

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

Banks and Bourses remain closed today amid lockdown

- Banks will remain closed on today (Sunday) also as per new instructions of the Bangladesh Bank following the countrywide strict lockdown that began on Thursday, July 1. According to a circular of the Bangladesh Bank, issued on June 30, said the banks would remain closed also on Sunday (today) in addition to Friday, Saturday weekends during the lockdown until July 7.
- Banks will conduct transactions from 10 am to 1:30 pm during the 7-day restrictions. However, they can operate until 3:30 pm for conducting their other office activities.
- During this period, the head offices of banks will remain open while state-owned banks will keep open one branch at district level and one branch at upazila level while private banks will keep open one branch at district level and maximum two branches outside the district level with limited manpower.
- From 05 July 2021, trading on the DSE and CSE will start at 10:00 am and continue until 01:00 pm, the Securities and Exchange Commission (BSEC) said in a circular issues on 30 Jun 2021.

<https://today.thefinancialexpress.com.bd/trade-market/banks-remain-closed-today-amid-lockdown-1625327251>

Apparel exports to United States claw back

- Country's apparel exports to the United States bounced back during the first five months of this calendar year, registering a double-digit growth both in terms of value and volume compared to the same period of last year.
- The readymade garment (RMG) exports to the USA grew by 15.38% to USD 2.58 billion during the period from January to May this year than that of the same period last year. Bangladesh had fetched USD 2.24 billion during the corresponding period of 2020.
- During the first five months of 2021 calendar year, Bangladesh shipped 1.02 billion square meters of apparel items, up from 807.67 million square meters or 27.30%. The RMG exports to USA stood at USD 5.22 billion in 2020, down from USD 5.92 billion in 2019.
- The overall apparel imports of USA from across the world during the period under review also increased by 22.19% to USD 29.21 billion from USD 23.91 billion during the same period in 2020. During this period, the US apparel imports from China witnessed 26.17% growth to USD 5.82 billion, which was USD 4.61 billion during the corresponding period of last calendar year.

<https://today.thefinancialexpress.com.bd/first-page/apparel-exports-to-us-claw-back-1625332476>

Import of second-hand clothes cut by 40.0% for this winter

- The government has slashed the import volume of second-hand clothes by 40% for this winter due to the spread of Covid-19. To this effect, the Office of Chief Controller of Imports and Exports (CCIE) under the commerce ministry issued a notification on July 01, 2021. The facility will be applicable for the just-concluded fiscal year (FY) 2020-21.
- According to the notification, the importers will be selected on the basis of population density in each district and through lottery to be arranged by deputy commissioners (DCs) concerned. Each trader can import used clothes worth a maximum of BDT 50,000 and they will have to submit proper documents certifying that the consignments of clothes are free from all kinds of toxic and hazardous substances.
- Each trader can import two tonnes of blanket, six tonnes of sweater, six tonnes of ladies cardigan, six tonnes of gents jacket, including zipper jacket, six tonnes of trousers (male) and two tonnes of synthetic and blended shirts, according to the circular. For importing used clothes, the traders will have to apply to the DCs by August 16, 2021. The deadline for opening LCs is October 31, 2021 and shipment of clothes must be completed by December 30 next.

<https://today.thefinancialexpress.com.bd/trade-market/import-of-second-hand-clothes-cut-by-40pc-for-this-winter-1625327168>

Exports caught in container backlogs at inland container depots (ICDs)

- The country's inland container depots (ICDs) that handle almost 100% of the export goods are clogged up with export containers due to a shortage of vessels and congestion at transshipment ports such as Singapore, Colombo and Port Klang, causing the export activities to hit a snag.

- According to the Bangladesh Inland Container Depots Association (BICDA), the 19 ICDs, also known as off-docks, can collectively store 10,000 TEU (twenty-foot equivalent unit) export containers but currently over 14,000 TEU of exports-laden boxes are waiting for shipping at the ICD yards.
- Usually, it takes 2-3 days only to send a container from the ICDs to Chattogram port for loading to the vessels, but it is now taking 7-10 days for the same process, which has led to huge tailbacks of exports-laden vehicles in front of the ICDs as well.
- Freight charges have almost tripled on the two most regular routes – Europe and the USA – from Bangladesh when compared to the pre-pandemic time. According to Bangladesh Freight Forwarders Association (BFFA) Director, around 80% of Bangladesh's export goods are transported through these two routes. The freight charge for a 40 sq ft container on the route to Europe was USD 300-USD 3,500 before the pandemic, which is now USD 10,000-USD 12,000. During this time, the freight charge of a USA-bound 40 sq ft container has increased from less than USD 5,000 to over USD 9,000.

