the needs of its locality and channel the surplus electricity to the national grid. Its total expenditure has been estimated at BDT 15.1 billion, will be provided by India at 1.0% interest rate.
- The development comes amid Bangladesh's failure to achieve its target to raise renewable energy's share in total power generation to 10% by 2020 due to a lack of resources, technologies and policies.
- Currently, 766.51 megawatts are generated from renewable sources, accounting for 3.3% of the total electricity produced. In the Eighth Five Year Plan, the target has been revised for the 10% to be attained by 2025.

<https://www.thedailystar.net/business/economy/news/govt-build-BDT-1511cr-solar-power-plant-2148816>

Computer services export on the rise

- Computer services export from Bangladesh is rising in sync with global demand for data processing, hosting and consultancy services as many people are working from home while companies are outsourcing amidst the lingering coronavirus pandemic. The industry fetched USD 270 million in the first 11 months of 2020-21, up 6.64% year-on-year, showed data from the Export Promotion Bureau (EPB).
- The higher earnings were driven by computer services such as data processing, hosting, consultancy, installation, and maintenance. Full fiscal year data from the state agency is yet to be available. The receipts from the sales of IT-enabled services such as data processing and hosting increased 23.0% to USD 193.1 million.

<https://www.thedailystar.net/business/economy/stock/news/dse-turnover-hits-decade-high-2148766>

BDT 21.4 billion project to revive Teletalk

- The government is set to give a lifeline to Teletalk as the loss-making mobile phone operator looks to make a turnaround by winning customers through modernisation, network expansion and the launch of 5G technology. It may provide BDT 21.4 billion, under a project, to take the state-owned operator's 4G network to villages and upgrade the existing core and transmission networks to make it ready for the launch of fifth-generation technology (5G) by 2023.
- The total cost of the project has been estimated at BDT 22.0 billion. Teletalk will chip in with BDT 603.3 million. The project will be placed at the regular weekly meeting of the Executive Committee of the National Economic Council (Ecneec) for final approval today. The project will be completed by November 2023.

<https://www.thedailystar.net/business/telecom/news/tk-2140cr-project-revive-teletalk-2148821>

Dhaka Stock Exchange (DSE) turnover hits decade high

- Dhaka Stock Exchange (DSE) registered a turnover of BDT 29.4 billion yesterday, its second single-day highest following the record BDT 32.5 billion of December 5, 2010. The important market indicator soared 17% compared to that of the previous day at the country's premier bourse to reach its highest point in a decade.
- The DSEX, the benchmark index of the DSE, continued its surge of the last six trading days to rise by 32 points, or 0.48%, to 6,628 yesterday. The DS-30, the blue-chip stock index, soared 6 points to 2,392 at the same time. The Shariah index of the premier bourse, DSES, rose 12 points to 1,452. This is the highest point to be reached by all three indexes since their inception in 2013.

<https://www.thedailystar.net/business/economy/stock/news/dse-turnover-hits-decade-high-2148766>

Unilever's e-commerce platform 'Ushopbd.com' delivers products to consumers' doorsteps

- Unilever Bangladesh Ltd, one of the largest FMCG manufacturers in the country, has made authentic and quality products easily accessible and affordable for its customers through its newly launched e-commerce site- Ushopbd.com, according to a press release. With nationwide home delivery, cash on delivery, and online payment options, customers can easily avail authentic Unilever products to their doorsteps.
- Ushop, the e-commerce website is designed with user-friendly and appealing features that allow consumers to navigate, explore all the categories and shop all their necessary Unilever products spontaneously. Ushopbd.com not only guarantee authentic products but also make shopping enjoyable for the consumers by offering everyday low prices and offers.
- Ushopbd was made previously made available to the consumers as a test trial. Later, in February 2021, it was officially re-launched with improved features. The platform has already received a positive and strong response from consumers- all over the country. Ushopbd is also committed to building itself as a distinct brand by partnering with other relevant organizations to bring doorstep delivery to the people of Bangladesh.

<https://www.dhakatribune.com/business/2021/08/09/unilever-s-e-commerce-platform-ushopbd-com-delivers-products-to-consumers-doorsteps>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 66.65	USD 18.13	37.37%
Crude Oil (Brent)*	USD 69.01	USD 17.21	33.22%
Gold Spot*	USD 1,734.75	(USD 160.35)	-8.46%
DSEX	6,628.14	1,226.07	22.70%
S&P 500	4,432.35	676.28	18.00%
FTSE 100	7,132.30	671.78	10.40%
BSE SENSEX	54,402.85	6,651.52	13.93%
KSE-100	47,123.62	3,368.24	7.70%
CSEALL	8,101.39	1,327.17	19.59%

Exchange Rates

USD 1 = BDT 84.89*
 GBP 1 = BDT 117.49*
 EUR 1 = BDT 99.61
 INR 1 = BDT 1.14*

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

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