

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.

Two major export items yet to rebound

- While all major export-oriented sectors in the country have returned to a growth trajectory following an unprecedented business slowdown induced by the Covid-19 pandemic, two of the top 10 export items are still struggling to rebound. Further, exports to three of the top 10 destinations – the United Kingdom, Spain and Japan – posted negative growth in the first quarter of the current fiscal year compared to the previous year. According to data provided by the Export Promotion Bureau, the two products which saw a decline in their exports in the July-September period are woven garments, leather and leather products.
- Exporters attributed the poor performance of woven garments to the fact that the US market – a major destination of Bangladesh's woven apparel – has yet to recover from the pandemic's fallout. On the other hand, leather and leather goods, which were already losing access to the global market due to compliance issues, further lost their way amid the pandemic situation, they said. Exports to Spain fell because of extended Covid-19 lockdowns in that country. On the other hand, Japan is a very sensitive nation. It adopted extra cautionary measures at the beginning of the novel coronavirus outbreak, which included reducing imports from Bangladesh, the managing director of Plummy Fashions said.
- A former president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), added that Bangladesh has been able to rebound in export earnings thanks to quick recovery in European countries – the largest market of Bangladesh's knitwear products. He, however, said the market situation is still volatile as Europe is under threat of a second wave of Covid-19.

<https://tbsnews.net/economy/two-major-export-items-yet-rebound-141793>

Bangladesh Bank (BB) extends deadline for import payments

- The central bank yesterday issued multiple notices and extended the deadline of the relaxed rules for foreign exchange businesses in various sectors until March 31 next year. Banks have been asked to accept advance payments of up to USD 500,000 from businesses seeking to import Covid-19-related lifesaving drugs and essential medical items until March 31, according to a notice of the Bangladesh Bank. The deadline expired on September 30. Importers are usually allowed to make advance payments of a maximum of USD 10,000 for the import of general items, including raw materials meant for industrial purposes and consumer goods.
- Global drug companies are now refusing to export such items if the payments are not made in advance, said a central bank official. In another order, the central bank has allowed the importers of industrial raw materials to enjoy the one-year timeframe for making import payments until March next year. Before the pandemic, businesses had to make the import payment for industrial raw materials within six months. This relaxation aims to cushion the enterprises from the ongoing financial crisis stemming from the coronavirus pandemic.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-tenure-by-six-months-1602006379>

<https://www.thedailystar.net/business/news/bb-extends-deadline-import-payments-1973861>

<https://tbsnews.net/economy/banking/relaxed-foreign-exchange-regulation-facilities-extended-till-next-year-considering>

<https://www.newagebd.net/article/118290/policy-relaxation-extended-by-six-months>

<https://www.dhakatribune.com/business/banks/2020/10/06/bangladesh-bank-extends-benign-foreign-exchange-policies-till-march>

Inflation in September rises to 5.97%

- The point-to-point inflation further increased by 0.29% points to 5.97% in September from that of 5.68% in August due mainly to a significant rise in prices of essential food items in the month. Food inflation rose by 0.52% points to 6.50% in September from that of 6.08% in the previous month. Non-food inflation also slightly increased to 5.12% in the month from 5.05% in August.
- Monthly wage rate index increased in September to 5.95% from 5.91% in August due mainly to a rise in wages in all three sectors that includes agriculture, industry and services. The agriculture wage index increased to 6.23% in the month from 6.16% in August. Wages in industry and services also increased to 5.26% and 6.04% respectively in September from 5.25% and 6.02% in August.

<https://www.newagebd.net/article/118286/inflation-in-sept-rises-to-597pc>

<https://tbsnews.net/economy/food-inflation-hits-rural-areas-harder-142099>

Record rise in July, great recovery by September

- The unemployment rate in Bangladesh had reached a record high to 22.39% in July before coming down sharply to 4.0% in September last. The unemployment rate was only 2.3% just before the Covid-19 pandemic. The BBS noted that the sharp rise in the joblessness was due to the negative impact of the pandemic on all sectors of the economy. The rate, however, dropped again to 4.0% in September amid restarting of the economic activities gradually, it has claimed.

- Research Director at the Centre for Policy Dialogue (CPD) questioned how the unemployment rate could drop to only 4.0% from more than 22% when the industrial sector and businesses were still struggling, the credit growth, import of raw materials and capital machinery were witnessing a weak trend and agriculture was affected. During the full or partial shutdown from March to July last, two-thirds of the households across the country had faced the financial crisis, the BBS said.

<https://today.thefinancialexpress.com.bd/first-page/record-rise-in-july-great-recovery-by-september-1602006164>
<https://www.dhakatribune.com/business/2020/10/06/bbs-survey-household-incomes-fell-by-20-due-to-covid-19>

Jute secures 2nd position in export trade

- Textiles and jute minister said that the country had earned around BDT 24.60 billion (USD 307.5 million) in the first quarter of the current fiscal year from jute export due to the government's different action plans while the sector secured the second in position in export, replacing the leather industry. He further told that, the first three months from July-September period, BDT 24.60 billion was earned from jute and jute goods export which is 39.26% higher than the last corresponding period.

<https://www.newagebd.net/article/118293/jute-secures-2nd-position-in-export-trade>
<https://www.dhakatribune.com/business/2020/10/06/jute-secures-second-position-in-export-trade-replacing-leather-industry>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$39.81	(\$21.82)	-35.40%
Crude Oil (Brent)*	\$41.91	(\$26.53)	-38.76%
Gold Spot*	\$1,882.04	\$360.57	23.70%
DSEX	4,928.87	475.94	10.69%
S&P 500	3,360.95	130.17	4.03%
FTSE 100	5,949.94	(1,637.11)	-21.58%
BSE SENSEX	39,574.57	(2,067.57)	-4.97%
KSE-100	39,127.48	(1,607.60)	-3.95%
CSEALL	5,534.61	(594.60)	-9.70%

Exchange Rates

USD 1 = BDT 84.69*
 GBP 1 = BDT 109.13*
 EUR 1 = BDT 99.34*
 INR 1 = BDT 1.15*

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

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