<https://www.tbsnews.net/dropped/trade/exports-caught-container-backlogs-icds-269971>
<https://www.thedailystar.net/business/economy/news/global-container-crisis-hits-local-exporters-2123637>

Operators eye SIM-locked phones to ramp up 4G use

- Mobile phone operators are seeking permission from the government to sell network-locked or fixed-SIM handsets at lower prices so that more people can afford smartphones and use 4G service. A SIM (subscriber identification module) lock or network lock is a technical restriction built into mobile phones by manufacturers to restrict the use of the devices in specific countries or networks.
- Operators in Bangladesh now want to sell 4G-enabled handsets in cooperation with manufacturers on instalments ranging from 12 months to 24 months. The Association of Mobile Telecom Operators of Bangladesh (AMTOB) and handset manufacturers have jointly placed a proposal to the telecom regulator as the use of fourth generation (4G) services is not growing as expected due to the high price of smartphones. Under the proposal, customers will have to buy the handset from an operator, and the operator's SIM must be used until the repayment period is over.
- Operators say they have set up more than 36,000 4G sites and spent heavily in other areas, such as purchasing spectrum. According to the AMTOB, four operators have invested BDT 280.0 billion in the 4G service. To increase the number of 4G subscribers, the AMTOB plans to sell handsets on instalments by locking them to a specific carrier.
- In Bangladesh, operators plan to bring 100% of the population under 4G coverage by 2025. According to their estimate, 40% of the customers will use 4G in 2021, 60% in 2022, 75% in 2023, 85% in 2024, and 100% in 2025. More than 101 million out of 173 million mobile subscribers use the internet, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

<https://www.thedailystar.net/business/economy/industries/news/operators-eye-sim-locked-phones-ramp-4g-use-2123629>

X Ceramics to go for high-end tiles

- The demand for premium quality tiles has grown by around 10% annually for the past decade thanks to a section of affluent customers who look for the finest products to decorate their homes and offices. Encouraged by the rising demand, a number of local firms are lining up to enter the industry.
- X Ceramics is set to make a fresh investment of BDT 2.4 billion to establish a high-end tile production facility to cater to the demand among upscale product seekers. The company's annual turnover is about BDT 3.5 billion. With 4,000 employees, X Ceramics is a market leader in the tiles industry with a combined production capacity of 30,000 square metres per day at two manufacturing units.
- Other than X Ceramics, Mir Ceramic, Sheltech, Excellent Ceramic, DBL Ceramic, Akij and CBC all manufacture high-end ceramic items to meet more than 80% of the local demand, which stands at nearly BDT 7.0 billion annually. The rest is met through imports, according to market players. X Ceramics aims to produce 13.4 million square feet of both interior and exterior ceramic tiles at the new unit.
- According to the Bangladesh Ceramic Manufacturers and Exporters Association, there are currently about 30 tiles manufacturers in the country that produce around 206.4 million square metres of tiles every year with consumption amounting to BDT 46.0 billion in 2019-20.

<https://www.thedailystar.net/business/economy/industries/news/x-ceramics-go-high-end-tiles-2123609>

Two listed ailing Financial Institutions see improvements after recast of boards: Bangladesh Securities and Exchange Commission (BSEC)

- Restructuring of their boards by the securities regulator brought some improvements in operations of two listed ailing financial institutions (FIs): Fareast Finance & Investment and FAS Finance & Investment.
- According to the BSEC chairman, one of the two FIs has already restored their SME activities despite their operations were hampered seriously earlier amid a lot of irregularities. The securities regulator has restructured the boards of Fareast Finance and FAS Finance dissolving previous boards.
- Fareast Finance, presently a 'Z' category company, was listed with the bourse in 2013. The company's sponsor-directors hold 41.88% shares, institutes 12.93%, foreigners 0.05% and general shareholders 45.14% as on May 31, 2021.
- FAS Finance, presently a 'B' category company, was listed with the bourses in 2008. The company's sponsor-directors hold 13.20% shares, institutes 12.14% and general shareholders 74.66% as on May 31, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/two-ailing-fis-see-improvements-after-recast-of-boards-1625327548>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.16	USD 26.64	54.91%
Crude Oil (Brent)*	USD 76.17	USD 24.37	47.05%
Gold Spot*	USD 1,787.31	(USD 107.79)	-5.69%
DSEX	6,150.48	748.41	13.85%
S&P 500	4,352.34	596.27	15.87%
FTSE 100	7,123.27	662.75	10.26%
BSE SENSEX	52,484.67	4,733.34	9.91%
KSE-100	47,686.18	3,930.80	8.98%
CSEALL	7,746.56	972.34	14.35%

Exchange Rates

USD 1 = BDT 84.84*
 GBP 1 = BDT 117.35*
 EUR 1 = BDT 100.64*
 INR 1 = BDT 1.14*

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

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